Cloudberry

Annual report 2021

Cloudberry Clean Energy ASA

Content

Cloudberry in brief	3
Letter from the CEO	4
Overview and highlights	6
Executive Management	18
Board of Directors	20
Board of Directors report	23
Sustainability report	32
Corporate Governance report	78
Consolidated financial statements Group	90
Parent company financial statements	158
Responsibility statement	176
Alternative performance measures	177
Auditor’s report	181

Cloudberry in brief

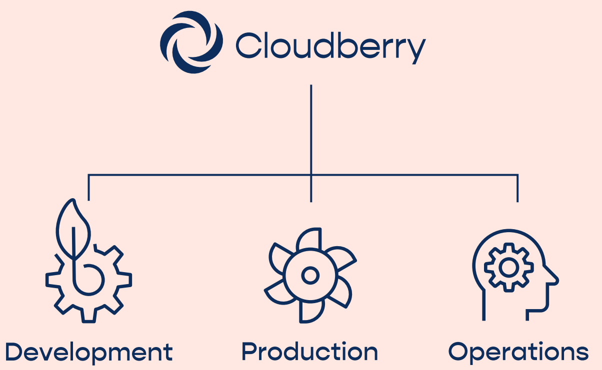
Cloudberry is a renewable energy company, born, bred, and operating in the Nordics and in accordance with local traditions. We own, develop, and operate hydropower plants and wind farms in Norway and Sweden. We are powering the transition to a sustainable future by providing new renewable energy today and for future generations. We believe in a fundamental long-term demand for renewable energy in Europe. With this as a cornerstone, we are building a sustainable, scalable, efficient, and profitable platform for creation of stakeholder value.

Cloudberry`s business model

Our business model will from 2022 comprise three revenue generating segments and one cost-efficient corporate segment: **Develop**, our fully owned development company has a long history of organic, in-house developments of wind and hydropower assets in Norway and Sweden. **Production**, our fully owned power producing company, is an active owner and manager of producing renewable assets. **Operating** (from January 2022), a 60 per cent owned company with a scalable operating platform.

Our strong commitment to local communities and integrated value chain ensures local presence and optimization of stakeholder alignment and value creation.

Our Nordic clean renewable platform



Cloudberry`s growth strategy

Our current portfolio consists of 25 hydropower and three wind power assets. We have a local and active ownership strategy and prefer 100 per cent ownership; however, in certain investments we have proportionate ownership with strong, strategic partners. The scalable Cloudberry platform is positioned for valuable growth, both in terms of energy production and our in-house development backlog and pipeline. Cloudberry's strategy is to continue to grow both organically and inorganically in the Nordic market. We are backed by strong owners and an experienced management team and board. Our shares are traded on Oslo Oslo Børs' Main list, ticker: CLOUD.

Reporting

Cloudberry reports consolidated IFRS and proportionate[1] segment reporting to provide enhanced insight to the operation, financing and future prospect of the Group. Proportionate reporting is aligned with internal management reporting, analysis and decision making. The alternative performance measures (abbreviated APMs) provided by Cloudberry are a supplement to the financial statements that are prepared in accordance with IFRS. Cloudberry`s ESG reporting and the company`s approach to sustainability, is in accordance with the World Economic Forum (WEF) Stakeholder Capitalism Metrix, organized into four pillars, Principles of Governance, Planet, People and Prosperity. For more information see the Sustainability report.

[1] See Alternative Performance Measure appendix for further definitions.

Letter from the CEO

Building a leading Nordic renewable company with an attractive portfolio

We contribute to a more sustainable society by developing new renewable projects in the Nordics. Through 2021 we have focused on growing the project pipeline and moving power projects from development stage into commissioning generating long term cash flow for the company – on time and budget. We doubled the production from 2020 to 2021 and we will be doubling it again during 2022.

We have managed to secure financing for all our mature projects and strengthen the company with hydro- and wind power development resources. 2021 has been a very active year for Cloudberry and we are proud of building a leading Nordic Independent Power Producer ("IPP") – being better positioned for further valuable growth than ever before.

The push for more renewable energy production has further strengthened in 2021. We see call for more renewable power, faster development of infrastructure and support for tougher measurements for polluters. The Nordics is very well positioned for solving parts of the problem with some of the world`s best resources and industry capabilities. During 2021 we have seen how important new renewable production is for reaching the ambitious climate goals that the world has agreed upon. Cloudberry is committed to do its share for a greener Europe.

Our bold ambitions to develop offshore wind projects has been a game changer. We decided to set up a separate Offshore Wind team and are very happy to have an experienced team lead by Charlotte Bergqvist onboard and in operation at year end. We will hear a lot more from them over the next years with exciting projects both on inland fresh water and in the Baltic Sea.

We have also focused on strengthening the Cloudberry team in 2021. We have invested into great people and technology. The up listing to Oslo Børs' Main list in June 2021 was a new milestone for us and important for building one of the leading IPP in the Nordics. We are convinced that the investments we did in 2021 will take Cloudberry to the next level over the years to come. Despite covid related issues both on the projects side and in the company, the team managed to solve the challenges as they came and delivered according to plan.

We have a responsibility to operate our business in a sustainable manner. It is a high priority for us to reduce our environmental footprint as much as possible. Cloudberry has set a goal to be net-zero by 2040, and our development projects and producing power plants shall be as green and sustainable as possible. In 2021 Cloudberry has continued to build our ESG framework and continues our focus to make ESG and sustainability a competitive advantage.

Our bold ambitions to develop offshore wind projects has been a game changer.

Our Sustainability Report 2021 will give you a taste of Cloudberry's ESG work in practice.

The demand for more renewable power in Europe will only increase in the years to come. With the devastating Russian attack on Ukraine, the European energy market is probably changed for good. The EU has put forward plans to cut all imports of Russian gas as soon as possible and with two thirds already in 2022. This comes on top of the already ongoing energy transition in Europe and will further speed up the process. The outlook is heavily influenced by an ongoing war in Ukraine, demand for more renewable power and the ongoing energy transition leading to record high gas- and power prices in 2022 and on the front of the price curve. We are committed to be part of the solution to secure sufficient energy for Europe and at the same time taking part in solving the climate crises. For Cloudberry this most likely means a more active role with further opportunities for new renewable energy projects helping Europe to become less dependent on Russian oil and gas.

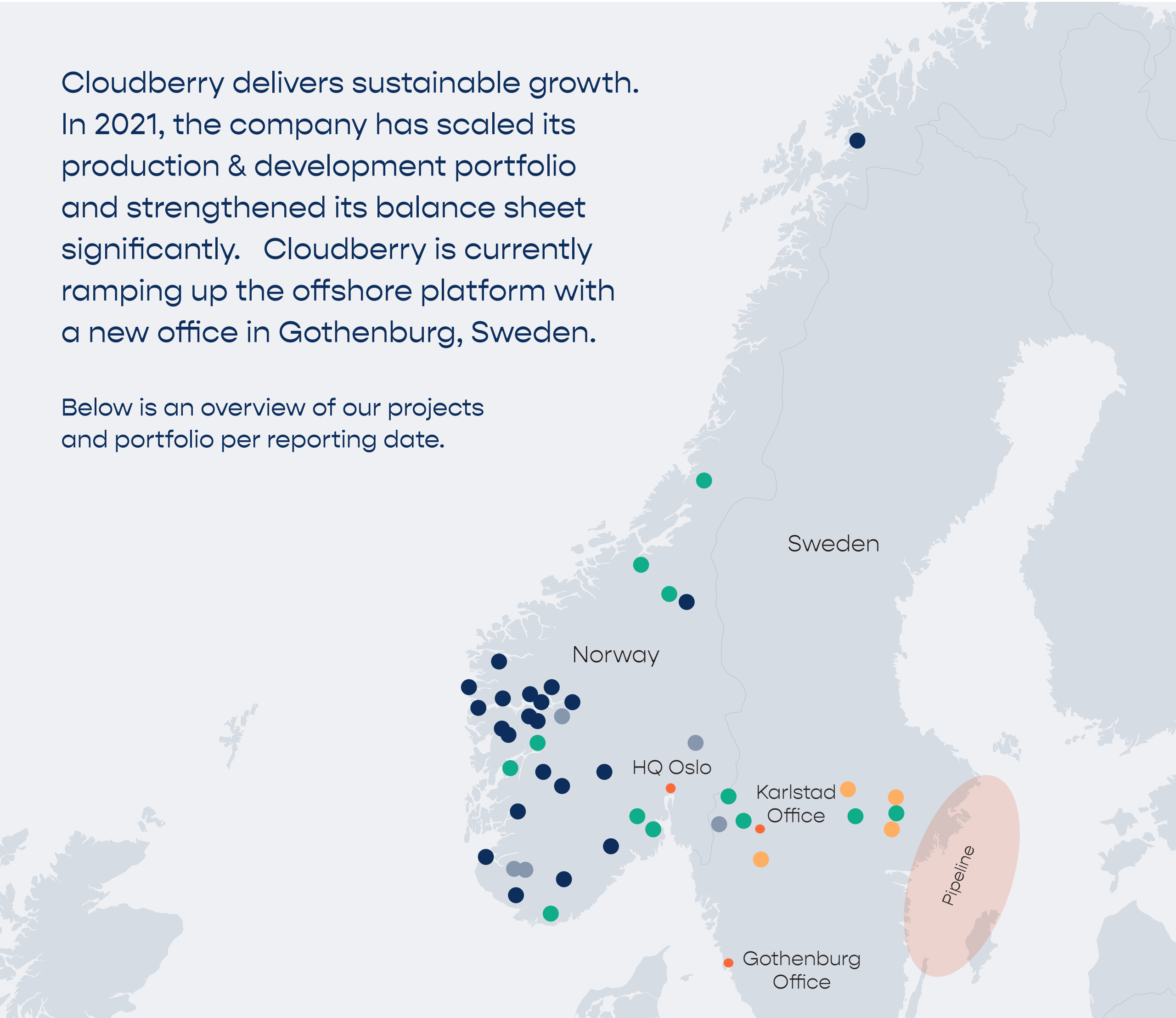
We are proud to have delivered on our goals and to see that our strategy work. We are more than motivated to continue the valuable growth for Cloudberry and help to power the much-needed energy transition. You will see us doing more of the same in the years to come, so please join us on our quest to a more sustainable society for future generations!

Anders J. Lenborg
Chief Executive Officer

Overview and highlights

Cloudberry delivers sustainable growth. In 2021, the company has scaled its production & development portfolio and strengthened its balance sheet significantly. Cloudberry is currently ramping up the offshore platform with a new office in Gothenburg, Sweden.

Below is an overview of our projects and portfolio per reporting date.



Production

● Producing
● incl. under construction

Hydro assets:	26
Wind assets:	3
Capacity:	150 MW
Production:	504 GWh (normalized)

Develop

● Construction permit

Wind assets:	4
Capacity:	218 MW
Production:	615 GWh (normalized)

● Backlog

Projects:	14
Capacity:	388 MW

Pipeline of additional >20 projects and >2 500 MW

Note hydro assets:Jåstadkraft AS (1MW) is not included in the overview, classified as held for sale.

Main developments in 2021

- Production increased from 21 GWh to 117 GWh (proportionate)
- Revenue increased from NOK 4 million to NOK 41 million (consolidated)
- Strengthened the balance sheet from NOK 1 055 million to 2 636 million (booked equity)
- Increased corporate debt facility from NOK 700 million to NOK 1 400 million
- Listed on Oslo Børs' Main list, ticker: Cloud
- 100% owner of the 100 MW shallow-water project, Stenkalles
- New offshore team in Gothenburg, Sweden
- Increased ownership from 15% to 33.4% in Odal Vind
- Started construction of Hån wind farm
- Completed several hydro projects on time and budget: Åmotsfoss, Nessakraft & Bjørgelva
- Purchased two new hydro projects: Selselva and Usma

Subsequent events

- Purchased 60% of Captiva, adding an operating segment
- Secured two late-stage wind development projects: Kafjarden & Munkhyttan
- Secured two new hydro projects: Øvre Kvemma & Tinnkraft

Acquisition of Captiva

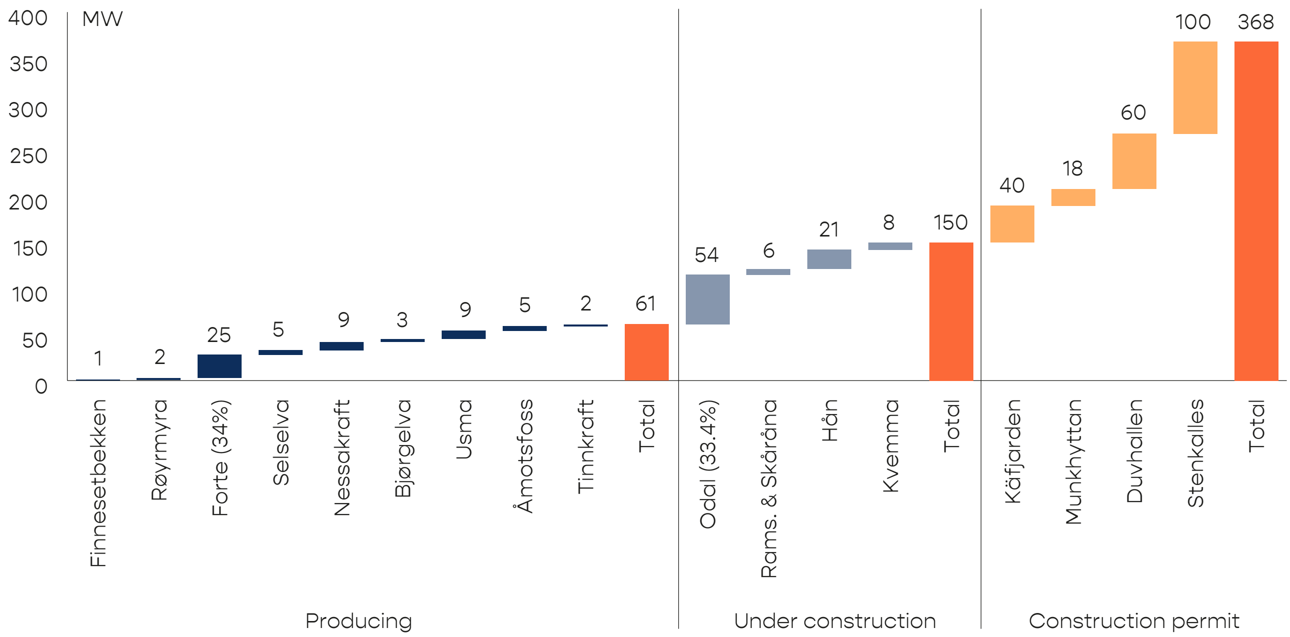
In January 2022, Cloudberry purchased 60% of the Captiva Group. Captiva is a data-driven operator, manager and developer of renewable energy in the Nordics. Captiva adds significant value to Cloudberry's Nordic renewable strategy:

- **Development.** Strengthen our hydro development capabilities
- **Operations.** Strengthen our operational capabilities. Increased competence and industrial digitalization
- **Project management & Construction.** Expanding project management and construction capacity in order reduce risk and to run more projects in parallel

Project portfolio[1]

Cloudberry's strategy is to develop, own and operate producing assets in the Nordic region. The figures below summarise the status of our projects.

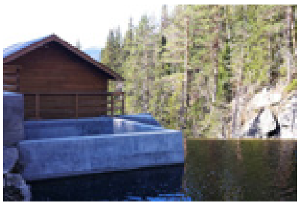
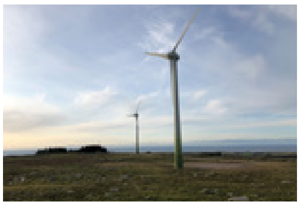
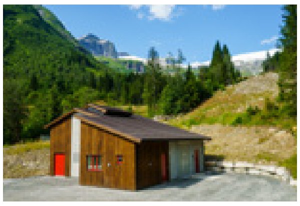
[1] Per reporting date



Project	Technology	Location	Price area	Total capacity (MW)	Ownership	Cloudberry's proporionate capacity (MW)	Cloudberry's estimated production (GWh)	Status
Finnesetbekken	Hydro	Norway	NO-5	1	100%	1	3	Producing
Røyrmyra	Wind	Norway	NO-2	2	100%	2	8	Producing
Forte (5 plants, NO-2)	Hydro	Norway	NO-2	26	34%	8	29	Producing
Forte (4 plants, NO-3)	Hydro	Norway	NO-3	19	34%	6	21	Producing
Forte (6 plants, NO-5)	Hydro	Norway	NO-5	33	34%	11	37	Producing
Selselva	Hydro	Norway	NO-3	5	100%	5	20	Producing
Nessakraft	Hydro	Norway	NO-5	9	100%	9	34	Producing
Bjørgelva	Hydro	Norway	NO-4	3	100%	3	7	Producing
Usma	Hydro	Norway	NO-3	9	100%	9	26	Producing
Åmotfoss	Hydro	Norway	NO-2	5	100%	5	23	Producing
Tinnkraft (new, 2022)	Hydro	Norway	NO-2	2	100%	2	6	Producing
Odal Vind	Wind	Norway	NO-1	163	33.4 %	54	176	Const/Prod. H1 2022
Skåråna (2 plants)	Hydro	Norway	NO-2	4	100%	4	14	Const/Prod. H1 2022
Ramsliåna	Hydro	Norway	NO-2	2	100%	2	6	Const/Prod. H1 2022
Hån	Wind	Sweden	NO-1	21	100%	21	74	Const/Prod. H2 2022
Kvemma (new, 2022)	Hydro	Norway	NO-5	8	100%	8	20	Const/Prod. H1 2024
Total 1 (Producing/under constr.)				**311**		**150**	**504**	
Käfjarden (new, 2022)[1]	Wind	Sweden	SE-3	40	100%	40	70	Constr. Permit
Munkhyttan (new, 2022)	Wind	Sweden	SE-3	18	100%	18	60	Constr. Permit
Duvhalllen	Wind	Sweden	SE-3	60	100%	60	165	Constr. Permit
Stenkalles (Vanern)	Offshore	Sweden	SE-3	100	100%	100	320	Constr. permit
Total 2 (incl. constr. permit)				**529**		**368**	**1 119**	

[1] Project capacity 20 - 40 MW pending final development and turbine selection.

Current portfolio of assets in production and under construction, and projects with construction permit

	Project	Status	Type	Location	Ownership	Production estimate proportionate
	**Finnesetbekken**	●		Nesbyen, Norway	100%	**1 MW** 3 GWh
	**Røyrmyra**	●		Hå, Norway	100%	**2 MW** 8 GWh
	**Forte portfolio**	●		Norway	34%	**25 MW** 87 GWh
	**Selselva**	●		Sunnfjord, Norway	100%	**2 MW** 20 GWh
	**Nessakraft**	●		Balestrand, Norway	100%	**9 MW** 34 GWh
	**Bjørgelva**	●		Sørreisa, Norway	100%	**3 MW** 7 GWh

	Project	Status	Type	Location	Ownership	Production estimate proportionate
	**Usma**	●		Selbu, Norway	100%	**9 MW** 26 GWh
	**Åmotsfoss**	●		Nissedal, Norway	100%	**5 MW** 23 GWh
	**Tinnkraft**	●		Tinn, Norway	100%	**2 MW** 6 GWh
	**Odal Vind**	●		Innlandet, Norway	33.4%	**54 MW** 176 GWh
	**Skåråna (2 plants)**	●		Lund, Norway	100%	**4 MW** 14 GWh
	**Ramsliåna**	●		Flekkefjord, Norway	100%	**2 MW** 6 GWh

STATUS ● In production ● Under construction ● Construction permit

	Project	Status	Type	Location	Ownership	Production estimate proportionate
	**Hån**	●		Årjäng, Sweden	100%	**21 MW** 74 GWh
	**Kvemma**	●		Lærdal, Norway	100%	**8 MW** 20 GWh
	**Käfjarden**	●		Eskilstuna, Sweden	100%	**40 MW** 70 GWh
	**Munkhyttan**	●		Lindesberg, Sweden	100%	**18 MW** 60 GWh
	**Duvhällen**	●		Eskilstuna, Sweden	100%	**60 MW** 165 GWh
	**Stenkalles (Vänern)**	●		Karlstad, Sweden	100%	**100 MW** 320 GWh

STATUS ● In production ● Under construction ● Construction permit

Key Performance Measures in 2021

Financials

Consolidated FY 2021 (FY 2020)

Revenue	41m (4m)
EBITDA	-32m (-30m)
Cash, year-end	1 115m (605m)
Interest bearing debt, year-end	304m (263m)
Total equity, year-end	2 636m (1 055m)

Proportionate FY 2021 (FY 2020)

Revenue	83m (5m)
EBITDA	-25m (-27m)

Sustainability

2021 (2020)

CO^2 reduction EU-27 electricity mix	28 633 tons CO_2 eq. (5 378 tons CO_2 eq.)
Direct and indirect emissions	203 tons CO_2 eq. (187 tons CO_2 eq.)
Compensated	-507 tons CO_2 eq. (-187 tons CO_2 eq.)

Production

Proportionate 2021 (2020)

Production	117 GWh (21 GWh)
In operation year-end	58 MW (27 MW)

Development

Proportionate 2021 (2020)

Construction permits year-end	160 MW (151 MW)
Backlog year-end	370 MW (370 MW)

Market and power prices

In our view, the demand for clean renewable power in Europe will continue to increase. Businesses are seeking clean energy sources and shifting their strategies towards net-zero carbon emissions, while regulators are speeding up decision making with stricter penalties for emissions. During 2021, we saw an increase of corporates seeking PPAs to cover their own electrical supply. We expect a further increase in the coming years. The war in Ukraine may cause long term effects and changes to the European energy markets.

During 2021, Europe, and the Nordics, saw record high power prices, primarily driven by soaring gas prices. A doubling of the CO_2 prices, little rain in Norway and less-than-normal wind across Europe drove the prices further up.

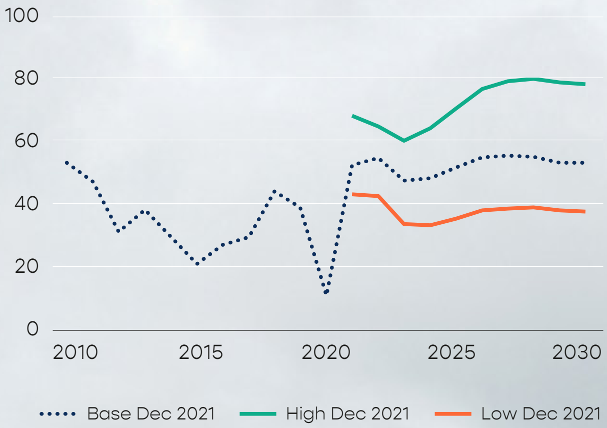
For the year 2021, the Nordic System price ended at above 62 euro/MWh, the highest ever recorded price. For NO1, NO2 and NO5, the average price for 2021 ended at approximately 75 euro/MWh. However, the internal price difference in Norway were at record levels: In Northern Norway, the average price ended at 35 euro/MWh. Similarly, prices in Southern Sweden (80 euro/MWh) were twice the average price in Northern Sweden (42,5 euro/MWh) for the year. We expect the internal price differences to sustain, although at lower, relative levels in the medium to short term. At long term, additional grid development (such as the upgrade of the 300 kV Aurland-Sogndal line to 420 kV), will reduce the bottleneck between the Norwegian price areas NO3 and NO5.

Going forward, we expect the high gas- and CO_2-prices to keep the prices higher than normal in especially NO1, NO2 and NO5 in 2022. More-than-usual rain during the spring/summer/autumn seasons might change the outlook.

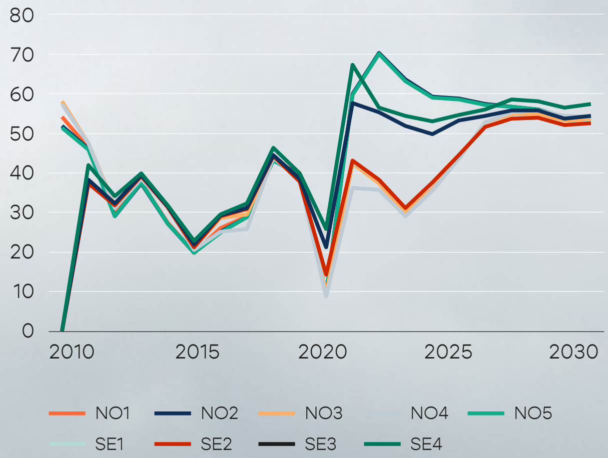
During 2021, about 90% of Cloudberry's power sale was sold at spot prices. So far in 2022, 100% of Cloudberry's power production is exposed to spot prices. We remain positive to Nordic power prices, especially in the southern price areas in Sweden (SE3+4) and Norway (NO1+2+5). However, the Company is actively pursuing opportunities, primarily with corporate off-takers.

On 24 February 2022, Russia attacked Ukraine. Russia, as the largest exporter of natural gas to Europe, has since been the subject of heavy sanctions. The Nord Stream 2, a gas pipeline between Russia and Germany has been abandoned, and the EU has put forward plans to cut all imports of Russian gas as soon as possible. The results have been record high gas- and power prices in the first quarter of 2022, and on the front of the price curve. The outlook is heavily influenced by the (at the time of writing) ongoing war, with high energy prices, high volatility, and uncertainty.

Forecasted Nordic spot price of base load power
EUR/MWh (real 2021)



Area Prices in the base scenario 2021-2030, incl. historical prices 2010-2020
EUR/MWh (real 2021)



Source: Volue

Executive Management

Anders J. Lenborg Chief Executive Officer

Anders is the founder of Cloudberry. He is responsible for managing the company's overall operations and the development and execution of the long-term strategies. Anders is an experienced lawyer within the infrastructure and renewable energy section in the Nordics. Anders was previously a partner and Head of the Energy Sector Group at DLA Piper Norway. He holds a law degree from the University of Oslo and a postgraduate diploma from King's College in London.

Christian A. Helland Chief Value Officer

As CVO, Christian is responsible for the finances of the company. Since 2008, he has been a lead investor for renewable projects in the Nordics and Germany. He has 13 years of experience in the investment and finance industries. He was previously partner and portfolio manager at Pareto Asset Management. Christian holds a Master's degree in Systems Engineering from Cornell University, a Master's degree in Business Economics from University of California and a Bachelor of Science degree in Mechanical Engineering from University of California.

Jon Gunnar Solli Chief Operating Officer

Jon Gunnar is responsible for day-to-day operations of the Cloudberry portfolio. He is a former CFO and investment manager with more than 20 years of experience in the asset management industry. Jon Gunnar was previously a CFO/CIO at OVF, Nordea Asset Management, SpareBank 1 Livsforsikring and Storebrand. He holds a Master's degree in Accounting & Auditing from Norwegian School of Economics (NHH) and is a state authorized public accountant.

Charlotte Bergquist Chief Development Officer

Charlotte is from 2022 responsible for the Development segment with a special emphasis on Cloudberry's shallow-water and offshore portfolio. She is a former developer for wpd Offshore, Vice Chair of the Board at the Swedish TSO, Svenska Kraftnet, Chairperson of Power Circle and the Founder of Kraftkvinnorna. Charlotte has a Master of Business Admin. from Gothenburg School of Economics and Commercial Law.

Stig J. Østebrøt Chief Technology Officer

Stig has been the CEO of the Captiva Group for the last 10 years and responsible for Cloudberry's operations segment from 2022. He is the Chairperson of Kraftanmelding, Chairperson of Fjord Energi and a former analyst from EY. Stig has an Executive MBA from Norwegian School of Economics and a Master's degree from BI Norwegian Business School.

Board of Directors

Frank J. Berg Chair of the Board

Frank J. Berg has more than 30 years of experience in the energy and utility industry including having spent the last 15 years in the Nordic renewables market. He was previously a partner at Arthur Andersen, and the law firm Selmer, with a particular focus on renewables, infrastructure and sustainability. Frank serves as chairman and board member of a number of companies, including Salten Kraftsamband AS and Nordic Wind Power AS. Frank is Chair of the Board and head of the Audit Committee in Cloudberry. Frank holds a Master's degree in Accounting & Auditing from the Norwegian School of Economics (NHH) and a PED from IMD, Lausanne.

Morten Bergesen Board member

Morten Bergesen has been the CEO of Havfonn and Snefonn, the Bergesen family's investment companies since they were founded in 2003. Since inception, sustainability has been at the core of their investment strategy and a guiding star for their role as active shareholders. Morten is a member of the board of directors of Arendals Fossekompani, the chairperson of Cogen Energia, Bergehus Holding, Klynge and IFM AG. Morten is a member of the Audit Committee in Cloudberry. He holds a degree from BI Norwegian Business School.

Petter W. Borg Board member

Petter W. Borg has more than 35 years of experience in investment banking and asset management. He is the former CEO of Pareto Asset Management, a position he held for 18 years. Petter is the chairperson of Attivo Eiendom, and House of Maverix. In addition, he is a member of the board of directors of Ferd Holding, Grieg Investor, Fearnley Asset Management and Nordic Aquafarms. Petter is head of the Compensation Committee and member of the ESG Committee in Cloudberry. Petter holds a degree in Economics from Handelsakademiet.

Benedicte H. Fossum Board member

Benedicte Fossum currently chairs the board of Smartfish AS and is a board member of Alliero AS, Salmo Trace AS and family offices. As one of the founders of Pharmaq AS, she has managerial experience in R&D, M&A, and regulatory affairs from the Norwegian Medicines Agency. She maintains a special interest in sustainability, combining biological and economical perspectives. Benedicte is a member of the Audit Committee and the ESG Committee in Cloudberry. Benedicte is a veterinarian from the Norwegian University of Life Sciences.

Liv Lønnum Board member

Liv Lønnum is currently working as a political adviser to the Progressive Party's parliamentary group at Stortinget. Part of her responsibility includes energy policy development, with a focus on sustainability. She has been State Secretary/Deputy Minister at the Ministry of Petroleum and Energy and has considerable experience of both business and politics in Norway. She has previously worked at Storebrand ASA, Compass Group and Hammer & Hanborg. Liv is a member of the Compensation Committee in Cloudberry. Liv holds a Bachelor's degree in Economic and Administration from the Norwegian School of Management and York University in Toronto, Canada.

Board of Directors report

Cloudberry has successfully built a scalable and publicly available Nordic platform for new production, development and operation of Nordic hydro and wind power. During the last year, the Company has ramped up production, scaled the offshore team and strengthened the balance sheet. After a successful listing on Oslo Børs' main list in June, the company is well financed and positioned to execute on a portfolio close to 1 TWh per year. By locating the projects close to the interconnecting cables, Cloudberry will provide clean energy to the European market.

Cloudberry`s business model and strategy

The Company has an integrated business model with three business segments, Development, Production and Corporate (Operations is added as a fourth segment from 2022). A sustainable and local approach is key to its strategy, together with a commitment to long-term value creation for all stakeholders.

Development holds a portfolio of renewable projects in Sweden and Norway and is responsible for developing the projects with external construction partners. Production is the owner of the operating assets, with power sold in the spot market (NordPool) and under fixed price Power Purchase Agreements (PPAs). Cloudberry cultivates the portfolio to ensure a diversification and balance of risk, returns, assets and geographical scope.

Cloudberry considers material financial and ESG related factors when making strategic decisions. The company is building a robust business and uses competitive financing to deliver sustainable and profitable long-term growth.

Cloudberry operates in a market with unique characteristics when it comes to renewables. The hydro and the wind resources in the Nordics are among the best in the world. The company uses its local knowledge and network to grow through greenfield developments and acquisitions. Cloudberry is well positioned for taking part in structural opportunities in the rapidly growing Nordic renewable sector. In this landscape, the company uses the listing on Oslo Børs to provide access to capital, transparency, and investment opportunities. The company finalized the uplisting from Euronext Growth to Oslo Børs' Main List in June 2021.

Cloudberry believes in being local, focused and agile. The long-term growth strategy rests upon its ability to create value for all stakeholders, uses the best possible technology available, brings down costs, and enhances sustainable operations.

Operating our business in a sustainable way

Sustainability is at the very core of Cloudberry`s business and crucial for the company`s long-term achievements and value creation. The company wants to be a driver of a positive change and is committed to powering the transition to a sustainable future by providing renewable energy today and for coming generations. Cloudberry creates value in the communities it works, together with and for its employees, customers, business partners, and shareholders. Developing new renewable assets is essential to reduce the global CO_2 emissions. Cloudberry believes that a systematic approach towards incorporating sustainability matters in the value chain is imperative to fulfil its purpose.

The development and production of renewable energy contribute to the transition to green energy, European and national climate targets, and the UN Sustainable Development Goals. Businesses are shifting their strategies towards net-zero carbon targets and Cloudberry sees increased demand for renewable energy supply.

2021 has been a transitional year for Cloudberry and the company has grown significantly both in developing projects and in adding new assets to its portfolio. Cloudberry`s sustainability management has been strengthened in 2021, and the ESG report highlights the activities from 2021 and describes plans for 2022.

Governance

Cloudberry adheres to good governance standards and will at all times seek to ensure that the company complies with the Norwegian Code of Practice for Corporate Governance of October 2021, issued by the Norwegian Corporate Governance Board (NUES). This includes disclosure and transparency in Cloudberry`s business to provide shareholders and stakeholders with precise and accurate information concerning all aspects regarding Cloudberry.

In 2021, the Board of Directors established an environmental, social and governance (ESG) committee consisting of two Board Directors and the Chief Sustainability Officer. The committee ensures alignment with the company`s sustainability strategy and ESG concerns, evaluates, and follows up the company`s ESG strategy. A due diligence guideline on evaluation of environmental, social and governance aspects was incorporated as an integral part of Cloudberry`s operational and investment decisions.

Cloudberry shall conduct its business in a highly ethical manner with integrity, dignity and respect towards all its surroundings. The company's Code of Conduct is the basis for how the company acts and performs its business. All new employees are introduced to the Code as an integral part of the onboarding, and all personnel are followed up with training in the Code. The Code of Conduct is revised and audited by the Board of Directors annually.

Cloudberry wants to be made aware of any irregularities or other concerns regarding the organization and its business, and in 2021 the company rolled out its whistleblowing policy and reporting channel. No instances or suspicion of corruption were raised in 2021.

Planet

Cloudberry positively impacts the energy transition when producing renewable energy. At the same time, the company impacts the planet through the construction and production of wind farms and hydropower plants. It is foremost to Cloudberry to reduce the environmental footprint as much as possible. Cloudberry made the strategic decision in 2020 to measure its greenhouse gas emissions in accordance with the guidelines of the Greenhouse Gas (GHG) Protocol. In 2021, the reported greenhouse gas emissions from scope 1,2, and 3 were 203 tonnes of CO_2e. Cloudberry is a fossil-free company and has zero-emissions in Scope 1. Our climate strategy includes compensating for our emissions by purchasing carbon credits. Cloudberry has therefore been net-zero in its own operations (Scope 1 and 2) by removing CO_2 from the atmosphere through restoring mangrove forests. In addition, we take into account the emissions generated by our employees. Moving forward, Cloudberry will conduct the calculation to determine a decarbonization pathway to reach net-zero in the value chain by 2040.

In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Cloudberry updated its risks related to its business development and expansion during 2021. Cloudberry will continuously analyse and assess its climate-related risk strategy and further integrate them into its overall risk management strategy.

In 2021 Cloudberry assessed its eligible activities covered by the EU Taxonomy and technical screening criteria and its proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in its total turnover, capital, and operational expenditure. Assessments are carried out to evaluate Cloudberry`s alignment to the technical screening criteria in the EU Taxonomy. Internal analysis of life cycle greenhouse gas (GHG) emissions from Cloudberry's producing power assets indicates emissions significantly below the threshold set out in the EU Taxonomy (100g CO_2e/kWh). Lifecycle GHG emissions, Do No Significant Harm (DNSH) and Minimum Safeguard principles will be assessed going forward and Cloudberry is prepared to report in accordance with the EU Taxonomy requirements on its hydro- and wind power assets.

Cloudberry always considers environmental and social impacts prior to final investment decisions (FID). The Cloudberry`s ESG due diligence guideline is integral for the evaluation of all its development and construction projects. The company strives to reduce its environmental impact and have determined KPIs to monitor project development and related governance and management structures.

People

Cloudberry strongly focus on gender equality and diversity. This is not only manifested in policy guidelines but is the DNA in the company. During 2022 Cloudberry will implement adequate systems to measure and compare gender balance in the organization. Cloudberry fosters health and wellbeing in the workplace by providing a culture, founded on openness, respect, and care. As Cloudberry grows and the number of employees increases, it is even more important to focus on initiatives that bring new perspectives and ideas from employees and spark innovation and collaboration.

The Board of Directors considers the working environment to be healthy and productive. The company did not have any material health and safety incidents in 2021 and absence due to illness was 1,06%. During the year 2021 no incidents causing harm to people`s health was recorded neither on construction projects nor on our producing assets. Of the recordable work-related injuries none were classified as serious injuries but involved handling of tools and construction equipment.

Health and safety are addressed in the Supplier Code of Conduct to safeguard a mutual commitment between Cloudberry and its suppliers and contractors, and training and awareness is required in our agreements with contractors. We continue to encourage employee engagement and strengthen our focus on identifying risk activities and preventive measures. The Supplier Code of Conduct is implemented in all our procurement phases starting from 2021.

Cloudberry will assess existing human rights due diligence process against the Transparency Act (Åpenhetsloven) during 2022 to comply with the Act going forward.

Prosperity

Prosperity relates to Cloudberry`s role in contributing to a societal value creation. Cloudberry contributes to economic growth by providing employment, local value creation, and renewable energy supply.

Operating and providing renewable energy assets enables the necessary energy transition, to reach the climate goals. Cloudberry`s long-term success is linked to conducting its business in a sustainable way with a long-term growth strategy that rests upon the ability to create value for stakeholders.

Local value creation is important for Cloudberry in all its developing, construction and operating projects. The company seeks to identify local stakeholders' needs and try to accommodate these in the plans. Constructing hydro and wind power plants have an impact on nature, but the production of renewable energy contributes to the necessary renewable energy transition. Cloudberry seeks to thoroughly analyse and assess the impacts to minimise footprint where possible on environment and society. In the sustainability report Cloudberry describes which initiatives the company has implemented.

Cloudberry provides details of its sustainability work in its Annual Report and specifically in the sustainability and corporate governance sections. Cloudberry's reporting requirements under section 3-3 a and c of the Norwegian Accounting Act are as such addressed in this section.

Covid-19

The market situation has been challenging with the risk and potential consequences of the global pandemic. The Covid-19 pandemic has affected more or less all businesses in some way. During 2021, Cloudberry has experienced some adverse impacts of the pandemic. The impacts are mainly related to government approvals or disruptions in our supply chain as a result of delayed deliveries from suppliers, with the addition of travel and entry restrictions, absence due to lockdowns and mandatory quarantine.

