



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 888 646
Organisasjonsform: Aksjeselskap
Foretaksnavn: CORVUS ENERGY AS
Forretningsadresse: Sandbrekketoppen 30
5224 NESTTUN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: 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: Mette Rokne Hanestad
Dato for fastsettelse av årsregnskapet: 31.05.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 27.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		468 516 686	530 654 903
Other income		71 348	26 400
Sum inntekter	12, 13	468 588 034	530 681 303
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	4	-1 602 852	-1 726 060
Raw materials and consumables used	4	376 587 338	396 086 467
Employee benefits expense	14	48 500 920	38 028 832
Depreciation and amortisation expenses	2, 3	10 756 211	9 625 379
Other expenses		57 457 837	71 652 200
Sum kostnader		491 699 454	513 666 819
Driftsresultat		-23 111 420	17 014 484
Finansinntekter og finanskostnader			
Annen renteinntekt			34 510
Other financial income	15	4 239 850	-3 944 029
Sum finansinntekter		4 239 850	-3 909 519
Annen rentekostnad		10 975 337	3 737 696
Sum finanskostnader		10 975 337	3 737 696
Netto finans		-6 735 486	-7 647 215
Ordinært resultat før skattekostnad		-29 846 907	9 367 269
Income tax expense	16		
Ordinært resultat etter skattekostnad		-29 846 907	9 367 269
Årsresultat		-29 846 907	9 367 269
Årsresultat etter minoritetsinteresser		-29 846 907	9 367 269
Totalresultat		-29 846 907	9 367 269



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Other equity		-29 846 907	9 367 269
Sum overføringer og disponeringer	8	-29 846 907	9 367 269



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development		44 185 198	4 993 293
Concessions, patents, licences, trademarks, and similar rights		174 604	
Sum immaterielle eiendeler	2	44 359 802	4 993 293
Varige driftsmidler			
Buildings and land		411 157	767 432
Machinery and equipment		54 281 238	59 118 401
Equipment and other movables		11 238 045	11 402 857
Sum varige driftsmidler	3	65 930 440	71 288 690
Finansielle anleggsmidler			
Other long-term receivables		65 123	65 123
Sum finansielle anleggsmidler		65 123	65 123
Sum anleggsmidler		110 355 365	76 347 105
Omløpsmidler			
Varer			
Sum varer	4	225 933 277	55 511 294
Fordringer			
Accounts receivables		111 857 621	54 178 697
Other short-term receivables	6	75 749 144	86 354 720
Konsernfordringer	5, 5	274 108 976	172 165 082
Sum fordringer		461 715 741	312 698 498
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	36 087 879	22 370 470
Sum bankinnskudd, kontanter og lignende		36 087 879	22 370 470
Sum omløpsmidler		723 736 898	390 580 262
SUM EIENDELER		834 092 262	466 927 367



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		3 000 000	3 000 000
Overkurs		76 149 686	76 149 686
Annen innskutt egenkapital		174 903 719	74 750 626
Sum innskutt egenkapital	8	254 053 405	153 900 312
Sum egenkapital	8	254 053 405	153 900 312
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	9	54 583 333	73 825 000
Sum annen langsiktig gjeld		54 583 333	73 825 000
Sum langsiktig gjeld		54 583 333	73 825 000
Kortsiktig gjeld			
Liabilities to financial institutions	10	129 191 805	66 689 411
Leverandørgjeld		136 330 563	53 622 607
Public duties payable		22 565 935	9 107 580
Other current liabilities	11	237 367 221	109 782 458
Sum kortsiktig gjeld		525 455 524	239 202 055
Sum gjeld		580 038 857	313 027 055
SUM EGENKAPITAL OG GJELD		834 092 262	466 927 367



Skatteetaten

Our date 11.03.2019	Din/Your date 01.03.2019	Inquiries to Torstein Kinden Helleland
800 80 000 Tax Administration Norway.no	Din/Your reference Mette Rokne Hanestad	Telephone 22078139
Org.nr 974761076	Our reference 2019/5483519	Postal address P.O. Box 9200 Grønland 0134 OSLO

CORVUS ENERGY HOLDING AS
P.O. Box 41 Blomsterdalen
5868 BERGEN

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 1 Mars 2019 with respect to the above matter regarding;

Corvus Energy Holding AS org.nr. 920 988 857 (Parent company)
Corvus Norway AS org.nr. 914 888 646

Based on a total evaluation, the view of The Directorate of Taxes is that companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

From your letter:

Corvus Energy Group is a group of companies and is the world's leading supplier of energy storage solutions within the maritime industry.

