Øyfjellet Wind Investment AS

Tveråvegen 370
8658 Mosjøen
Business Registration No. 927 378 779

Annual Report 2023

The Annual General Meeting adopted the Annual Report on / 2024

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Chairman of the General Meeting

Contents

Company information

The Company

Øyfjellet Wind Investment AS
Tveråvegen 370
8658 Mosjøen
Norway

Business Registration No.: 927 378 779
Registered office: Mosjøen
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Joakim Brønner Johnsen, Chair
Erik Mortensen
Bernhard Gierke

Executive Board

-

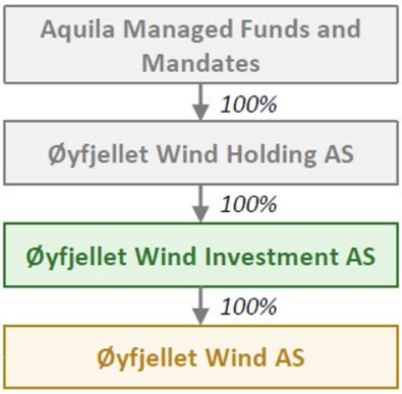
Auditors

PricewaterhouseCoopers AS
Dronning Eufemias gate 71
0194 Oslo
Norway

Company description

Øyfjellet Wind AS was established on February 17, 2012, and has its business office in Vefsn municipality. The company owns and operates the Øyfjellet Power Plant in Mosjøen. The owners are Øyfjellet Wind Investment AS with 100% ownership. Øyfjellet Wind Investment AS is primarily a financing vehicle and a holding company with no other assets than the shares in Øyfjellet Wind AS.

Organisational structure:



Shareholder

Øyfjellet Wind Investment AS is wholly owned by Øyfjellet Wind Holding AS. Øyfjellet Wind Holding AS is owned by investment funds and mandates managed or financed by Aquila Capital. All existing share-holdings are illustrated above. There are no outstanding options for other companies or individuals to aquire additionals shares. Aquila Capital aims to promote growth, green industry and green employment through long-term investment in renewable energy.

Business overview

The Øyfjellet Wind Farm is located outside of the city of Mosjøen City in Vefsn municipality in Nordland county in Norway. The installation and commissioning of 72 Nordex N149/5.x MW turbines, with a hub height of 105 metres and a rotor diameter of 149 metres, is complete and the wind farm is in full operation since November 2022. The turbines utilize the latest wind turbine technology and provide renewable energy with no CO_2 emissions and the least possible impact on the surrounding natural environment. The wind park has a capacity of 400MW and expected production volume of 1,3 TWh. Achieved production in 2023 was 895 GWh, due to several required repair works during the ramp-up phase and low wind resources in the region.

History

The wind park development began as a local project around 2011 and is firmly rooted in the local community. Øyfjellet Wind Farm has been through a thorough licencing process, providing both individuals and organisations with the opportunity to provide comments and suggestions. The Project has been adapted on an ongoing basis in keeping with local community feedback. The licence for the Project was granted in 2016, and subsequently updated in 2018. Construction began in December 2019.

Corporate Governance

The Group is committed to uphold high standards of corporate governance in all of its activities and believes that strong corporate governance is essential to building and maintaining the trust of our shareholders, customers, employees, and other stakeholders including the local community. This section of our annual report provides an overview of our corporate governance practices and structures.

Board of Directors

Our Board of Directors is responsible for the overall direction, management, and control of the company. The Board comprises three members, with diverse backgrounds and expertise. The Board of Directors meets regularly to review and discuss the company's business, financial performance, and outlook.

Joakim Brønner Johnsen – Chairman

Joakim Brønner Johnsen is the Chairman of the board. He is also Chairman in both Øyfjellet Wind Holding AS and Øyfjellet Wind AS, as well as a member of the board of Midfjellet Vindkraft AS. Joakim is currently Head of Operations at Aquila Clean Energy and he has spent the last 20 years working in renewables internationally in executive positions in investment management, project development, PPA origination as well as local CEO and CFO positions.

Erik Mortensen – Board member

Erik Mortensen is a board member in both Øyfjellet Wind Investment AS and Øyfjellet Wind AS. He is also the CEO in Øyfjellet Wind AS and Midtfjellet Vindkraft AS. More than 29 years' experience with wind turbine power stations, combined power plants (gas and steam turbines, boilers), offshore power stations, auxiliary engines, emergency power systems, ship installations, industry, health enterprises - medical areas, high and low voltage distribution systems, telecommunications, as well as several public approval processes.

Bernhard Gierke - Board member

Bernhard Gierke is a board member in Øyfjellet Wind Investment AS. He is also a Director at Aquila Capital and chairman of the board of Midfjellet Vindkraft AS and a board member in Øyfjellet Wind Holding AS. He has more than 13 years' experience with acquisition, construction, management and sale of alternative investments. He also holds a CFA charter.

There are currently no potential conflicts of interests between any duties to the Issuer of the persons referred to in this section and their private interests or other duties. The board can be changed during any Annual General Meeting or by Resolution of the Shareholder, there are no particular regulations on the board composition in the articles of association. Local law and regulations apply.

There are no provisions in the articles of association which would permit the board members to repurchase or issue own shares without a resolution of the shareholder.

Corporate Governance Policies and Procedures
The Group adheres to relevant regulations and applicable corporate governance codes, including the Norwegian Code of Practice for Corporate Governance and has established a set of corporate governance policies and procedures, which are regularly reviewed and updated as necessary. These policies and procedures cover a range of areas, including:

Code of Conduct and Ethics: Our Code of Conduct and Ethics sets out the standards of behavior expected of all employees, officers, and directors of the company. The Code covers topics such as social responsibility, confidentiality, and compliance with laws and regulations.

Risk Management: Our Board of Directors oversees the company's risk management and accounting processes and ensures that appropriate systems are in place to identify, assess, and manage risks. The company maintains a system of internal controls to ensure the accuracy of the financial reporting, which are designed to prevent and detect errors, fraud, or other irregularities that could materially affect the financial statements. The group instructed third parties to oversee the preparation of the financial statements and engaged an independent auditor to audit the financial statements annually.

Shareholder & Shareholder Engagement: The group is committed to maintaining open and constructive communication with our shareholders and local stakeholders. The Group regularly engages with shareholders & stakeholders.

Ultimate shareholders of the group are companies and investment funds managed or financed by the Aquila Group. The financing agreements include market standard change of control provisions regarding the transfer of shares. All shares in Oyfjellet Wind AS and Oyfjellet Wind Investment AS are pledged to the respective Bond Trustees.

Compliance and Ethics
The Group is committed to maintaining the highest standards of legal and ethical conduct in all of its activities.
The Group is committed to complying with all applicable laws and regulations and also expects its employees, officers, and directors to adhere to the highest standards of ethical conduct. Policies and procedures are established to promote ethical behavior and prevent violations of the law.

Work environment and staff
Øyfjellet Wind AS has its own employees in the positions of managing director, responsible for professional and operational management, an administration officer as well an operations manager. Other services are purchased from subcontractors.

No sick leave was recorded in 2023. The working conditions are considered very good. The company will focus on maintaining a safe and pleasant working environment in the future in the hope of keeping absences to a minimum. No serious work accidents or significant personal injuries have occurred or been reported during the year. The cooperation between employees, severcie providers and subcontractors is considered to be professional and effective.

Information
Øyfjellet Wind has provided extensive information about the business on the website www.oyfjelletvind.no, which is the primary information channel.

Supply-chain and the Norwegian Transparency Act

From 1 July 2022, the new Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) came into force.

“The purpose of the Transparency Act is to promote enterprises’ respect for fundamental human rights and decent working conditions, and to ensure public access to information regarding the efforts enterprises make in these areas.
The 2022 report was published in June 2023, and the 2023 report will be published by 30 June 2024 on the website https.//www.oyfjelletvind.no. The work with due diligence assessments is a continuous process, and ØWAS`s goal is continuous improvement in our own operations and in our supply chain.

The due diligence reviews ØWAS has carried out for the reporting year 1 January – 31 December 2023 have primarily been based on a risk assessment of our own operations, the supply chain and the business partners. Our main focus has been on finding appropriate mitigating measures to identify and limit potential adverse impacts on the local reindeer herding district. This is a continuation of the work we did for the reporting year 2022. During the reporting period, ØWAS has continued dialogue with the reindeer herding district with the aim to reach an agreement on compensation and mitigating measures. ØWAS is hopeful that a solution can be reached and remains committed to continuing constructive dialogue.”

Social Responsibility

Environment
Øyfjellet Wind strives to mitigate climate change through renewable energy production. We support the development of a low-carbon society and contribute to the transition to a sustainable society by operating the wind power plant on Øyfjellet.
Øyfjellet Wind always complies with Norwegian laws and monitors relevant environmental issues and regulations in order to adjust our operations and actions accordingly. Øyfjellet Wind strives to minimize the negative environmental impact caused by our operations.

Incidents

In 2023, no dead birds or other injured animals were registered in the wind park.

HSEQ

Øyfjellet Wind is committed to facilitating a safe environment for our employees, contractors and visitors. Øyfjellet Wind follows all Norwegian laws and regulations and is concerned with safeguarding the physical, mental and social health of our employees and contractors.

To support the company in providing the best work conditions, each employee is responsible for protecting themselves , their colleagues and the third parties working at our locations from any potential health damages.

Øyfjellet Wind is also responsible for protecting the local population and other visitors of the wind power plant.

Local community and stakeholders

It is essential for us to have a close and open dialogue with local stakeholders and everyone who is affected by our operations. In our operations, we strive to adapt to and accommodate the needs and interests of local stakeholders, such as the municipality, land owners, and the local reindeer herding district.