Despite restrictions due to Covid-19, the company has grown significantly and has delivered all projects without significant deviations from budget or time schedule. Cloudberry continues to assess risks related to the Covid-19 situation. The pandemic will influence the markets and give supply chain disruptions, and there is a risk that the pandemic will result in increased costs related to supply chains. Nevertheless, the company expects the pandemic to have limited overall impact on our projects.

Financial Performance

Financial summary

In 2021 Cloudberry has grown significantly. The balance sheet, the portfolio of producing, under construction, and permit assets/projects has grown significantly. In June 2021, the Company was up listed from Euronext Growth to Oslo Børs' Main list.

At the end of the year Cloudberry entered the LOI to acquire Captiva, the transaction was closed in the beginning of January 2022. The acquisition of Captiva established a fourth business segment, operations to support, production, develop and corporate. Operations will be included in the segment reporting from 2022.

Cloudberry Production grew the portfolio during 2021 with closing of several acquisitions, and both power production and revenue were ramped up. By year end, Production had 7 fully owned producing and revenue generating power plants and held significant interests in the Forte portfolio and Odal Vind.

Cloudberry Development made a final investment decision ("FID") on Hån in June 2021, completed the works on the Marker project according to the final report from the Norwegian directorate ("NVE") and decided to keep 100% control of the shallow-water project, Stenkalles while working on the FID. Other early phase projects i.e., Bjørntjarnsberget has moved closer to a construction permit during the year.

An important event during 2021 is the strategic decision for Development to scale up within off-shore wind in Sweden. A new head of Development with focus on this area was hired in 2021.

Corporate had an active year, Cloudberry Clean Energy ASA was uplisted to Oslo Børs' Main list in June, the Company performed several capital raises and was active within merger and acquisitions. The debt facility with SR Bank was expanded in November to finance the Groups' further growth.

By year-end 2021, the total equity of Cloudberry was NOK 2 636m (NOK 1 055m at the end of 2020). The Group has a robust balance sheet with low debt, strong cash position and is fully funded for the portfolio of more than 290MW.

Key figures

The below information describes the operations of the consolidated Group in 2021, with the corresponding figures for 2020 in brackets. Figures are presented in NOK million.

Profit and loss

Profit before tax was NOK -64m (NOK -34m). This comprises reported net revenues of NOK 41m (NOK 4m) from sale of power, management services and insurance settlement. Operating expenses were NOK -89m (NOK -30m), share of profit from associated companies was NOK 16m (NOK -4m), depreciations and amortization were NOK -10m (NOK -3m) and net finance items were NOK -22m (NOK -1m).

EBITDA was NOK -32m (NOK -30m), and EBIT was NOK -41m (NOK -33m). Profit after tax for the year was NOK -63m (NOK -34m).

Other comprehensive income consists of items that may subsequently be reclassified to profit and loss and amounts to NOK -7m (NOK -2m). This relates to movements of cash flow hedges with tax effects and foreign currency translation differences.

Cloudberry Group, consolidated		2021	2020
Operating revenues	NOK million	41	4
EBITDA	NOK million	(32)	(30)
Profit for the year	NOK million	(63)	(34)
Total assets	NOK million	3 118	1 397
Cash	NOK million	1 115	605
Net interest bearing debt	NOK million	(811)	(342)
Total equity	NOK million	2 636	1 055
Equity share	%	85%	76%
Producing during the year[1]	GWh	117	21
Secured portfolio (Producing and under construction)	MW	150	109
Secured portfolio (construction permit)	MW	160	71
Secured portfolio (Backlog)	MW	370	380

[1] Includes proportionate share of production from associated companies.

Total comprehensive income was NOK -70m (NOK -36m), which was attributable to Cloudberry shareholders, while NOK 0m was attributable to non-controlling interests.

The total loss of NOK -70m is suggested to be allocated to accumulated loss and retained earnings.

Cashflow
Cash flow from operating activities for the year was NOK -71m (NOK -4m).

Cash flow from investing activities was NOK -829m (NOK -354m).

Cash flow from financing activities amounted to NOK 1 411m (NOK 958m).

For details, please see the consolidated statement of cash flows in the Group consolidated financial statements.

At year-end, cash and cash equivalents were NOK 1 115m (NOK 605m).

Financial position
Total assets at year-end were NOK 3 118m (NOK 1 397m). The increase from last year primarily reflects acquisitions, business combinations and capital raises. Non-current assets totalled NOK 1 735m (NOK 435m) consisting of investment in producing assets and associated companies, while current assets were NOK 1 383m (NOK 962m), mainly project inventory, other current assets and cash, and cash equivalents.

Total equity was NOK 2 636m (NOK 1 055m) at year end, corresponding to an equity ratio of 85% (76%).

Total liabilities were NOK 482m (NOK 342m), with NOK 91m due within 12 months.

Segments
Cloudberry had in 2021 three business segments: Cloudberry Production ("Production"), Cloudberry Development ("Development"), as well as Cloudberry Clean Energy ("Corporate").

From 2022 Cloudberry will in addition report on Cloudberry Operations ("Operations").

Cloudberry Production
Cloudberry Production owns long-term yield hydro and wind assets in Norway and Sweden. Power production is sold on a continuous basis through bilateral agreements or through the spot market, Nordpool. Producing assets are entitled to electricity certificates and guarantees of origin. Producing assets are remotely controlled from operational centres and Cloudberry has operational agreements with local partners.

Cloudberry Production, segment		2021	2020
Total revenue	NOK million	77	5
EBITDA	NOK million	43	(2)
Production (proportionate)	GWh	117	21
Production capacity year-end	MW	58	27
Secured portfolio (Producing & under construction)	MW	150	109

Main activities

The focus during 2021 has been on increasing production volumes and the construction of our new renewable projects

- The hydropower plants Nessakraft and Bjørgelva was constructed on time and budget and delivered in June.
- Usma and Selselva was purchased during 2021 and in production
- Åmotsfoss hydropower plant was taken over in December. The plant is producing from a large reservoir and has been in stable production since it was connected to the grid.
- Odal Vind delivered first power to the grid in December. 15 of 34 Siemens turbines were installed per year end. Strong winds have slowed installation, but the project team expect all turbines to be in full operation before end of June 2022. Final cost expected to be slightly higher than budgeted mainly due to Covid related delays (< 5% of capex). Expected equity IRR unchanged ~12% p.a. over the next 30 years.
- Ramsliåna was connected to the grid in December and will be taken over by Cloudberry after a three-month commissioning period.
- The hydropower plants in Skåråna Kraft are completed; hence the third-party grid owner has had connection delays. It is expected that the plants will generate revenue in the second quarter of 2022.

Power production

Cloudberry's proportionate power production grew from 21 GWh to 117 GWh during the year. With the current projects under construction, Cloudberry expects to reach an annual production slightly above 500 GWh going forward.

Cloudberry Development

Cloudberry Development has a significant on- and offshore development portfolio with renewable assets in Sweden and Norway. Since inception, ten projects have been fully developed and sold to infrastructure investors and European insurance companies. Going forward Cloudberry has the option to either sell or maintain in-house projects for long-term cash flow. Larger projects may be farmed down in order to diversify risk.

Cloudberry Development, segment		2021	2020
Total revenue	NOK million	6	-
EBITDA	NOK million	(30)	(8)
Construction permits	MW	160	151
Backlog	MW	370	370

In 2021, the main activities have been focused on growing the portfolio and moving existing projects in the portfolio forward. With the acquisition of Captiva in January 2022, further resources within hydro development have joined the Cloudberry team.

Projects with construction permit increased from 151 to 160 MW per year end and has grown further in 2022 (218 MW per reporting date).

Cloudberry has per year end an exclusive backlog of 370 MW (388 MW at the reporting date). The company has ongoing dialogue with landowners, municipalities and grid companies to clarify opportunities for new wind power projects.

In addition to the on-shore activities, we are actively working on shallow water projects in the Baltic Sea, based on the experiences the company is gaining at Stenkalles wind farm (Vänern). It is a long-term goal to have a shallow-water project portfolio of > 2 500 MW in the Baltic Sea by 2030.

From 2022 the segment has scaled up both onshore and off-shore with projects and new employees. Charlotte Bergquist will head the Development segment with an increased focus on shallow-water projects.

Cloudberry Corporate
There was significant corporate activity in 2021. The company has during the year listed on Oslo Børs' Main list, raised additional NOK 1 700 million in equity, increased the debt facility to NOK 1 400 million, purchased 60% of the Captiva Group and been active in the M&A market.

Cloudberry Corporate, segment		2021	2020
Total revenue	NOK million	-	-
EBITDA	NOK million	(38)	(16)

By year end, there were four employees in the corporate segment. Cloudberry has outsourced several services in connection with Oslo Børs listing, financing and due diligence processes. The corporate management aims to remain a cost-effective, agile and dynamic team.

Risk Management

The Group is exposed to various risks through its business' value chain, including operational, political and financial risks. Cloudberry has extensive routines and policies in place to actively manage risks. Key risks are discussed, and policies are reviewed and approved by the Board of Directors on a regular basis.

Operational and market risk
All processes throughout the value chain are exposed to operational risk. A key operational risk is related to the operating performance of the producing assets, but there is also risk relating to the process of transitioning development projects from the backlog and pipeline stage. Even though the Group has a solid project pipeline, finalizing the projects depends on a number of factors such as project availability, local authority approvals, environmental impact, suppliers, financing, power prices and the regulatory framework in the relevant market.

Market risk is mainly related to the attractiveness of small-scale hydropower projects and wind projects in the Nordic markets, as derived from the development in power prices relative to the prices of key construction components.

Cloudberry manages the risk through close follow-up and monitoring of operating assets and developing projects. Procedures and guidelines for the business are implemented and reviewed regularly.

Additional information about operational and market risk is presented in the sustainability section of the Annual Report. See also further information in the Group Financial Statement, note 8 Commercial and operational risk.

Political risk
The Group`s activities are subject to the laws and regulations applied by the governmental authorities in connection with obtaining licenses and permits, government guarantees, and other obligations regulated by law in each country. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses and permits, capital transfer restrictions and in monitoring licensees' compliance with the terms thereof. Cloudberry emphasises the uncertainty these factors have when making investment decisions and continuously monitors changes in the political landscape and includes this in the relevant discussions.

The power industry is a highly regulated sector, and thus subject to political risk. The high power prices observed during H2 2021 and so far in 2022 has increased political calls for further regulations of the power market in both countries the Group operates in.

Political and public support for wind and hydro projects fluctuates over time and may affect the Group's ability to obtain concessions for both technologies. In Norway, there has been an effective ban on filing for new land based wind power projects since 2019, and the new set of concession regulations are still not in effect by the time of writing. There is therefore unclear how the Norwegian wind power market will develop in the years to come.

For further information risks related to political and regulations, please confer the Group Financial Statement, note 7 Market risks and note 8 Commercial and operational risk.

Financial risk
Through its business activities, Cloudberry is mainly exposed to market risks including power prices, interest rate risk, currency risk, credit risk and liquidity risk. Financial risk management is based on the objective of reducing negative cash flow effects and, to a lesser extent, negative accounting effects of these risks. Currency and interest rate risks are regulated by means of mandates and managed by using hedging instruments.

Cloudberry's interest rate exposure is related to its debt portfolio and managed based on a balance between keeping interest cost low over time and contributing to stabilise the group's cash flows. The construction of the Group's project will normally be financed with a combination of equity and debt. As a result, any increase of interest rates will lead to higher financing costs, which in turn reduces the Group's profitability. Subsequently, the Group is dependent on external financing. If the Group is not able to obtain required financing on a timely basis and on attractive terms, the result could be lost business opportunities, shortened lifetime of current assets and/or that the Group is forces to realise its interest in certain projects.

Fluctuations in exchange rates could affect the Group's cash flow and financial position. The Group presents its financial statements in NOK. However, power is traded at Nord Pool, where EUR is the trading currency. The Group is also exposed to SEK through its operations in Sweden, hence the Group is exposed to currency risk through fluctuations in exchange rates between NOK, SEK and EUR.

For further details, please confer the Group Financial Statement, note 9 Financial risks.

Climate risk
Cloudberry is exposed to climate changes related to more extreme weather, primarily driven by increasingly warmer climate, wetter and more windy weather conditions, or simply changes in normal weather conditions in local geographic areas.

Such climate risk can pose a significant threat to humans, wildlife and society as a whole. For Cloudberry it can possibly affect the use and damage on producing assets, increased costs of maintenance and other costs, change performance due to change in waterfalls or other disruptions of core activities.

Cloudberry has assessed its potential climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). The company continuously analyses and assesses its climate-related risk strategy to detect other risks and opportunities, and to ensure that the company makes the right decisions and assessments on how climate risks might affect Cloudberry. The climate-related risks will be further integrated into overall risk management structure in Cloudberry. The climate-related risks are further described in the Sustainability Report.

Covid-19
During 2021, Covid-19 continued to impact operations across the Group. Travel bans, mandatory quarantine and disruptions to the supply chain have resulted in and may continue to result in delayed deliveries from the Group's suppliers. It is currently not possible to predict the long-term consequences for the Group, but there is a risk that the ongoing pandemic will result in increased cost particularly to the Group's development projects. See also further information in the Group Financial Statement, note 6 Covid-19.

Outlook

Cloudberry is financed to carry out our Nordic projects (close to 300 MW). The Company has built a strong and diversified shareholder base that makes us able to implement and finance our long-term growth strategy. In parallel to building a long-term portfolio of producing assets, the Company has succeeded in building an organization and attracting highly qualified employees who ensure that we can implement our plans and strategies. Through the acquisition and integration of Captiva, we ensure control over strategically important segments of our business model. We will further develop and offer many of Captiva's services to other players in the industry. We have experienced and documented that our business model is scalable and gives the company access to significant growth opportunities in the Nordic region, within both wind and hydro power. We will continue to focus on our role as a local player, with a strong presence across the Nordics.

Corporate Governance

The Board of Directors has a strong commitment to maintain a high standard of corporate governance. This ensures trust, and effectively and continuously improve communication between management, the Board of Directors, shareholders, and other stakeholders. Cloudberry complies with the Norwegian Code of Practice (NUES).

The Annual Report includes a statement on Cloudberry`s corporate governance principles and practices, including corporate audit, internal control of financial reporting and the work of the Board of Directors.

Going concern

According to Section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Cloudberry Group is a going concern, and that this assumption was appropriate at the date of approval of the Financial Statements. The consolidated Financial Statements for the Group include the operations of Cloudberry Clean Energy ASA, its subsidiaries fully consolidated and associated companies, which are equity accounted. The Group reports its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the interpretations issued by the IFRS Interpretation Committee (IFRSIC) applicable to companies reporting under IFRS and also comply with IFRS as issued by the International Accounting Standards Board (IASB). The consolidated accounts are prepared with Norwegian Kroner (NOK) as the reporting currency.

Oslo, 22 March 2022

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg Chair of the Board	**Morten Bergesen** Board member	**Petter W. Borg** Board member
Benedicte Fossum Board member	**Liv Lønnum** Board member	**Anders J. Lenborg** CEO

Sustainability report

Content

Introduction	34
Principles of Governance	39
Planet	46
People	64
Prosperity	69
WEF Metrics	74

What we do

We are powering the transition to a sustainable future by providing renewable energy today and for coming generations. We create value in the communities we work, together with and for our employees, customers, business partners, and shareholders.

Introduction

As a developer, owner and operator of renewable assets, sustainability is at the core of Cloudberry's business and seen as a necessity for the company`s long-term achievements and value creation. The company provides renewable energy for future generations and our long-term success is linked to operating the business in a sustainable way.

In Cloudberry a long-term approach is coloured into everything we do. We treasure partnerships and work closely with our employees, business partners, shareholders, and with the landowners and the communities in which we operate. Together, we create value and share the result of our efforts fairly.

"In Cloudberry we take great pride in powering the transition to a sustainable future by providing renewable energy today and for future generations. We develop, own, and operate our hydropower plants and wind farms in a responsible manner"

Cloudberry`s value statement

Our various stakeholders expect us to navigate our business according to the strongest environmental, social and governance (ESG) principles, and we expect nothing less of ourselves and from our partners and suppliers.

As a listed company on Oslo Børs, operating in a highly regulated industry, we are continuously monitored, measured, and judged by the results we achieve, and by our business practice and ethics. We thrive with this scrutiny, which inspires us to continually improve.

2021 has been a transitional year for Cloudberry and the company has grown significantly both in developing projects and in adding new assets to our portfolio. We want to be a driver for positive change and are committed to powering the transition to a sustainable future by providing renewable energy today and for coming generations. Developing new renewable assets is essential to reduce the global CO_2 emissions. We realise, however, that our growth does not come without environmental impact. Construction and production do have an impact on biodiversity, land use areas and individuals' interests. Cloudberry is conscious of the risks and seeks to understand and evaluate all aspects. We must carry out our work in a sustainable manner, and we recognize the need to continuously evolve our approach to ensure sustainability remains a key aspect in all our processes. We therefore take responsibility, knowing the choices we make underway matter, and focus on conducting our business with concern for our impact on environmental, social and governmental aspects at all times, and has set a goal to be net-zero across the value chain by 2040.

Our Values

Supportive

Commitment

Continuous improvement

Integrity

Cloudberry seeks to understand and manage the company`s impact on society as well as stakeholders' expectations. In 2020 we conducted an assessment based upon input from key stakeholders. To ensure alignment with best practice, a specialist sustainability consultancy was assigned. Considerable efforts were made to identify the sustainability topics in our value chain that are material for Cloudberry and our key stakeholders such as authorities, suppliers, landowners and neighbours in addition to financial institutions and investors. The work involved an assessment of macro trends, as well as a benchmark against peers and leaders. Confirming alignment with the expectations of our external stakeholders is pivotal to Cloudberry.

The Sustainability Report 2021 is Cloudberry`s second report on environmental, social and governance concerns, and we are still in an early phase on reporting sustainability activities. Cloudberry`s sustainability management has been strengthened in 2021, and we have focused on how to organize and strengthen our ESG-activities and how to disclose our ESG-performance. This year's report highlights activities conducted during 2021 and describes our plans for 2022.

Reporting standards

Cloudberry`s ESG reporting and the company`s approach to sustainability, is in accordance with the World Economic Forum (WEF) Stakeholder Capitalism Metrix. At the end of this report, we have included an overview over all 21 WEF disclosures with references to pages where we disclose relevant information. The metrics include non-financial disclosures centred around four pillars; Principles of Governance, Planet, People and Prosperity, which are aligned among existing ESG standards and disclosures, e.g., Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate Related Financial Disclosures (TCFD), as well as essential elements of the UN Sustainability Development Goals. We describe our approach, our ambitions and goals, activities taken place in 2021 and way forward related to the identified sustainability topics for the company according to these pillars.

In 2021 we have strengthened the assessment of our climate related financial risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Financial climate-related risks and opportunities will be fully integrated into our overall risk management in 2022.

Supporting the UN Sustainable Development Goals
The development of renewable energy capacity contributes to the energy transition necessary to reach net-zero, European and national climate targets and the UN Sustainable Development Goals (SDGs). We have reviewed our sustainability strategy towards the SDGs targets to highlight which we align with. We have strengthened our approach and updated our goals and key performance indicators in 2021 to align them with indicators defined in the UN SDGs.

The following goals are considered particularly important to Cloudberry`s business and how we operate:

Affordable and clean energy

Cloudberry ensures access to affordable, reliable, sustainable, and modern renewable energy for all. This open opportunities for new economic opportunities, jobs and local value creation, and contribution to climate change.

Industry, innovation and infrastructure

Cloudberry contributes to extend the development of renewable energy in Norway and Sweden by securing investments and always develops a plan for decommissioning to restore areas back to their original condition as far as possible.

Sustainable cities and communities

Cloudberry seeks to contribute to cities and communities that are sustainable, protect and safeguard cultural and natural heritage, construct and operate powerplants with sustainable environment friendly materials and solutions, and utilize local materials where possible. We consider re-used materials and engage local suppliers.

Responsible consumption and production

In Cloudberry`s development projects, the company focus on environmentally sound management of chemicals and all wastes throughout the life cycle, and efficient use of natural resources.

Climate action

Cloudberry strengthens our resilience and adaptive capacity to climate-related hazards and assesses our climate related risks and opportunities, and we secure that our assets are climate-resilient and focuses on reducing our carbon emissions on our way to become net-zero by 2040.

Life on Land

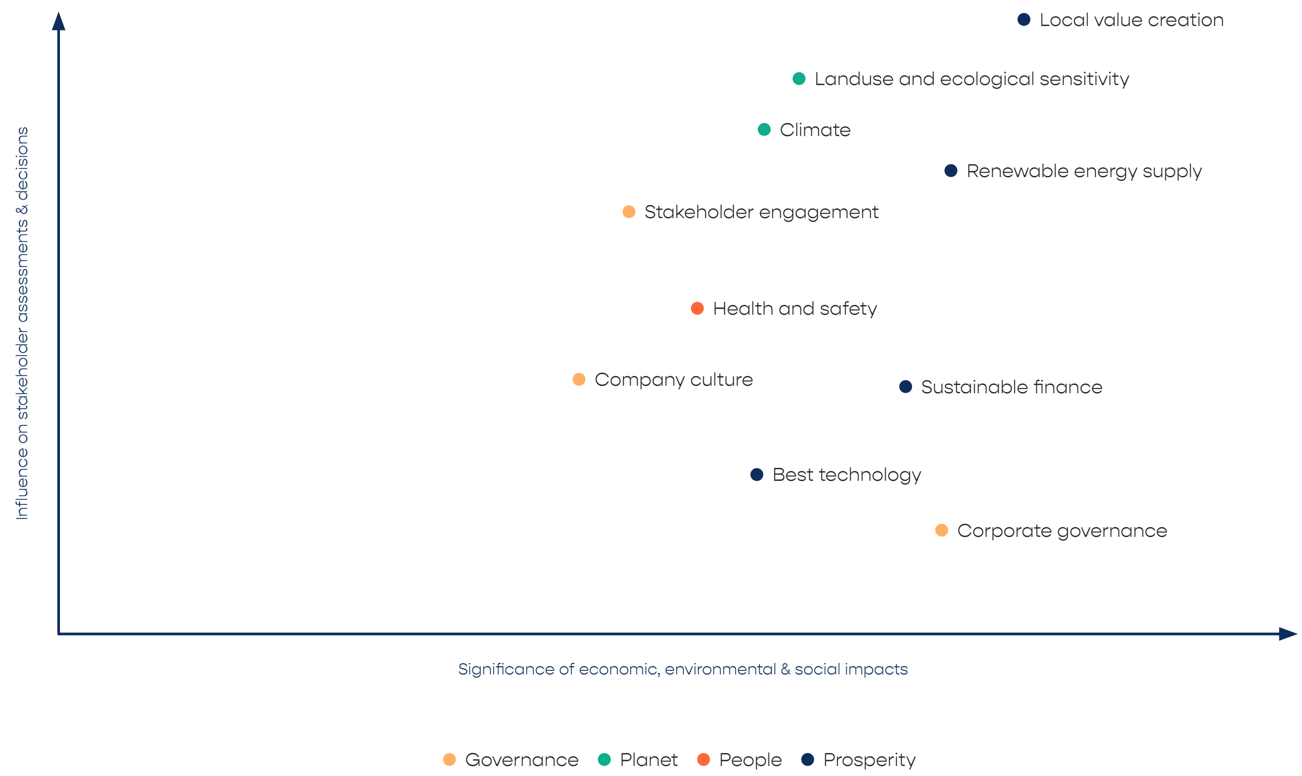
Cloudberry protects, restores, and promotes sustainable use of land areas, sustainable forest and biodiversity management, and protects and prevents threatened species, flora and fauna. We always integrate ecosystem and biodiversity values into planning in our development processes.

In this report we have also set out a review of our environmental, social and governance (ESG) strategy relative to the UN Sustainable Development Goals (SDGs).

Through our materiality assessment and analysis of the underlying targets that are relevant to Cloudberry and our stakeholders, we have looked to specific SDG sub targets in our environmental, social and governance strategy.

Materiality analysis and focus areas
Cloudberry believes that identifying, understanding and managing the sustainability topics in our value chain, is of uttermost importance for future long-term value creation. The focus areas and priorities are based on the materiality analysis conducted, and further strengthened during 2021 through stakeholder dialogue. The outcome of the analysis in our material aspects and stakeholder engagement are similar to 2020. Responsible supplier management is a natural part of our stakeholder engagement, and therefore not a separate material aspect in this year`s revised material matrix. Health and safety is still an important aspect, and has been strengthened in the materiality analysis in 2021, based on dialogue with suppliers and contractors, and is also addressed in our Suppliers Code of Conduct.

The main topics are illustrated above, and the matrix gives an overview of the findings. The topics in the right corner is of most strategic importance to Cloudberry and we focus our reporting on local value creation, renewable energy supply, climate, land



use and ecological sensitivity, stakeholder engagement and health and safety. In addition, corporate governance, sustainable finance, company culture and best technology were identified as important matters for our stakeholders and Cloudberry.

Climate and renewable energy supply is at the core of our purpose. Under "Planet" in this report we have a more comprehensive description of our work on taking climate action.

In the following Cloudberry describes its approach and activities in 2021, and ambitions and goals going forward related to the identified sustainability topics according to the Principles of Governance, Planet, People and Prosperity.

Principles of Governance	Planet	People	Prosperity
· Strengthen sustainability into business strategy · Stakeholder engagement · Company culture	· Climate risk and opportunities · Taxonomy · Land use and ecological sensitivity	· Health and safety · Human and labour rights · Diversity and gender equality	· Local value creation · Renewable energy supply · Sustainable financing · Best technology

Contribution to SDG targets

Principles of Governance

Cloudberry adheres to good governance standards and will at all times seek to ensure that the company endorses the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021, which is available at the web site of the Norwegian Corporate Governance Board www.nues.no. This includes disclosure and transparency in all our business to provide shareholders and stakeholders with precise and accurate information concerning all aspects regarding Cloudberry.

Performance summary Governance		Not started	On plan	Achieved
Strengthen sustainability into business strategy	Identify and manage ESG risks and opportunities in company operations		●	
	Establish ESG committee			●
	Review and report on ESG strategy, policies and performance		●	
	ESG Due Diligence Guideline			●
Stakeholder engagement	Stakeholder dialogue – review and update			●
	Stakeholders expectations - continuously assess		●	
	Code of Conduct - annually review			●
Company culture	Whistleblower Channel and Policy – established and rolled out			●
	Company Values - employee contribution		●	
	Report on violations of laws and regulations in accordance with whistleblower routines			●

More detailed information on Corporate Governance Code please read Cloudberry`s Corporate Governance Report 2021, also available in the annual report.

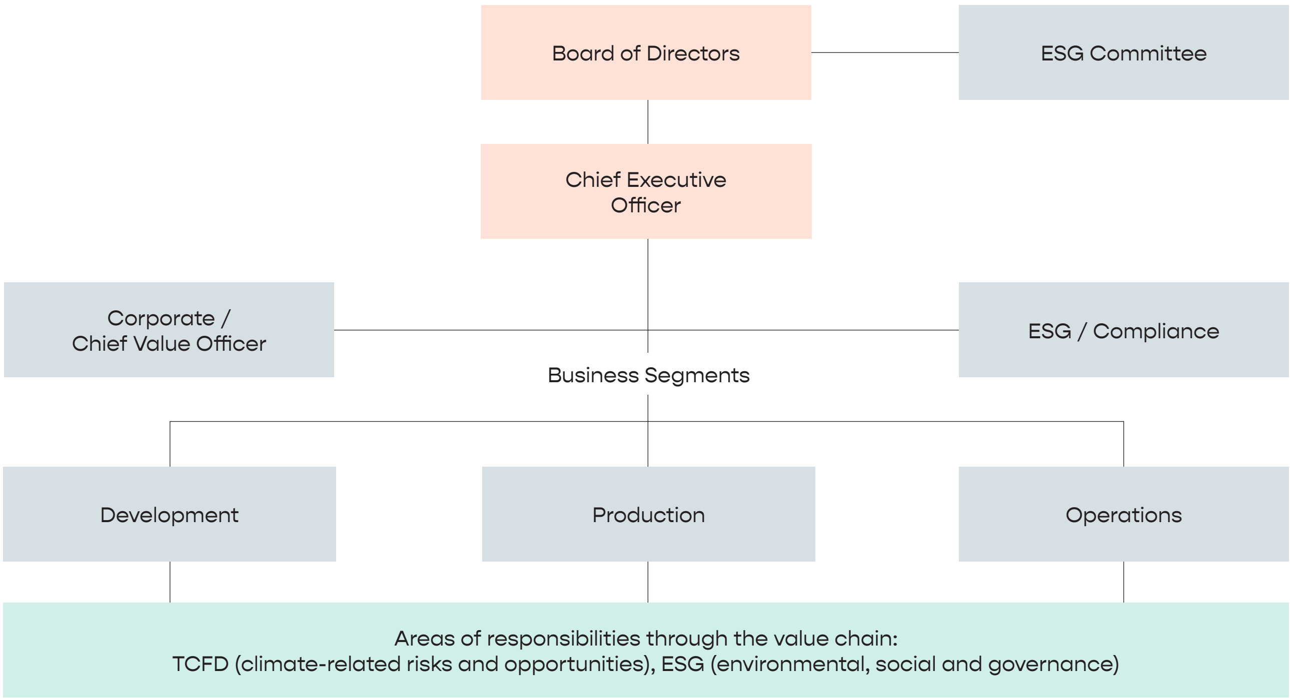
Our sustainability strategy

Our approach and activities

Cloudberry provides clean renewable energy for future generations, develops a sustainable society for the long term and creates value for its stakeholders. Cloudberry believes that a systematic approach towards incorporating sustainability matters in the value chain is imperative to fulfil our purpose.

Cloudberry has strengthened its sustainability strategy into the overall business strategy, and it is incorporated in development projects, producing assets and in our overall operating business. As a part of the reporting structure, environmental, social and governance concerns are embedded. The management and Board of Directors review specific sustainability topics including procurement, stakeholder engagement, health and safety, security and environmental and social impacts in all our business units.

At the management level, the CEO monitors the implementation of the sustainability strategy and is responsible for ensuring that climate-related risks and opportunities are integrated into the company's long-term business strategy. The CEO oversees and reports to the Board of Directors on the management's progress related to Cloudberry's key strategic sustainability and climate-related objectives. At the



operational level, the Chief Sustainability Officer is responsible for managing sustainability. The CEO, CVO and CSO meet twice a month to discuss and secure ESG-involvement in the daily operations, prepare matters within the ESG area for the Board of Directors and ensure progress concerning ESG initiatives and reporting.

Cloudberry assessed the potential financial impact of climate-related risks and opportunities in accordance with the recommendations of The Task Force on Climate-related Financial Disclosure (TCFD) in 2020 and have strengthened the assessment in 2021 and updated climate-related risks and opportunities related to its business development and expansion during 2021. They are addressed in the chapter Planet.

In 2021, the Board of Directors established an Environmental, Social and Governance (ESG) Committee consisting of two Board Directors and the Chief Sustainability Officer. The committee held four meetings during 2021, where the purpose was to ensure alignment with the company`s sustainability strategy and to discuss and evaluate ESG concerns relevant to Cloudberry. The committee is responsible of evaluating, following up and implementing the company`s ESG strategy, and to review relevant ESG initiatives. The committee will continue holding at the minimum four ESG meetings annually and continues to review and advice on the company`s sustainability performance and secure the integration of Cloudberry`s ESG goals throughout the value chain.

A due diligence guideline on evaluation of environmental, social and governance aspects has been incorporated as an integral part of Cloudberry`s investment decisions. The guideline takes into account a selection of ESG aspects that may have material impacts, both positive and negative, and secures mitigation plans where needed. The company also reports on number of projects rejected and underlaying reason as related to environmental, social and governance issues.

A Supplier Code of Conduct has also been completed and implemented in procurement phases. Adherence with the Code is required of all suppliers, and Cloudberry expects that their policies, statements, and commitments are enforced in the operations, and throughout the value chain of suppliers and their sub-suppliers. Cloudberry will annually review its Supplier Code of Conduct to ensure incorporation of relevant developments going forward.

Cloudberry wants to be made aware of any irregularities or other concerns regarding the organization and business. Employees and stakeholders are encouraged to ask questions and report concerns if they are suspecting breach of the Code of Conduct or other relevant policies. When employees raise concern about possible misconduct, the company is given the opportunity to remedy, improve and to protect its interests, stakeholders and society at large. To notify misconduct within the Cloudberry Group, Cloudberry rolled out its whistleblowing policy and reporting channel in 2021.

Way forward
Cloudberry will further strengthen and continue the integration of the sustainability aspects of its activities in the value chain and integrate climate related risks and opportunities in the overall company risk analysis business strategy. The company is growing and with new business units and more employees in the organisation, decisions and commitments across the company requires good business conduct and governance.

Stakeholder engagement
Our approach
Cloudberry`s success depends on our ability to build trust amongst our stakeholders. It is important for us to maintain an open and transparent dialogue with our main stakeholders. It is essential that landowners lend their land to us, local communities have trust in us, people and partners want to work with us, and that investors and creditors value us. It is fundamental to the company to engage timely and openly with our stakeholders. The below illustration provides an overview of Cloudberry's key stakeholders.

For Cloudberry it is important to have local presence to understand the society and context in which we are present. We strive to have a transparent decision-making dialogue with input from main stakeholders. This provides us with valuable feedback and enables Cloudberry to continue to improve and enhance trust and reputation.

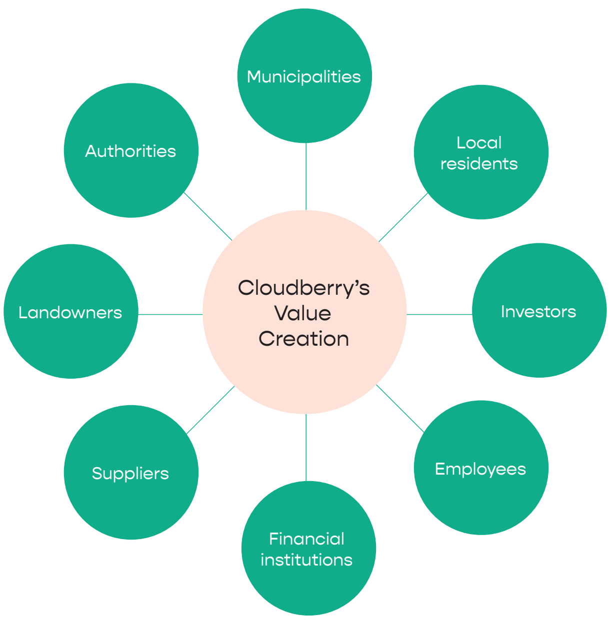
When exploring an opportunity, we evaluate landowner interest in having a power production plant on their grounds, as well as identifying the local attitude towards such an establishment. When the formal notification of a project is submitted to the authorities, public meetings are held with the local authorities to inform about the project and to identify any additional local needs that we may accommodate. Cloudberry facilitates access for individual residents to discuss any concerns they may have throughout the process.

Our activities
The stakeholders of Cloudberry are particularly concerned about how we handle environmental and social impact, governance, health and safety, company culture and supplier management. In the table below we describe the key activities and dialogues that have taken place in 2021 in regard to Cloudberry's development and construction projects in Norway and Sweden.

Cloudberry`s business strategy is continuously evolving. In 2021, the Board of Directors and company management strengthened the sustainability aspects, ensuring continuation of the integral part it plays in our overall business strategy. The work included the development of the aforementioned new governance structures and management of key strategic sustainable and climate-related objectives.

Way forward
In 2022 Cloudberry will further systematize our ongoing engagement with our stakeholders. The input we receive is valuable and will influence our sustainability framework going forward and be reflected in our strategic priorities. On every construction project Cloudberry will distribute newsletters, update the project web site, and hold meetings for authorities, landowners and other stakeholders involved. Cloudberry maintains close dialogue with our stakeholders to understand and address their concerns.

Cloudberry's main stakeholders



External Stakeholders	Expected of the company	Areas for dialogue	Actions by the company
Landowners	Local value creation in terms of creating job opportunities, possible financial funds for locally initiatives, utilization of their forests, continuous information during the development and construction process.	Direct contact with the landowners, meetings with municipalities were local residents and landowners may attend.	Information letter to stakeholders involved on progress in projects. Meetings locally starting at early phases in every development project, e.g.: At Hån wind farm meetings were held to give relevant information as the project progresses, frequently newsletters are sent out, a project web site with updated information on the project is in place. At the development project Björnetjärnsberget wind farm several stakeholder meetings were held regarding wind power understanding, legal process for environmental permit, Q&A on risks and opportunities, receiving concerns and thoughts from local hunters, local value creations and more. Used local business partners, when possible, for construction, operations and maintenance. Established a fund to support teams and associations in local areas.
Local residents	Preserve untouched nature, establish a fund that can be used for local initiatives, information flow helping them visualize the impact, fewer and smaller wind turbines.	Meetings for residents through consultation meetings locally, neighbourhood meetings to communicate.	Information letter to stakeholders on progress in projects. Several information meetings locally were held to ensure understanding regarding process, impact, risk, and opportunities, local value creation, and facilitate for Q&A sessions. At Hån and Björnetjärnsberget a project web site with updated information on the project was established At Björnetjärnsberget an open house with meetings for local stakeholders. We aim to be transparent already from the consultation phase. Using local business partners when possible, for construction, operations and maintenance. Established a fund to support teams and associations in local areas.
Municipalities	Energy supply locally, local value creation such as jobs on projects and infrastructure. Compensation to the local population as part of the development agreement. Open and informative dialogue with the affected population about progress in the development project. Minimize the environmental impact.	Dialogue and meetings with the municipalities.	The development and production of wind and hydro power is highly regulated both in Norway and Sweden, with stringent environmental regulations. The company maintains a continuous dialogue with authorities and local stakeholders and held several meetings with the municipalities of Hån and Björnetjärnsberget projects.

External Stakeholders	Expected of the company	Areas for dialogue	Actions by the company
Authorities	Expectations regarding how the company affects nature and biodiversity. Positive when the company reports annually on environmental impact and carry out its own measurements e.g., on bird populations. Recommend that the company early enters into dialogue with the local community. Initiatives to contribute to local culture and nature activities.	Dialogue and meetings with the authorities.	The development and production of wind and hydro power is highly regulated both in Norway and Sweden, with stringent environmental regulations. The company maintains a continuous dialogue with authorities and local stakeholders and held several meetings with the municipalities of Hån and Björnetjärnsberget projects.
Suppliers	Focus on safety specifically and on health, safety and environment. Report on waste management.	Regular meetings with partners and suppliers.	Weekly meetings during the construction of Hån wind farm with entrepreneur and other suppliers. Focus on health and safety routines and environmental and social impact. Registering incidents and mitigation plans. Regular meetings on health and safety management on site. Continue to update the company`s routines with regards to health and safety. Health and safety is addressed in the Supplier Code of Conduct which was implemented in 2021 on procurement phases. Waste management on producing assets and during construction projects are reported and taken into the GHG protocol from 2021.
Investors	Measuring CO_2 emission, energy efficiency, life-cycle assessment and environmental impact. Prioritize developing windfarms in industrial areas.	Meetings (digital) with investors and analysts, company presentations.	Providing renewable energy and thereby reducing climate emissions. Accessible for a broader universe of stakeholders and ESG focused investors as Cloudberry was listed on the fully regulated market Oslo Stock Exchange in 2021. Diversified and growing production portfolio with a highly efficient operating platform, a growing development backlog and pipeline both on- and offshore. Production capacity raised from 27 MW (2020) to 58 MW (2021). Reports annually on direct and indirect greenhouse gas (GHG) emissions, compensated emissions by purchasing carbon credits, assessed climate related financial risks and opportunities.
Financial institutions	Ensure that suppliers and partners operate in line with the company's code of conduct. Focus on the company's emissions and HSE routines.	Meetings and presentations.	Beside reporting financially, the company is integrating environmental, social and governance in its reporting to highlight the focus on sustainability management in the company`s business strategy.