The owners wish to keep the group report and statement as well as the companies' annual report and statement in English language. The working language for the company group is English.



Furthermore, the group is highly international in the sense that it operates throughout the world, and the group has several legal entities/companies and owners in different countries. As of now, the group includes company that are taxable in other jurisdictions and this activity is likely to increase in the future. Further, due to the groups international operations and international stakeholders, the consolidated accounts and the accounts for each entity within the group needs to be presented in different jurisdictions and therefore be prepared in English.

A significant share of the users of the companies' accounts, including financial institutions, contracting parties, customers and suppliers are foreign/international companies or institutions. The companies' users, who are not foreign/international companies or institutions, master and use English language.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to *"informative accounts for different users of accounts"*. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that 95 % of the stakeholders are foreign. The companies is a part of an international group. All key players and partners in the industry speak and use English.



Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Best regards

Henning Stokke
Senior Adviser
Legal Department
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures.



INCOME STATEMENT

CORVUS ENERGY AS

OPERATING INCOME AND EXPENSES	Note	2021	2020
Revenue		468 516 686	530 654 903
Other income		71 348	26 400
Total income	12, 13	468 588 034	530 681 303
Raw materials and consumables used	4	376 587 338	396 086 467
Change in inventories of finished goods and work in progress	4	-1 602 852	-1 726 060
Employee benefits expense	14	48 500 920	38 028 832
Depreciation and amortisation expenses	2, 3	10 756 211	9 625 379
Other expenses		57 457 837	71 652 200
Total expenses		491 699 454	513 666 819
Operating profit		-23 111 420	17 014 484
FINANCIAL INCOME AND EXPENSES			
Other interest income		0	34 510
Other financial income	15	4 239 850	-3 944 029
Other interest expenses		10 975 337	3 737 696
Net financial income/loss		-6 735 486	-7 647 215
Net profit before tax		-29 846 907	9 367 269
Net profit after tax		-29 846 907	9 367 269
EXTRAORDINARY INCOME AND EXPENSES			
Net profit or loss		-29 846 907	9 367 269
ATTRIBUTABLE TO			
Other equity		-29 846 907	9 367 269
Total	8	-29 846 907	9 367 269



BALANCE SHEET

CORVUS ENERGY AS

ASSETS	Note	2021	2020
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Research and development		44 185 198	4 993 293
Concessions, patents, licences, trademarks, and similar rights		174 604	0
Total intangible assets	2	44 359 802	4 993 293
PROPERTY, PLANT AND EQUIPMENT			
Buildings and land		411 157	767 432
Machinery and equipment		54 281 238	59 118 401
Equipment and other movables		11 238 045	11 402 857
Total property, plant and equipment	3	65 930 440	71 288 690
NON-CURRENT FINANCIAL ASSETS			
Other long-term receivables		65 123	65 123
Total non-current financial assets		65 123	65 123
Total non-current assets		110 355 365	76 347 105
CURRENT ASSETS			
Inventories	4	225 933 277	55 511 294
DEBTORS			
Accounts receivables		111 857 621	54 178 697
Accounts receivables group companies	5	193 721 841	103 471 528
Other short-term receivables	6	75 749 144	86 354 720
Receivables from group companies	5	80 387 136	68 693 554
Total receivables		461 715 741	312 698 498
INVESTMENTS			
Cash and cash equivalents	7	36 087 879	22 370 470
Total current assets		723 736 898	390 580 262
Total assets		834 092 262	466 927 367