Anti-Corruption

Øyfjellet Wind has zero tolerance for corruption. Our employees shall not, under any circumstances, offer or accept money, gifts, services, or other things of value that are intended to influence a business decision. Øyfjellet Wind complies with Norwegian anti-corruption laws and guidelines.

Equality

Øyfjellet Wind AS aims to be a workplace where there is full equality between women and men. Of the company's employees, there are two men and one woman.

Human Rights

We respect, protect and promote all the regulations in force regarding the protection of human rights as a fundamental, general requirement. This applies not only to cooperation within our company, but also to the behaviour of our business partners.

Labour Rights

We operate in line with the Norwegian Working Environment Act regulating the working environment, working hours and employment protection. In the supply chain, we expect all suppliers to reject any use of child labour and forced or mandatory labour, as well as modern slavery. Work practices and conditions that are in breach of fundamental human rights are forbidden.

Board of Director Report

Major events in 2023

The Engineering, Procurement and Construction Management Agreement (EPCMA) was declared completed in March 2023, including an agreed list of smaller remaining works to be performed by the construction parties. As of December 2023, the design of a combined administration and storage hall, in addition to a garage was ongoing. The design is now completed and construction will be finished in December 2024. Nordex has been responsible for the supply and installation of wind turbines, as well as service and maintenance, and continues to be a long-term part of the local business community. The turbines have the latest wind turbine technology and provide renewable energy with no CO2 emissions and the least possible impact on the surrounding natural environment. During the year 2023, Nordex completed outstanding repair works on several gearboxes and also rectified the anti-icing system, which was not fully operational during the winter period. One turbine was severely damaged during the repair works and must be replaced during 2024/2025. The wind park has a capacity of 400MW with an expected production volume of 1,3 TWh. A substantial part of the production capacity became operational from September 2022 onwards. As the production during the past year was negatively affected by the aforementioned events, the company expects to receive a substantial compensation according to the availability warranty in the O&M agreement with Nordex. In addition, the Technical and Commercial Management contract with Eolus was terminated and the included services are now handled directly by the employees of the SPV.

Risk factors

The Group and its wind farms is exposed to several risk factors. Without limitation, this may include risks with respect to weather variations, changing tax regime, the performance of suppliers and/or contractors who are engaged to operate assets held by the Group, credit risk with respect to the sole off taker under the PPA for the Øyfjellet Wind Farm, future prices of power, origin guarantees and wind farm operations. The group is also exposed to litigation risk in relation to ongoing appraisal case for the compensation connected to the expropriation of certain land rights, including a motion for invalidity of the facility license and in relation to an ongoing arbitration case against the Turbine Supplier regarding Liquidated damages for the construction period.

Power price uncertainty

91.22% of the electricity generated by the wind park is sold to a local off-taker through a power purchase agreement at a fixed price until 2036. However, as the risk management strategy foresees to only hedge 70% of the total volume, the Group has entered into a swap agreement to reduce the hedged amount by 21.22%. Short-term fluctuations in the electricity spot market can therefore indirectly impact 30% of the generated volume.

Currency fluctuations

There can be a difference in currency regarding revenues, loans, procurement and construction invoices. The main currency exposure relates to fluctuations between NOK, and EUR. Based on the currency hedging policy, the Group mitigates this risk by strictly controlling and monitoring currency exposure, as well as balancing revenues and costs in the same currency.

Financing and interest rates

The construction of large energy projects is capital intensive. Corporate funding and guarantee lines make interest payments a significant expense and an important factor in the cost of energy projects. The Group has secured the long-term financing through the issuance of bonds and receiving shareholder loans. There are no significant fluctuations expected as the interest rate for bonds and the shareholder loans are fixed. The utilized bonds include options which allow for a repayment of previously drawn down amounts including compensation for the net present value of underlying hedges. The Group currently does not intend to exercise such options.

Environment

Revenues of the Group will depend on wind resources. The effects of climate change might affect the wind conditions at the wind farm location.

Social

Wind farm operations could affect local communicities. Failure to maintain a good relationship and constructive dialoge with local stakeholders could result in impaired operations or additional costs during the lifetime of the project.

Delay and construction costs overrun

The wind farm is operational and the construction contracts are declared completed. Remaining works, which are not expected to impair operations, were agreed in a "snag list" and are expected to be completed in the year 2024. The risk for further cost overruns related to construction works is low.

Operations

The total production in the year 2023 was recorded at 895 GWh, which is below the expected budget of 1.3 TWh. The main factors which have impaired performance are low wind, repair works on gearboxes and rectification of the anti-icing-system and corresponding maintence works.

The wind farm is located close to the polar circle, severe weather conditions might continue to affect works on site. As a mitigation, Øyfjellet Wind AS has prepared a winter operation concept, comprising additional garages, 11 winter units such as groomers, traction vehicles, tractor for snowcleaning, agreements to utilize a helicopter, and increased the budget for operating expenses.

Risk Management

The group has implemented a comprehensive risk management framework that is designed to identify, assess, and mitigate potential risks across all aspects of operations. The risk management framework includes several key elements, such as:

Risk identification:
Oyfjellet Wind regularly review its operations to identify potential risks, both internal and external, that could impact the business. This process involves engaging with various stakeholders, third party advisors, suppliers, and industry experts, to gather insights and identify emerging risks.

Risk assessment:
Aquila Capital, as a regulated Fund Manager, utilized a comprehensive assessment methodology to evaluate the potential impact and likelihood of identified risks.

Risk mitigation:
The group takes proactive measures to mitigate identified risks, such as implementing controls, developing contingency plans. These measures are regularly reviewed and updated to ensure they remain effective and relevant.

Risk monitoring and reporting:
The group continuously monitors its operations and performance to identify any changes in our risk profile. Oyfjellet Wind also provides regular updates to our stakeholders on risk management activities and any significant risks or incidents that have occurred.

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 and considering the Group's long-term strategic forecasts. The Group has a liquidity position of EUR 28.6 million as of Dec. 2023 , which is considered sufficient to meet all resonably expected obligations.

Insurance

The Group has a Directors & Officers liability insurance, which was provided via Aquila Capital that covers Directors and executive management. Other procured insurances cover liability and business interruption and machin

Financial review

For the year of 2023, the consolidated revenue was EUR 28.7 million, this is an increase of 62.6% compared to 2022, where in 2022 several wind turbines started electricity production throughout the year. Most revenues are generated by the sale of electricy through fixed price power purchase agreements with local offtakers.

Operating expenses of EUR 17 million consist of Operations and Maintenence fees, advisor expenses, salary and personnel expenses as well as other operating expenses. The increase from EUR 9.9 million in 2022 is mainly due to increase in raw materials and consumables and general operating expenses, but also being the first fully year of operations, while in 2022 most work was connecting to get fully functional .

Financial income amounted to EUR 2.8 million compared to 12.3 million in 2022. The main explanation connected to the decrease is the reduced impact of fair value on derivatives, compared to 2022.

Financial expenses of EUR 28.2 million consists mainly of interest on existing bonds as well as Shareholder Loan interst to group companies, compared to EUR 24.7 million. The increase compared to 2022 is mainly due to the increased interest rate and reduced capitalised interest in 2023, since the plant was finalised in 2022.

Total comprehensive income was negative EUR 27.4 million, compared to 10.5 million in 2022. The main driver for the decrease is the increase net financial expenses, other income (energy-derivatives) and other operating expenses, and inclusion of effect of Resource rent tax for 2024 on deferred taxes, which was slightly offset by increased revenue.

Financial position

Total assets amounted to EUR 567.7 million (EUR 602.9 million at the end of 2022), and total equity amounted to EUR -18.6 million (2022: EUR 8.8 million). The reduction in equity is mainly caused by Tax effect on resource rent and the financial expenses in relation to shareholder loans which were provided by the shareholders per rata share as a project financing. With the completion of the wind farm, these equity-like instruments are to be converted into equity in 2024.

Current assets amounted to EUR 51.4 million (2022: EUR 67.7 million). Trade and other receivables increased to EUR 12.4 million (2021: EUR 3.6 million).

Cash and cash equivalents decreased to EUR 28.6 million (2022: EUR 52.9 million), mainly due to increase in interests paid to shareholders in 2023 compared to previous year.

Cashflow and cash and equivalents

Cash flow from operating activities was EUR -18.4 million compared to EUR -13.1 million in previous year. This was mainly driven by an increase in interest paid to shareholders. This was slightly offset by increased revenue from customers.

Cash flow from investing activities was EUR -2.1 million compared to EUR -48.3 million in previous year. The reduction is mainly due to higher acquisition of property, plant and equipment in previous year.

Cash flow from financing activities was EUR -3.3 million compared to EUR -0.8 million in previous year. The increase is mainly du to reduced proceeds from loans in addition to increased repayment of loans in 2023 compared to previous year.

At the end of the financial year, cash and cash equivalents amounted to EUR 28.6 million (2022: 52.9 million).

Outlook

Oyfjellet Wind AS is a wind farm operating company that is committed to delivering reliable electricity to its customers. Despite the challenges faced by the industry in the past years, the company is well positioned in a dynamic market environment. With the successful repair of broken gearboxes, completion of snag-list items, and recification of the anti-icing system, the company is confident that electricity production will be further improved in the coming years.

The finanical sitution of the group will continue to be affected by macroeconomic factors, such as prices for electricity and certificates, wind conditions and the tax regime in Norway. While power prices remain volatile, the project company continues to benefit from a long term offtake agreement which substantially reduces market price exposure and secures revenues.