Company culture

Our approach

Cloudberry sets high ethical behaviour for everyone who acts on behalf of the company. We are focused on being a socially responsible and sustainable company and has included initiatives in our daily operations as described below. We aim to reduce business risk for the company and the individuals and safeguard the company's reputation.

Our activities

2021 has been a transitional year for Cloudberry, focusing on growing the platform with new development projects and producing assets. This naturally results in an increase in the number of employees and affects company culture and the working environment. Cloudberry strives to develop a value-based culture. In 2021 we held a physical workshop for all employees where the purpose was twofold; to identify and develop our values Supportive, Commitment, Continuous improvement, and Integrity, and to anchor them within the employees. The values are pivotal to how we act and behave internally and externally, and they are paramount in our company culture especially as we are growing further.

Our Code of Conduct it sets out the key expectations to all employees, the Board of Directors, and other representatives of the company and specifies the ethical requirements for everybody who works for and on behalf of Cloudberry, including suppliers and other business partners. The Code is the basis for how we act and perform our business, it describes Cloudberry`s ethical culture and behaviour, and provides general guidelines on issues such as anti-corruption, human and labour rights, health and safety, business ethics, legal compliance, insider trading and other relevant issues related to the company's operations. The Code of Conduct was reviewed, revised, and finally approved by the Board of Directors in February 2022.

A specific whistleblowing reporting channel was implemented in 2021. This system allows employees and stakeholders to report misconduct of any irregularities or other concerns regarding our organization and business. A Whistleblowing Policy sets out the framework for dealing with concerns of illegal and improper conduct.

During 2021 Cloudberry has not registered any incidents of corruption nor discovered any incidents related to previous years where the company, employees or partners have been involved. The "Corporate Governance" chapter provides further information.

Way forward

Cloudberry aims to be an attractive place to work and amongst other criteria considers a healthy and inspiring company culture of importance. It has been a challenge to gather all employees physically during the Covid-19 pandemic. Nevertheless, we have had frequent internal digital meetings throughout the year. At Cloudberry we continue to build our company culture and we have an ambition to hold at least two physically gatherings annually with all employees. For regular updates from our business units on project development, operating assets, ESG related issues, and general development in our business, we arrange digital meetings monthly attended by employees.

Cloudberry distributes its revised Code of Conduct annually to its organisation. It is mandatory for all employees to comply with the Code. During 2022 the employees of Captiva Group, acquired in January 2022, will be integrated into the Cloudberry Group and will be introduced to and expected to comply with Cloudberry`s Code of Conduct. Follow up on the company`s values and training in the Code is an integrated part of onboarding new employees.

Planet

The planet is at the basis of everything we do. Through the production of renewable energy, we positively impact the energy transition which addresses the climate crisis. At the same time, we impact the planet through the construction and production of our wind farms and hydropower plants. It is a high priority for Cloudberry to reduce its environmental footprint as much as possible, and further prioritise this focus in the years to come. Cloudberry`s goal is to be net-zero by 2040.

Performance summary

Planet

		Not started	On plan	Achieved
Climate risk and opportunities	Net-zero by 2040		●	
	TCFD - update risk assessment according to developments of the year			●
	Incorporate climate-related risks in overall risk management according to TCFD framework		●	
	CO_2 emissions - report annually Scope 1, 2 and 3			●
	Scope 3 – report on waste from construction site		●	
	Value chain – improve Scope 3 reporting GHG emissions		●	
	Eligible activities covered by the EU Taxonomy on Revenue, OPEX and CAPEX			●
	Alignment to the technical screening criteria with the EU Taxonomy Regulation		●	
Land use and ecological sensitivity	ESG impact – assessment prior to FID		●	
	Implement ESG due dilligence assessment in all investment decisions			●

Climate risk and opportunities

Our approach

Cloudberry understands that although the company contributes to climate solutions with its development and production of renewable energy, the company itself has a responsibility to reduce its emissions and the negative impact the company has on climate and the environment.

As a result of this Cloudberry has set an ambition to be net-zero by 2040. Cloudberry is a fossil-free company and has reached net-zero emissions in its own operations (scope 1 and 2) since 2020 by removing CO_2 from the atmosphere through restoring mangrove forests. Cloudberry has further invested in restoring mangrove forests to neutralize all future emissions from its own operations and employees. The Company will complete scope 3 calculation in alignment with the GHG Protocol to determine a decarbonization pathway to reach net-zero in the value chain by 2040.

Climate changes constitute a risk and opportunity for Cloudberry. They present financial risk to the global economy, and pose risks and opportunities for businesses, now and in the future. Financial markets, creditors and investors ask for clear, consistent, and comparable, high-quality information on the impacts of climate change. The Task Force on Climate-related Financial Disclosure (TCFD) developed the TCFD disclosure recommendations to improve and increase reporting of climate-related financial information and to enhance market transparency and stability. Cloudberry strives to evaluate its relevant metrics for measuring and managing climate-related risks and opportunities at all times and in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Core Elements of Recommended Climate-Related Financial Disclosures

Governance
The organization's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning

Risk Management
The processes used by the organization to identify, assess, and manage climate-related risks.

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

TCFD Context Index

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	a) Describe the organisation's process for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe the management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	b) Describe the organisation's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Our activities
In the changing world we are living in, with rising temperatures, climate-related policy changes, and emerging technologies, both risks and opportunities are becoming more prominent. Failure to limit global warming to 1.5 °C may cause severe changes in the world`s climate, with subsequent dramatic consequences for the planet. The effect of climate change also has consequences for our operating assets that we need to consider in our business planning.

Cloudberry assessed the potential financial impact of climate-related risks and opportunities in accordance with the recommendations of the TCFD disclosures in 2020 and revisited and strengthened the assessment in 2021. The TCFD recommendations are structured around four core elements of how companies operate: governance, strategy, risk management, and metrics and targets.

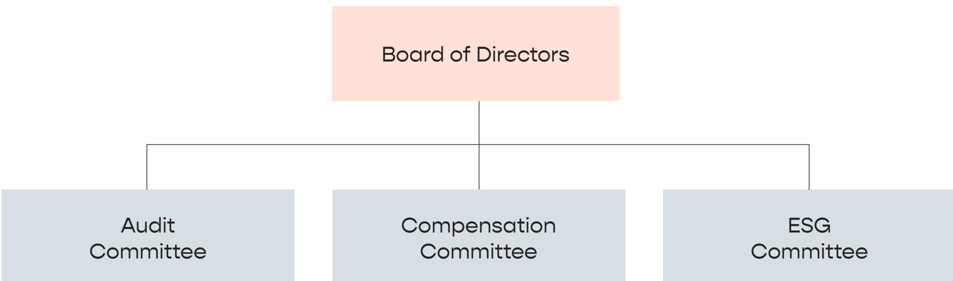
2021 has been a transitional year for Cloudberry focusing on growing the platform with new development projects and producing assets. In 2021, the risk assessment was further strengthened, and actions taken are described in the tables under Strategy.

The company implemented a due diligence guideline on environmental, social and governance aspects when evaluating investment decisions, including climate-related risks and opportunities.

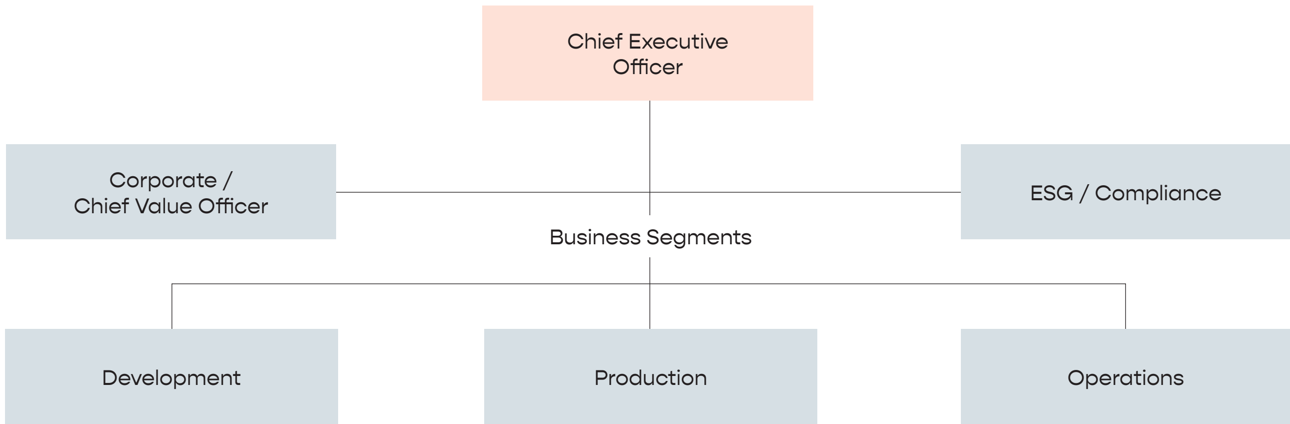
Governance

The company's governance around climate-related risks and opportunities.

Climate-related issues are of high importance for Cloudberry and are to a certain extent integrated into Cloudberry`s overall business strategy. Prior to a project investment decision, relevant risks are assessed by the Management and an evaluation is presented to the Board of Directors where the climate-related risks are discussed and evaluated. The overall responsibility thus sits within the Board of Directors. In addition, Cloudberry`s overall risk management and all risks perceived to the company and its businesses are subject to an annual thorough review by the Board. The climate-related risks will be assessed along with all other relevant risks. The Board of Directors and its work is also described in the corporate governance section later in this report.



The executive management team assesses and manages climate-related risks and opportunities, with the highest-level responsibility lying with the Chief Executive Officer and the Chief Sustainable Officer. The manager of the individual business segment is responsible for implementing risk mitigating actions. The executive management team follows up on key mitigation plans and reports in yearly reports and presents this in annual Board meetings.



Strategy

Actual and potential impacts of climate-related risks and opportunities on the company`s business, strategy, and financial planning where such information is material.

Cloudberry has proactively identified and assessed climate-related risks and opportunities. The analysis recognized and defined three physical risks and ten transition risks, including regulatory and legal risks, technological risks, market risks, and reputational risks. All 9 risks were evaluated by the management in order to assess their likelihood of occurrence, time horizon, and potential financial impact.

A preliminary internal assessment concerning the likelihood of occurrence has been performed:

Time horizon	Short-term	Medium	Long-term
Years	<3	3-10	>10

The likelihood assessments, as well as the definition of financial impact and time horizon, are provisional and may be subject to change in the years to come due to further development and more accurate calculations based on scenario analysis.

The climate-related risks and opportunities related to Cloudberry`s business development and expansion during 2021 has been assessed. The risks are addressed and summarised in the below tables. Cloudberry will continuously analyse and assess its climate-related risk strategy to detect other risks and opportunities.

TCFD		Risk	Like-lihood[1]	Financial Impact[2]	Time Horizon[3]	Description	Risk mitigation	Opportunity
Physical Risks and Opportunities	Both acute and chronic	Extreme Winds	High	Low	Long	Exacerbated wear-and-tear of wind turbines (i.e., increased service and maintenance/ repair costs). Higher risks/costs during construction (e.g., wind days and delayed construction). Temporary stop in production causes loss in production time, due to extreme winds.	Cloudberry has emergency plans on-site on all our producing assets. A contingency plan including the climate risk topics is being established. The company uses certified and well-proven technology and aim for long service contracts with solid counterparts and makes sure that agreements with contractors have substantial buffers on weather-exposed operations.	Finding solutions for how future wind turbines (or upgrades of older wind turbines) can maximize production based on increased wind strength. It also opens for the opportunity to build wind parks in less sensitive areas
		Extreme rainfall	High	Low	Long	Damage and production loss to hydropower stations (higher insurance premiums), as well as lost revenue from flow over the dams.	The technical standard and capacity of our dams and pipelines are designed to withstand flooding. Cloudberry has emergency plans on-site on all its producing assets. A contingency plan including the climate risk topics is being established.	More likely to get permits for adding regulation dams to our assets for flood prevention. An opportunity to increase the company's production capacity and be able to take full advantage and be more efficient to produce more power. Overall, increased precipitation might increase revenue for the company.
		Warmer, wetter and windier	High	Low	Long	Wind farms will get more hours of production due to overall higher wind speeds, while the production of hydro plants will increase all over due to increased rainfall and fewer water-frozen days.	Position the company and its power plants to maximize the benefits of the increased production potential.	More power production (e.g., if snow is melting to a larger degree than normal, hydropower plants that previously have been water frozen during winters might be able to produce power during the winter as well).

1 The likelihood is based on provisional internal assessments and will be further developed through scenario analyses in the years to come
2 Financial impact: Low < 10 mill, Medium 10-100 mill, High > 100 mill
3 Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

TCFD		Risk	Like-lihood [1]	Financial Impact [2]	Time Horizon [3]	Description	Risk mitigation	Opportunity
Transitional Risks and Opportunities	Policy and legal	Revised regulation of new water/ hydro permits	Medium	Low	Medium	Revision of existing hydropower regulation plans is considered a low risk as the concessions are perpetual. Revised regulation of new permits might be more restrictive regarding minimum water flows, reservoir level changes, etc., to better preserve natural habitats, fish spawning, etc.	Cloudberry`s Chief Commercial Officer is responsible for communication and government relations. Cloudberry has established a government relations strategy and plan for staying ahead of laws and regulations in all projects as well as in regular operations by closely following political proposals and industry association's recommendations on new or revised regulations.	Stricter regulations help and force developers like Cloudberry to focus on protecting biodiversity and environmental impact under construction.
		Revised wind power permitting	High	Medium	Short	Cloudberry has up-scaled its offshore unit as a result of increased activity from the offshore wind portfolio in Sweden. In Norway NVE is likely to be working from a revised and more conservative framework when considering permits for new wind power production projects.	Cloudberry has established a government relations strategy and a plan for being proactive and with regard to public hearings and industry association's recommendations on coming regulations.	Focus on projects with low perceived conflict, seek industrial areas for developing wind projects, as opposed to hunting for the largest and most windy sites. Build industrial value chains with local stakeholders to address local opportunities with local renewable projects.
	Technology	Improved production technologies	Medium	Low	Medium	Technology related to hydro and wind generators experiences rapid improvements. Cloudberry has purchased 60% of the Captiva Group, a data-driven operator, manager, and developer of renewable energy, which delivers management services within operations and maintenance, e.g., technical and commercial digital services, and operational intelligence, visualization and reporting solutions to renewable energy projects in the Nordics.	Cloudberry will maintain a portfolio of projects employing relevant and efficient technology. Moreover, the company will invest in power plants of expected good technical standards and prioritize technical solutions that are well-proven and delivered by reputable suppliers.	Technical improvements and lower cost on e.g., turbines will improve the profitability of Cloudberry's development backlog. In general, with well-proven technical solutions, management, technical services, and repairs can be made within reasonable time and cost, and attractive insurance terms are accessible.

1 The likelihood is based on provisional internal assessments and will be further developed through scenario analyses in the years to come
2 Financial impact: Low < 10 mill, Medium 10-100 mill, High > 100 mill
3 Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

TCFD		Risk	Likelihood[1]	Financial Impact[2]	Time Horizon[3]	Description	Risk mitigation	Opportunity
Transitional Risks and Opportunities	Market	Lower power prices	Medium	High	Long	Cloudberry cautiously follows the market fundamentals and power price forecasts in the short- and long-term. It is difficult to predict power prices in the short- term (e.g., 2020 weather conditions led to a production surplus that affected power prices, and in 2021 we experienced the opposite with all-time high power prices). Power prices may rise from increased CO_2 prices or higher electricity demand, or they might fall from an expanded renewable supply.	Positioning Cloudberry's production portfolio so that the company is not dependent on one price area nor to one production technology, as a hedge towards locked-in whether depressed prices. Cloudberry has a well-developed overall risk management strategy were including price hedging of electricity, and a small portion of the portfolio with PPA to secure some fixed income in the short- and medium-term.	40% expected increase in Nordic power consumption by 2040, largely due to the electrification of power-intensive industries, as well as data expansion, etc. Ambitious climate goals will lead to a reduction in fossil fuel consumption. Interconnectors between Norway and Northern Europe. 50% of European power production is expected to come from solar PV and wind by 2040.

1 The likelihood is based on provisional internal assessments and will be further developed through scenario analyses in the years to come

2 Financial impact: Low < 10 mill, Medium 10-100 mill, High > 100 mill

3 Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

TCFD		Risk	Like-lihood [1]	Financial Impact [2]	Time Horizon [3]	Description	Risk mitigation	Opportunity
Transitional Risks and Opportunities	Reputation	Opposition to wind power	High	Medium	Medium	In Norway, Cloudberry is likely to receive opposition from anti-wind power organisations for possible new wind farms (e.g., due to visibility and impact on nature). In Sweden, municipalities have a right to accept or deny a project late in the permission process, the so called "veto" which might affect Cloudberry.	Cloudberry will develop projects in areas where potential conflicts may be mitigated. The company has established an offshore wind team with ambitions to develop offshore wind in Sweden with strong focus on local stakeholders and local value creation. Furthermore, develop projects near industrial areas, or in areas where there is local support, and have strong focus on local value creation.	Wind power is the best source for new clean power in the Nordics.
		Increased focus on corporate carbon footprints	Medium	Medium	Medium	Carbon footprint and environmental impact has a strong focus from investors and other stakeholders. As a renewable energy company, Cloudberry is an important part of the green transition. However, it is just as important to have focus on reducing direct- and indirect emissions and move towards net- zero in the whole value chain of Cloudberry, both in terms of material use and of conserving biodiversity on locations.	Cloudberry will establish a plan for preserving biodiversity, reducing carbon emissions in its value chain, and by this also assisting others to reduce their carbon footprint (by providing green energy). The company has expanded its scope 3 carbon reporting and will report more emissions in scope 3 going forward. We have also invested in carbon removal projects to ensure we can be net-zero in own operations while we further calculate and minimize our scope 3 emissions to reach net-zero in the value chain by 2040. Cloudberry has implemented its Supplier Code of Conduct which expects suppliers and business partners to be committed to environmental sustainability.	Environmental and social commitment in the Cloudberry business strategy and reporting structure execute climate action and increased transparency for risks and opportunities posed by climate change. The commitment shapes confidence from stakeholders and attracts the best workforce and talents who seek a purpose in their career.

[1] The likelihood is based on provisional internal assessments and will be further developed through scenario analyses in the years to come
[2] Financial impact: Low < 10 mill, Medium 10-100 mill, High > 100 mill
[3] Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Risk management

How the organisation identifies, assesses, and manages climate-related risks.

Cloudberry assesses its risks and opportunities from a short-, medium-, and long-term strategic and financial perspective, and have set threshold values for financial impact. The company identifies the potential financial impact from the risks and opportunities' and their significance for Cloudberry. The financial impact is defined as low when less than NOK 10 million, medium when between NOK 10 and 100 million, and high when higher than NOK 100 million. Moreover, Cloudberry has defined a time horizon where short is within the next three years, medium spans from three to ten years, and long is more than ten years.

Financial Impact	Low	Medium	High
MNOK	<10	10–100	>100
Frequency	<3 years	3-10 years	>10 years

In 2021 the company`s due diligence guideline on environmental, social and governance aspects was incorporated as an integral part of evaluation of investment decisions. Prior to a final investment decision, identification of risks is a part of all development, engineering, project finance, procurement and construction phases. The guideline sets out the climate-related risks and opportunities related to a project and are discussed and assessed by the management before they are introduced to and evaluated by the Board. As a part of integrated risk management, the Board of Directors reviews and determines how to respond to different climate-related risks including regulatory, legal, and market risks, as well as the physical risks to our assets. The Board of Directors oversees the expected progress towards the set goals and the plans of action related to the defined climate-related risks and opportunities. Cloudberry`s climate-related risks will be further integrated into overall risk management structure.

Metrics and targets

Metrics and targets are used to assess and manage relevant climate-related risks and opportunities where such information is material.

Cloudberry's Carbon Emissions

Cloudberry reports annually on its carbon emissions in accordance with the Greenhouse Gas (GHG) Protocol. Cloudberry started calculating in 2020 and calculates all three scopes. The company strives to improve its GHG accounting routines by expanding categories in Scope 3 to cover emissions in the value chain. Minimizing our environmental impact and the CO_2 emissions is at the core of our business.

Cloudberry`s carbon inventory is divided into the three main scopes of direct and indirect emissions, and in 2021 Cloudberry's reported carbon emissions from Scope 1, 2 and 3 were 203 tonnes CO_2e (tCO_2e).

Carbon Accounting	Unit	2020	2021
Scope 1 Total	tCO_2e	-	-
Scope 2 Total Location-Based	tCO_2e	1	7
Scope 3 Total	tCO_2e	186	196
Total	**tCO_2e**	**187**	**203**

- Scope 1 covers all direct emission sources, including all use of fossil fuels for stationary combustion (predominantly diesel generators) and transportation. Cloudberry does not own company cars and there are no other direct greenhouse gas emissions to report in scope 1.
- Scope 2 includes indirect emissions related to Cloudberry`s purchased energy (i.e., electricity and heating/cooling). This includes purchased energy for Cloudberry`s offices in Oslo, Norway and in Karlstad, Sweden, as well as the energy used at the sites. The purchased energy at our Swedish office in Karlstad is 100% renewable energy. In 2021, Cloudberry reported a total of 226 MW and the emissions from electricity were 7 tCO_2e in scope 2 from a location-based perspective.
- Scope 3 comprises the reported indirect emissions resulting from parts of Cloudberry`s value chain activities:

Category 1 (purchased goods and services): Cloudberry reports 749 m^3 consumption of concrete in 2021, which accounted for 173 tCO_2e. The concrete was used for the construction of the hydropower plants Steinbergdalen and Flatestøl (Skåråna Kraft) in Norway. The emissions from the concrete accounts for 85.4% of Cloudberry's total GHG emissions (Scope 1, 2 and 3). In category 1, Cloudberry also reports the kilometers between service providers' location and the location of corresponding hydro plants and wind farms that received service. This was a total of 89 100 km and accounted for 15 tCO_2e.

Category 5 (waste management): In 2021 Cloudberry started reporting on waste management. This includes waste management from the operating powerplants, the inhouse project Hån wind farm in Sweden which is under construction, and waste from Cloudberry`s offices in Oslo and Karlstad. This amounted to a total of 2 194 kilos and accounted for 0.9 tCO_2e.

Category 6 (business travel): Cloudberry reports emission from air travel, rental cars and milage allowance, which in total accounted for 4.6 tCO_2e.

Category 15 (investments): Cloudberry reports the electricity used in the hydropower plants in Forte Energy Norway AS, where the company has a 34% ownership.

The total registered emissions from Scope 3 were 196 tCO_2e. Cloudberry will continue to evaluate and include more aspects of emissions from its value chain activities in 2022, particularly from Scope 3.

GHG Emissions 2020-2021

Scope	Unit	2020	2021
Scope 1	tCO_2e	-	-
Scope 2 (Location-Based)	tCO_2e	1.4	7
Scope 2 (Market-Based)	tCO_2e	9.1	56.1
Scope 3 (Purchased Goods and Services)	tCO_2e	183.7	188.4
Scope 3 (Waste Management)	tCO_2e	-	0.9
Scope 3 (Business Travel)	tCO_2e	1.6	4.6
Scope 3 (Investments)	tCO_2e	-	2.1
Total GHG emissions	**tCO_2e**	**186.7**	**202.9**
Total Energy	MWh	34.6	226

Principles on reporting emissions

In-house development projects: Cloudberry reports emissions on in-house developing projects from final investment decision (FID) and starting point of the construction.

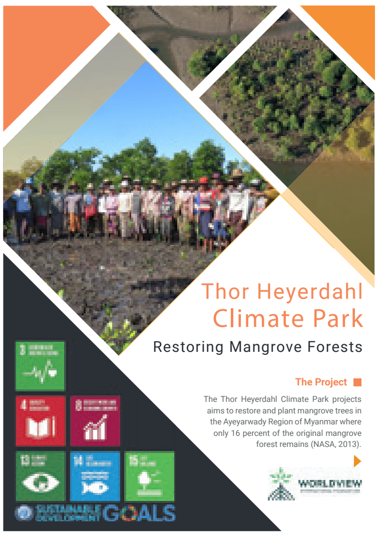
Projects under construction: Where Cloudberry is the initiator to the construction, the company will report emissions from construction start. On projects under construction where Cloudberry is the legal owner, Cloudberry reports emissions during construction phase. On assets under construction where Cloudberry has entered into an agreement to buy the power plant, and is the legal owner after the construction is completed and commission period is approved, Cloudberry reports emissions from take-over.

Producing assets: Cloudberry reports its emissions on producing assets and from take-over (additionality principle).

Beyond Value Chain Mitigation

To reach net-zero in our value chain by 2040, and in support of the Paris Climate Agreement and UN Sustainable Development Goals, Cloudberry compensates its carbon emissions. By investing in climate offsets from projects that are certified and aligned with the SDGs for societal and environmental enhancement to remove emissions, it moves society in the right direction to reach a low-carbon economy.

Carbon removal is the neutralization when CO_2 is removed from the atmosphere and sequestered for long periods of time. Cloudberry purchases carbon removals from the VCS project Thor Heyerdahl Climate Park in Myanmar. The project, which is planting and restoring mangrove forests, has numerous positive impacts on the climate, the environment, and local socio-economic conditions. In addition to strengthening the livelihood of local communities, mangrove forests foster biodiversity and are crucial habitats for otherwise threatened and endangered animal and plant species. The trees also protect against storms and cyclones and create local jobs and income for the local population. The compensation includes Cloudberry`s registered emissions of 203 tCO_2e from the carbon accounting (Scope 1, 2 and 3), and emissions of 297 tCO_2e from all employees in the organisation. Scope 2 has been additionally neutralized from carbon credits for the 7 tCO_2e as reported in 2021 to be net-zero from controlled sources in the company.



CO_2 Reduction in the grid

In 2021, Cloudberry produced 117 GWh of renewable energy, which is equivalent to reducing 29 133 tCO_2e, relative to baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2021).

After taking into account the total greenhouse gas emissions of 203 tCO_2e from Cloudberry's carbon emissions accounting (Scope 1,2 and 3) and carbon emissions from all employees in Cloudberry, the reduction of greenhouse gas emissions from Cloudberry's operations is 28 633 tCO_2e.

Targets

Cloudberry has a scalable platform and is positioned for valuable growth, both in terms of energy production and in-house development backlog and pipeline. Cloudberry's strategy is to continue its sustainable growth organically and inorganically in the Nordic market. Areas of our business will have residual carbon emissions, which we will neutralize, while minimizing our footprint as much as possible. To limit global warming to the 1.5 degree scenario, Cloudberry will further calculate the total emission in Scope 3 and determine a decarbonization pathway to do our part for society to become a low-carbon economy.

Way forward

On our way towards net-zero by 2040, Cloudberry will monitor national and international climate politics and their potential impact on our strategy and business. We strive to ensure that the company makes the right decisions and assessments on how climate risks might affect us. We have strengthened our risk strategy by including the topics identified in the materiality assessment where climate and renewable energy are core topics. The climate-related risk

Transitioning to a low-carbon society

Net-Zero	Net-Zero 2021	Net-Zero by 2040
	Scope 1 and 2 [1]	Scope 3

[1] Cloudberry is a fossil-free company and has reached net-zero emissions in its own operations by removing CO_2 from the atmosphere through restoring mangrove forests for Scope 2.

assessment will be expanded in accordance with the TCFD framework, and the identified climate-related risks will be incorporated into our general risk management and reporting.

Going forward Cloudberry will expand its climate accounting reporting on indirect emissions in our value chain (Scope 3) such as for aluminium and steel. This will be aligned with the reporting criteria in the EU Taxonomy, analyzing life cycle greenhouse gas (GHG) emissions from Cloudberry's development and operating power projects and assets.

The Taxonomy

Activities

Cloudberry is in the process of assessing the company`s alignment with the EU Taxonomy Regulation. In accordance with the EU Taxonomy requirements for the reporting year 2021, qualitative information and information on the proportion of taxonomy eligible activities in relation to total activities set out in the Delegated Act must be disclosed.

In 2021 Cloudberry assessed its eligible activities covered by the EU Taxonomy and technical screening criteria and its proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in its total turnover, capital and operational expenditure.

Inventory of the eligible activities covered by the Taxonomy in Cloudberry`s business units:

1. Electricity generation from wind power. NACE code D35.1.1 (Production of electricity) and F42.2.2 (Construction of utility projects for electricity)

2. Electricity generation from hydro power. NACE code D35.1.1 (Production of electricity) and F42.2.2 (Construction of utility projects for electricity)

Basis and principles

Cloudberry is reporting on proportion of Taxonomy-eligible activities on electricity generation from wind power and electricity generation from hydro power on consolidated units (IFRS).

Units that are power-producing at year end are classified within “producing”, while other units that are under construction, ready for construction or is in concession process, (project inventory in the consolidated balance sheet) are classified within “construction”. Corporate overheads (OPEX) are allocated to the respective activities based on the proportionate value of assets directly related to the Taxonomy-eligible activity.

Eligible turnover include the sale of products generated from wind or hydro electricity production or sales closely related to this activity. Closely related turnover may e.g., origin from sale of el-certificates or insurance settlement income (other income) due to a loss on a construction project of a wind farm. The denominator of the turnover KPI is “total revenue” (Note 12 in the Consolidated Group financial statements in the 2021 annual report).

Eligible capital expenditures are investments in property plant and equipment, investment in associated companies or share in subsidiaries which have activities that are EU Taxonomy eligible.

The denominator of capital expenditures is the CAPEX KPI and includes total additions to Intangibles and Tangibles (including capitalised leases), including those from business combinations and investments in associated companies. (Notes 5, 17 and 20 in the Consolidated Group financial statements in the 2021 annual report).

Eligible operating expenses, include any of the following types of spend; cost of goods sold, salary and personnel expenses for employees working within eligible activities or within group overhead, other operating expenses directly related to the eligible activities or related to the group overhead.

The denominator of the operating expenditure, OPEX KPI is “Operating expenses”, (Note 13 and 14 in the Consolidated Group financial statement s in the 2021 annual report).

100 per cent of Cloudberry`s turnover, operating expenses and investments are EU Taxonomy eligible in 2021. The table shows the turnover, CAPEX and OPEX per activity and the proportionate share of the Group’s total reported figures.

Consolidated units: Fully owned assets under construction and in production

Economic Activities	NACE Codes	Turnover (NOK)	Revenue proportion	CAPEX (NOK)	CAPEX Porportion	OPEX (NOK)	OPEX Porpotion
A: Taxonomy eligible activities							
Electricity generation from wind power – Production of electricity	D35.1.1	2.8	7%	-	-	-2.9	3%
Electricity generation from wind power – Construction of utility projects for electricity	F42.2.2	5.8	14%	-452.4	55%	-48.0	54%
Electricity generation from hydropower – Production of electricity	D35.1.1	32.3	79%	-297.9	36%	-35.8	40%
Electricity generation from hydropower – Construction of utility projects for electricity	F42.2.2	-	-	-78.8	10%	-2.1	2%
Total A: Taxonomy eligible activities		40.9	100%	-829.1	100%	-88.9	100%
B: Taxonomy non-eligible activities		-	-	-	-	-	-
Total A and B		**40.9**	**100%**	**-829.1**	**100%**	**-88.9**	**100%**

Way forward

Cloudberry continues its assessment of economic activities in accordance with the EU Taxonomy. Assessments are carried out to evaluate Cloudberry`s alignment to the technical screening criteria in the EU Taxonomy. Internal analysis and estimates of life cycle greenhouse gas (GHG) emissions from Cloudberry’s producing hydro power assets indicate emissions significantly below the threshold set out in the EU Taxonomy (100g CO_2e/kWh). Reporting on Lifecycle GHG emissions, Power Density of the Electricity Generation Facility (above 5 W/m^2), Do No Significant Harm (DNSH) and Minimum Safeguard principles will be assessed going forward and Cloudberry is prepared to report in accordance with the EU Taxonomy requirements on its hydro- and wind energy assets, and will strive to ensure that the activities meet the criteria. Cloudberry`s goal is to have 100% alignment in the forthcoming years. It is crucial for the society, to become a low-carbon economy and reach net-zero. Cloudberry will ensure that its organization reduces emissions while the activities contribute to lower emissions in third parties.

Land use and ecological sensitivity

The development, construction and operations of renewable energy plants may have several environmental impacts. Wind farms have an impact on both off- and onshore land areas, and hydropower plants impact river systems. At wind power plants, among other things, there is an environmental impact both under construction and in operation. For onshore wind energy, the first and foremost environmental impact relates to visibility in the landscape, shadows and noise. For offshore wind, the impact is similar to onshore wind although the visibility and noise is less if the turbines are put far from shore. There are specific environmental impacts to address when constructing an offshore wind farm to protect the wildlife at sea. Hydropower plants impact the water flow, fish and sediment load.

The development and construction of power plants utilize land areas, fauna and flora, and degrade and change habitats, which may affect biodiversity. In a development project on a windfarm in Sweden in 2021, Cloudberry decided not to proceed with the project because of the bird life in the area. Cloudberry always conducts additional mapping of bird life to gain a better understanding of how the project affects its surroundings and strives to do its utmost to get a full environmental overview with assessments and considerations.

To understand and prevent deterioration, conducting impact assessments is crucial, and we implement mitigation measures to minimise impacts and safeguard biodiversity.

Development, construction and production of wind and hydropower is highly regulated both in Norway and Sweden, with stringent environmental regulations. Cloudberry maintains a continuous dialogue with authorities and local stakeholders. We aim to minimize the environmental footprint in our projects and to maximize local value creation.

Åmotsfoss

At Åmotsfoss Kraft hydropower plant, we have built a fishing route to protect the biodiversity around the power plant. This is in accordance with the regulations, but nevertheless an important aspect for us to secure environment protection in our projects.

Björnetjärnsberget

At the wind development project Björnetjärnsberget in Sweden, Cloudberry has a set off a larger area for birdwatching, nature studying and culture investigation to research and get as much information and awareness as possible about the area. In this way the project collects factors that may impact negatively, and Cloudberry may address challenges related to biodiversity, nature, fauna and flora.

Our approach and activities

Cloudberry always considers the environmental and social impacts prior to final investment decisions (FID), and this is integrated in Cloudberry`s ESG due diligence guideline for all our development and construction projects.

Below we describe our value chain and examples on how we assess sustainability topics within each stage of the process.

Identifying Pipeline	Development Backlog	Detail planning	Construction	Production

The Identifying stage "Pipeline"

In this stage, the opportunities for a windfarm or a hydropower plant in specific areas are explored and involves assessing the power grid capacity. Our policy is to seek locations where impact evaluations on nature have already been performed in order to limit the size of the area impacted.

When identifying new areas for wind power, Cloudberry focuses on "low impact areas", and we also prefer to find "high need areas". In Björnetjärnsberget, both these aspects are fulfilled. The area is identified in the municipality's plan as potentially suitable for wind power, which means that they have already conducted several pre-studies in the area and concluded that it is a low impact area regarding nature, culture, and social impact. For Cloudberry, this gives a solid base to continue the environmental assessment of the development work including bird, other animals, nature, and culture studies.

Close to Björnetjärnsberget, there is a local sawmill which is an important employer in the area. The sawmill suffers from several power outages annually and needs a better grid connection. Together with Björnetjärnsberget, Cloudberry cooperates on the grid connection in order to find a solution that fits both. The area is therefore also identified as a high need area of power.

Furthermore, we evaluate the landowner's interest for having a power production plant on their grounds, as well as identifying the local political view towards such an establishment. In Sweden, municipal plans for wind power are already in place. Cloudberry seeks to minimize the visual impact and aims to build larger, but fewer turbines to reduce land use and noise level on the ground whilst seeking to balance the size of the shade area and potential ice throw during cold weather. Wind power plants and surrounding infrastructure may also impact the conditions of fauna and flora, animals and birdlife and may change their conditions of life.

Further studies relating to the environment, nature and wildlife are carried out to identify potential negative consequences of the project. These studies need to conclude on an acceptable risk level prior to progressing to the next step, which is negotiating and entering into an agreement, the "procurement", with landowners and possibly other parties.

The Development stage "Backlog"

In the development stage, the formal notification with a description of the project is submitted to the authorities. Public meetings are held to inform stakeholders. In Norway, The Norwegian Water Resources and Energy Directorate (NVE) handles both wind and hydro power applications, whilst in Sweden, the County Administrative Board handles onshore wind power, and the Land and Environmental Court handles offshore wind power.

Necessary environmental impact assessments (EIA) are carried out and describe any negative environmental consequences e.g., on biodiversity, caused by the construction and operation of the power plant. The EIAs are performed by specialist consultants. The benefits of the project must exceed the perceived negative environmental impact. If the environmental impacts are acceptable and within regulatory requirements, the final application is prepared and submitted to the authorities and the development of the project can proceed.

Stenkalles Grund

For the grid connection at the Stenkalles Grund project at Vänern in Sweden, it is planned for an existing land-based substation to be expanded as opposed to constructing an additional offshore substation. We will also be using an existing logistic port and storage area for most of the project`s works, storage and logistics minimises the use of land area.

For Cloudberry, it is important to be transparent and available for the local stakeholders. During the development phase at Björnetjärnsberget, we held several meetings in the area to open up for a solution-oriented and honest dialogue with local stakeholders, such as hunting groups, neighbours and the politicians of the municipality.

The Detail Planning stage "Construction Permit"
When a project has been approved, the detailed planning begins. This includes descriptions and drawings of the design of the wind power plant, road sections, foundations, cable trenches, crane sites, dam, and more. In the planning phase, it is imperative to consider environmental impact in the construction phase. This is also an integral part of the negotiations with the suppliers who commit to operate in accordance with the Supplier Code of Conduct. A detailed plan must be approved by the authorities before the actual construction begins.

Once the permit is obtained, Cloudberry needs to fulfil several specified environmental conditions in the construction and production phase. For an onshore wind project this may be to establish a follow-up plan on environmental impact during construction. At Hån wind power project, the planning phase included negotiation work with the suppliers to conclude on a just-in-time installation procedure. Planning for one large component storage area instead of storage areas by each turbine, reduces the need for hardened areas, which reduces the total environmental impact.