BALANCE SHEET

CORVUS ENERGY AS

EQUITY AND LIABILITIES	Note	2021	2020
EQUITY			
PAID-IN CAPITAL			
Share capital		3 000 000	3 000 000
Share premium reserve		76 149 686	76 149 686
Other paid-up equity		174 903 719	74 750 626
Total paid-up equity	8	254 053 405	153 900 312
RETAINED EARNINGS			
Total equity	8	254 053 405	153 900 312
LIABILITIES			
PROVISIONS			
OTHER NON-CURRENT LIABILITIES			
Other non-current liabilities	9	54 583 333	73 825 000
Total non-current liabilities		54 583 333	73 825 000
CURRENT LIABILITIES			
Liabilities to financial institutions	10	129 191 805	66 689 411
Trade payables		136 330 563	53 622 607
Public duties payable		22 565 935	9 107 580
Other current liabilities	11	237 367 221	109 782 458
Total current liabilities		525 455 524	239 202 055
Total liabilities		580 038 857	313 027 055
Total equity and liabilities		834 092 262	466 927 367

Bergen, 31.05.2022

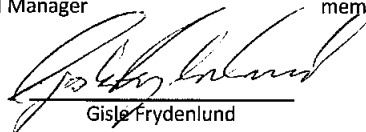
The board of Corvus Energy AS



Geir Bjørkel
chairman of the board/General Manager



Mette Rokne Hanestad
member of the board



Gisle Frydenlund
member of the board



Corvus Energy AS Cash Flow Statement

(expressed in Norwegian kroner)

	Note	Year ended 31.12.2021	Year ended 31.12.2020
Cash flows from operating activities			
Income/(loss) for the period	12, 13	-29 846 907	9 367 269
Tax payable	16	-	-
Items not affecting cash			
Interest expense and financing costs	15	6 735 487	7 647 215
Depreciation	2, 3	10 756 211	9 625 379,00
Changes in operating working capital items			
Trade and other receivables	5, 6	3 719 457	-149 028 222
Inventory	4	-170 421 983	30 444 206
Trade and other payables		82 707 956	(3 246 865)
Cash flows from operating activities		(96 349 779)	(95 191 018)
Cash flows from investing activities			
Payments recieved on recievables from group companies	5	118 306 418	36 864 771
Purchase of fixed assets	2, 3	(44 764 470)	(7 305 168)
Cash flows from investing activities		73 541 948	29 559 603
Cash flows from financing activities			
Change in net bearing interest liabilities	9, 10	43 260 727	78 539 943
Interest expense and financing costs	15	(6 735 487)	(7 647 215)
Cash flows from financing activities		36 525 240	70 892 728
Net change in cash and cash equivilants		13 717 409	5 261 313
Increase in cash due to merger			
Cash and cash equivalents - Beginning of period	7	22 370 470	17 109 157
Cash and cash equivalents - End of period	7	36 087 879	22 370 470



Corvus Energy AS

Board of Director's report for the year ended December 31, 2021

Company and business

Corvus Energy AS' operations consist of developing and commercializing high energy battery systems, battery management systems and applications. The Company's operations are located in Porsgrunn and Bergen, Norway. The Company sells its products to end customers and integrators.

Market development

With an increased focus on sustainable solutions world-wide, Corvus is attractive as we are *Powering a Clean Future*.

The global market has been impacted by the Covid 19 pandemic which has led to lower order intake and revenue than expected. The market has picked up but Corvus Energy AS experienced a lower revenue in 2021 than in 2020 mainly due to lower order intake in 2020 and timing of revenue recognition in 2021.

During 2021, the market has shown a steady increase in demand for more sustainable solutions. This is mainly driven by the Norwegian/European maritime market, but we are also seeing an increase in both the North American and Asian markets. We continue to see growth in the passenger ferry segment and are experiencing an increase in demand for battery systems for the large passenger vessel segments.

The order book at the end of May 2022 represents more than the revenue for the year ended December 31, 2021 and shows the strong focus on lower emissions in the maritime market.

Market Segments

Our product portfolio covers seven individual maritime batteries, developed to meet the specific requirements of different market segments. Lightweight batteries for fast passenger craft, large battery systems for cruise and ro-pax, batteries with high cycling capability for ferries and offshore, and subsea batteries for ROV operations – Corvus supplies competitive ESSs for these applications and more.