As a reaction to increased prices for electricty, the Norwegian government has proposed the introdcution new taxes for wind energy, such as a resource rent tax. The implication of this newly introduced tax was included in companies' business model, but several provisions to mitigate the tax impact for existing wind farms will apply, resulting in no required impairment on the carrying value of the companies assets or adverse effect on the ability to meet its financial obligations.

Several key trends will continue to shape the market, such as the ongoing shift towards renewable energy sources, further developments in energy storage technologies, intended decarbonization around the world and digitalization.

The group is confident in its ability to deliver a strong financial performance in the coming year.The management will continue its focus on operational excellence and cost optimization.

Responsibility Statement

Today, the Board of Directors reviewed and approved the Øyfjellet Wind Investment AS consolidated annual report as of December 2023.

To the best of our knowledge, we confirm that:

- The Øyfjellet Wind Investment AS consolidated annual report as of December 2023 have been prepared in accordance with IFRS as adopted by the European Union (EU), and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that
- The report has been prepared in accordance with applicable financial reporting standards, and that
- The information presented in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and results for the period viewed, and that
- The report gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of the Group.

Oslo, 29 April 2024

Executive Board - Board of Directors

Joakim Johnsen	Erik Mortenson	Bernhard Gierke
Joakim Brønner Johnsen	Erik Mortensen	Bernhard Gierke
Chair		

Consolidated Financial Statements

Statement of comprehensive income

TEUR	Note	2023	2022
Revenue	3	28,658	17,624
Other income	4	5,406	10,577
Other operating expenses	4,5	(16,994)	(9,933)
Depreciation and amortization expenses	6,7,8	(21,102)	(22,631)
Operating profit/(loss) before tax		**(4,032)**	**(4,363)**
Financial income	9	2,808	12,333
Financial expenses	10	(28,165)	(24,733)
Profit/(loss) before tax		**(29,389)**	**(16,763)**
Income tax expense	11	1,959	6,243
Profit/(loss) after tax		**(27,430)**	**(10,520)**
Other comprehensive income		-	-
Profit/(loss) and total comprehensive income for the financial year		**(27,430)**	**(10,520)**

Consolidated Financial Statements

Balance sheet

ASSETS

TEUR	Note	31 December 2023	31 December 2022
Intangible assets	6	26,743	27,734
Property, plant and equipment	7	453,915	472,959
Right-of-use asset	8	7,869	6,968
Prepayments	12	3,755	3,197
Deferred tax asset	11	3,327	1,357
Non-current financial assets	13	20,700	22,972
Total non-current assets		**516,309**	**535,187**
Trade receivables	14	12,352	3,560
Prepayments	12	9,063	9,945
Other current receivables		1,372	1,289
Cash and cash equivalents		28,586	52,873
Total current assets		**51,373**	**67,667**
Total assets		**567,682**	**602,854**

Consolidated Financial Statements

Balance sheet

EQUITY AND LIABILITIES

TEUR	Note	31 December 2023	31 December 2022
Share capital	15	2,958	2,958
Share premium		27,521	27,521
Other paid-up equity		(49,127)	(21,698)
Total equity		**(18,648)**	**8,781**
Loans and borrowings	13	530,887	534,536
Lease liabilities	8	7,316	7,024
Provisions	16	5,431	8,207
Total non-current liabilities		**543,634**	**549,767**
Trade and other payables	13	5,483	10,346
Loans and borrowings	13	34,712	31,889
Lease liabilities	8	420	216
Other current liabilities		2,081	1,856
Total current liabilities		**42,696**	**44,307**
Total liabilities		**599,952**	**594,074**
Total equity and liabilities		**567,682**	**602,855**

Oslo, 29 April 2024

Executive Board - Board of Directors

Joakim Johnsen
Joakim Brønner Johnsen
Chair

Erik Mortenson
Erik Mortensen

Bernhard Gierke
Bernhard Gierke

Consolidated Financial Statements

Changes in equity

TEUR	Share capital	Share premium	Accumulated losses	Total equity
Equity at 1 January 2023	2,958	27,521	(21,698)	8,781
Net profit/(loss) for the period	-	-	(27,430)	(27,430)
Total comprehensive income	-	-	-	-
Balance at 31 December 2023	**2,958**	**27,521**	**(49,127)**	**(18,649)**

TEUR	Share capital	Share premium	Accumulated losses	Total equity
Equity at 1 January 2022	2,958	27,521	(11,178)	19,301
Net profit/(loss) for the period	-	-	(10,520)	(10,520)
Total comprehensive income	-	-	-	-
Balance at 31 December 2022	**2,958**	**27,521**	**(21,698)**	**8,781**

Consolidated Financial Statements

Cash flow statement

TEUR	Note	1 January – 31 December 2023	1 January – 31 December 2022
Operating profit/loss		(4,032)	(4,363)
Depreciation	9,10	21,102	22,631
Fair value adjustments on derivatives		612	(10,577)
Change in provisions	16	(2,776)	6,014
Change in operating receivables		(5,721)	(6,796)
Change in trade payables and other payables		(2,849)	(13,801)
Interest received		3,202	2,197
Interest paid		(26,739)	(8,391)
Income taxes, received/(paid)		(1,183)	0
Cash flow from operating activities		**(18,384)**	**(13,086)**
Sale of financial assets			(571)
Acquisition of plant, property and equipment	10	(2,109)	(47,777)
Net cash flows from investing activities		**(2,109)**	**(48,348)**
Proceeds from loans		1,100	2,373
Repayment of loans		(4,000)	(3,000)
Payment of principal portion of lease liabilities	11	(403)	(127)
Cash flow from financing activities		**(3,303)**	**(754)**
Cash and cash equivalents, beginning of the period		52,873	116,086
Net (decrease)/increase in cash and cash equivalents		(23,926)	(62,188)
Foreign exchange differences on cash		(491)	(1,025)
Cash and cash equivalents at 31 December		**28,586**	**52,873**
Cash and cash equivalents in the cash flow statement comprise:			
Cash and cash equivalents		28,586	52,873

Notes

Notes

1. General accounting policies

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with IFRS ® Accounting Standards as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting Act.

Øyfjellet Wind Investment AS is a financing entity with the sole purpose to own shares in Øyfjellet Wind AS. Øyfjellet Wind AS is a wholly owned subsidiary established to construct and operate the Øyfjellet Wind Farm. Øyfjellet Wind Investment AS was incorporated in June 2021, and a reorganisation of the Group structure was decided in September 2021. As part of the reorganisation, a contribution in kind was made to the Company by Oyfjellet Wind HoldCo S.à.r.l. transferring all shares in Øyfjellet Wind AS and Oyfjellet Wind Holdco S.à.r.l to the Company. Øyfjellet Wind Holding AS is the Groups ultimate parent and has business adress at Tveråsvegen 370, 8658 Mosjøen.

The financial statements are presented in Euros (EUR). All amounts have been rounded to the nearest EUR thousand, unless otherwise indicated.

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS Accounting Standards explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of Øyfjellet Wind Investment AS (the Parent Company) and subsidiaries which are entities controlled by Øyfjellet Wind Investment AS. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Principles of consolidation

The Consolidated Financial Statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries.

Notes

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are expected to have no impact on the Group`s consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The Group's accounting policies are described in the respective notes. The accounting policies set out below have been used consistently in respect of the financial period and the comparative figures.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, working capital changes, financial income received, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid. Cash and cash equivalents comprise cash at bank and in hand.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign
currency.

Notes

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and at the date of payment are recognised in the statement of profit or loss in financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognised in the statement of profit or loss in financial income or financial expenses.

2. Critical accounting judgements and key sources of estimation uncertainty

As part of the preparation of the financial statements, management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements:

Evaluation of power purchase agreement

To secure cash flows from the wind farm the Group has entered into a power purchase agreement (PPA) with Alcoa Norway. The PPA is guaranteed by the Norwegian state through GIEK ("Garantiinstituttet for Eksportkreditt"). GIEK guarantees that if Alcoa defaults under the PPA, a portion of the payment obligations will still be fulfilled. The Group has analysed the agreements and concluded that the PPA agreement is not in scope of IFRS 16, as it is a predetermined asset and customer does not operate the asset nor has the customer designed it. However, the PPA is in scope of IFRS 15 due to the physical delivery to a balancing party.

Fair value of long-term power swap agreement

The Group has entered into a counter-hedging plan whereby the Group purchases up to 21.22% of annual production at spot reducing the effective hedge position. Assumptions used for measuring fair value were replacement price for the PPA amounting to 30 EUR/MWh (31 December 2022: 30 EUR/MWh), PPA volume of 276 GWh/a and a discount rate of 6,8%. Management performed a sensitivity analysis, 1

Notes

EUR/MWh increase (decrease) in the PPA price would result in an increase (decrease) in PPA fair value by TEUR 2,305. Refer to note 13 for further information.

Assessment of embedded derivatives and valuation of put option.
In 2021, the Group issued EUR 235 million bonds primarily to US investors. The contract has an embedded prepayment option. If the Group chooses to prepay a portion or the full notional of the loan the Group should compensate the investor(s) in terms of the discounted remaining payments including a potential net gain/loss from designated hedging instruments (e.g. FX swaps). It is not within the Group's business plan to exercise the prepayment option.

A derivative embedded in a loan contract (i.e. a host) is separated and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the loan contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Assumptions used for measuring the fair value include the hedge ratio of the investors (0%, 50%, 75%, 100%), foreign currency rate changes by 5% up and down and the rating of the Group. Based on these main assumptions the fair value was calculated by the likelihood of the option being exercised multiplied with the payoff (prepayment of loan plus/minus net settlement of one or more swaps in dollars). A sensitivity analysis has not been performed as impact was assessed to be immaterial.