For a hydropower plant this may involve monitoring the area around the power station to identify any changes and needs for risk reducing initiatives. Cloudberry may adopt additional voluntary actions, such as reducing waterflow and installing fish ladders. At the same time, hydro dams also have positive impacts such as limiting the risk of flooding during extreme weather and may also reduce erosion of rivers and streams.

The Construction stage "Under Construction"
Cloudberry endeavour to minimise our negative impacts. We focus on maximising local benefits as much as possible and prioritise dialogue with stakeholders on our projects.

Local value creation is of high importance for Cloudberry. In the construction phase, Cloudberry seeks to engage local entrepreneurs and suppliers. In connection with the Hån wind farm project Cloudberry will publish a database for suppliers and local business partners, an online platform for them to offer their construction and maintenance services to the Hån project.

At Hån Cloudberry rents two construction offices from existing local business partners and thereby avoids having to construct an area for temporary

offices that would have been torn down after construction period.

Local hiking areas are considered when building roads and tracks. At Hån we are connecting roads and cycling tracks from the Swedish side of the boarder to the Marker windfarm on the Norwegian side.

During the construction phase Cloudberry leverages on existing infrastructure when possible and reuse excavated masses for roads. At Hån the project is planned with just in time transports for blades, which reduces the need for approximately 10 000 sqm area in total for the five turbine locations, instead of having blade storage at each turbine location. Transport optimization at the logistic area comes down to 3 000 sqm instead of 4 500 sqm originally planned for logistics and component preparation. After construction the landowners take over the logistics area to use as a part of their local business.

The area at Hån wind farm is a former landfill. Cloudberry entered into a collaboration with Marker municipality and is collecting rubbish along the cable route while construction is ongoing. The waste is being returned to the municipality for recycling.

Health, safety, and environment are of high priority for Cloudberry. We set requirements towards our suppliers and expect compliance with laws and regulations in the construction phase. Our standards and policies are communicated to our employees and suppliers, and weekly meetings are held on-site with contractors. We work towards zero injuries to personnel, material, and environment. We seek to restore the area to the original condition after the construction is completed.

Areas close to birds are "no-work zone" during the breeding season. . Similarly, in our nearshore project, spawning sea- sons for certain fish types are accounted for in the planning. Furthermore, in our offshore wind project, Cloudberry may compensate fishermen for their loss of income when they are not able to fish in the area during construction.

The Production stage "Production"

Cloudberry has an operational model focusing on efficiency and cost flexibility as well as compliance to meet all regulatory and environmental requirements. The model is based on long term contracts with strategic partners. Each powerplant has three key roles with formal responsibility for respective areas:

- Plant supervision and internal control including environmental matters
- Dam and Penstock
- High Voltage

These roles are filled by persons with necessary approval and authorisations given by governmental bodies. In addition, there are agreements in place for local inspections and general follow up of the plants, normally being one of the landowners. Local inspectors go through special training programs. There is also an agreement in place for 24/7 surveillance of all power plants. Power sales and balancing is handled through a third-party service provider. Risk and contract management, bank financing and portfolio management is handled by internal resources in Cloudberry.

Dismantling

Dismantling is the last phase in the value chain of wind power plants. Once the turbine is out of service, the work of dismantling the turbine must be handled, including transportation from erection area to the final disposal site. Areas are required to be restored back to their original condition as far as possible, e.g., cleaning up and replanting. Recycling and depositing of components, components and recovering other material such as lubricant oil. Some of the materials has a second-hand benefit, e.g., at the Kafjärden wind project in Sweden, Cloudberry included second-hand turbines in the evaluation of choice of wind turbine suppliers.

Before granting a concession, the relevant regulatory body carries out a thorough and comprehensive evaluation process as mentioned above. Local biodiversity input from local authorities and the local public are taken into consideration. The regulatory authorities will also consider the need and demand for new stable renewable energy. Normally the authorities would not grant concession if a power plant were to be located to adjacent or in a protected area, or if the power plant would have a negative effect on biodiversity.

None of Cloudberry's power plants are located in, or adjacent to, protected areas. There have been observations of rare species in the areas around our power plants and necessary actions have then been taken.

Way forward

Renewable energy projects and construction of power plants may cause unfortunate, and unavoidable, environmental and social impacts. Cloudberry will establish a plan for mitigating measures and endeavour to minimise our negative impacts.

Cloudberry is developing offshore wind energy projects in Sweden with the fully permitted Stenkalles Grund project in the Lake of Vänern, and a portfolio of early-stage projects in the Baltic Sea.

The Stenkalles Grund project is at a pre-construction phase with the aim to reach operation by 2024. The procurement process started early 2021 and will reach a financial investment decision (FID) during 2022. The detailed planning includes environmental issues and requirements as described in the permit. For example, the company consults the County Board, the Swedish Maritime Administration and the Swedish Transport Agency about necessary protective measures. An example is the early start of the quality program to monitor the impact of foundation and cable works and how to perform these operations in order to minimize environmental impact.

For the onshore wind project Munkhyttan in Sweden, Cloudberry plans to construct a new type of low impact roads. This in order to minimise the impact on the hydrology in the area and to secure the existing butterfly habitat.

For all projects, our focus will be maintained on conducting environmental mapping and analysis in the early stages of development. It is also imperative to have good cooperation with the host municipality as well as other local stakeholders to ensure transparency and involvement from Cloudberry.

People

Born and bred and operating in the Nordic in accordance with local tradition, Cloudberry's corporate culture is closely aligned with the Nordic model, and its principles of multi-level collective bargaining based on the economic foundations of social corporatism.

Performance summary

People

		Not started	On plan	Achieved
Health and safety	Zero injuries in our construction projects and operating assets		•	
	Continuously improve reporting on routines and structure (SHA-plans)		•	
	Provide training to employees on risk activities to follow up suppliers		•	
	Health, safety and wellbeing initiatives for employees		•	
Diversity and gender equality	Diversity and foster inclusion in the workplace		•	
	Employers activity duty	•		
	Zero tolerance for discrimination and harassment		•	
Human and labour rights	Eliminate social dumping in the construction industry		•	
	Norwegian Transparency Act - alignment	•		
	Principles in SCoC - follow up suppliers	•		
	SCoC integrated in procurement phase			•

Our responsibility towards our employees is our top priority, and for the impact on the societies where we operate. We take an active approach and report transparently in our annual and sustainability reports about our achievements and performance towards diversity and inclusion.

Our construction and operation partners have safety policies and report on a variety of measures to safeguard the workplace during development projects and ongoing operations. These measures may be training for employees and contractors, procedures for notification of accidents, registration and reporting of nonconformities, whistleblowing etc.

Cloudberry has 14 employees representing various backgrounds and competence from the renewable energy sector.

Eight of our employees work out of the main office in Oslo, Norway, and six employees work out of the Karlstad office, Sweden. Two new employees onboarded in the beginning of 2022 in our recently opened office in Gothenburg, and three new employees will onboard during second quarter to grow our offshore wind team further.

In 2021 Cloudberry employed two men and three women. The average age is 42.9 years. We are fostering collaboration and inspire all our colleagues to share ideas and contribute to an open and inclusive working environment.

A strong focus on gender equality and diversity is a part of the company`s DNA and manifested in policy documents. Ensuring knowledge and adherence to all company regulations and guidelines are integral to the onboarding process for new employees.

"The Cloudberries" onsite one of our development projects.

Cloudberry believes that diversity contributes to new perspectives and ideas by our employees and spark innovation and further development in the company. The commitment to diversity and inclusion relates to all aspect of diversity i.e., gender, functional ability, sexual orientation, gender identity and expression, religion and belief, ethnicity, nationality, educational background, age and mindset. We are all committed to equal treatment and have zero tolerance for discrimination and harassment.

Cloudberry foster health and wellbeing in the workplace by providing a culture founded by openness, respect, and care. As Cloudberry is growing and the number of employees is increasing, it is even more crucial for the company to focus efforts on initiatives to provide more diversity, company culture integration, development of employees and secure governance. The company has set targets going forward such as performance development goals for all employees and become even more transparent about goals and results. During 2022 Cloudberry will measure and compare gender balance in the organization, fostering transparency and motivating actions to key aspects of gender qualities. Furthermore, in 2022 we will implement processes for integration of Captiva Group into Cloudberry. Both Cloudberry and the Captiva Group will benefit from synergies arising from the merger of the two companies, both with regards to digitalization and power plant development and operation, but also with regards to industry competency and diversity in our employee body.

Following the merger with Captiva Group and an increased workforce, Cloudberry will prepare to report in accordance with the extended Norwegian "Activity and reporting duty" (Aktivitets- og redegjørelsesplikten). Norwegian companies are obliged to work actively, targeted and systematically to promote equality and prevent discrimination through a four-step working method. Through a risk assessment in 2022, Cloudberry will lay the foundation for the work to ensure equal opportunities for all employees.

Health and Safety

Care for, and the safety of people working for or on behalf of Cloudberry is of paramount importance to us. Our employees are predominantly office-based with low health and safety risks. Our largest health and safety risks are amongst our suppliers and contractors, therefor we are reliant on our partners to have implemented solid health and safety management systems. It is our responsibility to have good routines in place to follow up suppliers working on behalf of Cloudberry.

Our approach

We work continuously towards our goal of zero injuries. We expect our suppliers to follow standards that are in line with, or better, than our own. Our construction and operation partners have health and safety policies in place and report on a variety of measures to safeguard the workplace during the construction phase. These measures may be training for employees and contractors, procedures for notification of accidents, registration and reporting of nonconformities etc. We have a zero tolerance if workers onsite our projects and powerplants do not comply with the company's safety rules and routines.

Our activities

The health and safety risks in Cloudberry's construction projects, operations and maintenance of our power plants will increase, as the company grows.

Cloudberry has safety and health guidelines for work environment ("SHA-plans") on every development project and is continuously improving our framework and reporting routines. On our projects, we have weekly construction meetings and health and safety management on site is part of our regular supplier dialogue to ensure that routines are followed.

During 2021 no incidents causing harm to people`s health was recorded neither on construction projects nor on our producing assets. Of the recordable work-related injuries none were classified as serious injuries but involved handling of tools and construction equipment.

At the Hån construction project, Cloudberry recorded some incidents: a truck with concrete slipped into a shallow ditch, during casting a small amount of concrete sprinkled into the face of a worker, during a rock blasting a protection cover was lifted and rocks hit surrounding vegetation, and during the handling of blasted masses a rock slid down and hit one machine. During blasting work, Cloudberry enhanced safety by using blasting mats to a larger extent than is required in surrounding areas, to secure health and safety, as well as limiting environmental impact.

At Nessane hydropower plant, parts of the stone lining that strengthen the riverbanks were damaged in connection with heavy storms and high-water flow. The issue did not qualify as a serious material damage and was quickly rectified and repaired.

In 2021 the sick leave was 1.06% amongst our 14 employees.

Way forward

Cloudberry aims to prevent incidents and is committed to a workplace without injury or harm. In our view our largest health and safety risks are at our assets and involves both our staff and partners. The likelihood of injuries caused by work-related accidents increases as our company develops and expands. We take responsibility with mitigating measures to avoid personal injury and material damages. We continue to update our routines and reporting structures with regards to health and safety policies, and have high priority on contractor safety, monitoring and regular risk assessments.

Health and safety is also addressed in the Supplier Code of Conduct to safeguard a mutual commitment between Cloudberry and our suppliers and contractors, and training and awareness is required in our agreements with contractors. We continue to encourage employee engagement and strengthen our focus on risk activities and preventive measures, such as providing relevant training to build the required competence.

Human and Labour Rights

Our approach and activities

Cloudberry complies with high ethical standards, applicable laws and regulations. In line with the new Norwegian Transparency Act (Åpenhetsloven) in Norway, Cloudberry will develop its approach to human rights due diligence in our operations in accordance with the OECD guidelines for Multinational Enterprises and the United Nations Guiding Principles for Business and Human Rights. This involves; conducting risk assessments to identify potential negative impact on people, society, and the environment and to stop, prevent and reduce such impact.

Cloudberry is obliged to work with its suppliers and business partners to mitigate any possible human rights violations or negative effects on decent working conditions in our supply chain. We expect our suppliers and business partners to follow ethical standards in line with our own, and in 2021 Cloudberry developed and implemented a Supplier Code of Conduct (SCoC). When Cloudberry enters into agreements with business partners and suppliers, we consider compliance with the SCoC, and commitment to operate in accordance with responsible, ethical, and sound business manners, including governance, labour and human rights risks, health and safety, and environmental and nature management.

Way forward

The Norwegian Transparency Act (Åpenhetsloven) will enter into force on 1 July 2022. The purpose of the Act is to ensure that organisations comply with fundamental human rights and decent working conditions, and to grant public access to information on how the companies address identified adverse impacts in their supply chain. Cloudberry will assess existing human rights due diligence process against the Transparency Act to comply with the Act going forward.

Prosperity

Our purpose is to provide renewable energy for future generations and powering the transition to a sustainable future. Our long-term success is linked to operating our business in a sustainable way.

Performance summary

Prosperity

		Not started	On plan	Achieved
Local value creation	Ensure local value creation in all projects		•	
	Publish examples of local value creation annually			•
	Number of local employment and suppliers on projects and assets	•		
Renewable energy supply	Report MW/GWh of renewable energy produced annually per power plant			•
	Report on reduced GHG emissions from EU energy mix		•	
Sustainable financing	Listing Oslo Børs – making Cloudberry accessible to more shareholders			•
	Gain access to a broader universe of investors			•
	Green bond loans – alternative funding structure	•		
Best technology	BAT in development projects and producing assets		•	

We treasure partnerships and develop our projects and our business with a long-term perspective. We create value for stakeholders involved in our projects and share the result of our efforts fairly. Cloudberry is building its business with a long-term perspective in mind.

Prosperity relates to Cloudberry`s role in contributing to a societal value creation. We contribute to economic growth by providing employment, local value creation and secure renewable energy supply in the ongoing energy transition. We report transparently and consistently about employment, economic contribution, investments, and taxes paid in our annual reports.

Local value creation

Providing renewable energy enables the necessary energy transition. We seek to do this in a sustainable manner. We have a long-term growth strategy as a local business partner, that rests upon our ability to create value for stakeholders.

Even through windfarms and hydro power plants contribute to the necessary renewable energy transition, every development project has an impact on nature. We take this very seriously and always conduct thorough investigations to minimise the negative impact on nature and society. It is vital for Cloudberry to conduct dialogue with all stakeholders locally and listen and taking into account their expectations and concerns before moving further with a project.

Our approach

Cloudberry aims to be seen as a good neighbour in the communities where we operate. We pay tax to local municipalities, we establish and respect balanced commercial arrangements with landowners, and we engage with local partners and suppliers when possible and relevant for construction, operations, and maintenance of our projects and plants. For the broader society, we provide renewable energy and contribute to reduce climate emissions from fossil fuels and thereby contribute to meeting the SDGs and the Paris Agreement.

When developing projects, we seek to identify local stakeholders' needs and to accommodate these in our plans. It is also important for us to minimise our environmental impact, for instance by using existing infrastructure. We seek to create financial value for our local stakeholders.

The development team focus on developing projects close to our offices if possible. This provides easy access to project facility. Local presence makes it easier to cooperate with local stakeholders such as municipalities, politicians, landowners, and local industry.

Our activities

Local value creation is important for Cloudberry in all its developing, construction and operating projects. We seek to identify local stakeholders' needs and try to accommodate these in our plans.

Cloudberry seeks to create value for local communities. Instead of using an external painting company, we engaged the local ski community, Bromma Idrettslag, to stain the power plant building as a part of the maintenance at our hydro power plant Finnesetbekken in Norway. Such initiatives and activities benefit children and youth, culture, and sports, and is of high priority for us.

The Norwegian Odal wind power plant has established a fund. This will contribute to growth and well-being in the local community. The fund will support local teams and associations annually. An initiative for a local ski resort on Songkjølen is already being planned in detail. The roads and infrastructure make the whole area more accessible for anyone who wants to go hiking and have access to the surrounding nature.

On the boarder to Norway, Hån windfarm located in Sweden, we collaborate with the municipality in Norway to develop a cycling path across the border Sweden/Norway, on the roads which are originally intended for power cables. The road will also provide landowners with easier access to their forests which will improve their forest management.
Cloudberry is in process of establishing a database for suppliers and local business partners. This is an online platform for our partners to offer their construction and maintenance services in connection to construction and operating Hån windfarm.

At the Björnetjärnsberget wind development project in Sweden, Cloudberry has a good cooperation with the local sawmill company. We look into solutions of finding synergies for the grid connection. Development of wind power will ensure power supply to the sawmill and provide an opportunity to increase production with sufficient access to electricity. At the same time, new roads through the forest will create easier access to extract timber. The sawmill is an important employer locally.

The local communities around some of our hydro power plants, experience that the quality of the drinking water has improved, and the plants contribute to a more secure water supply.

Cloudberry is open to discuss the number of turbines being constructed, as well as height and location of the turbines, as we focus on cooperating with our stakeholders and to perform our business in a sustainable manner.

As Cloudberry is growing further, we have increased the number of employees in our offices in Oslo and Karlstad. We have established an office in Gothenburg where we are onboarding employees to the offshore wind team. The company has a growth strategy of new renewable and sustainable energy projects in the years to come, and we value local skilled employees with the right competence and experience.

In June 2021 Cloudberry uplisted from Euronext Growth to Oslo Børs Stock Exchange. We believe the listing on a fully regulated market to be a sustainable finance activity. The listing on Oslo Børs makes investing in renewable energy accessible to all people beside governmental and institutional investors and increases the availability for Cloudberry to access capital from a broader universe of investors.

Way forward

Cloudberry treasures partnerships and develop our projects and our business with a long-term perspective. We work closely with our stakeholders, landowners, and the communities where we operate, and they are important to us. Our goal is to create value together and share the result of our efforts fairly.

In the years to come it will be important for us to both evaluate and calculate how our local value creation initiatives has succeeded and are perceived by local stakeholders. By taking stakeholders opinion

[1] https://sweden.se/climate/sustainability/energy-use-in-sweden

[2] https://www.regjeringen.no/en/historical-archive/solbergs-government/Ministries/kld/news/2020-nyheter/norge-forsterker-klimamalet-for-2030-til-minst-50-prosent-og-opp-mot-55-prosent/id2689679/

and expectation into account and focusing on a transparent and open stakeholder dialogue we will succeed in delivering value that meet expectations from identified stakeholders in every project. We will make it even more accessible by providing transparent information to identified stakeholders around every step in our development and construction phases.

At the Hån wind farm project, electricity supply from Sweden will be transferred to Norway through an underground cable. This collaboration contributes to the realization of a common infrastructure for the wind power project and for outdoor purposes.

At Hån windfarm Cloudberry considers installing chargers on-site during construction, as an option for business partners and suppliers. The local community may serve the chargers after the construction period. This encourages increased use of electric transport by suppliers and eventually by locals. Charger options are considered on other development projects.

At Odal windfarm the fund continues to allocate financial support annually and will create value for children, youth, culture, and other local initiatives.

We continue to seek opportunities for cooperation with local stakeholders and communities to create value for them when we develop, construct, and operate our assets. Cloudberry will strive to engage politicians and other stakeholders locally through meetings and on-site visits. We believe in transparency, engagement, and long-term dialogue and cooperation locally to be successful on projects. We listen and learn from every project and aim to further develop local value creation in a systematic way. To meet the renewable energy demand and to achieve competitive conditions, we need to discuss and perceive risks and opportunities in the renewable energy sector, and act.

Renewable energy supply

Our approach

Renewable energy production contributes to conserving natural resources and reaching the ambitious climate goals the world has agreed upon. Providing renewable energy is our business, and we contribute to securing renewable energy supply for society. This supports Sweden's[1] goal of producing 100% renewable energy by 2040 and Norway's[2] target to reduce emissions by 55% by 2030 compared with 1990 levels, with a further reduction down to net-zero by 2050. Renewable energy is a priority area for Norway's and Sweden's enhanced climate policy efforts.

Our activities

During 2021, Cloudberry increased its total output of renewable energy in the Nordics from 21 GWh to 117 GWh (proportionate), which is equivalent to a CO_2 reduction of 29 133 tCO_2e (relative to baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2021)). Cloudberry completed several hydro projects, purchased new hydro projects, started construction of Hån windfarm, increased ownership in Odal windfarm, and established a new offshore team to develop offshore projects. Cloudberry`s current portfolio consists of 26 hydro power plants and three wind power assets.

Cloudberry has kicked off 2022 with two late-stage wind development projects, securing two new hydro projects and adding an operating segment through the purchase of 60% of Captiva Group. The annual production will increase considerably in 2022. With the current projects under construction, Cloudberry expects to reach an annual production slightly above 500 GWh going forward.

Way forward

We are powering the transition to a sustainable future by providing renewable energy today and for future generations. We will continue to develop our portfolio and ensure timely and safe completion of projects.

Cloudberry sees many opportunities in the Nordic market. In line with our business strategy, we continue to grow, focusing on further development and acquisitions of renewable energy projects and operating power plants, contributing to the European energy transition and net-zero emission society.

Sustainable Finance

Our approach

To ensure that we meet our ambitions, Cloudberry has built a robust, scalable platform for sustainable growth. We see increase in Nordic power consumption, faster development of infrastructure, electrification, and data centre expansion, and this demands

more renewable energy production. Businesses are shifting their strategies towards net-zero carbon emissions, and this will increase going forward. The ambitious climate goals in the Nordics and the EU will drive a transition from fossil fuels to renewable energy. Combined with expected higher power prices in the near future, this is likely to provide supportive fundamentals for value creation and long-term cash generation in the company.

We seek to have an optimised capital structure, taking both return and risk into consideration. We have several long-term alternatives available for financing, depending on project size, transaction type and counterparty, including existing cash and cash flow generation, green bond financing, and farm down and carry arrangements, share consideration and new equity.

Our activities

There was significant corporate activity in 2021. The company listed on Oslo Børs' Main list, raised NOK 1 700 million in equity, and increased the debt facility to NOK 1 400 million. The listing makes investment in renewable energy accessible to all stakeholders and increases the availability to capital from a broader universe of investors. It also positions us for building the company to take a position as the leading independent power producer (IPP) in the Nordic.

Cloudberry has a strong balance sheet with low debt, strong cash position, and is fully funded and capitalized for all its construction projects and funding for further growth of more than 290 MW.

Way forward

Cloudberry has delivered on its targets and has carried out several transactions in 2021. The company has high ambitions, and the scalable platform is positioned for valuable growth, both in terms of energy production and our in-house development backlog and pipeline. Cloudberry's strategy is to continue to grow both organically and by merger and acquisitions in the Nordic market.

Cloudberry considers the opportunities for green bonds loans to finance and refinance investments in existing and new projects going forward. This may be an alternative to further finance our ambitious growth targets and attract green investors.

Best technology

Our approach

Cloudberry optimises its energy production as well as utilize new technology and digitalization to drive efficiency across the entire value chain whilst causing minimal environmental impact. The choice of the best technologies will be done in close cooperation with our suppliers and partners and our approach will be explored and developed going forward.

Our activities

Technology related to wind generators is experiencing rapid improvements. Cloudberry seeks to maintain a portfolio with relevant and efficient technology and has this as a criteria when entering into partnerships with suppliers of turbines etc on projects to be constructed. When acquiring power plants in production, we invest in assets expected to have good technical standards and prioritize technical solutions that are well-proven and delivered by reputable suppliers.

For the Björnetjärnsberget wind power project in Sweden Cloudberry will apply for a permit allowing us to build turbines up to a height of 300 meters. This in order to stay ahead of potential technical developments. The technical development is rapid, and the wind turbines have steadily increased in size the last decades. Applying for higher turbines offers Cloudberry flexibility in order to maximize the production of renewable energy.

Best technology solutions reduce maintenance cost and potential increased insurance cost. Components arriving from Europe (EU) instead of countries farther away, simplifies processes and it reduces risks. Cloudberry is considering prioritising European suppliers in the future, to stabilize and secure deliveries.

Way forward

Early in 2022 Cloudberry entered into an agreement for the acquisition of the Captiva Group, a data-driven operator, manager, and developer of renewable energy in the Nordics. Captiva delivers management services within operations and maintenance, development, and construction, technical and commercial, and finance and accounting services to renewable energy projects. One of the subsidiaries delivers digital services to renewable energy projects with operational intelligence, visualization, compliance and reporting solutions. With this acquisition, Cloudberry not only strengthens its position as a leading Nordic independent power producer (IPP) but will provide technical solutions and renewable power for generations to come.

The company is closely following the rapid technology improvements. To secure the company's profitability and financial position, we prioritise always securing the best technology.

Covid-19

The market situation has been challenging with the risk and potential consequences of the global pandemic. The Covid-19 pandemic has affected more or less all businesses in some way. During 2021, Cloudberry has seen some adverse impacts of the pandemic, such as travel and entry restrictions, absence due to lockdowns and mandatory quarantine. Mainly, the impacts are related to government approvals or disruptions in our supply chain as a result of delayed deliveries from suppliers.

At Odal Vind, entry restrictions for key personnel and logistical challenges in the global supply chain have created some challenges and delays. By the end of January 13 of 34 Siemens turbines are fully installed and first power was delivered to the grid in December. Odal is expected to be in full operation before the end of June 2022.

At Hån windfarm, it was a priority to secure precautionary routines and procedures together with the contractors, especially after the omicron was discovered in November. Nevertheless, in January 2022 there was an outbreak in one of the work teams, but it had minimal impact and the construction is progressing as planned.

Cloudberry has grown significantly, and despite many restrictions during 2021 due to Covid-19, the company has delivered all projects without significant deviations from budget and time schedule.

Cloudberry continues to assess risks related to the Covid-19 situation. The pandemic will influence the markets and supply chain disruptions, and there is a risk that the pandemic will result in increased costs related to supply chains. Nevertheless, the company expects the pandemic to have limited overall impact on its projects.

WEF Metrics

WEF Metric: Governance

Theme	Metric	WEF Criteria	GRI-indicator	Reference chapter
Governing Purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	GRI: (102-26)	CEO letter, Sustainability
Quality of Governing Body	Board composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	GRI: (102-22) (405-1a)	BoD, annual report
Stakeholder Engagement	Impact of material issues on stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	GRI: (102-21) (102-43) (102-47)	Materially assessment
Ethical Behaviour	Anti-corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region; a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; (b. Total number and nature of incidents of corruption confirmed during the current year, related to this year; 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	GRI: (205-2) (205-3)	Company culture
	Protected ethics advice and reporting mechanism	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organisational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	GRI: (102-17)	Company culture
Risk and Opportunity Oversight	Integrating risk and opportunity into business processes	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	GRI: (102-15)	Our sustainability strategy, climate risk

WEF Metric: Planet

Theme	Metric	WEF Criteria	GRI-indicator	Reference chapter
Climate Change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GRI: (305 1-3)	Cloudberry`s Carbon Emissions
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most 3 years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.		Climate risk
Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or Key Biodiversity Areas (KBA).	GRI: (304-1)	Land use and ecological sensitivity
Fresh water availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.		Not relevant
Solid waste	Impact of solid waste disposal	1. Report wherever material along the value chain: estimated metric tons of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used, and the definition of single-use plastic adopted. 2. Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.		Not relevant

WEF Metric: People

Theme	Metric	WEF Criteria	GRI-indicator	Reference chapter
Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	GRI: (405-1 (b))	People
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	GRI: (405-2)	Not relevant
	Wage level (%)	1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.		Not relevant
	Risk of incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to a) type of operation (such as manufacturing plant) and type of supplier or b) countries or geographic areas with operations and suppliers considered at risk.	GRI: (408-1 (b)) (409-1)	Health and safety
Health and Well-Being	Health & safety (%)	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	GRI: (403-9 (a&b)) (403-6 (a))	Health and safety
Skills for the Future	Training provided (#,$)	1. Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).		Incomplete

WEF Metric: Prosperity

Theme	Metric	WEF Criteria	GRI-indicator	Reference chapter
Employment and Wealth creation	Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	GRI: (201-1) (201-4)	People
	Economic contribution	1. Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: a. revenues, b. operating costs, c. employee wages and benefits, d. payments to providers of capital, e. payments to government, and f. community investment. 2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	GRI: (201-1) (201-4)	Annual report
	Financial investment contribution	3. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 4. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.		Annual report
Innovation of Better Products and Services	Total R&D expenses ($)	Total costs related to research and development.	GRI: (201-1)	Incomplete
Community and Social Vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.		Annual report

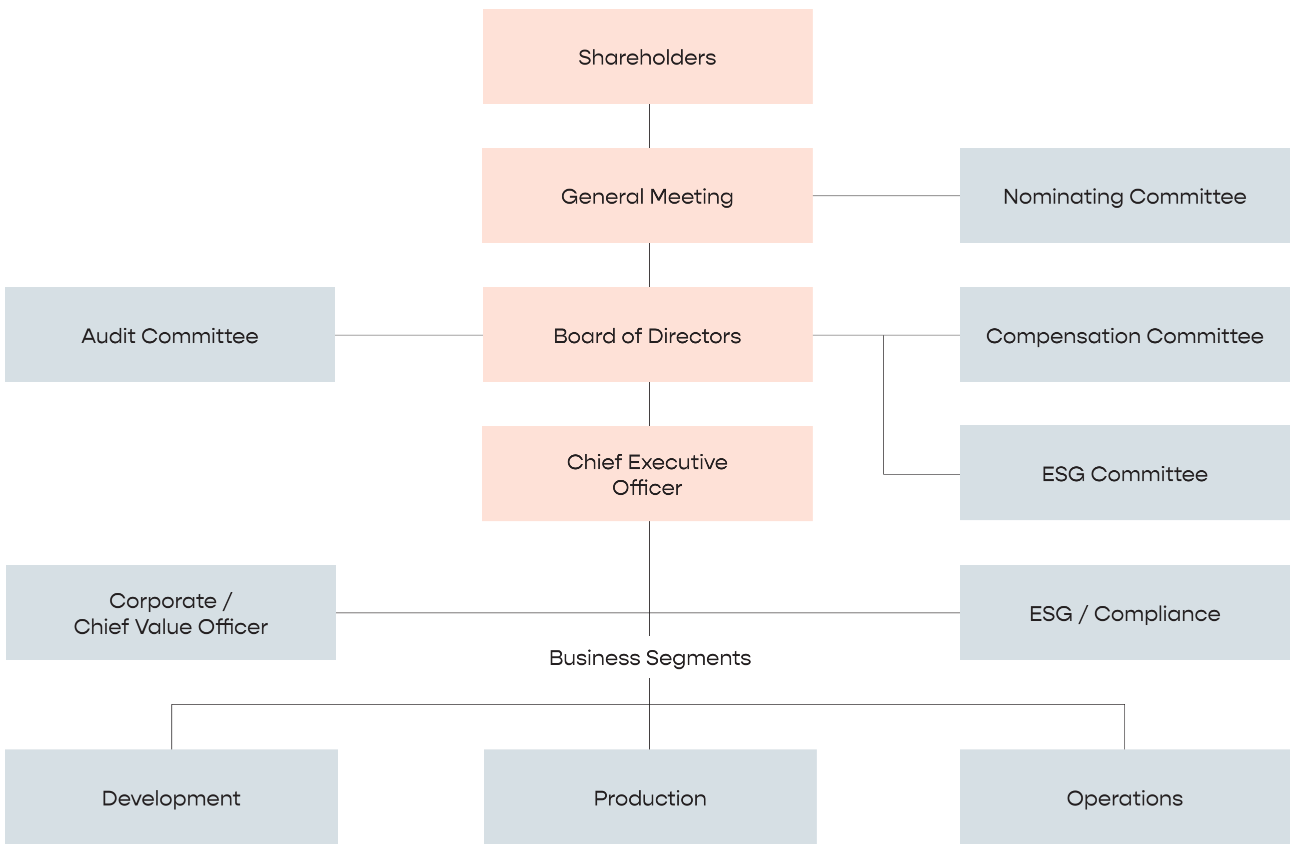
Corporate Governance report

1. Implementation and reporting on corporate governance

This report has been prepared by the Board of Directors of Cloudberry Clean Energy ASA ("Cloudberry" or the "Company") and presents the corporate governance of the Company. Cloudberry is incorporated and registered in Norway and is subject to Norwegian law. The Company is listed on Oslo Børs Stock Exchange. Cloudberry considers good corporate governance to be the foundation for value creation and trustworthiness.

As a public limited liability company listed on Oslo Stock Exchange, the Company must comply with the Norwegian Securities Trading Act and Regulation, the Issuer Rules for Companies Listed on Oslo Stock Exchange, the Norwegian Public Limited Liability Companies Act, and all other applicable laws and regulations.

Further, Cloudberry endorses the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021, which is available at the web site of the Norwegian Corporate Governance Board www.nues.no. Deviations from the Corporate Governance Code must be justified and explained. In this report, deviations are discussed under the relevant sections. As a general rule, the Board will only approve deviations the Board believes is in the best interest of the Company and its stakeholders.



To secure strong and sustainable corporate governance, it is essential that Cloudberry practices a transparent and healthy business with reliable financial reporting compliant with legislation and regulations. Governing structures and guidelines help the Company to ensure that the Company is in a manner that is justifiable and profitable for the employees, shareholders, partners, other stakeholders and the society. References to specific policies are included in this corporate governance report where relevant. Cloudberry`s corporate governance is based on openness, trustful communication and cooperation between the Company and all its stakeholders, and equal treatment of shareholders.

The report also outlines the Company's policies and practices for corporate governance, in accordance with Section 3-3b of the Norwegian Accounting Act.

The Company's executive management team consists of five members: Chief Executive Officer, Chief Value Officer, Chief Operating Officer, Chief Development Officer and Chief Technology Officer and together the team covers the value chain's processes. The Company's Chief Executive Officer oversees the daily conduct of business, including the effectuation, implementation and follow-up of the objectives and strategies set by the Board of Directors. Chief Executive Officer supervises that Cloudberry`s accounts are in accordance with laws and regulations and provides the Board of Directors with the necessary information to carry out its administration and supervision tasks in a proper manner.

The Company's corporate governance structure can be illustrated as on previous page.

2. Business

Cloudberry is a Nordic renewable energy company owning, developing and operating renewable energy assets such as hydropower plants and wind farms in Norway and Sweden.

Cloudberry's operations comply with the objective defined in Section 3 of the Company`s articles of association ("Articles of association") which states that "The company's purpose as the parent company of a group is to engage in investment activities in the energy sector, including developing and operating the production of renewable energy and activities naturally connected with this".

Cloudberry's purpose is "to provide clean renewable energy for future generations, developing a sustain-able society for the long term and creating value for stakeholders." The Company's corporate strategy is to deliver on this purpose, with targets to align strategy execution across the group for the long term.

Cloudberry's success factor is its continuous ability to grow and mature an in-house development portfolio and scanning for attractive acquisitive and strategic growth opportunities. The Company has a solid development track record and a large production portfolio with both hydro and wind assets.

Cloudberry`s integrated business model is based on a partnering model for construction, operations and maintenance to ensure risk-sharing, quality, cost and capital efficiency across the value chain. A sustain-able and local approach is distinctive for our ownership, development and operations and going hand in hand with a commitment to long-term value creation for all stakeholders. Power produced and transferred to the transmission and distribution network equals our sales volume. Cloudberry`s revenue streams are predominantly determined by power sales volume and actual power price achieved in the spot market (Nord Pool). Over time, Cloudberry seeks a balanced mix between spot pricing and long-term fixed purchase price agreements (PPAs). Cloudberry cultivates our portfolio to ensure a diversification and balance of risk, returns, asset- and geographical mix.

Cloudberry considers Environmental, Social and Governance related factors relevant and important for its business when making business decisions, and the Board of Directors identifies and assesses which aspects of sustainability are relevant to the Company. Cloudberry builds robustness through a diversified and balanced portfolio and uses competitive financing to deliver sustainable, profitable and long-term growth.

Cloudberry has defined purpose, and commitments define the Company's way of working. In combi-nation with the Company's culture, this forms the fundamental structure on which the Board and the Management believe Cloudberry should be managed. Cloudberry`s value-based culture is the key premise for the behaviour of the Company and the Company`s employees. The core values are: Supportive, Commitment, Continuous improvement, and Integrity. Cloudberry aims to maintain high ethical standards, and the employees must comply to its guidelines for ethics and corporate social responsibility describing the principles for business practices and personal behaviour within Cloudberry. The employees comply with Cloudberry's principles on issues such as human and labour rights, health and safety, business ethics, legal compliance, insider trading, whistleblowing and other relevant issues related to the company's operations and adhere to the Company`s Code of Conduct.

Cloudberry`s ESG reporting and the company`s approach to sustainability, is in accordance to the World Economic Forum (WEF) Stakeholder Capitalism Metrix. The metrics include non-financial disclosures centred around four pillars; Principles of Governance, Planet, People and Prosperity, which are aligned among existing ESG standards and disclosures, e.g., Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate Related Financial Disclosures (TCFD), as well as essential elements of the UN Sustainability Development Goals. Cloudberry has described its approach, activities taken place in 2021, ambitions and way forward related to the identified sustainability topics for the company according to these pillars.

Deviations from Section 2 of the Corporate Governance Code: None

3. Equity and Dividends

Capital adequacy

The Company's management and Board of Directors monitor the Company's capital structure on a continuous basis, including equity and liquidity, to ensure that the level of equity and liquidity, are appropriate for the Company's objectives, strategy and risk profile. As of 31 December 2021, Cloudberry's equity amounted to NOK 2 636 million, equivalent to 85% of the company's total assets. The debt ratio was 15%.

Cash equivalents and current financial investments amounted to NOK 1 115 million

Dividend Policy

The Company's dividend policy has adopted a dividend policy which mandates that the Company in the short to medium term intends to use its profit for both organic and acquisitions related growth initiatives and consequently will not make payment of dividend.

The Company's long-term objective is to pay shareholders consistent and growing cash dividends. Over time, the intention is to pay its Shareholders dividends representing 30 – 50% of free cash distributed from the producing power plant companies. However, there can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy.

Any future dividend proposed by the Board will be presented to the general meeting for approval. The Company does not hold any authorisation to resolve dividend distributions.

Authorisations to the Board of Directors to purchase treasury shares and increase the share capital

The Company's extraordinary general meeting, held 17 June 2021, granted the Board of Directors the following authorisations to increase the Company's share capital:

- Authorisation to increase the company's share capital by up to NOK 700 000.00 by issuance of up to 2 800 000.00 new shares each with a nominal value of NOK 0.25. The authorisation was reserved for the repair issue and a retail offering related to the Company's listing on Oslo Stock Exchange and was valid until 30 September 2021. The authorization has been fully utilized.
- Authorisation to increase the company's share capital by up to NOK 100 000.00 by issuance of up to 400 000.00 new shares each with a nominal value of NOK 0.25. The authorisation is reserved for issue of shares in relation to the Company's share purchase program for board members and is valid until the earlier of the Annual General Meeting in 2022 and 30 June 2022. The authorization has not yet been utilized.
- Authorisation to increase the company's share capital by up to NOK 11 941 583.50 by issuance of up to 47 766 334 new shares each with a nominal value of NOK 0.25. The authorisation is reserved for M&A activities and financing of strategic investments and is valid until the earlier of the Annual General Meeting to be held in 2022 and 30 June 2022. NOK 11 215 837.75 of the authorisation has been utilized.