Financial results

During the year ended December 31, 2021 Corvus Energy a slightly reduction in revenue, with a decrease of 11% (compared with the year ending December 31, 2020). The decrease is mainly due to effect of lower order intake in 2020 due to the Covid pandemic and timing of revenue. The net loss at year end 2021 was MNOK 23.1 compared to MNOK 9.37 net profit for the year ended December 31, 2020. The loss is mainly due to lower revenue and lower margin due to significant price increase of electrical components.

EBITDA for 2021 was negative MNOK 12.3 compared to positive EBITDA of MNOK 26,64 in 2020. The negative EBITDA is mainly due to lower revenues and margin pressure due to shortage and price increase of electrical components.

The Company's total assets were MNOK 834 as of December 31, 2021, compared to MNOK 467 as of December 31, 2020 mainly due to an increase in trade receivables and inventory



Cash flow from operating activities was negative MNOK 96 for the year ended December 31, 2020 compared to negative MNOK 95 in 2020. Net cash flow in 2020 is positive MNOK 13.8 compared to positive MNOK 5.3 in 2020.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operating in the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business.

The group is in a growth period and this requires liquidity. In 2021 the Company experienced effects of the Covid 19 pandemic with lower revenues than expected. Corvus experienced no order cancellations and has delivered all orders according to contract. The Company renewed the MNOK 90 revolving credit facility with DNB in April 2022.

The Company is subjected to various covenants under its financing arrangements as described in notes to the consolidated financial statements. The Company has secured more than 80% of the expected revenue in 2022 and believe there is strong outlook for the ESS market, and the Company has secured financing through June 2023. As a result, no material uncertainty regarding the going concern capability of the Company exists. The financial statement has been prepared on a going concern basis.

Sustainability

Sustainability and corporate social responsibility are areas of strategic importance to Corvus Energy. The company's strategic and commercial priorities must help ensure sustainable development and make our operation attractive to our diverse stakeholders: shareholders, authorities, customers, suppliers, collaborative partners, employees, or voluntary organizations. Through the entire value chain from design and procurement to production and operation of installed maritime battery systems, re-use and final recycling is an important part of our strategy.

Quality, Health, Environment, and Safety

The Company is certified according to the ISO 9001:2015 and ISO 14001:2015 standards for Quality and Environmental Management, with a focus on carrying out our business in a manner that assures the best protection for our customers, the environment, employees, and external partners. We are compliant with local, regional, and global regulations. Requirements are followed up and ensured through both external and internal audit activities.

Both ISO certificates were successfully renewed during the re-certification audit in 2021. All personnel are appropriately trained according to the Corvus Energy QHSE standard and are encouraged to participate in the proactive and preventive effort to ensure continued QHSE excellence. The Company has established a set of objectives and KPIs to ensure proper tracking and education to drive continuous improvement in the overall performance of Corvus Energy.



The Company has established a DNVGL MSA Agreement for its Bergen factory as result of the proven track record of production quality and has initiated Operational Excellence and Quality Assurance projects to further modernize and enhance its QHSE performance.

Human resources and diversity

The Company is proud to be an equal opportunity employer. All qualified applicants and employees are treated without regard to gender, nationality, disability, religion, race or color. The professional development and personal growth of the employees is vital to the success of the Company.

The Company had 72 FTEs in 2021, with women constituting 19% of the workforce. We do not tolerate any form of harassment or discrimination, including but not limited to gender, race, color, religion, political views, union affiliation, ethnic background, disability, sexual orientation or marital status, or any form of forced labor or child labor abuse. It is the Company's ambition to create a good working environment by offering challenging and motivating tasks and equal development opportunities to all employees. The absence due to sickness was, on average, less than 2.2% during 2021.

The Company has a D&O insurance covering Directors and Officers in the Group. The insurance is with Chubb insurance company and has a coverage of MUSD 10 for aggregate loss for the Company.

Principal risk

The Company is exposed to a variety of risks, including market, operational, liquidity and financial risks. Actions to mitigate risk include the Company's deployment of an enterprise-wide risk assessment and management process, which is designed to identify, analyze and minimize risk exposures.

The Company's main risks are fluctuations in the market for ESS systems, limitations in supply chain and cash flow risk related to a customer's ability to meet their obligations. In addition, the Company is growing quickly and this increases the need for working capital and working capital financing. The Company has mainly revenue and cost in US dollars and as a limited FX risk.