Provision for decommissioning
The Group has recognised a provision for decommissioning obligations associated with the wind turbines erected on leased land. In determining the best estimate of the provision, assumptions and estimates are made in relationto discount rates, the expected cost to dismantle and remove the wind farm from the site and the expected timing of those costs. The expected cost for the decommissioning increased at the end of the reporting period 2022 due to additional information received. Additional assumptions used for the calculation were long-term inflation rate of 2%, a risk-free interest rate and the useful life of the underlying assets. The carrying amount of the provision as at 31 December 2023 was TEUR 5,431.

Impariment of non-financial assets
As the tax legislation has been suggested a change in the resource rent tax ("grunnrenteskatt") for the tax year 2024, the Group has assessed if the investment in the wind park needs to be impaired. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair

Notes

value less costs of disposal and its value in use. The value in use calculation is based on a DCF model, focusing on free cash flow to equity. The cash flows are derived from the budget until the end of the license period. The recoverable amount is most sensitive to the following assumptions:

- expected future cash-inflows which depends on pricing per MWh and the production volume
- resource rent tax
- discount rate

The value in use was assessed to be higher than the carrying value of assets and therefore no requirement of impairment in 2023 exists.

Value in Use

Estimated cash flows are based on next year's budgets and forecasted earnings going forward. As the group has fixed price contract for 91% of the production, this is a main factor into the model. In addition, a long-term contract for the maintenance of the main components of the wind park have been made, which in turn is used in the calculations for expected operating expenses including additional expenses based on history and expectations from management. Estimated future cash flows are based on expected production with seasonality including downtime. No additional or increased production has been included. Critical assumptions in the assessment are related to WACC, expected production and pricing for the variable portion. In addition, the new legislation of Resource rent tax has been included and updated with the expected impact based on the current information and guidance.

Discounting Rate

The discounting rate is based on a weighted average cost of capital (WACC) for the Group. The cost of equity is derived from risk free rate German Svensson-Method (risk-free interest rate), market risk premium and an additional idiosyncratic risk premium. The debt element of the discounting rate is based on the risk-free interest rate, plus a premium equivalent to the difference between risk-free interest rate and market rates. The discount rate used for 2023 is 8.15%.

3. Revenue

Segment information

For management purposes and based on internal reporting information, the Group is organised in only one operating segment, as the information reported includes operating results at a consolidated level only. The costs related to the main nature of the business are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment are shown in the statement of comprehensive income.

Notes

3. Revenue (continued)

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision making and for the monitoring of the operating results of the operating segments for the purpose of performance assessment. Segment performance is evaluated based on revenue and is measured consistently with revenue in the Consolidated Financial Statements.

In 2023, one customer exceeded 10% of total revenue accumulated to TEUR 28,800 (2022: One customer with accumulated revenue of TEUR 13,370).

Set out below is the disaggregation of the Group's revenue:

	31 December 2023	31 December 2022
TEUR		
Revenue		
Fixed price	24,288	12,157
Variable price	1,924	3,714
Certificates	2,316	934
Other	130	795
Total revenue	**28,658**	**17,624**

The remaining performance obligation from the sale of power expected to be recognised in the future and depends on the annual production. The performance obligation is connected to delivering most of the produced volume, however with no minimum delivery.

Accounting policies

The Group recognizes revenue from sale of power and renewable energy certificates. Revenue is measured based on the consideration specified in the power purchase agreement and is a fixed price contract with variable elements included: A fixed price with variable volume, variable price at spot rate as well as an price adjustment feature based on total annual production. The agreement does not include a minimum required volume. The revenue excludes VAT and taxes collected on behalf of third parties.

Revenue from sale of power produced by the wind farm is recognized when control of the power is transferred to the customer, that being when the power is delivered. The sale of power is considered to comprise of a series of identical goods that are transferred to the customer over time. The Group recognizes the related revenue in accordance with the practical expedient in IFRS 15 Revenue from Contracts with Customers by the amount it has a right to invoice. The consideration for the power is due when the actual

Notes

3. Revenue (continued)

power is delivered to the customer. The agreement includes variable consideration, which is estimated at the beginning of the reporting period and adjusted at the end of the reporting period when the total annual production is known.

Revenue from sale of renewable energy certificates originating from the Group's own wind farm is recognized at a point in time when the certificate is transferred to the customer.

Realised and unrealised cash flows from the power swap derivative is presented under Other Income and these items are measured in accordance with IFRS 9.

4. Other operating income and expenses

TEUR	2023	2022
Raw materials and consumables	2,971	410
Staff costs	247	148
General operating expenses	11,885	7,875
Audit & accounting services	788	397
GIEK guarantee	1,103	1,103
Total other operating expenses	**16,994**	**9,933**

Staff costs are further detailed in the table below:

TEUR	2023	2022
Salaries	195	110
Other benefits	6	-
Pensions	21	12
Other social security costs	25	26
Total	**247**	**148**
Average numbers of employees during the year	2	2

Remuneration to the general manager was MNOK 1,1 in 2023.

Notes

4. Other operating income and expenses (continued)

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pension Act. The company's pension schemes satisfy the requirements of this Act.

Other income includes the changes in fair value relating to the power swap agreement and invoice to Nordex.

5. Fees paid to auditors appointed at the annual general meeting

TEUR	**2023**	**2022**
Statutory audit	228	97
Total	**228**	**97**

6. Intangible assets

TEUR	**Concessions**
2022	
Cost at 1 January	29,713
Additions	-
Cost at 31 December	**29,713**
Amortisation and impairment losses at 1 January	(1,979)
Amortisation during the year	(991)
Amortisation and impairment losses at 31 December	**(2,970)**
Carrying amount at 31 December	**26,743**

TEUR	**Concessions**
2022	
Cost at 1 January	29,713
Additions	-
Cost at 31 December	**29,713**
Amortisation and impairment losses at 1 January	(988)
Amortisation during the year	(991)
Amortisation and impairment losses at 31 December	**(1,979)**
Carrying amount at 31 December	**27,734**

Notes

6. Intangible assets (continued)

Accounting policies

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment when ever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefit embodied in the asset are considered to modify the amortisation expense on intangible assets with finite lives are recognised in the statement of profit or loss in the line item “Depreciation and amortization expenses”.

Following the completion of assets they are amortised on a straight-line basis over the estimated useful life from the date when the assets are available for use. The amortisation periods are: Concessions period has been set to 30 years as per 31.12, however the useful life was 25 years during 2023.

7. Property, plant and equipment

TEUR	**Plant and machinery**	**Construction in progress**
2023		
Cost at 1 January	495,498	-
Additions	1,853	2,400
Disposals	(5,814)	
Adjustment	2,329	
Transfer	1,583	(1,583)
Cost at 31 December	**495,450**	**816**
Depreciation at 1 January	(22,539)	-
Depreciation during the period	(19,812)	-
Depreciation at 31 December	(42,351)	-
Carrying amount at 31 December	**453,098**	-

Notes

7. Property, plant and equipment (continued)

TEUR	Plant and machinery	Construction in progress
2022		
Cost at 1 January	446,137	-
Additions	49,361	-
Transfer	**495,498**	-
Cost at 31 December		
	(1,527)	-
Depreciation at 1 January	(21,012)	-
Depreciation during the year	(22,539)	-
Depreciation at 31 December	**472,959**	-
Carrying amount at 31 December		

In 2020 and 2021, Øyfjellet Wind AS has 72 wind turbines under development located in the Vefsn municipality. All 72 wind turbines (towers and wind turbines) were finished and have been put in operation as per 31 December 2022. After the mechanical milestone was reached, management concluded that the construction phase was finalised after all turbines were installed. Depreciation started according to Group accounting policies. The amount of borrowing costs capitalised during the year ended 31 December 2023 was TEUR 668 (2022: TEUR 13,749).

Management identified volatile power prices as indicators of impairment during 2022, and consequently performed an impairment test of PP&E at the balance-sheet date. No impairment was recognised in 2022 based on management's impairment assessment.

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost comprises the acquisition price and other directly attributable costs until the date on which the wind turbines were installed and started being depreciated. No significant components were identified by management, so no assets are broken down into components.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The purpose of the notes and shareholder loans are specifically to fund the construction of the wind farm, interest has been capitalised in full. The purpose of the bonds was partly related to the construction, the rate used to determine the amount of borrowing costs eligible for capitalisation was 95%.

Notes

7. Property, plant and equipment (continued)

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (note 2) for further information about the recognised decommissioning provision.

Depreciation is recognised on a straight-line basis from the time of acquisition, or when the asset is available for use, over the expected useful life. The expected useful lives are assessed individually for every class of assets. A reassessment is made once a year to ascertain that the depreciation basis reflects the expected useful lives and future residual values of the assets. Land is not depreciated.

The expected useful lives are as follows:

Machinery & Equipment	5 years
Plant (Windfarm)	25 years

The windfarm is depreciated over the period of the concession, which is 25 years. In addition the company started a construction of an operational building, which is under construction as of 31.12.2023 and is due to be completed in 2025. Concessions period has been set to 30 years as per 31.12, however the useful life was 25 years during 2023.