As the Company is in a growth phase, the Board of Directors will generally propose that the General Meeting grants the Board of Directors an authorization to increase the share capital with up to 20% of the share capital. Such authorisations will be reserved for use in relation to financing of strategic growth opportunities and will only be valid until the earliest of (i) the next Annual General Meeting or (ii) 30 June the next year.

The Board of Directors currently holds no authorisation to purchase treasury shares.

Deviations from Section 3 of the Corporate Governance Code: None

4. Equal treatment of Shareholders

Cloudberry has one class of shares and all shares carry equal Cloudberry has one share class and each share in the company carries one vote. All shares carry equal rights, including the right to participate in general meetings. Each share is entitled to one vote at the Company's general meeting.

The Company's shareholders have pre- emption rights in share offerings according to the Norwegian Companies Act. Such pre-emption rights may however be set aside, either by the General Meeting or by the Board of Directors if the General Meeting has granted a Board authorisation which allows for this.

Any resolution proposed by the Board to set aside pre-emption rights will be objectively justifiable taking into consideration the common interests of the Company and its shareholders, and the basis for such deviation will be publicly disclosed through a stock exchange notice from the Company.

Deviations from Section 4 of the Corporate Governance Code: None

5. Shares and negotiability

The Company`s shares are listed on Oslo Stock Exchange and are freely transferable. The Company's Articles of Association do not place any restrictions on owning, trading or voting for shares in the Company.

Deviations from Section 5 of the Corporate Governance Code: None

6. General Meetings

Notices convening the Company's General Meetings are submitted and announced in accordance with applicable law and stock exchange regulations. Comprehensive documentation relating to the items on the agenda are prepared and made available on the Company's website no later than 21 days prior to the General Meeting.

Shareholders who wish to participate in the General Meeting must notify the Company within the deadline specified in the notice. The deadline is set at close to the date of the General Meeting as possible, but not earlier than 5 days before the date of the General Meeting.

In accordance with the rules of the Public Limited Liability Companies Act, Cloudberry will facilitate for electronic participation in General Meetings, unless the Board have a justifiable cause to resolve otherwise.

In accordance with the Articles of Association, the Board of Directors may resolve that shareholder may cast their votes in writing prior to the company's General Meetings. Such votes can also be cast by use of electronic communication. The permission to cast an advance vote requires the presence of an adequate method for authenticating the sender. The Board of Directors determines whether an adequate method is present prior to each General Meeting. The Board of Directors may adopt more detailed guidelines for advance voting. It will be stated in the notice of each General Meeting whether advance voting is permitted and which guidelines, if any, are resolved for such voting.

Shareholders who are unable to attend general meetings may vote by proxy. A dual language proxy form covering each individual matter on the agenda is included in the notice convening the general meeting. The Company offers shareholder who are not able to attend the general meeting the possibility of issuing a proxy to the chairman who will then represent and vote for the shareholder at the general meeting.

According to the Corporate Governance Code, the Board should ensure that the general meeting may elect an independent person to chair the meeting. Cloudberry will facilitate for this for future general meetings.

Cloudberry intends to have representatives of the Board of Directors present at the Company's General Meetings. However, the Company will normally not have the entire Board of Directors participate as this is considered unnecessary. This represents a deviation from the Code of Practice which states that arrangements shall be made to ensure participation by all directors. The chairman of the nomination committee will be present at the Company's General Meetings where matters prepared by the nomination committee will be dealt with.

Cloudberry facilitates that shareholders may cast votes for each individual matter on the agenda, including each individual candidate nominated for election.

Deviations from Section 6 of the Corporate Governance Code: The Corporate Governance Code recommend that all members of the Board attend the general meetings of the Company. Not all board members are present at every general meeting of the Company.

7. Nomination Committee

Section 8 of the Articles of Association prescribes that the Company shall have a Nomination Committee. The Nomination Committee is elected by the General Meeting for a period of two years, unless the General Meeting resolves a shorter period. The members of the Nomination Committee may be re-elected.

The current members of the Nomination Committee are:

- Morten S. Bergesen (Chairman)
- Kim Wahl
- Henrik Lund

The composition of the Nomination Committee shall reflect the interests of all shareholders and ensure independence from the Board of Directors and the executive management. Pursuant to the Corporate Governance Code adopted 14 October 2021, the Nomination Committee shall not include any executive personnel or member of the Company's Board of Directors. The current Nomination Committee was elected when the Corporate Governance Code prescribed that up to one member of the Board of Directors could be a member of the Nomination Committee if such member did not offer himself for re-election to the Board of Directors. Morten S. Bergesen, which is up for election in 2022, has informed the Company that he will not be available for re-election to the Board of Directors.

The remuneration of the Nomination Committee is determined by the General Meeting.

The Nomination Committee shall submit its recommendations to the General Meeting regarding election of the chairperson and shareholder elected members to the Board of Directors, as well as remuneration to the members of the Board of Directors. The Nomination Committee's recommendations shall address how each of the recommended candidates will attend to the Company's interests, including with respect to qualifications, capacity and independence.

The objectives, responsibilities and functions of the Committee are further described in the "The Nomination Committee Policy", which were adopted by the general meeting on 17 June 2020. The policy is available on the Company's website.

Information about the composition of the Nomination Committee and the deadline for shareholders to propose candidates for election, is communicated to the Company's shareholders at www.cloudberry.no.

Deviations from Section 7 of the Corporate Governance Code: The Corporate Governance Code recommends that the Nomination Committee should not include any member of the Company's Board of Directors. The Corporate Governance Code recommends that the Nomination Committee should not include any member of the Company's Board of Directors. Morten S. Bergesen's board term expires in 2022 and he has informed the Company that he will not be put forward for re-election. Following this there will be no deviation from the Corporate Governance Code.

8. Board of directors: Composition and Independence

Pursuant to Section 5 of the Articles of Association, the Company's Board of Directors shall consist of between three and eight shareholder elected members. The current Board of Directors of Cloudberry has five members, consisting of two women and three men.

All members are elected for a term of two years and may be re-elected. The chairperson is elected by the General Meeting.

Cloudberry encourages the Board members to hold shares of the Company and has established a separate share purchase program for this purpose. According to the program the Board members use 30% of the fixed gross remuneration (prior to tax) per year to acquire shares in the Company.

The shareholdings of members of the Board as of 31 December 2021 are set out in note 13 of Cloudberry's consolidated financial statements.

Further, the composition of the Board of Directors, and information about the Board members' background and qualifications is detailed in the section "Board of Directors" of the annual report for 2021. The composition of the Board of Directors ensures that it can attend to the common interest of all shareholders and meets the Company's need for expertise, capacity and diversity. The Board of Directors evaluates its own work on an annual basis to ensure that it functions efficiently. Detailed information regarding meeting attendance, see section 9 The Work of the Board of Directors in this report.

The majority of the shareholder elected members are considered independent of executive management and material business contacts and minimum two Board members are independent of the Company's main shareholders. The annual report for 2021 states which members of the Board that are deemed to be independent.

None of the members of the Board of Directors are part of Cloudberry's executive management team, but the Chief Executive Officer regularly attends the Board of Directors`meetings.

Deviations from Section 8 of the Corporate Governance Code: None

9. The Work of the Board of Directors

The Board of Directors emphasises maintaining a high standard of corporate governance. The Board of Directors is responsible for the over-all management of the Company and supervises the Company`s day-to-day management and overall activities of the Company.

The Board of Directors has implemented separate "Instructions for the Board of Directors" and "Instructions for the CEO". These instructions provide detailed and clear allocation of the responsibilities and duties of the Board of Directors and the Chief Executive Officer.

The meetings of the Board of Directors have emphasised the Company's activities, position, financial and operational developments, and objectives of the Company with its strategy and implementation. The Board of Directors has established an annual meeting schedule based on quarterly milestones and duties. The Board of Directors also prepares for general meetings. The Board of Directors had 18 meetings during 2021. To secure an independent valuation without related parties on Board issues, the Chair of the Board Fank J. Berg did not participate in the meetings of the Board related to the Captiva transaction as he had indirect ownership in Capitva.

The Board of Directors` performance is evaluated annually, and the evaluation is made available to the Nomination Committee.

Transactions with close associates

The Board of Directors shall ensure that all transactions between the Company and close associates are approved by the Board and are in compliance with Sections 3-8 and 3-9 of the Public Limited Liability Companies Act. Any such agreements must be balanced and not give concern for potential conflicts of interests with the Company.

If the Company enters into any agreement exceeding a fair market value of NOK 100 000 with a shareholder, a shareholder's parent company, members of the Board of Directors, executive personnel, or any of their close associates an independent third party valuation shall be obtained.

Any transactions with close associates shall be described in the director's annual report.

The Audit Committee:

The Company's Audit Committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. The members of the Audit Committee are appointed by and among the members of the Board of Directors. The majority of the members of the Audit Committee are independent. The committee performs tasks related to financial reporting, the annual accounts and internal control. The Audit Committee has contact with the Company's auditor. It will be held minimum four Audit Committee meetings per year.

The Compensation Committee:
The Compensation Committee was appointed by and among the members of the Board of Directors in the beginning of 2021. All its members are independent of the Company's executive management. The Compensation Committee recommends, oversees, and approves compensation and remuneration of the company's executive management, and other matters concerning the management.

The Environmental, Social and Governance Committee (ESG) Committee:
The Company has established an ESG Committee consisting of two Board members and the Chief Sustainability Officer of the Company. The committee's purpose is to guide and support the Company's work, anchor its commitment, and ensure high standards on both strategic and operational levels within environmental, social and governance aspects.

Code of Conduct:
Cloudberry's Code of Conduct is the basis for the Company's ethical culture. Its purpose is to ensure that the Company's business and investments are conducted in a highly ethical manner.

The Code of Conduct is revised and audited by the Board of Directors annually. The Code of Conduct applies to all employees in the Cloudberry Group, the Board of Directors, and other representatives of the Company. Every employee of Cloudberry shall act in compliance with the Code of Conduct. The Code of Conduct shall inter alia ensure that the Board members and the executive personnel make the Company aware of any material interest they may have in matters to be considered by the Board. Cloudberry is committed to achieving a sustainable development in our operations in all general terms. Business opportunities aimed at promoting a sustainable future shall be a part of Cloudberry's strategic assessments, and we will leverage our competence and expertise towards contributing to developing a sustainable future.

Deviations from Section 9 of the Corporate Governance Code: None

10. Risk Management and Internal Control

Prior to every Board of Directors meeting and when needed the CEO reports in writing to the Board of Directors on the Company's position and financial status and performance. The Board of Directors is responsible for the Company's risk management and internal control systems that apply to the business activities. Through the CEO, the Board of Directors is ensuring risk and corporate management and that Cloudberry complies with the Companies Act and other applicable laws and regulations in the regions Cloudberry operates, according to sound ethical principles in terms of administrative, technical, business and personnel matters.

Operational and market risk
All processes throughout the value chain are exposed to operational risk. A key operational risk is related to the operating performance of the producing assets, but there is also risk relating to the process of transitioning development projects from the backlog and pipeline stage. Even though the Group has a solid project pipeline, finalizing the projects is dependent on a number of factors such as project availability, local authority approvals, environmental impact, suppliers, financing, power prices and the regulatory framework in the relevant market.

Market risk is mainly related to the attractiveness of small-scale hydropower projects and wind projects in the Nordic markets, as derived from the development in power prices relative to the prices of key construction components.

Cloudberry manages the risk through close follow-up and monitoring of operating assets and developing projects. Procedures and guidelines for the business are implemented and reviewed regularly.

Political risk
The Group`s activities are subject to the laws and regulations applied by the governmental authorities in connection with obtaining licenses and permits, government guarantees, and other obligations regulated by law in each country. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses and permits, capital transfer restrictions and in monitoring licensees' compliance with the terms thereof. Cloudberry emphasises the uncertainty these factors have when making

investment decisions and continuously monitors changes in the political landscape and includes this in the relevant discussions.

The power industry is a highly regulated sector, and thus subject to political risk. The high power prices observed during H2 2021 and so far in 2022 has increased political calls for further regulations of the power market in both countries the Group operates in.

Political and public support for wind and hydro projects fluctuates over time, and may affect the Group's ability to obtain concessions for both or either technologies. In Norway, there has been an effective ban on filing for new land-based wind power projects since 2019, and the new set of concession regulations are still not in effect by the time of writing. There is therefore unclear how the Norwegian wind power market will develop in the years to come.

Financial risk
Through its business activities, Cloudberry is mainly exposed to market risks including power prices, interest rate risk, currency risk, credit risk and liquidity risk. Financial risk management is based on the objective of reducing negative cash flow effects and, to a lesser extent, negative accounting effects of these risks. Currency and interest rate risks are regulated by means of mandates and managed by using hedging instruments.

Cloudberry's interest rate exposure is related to its debt portfolio and managed based on a balance between keeping interest cost low over time and contributing to stabilise the group's cash flows. The construction of the Group's project will normally be financed with a combination of equity and debt. As a result, any increase of interest rates will lead to higher financing costs, which in turn reduces the Group's profitability. Subsequently, the Group is dependent on external financing. If the Group is not able to obtain required financing on a timely basis and on attractive terms, the result could be lost business opportunities, shortened lifetime of current assets and/or that the Group is forces to realise its interest in certain projects.

Fluctuations in exchange rates could affect the Group's cash flow and financial position. The Group presents its financial statements in NOK. However, power is traded at Nord Pool, where EUR is the trading currency. The Group is also exposed to SEK through its operations in Sweden, hence the Group is exposed to currency risk through fluctuations in exchange rates between NOK, SEK and EUR.

Covid-19
During 2021, Covid-19 continued to impact operations across the Group. Travel bans, mandatory quarantine and disruptions to the supply chain has, and may continue to, result in delayed deliveries from the Group's suppliers. It is currently not possible to predict the long-term consequences for the Group, but there is a risk that the ongoing pandemic will result in increased cost particularly to the Group's development projects.

For further information on the Company's financial risk and risk management, reference is made to the Group Financial Statement note 6 Covid-19, note 7 Market related risks, note 8 Commercial and operational risks and note 9 Financial risks.

Deviations from Section 10 of the Corporate Governance Code: None

11. Remuneration of the Board of Directors

Cloudberry has established guidelines for salary and other remuneration for executive personnel, which also covers guidelines for remuneration to the Board of Directors. The guidelines have been prepared in accordance with Section 6-16a of the Public Limited Companies

The remuneration of the Board of Directors is resolved by the Company's General Meeting and should reflect the Board of Directors' responsibly, experience, time spent and the complexity of the Company`s activities. The Board of Directors' remuneration is not linked to the performance and the Board of Directors hold no options in the Company.

The Board of Directors members who participate in the Audit Committee, the Compensation Committee and the ESG Committee receive separate compensation for these appointments, which are approved separately by the Company's General Meeting.

Detailed information on the remuneration of the Board of Directors can be found in the Financial Statements, note 13.

As a main rule, the members of the Board of Directors shall not have any specific assignments for the Company in addition to their appointment as members of the Board of Directors. The Chairman of the Board was however engaged on a temporary assignment related to assist the Company with development of the shallow-water project, Stenkalles Grund. This reason for engaging the chairperson for this assignment is that the chairperson has knowledge of the project since inception. This engagement has been fully disclosed and approved by the Board of Directors. The assignment was terminated April 2021. Further information about the engagement can be found in note 27 Transaction with related parties of the annual report for 2021.

Deviations from Section 11 of the Corporate Governance Code: The Company's chairperson, Frank J. Berg, has been engaged for a temporary assignment related to Cloudberry's shallow-water project, Stenkalles, in addition to his engagement as chairperson.

12. Salary and other Remuneration for Executive Personnel

Cloudberry has established guidelines for salary and other remuneration for executive personnel. The guidelines have been prepared in accordance with Section 6-16a of the Public Limited Companies Act, with applicable regulations on guidelines and reporting of remuneration for leading personnel. The main purpose of the guidelines is to allow shareholders to influence the parameters determining salary and other kinds of remuneration to executive personnel and to create a culture for remuneration that promotes the Company's long-term interests and strategy and the Company's financial sustainability, while at the same time ensuring the shareholders' influence.

The guidelines have been prepared by the Board of Directors and was approved at the extraordinary General Meeting held 17 June 2021. The Guidelines are applicable to remuneration accrued from 1 January 2021. By remuneration means all consideration received by an individual, including fixed salary, performance-based pay and other benefits. The remuneration for leading personnel is based on attracting and retaining relevant expertise to further develop the Company. The guideline sets out an absolute limit for performance-related remuneration.

More detailed information about the individual remuneration of the CEO and other leading personnel is provided in the Company's annual report note 13. Employee benefits and share based payments and the Company's guidelines on the salary and other remuneration for executive personnel will be published after the General Meeting.in 2022.

Deviations from Section 12 of the Corporate Governance Code: None

13. Information and Communications

The Board of Directors adopted an Investor Relations policy with a description of the Company's investor information and investor relations policy. The policy clarifies roles and responsibilities related to financial reporting and contact with the shareholders and the investor market. This is to ensure transparency and equal treatment of the stakeholders.

Cloudberry publishes its financial calendar annually with a list of dates for important events such as Annual General Meetings and financial reports. The Company practices a silent period of two weeks ahead of publication of financial statements.

Cloudberry provides all stock exchange announcements, financial reports and presentations, and other IR information at the Company's web site www.cloudberry.no. and the information is also posted at Oslo Børs` official news channel www.newsweb.oslobors.no. Cloudberry gives presentations in connection with the financial reporting, and these presentations are broadcasted digitally.

Deviations from Section 13 of the Corporate Governance Code: None

14. Take-Overs

The instructions of the Board of Directors of Cloudberry contain guidelines on how the Board of Directors shall act in the event of a take-over bid.

In such case, the Board of Directors shall ensure that the shareholders' interests are safeguarded and that all shareholders are treated equally, and that the Company's activities are not unnecessarily interrupted. The Board of Directors shall further ensure that all shareholders receive sufficient information and are given sufficient time to assess the relevant offer. The Board of Directors is responsible of ensuring that the shareholders are informed in time to assess the offer. The Board of Directors shall not prevent or oppose any takeover bids for the Company's activities or shares but will make a recommendation as to whether the shareholders should accept the bid.

Deviations from Section 14 of the Corporate Governance Code: None

15. Auditor

The Company's external auditor is Ernst & Young AS.

The Board of Directors require the Company's auditor to annually present to the Audit Committee the main features of the plan for the audit of the Company.

The auditor participates in meetings of the Board of Directors and the Audit Committee that deal with the annual accounts. At these meetings the auditor report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the Company's executive management.

Further, the Board of Directors has an annual review of the Company's internal control procedures with the auditor, including identified weaknesses and proposals for improvement.

The Board of Directors has established guidelines in respect of the use of the auditor by the executive management for services other than audit.

The remuneration to the auditor is subject to approval by the annual General Meeting. The Board of Directors will report to the General Meeting details of fees for audit work and any fees for other assignments.

Deviations from Section 15 of the Corporate Governance Code: None

Consolidated financial statements Group

Consolidated statement of profit or loss	92
Consolidated statement of comprehensive income	93
Consolidated statement of financial position	94
Consolidated statement of cash flows	96
Consolidated statement of changes in equity	97
Notes to the Consolidated financial statements Group	98
General	**98**
Note 1 General information	98
Note 2 General accounting policies and principles	98
Note 3 Key accounting estimates and judgements	107
Note 4 Business segments	108
Note 5 Business combinations and other transactions	111
Key risks and financial instruments	**115**
Note 6 Covid 19	115
Note 7 Market related risks	116
Note 8 Commercial and operational risks	117
Note 9 Financial risks	118
Note 10 Financial instruments	119
Note 11 Hedge accounting	121

Statement of profit or loss and comprehensive income	**123**
Note 12 Sales revenues and other operating income	123
Note 13 Employee benefits and share based payments	124
Note 14 Other operating expenses	128
Note 15 Financial items	129
Note 16 Income tax expense	130
Statement of financial position	**132**
Note 17 Property, plant and equipment	132
Note 18 Inventory	135
Note 19 Impairment	137
Note 20 Investments in associated companies	138
Note 21 Cash, cash equivalents and corporate funding	141
Note 22 Share capital and shareholder information	142
Note 23 Long term debt	143
Note 24 Provisions, guarantees and other contractual obligations	145
Note 25 Lease agreements	147
Other information	**149**
Note 26 Earnings per share	149
Note 27 Transactions with related parties	149
Note 28 List of subsidiaries and equity accounted companies	151
Note 29 Subsequent events	152

Consolidated statement of profit or loss

1 January - 31 December

NOK 1 000	Note	2021	2020
Sales revenue	12	35 152	3 633
Other income	12	5 746	7
Total revenue		40 898	3 640
Cost of goods sold		(5 447)	(143)
Salary and personnel expenses	13	(28 106)	(17 419)
Other operating expenses	14	(55 332)	(12 343)
Operating expenses		(88 885)	(29 905)
Net income/(loss) from associated companies	20	16 373	(3 556)
EBITDA		(31 615)	(29 821)
Depreciation and amortizations	17	(9 746)	(3 289)
Operating profit (EBIT)		(41 361)	(33 111)
Financial income	10, 15	6 420	984
Financial expenses	10, 15	(28 706)	(2 125)
Profit/(loss) before tax		(63 648)	(34 252)
Income tax expense	16	609	387
Profit/(loss) after tax		(63 038)	(33 865)
Profit/(loss) attributable to:			
Equity holders of the parent		(63 038)	(33 865)
Non-controlling interests		-	-
Earnings per share (NOK):			
Continued operation			
- Basic	26	(0.40)	(0.87)
- Diluted	26	(0.40)	(0.87)

Consolidated statement of comprehensive income

1 January - 31 December

NOK 1 000	Note	2021	2020
Profit for the year		(63 038)	(33 865)
Other comprehensive income			
Items which will not be reclassified over profit and loss		-	-
Items which may be reclassified over profit and loss in subsequent periods			
Net movement of cash flow hedges	11	2 861	1 163
Income tax effect	11	(616)	(256)
Exchange differences		(9 052)	(2 542)
Net other comprehensive income		(6 807)	(1 635)
Total comprehensive income/(loss) for the year		**(69 845)**	**(35 500)**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent company		(69 845)	(35 500)
Non-controlling interests		-	-

Consolidated statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	17	1 009 123	58 426
Goodwill	19	38 221	36 933
Investment in associated companies	20	677 407	337 080
Financial assets and other non-current assets	10	10 425	2 358
Total non-current assets		1 735 175	434 797
Current assets			
Inventory	18	153 575	196 029
Accounts receivable		12 033	2 828
Other current assets	24	102 674	158 081
Cash and cash equivalents	21	1 114 934	605 126
Total current assets		1 383 215	962 064
TOTAL ASSETS		**3 118 391**	**1 396 861**

Consolidated statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	22	58 811	26 266
Share premium	22	2 676 075	1 061 675
Total paid in capital		2 734 886	1 087 941
Other equity		(98 688)	(33 230)
Non-controlling interests		-	-
Total equity		**2 636 199**	**1 054 712**
Non-current liabilities			
Interest-bearing loans and borrowings	23, 11	294 087	26 440
Non current lease liabilities	25	3 416	3 296
Provisions	24	10 753	15 868
Deferred tax liabilities	16	83 055	13 668
Total non-current liabilities		391 311	59 271
Current liabilities			
Interest-bearing short term financial liabilities	24	10 105	236 767
Current lease liabilities	25	1 167	1 105
Accounts payable and other current liabilities	24	38 289	26 161
Provisions	24	41 320	18 845
Total current liabilities		90 881	282 878
Total liabilities		**482 192**	**342 150**
TOTAL EQUITY AND LIABILITIES		**3 118 391**	**1 396 861**

Oslo, 22 March 2022

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg
Chair of the Board

Morten Bergesen
Board member

Petter W. Borg
Board member

Benedicte Fossum
Board member

Liv Lønnum
Board member

Anders J. Lenborg
CEO

Consolidated statement of cash flows

NOK 1 000	Note	1.1.-31.12.2021	1.1.-31.12.2020
Cash flow from operating activities			
Profit/(loss) before tax		(63 648)	(34 252)
Depreciations and amortizations	17	9 746	3 289
Write down, project inventory	18	3 010	-
Net income from associated companies	20	(16 373)	3 556
Share based payment - non cash to equity		4 388	1 251
Net interest paid/received		8 531	1 656
Unrealised foreign exchange (gain)/loss		-	(1 514)
Change in inventories due to capitalized salaries and other expenses		(9 245)	(6 100)
Change in accounts payable		12 369	6 128
Change in accounts receivabe		(8 791)	5 477
Change in other short term assets and liabilities		(10 710)	16 195
Net cash flow from operating activities		**(70 722)**	**(4 314)**
Cash flow from investing activities			
Interest received	15	653	984
Investments in property, plant and equipment	17	(179 501)	(2 842)
Acquisition of shares in subsidiaries, net liquidity outflow	5	(318 262)	(11 690)
Investments in associated companies	20	(331 806)	(340 637)
Net cash flow from (used in) investing activities		**(828 916)**	**(354 184)**
Cash flow from financing activities			
Payment to escrow account	24	(84 828)	(152 422)
Transfer from escrow account	24	152 422	-
Proceeds from new term loans	23	226 348	-
Repayment of term loan	23	(282 646)	(28 621)
Repayment of short-term interest-bearing liabilities	24	(236 767)	236 767
Interest paid other than lease	15	(9 029)	(2 394)
Payment on lease liabilities - interest	25	(155)	(153)
Repayment on lease liabilities	25	(974)	(750)
Share capital increase		1 646 945	905 928
Net cash flow from financing activities		**1 411 316**	**958 355**
Total change in cash and cash equivalents		511 679	599 856
Effect of exchange rate changes on cash and cash equivalents		(1 872)	47
Cash and cash equivalents at start of period		605 126	5 223
Cash and cash equivalents at end of period		**1 114 934**	**605 126**

SIGNIFICANT ACCOUNTING POLICIES
The cash flow statement has been prepared using the indirect method.

Operating activities Changes in working capital comprise of inventory, short-term interest-free receivables and short-term interest-free liabilities. Effects related to capital expenditures, unrealised changes or reclassifications are not included in changes in working capital.

Investing activities Acquisition/divestment of shares includes cash and cash equivalents in the investee that are recognised/divested at the transaction date. Hence, this is presented net together with the cash consideration paid or received.

Financing activities Interest payments from interest rate derivatives, which are used to manage the Group's debt portfolio, are presented as a part of interest paid. Following the implementation of IFRS 16, both the principal portion and the interest portion of payments of lease liabilities are included in financing activities as repayment of debt and interest paid respectively.

Consolidated statement of changes in equity

		Attributable to parent company equity holders									
		Paid in capital		Other Equity							
Note		Share capital	Share premium	Share based payment	Cash flow hedge reserves	Foreign currency translation reserve	Retained earnings	Total other equity	Total	Non-controlling interests	Total equity
	Equity as at 01.01 2020:	**950**	**7 800**	**-**	**-**	**-**	**(3 921)**	**(3 921)**	**4 829**	**-**	**4 829**
	Sharecapital increase	25 316	1 053 875	-	-	-	-	-	1 079 191	4 939	1 084 130
	Share based payments in the year	-	-	1 251	-	-	-	1 251	1 251	-	1 251
	Loss for the period	-	-	-	-	-	(33 865)	(33 865)	(33 865)	-	(33 865)
	Other comprehensive income	-	-	-	907	(2 542)	-	(1 635)	(1 635)	-	(1 635)
	Total comprehensive income	-	-	-	907	(2 542)	(33 865)	(35 500)	(35 500)	-	(35 500)
	Transaction with non-controlling intrest	-	-	-	-	-	4 041	4 041	4 041	(4 041)	-
	Transfer to other equity	-	-	-	-	-	898	898	898	(898)	-
	Equity as at 31.12 2020	**26 266**	**1 061 675**	**1 251**	**907**	**(2 542)**	**(32 847)**	**(33 230)**	**1 054 712**	**-**	**1 054 712**
	Equity as at 01.01 2021:	**26 266**	**1 061 675**	**1 251**	**907**	**(2 542)**	**(32 847)**	**(33 230)**	**1 054 712**	**-**	**1 054 712**
22	Sharecapital increase	32 545	1 614 400	-	-	-	-	-	1 646 945	-	1 646 945
13	Share based payments in the year	-	-	4 388	-	-	-	4 388	4 388	-	4 388
	Loss for the period	-	-	-	-	-	(63 038)	(63 038)	(63 038)	-	(63 038)
	Other comprehensive income	-	-	-	2 245	(9 052)	-	(6 807)	(6 807)	-	(6 807)
	Total comprehensive income	-	-	-	2 245	(9 052)	(63 038)	(69 845)	(69 845)	-	(69 845)
	Transaction with non-controlling intrest	-	-	-	-	-	-	-	-	-	-
	Transfer to other equity	-	-	-	-	-	-	-	-	-	-
	Equity as at 31.12 2021	**58 811**	**2 676 075**	**5 639**	**3 152**	**(11 594)**	**(95 885)**	**(98 688)**	**2 636 199**	**-**	**2 636 199**

Nature and purpose of reserves included in total equity

Share premium
Share premium includes net share premium paid as part of capital increases.

Other equity
Other equity includes share-based payment transaction reserve used to recognise the value of equity-settled and share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. It also includes hedging reserves charged to other comprehensive income and currency translation differences, together with retained earnings.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hedging reserve
The hedging reserve includes mark-to-market revaluation reserve after tax on derivatives used in the Group's cash flow hedging.

Notes to the Consolidated financial statements Group

General

Note 1 General information

Corporate information

Cloudberry Clean Energy ASA ("Cloudberry"), its subsidiaries and investments in associated companies ("the Group") is a Nordic renewable power producer and developer. The Company has an integrated business model across the life cycle of hydro- and wind power plants including project development, financing, construction (normally outsourced), ownership, management and operations.

Cloudberry Clean Energy ASA is incorporated and domiciled in Norway. The address of its registered office is Frøyas gate 15, NO-0273 Oslo, Norway. Cloudberry Clean Energy ASA was established on 10 November 2017. The Company is listed on Oslo Stock Exchange main list (ticker: CLOUD).

The consolidated financial statements for 2021 was approved by the Board of Directors on 22 March 2022.

Note 2 General accounting policies and principles

Basis for preparation

Cloudberry's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU.

The statement of profit or loss, statement of comprehensive income, statement of financial position, statement of cash flow, statement of equity and notes provide comparable information in respect of the previous period. The Group was formed through the business combination that took place as of 15 February 2020.

Presentation and classification of items in the financial statements is consistent for the periods presented. Application of the accounting policies by the subsidiaries has been changed where necessary to ensure consistency with Group accounting policies. The functional currency of the companies in the Cloudberry Group is determined based on the nature of the primary economic environment in which the company operates. This is the Norwegian krone (NOK), the Swedish krone (SEK) and the Euro (EURO). The functional currency of the parent company Cloudberry Clean Energy ASA and the presentation currency of the Group is Norwegian kroner (NOK). Cloudberry is granted an exception from the Norwegian tax authorities from the requirement to report in Norwegian and will present the annual report in English.

The Groups consolidated financial statement is prepared on a going concern basis. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing operations, debt service and obligations. After making this assessment, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Basis for measurement

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets and financial liabilities that are recognised at fair value. Historical cost is generally based on the fair value of the consideration given when acquiring assets and services.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies and reported amounts of assets and liabilities, income and expenses.

Classification as current/non-current

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

Basis and principles for Consolidation

The consolidated financial statements comprise the financial statements of the parent company Cloudberry Clean Energy ASA and its subsidiaries, see note 28.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which Cloudberry Group has control. Cloudberry Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. Subsidiaries are no longer consolidated from the date when control ceases.

Profits and losses resulting from intercompany transactions have been eliminated, as well as unrealised gains on transactions between group companies. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Investments in associated companies

Associated companies are companies where the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. Investments in associated companies are recognised in the consolidated accounts using the equity method and presented as non-current assets.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss. Dividends received or receivable from associated companies, are recognised as a reduction of the carrying amount of the investment.

Unrealised gains or transactions between the Group and the associated companies are eliminated to the extent of the Groups interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of equity accounted investees have been changed were necessary to ensure consistency with the policies adopted by the Group.

Equity accounted investments are reviewed each period to determine whether there is any objective evidence that the net investment is impaired.

Goodwill relating to the associated company is included in the carrying amount of the investment and is not tested for impairment separately.

Transactions with non-controlling interests
Transactions with non-controlling interests, without loss of control, are accounted for as equity transactions. When acquiring shares from a non-controlling interest the difference between the consideration and the shares proportionate value of recognized net assets in the subsidiary as correction of equity in the parent company owners.

Business combinations

In order to consider an acquisition as a business combination, the acquired asset or group of assets must constitute a business, an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors.

Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date of which the company achieves control over the financial and operating assets. Comparable figures are not adjusted for acquired, sold, or liquidated businesses.

The acquisition method is used to account for all business combinations. The consideration is measured at the fair value of any transferred assets, liabilities or issued equity instruments. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

If the consideration transferred (including any non-controlling interests and the fair value of previous assets) exceeds the fair value of identifiable net assets acquired, this is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase gain. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill is not depreciated but tested at least annually for impairment. In connection with this, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergy effect of the acquisition. In accordance with IFRS 3, the estimation of fair value and goodwill may be adjusted up to 12 months after the takeover date if new information has emerged about the facts and circumstances that existed at the time of takeover. The Group makes use of the opportunity to adjust the initial purchase price allocation if necessary.

Acquisition-related costs, except costs related to issue of debt or equity securities, are expensed as incurred.

Segment

Business segments are reported in a manner consistent with how the Group internally follows up the business. The Group's segment financials are reported on a proportionate basis. The key differences between the proportionate and the consolidated IFRS financials are that associated companies are included in the financial accounting lines, the profit or loss statement and share of assets and net debt, with the respective proportionate ownership share, while in the consolidated financials associated companies are consolidated with the equity method. This is how the internal financial reporting to the Group's chief operating decision maker, defined as the Executive Management team, is prepared. The business segments are determined based on the differences in the nature of their operations.

Cloudberry manages its operations in three segments, production, development and corporate. After the acquisition of Captiva in January 2022, a fourth business segment, operations (representing the Captiva business) will be established and reported on from 2022.

Foreign currency translation

Functional and presentation currency
The Group's consolidated financial statements are presented in NOK, which is also the parent Company's functional currency. For each entity, the Group determines the functional currency, and items

included in the financial statements of each entity are measured using that functional currency. The functional currency of the subsidiaries is the same as their local currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

On consolidation, assets and liabilities of foreign entities with functional currencies other than NOK, are translated into NOK at the rate of exchange prevailing at the reporting date and their income statements are translated at annual average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Revenue recognition

The Group accounts for revenue in accordance with IFRS 15 Revenue from Contracts with Customers and applies the five-step method to all revenue streams.

The Group's sales revenues are divided into two categories

1. Sale of hydro and wind generated electricity delivered to the grid, el-certificates and guarantees of origin (GoO).

2. Sale of management services within project development or management of producing power assets.

The revenues from sale of power (electricity generated from hydro and wind, and related products such as el-certificates and GoO) bear the characteristic of delivering power at a certain price to the grid. The performance obligation is to deliver a series of distinct goods (power or related products) and the transaction price is the consideration Cloudberry expects to receive, at either spot price, regulated price or contract price. The performance obligation is satisfied over time which entails that revenue should be recognised for each unit delivered at the transaction price. Cloudberry applies a practical expedient under IFRS 15 whereby the revenue from power for most of the contracts is recognised at the amount of which the entity has a right to invoice. The right to invoice power arises when power is produced and delivered, and the right to invoice the consideration will normally correspond directly with the value to the customer. The right to invoice for el-certificates and guarantees of origin arise when the certificates are delivered.

Revenue from management services is recognized when the service is preformed, and the Group has an unconditional right to the consideration settlement. When the performance obligation is fulfilled and there is an unconditional right to the consideration, this is presented separately in the balance sheet as a receivable.

When determining the transaction price for each element in the contract, it is adjusted for the time value of money if the timing of payment agreed to by the parties provides the customer with a significant benefit of financing. The Group applies a practical approach, and the consideration is not adjusted for a financing component if the period between the transfer for the goods or service and the payment is less than a year.

Other income

Income in the Develop segment is mainly related to the sale of ready-to-build develop projects and is accounted net of inventory costs and presented as other income in accordance with IFRS 10. The projects are often organised in single-purpose-vehicles (SPV) and the net gain and net loss is recognised when control of the project SPV is transferred to the acquirer. Net gain or loss from sale of fixed assets is classified and presented as other income.

Government grants

Government grants are conditional to own generation of power from certain technologies. This includes el-certificates and guarantees of origin (GoO). The right to receive the grants are obtained at the time of generation. When the el-certificates and GoO are granted, they are measured at cost and classified as other income and inventory. Cost of government grants is zero. Upon subsequent sales, the sales price is recognised within sales revenues.

Share-based compensation

Cloudberry has an equity incentive plan for top management and key employees. The programme includes the issue of warrants for shares in the company. The warrants-scheme is accounted for and reported in accordance with IFRS 2. The renumeration is share-based. The fair value of the warrants is measured at grant date using an appropriate valuation model. In Cloudberry the Black and Scholes model is applied based on the market price to determine the fair value at the grant date. The grant date is determined by the Board of Directors. The fair value of the warrants is recognised as a personnel expense over the duration period, at the same time a corresponding increase in paid in equity is recognised. On each balance date, the Group revises its estimates of the number of warrants that are expected to be exercisable. Any adjustments will be recognised in the income statement and corresponding adjustment to equity. Employer tax is recognised in the profit and loss statement and a provision is recognised in the balance sheet.

Inventory

Cloudberry inventories consist of development projects and government grants of el-certificates and guarantees of origin (GoO). Inventories are accounted for in accordance with IAS 2 Inventories. According to IAS 2 inventories are measured at the lower of cost and net realisable value. Government grants of el-certificates and GoO are at granting measured and recognised at cost to inventory. Cost of government grants is zero.

The develop projects are part of the Develop business segment and are mainly held for trading. In some cases, when a project is ready to build, Cloudberry decides to keep the project to build and own a producing power plant. When Cloudberry makes the final investment decision (FID), the project will be reclassified from inventory to property plant and equipment and power plant under construction. From the point of FID until the project constructed and is a finished and operating power plant it is evaluated when the timing is right for the project to be acquired by the Production segment. Producing power plants are owned and managed in the Production business area.