Outlook

With an increased focus on sustainable solutions world-wide, Corvus is attractive as we are **Powering a Clean Future**. Interest in hydrogen for maritime applications has been increasing rapidly, with hydrogen power seen as an important step to reach shipping's ambitious goal to cut greenhouse gas emissions by 50% by 2050. Fuel cell technology was recently added to the Company's portfolio of energy storage solutions.

The order book at the end of May 2022 represents more than the revenue for the year ended December 31, 2022 and shows the strong focus on lower emissions in the maritime market.

The Company has secured 80% of the order intake for 2022 and believes that maritime electrification is at an inflexion point, thus creating an expectation of a significant increase in the addressable market for



ESS solutions and fuel cells. There are numerous secular tailwinds behind the electrification of shipping with passenger demand for greener experiences, battery economics, higher adoption rates and increasing IMO regulations. The Company strongly believes in the electrification of the shipping industry by replacing & hybridizing conventional marine engines.

Bergen May 31, 2022

Geir Bjørkeli
Chairman of the board/
General manager

Mette Rokne Hanestad
Member of the board

Gisle Frydenlund
Member of the board



Corvus Energy AS

Notes to the accounts for 2021

Note 1 - Accounting principles

Corvus Energy AS ("Corvus" or "the Company") is a fully owned subsidiary of Corvus Energy Holding AS, which was established on December 21, 2018, domiciled in Bergen, Norway. The annual report is prepared in compliance with the Norwegian Accounting Act 1998 and generally accepted accounting principles.

The Company changed the year end to December 31 from March 31 in 2018. On February 6, 2019, Corvus Energy Holding AS acquired all the shares in Grenland Energy AS. Corvus Energy AS and Grenland Energy AS merged with accounting and tax effect from the 1st of January 2019. The merged entities were under common control, and the business combination was carried out with continuation of book values and tax positions. Corvus Energy AS changed name from Corvus Norway AS in 2019.

The parent company, Corvus Energy Holding AS has its registered office in Bergen (Sandbrekkeskogen 30), where the consolidated financial statements are available.

Revenues and expenses

Operating revenues are recognised as income at the time of delivery and when risk and control has been transferred. Expenses are recognised in the in the same period as corresponding revenues, in accordance with the matching principle.

Research and development costs

Research costs are expensed as incurred. Where the deferral criteria established under IFRS are satisfied in all material respects, development costs are capitalized and amortized over the estimated life of the related products. Otherwise, development costs are charged as an expense in the period incurred. All development costs to date have been expensed as incurred.

Balance sheet classification

Current assets and current liabilities relates to items which is due within one year from the date of purchase. Other balance sheet items are classified as fixed assets / long-term liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to be temporary.

Fixed assets are valued at historical cost less accumulated depreciation. Depreciation is recognised on a straight line basis over the remaining expected useful life of each asset, adjusted for the residual value. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an assets is expensed as an operating expense as it occurs. Additions or improvements are added to the asset's cost price and depreciated along with the asset.

Long-term liabilities are recognised at nominal value.

Pensions

Pension liabilities financed through operations is calculated and recognised in the balance sheet as a provision. Pension liabilities financed through secured schemes are not recognised in the balance sheet. The pension premium are in such cases seen as a pension cost, and is classified as salary in the profit and loss statement. The company has a defined contribution scheme for its employees.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts 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.



Corvus Energy AS

Notes to the accounts for 2021

Inventories

Inventory is recorded at the lower of cost and net realizable value. Costs of raw materials are determined using the weighted average cost formula.

Exchange rates

Assets and liabilities denoted in foreign currency are converted to NOK using the closing rate of exchange.

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 accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax asset will be utilised.

Use of estimates

The management has used estimates and assumptions in the preparation of the financial statements that have effect on the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date in accordance with the generally accepted accounting principles in Norway.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operating in the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business.

The group is in a growth period, and this requires liquidity. In January 2021 the parent company secured a convertible shareholder loan with their shareholders for MUSO 13.5 to support growth, working capital and investments for 2021. The Company explored different opportunities for raising further capital to support the Company's growth, including a potential IPO. The major shareholders in the parent company decided to contribute with MUSO 50 in cash in December 2021 and convert the shareholder loan to strengthen the balance sheet of the parent company and support the growth in 2022 and further.