8. Leases

TEUR	2023 Land	2022 Land
Cost at 1 January	7310	7,965
Additions	-	-
Disposals	-	-
Adjustments and revaluations	1,204	(655)
Cost at 31 December	**8,514**	**7,310**
Depreciation at 1 January	(341)	(37)
Reversals regarding disposals	-	-
Depreciation during the year	(304)	(304)
Depreciation at 31 December	**(645)**	**(341)**
Carrying amount at 31 December	**7,869**	**6,969**

Notes

8. Leases (continued)

Carrying amounts of lease liabilities and movements during the period:

TEUR	31 December 2023	31 December 2022
At 1 January	7,240	7,795
Additions	-	-
Accrual of interest	215	241
Payments	(403)	(127)
FX gain / loss	(520)	(338)
Adjustments	1,204	(331)
At reporting date	**7,736**	**7,240**
Non-current	**7,316**	**7,024**
Current	**420**	**216**

The following amounts have been recognised in the statement of profit or loss:

TEUR	2023	2022
Depreciation expense of right-of-use assets	304	304
Interest expense on lease liabilities	215	241
Adjustment to minimum lease payment (included in depreciation expenses)	-	324
Expense relating to short-term leases (included in other operating expenses)	-	4
Variable lease payments (included in other operating expenses)	1,485	2,076
Total amount recognised in the statement of profit or loss	**2,004**	**2,949**

The Group had a total cash outflow for leases of TEUR 403 (2022: TEUR 1,032).
The lease payment has a variable amount of 2,75 % of gross revenue of the production from the concession area.

Accounting policies

The Group leases the land where the wind farm is built on.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset which is 25 years. Concessions period has been set to 30 years as per 31.12, however the useful life was 25 years during 2023.

Notes

8. Leases (continued)

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised, and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. The leases contain extension and termination options in order to guarantee operational flexibility in managing the leases. The lease obligation, which is recognised in "Lease liabilities", is measured at the present value of the remaining lease payments, discounted by the Group's incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined.

The lease obligation is subsequently adjusted if:

- There is a change in the exercise of options to extend or shorten the lease period due to a material event or material
  change in circumstances which are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of EUR 0, a negative reassessment of the right-of-use asset is recognised in the statement of profit or loss.

The lease contracts include variable lease payments based on the gross turnover of the production. Lease payments have been calculated with the minimum lease which was set at NOK 10,000/year per contract until concession has been granted and NOK 10,000 per MW installed after commissioning of the wind park. Variable lease payments will be accounted directly through profit or loss.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

9. Financial income

TEUR	**2023**	**2022**
Other interest income	1,167	267
Foreign exchange gains	1,641	1,939
Change in fair value of derivatives (note 13)	-	10,127
Total	**2,808**	**12,333**

Notes

10. Financial expenses

TEUR	2023	2022
Interest on loans and borrowings	23,894	16,628
Other interest expenses	254	4,004
Foreign exchange losses and other adjustments	1,923	3,636
Interest on lease liability (note 12)	215	241
Unwinding of discount rate on provisions (note 16)	211	37
Change in fair value of derivatives (note 13)	1,668	187
Total	**28,165**	**24,733**

11. Tax for the year

Consolidated profit or loss

TEUR	2023	2022
Current tax for the year income	-	-
Correction previous years	11	(1,171)
Deferred tax relating to temporary differences	1,970	7,414
Income tax (expense) reported in the statement of profit or loss	**1,959**	**6,243**

Reconciliation of tax expense and the accounting profit multiplied by Norwegian tax rate for 2022 and 2023:

TEUR	2023	2022
Tax calculated as 22% of profit/loss before tax	6,466	3,688
Resource rente tax	(10,061)	-
Other adjustments	5,554	(2,555)
Effective tax	**1,959**	**6,243**
Effective tax rate (%)	**6,7%**	**37.2%**

The change in the effective tax rate compared to prior year is mainly due to currency gain effects as the tax return is prepared in NOK and the functional currency of the Group is EUR. The depreciation on property, plant and equipment is not fixed, but changes every year based on the FX rate changes.

Notes

11. Tax for the year (continued)

Deferred tax is recognised in the statement of financial position as follows:

TEUR	31 December 2023	31 December 2022
Deferred tax (asset)	52,631	33,229
Deferred tax (liability)	(49,304)	(31,872)
Net, total	**(3,327)**	**1,357**

The Group has tax losses that arose in Norway in the amount of TEUR 32,600 (2022: TEUR 22,701) that are available for offsetting against future taxable profits. The Group expects to be profitable from 2025 onwards.

Deferred tax by temporary differences:

TEUR	31 December 2023	31 December 2022
Tangible assets	(40,186)	(25,516)
Financial assets	(6,262)	(6,356)
Prepayments	(2,753)	1,051
Trade receivables	350	350
Leases	(102)	60
Provisions	1,557	1,806
Loans and borrowings	9,848	2,995
Unrecovered interest carried forward	8,275	4,266
Loss carry-forward	32,600	22,701
Total	**3,327**	**1,357**

The unrecovered interest carried forward is available for offsetting against future tax profit within ten years. The increase in Tangible assets is mainly due to the Resource rent tax for onshore wind power.

Deferred tax liabilities, net

TEUR	2023	2022
Deferred tax 1 January	1,357	(6,057)
Deferred tax for the year recognised in the statement of profit or loss	1,970	7,414
Deferred tax for the year recognised in other comprehensive income	-	-
Deferred tax 31 December	**3,327**	**1,357**

Notes

11. Tax for the year (continued)

Accounting policies

Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognised in the statement of profit or loss, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the statement of profit or loss.

The Group recognises deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilisation in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

Notes

12. Prepayments

TEUR	2023	2022
Advance supplier payments	9,063	9,945
GIEK Guarantee	3,755	3,197
At 31 December	**12,818**	**13,142**
Current	9,063	9,945
Non-current	3,755	3,197

Accounting policies

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Notes

13. Financial assets and financial liabilities

Set out below is an overview of financial assets and liabilities held by the Group as at 31 December 2023 and 31 December 2022 including a comparison of the carrying amounts and fair values. Carrying amounts of financial assets and liabilities measured at amortised costs are a reasonable approximation of fair values:

	31 December 2023		31 December 2022	
TEUR	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets measured at amortized cost:				
Trade receivables	12,352	12,352	3,560	3,560
Deposits	2,353	2,353	2,353	2,353
Financial assets at fair value through profit or loss:				
Interest rate derivatives	9,477	9,477	11,144	11,144
Power swap derivatives	8,668	8,668	9,280	9,280
Embedded derivatives	202	202	194	194
Total financial assets	**33,052**	**33,052**	**26,531**	**26,531**

	31 December 2023		31 December 2021	
TEUR	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair Value**
Financial liabilities measured at amortized cost:				
Trade and other payables	5,483	5,483	10,346	10,346
Loans and borrowings:				
Notes	226,085	181,061	229,932	232,823
Bonds	79,829	79,754	79,605	79,672
Shareholder loans	259,685	199,055	256,886	248,256
Lease liabilities	7,736	7,736	7,240	7,240
Total financial liabilities	**578,818**	**470,089**	**584,009**	**578,377**

Notes

13. Financial assets and financial liabilities (continued)

	Interest rate	Maturity	31 December 2023	31 December 2022
EUR				
Loans and borrowings:				
Notes	2.12 %	Sep. 2045	222,085	225,932
Bond loan	2.75 %	Sep. 2026	79,829	79,605
Shareholder loans	7.25 %	Sep. 2046	228,973	228,997
Lease liabilities	3.28 %	Nov. 2045	7,316	7,024
Non-current			**538,203**	**541,558**
Notes	2.12 %	Sep. 2045	4,000	4,000
Bond loan	2.75 %	Sep. 2026	-	-
Shareholder loans	7.25 %	Sep. 2046	30,712	27,889
Lease liabilities	3.28 %	Nov. 2045	420	216
Current			**35,132**	**32,105**
Total financial liabilities			**573,335**	**573,663**

Management considers that the Group has so far fulfilled all covenants required in the borrowing agreements and expects to fulfil the convenance as well in the next financial year.

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2023:

TEUR	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Interest rate derivatives	**9,477**	-	9,477	-
Power swap derivatives	**8,668**	-	-	8,668
Embedded derivatives	**202**	-	-	202
Total	**18,347**	-	**9,477**	**8,870**

Notes

13. Financial assets and financial liabilities (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2022:

TEUR	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Interest rate derivatives	**11,144**	-	11,144	-
Power swap derivatives	**9,280**	-	-	9,280
Embedded derivatives	**194**	-	-	194
Total	**20,618**	**-**	**11,144**	**9,474**

Reconciliation of fair value measurement:

	Embedded derivatives	Interest rate derivatives	Power swap derivatives
As at 1 January 2023	**194**	**11,144**	**9,280**
Remeasurement recognised in statement of profit or loss during the period	7	(1,668)	(612)
Purchases	-	-	-
Sales	-	-	-
As at 31 December 2023	**202**	**9,476**	**8,668**
As at 1 January 2022	**382**	**1,017**	**(1,297)**
Remeasurement recognised in statement of profit or loss during the period	(188)	10,127	10,577
Purchases	-	-	-
Sales	-	-	-
As at 31 December 2022	**194**	**11,144**	**9,280**

Notes

13. Financial assets and financial liabilities (continued)

Accounting policies

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss under financial income and expenses. This category includes derivative instruments.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Notes

13. Financial assets and financial liabilities (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated based on observable market data as of the end of the reporting period. Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly. For further information on assumptions and significant unobservable inputs used for the valuation refer to note 2

Notes

14. Trade receivables

TEUR	31 December 2023	31 December 2022
Trade receivables	12,352	3,560
Total	**12,352**	**3,560**

The Group has material risks related to a single customer based on the amount of revenue gained from that single customer. However, Management limited risks through the aforementioned GIEK guarantee, which protects the beneficiary against credit losses. Refer to note 3 for further information.