Property, plant and equipment (PPE)

Property, plant, and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

The initial cost of a PPE asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of asset retirement obligation if any, and for qualifying assets, borrowing costs incurred in the construction period. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

All repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. If a separate component is damaged and replaced, the component is derecognised and the carrying amount is charged to the profit and loss statement as an impairment loss in the period. The replacement component is capitalized as a new item of PPE.

Each component of an item of property plant and equipment with a cost that is significantly in relation to the total cost of the item is depreciated separately. Depreciation is calculated using the straight-line method to allocate costs over their estimated useful lives. Depreciation of hydro and wind power plants commences when the plant is ready for managements intended use, normally at the date of the grid connection and commissioning. The depreciation period is adapted to the duration of the landowner contract period.

The assets' residual values and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposals are determined by comparing actual proceeds with the carrying amount. Gains and losses on disposal are included in profit or loss.

Capitalisation of borrowing costs

Capitalisation of borrowing costs commence when the activities to prepare the asset for its intended use are undertaken and continue to be capitalized until the date in which the development of the relevant asset is complete. All other borrowing costs are recognised in the profit and loss statement in the period which they incur.

Asset retirement obligation (ARO)
When Cloudberry is obligated to remove an item of property, plant and equipment as well as to restore the site at the date when the operation ceases, an estimate of the asset retirement obligation (ARO, decommissioning obligation) is recognized. The obligation is best estimate of the net present value of the costs that will occur at the closing date. When a provision for ARO is recognised, a corresponding amount is recognised and capitalized as part of the carrying value of the power plant and depreciated over the useful life.

The Group have recognised Asset retirement obligation for wind power assets. Asset retirement obligations have not been made for the Group's current hydro plants. The concessions for the hydro power plants do not have an expiry date, and the useful life of the equipment is estimated to be longer than the lease periods. It is currently assessed that because the power plants would continue to be revenue generating power producing plants, after the end of the lease periods, it is assumed that either the landowners (if the exercise their option to acquire the equipment), or the Company (which have the right to prolong the lease period if option to acquire the equipment is not exercised) will continue the use of the plants and therefore not decommission the equipment. The lease expiry dates are between 40-60 years and the assessment will be updated over the useful life of the power plants and may change so that an asset retirement obligation will be made later, when material.

Intangible assets
Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Costs relating to intangible assets, including goodwill, are recognised in the statement of financial position when it is probable that the asset will generate future economic benefits and the costs can be measured reliably.

Intangible assets with an indefinite useful life, such as goodwill and water rights owned are not amortised but are instead tested annually for impairment.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of the impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Impairment
Property, plant and equipment and intangible assets with a definite useful life are tested for impairment to the extent that indicators of impairment exist. Factors that trigger impairment testing include but is not limited to changes in long power price estimates, political changes, underperforming power plants in terms of production or macroeconomic fluctuations.

When there are indicators that future earnings cannot justify the carrying value, the recoverable amount is calculated to consider whether an allowance for impairment must be made. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use.

Previously impaired non-financial assets, except goodwill, are reviewed for possible reversal of the impairment at each reporting date.

For the purposes of assessing impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units (CGUs)). CGUs in Cloudberry are identified as follows:

Property plant and equipment (Power producing assets)
- Hydropower: Power plants sharing the same water flow and/or being subject to the same infrastructure limitation are managed together to optimise power generation.
- Wind farms: The individual wind farm.

Inventory of projects
- The individual project with concession
- Groups of similar projects that are connected in progress

Equity accounted companies
- The individual associated company

Goodwill and intangible assets with an indefinite useful life are not depreciated but are considered for impairment once every year and when there are circumstances or indicators implying an impairment test should be performed. Impairment is determined for goodwill by assessing the recoverable amount for each cash-generating unit (CGU) to which the goodwill relates. Impairment losses relating to goodwill cannot be reversed in future periods.

Leases

At the lease commencement date, the Group recognises a lease liability and corresponding right of use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability arising from future events, such as lease payments which depend on production volume. Instead, the Group recognises these variable lease expenses in profit or loss, se under description of water right lease agreement.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease, i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Water right lease agreements

Cloudberry enters into water-right lease agreements with owners of water rights, which entitles the company to utilise the water in the rivers. The agreements typically have a period varying from 40 to 100 years, starting when the power plant is put into commercial operation.

The agreement with the owners of the water rights has a variable payment depending on the gross revenue of the power plant and is typically around 10% of the gross revenue. In certain agreements the variable payment depends on the net profit of the power plant (not the gross revenue). In these cases, Cloudberry is secured a minimum return on the investment (typically 4 – 7% p.a.) before owners of the water rights are compensated. Excess return above this minimum return is then split between the owners of the water rights and Cloudberry.

When Cloudberry has a commitment to pay rent to the owners of the water rights, we account for this as a regular cost as the commitment arises. Upon expiration of the agreement the owners have the right to purchase the power plant with all rights and technical installations at a price based on certain specific conditions.

Land lease agreements for construction of wind farms Cloudberry enters into lease agreements with land- owners, which entitles the company to utilise the land for construction of wind farms. The agreement typically has a period varying from 25 to 35 years dependent on the concession period, starting when the power plant is put into commercial operation.

The typical agreement with the landowners has a variable payment depending on the gross revenue of the power plant (around 4%). When Cloudberry has a commitment to pay rent to the landowners, we account for this as a regular cost as the commitment arises.

Fixed amount- agreement: In certain cases, Cloudberry can be obligated to pay landowner a fixed annual amount, in such cases it may be accounted according to IFRS 16 lease agreement. Upon expiration of the agreement the landowner has the right to purchase the powerplant with all rights and technical installations at a price based on book value at the end of the lease agreement.

Financial instruments

Financial instruments are recognised in the financial statements when the Group becomes party to contractual conditions relating to the financial instrument. Financial assets and financial liabilities are classified based on the type and purpose for holding the instruments at fair value, amortised cost or as a designated hedge accounting instrument (e.g. derivatives used for hedging financial risks).

Financial assets

The group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Financial assets recognised at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the financial instruments at fair value through profit or loss, including interest and dividends, are recognised in the income statement as other gain/losses. Derivatives are always measured at fair value through profit or loss, unless designated as a hedging instrument. When designated as a cash flow hedging instrument measurement is change in fair value are recognised in other comprehensive income.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities

The group classifies its financial liabilities at initial recognition in the following categories

- Loans and borrowings including bank overdrafts
- Payables
- Derivatives designated as hedging instruments in an effective hedge

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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowing costs

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is includes as a part of cost. Other borrowing costs are recognised as an expense.

Fair value measurement

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.

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 observable, directly or indirectly, in a non-active market
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable and make use of best estimate

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with financial institutions, commercial papers and other short term interest-bearing securities or highly liquid investments (money market funds) that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Placements in money market funds are made to diversify risk and at the same time secure high liquidity of the placements to be able to meet short term cash commitments. The funds are larger funds with established have low interest rate risk and low credit risk.

Placements in money market funds are classified as cash equivalents as the placements are short term placements and can be redeemed at any time without restrictions or cost (2-3 days settlement). The placements have insignificant risk of change in value as they are placements with the lowest risk profiles.

Taxes

Income tax is calculated in accordance with ordinary tax rules and by applying the adopted tax rate. The tax expense in the statement of comprehensive income comprises taxes payable and changes in deferred tax liabilities and deferred tax assets. Taxes payable are calculated on the basis of the taxable income for the year. Deferred tax liabilities and deferred tax assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that they will be utilised. Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income, while tax related to equity transactions is recognised in equity.

Note 3 Key accounting estimates and judgements

The use of reasonable estimates and judgements is a critical element in preparing the financial statement of the Group. Due to the level of uncertainties inherent in Cloudberry's business activities, management must make certain estimates and judgement that affect the reported values of assets, liabilities, revenues, expenses, and related disclosures.

Management bases its estimates on historical experience, current trends and other various assumptions that the company's management believes to be relevant at the time the consolidated financial statements are prepared.

Long term price forecast for power

One of the critical assumptions used by management in making business decisions is the long-term price forecast for power and the related market developments. The assumption is also critical input for management related to financial statement processes such as:

- Allocation of fair value in business combination note 5
- Impairment testing note 19

Management use Volue (former Wattsight), and their base case for long term power price forecasts. Volue is an external source of information which ensures an unbiased estimate. Management review and update the forecast continuously, based on market development.

Fair value measurement

Significant judgement is applied in the valuation of the Group's contracts categorised within level 2 in the fair value hierarchy levels. Where fair value measurement cannot be derived from publicly available information, they are estimated using models and other valuations methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions often do not exist. In such cases management is required to make market-based assumptions to find the best estimates.

Assessments in Business Combinations

Significant management judgement is required in the assessment of a business combination. This includes determining if an acquisition is a business combination or an asset acquisition, determining an acquiring part and determining the allocation of fair value ta assets and liabilities acquired.

To determine if the acquisition is a business combination or an asset acquisition, management has to analyse and assesses whether the acquired entity meets the criteria of a business. Management's judgement is required to assess if the inputs and related processes in place for the acquired have the ability to create outputs from the acquired unit.

For each acquisition it is be made a specific assessment weather it is a business combination or an asset acquisition. If regarded as a business combination IFRS 3 Business Combinations will be applied, while if an asset it will be either IAS 2 inventory or IAS 16 Property plant and equipment that will be applied. The latter relates to the type of assets being acquired.

For acquisitions that consist of a single development project, single power plant ready to construct or assets that do not have any clearly defined input or output, the acquisition will often be accounted for as an asset acquisition. Acquisitions that consist of producing assets, projects organized with key employees, business processes in place and defined inputs and outputs from the processes, the acquisition will often be accounted for as business combination. However, the specific assessment will be needed to conclude on the treatment for each acquisition.

Allocation of fair value, the purchase price allocation, for the assets and liabilities acquired is based on a specific assessment of the different components of the acquisition. Significant management judgement is required in combination with valuation methods, assessments made in the acquisition process in combination with a specific evaluation of the acquired assets and liabilities.

Deferred tax assets

Significant management judgement is required when determining the amount of deferred tax asset to be recognised. Deferred tax asset is to be recognised for unused tax losses to the extent that it is probable that taxable profit will be available within reasonable time against which the losses can be utilised. Uncertain tax positions and potential tax exposures are analysed individually and the best estimate of the probable amount for liabilities to be paid and assets to be received are recognised within current tax or deferred tax as appropriate. See note 16.

Lease

When calculating lease liability, the discount factor is a significant estimate. In the absence of an identifiable discount rate, implicit in the lease agreement, the discount rate used is the Groups incremental borrowing rate. Judgement is also used to assess the lease period and the assessment if a lease option will be used and included in the estimated lease period to calculate the lease liability and right to use asset. For the lease contracts with options, these options are related to very long lease contracts on fixed land lease and the judgement is not material for the valuations of the lease liability. See note 25 Lease agreements.

Share based payment

The fair value of management warrant programme makes use of an estimation model, Black-Scholes for calculation the call option value at grant date and at the balance sheet day. This model makes use of management estimates for expected life option, volatility, and expected dividend yield. See note 13 Employee benefits and share based payments.

Asset retirement obligation

The calculation of the decommissioning obligation makes use of several estimates, the future cost of decommissioning, the timing of decommissioning, the probability of a landowner call option to purchase the power plant at the end of the lease period and the valuation of net present value with the appropriate discount rate. Management seeks to at least annually evaluate and update with the accessible information all estimates in the calculation.

Application of accounting policy

Due to Cloudberry's business activities, management must apply judgement in determining the appropriate accounting policies in areas where application of the Groups accounting may have a material impact on the accounting treatment in the financial statements. Such areas include:

- Classification of power purchase agreements note 10
- Classification of energy and other revenues note 12
- Classification of developing projects note 17 and 18
- Classification of investments made together with third parties note 20

Note 4 Business segments

The Group reports its operations in three business segments; Production, an active owner of renewable power assets in the Nordics; Development, a greenfield development both on and off-shore with a long history of organic, in-house developments of wind and hydropower assets in Norway and Sweden; and a cost efficient Corporate segment ensure management tasks for the Group like financing, marketing, reporting and other corporate activities. From 2022, after the acquisition of Captiva (see note 29 subsequent events), a fourth business segment, Operations will be established, comprising this business.

The Group reports on proportionate financials (APM) for each business segment. Management provides this because these measures are used internally for key performance measures (KPIs). These measures represent the most important KPI's to support decision making for achieving the Group's strategic goals.

Proportionate financials are further defined and described below under Proportionate financials and in the APM section of this report.

Cloudberry Production ("Production")

Cloudberry Production owns long-term yield hydro and wind assets in Norway and Sweden. Revenues come mostly from power production sold on a continuous basis through bilateral agreements or through the spot market, Nordpool. Producing assets are entitled to electricity certificates and guarantees of origin. Producing assets are remotely controlled from operational centres and Cloudberry has operational agreements with local partners.

Production is also the local manager and delivers management services to the Forte portfolio.

The focus during 2021 has been on increasing production volumes and the construction of our new renewable projects. By year end Production had a producing portfolio of 58 MW and a secured portfolio of total 150 MW.

In total, Cloudberry's proportionate production ended at 117 GWh (21 GWh) for the year. Annual production will increase in 2022, following acquisitions made during 2021, as well as the completion of power plants which are currently under construction.

Cloudberry Develop ("Develop")

Cloudberry Development has a significant on- and offshore development portfolio with renewable assets in Sweden and Norway. Since inception, ten projects have been fully developed and sold to infrastructure investors and European insurance companies.

Develop is responsible for development of hydro and wind power assets from early stage until the projects receive construction permits. Going forward Cloudberry has the option to either sell or maintain in-house projects for long-term cash flow. Larger projects may be farmed down in order to diversify risk.

In 2021, the main activities have been focused on growing the portfolio and moving existing projects in the portfolio forward. With the acquisition of Captiva in January 2022, further resources within hydro development have joined the Cloudberry team.

Projects with construction permit increased from 151 to 160 MW per year end and has grown further in 2022 (218 MW per reporting date).

Cloudberry has per year end an exclusive backlog of 370 MW (388 MW at the reporting date). The company has ongoing dialogue with landowners, municipalities and grid companies to clarify opportunities for new wind power projects.

Cloudberry Clean Energy ("Corporate")

Corporate consists of the activities of corporate services, management, and group finance. There was significant corporate activity in 2021. The company has during the year listed on Oslo Børs' main list, raised additional NOK 1 700 million in equity, increased the debt facility to NOK 1 400 million, purchased 60% of the Captiva Group and been active in the M&A market.

Corporate consists mainly of Cloudberry Clean Energy ASA, the parent company accounts. Costs which are by nature related to the segments are allocated to the respective business segment. Allocated costs are mostly salaries for employees related to Production and Develop that are employed in Cloudberry Clean Energy ASA.

By year end, there were five employees in the corporate segment. Cloudberry has outsourced several services in connection with Oslo Børs listing, financing and due diligence processes. The corporate management aims to remain a cost-effective, agile and dynamic team.

Proportionate financials (APM)

The main adjustments compared with the consolidated IFRS reported figures are that associated companies are included in the financial accounting lines, the profit or loss statement and share of assets and net debt, with the respective proportionate ownership share, while in the consolidated financials, associated companies are consolidated with the equity method. Another difference is that internal gains are eliminated in the consolidated financials but are retained in the proportionate financials. Please refer to the section Alternative Performance Measure for definitions and further reconciliations to the Group IFRS reported figures.

The table shows the segment reporting for 2021 (with reconciliation to reported Group consolidated IFRS) and with comparable figures for 2020 in lower table (Cloudberry did not report on proportionate in the 2020 annual report):

FY 2021

NOK 1 000	Production	Development	Corporate	Total proportionate	Group eliminations	Residual ownership interst	Group consolidated financials
Total revenue	76 711	5 803	-	82 513	-	(41 615)	40 898
Operating expenses ex depreciations and amortisations	(34 124)	(35 340)	(37 841)	(107 304)	-	18 419	(88 885)
Net income/(loss) from associated companies	-	-	-	-	-	16 373	16 373
EBITDA	**42 587**	**(29 537)**	**(37 841)**	**(24 791)**	**-**	**(6 823)**	**(31 615)**
Depreciation and amortisation	(18 035)	(235)	(1 138)	(19 408)	-	9 662	(9 746)
Operating profit (EBIT)	**24 552**	**(29 773)**	**(38 979)**	**(44 200)**	**-**	**2 839**	**(41 361)**
Net financial items	(7 952)	(3 411)	(2 603)	(13 966)	-	(8 321)	(22 287)
Profit/(loss) before tax	**16 600**	**(33 183)**	**(41 582)**	**(58 165)**	**-**	**(5 482)**	**(63 647)**
Total assets	2 064 939	307 594	1 442 790	3 815 323	(110 289)	(586 642)	3 118 392
Interest bearing debt	826 294	-	-	826 294	-	(522 102)	304 192
Cash	10 571	(58 603)	1 330 084	1 282 053	-	(167 119)	1 114 934
NIBD	815 723	58 603	(1 330 084)	(455 759)	-	(354 983)	(810 741)

All revenue in the Production segment were in Norway and in NOK in 2021. Trade of electricity relates products are made on Noor Pool at spot, or at a fixed price through a purchase price agreement (PPA) with a PPA off taker customer. During 2021 no PPA have represented more than 10% of total revenue. From 2022 Production does not have any PPA for its power generation and sales.

In Development, revenue comprised of other income and was mainly related to insurance settlement at related to Marker of NOK 5m, the remaining was income from Downing related to termination of SPA agreement regarding Stenkalles.

FY 2020

NOK 1 000	Production	Development	Corporate	Total proportionate	Group eliminations	Residual ownership interst	Group consolidated financials
Total revenue	5 122	93	118	5 333	(200)	(1 493)	3 640
Operating expenses ex depreciations and amortisations	(7 084)	(8 395)	(16 355)	(31 834)	-	1 930	(29 904)
Net income/(loss) from associated companies	-	-	-	-	-	(3 556)	(3 556)
EBITDA	**(1 962)**	**(8 302)**	**(16 237)**	**(26 501)**	**(200)**	**(3 119)**	**(29 822)**
Depreciation and amortisation	(4 066)	(203)	(870)	(5 139)	-	1 850	(3 289)
Operating profit (EBIT)	**(6 028)**	**(8 505)**	**(17 107)**	**(31 640)**	**(200)**	**(1 270)**	**(33 110)**
Net financial items	(1 826)	(294)	(152)	(2 272)	(139)	1 270	(1 141)
Profit/(loss) before tax	**(7 854)**	**(8 799)**	**(17 259)**	**(33 912)**	**(339)**	**1**	**(34 253)**
Total assets	850 781	208 347	593 940	1 653 069	46	(256 254)	1 396 861
Interest bearing debt	498 950	-	-	498 950	-	(235 742)	263 207
Cash	92 608	4 850	551 239	648 697	-	(43 572)	605 126
NIBD	406 342	(4 850)	(551 239)	(149 747)	-	(192 170)	(341 918)

Please refer to the section Alternative Performance Measure for definitions and further details about reconciliations between the Group IFRS reported figures and proportionate segment reporting.

Note 5 Business combinations and other transactions

Cloudberry acquired Selselva Kraft AS

On 13 January 2021, Cloudberry Production AS acquired 100% of the shares of Selselva Kraft AS, "Selselva". Selselva is a producing hydropower plant located in Sunnfjord municipality in Vestland county with an expected annual production (normalized) of 20 GWh.

The total purchase price of NOK 65.0m was paid in cash and was equity financed.

Selselva was consolidated in the Group accounts from 13 January 2021.

Cloudberry acquired Nessakraft AS

On 30 June 2021, Cloudberry Production AS completed the acquisition of 100% of the shares of Nessakraft AS, "Nessakraft". The transaction also included the acquisition of Bjørgelva Kraft AS, see information below. Nessakraft is now a producing hydropower plant which has completed the commissioning period (construction completion in December 2020). The hydropower plant is located in Balestrand, Vestland county with an expected annual production (normalized) of 34 GWh.

The total purchase price of NOK 73.4m was paid in cash and was equity financed.

Nessakraft was consolidated in the Group accounts from 30 June 2021.

Cloudberry acquired Bjørgelva Kraft AS

On 30 June 2021, Cloudberry Production AS completed the acquisition of 100% of the shares of Bjørgelva Kraft AS "Bjørgelva". The transaction also included the acquisition of Nessakraft AS, see information above. Bjørgelva is now a producing hydropower plant which has completed the commissioning period (construction completion in December 2020). The hydropower plant is located in Sørreisa, Troms og Finnmark county with an expected annual production (normalized) of 7 GWh.

The total purchase price of NOK 10.0m was paid in cash and was equity financed.

Bjørgelva Kraft AS was consolidated in the Group accounts from 30 June 2021.

Cloudberry acquired Usma Kraft AS

On 20 August Cloudberry Production completed the acquisition of 100% of the shares of Usma Kraft AS, a hydropower company in Norway. Usma Kraft hydropower plant is located in Selbu municipality in Trøndelag county and produces from the water in lake Usme and Gardåa river. The expected annual production is 25.5 GWh.

The total purchase price of NOK 82.9m was paid in cash and was equity financed.

Usma Kraft AS was consolidated in the Group accounts from 20 August 2021.

The table below shows the preliminary purchase price allocation for the acquisitions in 2021:

NOK 1 000	Selselva Kraft AS	Nessakraft AS	Bjørgelva Kraft AS	Usma Kraft AS	Total
Acquisition date	13.01.2021	30.06.2021	30.06.2021	20.08.2020	
Voting rights/shareholding acquired through the acquisition	100%	100%	100%	100%	
Total voting rights after the acqusition	100%	100%	100%	100%	
Non controlling interests	-	-	-	-	
Consideration					
Cash	65 011	73 433	10 035	82 877	231 357
Shares	-	-	-	-	-
Total acquisition cost	65 011	73 433	10 035	82 877	231 357
Book value of net assets (se table below)	6 274	30 646	7 739	20 890	65 548
Identification of excess value. attributable to:					
Inventory	-	-	-	-	-
Property, plant and equipment	75 932	54 856	2 944	79 471	213 203
Other	(2 280)	-	-	-	(2 280)
Gross excess value	73 652	54 856	2 944	79 471	210 923
Deferred tax on excess value	(16 204)	(12 068)	(648)	(17 484)	(46 403)
Net excess value	57 449	42 787	2 296	61 988	164 520
Fair value of net acquired assets excluding goodwill	63 723	73 434	10 035	82 877	230 069
Of which					
Non controlling interest	-	-	-	-	-
Controlling interests	63 723	73 434	10 035	82 877	230 069
Total acquisition cost	65 011	73 433	10 035	82 877	231 357
Fair value of net aquired assets ex goodwill (controlling interests)	63 723	73 434	10 035	82 877	230 069
Goodwill	1 289	-	-	-	1 288

Goodwill of NOK 1.3m related to Selselva Kraft AS is not tax deductible.

The net assets acquired during 2021 is as follows:

NOK 1 000	Selselva Kraft AS	Nessakraft AS	Bjørgelva Kraft AS	Usma Kraft AS	Total
Property, plants and equipment	52 089	111 795	30 487	106 009	300 380
Other non-current assets	207	-	137	8 418	8 762
Financial non-current assets	-	-	-		-
Inventory	-	-	-		-
Other current assets	1 759	84	27		1 871
Cash and cash equivalents	5 288	17 916	1 566	1 231	26 001
Acquired assets	59 344	129 795	32 217	115 659	337 014
Interest bearing debt, long term	49 282	87 000	24 347	94 167	254 796
Current liabilities	2 397	12 149	131	276	14 952
Deferred tax liability	1 392	-	-		1 392
Other	-	-	-	326	326
Net asset value aquired assets	**6 274**	**30 646**	**7 739**	**20 890**	**65 548**
Total acquisition cost	65 011	73 433	10 035	82 877	231 357
Non cash consideration	-	-	-	-	-
Cash consideration	65 011	73 433	10 035	82 877	231 357
Cash in acquired company	(5 288)	(17 916)	(1 566)	(1 231)	(26 001)
Net cash outflow at acquisition	**59 723**	**55 518**	**8 469**	**81 646**	**205 356**

Pro forma financial figures

The acquired subsidiaries are consolidated in the Group accounts from the acquisition date. The table below show the profit and loss statements in the company accounts in 2021 for the period before the acquisition, which are not included in the Cloudberry consolidated accounts.

NOK 1 000	Selselva Kraft AS	Nessakraft AS	Bjørgelva Kraft AS	Usma Kraft AS	Total
Acquisition date	13.01.2021	30.06.2021	30.06.2021	20.08.2020	
Gross revenue from 1.1.2021 untill takeover	121	3 541	351	5 470	9 483
Salaries from 1.1.2021 untill takeover	-	-	-	-	-
Other operating expenses from 1.1.2021 untill takeover	(57)	(1 215)	(464)	(2 636)	(4 371)
Depreciotions from 1.1.2021 untill takeover	-	(396)	(153)	(2 030)	(2 578)
Net finance from 1.1.2021 untill takeover	-	(854)	(314)	(1 448)	(2 616)
Tax expenses from 1.1.2021 until takeover	-	(237)	127	-	(109)
Net income before acquisition not recognized in the Group accounts	**64**	**840**	**(452)**	**(644)**	**(192)**

The table below show the pro forma gross Profit or loss statement before tax if the acquired companies had been consolidated from 1 January 2021.

NOK 1 000	Cloudberry Group reported	Not included from company accounts	Pro-forma Group figures
Total revenues	40 898	9 483	50 381
Cost of goods sold	(5 447)	-	(5 447)
Salary and personnel expenses	(28 106)	-	(28 106)
Other operating expenses	(55 332)	(4 371)	(59 703)
Share of income from associated companies	16 373	-	16 373
Depreciations and amortisations	(9 746)	(2 578)	(12 325)
Net finance	(22 287)	(2 616)	(24 902)
Profit before tax	**(63 648)**	**(82)**	**(63 730)**

Other acquisitions

Skåråna Kraft AS

On 24 February 2021 Cloudberry Production AS acquired 100% of the shares in Skåråna Kraft AS "Skåråna". Skåråna is the owner of two hydropower plants under construction and the acquisition is classified as an asset acquisition in the consolidated accounts.

The two hydropower plants are located in Lund, Rogaland county. They are expected to commence production during the first quarter of 2022 and are expected to have an annual production at a normalized level of 14 GWh.

The total purchase price was originally NOK 23.7m, of NOK 17m was settled cash, while NOK 6m was held back because the purchase price is subject to adjustments in case of cost overruns related to the construction projects. As per end of December 2021 there has been cost overruns estimated to NOK 6m, and hence there will not be no final settlement with the seller. For Cloudberry the total cost is unchanged.

Skåråna is estimated to be in full production during first half of 2022.

Cloudberry acquired Åmotsfoss Kraft AS

On 1 December 2021 Cloudberry Production acquired 100% of the shares of Åmotsfoss Kraft AS "Åmotsfoss". Åmotsfoss is a finished, constructed and commissioned, hydro power plant located in Arendalsvassdraget, built by BN Vannkraft together with local contractors. Cloudberry has been invested in the project prior to construction start and contributed to the set up to fit the Cloudberry operational platform. The acquisition is classified as an asset acquisition in the consolidated accounts.

The expected normalised annual production is 22.7 GWh (4.5 MW).

The total purchase price of NOK 91.4m was paid in cash and was equity financed.

Key risks and financial instruments

Through its business activities, Cloudberry is exposed to various risks, and has engaged in various financial instruments.

The Group focuses on the following risk categories: Market and operational, Financial and ESG risks. The Group overall risk management programme seek to minimize the potential for adverse effects on the Groups performance.

Market risks, including political and regulations risks, and price risks, see note 7, commercial and operational risks, see note 8, and financial risks, see note 9.

Guidelines for risk management and strategy for handling and using financial instruments as a part of the business activities and handling risks have been approved by the Board of Directors. See note 10 Financial instruments and 11 Hedge accounting.

Note 6 Covid 19

The risk and potential consequences of a global pandemic has been illustrated for the past two years. The Covid-19 pandemic has affected all businesses, more or less, in some way, and in general the market situation has been challenging. During the year, Cloudberry has seen some adverse impacts of the pandemic, mainly related to our supply chain and government approvals.

At Odal Vind, entry restrictions for key personnel and logistical challenges in the global supply chain have created some challenges and delays. By year end, 13 of 34 SiemensGamesa turbines are fully installed and first power was delivered to the grid in December. Odal is expected to be in full operation before the end of June 2022.

At Hån windfarm, it was a priority to secure precautionary routines and procedures together with the contractors, especially after the omicron was discovered in November. Nevertheless, in January 2022 there was an outbreak in one of the work teams, but it had minimal impact and the construction is progressing as planned.

Cloudberry has grown significantly and despite many restrictions during 2021 due to Covid-19 the company has delivered more or less all projects on budget and time schedule.

Cloudberry has not applied for, or received, any governmental economic support related to the pandemic. The economic consequences in 2021 is mostly related to indirect costs of delays on projects and related increased capital expenditures.

Cloudberry continues to assess risks related to the Covid-19 situation. The pandemic will continue to influence the markets and potentially cause supply chain disruptions, nevertheless the company expects the pandemic to have limited overall impact on its projects.

Note 7 Market related risks

Political and regulations risk

The power industry is a highly regulated sector and thus subject to political risk

The power industry is publicly regulated, and regulations may change over time. Thus, there is political risk of investments in the renewable and infrastructure industries in the Nordic countries.

The electricity certificate scheme is subject to political risk

The electricity certification scheme is an aid scheme with intention of increasing the renewable power generation in Norway and Sweden. New renewable power generation in Norway and Sweden, which commenced within the end of 2021, will receive electricity certificates. The electricity certification scheme will be discontinued in 2035.

The investment decision related to several of the assets of the Company has been made based on inclusion of electricity certificate revenues. Electricity certificates are traded in a market where the price is determined by the market cross between supply and demand. Demand is based on a quota system determined by political objectives. Revenue from the sale of electricity certificates is consequently subject to political risk.

The guarantee of origin scheme is subject to political risk

In accordance with EU legislation, power plants in the EEA may get approval for guarantees of origin for five years at a time. Energy suppliers may buy such guarantees of origin from the power producer in order to guarantee its customers that the delivered energy is produced from renewable sources.

The relevance of the latest revision of the current European Renewable Energy Directive is currently being assessed by the EEA/EFTA. The revision seems to extend the guarantee of origin scheme, although no decision has been made. The future of the scheme is thus subject to political risk.

The renewable sector is still under development Unexpected success in other areas of renewable energy may reduce the pressure on the authorities to allow for development of wind parks and hydro power plants. This may affect the Group's future investment opportunities and reduce the second-hand value of its power plants. The same may also hold true for non-renewable or currently unknown energy technologies.

Price risk

Sale of electricity, electricity certificates and guarantees of origin constitute a material share of the Group's revenues.

The profitability of the Group's producing power plants depends on the volume and prices of the electricity produced, the electricity certificates and the guarantees of origin. Although some of the sale will be based on fixed price purchase agreements, the majority of the Group's sale will be exposed to price risk related to electricity sold at spot rates, the market price for electricity certificates and the market price for guarantees of origin. The Groups fixed price contracts expired at year end, and from 2022 all production is exposed to fluctuations in the market prices for electricity, electricity certificates and guarantees of origin. New fixed term agreements may be entered into for parts of the production volumes.

Electricity prices are inter alia dependent on substitute or adjacent commodity prices such as e.g. oil, gas and coal prices, but also dependent on metrological conditions, CO_2 pricing and other supply and demand factors going into the clearing of the market price of electricity.

Note 8 Commercial and operational risks

Risks related to changes in laws and regulations

Laws and regulations may affect the Group's operations, increase the Group's operating costs, and reduce demand for its services. Changes in laws and regulations applicable to the Group could increase compliance costs, mandate significant and costly changes to the way the Group implements its services and solutions and threaten the Group's ability to continue to serve certain markets.

For some small-scale power plants and large-scale power plants, license fees and concessionary power must be paid or transferred to the municipality, county or state. Often, such power plants must deliver 10-15% of their power production as concessionary power. The power plant must in such cases sell the concession power at the expected "cost price". Such changes in regulations would affect the Group's profitability.

Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation, may have a material adverse effect for the Group. The Group is subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it is operating, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition. In Norway, it is expected that the taxes on revenues from wind power will increase but there are not any concrete proposals decided yet.

Operational risks

Power plants are highly technical

Investments in power generation and energy-related infrastructure involve technical and operational risks. The Group will seek to invest in power plants of expected good technical standard to reduce the technical risk of the investment. The Group will prioritize technical solutions that are well-proven and delivered by reputable suppliers, so that any repairs can be made within reasonable timeframes and at reasonable cost, and that it is possible with attractive insurance terms. Despite the aim of choosing sound solutions, technical problems may occur meaning possible stops in production or costly reinvestments that reduce the Group's profitability and/or financial position.

Revenues dependent on metrological conditions

The metrological conditions (rain and wind) at particular sites at which the Group's power plants are located can vary materially from season to season and from year to year. If a site proves to have lower resources than anticipated in the Group's business model or suffers a sustained decline in metrological conditions, such power plants are likely to generate lower electricity volumes and lower revenue than anticipated, which could have a material adverse effect on the Group's business.

Risks related to costs of transmission and distribution

Increases in charges relating to the connection to and use of the electricity transmission and distribution networks and relating to balancing of electricity supply and demand, and/or restrictions on the capacity in such networks available for use by the Group's power plants, may result in higher operating costs, lower revenues and fewer opportunities for growth.

Risks related to development projects

For the development projects, there are project related risks with regards to reaching final investment decision. The Group must inter alia negotiate and conclude agreements related to construction, maintenance and operations of the plants, obtain financing and secure the necessary grid capacity and permits. If the Group fails to realize all or some of the development projects, the Group may have to write off the investments made into the project(s).

Risks related to construction projects

For projects under construction, both current and future, the construction phase is linked to risk of overruns and delays. The construction of power plants differs from project to project, and several aspects may cause delays or budget overruns. During construction of wind farms, challenges related to foundations or roads may lead to delays, or heavy winds may delay the installations of the turbines. Distress in the global supply chain may delay certain components and increase cost. Drilling of waterways for hydro power plants may cause delays if the bedrock proves more challenging than expected, and delay of critical components may cause delays to the project, and subsequently cost overruns.

Note 9 Financial risks

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's underlying assets will normally be loan-financed with long term debt obligations with floating rates, which is exposed to the risk of changes in market interest rates.

An increase in interest rates will lead to higher inancingg costs, which reduces the Group's profitability.

Management seeks to minimize the interest rate risk together with borrowing costs. The Group manages the borrowing cost and interest risk by either using long-term financing at fixed rates or using floating to fixed interest swaps. See details under note 10 and 11, financial instruments and hedge accounting.

Currency risk

The Company presents its financial statements in NOK. However, all trades on NordPool, which is the market for trading of power in Norway and Sweden, are settled in Euro, exposing the Group to currency risk (electricity certificates are traded in SEK). Any fluctuations in exchange rates between NOK, SEK and Euro could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

Additionally, the Group has employees and operations in Sweden, which also exposes the Group to currency risk. Any fluctuations in exchange rates between NOK and SEK could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group may want to do business in other countries in the future, exposing the Group to additional currency risk. Should it choose to do so, any fluctuations in exchange rates between NOK and the relevant foreign currency could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group does not currently have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations. However, the Group holds deposits in local currency (NOK, SEK and EUR) in order to match future obligations.

The Group does not have any financial instruments or derivatives in other currencies which could be sensitive to exchange rate fluctuations.

Liquidity risk

Liquidity risk is the risk that Cloudberry will not be able to meet its financial obligations when due. The Group manages liquidity risk through on a regular basis to review of future commitments and the liquidity reserves which consist of cash (see note 21) and borrowing facilities (see note 23). Management prepares minimum quarterly cash flow forecasts that look a minimum of twelve months ahead to handle the liquidity risk. When taking business decisions and entering into contracts Cloudberry evaluates the liquidity needs and makes sure the liquidity needed is in place before entering into contracts.

As of 31 December 2021, the Group has a total of NOK 226 million in contractual commitments, in addition to the current payables which are recognised in the Groups balance sheet. See note 17 Property, plant and equipment and note 24 Provisions, guarantees and other contractual obligations.

Credit risk

Credit risk is the risk that the Group's customers or counterparties will cause financial loss by failing to honour their obligations. The Group is exposed to third party credit risk in several instances including off-take partners who have committed to buy electricity produced by or on behalf of the Group, banks providing financing and guarantees of the obligations of other parties, insurance companies providing coverage against various risks applicable to the Group's assets, and other third parties who may have obligations towards the Group.

The Group's main credit risks arise from credit exposures with deposits with financial institutions and other short-term receivables. Counterparties in derivative contracts and financial deposits are limited to financial institutions with high creditworthiness.

Note 10 Financial instruments

This note provides an overview of all financial instruments held by the Group.

The table below shows the Groups financial instruments with their carrying amounts recognised in the consolidated financial position on 31 December 2021. The carrying amount for assets and liabilities at amortised cost is believed to be close to fair value.

31 December 2021 NOK 1 000	Fianancial assts at amortised cost	Liabilities at amortised cost	Derivative financial instruments - hedge accounting	Total
Derivative financial instrument	-	-	6 579	6 579
Other non-current asset	3 846	-	-	3 846
Total non-current financial assets	3 846	-	6 579	10 425
Trade and other current receivables	84 828	-	-	84 828
Cash and cash equivalents	1 114 934	-	-	1 114 934
Total current finacial assets	1 199 762	-	-	1 199 762
Lease liability short term	-	(1 167)	-	(1 167)
Current borrowings	-	(10 105)	-	(10 105)
Total current financial liabilities	-	(11 272)	-	(11 272)
Lease liability long term	-	(3 416)	-	(3 416)
Financial liability for PPA termination	-	(4 600)	-	(4 600)
Long term borrowings	-	(291 472)	-	(291 472)
Derivatives	-	-	(2 615)	(2 615)
Total non current financial liabilities	-	(299 489)	(2 615)	(302 104)
Net financial assets (liabilities)	**1 203 608**	**(310 761)**	**3 964**	**896 811**

31 December 2020 NOK 1 000	Fianancial assts at amortised cost	Liabilities at amortised cost	Derivative financial instruments - hedge accounting	Total
Derivative financial instrument	-	-	1 322	1 322
Other non-current asset	1 035	-	-	1 035
Total non-current financial assets	1 035	-	1 322	2 357
Cash and cash equivalents	605 126	-	-	605 126
Total current finacial assets	605 126	-	-	605 126
Lease liability short term	-	(1 105)	-	(1 105)
Current borrowings	-	(236 767)	-	(236 767)
Total current financial liabilities	-	(237 872)	-	(237 872)
Lease liability long term	-	(3 296)	-	(3 296)
Financial liability for PPA termination	-	(4 641)	-	(4 641)
Long term borrowings	-	(26 266)	-	(26 266)
Derivatives	-	-	(173)	(173)
Total non current financial liabilities	-	(34 203)	(173)	(34 376)
Net financial assets (liabilities)	**606 161**	**(272 075)**	**1 149**	**335 235**

The fair value of the interest rate swaps derivatives is calculated as the present value of the estimated future cash flows based on observable yield curves (level 2). Changes in fair value relate to daily changes in market prices of the derivative contracts and the volume of contracts. The fair value of the Groups derivative financial instruments has been determined by external banks.