In 2021 the Company experiences an increase of 70% in order intake and has a strong order book for 2022 and 2023. Corvus experienced no order cancellations and has delivered all orders according to contract. A large part of the expected revenues in 2022 has already been secured and there is strong outlook for the ESS market.

The recent armed conflict in Ukraine and sanctions toward Russia may increase the uncertainty and risk through disruption of the global supply chain and it is difficult to predict how the market will respond to this situation going forward. However, there are no material events impacting the consolidated financial statement for 2021.

Corvus Energy AS has in 2022 renewed the MNOK 90 revolving credit facility with DNB to June 2023. The new facility is subject to the same covenants as previous agreement, however there are some changes in the timing of measurement. The Company expects to be in compliance with its covenants requirements throughout 2022.

The Board of the Company is of the opinion that, to the best of its knowledge, based on information available at the date of this paper, and assuming no significant unforeseen events occurring, for the reasons detailed herein and the supporting analysis undertaken, that the Group is able to continue as a going concern. The consolidated financial statement has therefore been prepared on a going concern basis.



Corvus Energy AS

Notes to the accounts for 2021

Note 2 Research & development

Research costs are expensed as incurred. Development costs are capitalized and amortized over the estimated life of the related products. Otherwise, development costs are charged as an expense in the period incurred.

In 2021 42,4mnok (2020: 3mnok) in intangible assets under development is included under "Development".

Intangible assets under development is not depreciated.

	Concessions, patents, licences, trademarks, and similar rights		Development	Total
Purchase price 1.1.			5 110 773	5 110 773
Disposals			-	-
Additions	216 750		39 332 585	39 549 335
Purchase price 31.12	216 750		44 443 358	44 660 108
Depreciation 1.1			117 481	117 481
This years depreciation	42 146		140 679	182 825
Acc. depreciation 31.12	42 146		258 160	300 306
Book value 31.12	174 604		44 185 198	44 359 802
Depreciation method		Straight line	Straight line	
Useful life		3-5 years	3-5 years	

Note 3 Property Plant & Equipment

	Factory	Machines	Fixtures & fittings	Tools & equipment	Software & computer equipment	Total
Purchase price 1.1.	66 778 956	217 910	829 473	3 846 587	12 350 553	84 023 480
Disposals	-	-	-	-	-	-
Additions	2 044 907	-	-	973 962	2 196 266	5 215 135
Additions from merger	-	-	-	-	-	-
Purchase price 31.12	68 823 863	217 910	829 473	4 820 549	14 546 819	89 238 615
Depreciation 1.1	7 750 365	128 100	248 244	2 521 060	2 087 020	12 734 788
This years depreciation	6 828 185	53 886	351 106	356 275	2 983 934	10 573 386
Acc. depreciation 31.12	14 578 550	181 986	599 350	2 877 335	5 070 954	23 308 175
Book value 31.12	54 245 313	35 924	230 123	1 943 213	9 475 865	65 930 440
Depreciation method	Straight line	Straight line	Straight line	Straight line	Straight line	
Useful life	10 years	5 years	3-5 years	3-5 years	5 years	



Corvus Energy AS

Notes to the accounts for 2021

Note 4 Inventory

	2021	2020
Raw materials	173 870 119	43 135 364
Work in progress	4 493 796	2 893 051
Finished goods	47 253 957	9 167 475
Goods for resale	315 404	315 404
Total	225 933 277	55 511 294

During the year ended December 31, 2021, inventory was reviewed for damage and obsolescence as part of ongoing operations. No provision for damage or obsolescence is made as per year end 2021 or 2020. The inventory is provided as security for long-term liabilities per 31.12.2021.

Note 5 Balances with group companies

Short term receivables from group companies consist of group contribution and trade receivables. Other short term intercompany balances are non-interest bearing.