Accounting policies

Trade receivables are measured at amortised cost less allowance for lifetime expected credit losses. The Group has assessed their expected credit losses on an individual level, and has deemed their expected losses immaterial, for which reason there has not been included any allowance.

15. Share capital

The share capital comprises 3,000,000 shares of NOK 10 each (2022: 3,000,000). The shares are all authorised, issued and fully paid. No shares carry any additional special rights. The Group continuously assesses the need for adjustment of the capital structure. Øyfjellet Wind Holding AS owns 100% of the shares.

The consolidated financial statement of Øyfjellet Wind Holding AS is available at the Register of Company Accounts.

Notes

16. Provisions

TEUR	Litigation	Decommissioning	Total
At 1 January 2023	**1,647**	**6,561**	**8,208**
Arising during the year	-	-	-
Adjustment provisions		(1,341)	**(1,341)**
Unwinding of discount rate	-	211	211
At 31 December 2023	**1,647**	**5,431**	**8,419**
Current	1,647	-	1,647
Non-current	-	5,431	5,431

TEUR	Litigation	Decommissioning	Total
At 1 January 2022	**-**	**2,194**	**2,194**
Arising during the year	1,647	4,329	5,976
Unwinding of discount rate	0	37	37
At 31 December 2022	**1,647**	**6,561**	**8,208**
Current	-	-	-
Non-current	1,647	6,561	8,208

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Group records a provision for decommissioning costs of the wind turbines. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the wind turbines. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future

Notes

16. Provisions (continued)

costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Litigation provision
During the construction of the wind park one of the contractors raised claims against the Group. In return, the Group has claims for liquidated damages caused by construction delay against that contractor. Parties were unable to settle the dispute before end of the reporting period. A ruling in the arbitration process is expected by the end of the financial year 2024 and the Group has recorded a conservative provision for precautionary reasons.

Also during the construction period, the Group was in dispute with another of their contractors regarding amounts invoiced in relation to construction agreements. The total amount of the disputed invoices EUR 7.1m was booked as part of the PPE in the 2022 accounts and was paid by way of withdrawal of a bank guarantee. A settlement agreement was signed during the year 2023 and the dispute therefore concluded.

17. Financial risks

Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management

As a result of its operations, investments and financing, Øyfjellet Wind Investment AS is exposed to market risks in the form of changes in exchange rates and interest rates, as well as credit risks and liquidity risks. The Group operates with a low risk profile, so that currency, interest rate and credit risks only arise based on commercial conditions.

The Group's financial risks are managed centrally in the finance function in accordance with the board's adopted policy and instructions, which set guidelines and frameworks for the company's financial transactions.

Interest risk

Notes

17. Financial risks (continued)

Interest rate risk arises in relation to interest-bearing assets and liabilities. Current borrowing rates are based on a three-month EURIBOR plus a premium. If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions at year-end 2023 would lead to a yearly increase in interest expenses of TEUR 6,103. A corresponding decrease in market interest rates would have the opposite impact.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, leading to a financial loss. The Group is exposed to credit risk primarily related to its trade receivables, receivables from group enterprises and cash held at financial institutions.

The Group has no write-off policy with respect to trade receivables since revenue is generated through long term purchase agreements, which are secured by a GIEK guarantee. The counterparty risk is continuously monitored. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

It is the Group's assessment that the exposure to credit risk is not significant. Impairment of receivables are deemed immaterial in both 2023 and 2022 due to the aforementioned GIEK guarantee (refer to note 2 and 12).

17. Financial risks (continued)

In terms of financial covenants for the bond loans, the debt service coverage ratio has to be greater than 1.05. If financial covenants are met, the Group has 90 days after compliance testing date for distribution.

Currency risk

Foreign currency risk is the risk that arises from changes in exchange rates and affects the Group's results.

The group's currency risks are not hedged

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currency
at the reporting date are as follows:

	Assets		Liabilities	
TEUR	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Currency				
NOK	69	15	(5,974)	(5,413)
SEK	-	-	(7)	(49)

The foreign currencies to which the Group is mainly exposed fluctuate only slightly, therefore currency risk is deemed immaterial and no sensitivity analysis is disclosed.

Liquidity risk

The Group is monitoring the need of liquidity based on a ongoing basis. At 31 December 2023, the Group has loans and borrowings of TEUR 565,599 to ensure that the Group is able to meet its short- and midterm obligations. Management considers the Group's credit availability to be sufficient for the next 12 months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

Notes

17. Financial risks (continued)

TEUR Year ended 31 December 2023	< 1 year	1 to 5 years	> 5 years	Total
Notes	8,802	71,281	202,373	282,456
Bond loan	2,237	84,272	-	86,508
Shareholder loan	52,377	66,399	519,529	638,305
Lease liabilities	420	1,681	9,667	11,768
Trade and other payables	5,483	-	-	5,483
Total non-derivative financial liabilities	**69,318**	**223,633**	**731,569**	**1,024,520**

TEUR Year ended 31 December 2022	< 1 year	1 to 5 years	> 5 years	Total
Notes	8,887	66,228	216,228	291,343
Bond loan	2,218	86,502	-	88,720
Shareholder loan	47,139	83,613	227,384	358,136
Lease liabilities	442	1,769	7,959	10,170
Trade and other payables	10,346	-	-	10,346
Total non-derivative financial liabilities	**69,032**	**238,112**	**451,571**	**758,715**

Notes

18. Other disclosures relating to consolidated statement of cash flow

Additional information about the changes to liabilities arising from financing activities can be found in the below tables:

TEUR	Loans and borrowings	Lease liabilities	Total
2023			
Liabilities at 1 January	566,424	7,240	573,664
Loans raised	1,100	-	1,100
New leases	-	-	-
Repayments	(4,000)	(403)	(4,403)
Other	2,075	899	2,974
Liabilities at 31 December	**565,599**	**7,736**	**573,335**

TEUR	Loans and borrowings	Lease liabilities	Total
2022			
Liabilities at 1 January	549,143	7,795	556,938
Loans raised	2,373	-	2,373
New leases	-	-	-
Repayments	(3,000)	(127)	(3,127)
Other	17,908	(428)	17,480
Liabilities at 31 December	**566,424**	**7,240**	**573,664**

Notes

19. Commitments and contingencies

Commitments

At 31 December 2023, the Group had commitments of EUR 9,324k in relation to payments for acquisition of property, plant and equipment.

Contingent liabilities

The Group is involved in an ongoing appraisal case to determine a compensation to local communities, where the validity of the license decision is questioned by the local reindeer district. A court hearing is scheduled in May 2024. The Group has conducted a comprehensive assessment of the arguments presented in conjunction with its legal advisors and assesses the probability of an unfavorable outcome in the appraisal case to be minimal.

Øyfjellet has carried out work on Tveråvegen, a road that is partly municipal. According to the VAT act, the work on the road is subject to the adjustment rules. In November 2022, Vefsn Municipality took over the roadwork, however no agreement regarding transfer of the adjustment liabilities between Øyfjellet and the municipality was made before the deadline. Øyfjellet is in dialogue with Vefsn Municipality regarding an agreement to transfer the right of adjustment to Vefsn Municipality, and expect that the right of adjustment will be transferred to Vefsn Municpality. The total maximum amount of the initial VAT exposure is NOK 15,4m but this amount is probably lower as we have not yet been able to carve out A) the part of costs related to the part of the works at Tveråvegen that has not been transferrered to the Municipality and B) the part of the costs that are deemed as maintenance costs and hence not subject to the adjustment rules. The expected end outcome is that ØWAS – following a re-payment of the aforementioned VAT – may transfer the right of adjustment to the Municipality and through an agreement with the Municipality may be granted the nominal value of the aforementioned VAT (less an annual administrative fee) with 1/10th per year over a period until the end of 2031. No provision was booked in 2023.

Notes

20. Related parties

Shareholders	Registered office	Direct/in-direct owner-ship	Basis of influence
Øyfjellet Wind Holding AS	Norway	Direct	100 %
Raven Projects II S.à.r.l.	Luxem-bourg	Indirect*	32.0 %
Achmea IM Climate Infrastructure Fund HoldCo 1 B.V.	The Neth-erlands	Indirect*	21.6 %
Tesseract Holdings Limited	United Kingdom	Indirect*	13.7 %
Nika Renewables Holding S.a r.l.	Luxem-bourg	Indirect*	13.5 %
Pangion Holding S.a r.l.	Luxem-bourg	Indirect*	13.0%
Tesmena Renewables Holding S.a.r.l.	Luxem-bourg	Indirect*	6.2%

*Basis of influence is indirect through ownership in Øyfjellet Wind Holding AS

Balances and transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The major transactions with related parties are in connection with the shareholder loan received from Øyfjellet Wind Holding AS (open balance 31 December 2022). For further information please refer to note 13.

Notes

20. Related parties (continued)

There were no transactions with the Board of Directors, besides remuneration.

Breakdown of remuneration is as follows:

TEUR	Salary	Benefits and other related expenses	Total
31 December 2023:			
Board of Directors	-	-	-
Total	**-**	**-**	**-**

TEUR	Salary	Benefits and other related expenses	Total
31 December 2022:			
Board of Directors	67	18	85
Total	**67**	**18**	**85**

21. List of Group companies

Name	Registered office	% equity interest
Øyfjellet Wind AS	Mosjøen	100

Notes

22. Events after the reporting period

In January 2024, the rotor of the previously damaged turbine fell to the ground as the provisiory anchoring could not withstand recorded wind speed of above 50 meter per second. As such damages are covered in the scope of the Operating and Maintenance Agreement, the company is expecting the supplier to replace the turbine within year 2024/2025.