The table below summarizes the fair value for each class of financial instrument recognised the fair value hierarchy.

December 2021 NOK 1 000	Non-current financial investments	Derivative financial instrument (asset)	Derivative financial instrument (liability)	Total fair value
Fair value based on quoted prices in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other that quoted prices (Level 2)	-	6 579	(2 615)	3 964
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 December 2021	**-**	**6 579**	**(2 615)**	**3 964**

December 2020 NOK 1 000	Non-current financial investments	Derivative financial instrument (asset)	Derivative financial instrument (liability)	Total fair value
Fair value based on quoted prices in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other that quoted prices (Level 2)	-	1 322	(173)	1 149
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 December 2020	**-**	**1 322**	**(173)**	**1 149**

The contracts at level 2 as of 31 December are the Groups interest rate derivatives. The fair value of interest rate swaps is determined by discounting expected future cash flows to present value through the use of observed market interest rates. Cloudberry's interest rate derivatives are held for hedging purposes, reference to note 11 Hedge accounting.

Purchase Price Agreements (PPA)
Cloudberry has in some cases entered into PPA for the sale of electric power and el certificates at a fixed price. A characteristic to these agreements is that they can be accounted for as a financial instrument or as a contract with customer, depending on the terms and conditions.

"Own use" contracts: Energy contracts that are entered into and continue to be held for the purpose of the receipt or delivery of the power in accordance with Cloudberry's expected purchase, sale or usage requirements are accounted for as own use contracts. These contracts do not qualify for recognition in the statement of financial position in accordance with IFRS 9 but are accounted for as contracts with customers after IFRS 15 and energy purchase. "Own use" contracts will typically have a stable customer base e.g. bilateral industry contracts, and are settled by physical delivery.

The PPA at Røyrmyra was in 2019 agreed terminated from 31 December 2021. A financial liability of NOK 4.6 million is recognised in the balance sheet and will be due in February 2022. See note 24 Provisions, guarantees and other contractual obligations.

From 31 December Cloudberry currently does not have any PPA for sale of electric power.

Note 11 Hedge accounting

Financial instruments that are designated as hedging instruments or hedged items in hedge accounting are identified based on the intention with entering into a financial instrument. The ineffectiveness from the hedges is recognised in profit and loss.

Cloudberrys strategy is to hedge more than 50% of interest risk on producing assets. The objective for the interest rate management is to reduce risk (reduce volatility of future interest payments) and to lock future interest costs at attractive levels. The secured debt and the interest rate swap agreement has equal terms, and the hedge effectiveness is fully covered. All interest rate swaps are designated as hedging instruments. All interest rate swaps are recognised at fair value.

As per December 2021 Cloudberry has entered into interest rate swaps, swapping from floating to fixed interest rate, for all long term debt related to power plants, see note 23 Long term debt, the interest swap derivatives are accounted with hedge accounting.

The table below shows how the interest rate swap has been accounted for in the statement of comprehensive income. The amounts recognised in OCI is presented net of tax effect.

FY 2021 NOK 1 000	Total hedging gain/loss recognised in OCI	Amount reclassified fro OCI to profit and loss	Line item in the statement of profit and loss
Interest swap for long term debt	2 245	(1 648)	Financial expense

FY 2020

NOK 1 000	Total hedging gain/loss recognised in OCI	Amount reclassified fro OCI to profit and loss	Line item in the statement of profit and loss
Interest swap for long term debt	908	(142)	Financial expense

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of financial assets and liabilities affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit and equity before tax is affected through the impact on floating rate borrowings, as follows

FY 2021

NOK 1 000	Increase in %-points	Effect on profit before tax	Effect on OCI
Interest swap for long term debt drawn when acquring Nessakraft	1%	-	12 119

FY 2020

NOK 1 000	Increase in %-points	Effect on profit before tax	Effect on OCI
Interest swap for long term debt drawn when acquring Nessakraft	1%	-	4 049

The following table shows the maturity for nominal cash outflow for the hedged bank loans and the interest rate swaps

December 2021

NOK 1 000	Less than a year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Bank loan	(19 649)	(20 367)	(20 530)	(20 353)	(315 126)	(396 025)
Interest swaps	(852)	227	741	914	12 580	13 610
Total	**(20 501)**	**(20 140)**	**(19 789)**	**(19 439)**	**(302 546)**	**(382 416)**

December 2020

NOK 1 000	Less than a year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Bank loan	(2 139)	(2 158)	(2 152)	(3 137)	(25 369)	(34 955)
Interest swaps	(315)	(531)	(308)	(140)	2 474	1 180
Total	**(2 454)**	**(2 689)**	**(2 460)**	**(3 277)**	**(22 895)**	**(33 775)**

Please note that the maturity analysis is bases on the Groups assumptions for floating interest rate development on long term.

All items in the statement of financial position classified as current liabilities are due within next 12 months. For maturity analysis for non-current provisions and contractual obligations, please see note 24 Provisions, guarantees and other contractual obligations.

Statement of profit or loss and comprehensive income

Note 12 Sales revenues and other operating income

The consolidated revenues are presented in the table below.

NOK 1 000	2021	2020
Revenue from electricety generation	29 379	2 580
El certificates and guarantees of origin	3 140	743
Management services	2 634	310
Sales revenues	35 152	3 633
Sale of power plant project	-	-
Public grants - El certificates and guarantees of origin	-	8
Other	5 746	(1)
Other income	5 746	7
Total revenue	**40 898**	**3 640**

For information about the revenue split between business segments, see note 4.

Sales revenue

The Group has implemented the 5-step model for revenue recognition in accordance with IFRS 15 Revenue from contracts with customers. See accounting principles in note 2.

For Cloudberry there will be mainly two types of revenue generating customer contracts. This is revenue from sale of power, including sale of el certificates and guarantees of origin from a producing power plant and revenue from management services.

For Cloudberry's power producing assets the customer contract is when connected to the grid, the production for spot sale to the grid or a purchase price agreement (PPA) with a contract customer.

The performance obligation is to deliver power, and the consideration is the transaction price which can be spot or a predefined price. The performance obligation is delivered over time, and therefore the consideration will be accounted for when each unit is delivered, a practical approach is the consideration that Cloudberry has the right to invoice at the transaction date. The right to invoice is when the power is produced and delivered to the grid. In the cases that the power is sold at Nord pool, this is defined as the customer. In other cases, the customer is a specific partner.

For a PPA, the customer contract is the contract to sell the production to a specific price to the contract party. From 2022 Cloudberry does not have any PPAs for its power generation and sales.

Cloudberry Production has a contract for management services for the Forte portfolio of producing power plants. This is accounted for as revenue when the service is provided, and Cloudberry have a contractual right to the consideration. Cloudberry Develop can also in some cases have revenue from management services (project development services), in these cases it must be made an assessment of the timing of when the performance obligation is fulfilled. This will be determined from the nature of the assignment in each contract. Cloudberry Develop has not had any management service revenues in 2021.

When the payment profile for the consideration deviates significantly from the transfer of the services, it is assessed if it is necessary to separate the finance element in the transaction consideration.

Payment terms for power related products are normally within 30 days. Management services are assessed for each service agreement.

For revenue from sale of power and management services the recognition in most cases coincides with the right to invoice the consideration. Unsatisfied performance obligation will be recognized if any.

Other income

In 2021 Cloudberry Develop received an insurance settlement of NOK 4.8m related to Marker Vind farm, this is presented as other income when the settlement is paid. The remining other income is cost compensation from agreed cost split with Downing after the termination of the SPA agreement for Stenkalles in October 2021.

When Cloudberry develops projects in-house or acquire project rights and sell these assets; income from the transfer of the concession to a ready-to-build project or development rights to a project, is recognized upon the transfer of the concession rights or project rights. The income is presented net of the inventory cost related to the project. In 2021 there was no sale of develop projects. When there are conditions precedent to the contract the income is accounted when all material conditions precedent is settled.

Net gain or loss from disposal of fixed assets are presented as other income, there has not been any sale of fixed assets during the year.

Income from government grants is measured at cost. Government grants does not have any costs and the Group has not recognized any income from grants in 2021.

Note 13 Employee benefits and share based payments

Employee benefits are accrued in the period in which the associated services are rendered by the employees of the Company. The table below shows the employee benefits accrued in the period and the capitalized costs relate to development projects.

NOK 1 000	2021	2020
Salaries	22 022	15 141
Payroll tax	4 766	2 069
Pension costs	1 110	614
Share based payment	4 388	1 251
Other benefits	349	365
Gross personnel expenses	**32 635**	**19 439**
- Capitalized development costs (project inventory)	(4 530)	(2 021)
Total personnel expenses	**28 105**	**17 419**
Average number of full-time equivalents (FTEs)	12	8
Number of full-time equivalents as 31.12 (FTEs)	14	10

Included in salaries are renumeration to board members.

Pension

The Group has an established pension scheme that is classified as a defined contribution plan. The pension scheme is in line with the requirements of the law. Contributions to the defined contribution schemes are recognised in the consolidated statement of profit and loss in the period in which the contribution amounts are earned by the employees. The defined contribution plan does not commit Cloudberry beyond the amounts contributed.

Renumeration of Executive Group management

The renumeration of the Executive Group Management is based on a fixed salary, including personal benefits such as free telephone and health insurance, a variable group performance bonus scheme, pension benefits, and a long-term share-based incentive program.

The table below shows the renumeration in 2021

NOK 1 000	Anders Lenborg (CEO)	Christian Helland (CVO)	Suna Alkan (CSO)	Jon Gunnar Solli (COO)	Tor Arne Pedersen (CDO)	Total
Salary	2 700	2 100	1 640	1 850	1 850	10 140
Bonus	1 350	700	400	600	150	3 200
Pension costs	83	77	87	-	87	334
Share based payment	1 729	1 259	355	586	401	4 330
Total reportable benefits paid 2021	**5 862**	**4 136**	**2 482**	**3 036**	**2 488**	**18 004**

The table below shows the renumeration in 2020

NOK 1 000	Anders Lenborg (CEO)	Christian Helland (CVO)	Suna Alkan (CSO)	Jon Gunnar Solli (COO)	Tor Arne Pedersen (CDO)	Total
Salary	1 864	1 448	1 306	1 490	1 330	7 437
Bonus	1 150	600	500	600	600	3 450
Pension costs	66	62	69	63	68	328
Share based payment	426	269	120	160	149	1 124
Total reportable benefits paid 2020	**3 506**	**2 378**	**1 995**	**2 314**	**2 147**	**12 340**

Tor Arne Pedersen was part of executive management group from March 2020. Charlotte Bergquist and Stig J. Østebrøt will be part of the executive group management from January 2022.

In 2021 the Group has established a compensation committee which have targeted Key Performance Indicators (KPIs) and achieved bonus levels for the Group management.

Total renumeration, warrants and shares for top management in 2021:

Executive group management

FY 2021 NOK 1 000	Holding Company	Shares pr 31.12.21	Total renum-aration 2021	Warrants grantet 2021	Warrants pr 01.01.21	Warrants grantet total pr 31.12.21	Warrants exirciced
Anders Lenborg (CEO)	Lenco AS	1 323 546	5 862	1 900 000	795 000	2 695 000	-
Christian Helland (CVO)	Amandus Invest AS	452 758	4 136	1 500 000	500 000	2 000 000	-
Suna Alkan (CSO)	Cappadocia Invest AS	233 448	2 482	300 000	225 000	525 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	600 498	3 036	600 000	300 000	900 000	-
Tor Arne Pedersen (CDO)	Viva North AS	139 128	2 488	300 000	300 000	600 000	-
			18 004	**4 600 000**	**2 120 000**	**6 720 000**	**-**

FY 2020 NOK 1 000	Holding Company	Shares pr 31.12.20	Total renum-aration 2020	Warrants grantet 2020	Warrants pr 01.01.20	Warrants grantet total pr 31.12.20	Warrants exirciced
Anders Lenborg (CEO)	Lenco AS	1 283 546	3 506	795 000	-	795 000	-
Christian Helland (CVO)	Amandus Invest AS	444 758	2 378	500 000	-	500 000	-
Suna Alkan (CSO)	Cappadocia Invest AS	214 000	1 995	225 000	-	225 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	553 602	2 314	300 000	-	300 000	-
Tor Arne Pedersen (CDO)	Viva North AS	49 027	2 147	300 000	-	300 000	-
			12 340	**2 120 000**	**-**	**2 120 000**	**-**

Board of Directors

FY 2021 NOK 1 000	Function	Served since	Term expires	Renum-eration in 2021	Warrants pr 31.12.21	Shares pr 31.12.21	Holding Company
Frank J Berg	Chairman of the Board	2020	2022	550 000	-	3 202 040	CCPartner AS
Petter W. Borg	Board Member	2019	2022	275 000	-	1 995 738	Caddie Invest AS & Kewa AS
Morten S. Bergesen	Board Member	2019	2022	275 000	-	33 868 506	Havfonn AS & Snefonn AS
Benedicte H. Fossum	Board Member	2020	2022	275 000	-	67 845	Mittas AS
Liv E. Lønnum	Board Member	2020	2022	275 000	-		
				1 650 000	**-**	**39 134 129**	

FY 2020 NOK 1 000	Function	Served since	Term expires	Renum-eration in 2020	Warrants pr 31.12.20	Shares pr 31.12.20	Holding Company
Frank J Berg	Chairman of the Board	2020	2022	-	-	2 696 957	CCPartner AS
Petter W. Borg	Board Member	2019	2022	-	-	1 885 638	Caddie Invest AS & Kewa AS
Morten S. Bergesen	Board Member	2019	2022	-	-	1 701 869	Havfonn AS & Snefonn AS
Benedicte H. Fossum	Board Member	2020	2022	-	-	38 095	Mittas AS
Liv E. Lønnum	Board Member	2020	2022	-	-	-	
				-	**-**	**6 322 559**	

In 2021 the renumeration to the Board of Directors was paid amounting to a total of NOK 1.7m.

The nomination committee will propose the renumeration for the board members for 2022 at the Company general meeting in April 2022.

Chairman of the board, Frank J Berg had a consultant agreement for the first three months in 2021. This agreement was terminated in April 2021. Please see note 27 transactions with related parties.

Share based payments and long-term incentive program

In accordance with the terms adopted by the General Meeting of the Company on 21 March 2020, the Board of Directors has established a share incentive scheme for the executive managers and key employees of the Group. The key conditions are as follows:

The equity incentive plan may cover up to 5% of the issued shares in the Company from time to time. Allocations are proposed by the Board and subject to shareholder approval. The exercise price for the warrants is determined by the Board in its reasonable discretion based on fair market value of the Shares on the date of the Board of Directors proposed allocation of warrants under the program. The determined exercise price is subject to approval by the general meeting in relation with issuance of warrants. The duration of the warrants from grant date is 5 years. The vesting period is 1-3 years from the grant date.

The value of the warrants in the accounts are calculated at the grant date given a fair value using the Black and Scholes model. The key assumptions applied is 40% volatility (based on listed peer with 3 years historical data), 1.6% interest rate and approx. 1% dividend yield. Other inputs to the model are current stock price, exercise price and expected life of option (full duration).

The table shows the outstanding warrants as of 1 January and 31 December and movements in the year:

FY 2021	
Outstanding warrants 01.01.2021	2 200 000
Granted in 2021	5 500 000
Exercised in 2021	-
Expired in 2021	-
Outstanding warrants 31.12.2021	**7 700 000**
Exircisable 31.12.2021	2 200 000
Charged to profit and loss statement 2021 (tNOK)	5 261
Charged to equity 2021 (tNOK)	4 388

FY 2020	
Outstanding warrants 01.01.2020	-
Granted in 2020	2 200 000
Exercised in 2020	-
Expired in 2020	-
Outstanding warrants 31.12.2020	**2 200 000**
Exircisable 31.12.2020	-
Charged to profit and loss statement 2020 (tNOK)	1 460
Charged to equity 2020 (tNOK)	1 251

As of the date of the annual report the following warrants have been issued:

NOK 1 000	# Warrants	Grant date	Expiry date	Remaining years	Exercise price	Share Price (grant date)
Warrant package #1	775 000	20.03.2020	20.03.2025	3.2	11.1	11.1
Warrant package #2	1 425 000	25.09.2020	25.09.2025	3.7	12.2	13.1
Warrant package #3	5 500 000	17.06.2021	17.06.2026	4.5	12.5	14.7
	7 700 000			**4.6**	**11.8**	**12.4**

Per 31 December 2021, the equity incentive plan covers 3.3% of the issued shares in the Company.

Note 14 Other operating expenses

The table shows the breakdown on other operating expenses in 2021 and 2021.

NOK 1 000	2021	2020
Lease short-term and variable	6 925	591
External accounting and auditing fees	5 023	2 350
Legal and other fees	16 058	7 303
Operating and maintenance power plants	4 426	689
Project costs	22 324	-
Other	576	1 410
Total other operating expenses	**55 332**	**12 343**

Other operating expenses in 2021 include:
a. Costs related to up listing from Euronext growth to Oslo Børs' Main List in June 2021
b. Significant activity within merger & acquisitions (M&A) and associated financial and legal due diligence costs to third parties
c. Project costs related to finalising the Marker wind project sold from Scanergy AS (Develop) in 2019.

For information about other lease expenses and lease agreements see note 25 Lease agreements.

Expenses related to statutory audit and other auditor services is presented below:

NOK 1 000	2021	2020
Statutory audit	2 695	1 439
Other assuranse services	245	26
Total auditor costs	**2 940**	**1 465**

Note 15 Financial items

NOK 1 000	2021	2020
Interest income	653	924
Other financial income and exchange differences	5 767	60
Total financial income	**6 420**	**984**

NOK 1 000	2021	2020
Interest expense	(9 184)	(2 580)
Guarantees and commitment fees	(6 058)	-
Other financial expense and exchange differences	(17 445)	(1 284)
Capitalized interest	3 980	1 739
Total financial expense	**(28 707)**	**(2 125)**

Other financial income comprises of income from placements in money market funds.

The cash effect of interest payments in 2021 was NOK 6m (NOK 2.4m) related to loans and borrowings. Other interest expenses are related to short term borrowings, lease liabilities and asset retirement obligation.

For further information about interest payments please see note 25 Lease agreements, note 10 Financial instruments, note 11 Hedge accounting, note 21 Cash, cash equivalents and corporate funding, note 23 Long term debt, and note 24 Provisions, guarantees and other contractual obligations.

Fees for guarantees and commitment is related to the supplier guarantee at Odal Vind, see note 24, and commitment fee for undrawn facility related to the term loan facility and revolving credit facility to Sparebank 1 SR Bank of NOK 700m, expanded to NOK 1 400m per end of 2021, see note 23.

Other financial expenses are mostly related to fees to Oslo Børs and exchange differences are related to internal Group loans and bank deposits.

Note 16 Income tax expense

The table below show the tax expense in the income statement

NOK 1 000	2021	2020
Tax expense in the income statement		
Income tax payable	-	-
Change in deferred income tax	609	387
Tax expense in the income statement	**609**	**387**
Reconsiliation of nominal tax rate and effective tax rate		
Profit before income tax	(63 648)	(34 253)
Nominal tax rate	22%	22%
Expected tax expense	14 002	7 536
Effect on taxes of:		
Permanent differences	(1 566)	(96)
Not regognized tas asset related to tax losses carried forward	(12 436)	(7 435)
Changes related to deferred tax on excess values	609	107
Changes related to other deferred tax	-	275
Tax expense in the income statement	**609**	**387**

The appropriate tax rate in Norway and Sweden is 22% and 21.8% respectively.

The Group does not have any operations subject to ground rent tax.

The table shows the deferred tax asset in the balance sheet.

NOK 1 000	2021	2020
Temporarily differences deferred tax asset		
Inventory valuation	-	326
Property, plant and equipment	344	2 508
Derivatives	-	-
Other receivables	-	7 207
Tax loss carried forward	322 230	177 235
Subtotal	322 574	187 277
Of which not recognised as tax asset	(246 869)	(86 066)
Basis for deferred tax asset	**75 705**	**101 211**
Deferred tax asset	**16 655**	**23 423**
Temporarily differences deferred tax liability		
Inventory valuation	(47 241)	(53 077)
Property, plant and equipment	(402 022)	(112 160)
Derivatives	(3 964)	-
Other	-	(3 541)
Basis for deferred tax liability	**(453 227)**	**(168 778)**
Deferred tax liability	**(99 710)**	**(37 091)**
Reconsiliation to the statement of financial position		
Deferred tax asset	16 655	23 423
Deferred tax liability	(99 710)	(37 091)
Net deferred tax liabilities in the statement of financial position	**(83 055)**	**(13 668)**

The recognised tax liability in the balance sheet is mainly related to excess value on property plant and equipment and project inventory.

As per 31 December 2021 the Group has recorded a valuation allowance of NOK 247m related to tax losses carried forward, which is not included in the recognised deferred tax asset.

Deferred tax asset and liabilities are offset to the extent that the deferred taxes relate to the same fiscal authority and there is a legally enforceable right to offset current tax asset against current tax liabilities.

See note 2 Accounting principles and note 3 Key accounting estimates and judgement.

Statement of financial position

Note 17 Property, plant and equipment

The table below shows the split of PPE into producing power plants, assets under construction, other equipment and right-to-use lease assets.

NOK 1 000	Producing power plants	Power plant under construction	Equipment	Right to use - lease asset	Total
Accumulated cost 1.1.2021	58 476	6 008	2 144	5 149	71 778
Additions from business combinations during the year	746 366	47 334	-	405	794 105
Additions during the year	1 903	176 425	1 173	751	180 252
Transfer between groups	11 996	(14 793)	-	-	(2 798)
Transfer from inventory	-	43 636	-	-	43 636
Cost of disposed assets	-	-	(751)	-	(751)
Effects of movement in foreign exchange	-	(3 704)	(293)	-	(3 997)
Accumulated cost at 31.12.2021	**818 742**	**254 905**	**2 273**	**6 305**	**1 082 226**
Accumulated depreciations and impairment losses at 1.1.2021	10 968	-	1 526	858	13 352
Accumulated depreciations acquired assets during the year	50 822	-	-	-	50 822
Depreciations for the year	8 358	-	344	1 044	9 746
Impairment losses	-	-	-	-	-
Accomulated depreciations and impairment losses disposed assets	-	-	(736)	-	(736)
Effects of movements in foreigs exchange	-	-	(82)	-	(82)
Accumulated depreciations and impairment losses at 31.12.2021	**70 148**	**-**	**1 052**	**1 902**	**73 102**
Carrying amount at end of period	**748 594**	**254 905**	**1 221**	**4 403**	**1 009 124**
Carrying amount beginning of period	47 508	6 008	618	4 291	58 426
Estimated useful life (years)	25-50		5-10	5-50	

NOK 1 000	Producing power plants	Power plant under construction	Equipment	Right to use - lease asset	Total
Accumulated cost 1.1.2020	-	-	21	-	21
Additions from business combinations during the year	58 476	3 167	2 098	-	63 741
Additions during the year	-	2 842	25	5 149	8 016
Transfer between groups	-	-	-	-	-
Transfer from inventory	-	-	-	-	-
Cost of disposed assets	-	-	-	-	-
Effects of movement in foreign exchange	-	-	-	-	-
Accumulated cost at 31.12.2020	**58 476**	**6 008**	**2 144**	**5 149**	**71 778**
Accumulated depreciations and impairment losses at 1.1.2020	-	-	10	-	10
Accumulated depreciations acquired assets during the year	8 743	-	1 310	-	10 053
Depreciations for the year	2 225	-	206	858	3 289
Impairment losses	-	-	-	-	-
Accomulated depreciations and impairment losses disposed assets	-	-	-	-	-
Effects of movements in foreigs exchange	-	-	-	-	-
Accumulated depreciations and impairment losses at 31.12.2020	**10 968**	**-**	**1 526**	**858**	**13 352**
Carrying amount at 31.12.2020	**47 508**	**6 008**	**618**	**4 291**	**58 426**
Carrying amount beginning of period	-	-	11	-	11
Estimated useful life (years)	25-50		5-10	5	

Please see note 18 Inventory for information about projects with construction permit and backlog. Right to use lease assets include office lease and fixed amount fall lease on power plants. For further details about lease, please see note 2 and 25 Lease agreements.

During 2021 The Group has acquired Selselva Kraft, Nessakraft, Bjørgelva Kraft, and Usma Kraft and Åmotsfoss Kraft, which are all producing power plants and included in the balance sheet. Other producing power plants are Røyrmyra and Finnesetbekken.

The 14 producing hydro power plants included in the Forte portfolio are equity consolidated and hence not included in the table, see further information in note 20 Investment in associated companies.

Power plants under construction include projects with construction permit and where final investment decision (FID) has been made. Per 31 December the carrying amount includes Skåråna Kraft, a hydro powerplant under construction acquired in 2021 and Hån wind farm, which is an inhouse development project where Cloudberry made a final investment decision in June 2021.

In some cases, Cloudberry has acquired a completed and commissioned power producing plant, but which is currently under construction by a third party. In those cases, the risk and control of the power plant assets is transferred to Cloudberry and included in the accounts when the power plant is ready to produce. Included in power plants under construction are Cloudberry's costs related to the acquisitions of these plants (the acquisition price will be transferred to Cloudberry's accounts when the plant is ready to produce). Per 31 December some minor inhouse costs related to the expected acquisition of Ramsliåna in included.

The investment in Odal Vind AS which is under construction is equity consolidated and hence not included in the table, see further information in note 20 Investment in associated companies.

The total amount of contractual obligations related to the projects Hån wind farm and Skåråna, is EUR 32.5m and NOK 62m respectively, of which EUR 14m and NOK 57m is already invested and reflected in the table above.

The obligation related to Ramsliåna and Tinnkraft is total investment of NOK 36m and NOK 36m respectively. The investments are expected to be financed with 50% debt from the existing debt facility in SpareBank 1 SR-Bank ASA. See note 24 Provisions, guarantees and contractual obligations.

The carrying amount of an PPE asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, initial estimate of decommissioning obligation (asset retirement costs) and, if any, borrowing costs incurred in the construction period. Each significant component of an item is depreciated separately on a straight-line basis over the estimated useful life of the component. When determining the useful life, Cloudberry considers the useful life of the assets and the commissioning period given the power plant.

Asset retirement obligation capitalised

Provision for asset retirement costs have been made for Røyrmyra Wind farm. The timing is expected at the end of the concession period which also coincide with the expected useful life of the wind asset. The amount is included in the initial cost and is depreciated over the expected useful life on a straight-line basis.

Asset retirement obligations have not been made for Cloudberry's current hydro plants. The concessions for the hydro power plants do not have an expiry date, and the useful life of the equipment is estimated to be longer than the lease periods. It is currently assessed that because the power plants would continue to be revenue generating power producing plants, after the end of the lease periods, it is assumed that either the landowners (if the exercise their option to acquire the equipment), or the Company (which have the right to prolong the lease period if option to acquire the equipment is not exercised) will continue the use of the plants and therefore not decommission the equipment. The lease expiry dates are many years ahead (40-60 years) and the assessment will be updated over the useful life of the power plants and may change so that an asset retirement obligation will be made later, when material.

Power plant assets are pledged as security for long term debt, see note 23.

Projects under construction

Hån wind farm

The construction of Hån wind farm started on 2 August 2021. The construction work is on schedule and within budget. The project is located in Årjäng municipality, Sweden, and is planned with an installed capacity of 21 MW. The wind turbine consists of five Vestas V150 4.2 MW with a total height of 200 meters. They are expected to provide an annual production of 74 GWh. The power will be delivered to the Norwegian power grid (NO1, Oslo price area) at Marker transformer station. See also: https://www.cloudberry.no/sv/project/han-vindpark

Note 18 Inventory

Inventory consists of the capitalized costs related to development projects and inventory of government grants of el-certificates and guarantees of origin.

NOK 1 000	31.12.2021	31.12.2020
Projects	153 575	196 021
Government grants	-	8
Total	**153 575**	**196 029**

The table below shows the split of project inventory in projects with construction permit and project backlog. The main projects with construction permit are the wind project Duvhällen and the shallow water project Stenkalles. For Hån wind farm a final investment decision was made in June and it has therefore been transferred to property plant and equipment. The backlog is a significant and risked project portfolio of exclusive projects in Norway and Sweden.

FY 2021

NOK 1 000	Projects - with construction permit	Projects - Backlog	Total
Project inventory 01.01.21	162 545	33 484	196 029
Acqusitions during the year	-	-	-
Capitalization (salary, borrowing cost, other expenses)	8 724	1 975	10 699
Realized	-	-	-
Transfer to PPE	(47 050)	-	(47 050)
Write down current year	(3 010)	-	(3 010)
Effects of movements in foreigs exchange	(2 992)	(101)	(3 093)
Project inventory 31.12.21	**118 217**	**35 358**	**153 575**

FY 2020

NOK 1 000	Projects - with construction permit	Projects - Backlog	Total
Project inventory 01.01.20	-	-	-
Acqusitions during the year	154 745	32 812	187 557
Capitalization (salary, borrowing cost, other expenses)	7 800	672	8 472
Realized	-	-	-
Transfer to PPE	-	-	-
Write down current year	-	-	-
Effects of movements in foreigs exchange	-	-	-
Project inventory 31.12.20	**162 545**	**33 484**	**196 029**

Included in the carrying amount is capitalized external cost related to the project, salary to employees working with project development and borrowing costs.

Capitalised costs in 2021 consist of NOK 1.5m (NOK 1.7m) in borrowing costs, NOK 2.6m (NOK 2.0m) in salaries and NOK 6.6m (NOK 4.8m) in external fees. The capitalisation rate applied for borrowing costs is 3.2%.

Power plants under development (Development projects)

Expenses related to research activities (project opportunities) are recognised in the statement of profit or loss as they incur. Expenses related to development activities (backlog) are capitalised to the extent that the project qualifies for asset recognition, the Group is technically and commercially viable and has sufficient resources to complete the development work.

For Cloudberry asset recognition of project inventory is done when Cloudberry has the right to explore the developing project and is in the process to enter a concession application. Before asset recognition, the projects are assessed if it meets the major key success prerequisites and it must also meet the criteria for expected future economic benefits, either from a project sale or from an in-house owned power producing power plant.

The development projects are part of the Develop business segment and are mainly held for trading. A project can be reclassified to held for own use if it is selected to be kept as a long-term producing asset. When a project is ready to build, and Cloudberry makes the final investment decision (FID), the projects will be reclassified to property, plant and equipment and accounted according to IAS 16.

Impairment

For inventory impairment is preformed if net sales value is less than the carrying value of the asset. Cloudberry has implemented a quarterly routine to go through all projects to secure satisfying progress and attention. If a project does not qualify for internally prioritization, but the projects is put on hold or discontinued, the book value is impairment tested and a sales value is assessed. If the sales value, less cost of disposal is less than book value, an impairment loss classified as a write down is recognized over the profit or loss statement.

As per 31 December Cloudberry has an impairments loss of NOK 3m related to some minor hydro development projects due to lack of inhouse further development and the prospects of profitability in the projects. The impairment loss is classified as cost of goods sold.

Projects with construction permit

Stenkalles (project Vänern)

Detailed planning and procurement is underway for Stenkalles wind farm, which is located in Sweden's largest lake, Vänern. Cloudberry's new off-shore team is working closely with the project team from the Dutch company, Ventolines to optimize the project and further reduce risk. Final investment decision is expected during H2 2022. Ventolines recently completed a very comparable 383 MW shallow-water project in Lake Fryslan, the Netherlands (https://www.windparkfryslan.nl).

Project backlog & pipeline

Björnetjernsberget

Cloudberry has sent a consultation document (Samrådshandling) for the Björnetjärnsberget project in Eda municipality, Sweden. This means that the formal process related to the project to the authorities and stakeholders has begun. The project is within municipal plans for wind power. The project is planned with 15-18 wind turbines with a total installed capacity of 90-140 MW. A collaboration has also been initiated with Hilmer Andersson AB, a local sawmill that over several years has had major challenges with poor power supply, both security of supply and capacity. See also: https://www.cloudberry.no/sv/project/bjornetjarnsberget-vindpark

Note 19 Impairment

Impairment testing is done for assets, grouped at the lowest level for which they generate separately identifiable cash flow, when an impairment indicator is observed. This refers to assets classified as property, plant and equipment, and equity accounted investments. Goodwill is tested at least annually without regards to observed impairment indicators.

Property plant and equipment

Producing power plants and projects under construction are tested for impairment to the extent that indicators of impairment exist. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value in use. Cloudberry uses a discounted cash flow model to estimate the Groups value in use for this purpose. The subject for the impairment test is each individual hydro or wind power plant.

There was no impairment indicator observed for property, plants and equipment and no impairment testing were performed.

Investments in associated companies

With application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associated companies. At each reporting date, the Group determines whether there is an impairment indicator observed which indicates the need for impairment testing. If so, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and the carrying value, and then recognises the loss as 'Net Income(loss) from associated companies in the statement of profit or loss. The same method as for recoverable amount and value in use is used as for producing power plants/projects under construction.

There was no relevant impairment indicator observed for no impairment testing were performed.

Goodwill

For Goodwill, the related segment is defined as the relevant segment CGU.

The table shows the allocation of the total goodwill acquired in business combinations for impairment testing purposes, including to which segment the goodwill relates and the carrying value per 31 December.

NOK 1 000	2021	2020
Goodwill Production	1 289	-
Goodwill Develop	36 933	36 933
Total	**38 222**	**36 933**

The goodwill related to Develop origins from the acquisition of Scanergy AS in February 2020. The goodwill was determined to be related to the large pipeline of project prospects within wind on land and shallow water, the know-how and business connections (employees), the record of accomplishments over the past 10 years for the company acquired, as well as synergies.

The model for impairment testing goodwill related to the Development segment is based om the same model as for impairment testing projects, which is value in use based on a discounted cash flow model.

The goodwill related to Production origins from the acquisition of Selselva Kraft AS in January 2021. The goodwill was determined to be related to a potential expansion of the power plant

The model for impairment testing goodwill related to the Production segment is based on the same model for value in use and a discounted cash flow model.

The impairment test did not result in any impairment losses and the Groups value in use was significantly higher than the carrying amont.

For information about the acquisition of Selselva Kraft see note 5 Business Combinations.

Note 20 Investments in associated companies

Investments in associated companies are accounted for using the equity method. Odal Vind use EUR as functional and reporting currency. Transactions are translated using the average rate in the respective quarter, while assets and liabilities are translated using the exchange rate at reporting date. Exchange rate differences are recognised in the Group accounts in other comprehensive income.

The table shows the summarized investments in associated companies included in the Groups balance sheet as of 31 December 2021

Name of Entity		Place of business	Consolidated economic interest in 2021	Segment	Princippal Activities
Forte Energy Norway AS with SPV's.	Assosiated company	Norway	34.0%	Production	Hydro power
Odal Vind AS	Assosiated company	Norway	33.4%	Production	Wind power under construction

Forte Energy Norway AS (Forte)

Cloudberry acquired 34% of Forte in November 2020. Forte owns 13 producing hydro power assets and one power offtake agreement in Norway, with a combined normalized annual production of 86 GWh net to Cloudberry. The hydro power assets have an average license life of minimum 50 years.

Cloudberry Production is the local manager of the Forte portfolio and delivers management services. Cloudberry has secured appropriate and customary governance mechanisms and rights for its 34% minority share interest. The majority owner of Forte is Fontavis Forte HYDRO S.A R.L. Fontavis is a part of the Swiss Life group.

Shareholders agreement and daily management of Forte

Forte is managed through the Shareholders agreement (SHA) dated 7 July 2020 between Fontavis (66%) and Cloudberry (34%).
The SHA's purpose is to govern the Parties ownership responsibilities. It has the following overall principles:

- The parties shall together prepare a business plan which is updated annually and is to be approved by the Board.
- Cloudberry shall be the local manager of Forte and have the responsibility for day-to-day operational management and supervision (services defined in "Management Agreement").
- The Board consists of 5 directors, Fontavis shall have the right to appoint three (3), including the chairman, while Cloudberry have the right to appoint two, (2).

The SHA's material substance is that both shareholders must cooperate in decisions about the business activities of Forte, Cloudberry has concluded that it is not joint control, but Cloudberry has significant influence in Forte.

Odal Vind AS

In December 2020 Cloudberry acquired 15% of the Odal windfarm with an option to increase the ownership up to 33.4% which was exercised on expiration on 30 June 2021. The transaction took place on 6 July.

The Odal windfarm is currently under construction in Innlandet, Norway and is expected to be in full production by the end of H1 2022. The windfarm is constructed together with local and well-known partners KLP and Akershus Energi. Due to some covid related delays there has been some minor cost overruns, but less than 5% of CAPEX. The overall economics of the project is unchanged for Cloudberry.

The table show the summarised financial information in the Group accounts for associated companies.

FY 2021

NOK 1 000	Forte Energy Norway AS	Odal Vind AS	Total
Book value as beginning of year	233 995	103 086	337 081
Additions of invested capital	-	331 806	331 806
Share of Profit/loss for the year	15 993	(3 794)	12 198
Depreciation of excess value	(2 823)	-	(2 823)
Dividend paid to the owners	-	-	-
Correction from previos years result	726	-	726
IFRS adjustment	6 272	-	6 272
Currency translation differences	-	(7 853)	(7 853)
Items charges to equity	-	-	-
Book value at reporting date	**254 162**	**423 245**	**677 407**
Excess value beginning of year	141 148	7 297	148 445
Correction against booked equity	(1 445)	-	(1 445)
Excess value 31 December 2021	136 880	19 297	156 177
Book value of equity at 31 December associated company	116 417	403 948	520 365

The IFRS adjustment in Forte relates to the power off take agreement which in the Forte accounts is recognised at cost, while in the Group accounts according to IFRS is recognised in the balance sheet at fair value with the change in fair value recognised in the periods profit or loss statement.

The correction against booked equity relates to adjustment of the purchase price and purchase price allocation.

FY 2020

NOK 1 000	Forte Energy Norway AS	Odal Vind AS	Total
Book value as beginning of year	-	-	-
Additions of invested capital	237 551	103 086	340 637
Share of Profit/loss for the year	(2 966)	-	(2 966)
Depreciation of excess value	(591)	-	(591)
Dividend paid to the owners	-	-	-
Correction from previos years result	-	-	-
IFRS adjustment	-	-	-
Currency translation differences	-	-	-
Items charges to equity	-	-	-
Book value at reporting date	**233 994**	**103 086**	**337 080**
Excess value beginning of year	-	-	-
Correction against booked equity	-	-	-
Excess value 31 December	141 194	7 184	148 378
Book value of equity at 31 December associated company	92 800	95 902	188 702

The table shows the summarized financial information for the equity accounted companies. The figures apply to 100% of the companies' operations.