	2021	2020
Accounts receivable	193 721 841	103 471 527
Other receivables/liabilities	80 387 136	68 693 554
Total receivables	274 108 978	172 165 081

Corvus Energy Holding

Accounts receivable	14 300 784	-9 243 113
Other receivables/liabilities	49 757 384	229 638 330
Total	64 058 168	220 395 217

Corvus Energy Inc.

Accounts receivable	179 421 056	112 714 640
Other receivables/liabilities	30 629 752	-160 944 776
Total	210 050 808	-48 230 136

Note 6 Other short-term receivables

Trade debtors	2021	2020
Pre-paid expenses	36 330 637	4 533 198
Accrued uninvoiced income	34 053 974	76 112 336
Public funding projects	5 364 561	5 708 186
Other	-29	1 000
Total other current assets	75 749 144	86 354 720

Note 7 Restricted bank deposits

	2021	2020
Restricted funds as of 31. December	3 647 074	2 313 969

Note 8 Equity

	Share capital	Share premium	Other equity	Total equity
Equity changes in the year				
Equity 01.01.	3 000 000	76 149 686	74 750 627	153 900 313
Income of the year	-	-	(29 846 907)	(29 846 907)
Group contribution received	-	-	130 000 000	130 000 000
Equity 31.12.	3 000 000	76 149 686	174 903 720	254 053 405

Share capital at December 31st, 2021, consist of 1,000 shares each with par value of NOK 3,000.

Shareholders at 31.12:	Ordinary shares	Ownership share	Voting rights
Corvus Energy Holding	1 000	100 %	100 %
Total	1 000	100 %	100 %



Corvus Energy AS

Notes to the accounts for 2021

Note 9 Other non-current liabilities

Other long-term liabilities	2021	2020
Long-term liabilities to financial institutions	24 000 000	41 250 000
Long-term liabilities Innovasjon Norge	30 583 333	32 500 000
Other long-term liabilities	0	75 000
Total other long-term liabilities	54 583 333	73 825 000

The lease agreement of the office space (30mnok) Inventory (55 MNOK), accounts receivables (55 MNOK) and fixed assets (55 MNOK) are provided as security for the long-term liabilities. All shares of Corvus Energy AS are provided as security for the long-term liabilities to Innovasjon Norge. In addition the long-term debt to Innovasjon Norge subject to covenants.

Long-term debt payment plan

Debtor	2022	2023	2024	2025	2026	2027
Financial institutions	17 250 000	1 000 000	5 750 000	-	-	-
Innovasjon Norge I	500 000	500 000	500 000	500 000	250 000	-
Innovasjon Norge II	3 333 333	3 333 333	3 333 333	3 333 333	3 333 333	3 333 333
Total	21 083 333	4 833 333	9 583 333	3 833 333	3 583 333	3 333 333

The loan from Innovasjon Norge II is schedule to be fulfilled in 2030.

Note 10 Short-term liabilities to financial institutions

	2021	2020
Overdraft facility NOK	108 950 771	66 689 411
Overdraft facility EUR	20 241 034	-
Total	129 191 805	66 689 411

The company has an overdraft facility in DNB 31.12.21 of MNOK 107, of which MNOK 107 (2020: MNOK 66,69) is utilised per 31.12.21.

The overdraft facility is secured by priority in the inventory (200 MNOK), accounts receivables (200 MNOK), fixed assets (200 MNOK) and the right of use asset related to the lease of the office space (25 MNOK). In addition Corvus Energy Holding AS has provided a parental guarantee of MNOK 58.

Financial covenants is 30% book equity, measured every 6 months and EBITDA of MNOK 5, measured quarterly and rolling MNOK 20 for 12 month. The Company is compliant with the financial covenant regarding 30% book equity as of December 2021. In Q4 the Company received a waiver for EBITDA covenant. The facility is renewed until June 2023.

Note 11 Other current liabilities

	2021	2020
Milestone invoice to customer	201 310 149	92 264 063
Holiday pay	7 747 797	5 900 457
Other accrued expenses	28 309 274	11 171 010
Total	237 367 221	109 335 530

An accrued warranty reserve of MNOK 6.1 as per 31 December 2021 (MNOK 2.59 as per 31 December 2020) is included in other accrued expenses.