A provision has been made to cover the reversal of previously deducted VAT of MNOK 15,4 related to the reconstruction and reinforcement of Tveråvegen. This obligation to reverse input VAT has been triggered in February 2023. It is assumed that it will be possible to reduce the final cost of the reversal. This may be done through an agreement with Vefsn municipality on the transfer of the right of adjustment. Since it is not yet clear if it is feasible to enter into such an agreement and if applicable what the terms for such an agreement would be any potential future cost reduction has not been taken into account when fixing the amount of this provision.

Parent Company Financial Statements

Statement of profit or loss

ØYFJELLET WIND INVESTMENT AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2023	2022
Other operating expenses	3	161,050	133,792
Operating profit/(loss) before tax		**(161,050)**	**(133,792)**
Interest income from group companies		20,949,415	21,142,567
Other interest income		163,084	12,843
Other financial income		13,610	10,134,670
Interest expense to group companies		16,632,395	16,514,547
Other interest expenses		2,168,887	2,336,121
Other financial expenses		1,946,775	312,626
Net Financial items		**378,052**	**12,111,317**
Net profit(loss) before tax		217,002	11,977,526
Income tax expense	4	46,371	2,635,065
Net income (loss)		**170,631**	**9,342,461**
Other comprehensive income		-	-
Total comprehensive income (loss) for the financial year		**170,631**	**9,342,461**

Parent Company Financial Statements

Balance sheet

ØYFJELLET WIND INVESTMENT AS

ASSETS	Note	31 December 2023	31 December 2022	1 January 2022
NON-CURRENT ASSETS				
Deferred tax assets	4	-	615,391	1,931
Total intangible assets		**-**	**615,391**	**1,931**
NON-CURRENT ASSETS				
Shares in subsidiaries	5	30,011,748	30,011,748	30,011,748
Interest bearing receivables from group companies	6	282,862,031	228,963,264	226,600,764
Other long-term receivables	7	2.353,000	3,210,190	-
Other non-current financial assets	8	9,476,872	10,287,265	3,670,245
Total non-current assets		**324,703,651**	**273,087,858**	**260,284,688**
CURRENT ASSETS				
Other current receivables		12,407	36,444	25,028
Receivables from group companies	5	55,066,006	105,515,358	84,372,791
Cash and cash equivalents		2,588,649	2,257,452	3,461,987
Total current assets		**57,667,062**	**107,809,254**	**87.859,805**
Total assets		**382,370,713**	**380,897,112**	**348,144,493**

Parent Company Financial Statements

Balance sheet

ØYFJELLET WIND INVESTMENT AS

EQUITY AND LIABILITIES	Note	31 December 2023	31 December 2022	1 January 2022
EQUITY				
Share capital	9	2,958,044	2,958,044	2,958,044
Share premium reserve		27,521,294	27,521,294	27,521,294
Other equity		10,398,427	10,227,543	885,082
Total equity		**40,877,765**	**40,706,881**	**31,364,421**
LIABILITIES				
Deferred tax liabilities	4	273,772	2,448,377	382,637
Interest bearing liabilities	8	79,828,925	79,637,611	79,561,522
Interest bearing liabilities to group companies	7, 8	228,973,264	228,973,264	226,600,764
Total non-current liabilities		**309,075,961**	**311,059,252**	**306,544,923**
CURRENT LIABILITIES				
Trade and other payables		-	58,813	37,792
Tax payable	4	-	1,182,785	-
Current portion of interest bearing liabilties to group companies	6	32,416,719	27,889,380	10,202,358
Total current liabilities		**32,416,719**	**29,130,979**	**10,235,150**
Total liabilities		**341,492,946**	**340,190,231**	**316,780,073**
Total equity and liabilities		**382,370,713**	**380,897,112**	**348,144,493**

Oslo, 29 April 2024

Executive Board - Board of Directors

Joakim Johnsen
Joakim Brønner Johnsen
Chair

Erik Mortensen
Erik Mortensen

Bernhard Gierke
Bernhard Gierke

Parent Company Financial Statements

Changes in equity

TEUR	Share Capital	Share premium reserve	Other equity	Total
Equity at 1 January 2023	**2,958**	**27,521**	**10,228**	**40,707**
Net profit/(loss) for the period	-	-	171	**171**
Total comprehensive income	**-**	**-**	**-**	**-**
Balance at 31 December 2023	**2,958**	**27,521**	**10,398**	**40,878**

TEUR		Share Capital	Share premium reserve	Other equity	Total
Equity at 1 January 2022 NGAAP		**2,958**	**27,521**	**98**	**30,578**
Effect of initially applying IFRS	2	-	-	787	787
Equity at 1 January 2022		**2,958**	**27,521**	**885**	**31,364**
Net profit/(loss) for the period		-	-	9,342	9,342
Total comprehensive income		**-**	**-**	**-**	**-**
Balance at 31 December 2022		**2,958**	**27,521**	**10,228**	**40,707**

Parent Company Financial Statements

Cashflow statement

	2023	2022
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	(161,050)	(133,792)
Change in operating receivables	(2,614,985)	(11,416)
Change in operating liabilities	1,621,561	582,130
Interest received	7,478,261	20,303
Interest paid	(15,930,545)	(2,203,492)
Income taxes, received/(paid)	(1,182,785)	
Net cash flow from operations	**(10,790,543)**	**(1,746,267)**
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Repayment of loan from subsidiary	10,021,739	
Outflows due to purchases of financial non-current assets	-	(1,830,768)
Net cash flow from investment activities	**10,021,739**	**(1,830,768)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in shareholder loan	1,100,000	-
Inflow due to new non-current liabilities	-	2,372,500
Net cash flow from financing activities	**1,100,000**	**2,372,500**
Net change in bank deposits, cash and equivalents	331,196	(1,204,535)
Bank deposits, cash and equivalents at 1 January	2,257,452	3,461,987
Bank deposits, cash and equivalents at 31 December	**2,588,649**	**2,257,452**

Notes

Notes

1. Summary of significant accounting policies

The separate Parent Company Financial Statements have been incorporated in the Annual report, as a separate set of financial statements is required for the Parent Company. The financial statements have been prepared in conformity with the Norwegian Accounting Act, Regulation on simplified IFRS ® Accounting Standards laid down by the Ministry of Finance on 7. February 2022 and generally accepted accounting principles in Norway.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Company's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, working capital changes, interest received, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Company's share capital and dividend paid. Cash and cash equivalents comprise cash at bank and in hand.

Currency

The functional currency are in Euros, monetary items in foreign currencies are evaluated according to the exchange rate at the balance sheet date.
The company has investments in EUR, and has also entered into a power swap agreement strongly linked to EUR. The financing of the company is also in EUR. Monetary items in non-EUR currencies are valued at the exchange rate on the balance sheet date.

Currency rate at the balance sheet date: 11,2405
Average currency rate through 2023: 11,4206

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and presented net.

Notes

1. Summary of significant accounting policies (continued)

Classification and valuation of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets and current liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Other non-current liabilities, as well as current liabilities, are valued at nominal value.

Shares in subsidiaries

Subsidiaries are recognised using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the writedown is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represent a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Derivatives

Derivatives are recorded on the balance sheet at fair value, adjusted for net changes in fair value over net income.

Interest bearing debt

After initial recognition, interest-bearing loans will be measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit when the obligation has been set off. Amortized cost is calculated by taking into account any discount or premium associated with the purchase, or costs and taxes that are an integral part of the effective interest rate. The effective interest rate is presented as finacial expenses in the income statement.

Liabilities are mesured at their nominal amount if the effect of discounting is negligble.

2. First time adoption of IFRS Accounting Standards

The company's financial statements have for the first time been prepared in accordance with IFRS Accounting Standards for recognition and derecognition as adopted by the European Union and Norwegian requirements for the presentation of financial statements for Simplified IFRS Accounting Standards (Forenklet IFRS). In previous years, the company prepared its financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (Norwegian GAAP).

In accordance with IFRS 1, the income statement for 2023 and 2022 and the statement of financial position at 31 December 2023 and comparative figures for 31 December 2022 have been prepared in accordance with IFRS/IAS and IFRIC/SIC applicable at 31 December 2023. The statement of financial position at 1 January 2022 has been prepared in accordance with the same principles.

The effects of the IFRS adoption for the interim consolidated income statement and balance sheet, and a reconciliation between net profit for the year according to previous GAAP and IFRS, are presented below:

	1 January 2022			31 December 2022			
TEUR	**Assets**	**Liabilities**	**Equity**	**Profit for the year**	**Assets**	**Liabilities**	**Equity**
According to previous GAAP (Norwegian accounting act)	**348 214**	**317 636**	**30 578**	**1 455**	**370 608**	**338 575**	**32 033**
Effect of transition to IFRS:							
Derivatives (A)	1 017		793	7 899	11 144		8 693
Effective interest rate (B)	(1 089)	(1 080)	(7)	(12)	(857)	(833)	(19)
Deferred tax (C)	2	224			2	2 448	
Total adjustment	**(70)**	**(856)**	**787**	**7 887**	**10 289**	**1 615**	**8 674**
According to IFRS	**348 144**	**316 780**	**31 364**	**9 342**	**380 897**	**340 190**	**40 707**

A. Derivatives

Under Norwegian GAAP the company accounted derivatives at historical cost, when converting to IFRS derivatives was accounted for at fair value through profit and loss. As a result, the company recognized EUR 11,144k increase of non-current financial assets with an increase of EUR 10,122k in financial income in 2022.