Note 12 Specification of Income

Geographical distribution	2021	2020
Europe	363 713 048	430 303 002
North-America	81 834 136	99 867 241
Asia	22 907 540	-
Oceania	133 310	511 059
Total	468 588 034	530 681 303



Corvus Energy AS

Notes to the accounts for 2021

Note 13 Related party transactions

2 021

Name	Location	Income	Costs	Intercompany balance
Corvus Energy Inc.	Canada	58 231 424	6 005 975	210 050 808
Corvus Energy Holding AS	Norway	5 334 718	12 889 193	64 058 168
Total		63 566 142	18 895 168	274 108 978

2 020

Name	Location	Income	Costs	Intercompany balance
Corvus Energy Inc.	Canada	97 939 589	-	-48 230 136
Corvus Energy Holding AS	Norway	-	11 694 490	220 395 217
Total		97 939 589	11 694 490	172 165 081

Corvus Energy Holding AS owns 100 % of the shares in both Corvus Energy Inc. and Corvus Energy AS.

Note 14 Payroll expenses

	2021	2020
Salaries	33 245 998	28 766 158
Employers' national insurance contribution	10 076 168	6 944 453
Pensions	6 000 891	4 560 176
Other remuneration	854 318	1 263 831
Skattefunn/other public grants	-1 676 455	-3 505 786
Total personnel expenses	48 500 920	38 028 833

The company had 72 FTEs in 2021 (2020: 57 FTE)

Norwegian businesses are obligated to follow the act on mandatory company pensions, and this is covered by the company's pensions plan.

The CEO is employed in Corvus Energy Holding AS, and compensation to the CEO is disclosed in the notes to the consolidated Corvus Energy Holding AS financial statement.

Remuneration to the auditor consists of the following:	2021	2020
Statutory audit fee	740 000	173 500
Technical assistance with financial statement preparation and tax preparation	55 000	2 950
Other assurance services	386 805	50 000
Total remuneration to auditor	1 181 805	226 450

The auditor remunerations are presented above excl. VAT.

Note 15 Specification of other financial income and expenses

Financial income	2021	2020
Exchange gains	64 702 701	60 990 551
Exchange losses	60 462 850	64 934 580
Net other financial income	4 239 850	-3 944 029



Corvus Energy AS

Notes to the accounts for 2021

Note 16 Taxes

Tax payable	2021	2020	
Result before taxes	(29 846 907)	9 367 269	
Permanent differences	(2 831 048)	(2 515 258)	
Change in temporary differences	(3 578 702)	(4 081 632)	
Change in tax loss carried forward	36 256 657	(2 770 379)	
Taxable income	-	-	
Nominal tax rate	22 %	22 %	
Payable tax on this year's result	-	-	
Components of the income tax expense			
Payable tax on this year's result	-	-	
Change in deferred tax	-	-	
Tax expense	-	-	
Components of taxes payable			
Payable tax on this year's result	-	-	
Tax effect on transaction costs	-	-	
Taxes payable	-	-	
Temporary differences			
	Change	2021	2020
Fixed assets	-2 938 702	18 238 690	15 299 988
Bad debts	-640 000	-	-640 000
Net temporary differences	(3 578 702)	18 238 690	14 659 988
Tax loss carried forward	36 256 657	(82 028 109)	(45 771 452)
Basis for deferred tax(deferred tax asset)	32 677 953	(63 789 419)	(31 111 466)
Deferred tax asset	7 189 150	(14 033 672)	(6 844 523)
Deferred tax asset not recognised in the balance sheet	(7 189 150)	14 033 672	6 844 523
Total	-	-	-

Note 17 Subsequent events

The recent armed conflict in Ukraine and sanctions toward Russia may increase the uncertainty and risk through disruption of the global supply chain and it is difficult to predict how the market will respond to this situation going forward. However, there are no material events impacting the consolidated financial statement for 2021.

Corvus Energy AS has in 2022 renewed the MNOK 90 revolving credit facility with DNB to June 2023. EBITOA covenant will be measured every 6 months from Q2 2022.



To the General Meeting of Corvus Energy AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Corvus Energy AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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

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

PricewaterhouseCoopers AS, Sandviksbødene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Corvus Energy AS



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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 31 May 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID_MOBILE	2022-05-31 17:00

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