B. Effective interest rate

Under Norwegian GAAP loans and borrowings have not been discounted with the effective interest rate. Under IFRS transaction costs were taken into account, which led to a decrease of interest-bearing loans and borrowings of EUR 833k on the balance sheet and an increase of finance costs of EUR 15k in 2022. Transaction costs capitalised as non-current financial assets were reclassed to interest-bearing loans in the amount of EUR 857k.

C. Deferred tax

The various transitional adjustments result in various temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings.

Transition rules

In applying IFRS 1, the company have used the following rule:

- The company has applied the transistion provisions in IAS 23 Borrowing Costs and capitalises borrowing costs relating to all qualifying assets after the date of transistion. Similarly, the company has not restated for borrowing costs capitalised under Norwegian GAAP on qualifying assets prior to the date of transition to IFRS.

Changes in accounting policies

As a result of first time adoption of IFRS, the Entity has changed its accounting policies for financial assets and liabilities. The company has adjusted for the changes in accounting policies in the opening balance of equity at 1 January 2022.

3. Salary costs and benefits, remuneration to the chief executive, board and auditor fees

Remuneration

The company has no employees and the management and board has not received any remuneration. The entity does not have any pension plans.

Auditor fees

Audit fees expensed for 2023 amount to EUR 123,766 incl. vat.

Notes

4. Tax

This year's tax expense	2023	2022
Income tax expense		
Payable tax	19,164,419	12,435,567
Changes in deferred tax	(19,331,149)	(8,036,449)
Income taxes	**(166,730)**	**4,399,118**
Taxable income:		
Profit before taxes	(907,293)	19,995,989
Permanent differences	149,431	-
Changes in temporary differences	87,868,858	40,289,005
Group contribution	(87,110,996)	
Allocation of loss to be brought forward	-	(3,759,689)
Taxable income	**-**	**56,525,305**
Payable tax in the balance:		
Payable tax on this year's result	19,164,419	12,435,567
Group contribution	(19,164,419)	
Total payable tax in the balance	**-**	**12,435,567**

Notes

4. Tax (continued)

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

NOK	**2023**	**2022**	**Change**
Non-current receivables and liabilities in foreign currency	(92,536,902)	(29,603,249)	62,933,653
Derivatives	106,524,781	131,459,986	24,935,205
Total	**13,987,879**	**101,856,737**	**87,868,858**
Accumulated loss to be brought forward	-	-	-
Basis for deferred tax	**13,987,879**	**101,856,737**	**87,868,858**
Deferred tax (22 %)	**3,077,333**	**22,408,482**	**19,331,149**

The tax note represents the tax position in NOK. Deferred tax per 31 December 2022 amounts to EUR 613,460 (1 EUR = 10,5138 NOK) deferred tax per 31 December 2023 amounts to EUR 273,772 (1 EUR = 11,2405 NOK).

Reconciliation of tax expense and the accounting profit multiplied by Norwegian tax rate for 2022 and 2023:

	2023	**2022**
Tax calculated as 22% of profit/loss before tax	47,740	2,635,056
Permanent differences	-1,369	-
Effective tax	**46,371**	**2,635,056**
Effective tax rate (%)	**21%**	**22%**

Notes

5. Subsidiaries

Øyfjellet Wind Investment AS owns 100% of the shares in Øyfjellet Wind AS, which gives Øyfjellet Wind Investment AS 100% of the votes in the company. Øyfjellet Wind AS has its registered office in Mosjøen. The annual result for the period 01.01-31.12.2023 was TEUR -28,614. The book value of equity capital as at 31.12.2023 was TEUR -48 385. The impairment test indicates a value of MEUR 61 and thus no need for write-downs of the shares in Øyfjellet Wind AS.

6. Intercompany items between companies in the same group

TEUR	**2023**	**2022**
Receivables		
Loans to companies in the same group (Maturity 1 year <)	282,862	228,963
Other current receivables within the group (Maturity < 1 year)	55,066	105,515
Total	**337,928**	**334,479**
Liabilities		
Loans from companies in the same group (Maturity 5 years <)	228,973	228,973
Other current liabilities within the group (Maturity < 1 year)	32,417	27,889
Total	**261,390**	**256,863**

7. Receivables and liabilities

TEUR	**2022**	**2021**
Receivables with maturity > 1 year	2,353	2,353
Non-current debt with maturity > 1 year	80,000	79,638

The shares in Øyfjellet Wind AS has been pledged for the bond loan of EUR 80 000 000. The book value of the charged assets amounts to EUR 30 011 748. The bond has an interest rate of 2.75% and a maturity date of September 2026.

Notes

8. Financial assets and financial liabilities

Set out below is an overview of financial assets and liabilities held by the Group as at 31 December 2023 and 31 December 2022 including a comparison of the carrying amounts and fair values. Carrying amounts of financial assets and liabilities measured at amortised costs are a reasonable approximation of fair values:

	31 December 2023		31 December 2022	
TEUR	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at fair value through profit or loss:				
Interest rate derivatives	9,477	9,477	11,144	11,144
Total financial assets	**9,477**	**9,477**	**11,144**	**11,144**

	31 December 2023		31 December 2022	
TEUR	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair Value**
Financial liabilities measured at amortized cost:				
Bonds	79,829	79,754	79,638	79,672
Shareholder loans	259,685	199,055	256,886	248,256
Total financial liabilities	**339,514**	**275,809**	**336,524**	**327,928**

Notes

8. Financial assets and financial liabilities (continued)

TEUR		Interest rate	Maturity	31 December 2023	31 December 2022
EUR					
Loans and borrowings					
	Bonds	2.75 %	Sep. 2026	79,829	79,638
Shareholder loans		7.25 %	Sep. 2046	228,973	228,997
Non-current				**308,802**	**308,635**
Shareholder loans		7.25 %	Sep. 2046	30,712	27,889
Current				**30,712**	**27,889**

Effective interest rate related to the bond is 3,123%.

Management considers that the company has so far fulfilled all covenants required in the borrowing agreements and expects to fulfil the convenance as well in the next financial year.

The following table provides the fair value measurement hierarchy of the Entity's financial assets and financial liabilities as at 31 December 2023:

TEUR	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Interest rate derivatives	**9,477**	-	9,477	-
Total	**9,477**	**-**	**9,477**	**-**

Notes

8. Financial assets and financial liabilities (continued)

The following table provides the fair value measurement hierarchy of the Entity's financial assets and financial liabilities as at 31 December 2022:

TEUR	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Interest rate derivatives	**11,144**	-	11,144	-
Total	**11,144**	**-**	**11,144**	**-**

Reconciliation of fair value measurement:

TEUR	Interest rate derivatives
As at 1 January 2023	**11,144**
Remeasurement recognised in statement of profit or loss during the period	(1,668)
Purchases	-
Sales	-
As at 31 December 2023	**9,477**
As at 1 January 2022	**1,017**
Remeasurement recognised in statement of profit or loss during the period	10,127
Purchases	-
Sales	-
As at 31 December 2022	**11,144**

Accounting policies

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notes

8. Financial assets and financial liabilities (continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The company's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss under financial income and expenses. This category includes derivative instruments.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables and loans and borrowings.

Financial liabilities at amortised cost

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fair value measurement

The company measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes

8. Financial assets and financial liabilities (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or
indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated based on observable market data as of the end of the reporting period. Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the company's profit or equity significantly.

Notes

9. Shareholders

The share capital in Øyfjellet Wind Investment as as of 31.12.2023 consists of:

	Total	Face value	Entered
Ordinary shares	3,000,000	10	30,000,000
Sum	**3,000,000**		**30,000,000**

Shareholders pr. 31.12 was:

	Ordinary	Ownership interest	Share of votes
Øyfjellet Wind Holding AS	3,000,000	100	100

The share capital is and face value is stated in NOK, Øyfjellet Wind Holding AS has pledged its shares. The consolidated financial statement of Øyfjellet Wind Investment AS is published on Øyfjellet Wind's webpage: oyfjelletwind.no.

10. Related party transactions

Transaction type TEUR	**Counterpart**	**Relationship to the counterpart**	**2022**	**2021**
Interest income from subsidiaries	Oyfjellet Wind AS	Subsidiary	20,949	21,143
Interest cost to parent	Oyfjellet Wind Holding AS	Parent company	16,632	16,515

Further explanation to related party transactions:

Transaction/transaction type 1: Interest income related to shareholder loan

Transaction/transaction type 2: Interest cost related to shareholder loan

Notes

10. Related party transactions (continued)

Counterpart TEUR	Relationship to the counterpart	Accounts payable 2023	Accounts payable 2022	Other current liabilities 2023	Other current liabilities 2022
Øyfjellet Wind Holding AS	Parent Company	-	-	30,712	27,889
Øyfjellet Wind AS*	Subsidiary	-	-	1,705	-

* The entity will have decided to have a circular group contribution, to reduce the tax payable in the entity and reduce the tax loss carry forward in Øyfjellet Wind AS, in line with tax and accounting regulations. The company has recognized only the tax liability to liability to subsidiaries. Group contribution is accounted in the financial year that it is connected to, using the exemption in simplified IFRS to use general accepted bookkeeping practice (GRS).

Counterpart TEUR	Relationship to the counterpart	Accounts receivables 2023	Accounts receivables 2022	Other receivables 2023	Other receivables 2022
Oyfjellet Wind AS	Subsidiary	-	-	55,066	105,515
Oyfjellet Wind Holding AS	Parent company	-	-	2	2

Oyfjellet Wind AS
Accrued interest on shareholder loan

Oyfjellet Wind Holding AS
Invoice paid by parent company

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custodial	huoltaja/edunvalvoja	förvaltare	foresatte/verge	frihedsberøvende