Revenue and balance total

	FY 2021			FY 2020		
NOK 1 000	Forte Energy Norway AS	Odal Vind AS	Total	Forte Energy Norway AS	Odal Vind AS	Total
Revenue	122 319	81	122 400	4 555	1 900	6 455
Operating costs	(48 029)	(7 487)	(55 515)	(3 250)	(6 345)	(9 595)
Depreciations and amortisations	(19 961)	(157)	(20 117)	(3 703)	-	(3 703)
Operating profit	54 330	(7 562)	46 767	(4 851)	(4 445)	(9 296)
Net interest expenses	26 802	(2 829)	23 973	(3 871)	-	(3 871)
Tax expense	(17 849)	(2 422)	(20 271)	2 135	1 045	3 180
Profit for the period	63 283	(12 813)	50 470	(6 588)	(3 400)	(9 988)
Total non current assets	949 864	1 700 911	2 650 775	896 275	458 704	1 354 979
Total current assets	116 818	518 421	635 239	61 129	47 391	108 520
Total cash and cash equivalents	99 089	399 488	498 577	32 072	217 778	249 850
Long term debt	664 126	889 502	1 553 628	693 360	-	693 360
Short term debt	59 809	120 404	180 213	23 174	84 524	107 698
Equity	342 747	1 209 426	1 552 172	272 942	639 349	912 291

The table shows Cloudberry's share of the summarized financial information on a line for line basis for the equity accounted companies.

Revenue and balance based on Cloudberrys ownership

	FY 2021			FY 2020		
NOK 1 000	Forte Energy Norway AS	Odal Vind AS	Total	Forte Energy Norway AS	Odal Vind AS	Total
Revenue	41 588	27	41 615	1 549	-	1 549
Operating costs	(16 330)	(2 090)	(18 419)	(1 105)	-	(1 105)
Depreciations and amortisations	(6 787)	(52)	(6 839)	(1 259)	-	(1 259)
Operating profit	18 472	(2 115)	16 357	(1 649)	-	(1 649)
Net interest expenses	9 113	(792)	8 321	(1 316)	-	(1 316)
Tax expense	(6 069)	(933)	(7 001)	-	-	-
Profit for the period	21 516	(3 794)	17 722	(2 966)	-	(2 966)
Total non current assets	322 954	568 851	891 805	304 733	68 806	373 539
Total current assets	39 718	39 723	79 442	20 784	7 109	27 892
Total cash and cash equivalents	33 690	133 429	167 119	10 905	32 667	43 571
Long term debt	225 803	296 299	522 102	235 742	-	235 742
Short term debt	20 335	40 215	60 550	7 879	12 679	20 558
Equity	116 534	405 490	522 024	92 800	95 902	188 703

Pro-forma figures 2021 for the investments

The investment of in Odal Vind AS from 15% to 33.4% was acquired on 6 July. The pro forma effect on the Group accounts for 2021 had been a loss of NOK 0.4m for the full year.

Note 21 Cash, cash equivalents and corporate funding

The Group has entered into a corporate account agreement with SpareBank 1 SR-Bank in June 2020 for the Norwegian companies. No credit facility is incorporated in this agreement, but a larger facility with SpareBank 1 SR-Bank is established, see note 23 Long term debt.

NOK 1 000	2021	2020
Bank deposits	382 911	554 556
Money market funds	732 023	50 570
Total cash and cash equivalents	**1 114 934**	**605 126**

Investments in money market funds consist of investments in KLP fund and Fondsforvaltning. These placements are short term placements and is readily convertible to cash.

Restricted cash related to the guarantee for supplier payment to Odal Vind of NOK 82m, tax withholdings of NOK 0.5m and a guarantee deposited to a restricted bank account to the municipality at Hån wind farm of SEK 3m is not included in cash and cash equivalents, this is classified as other current assets per 31 December 2021 (NOK 153m as per 31 December 2020). A deposit for office rent of NOK 0.7m is classified as a non-current financial asset.

Note 22 Share capital and shareholder information

The table below show the share capital, share premium and number of shares as of 31 December 2021 and 31 December 2020.

NOK 1 000	2021	2020
Share capital	58 811	26 266
Share premium	2 676 225	1 061 675
Share capital and premium at 31 December	**2 735 036**	**1 087 941**
Number of shares at 31 December	235 244 646	105 065 336

The shares are at par value NOK 0.25.

The following capital increases has taken place in 2021:

NOK 1000	Date	Number of shares	Share capital
Number of shares 1 January 2021		105 065 336	26 266 334
Capital increase	17 Jun	86 000 000	21 500 000
Capital increase	02 Jul	2 800 000	700 000
Capital increase	08 Dec	41 379 310	10 344 828
Number of shares and share capital 31 December 2021		**235 244 646**	**58 811 162**

The table below show the 20 largest shareholders of Cloudberry as of 31 December 2021:

	Number of shares	Share of ownership	Share of voting rights
Ferd AS	26 344 827	11.2%	11.2%
Joh Johannson Eiendom AS	24 283 711	10.3%	10.3%
Havfonn AS (Bergesen family)	19 600 264	8.3%	8.3%
HSBC Deutschland (Lloyd Fonds)	18 980 281	8.1%	8.1%
Snefonn AS (Bergesen family)	14 268 242	6.1%	6.1%
The Northern Trust (New Zealand Superannuation Fund)	13 539 560	5.8%	5.8%
State Street Bank and Trust Comp (Swedbank Robur)	11 609 356	4.9%	4.9%
Caceis Bank	9 253 700	3.9%	3.9%
Clearstream Banking S.A.	6 833 195	2.9%	2.9%
Danske Invest Norge Vekst	5 145 485	2.2%	2.2%
Skandinaviska Enskilda Banken AB	5 000 000	2.1%	2.1%
Awilco AS	4 800 000	2.0%	2.0%
Gjensidige Forsikring ASA	3 302 945	1.4%	1.4%
CCPartner AS (Chairman, Frank J. Berg)	3 202 040	1.4%	1.4%
MP Pensjon PK	3 012 360	1.3%	1.3%
Klaveness Marine Finance AS	2 613 115	1.1%	1.1%
Citibank Europe plc	2 600 000	1.1%	1.1%
Verdipapirfondet KLP	2 426 887	1.0%	1.0%
State Street Bank and Trust Comp	2 161 632	0.9%	0.9%
RBC Investor services bank S.A.	1 918 000	0.8%	0.8%
Other	54 349 046	23.1%	23.1%
Total number of shares	**235 244 646**	**100.0%**	**100.0%**

Note 23 Long term debt

In November 2021 the Group increased the NOK 700 million credit facility with SpareBank 1 SR-Bank ASA (established in March 2021) to NOK 1 400m, with a possibility to increase the facility with additional NOK 500m. The facility consists of a term loan facility to finance investments in producing power plants (hydro and wind) in Norway and Sweden. The facility covers current inhouse producing assets and growth opportunities both organically and in-organically.

In addition to the term loan facility, the facility with SP Bank also consists of a related revolving credit facility of NOK 300m.

The Group has the following long-term borrowings as per 31 December 2021:

NOK 1 000	31.12.2021	31.12.2020
Total bank loan related to power plants	301 577	26 266
Reclassified principal payment to short term interest bearing loans and borrowings	(10 105)	-
Derivative liability realted to hedge accounting	2 615	173
Total long term interest bearing loans and borrowings	**294 087**	**26 440**

The term loan facility established in SpareBank 1 SB-Bank ASA has refinanced the two existing term loans related to Røyrmyra and Finnesetbekken, amounted to NOK 26.4m per 31 December 2020. In relation to the acquisition of Selselva Kraft AS, Bjørgelva Kraft AS and Nessakraft AS, the Group has withdrawn NOK 49.3m, NOK 24.3m and NOK 87m respectively.

The total amount withdrew from the term loan facility as per 31 December is NOK 225m, this also includes drawn construction financing of NOK 40m related to the construction of Skåråna hydro power plant. The remaining debt is related to Åmotsfoss Kraft AS, this will also be refinanced with the term loan facility in 2022.

The table below shows a reconciliation of opening balance, movements and closing balance of the long-term debt for the year 2021:

NOK 1 000	In cash flow statement	
Opening balance long term debt 01.01.21		26 440
Debt take over in acqusitions	non-cash	331 609
Repaid existing debt in subsidiaries for refinancing	cash outflow	(281 062)
Drawn from new facility with refinanced	cash inflow	186 348
Drawn construction loan	cash inflow	40 000
Downpayments	cash outflow	(1 584)
Change in swap derivative	non cash	2 442
Reclassified principal payments to short term	non-cash	(10 105)
Closing balance long term debt 31.12.21		**294 087**
Of which:		
Drawn from new facility with refinanced		186 348
Drawn construction loan		40 000
Proceeds from new term loans 2021		**226 348**
Repaid existing debt in subsidiaries for refinancing		(281 062)
Downpayments		(1 584)
Total repayment of term loan 2021		**(282 646)**

The interest rate on the term loan is 3 months NIBOR pluss margin less than 2%

The bank loan facilities' terms are at a market floating interest rate with a fixed interest rate swap to reduce the interest rate risk. See note 11 Hedge accounting.

The following financial covenants and collateral apply to the credit facilities:

1. Group consolidated equity ratio, minimum 30%
   Cloudberry Production equity ratio, minimum 30%
   Minimum Group equity NOK 1 800m
   Minimum equity Cloudberry Production AS, NOK 90m

2. Liquidity reserves Group level, minimum NOK 40m

3. Minimum secured 75% share of principal pr loan of 5 years.

4. Pledge related to Cloudberry Production AS:
   Pledge in shares in all subsidiaries with producing assets (SPV's).
   Pledge in shares in associated companies
   Pledge in cash, inventory and receivables.

   Pledge applied for subsidiaries with producing assets:
   Pledge in cash and bank accounts
   Pledge in property plant and equipment
   Pledge in inventory and receivables
   Pledge in lease agreements for land and water/fall rights.

The Group was not in any breach with covenants as per 31 December 2021.

Note 24 Provisions, guarantees and other contractual obligations

Long term provisions

The table shows the long-term provisions on 31 December

NOK 1 000	2021	2020
PPA contract termination	-	4 641
Resell obligation	9 108	9 920
Asset retirement obligation	948	914
Other	745	393
Total long term provisions	**10 801**	**15 868**
Due 1-3 years	9 108	14 561
Due > 3 years	1 693	1 307

The PPA contract termination is related to the PPA contract for the power production at Røyrmyra Wind farm is due in February 2022 and has hence been reclassified to short term.

The provisions for "resell obligation" are related to obligations to prior owners of projects that will be realised. The provisions are based om estimates and are not interest bearing. The amounts are in SEK and therefor subject to currency variations. The amounts are due at FID taken on the projects.

No long-term provision has been payable in 2021, movements are related to reclassification, change in currency effect, provision for interest and additions from acquisitions.

NOK 1 000	PPA contract termination obligation	Resell obligation	Asset retirement obligation	Other	Total
Provisions at 1.1	4 641	9 920	915	393	15 869
Change in accounting policy	-	-	-	-	-
Provision made during the year	-	-	-	-	-
Additions of acquisitions	-	-	-	352	352
Provisions reversed during the year	-	-	-	-	-
Change in estimates	-	-	-	-	-
Interest elements of provisions	-	-	32	-	32
Disposals / reclassified to short term provision	(4 652)	-	-	-	(4 652)
Effects of movement in foreign exchange	11	(812)	-	-	(801)
Total provisions 31.12	**-**	**9 108**	**948**	**745**	**10 801**

Asset retirement obligation

Provision for asset retirement costs is recognized when the Group has an obligation to dismantle and remove a hydro or wind power plant and to restore the site where it is located after a concession period is over.

As of time of writing, the Group only have wind power assets that have recognised this obligation. Asset retirement obligations have not been made for the Group's current hydro plants, please see note 2 accounting policies and principles. The assessment is evaluated annually.

The provision for asset retirement obligation related to Røyrmyra Wind farm was established after the acquisition of the CB Nordic Renewable and Infrastructure Fund I AS (now Cloudberry Production AS), and implementation of IFRS in the consolidated group accounts.

The estimated cost for retirement is based on expected cost at the expiry of the concession, this is based on an estimate of today's cost and adjusted for future inflation and discounted with estimated long-term cost of capital cost. The expected settlement date is at the end of the concession period, end of 2040.

Short term debt and provisions

NOK 1 000	2021	2020
Short term interest-bearing liabilities	10 105	236 767
Trade creditors	37 300	24 885
Accrued salary and bonus	6 843	5 363
Provision for project costs	6 984	6 225
Public duties payable	3 448	1 990
Settlement to buy out minority shareholders	-	4 070
PPA contract termination	4 652	-
Accrued fall lease	5 750	591
Other	14 349	1 883
Total short term liabilities and provisions	**89 432**	**281 773**

The short-term interest-bearing debt is per 31 December of NOK 10.1m is related to reclassification of principal payments of long-term interest bearing debt, see note 23 Long term debt. Per December 2020 the short-term interest-bearing debt of NOK 236.7m was related to the acquisitions of Forte Energy Norway AS, which was given a credit facility at the acquisition. The amount was repaid in March 2021.

Trade creditors is mainly related to invoices from advisors and facilitators used in the equity emission in December 2021.

Guarantees and other contractual obligations

The Group has the following guarantees and bank deposits with duration:

NOK 1 000		Balance sheet item	Maturity date	2021	2020
Guarantee Odal Vind	Bank guarantee/ bank deposit restricted	[1]	H1 2022	317 000	152 422
Guarantee Hån wind farm	Bank deposit restricted	Other current asset	H2 2022	3 000	-
Bank guarantee to Axpo	Bank guarantee	Off-balace	February 2022	4 640	4 858
Bank guarantee Marker Vindpark	Bank guarantee	Off-balace	August 2022	7 586	7 586
Guarantees for office rent	Escrow account	Non-current financial asset	February 2025	651	651
Total guarantees and deposits				**332 878**	**165 518**

[1] The guarantee related to Odal Vind is related to Cloudberry's share (33.4%) of a guarantee to the turbine provider Siemens Gamesa. Cloudberry's share of the guarantee amounts to total NOK 317m and consist of the NOK 300m revolving credit facility and a payment to a restricted account. The amount deposited to the restricted account, total NOK 82m (also includes restricted cash for use of credit facility) is presented as other current assets in the balance sheet. On 1 February the guarantee was reduced from EUR 31m to EUR 10m.

The guarantee (escrow account) to Odal per end of 2020 of NOK 152.4 m was reclassified from other current assets to cash and cash equivalents in 2021.

The amount paid to escrow accounts related to Odal guarantee of NOK 82m and Hån guarantee of NOK 3m, this is classified as other current assets. Total paid in 2021 is NOK 85m.

Other obligations not recognised in the balance sheet is related to financial close of secured portfolio. The Group has per 31. December 2021 signed Sale and Purchase agreement to the following power plants with financial close in 2022. The power plant is under construction and risk of the assets are not yet transferred to Cloudberry. Because the risk is not transferred and there are conditions precedent up until the takeover e.g. that the power plants shall function according to the agreement, the assets and the obligations are not recognised in the balance sheet.

NOK 1 000	Expected settlement	Equity financed	Debt Financed	Total
Ramsliåna	H1 2021	18 000	18 000	36 000
Total		**18 000**	**18 000**	**36 000**

SPA (and close for some) of Captiva, Tinnkraft, Øvre Kvemma, Munkhyttan and Kafjärden was signed in 2022, see note 29 Subsequent events.

For information about Cloudberry's share of debt in associated companies, please see note 20.

Note 25 Lease agreements

Cloudberry has recognised the lease agreement with lease liabilities and corresponding right to use assets for office lease and some minor land lease agreements related to power plants with fixed lease amount.

The table shows the reconciliation of lease liability in the beginning of the year and per 31 December:

NOK 1 000	2021	2020
Lease liability at 1.1.	4 401	-
Lease agreements entered into during the year	1 156	5 149
Lease payments during the year	(1 129)	(903)
Interest expense on lease liability	155	154
Lease liability at 31.12.	**4 583**	**4 401**
Lease payment of which:		
Payment on lease liabilities - interest	(155)	(154)
Repayment on lease liabilities	(974)	(750)
Lease payments during the year	**(1 129)**	**(904)**

For split of total lease liability between current and non-current in the statement of financial position, please see table below in this note.

Lease liability in the beginning of the year was related to office lease at Bergehus, during the year the Group has recognised some minor lease agreements related to the fixed lease amounts on land lease related to power plants.

The discount rate used to calculate the present value of future lease payments is the lessees marginal loan rate, which consists of a base rate and a credit premium. The base rate is a market rate based on a combination of the lessee's home country and the term of the lease. Credit premiums correspond to market credit premiums for companies with similar credit ratings as lessees. Credit rating is determined through individual credit assessment of the individual lessee. Interest expenses related to the lease obligations are recognized as a separate line in the income statement. The Group presents its lease liabilities as separate line items in the statement of financial position.

Lease in the statement of financial position

NOK 1 000	2021	2020
Assets		
Right-to-use asset beginning of year	4 291	-
Right-to-use asset reqognised in the year	1 156	5 149
Amortisation during the year	1 044	(858)
Right to use asset end of year	6 492	4 291
Liabilities		
Non-current liabilities	3 416	3 296
Current lease liability	1 167	1 105
Total lease liability	**4 583**	**4 401**

The table show the maturity analysis with undiscounted contractual cash outflow for the lease agreements:

FY 2021

NOK 1 000	Less than a year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Cash outflow lease liability	1 167	1 187	1 210	236	2 354	6 154
Total	**1 167**	**1 187**	**1 210**	**236**	**2 354**	**6 154**

FY 2020

NOK 1 000	Less than a year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Cash outflow lease liability	1 105	1 127	1 150	1 173	199	4 753
Total	**1 105**	**1 127**	**1 150**	**1 173**	**199**	**4 753**

Leases in the income statement

NOK 1 000	2021	2020
Operating expenses		
Variable fall lease payment expenses	(6 035)	(365)
Short term lease expenses	(378)	(133)
Low value lease expenses	(512)	(93)
Depreciation expenses		
Depreciation of right to use asset (office lease)	(1 044)	(858)
Financial expenses		
Interest expenses on lease liability	(155)	(154)
Total lease expense in the income statement	**(7 747)**	**(1 470)**

Included in variable lease is rent to landowner where the water right lease is variable. Short term and low value rent are mostly related to office rent in Sweden which is a short-term lease agreement. See note 15 Other operating expenses.

Other information

Note 26 Earnings per share

Earnings per share is calculated as profit/(loss) attributable to the equity holders of the parent company divided by the number of shares outstanding.

Diluted earnings per share is affected by the warrant program for equity settled share-based payments transactions, see note 13 Employee benefits and share based payments.

NOK 1 000	2021	2020
Profit/(loss) attributable to the equity holders of the company	(63 038)	(33 865)
Weighted average number of shares outstanding for the purpose of basic earnings per shaer	155 842 058	39 098 584
Earnings per share for income attributable to the equity holders of the company - basic NOK	(0.40)	(0.87)
Effect of potential dilutive shares		
Weighted average number of shares outstanding for the purpose of diluted earnings per share	159 800 849	40 528 735
Earnings per share for income attributable to the equity holders of the company - diluted NOK	(0.40)	(0.87)

For information about share capital on 31 December see note 22 Share capital and shareholder information.

Note 27 Transactions with related parties

The Group has during 2021 had transactions with the following related parties

NOK 1 000

Related party	Relation for Cloudberry	Nature of transaction	2021	2020
Bergehus Holding AS	Board member and indirect shareholder	Office lease	1 278	970
Captiva Financial Services AS	Chairman of the Board & Indirect shareholder	Accounting fee	124	328
CCPartners AS	Chairman of the Board	Consultant agreement	692	1 154
Captiva Energi AS	Chairman of the Board & Indirect shareholder	SPA for aquisition of Skåråna Kraft	-	80 000
ScanVind2 AS	Chairman of the Board	Acquisition of Scanvind 2 AS	-	34 250
Cb4 Green Invest AS	Board members & Indirect shareholders	Acquisition of Skogvind AS	-	82 877
Forte Energy Norway AS	Associated company	Management fee revenue	2 600	310
Capiva Asset Management AS	Chairman of the Board & Indirect shareholder	Project consultancy and operational platform asset management	4 896	-

All transactions with related parties and within group companies are made on arm's-length basis and in a manner similar to transactions with unrelated third parties.

Services delivered in 2021 from Captiva Asset Management AS is related to project management on construction of Skåråna, finalizing Marker and project planning on Stenkalles. From October 2021 the operational platform of the Groups producing assets were operated by Captiva and the amount also includes management fees om power plants.

See note 20 Investments in associated companies for information about management fee to Forte

See note 25 Lease agreements for information about the office lease agreement

The agreements with Captiva Financial Services and CCPartners AS was terminated during H1 2021.

See note 13 Employee benefits short term and long-term benefits of management

The Group has the following balance sheet item recognised to related parties

NOK 1 000	2021	2020
Accounts receivables	-	388
Other current receivables	-	-
Accounts payable	-	144
Other liabilities	-	-

As per 31 December there were no employee or shareholder loans.

Transactions within group companies relate to consultant fees (development), loans and finance agreements. All group transactions have been eliminated in the consolidated group accounts.

Current receivables are related to claims arising from purchase and sale of services as well as accrued interest on group loans. Short term receivables are unsecured and non-interest bearing.

Long term loans between group companies and the applied interest rate reflect the risk related to the loan and is at market terms.

The group has not made any provisions for losses on current receivables from related parties as of 31 December 2021.

Current liabilities are related to purchase of services and accrued interest on loans.

Note 28 List of subsidiaries and equity accounted companies

The following companies are fully consolidated (subsidiaries) or accounted for with the equity method (associated companies) as per 31 December 2021.

Name of Entity	Accouned as	Place of business	Ownership intrest	Part of Group from date	Segment
Cloudberry Clean Energy ASA	Subsiduary	Norway	100%	24.11.2017	Corporate
Cloudberry Production AS	Subsiduary	Norway	100%	15.02.2020	Production
Røyrmyra Vindpark AS	Subsiduary	Norway	100%	15.02.2020	Production
Finnesetbekken Kraftverk AS	Subsiduary	Norway	100%	15.02.2020	Production
Cloudberry Develop AS	Subsiduary	Norway	100%	15.02.2020	Development
Cloudberry Offshore Wind AB	Subsiduary	Sweden	100%	15.02.2020	Development
Duvhällen Vindpark AB	Subsiduary	Sweden	100%	15.02.2020	Development
Hån Vindpark AB	Subsiduary	Sweden	100%	15.02.2020	Development
Hån 22kV AS	Subsiduary	Norway	100%	15.02.2020	Development
Cloudberry Utveckling AB	Subsiduary	Sweden	100%	15.02.2020	Development
Cloudberry Projekt AB	Subsiduary	Sweden	100%	15.02.2020	Development
Kånna Vindpark AB	Subsiduary	Sweden	100%	15.02.2020	Development
Ljunga Vindpark AB	Subsiduary	Sweden	100%	15.02.2020	Development
Cloudberry Offshore Wind AS	Subsiduary	Norway	100%	22.09.2020	Development
Rewind Vänern AB	Subsiduary	Sweden	100%	22.09.2020	Development
Cloudberry Wind AB	Subsiduary	Sweden	100%	15.02.2020	Development
Skogvind AS	Subsiduary	Norway	100%	31.08.2020	Development
Rewind Offshore AB	Subsiduary	Sweden	66%	15.02.2020	Development
Forte Energy Norway AS	Associated Company	Norway	34.0%	15.11.2020	Production
Odal Vind AS	Associated Company	Norway	33.4%	23.12.2020	Production
Stenkalles Vind AB	Subsiduary	Sweden	100%	11.03.2021	Development
Selselva Kraft AS	Subsiduary	Norway	100%	13.01.2021	Production
Skåråna Kraft AS	Subsiduary	Norway	100%	24.02.2021	Production
Bjørgelva Kraft AS	Subsiduary	Norway	100%	30.06.2021	Production
Næssakraft AS	Subsiduary	Norway	100%	30.06.2021	Production
Usma Kraft AS	Subsiduary	Norway	100%	20.08.2021	Production
Åmotfoss AS	Subsiduary	Norway	100%	01.12.2021	Production
Oxenstierna Vind AB	Subsiduary	Sweden	100%	21.12.2021	Development

Acquired companies in 2022

Name of Entity	Accouned as	Place of business	Ownership intrest	Part of Group from date	Segment
Ramsliåna	Subsidiary	Norway	100%	Q1 2022	Production
Tinnkraft	Subsidiary	Norway	100%	Q1 2022	Production
Captiva Group			60%	Q1 2022	Operations
Captiva Digital Services AS	Subsidiary	Norway			
Captiva Asset Management AS	Subsidiary	Norway			
Caprtiva Financial Services AS	Subsidiary	Norway			
Enestor AS	Associated Company	Norway			
Proxima HydroTech AS	Associated Company	Norway			
Captiva Digital Services GmbH	Subsidiary				
Captiva Digital Solutions AS	Subsidiary	Norway			
Kraftanmelding AS	Subsidiary	Norway			
Fjord Energi AS	Subsidiary	Norway			
Broentech Solutions AS	Subsidiary	Norway			
Captiva Energi AS	Subsidiary	Norway			
SPV 1903 AS	Associated Company	Norway			
Munkhyttan AB	Subsidiary	Sweden	100%	Q1 2022	Development

Entities which will be acquired in 2022 are included in secured portfolio and will be consolidated in 2022.

Entities with acquisition close after 2022 is included in secured portfolio, but not included in the table.

Note 29 Subsequent events

Acquisitions and significant agreements

Acquisition of 60% of Captiva Digital Services AS "the Captiva Group"

On 7 January 2022 Cloudberry Clean Energy ASA entered a share purchase agreement for the acquisition of 60% of the shares in Captiva Digital Services AS from Captiva Capital Partner AS.

Captiva Digital Services AS with subsidiaries "The Captiva Group" is a data-driven operator, manager and developer of renewable energy in the Nordics. The Group comprise of the following business areas with respective subsidiaries and associated companies:

Captiva Asset Management AS with subsidiaries, delivers management services within operations and maintenance, development and construction, technical and commercial, and finance and accounting services to renewable energy projects in the Nordics.

Captiva Digital Solutions AS with subsidiaries, delivers digital services to renewable energy projects with operational intelligence, visualization, compliance and reporting solutions.

Captiva Energi AS with subsidiaries, delivers development projects within renewable hydro energy and owns a producing hydro power plant, Jåstad Kraft (3.2GWh) located in Ullensvang on the West coast of Norway. Captiva Energi has realised 11 hydro projects the past 5 years.

The Captiva Group will represent a new segment for Cloudberry, "Operations".

The agreed enterprise value for the Captiva Group was NOK 160 million on a cash and debt free basis, taken into account normalized working capital (100% basis).

At completion the Company has paid a preliminary purchase price of NOK 101m. 50% of the preliminary purchase price has been settles with Cloudberry shares, this was 3.484.041 shares of par value NOK 0.25 and a fair value of NOK 14.50 per share (share capital increase with NOK 0.87m). The remaining 50% has been settled by cash payment of NOK 50.5m. The purchase price is subject to adjustments after audited completion accounts, this will be settled with cash.

The purchase price is based on estimated completion accounts. Estimated equity and net acquired assets in the estimated unaudited consolidated balance sheet per 7 January 2022 is NOK 30m (based on 100%, including minority interests). The transactions will be accounted as a business combination and the purchase price allocation is in progress.

The following table show the preliminary purchase price allocation:

NOK 1 000	Captiva
Acquisition date	07.01.2022
Voting rights/shareholding acquired through the acquisition	60%
Total voting rights after the acqusition	60%
Non controlling interests	40%
Consideration	
Cash	50 519
Shares	50 519
Total acquisition cost	**101 037**
Book value of net assets (se table below)	40 290
Identification of excess value. attributable to:	
Inventory	1 282
Property, plant and equipment	66 564
Other	1 500
Gross excess value	**69 346**
Deferred tax on excess value	(14 926)
Net excess value	**54 420**
Fair value of net acquired assets excluding goodwill	94 710
Of which:	
Non controlling interest	37 884
Controlling interests	56 826
Total acquisition cost	101 037
Fair value of net aquired assets ex goodwill	56 826
Goodwill (controlling interests)	**44 212**

Book value net aquired assets

NOK 1 000	Captiva
Deferred tax asset	-
Intangible assets	27 508
Property, plants and equipment	362
Goodwill	998
Other non-current assets	5 628
Financial non-current assets	5 678
Inventory	-
Other current assets	41 429
Cash and cash equivalents	159 665
Acquired assets	241 267
Interest bearing debt, long term	20 264
Current liabilities	-
Deferred tax liability	1 960
Other liabilities	178 754
Net asset value aquired assets	**40 290**
Total acquisition cost	101 037
Non cash consideration	50 519
Cash consideration	50 519
Cash in acquired company	(159 665)
Net cash outflow at acquisition (inflow)	**(109 146)**

Cloudberry has the option to acquire the remaining 40% of the Captiva Group until 30 June 2025 at a pre-determined price. Cloudberry and Captiva Capital Partners AS (seller) has entered into a share-holder agreement which govern their rights and obligations as owners of Captiva Digital Services AS.

Chairman of the Board of Directors in Cloudberry; Frank J Berg, through CCPartner AS and related party Mothe Invest AS held a minority ownership (33%) of Captiva Capital Partner AS (the seller).

Tinnkraft and Øvre Kvemma

On 1 February 2022 Cloudberry Production acquired 100% of the shares in Tinnkraft AS, a producing hydro power plant, and entered a share purchase agreement for the acquisition of the hydro power project Øvre Kvemma.

Tinnkraft is located in Tinn municipality, in the attractive NO 2 price area. The annual average power production is 6.3 GWh.

The total purchase price was NOK 27.7m and was paid with cash settlement. The acquisition of the producing power plant will be accounted as a business combination and the purchase price allocation will be performed in first quarter 2022. Tinnkraft AS will be consolidated in the Group accounts from 1 February 2022.

Øvre Kvemma, developed by NGK Utbygging AS (NGKU), is situated in Lærdal municipality, in the NO5 price area. The estimated, annual power production is 19.4 GWh. The transaction will be closed once the power plant is completed during H1 2024, and after a commissioning period.

Munkhyttan

On 3 February Cloudberry Develop acquired 100% of the shares in Munkhyttan Vindkraft AB. The company owns a late-stage development project, Munkhyttan, located in Lindesberg municipality, which is in SE2 price area of Sweden.

Munkhyttan is a project with construction permit for 18 MW.

Cloudberry has also secured an option to acquire additional 18MW project Munkhyttan II, on the same terms. This project is in concession process.

The acquisition will be accounted as an asset acquisition.

Kafjärden
On 4 February Cloudberry Clean Energy ASA signed the acquisition of the project Kafjärden with related assets.

Kafjärden is an onshore wind power project in SE3 area in Sweden. The project has a construction permit for 18-40 MW and parts of the infrastructure is already in place, including roads, crane pads, foundation and power grid. The project is planned to be completed by end of 2023.

The acquisition will be accounted as an asset acquisition.

Russia invades Ukraine

On 24 February 2022 Russia attacked Ukraine in a military invasion. As of the date of this report the war is ongoing. Russia, as the largest exporter of natural gas to Europe, has since been the subject of heavy sanctions and it may seem as the western countries will plan to cut all import of Russian gas as soon as possible. The result has been record-high gas and power prices in the first quarter and on the front of the price curve. The market is heavily influenced by the war, and it may cause long term effects and changes to the European energy markets.

Parent company financial statements

Statement of profit or loss	159
Statement of financial position	160
Statement of cash flows	162
Notes to the parent company financial statements	163
Note 1 General information	163
Note 2 General accounting policies and principles	163
Note 3 Sales revenues	165
Note 4 Employee benefits and share based payments	165
Note 5 Other operating expenses	169
Note 6 Financial items	169
Note 7 Income tax expense	170
Note 8 Property, plant and equipment	171
Note 9 Subsidiaries and investment in associated companies	171
Note 10 Cash, cash equivalents and corporate funding	172
Note 11 Equity capital, share capital and shareholder information	172
Note 12 Short term debt and provisions	174
Note 13 Earnings per share	174
Note 14 Intercompany items between companies in the same group	175
Note 15 Subsequent events	175
Note 16 Covid-19	175

Statement of profit or loss

1 January - 31 December

NOK 1 000	Note	2021	2020
Revenue	3	2 100	118
Total revenue		2 100	118
Cost of goods sold		-	-
Salary and personnel expenses	4	(27 748)	(16 700)
Other operating expenses	5	(17 534)	(7 265)
EBITDA		(43 182)	(23 848)
Depreciation and amortizations	8	(109)	(12)
Operating profit (EBIT)		(43 290)	(23 860)
Financial income	6	10 276	1 161
Financial expenses	6, 14	(12 747)	(1 462)
Profit/(loss) before tax		(45 761)	(24 162)
Income tax expense	7	-	-
Profit/(loss) after tax		(45 761)	(24 162)
Loss brougt forward		(45 761)	(24 162)
Net brought forward		(45 761)	(24 162)

Statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	8	918	24
Investment in subsiduaries	9	1 261 135	283 584
Investment in associated companies	9	-	237 551
Loan to group companies	14	106 995	248 419
Total non-current assets		1 369 048	769 578
Other current assets		701	766
Receivables group companies	15	372 466	467
Cash and cash equivalents	10	958 998	552 483
Total current assets		1 332 164	553 716
TOTAL ASSETS		**2 701 213**	**1 323 294**

Statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	11	58 811	26 266
Sharepremium	11	2 676 075	1 061 675
Total paid in capital		2 734 886	1 087 941
Other equity	11	(68 205)	(26 832)
Total other equity		(68 205)	(26 832)
Total equity		**2 666 681**	**1 061 110**
Current liabilities			
Interest-bearing short term liabilities	12, 14	-	236 767
Accounts payable	12, 14	23 358	18 602
Public duties payable	12	1 085	877
Other current liabilities	12	10 089	5 938
Total current liabilities		34 531	262 184
Total liabilities		**34 531**	**262 184**
TOTAL EQUITY AND LIABILITIES		**2 701 213**	**1 323 294**

Oslo, 22 March 2022

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg
Chair of the Board

Morten Bergesen
Board member

Petter W. Borg
Board member

Benedicte Fossum
Board member

Liv Lønnum
Board member

Anders J. Lenborg
CEO

Statement of cash flows

NOK 1 000	Note	1.1.-31.12.2021	1.1.-31.12.2020
Cash flow from operating activeties			
Profit/(loss) before tax		(45 761)	(24 162)
Depreciation	8	109	12
Net interest paid/received		(7 094)	769
Share based payment - non cash to equity		4 388	1 251
Change in accounts payable	12	4 757	18 544
Change in other accruals		4 423	3 516
Net cash flow from operating activities		**(39 180)**	**(69)**
Cash flow from investing activeties			
Intrest received	6	9 762	694
Investments in property, plant and equipment	8	(1 003)	(25)
Acquisition of shares in subsidiaries, net liquidity outflow	9	(500 000)	(277 551)
Investments in associated companies	9	(470 575)	(248 419)
Group contributions/dividends received		-	467
Net cash flow from (used in) investing activities		**(961 816)**	**(524 834)**
Cash flow from financing activeties			
Proceeds from short term intrestbearing debt	12	-	236 767
Repayment of short-term interest-bearing liabilities		(236 767)	-
Interest paid	6	(2 668)	(1 462)
Share capital increase	11	1 646 945	836 859
Net cash flow from financing activities		1 407 510	1 072 163
Total change in cash and cash equivalents		**406 515**	**547 260**
Cash and cash equivalents at start of period	10	552 483	5 223
Cash and cash equivalents at end of period	**10**	**958 997**	**552 483**

Notes to the parent company financial statements

Note 1 General information

Corporate information

Cloudberry Clean Energy ASA, "the Company" is incorporated and domiciled in Norway. The address of its registered office is Frøyas gate 15, NO-0273 Oslo, Norway. Cloudberry Clean Energy ASA was established on 10 November 2017. The Company is listed on Oslo Børs' Main List with ticker CLOUD.

Cloudberry Clean Energy ASA, its subsidiaries and investments in associated companies ("the Group") is a Nordic renewable power producer and developer. The Group has an integrated business model across the life cycle of hydro- and wind power plants including project development, financing, construction (normally outsourced), ownership and lead manager of operations.

The financial statement of the Company and the consolidated statements of the Group, presented earlier in this report, was approved by the Board of Directors on 22 March 2022. The statements have been prepared under the assumption that the Cloudberry Group is a going concern, and that this assumption was appropriate at the date of approval of the Financial Statements.

Note 2 General accounting policies and principles

Statement of compliance

The financial statements of Cloudberry Clean Energy ASA are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles (NGAAP).

Basis for preparation

The financial statements have been prepared on a historical cost basis.

Accounting estimates and judgements

In preparing the financial statements, assumptions and estimates that have had effect on the amounts and presentation of assets and liabilities, income and expenses and contingent liabilities must be made. Actual results could differ from these assumptions and estimates.

Foreign currency translation

The functional currency and presentation currency of the Company is Norwegian kroner (NOK). Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical cost expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated using the exchange rate applicable on the balance sheet date.

Employee benefits

Wages, salaries, bonuses, pension and social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company. The Company has pension plans for employees that are classified as defined contribution plans. Contributions to defined contribution schemes are recognized in the statement of profit or loss in the period in which the contribution amounts are earned by the employees.

Cloudberry has an equity incentive plan for top management and key employees. The programme includes the issue of warrants for shares in the company.

Interest income and expenses

Interest income and expenses are recognized in the income statement as they are accrued, based on the effective interest method.

Income tax expense

The tax charge in the profit or 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 entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and depreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets and liabilities

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and investment in associated companies

Subsidiaries and associated companies are valued 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 write-down 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.

Short term investments

Short-term investments (shares and interests valued as current assets) are valued at the lower of acquisition cost and fair value on the balance sheet date. Dividends and other distributions received from the companies are posted to income under other financial income.

Statement of cash flow

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Events after the reporting period

New information on the Company's financial position on the end of the reporting period which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the Company's financial position on the end of the reporting period, but which will affect the Company's financial position in the future, are disclosed if significant.

Note 3 Sales revenues

NOK 1 000	2021	2020
Fees management	2 100	118
Total revenue	**2 100**	**118**

Note 4 Employee benefits and share based payments

Employee benefits are accrued in the period in which the associated services are rendered by the employees of the Company. The table below shows the employee benefits accrued in the period.

NOK 1 000	2021	2020
Salaries	-18 749	-12 721
Payroll tax	-3 628	-1 806
Pension costs	-724	-359
Share based payment	-4 388	-1 251
Other benefits	-259	-562
Total personell expenses	**-27 748**	**-16 700**
Average number of full-time equivalents (FTEs)	7	5
Number of full-time equivalents as 31.12 (FTEs)	8	7

Included in salaries are fees to board members.

Pension

The Company has an established pension scheme that is classified as a defined contribution plan, the pension scheme is in line with the requirements of the law. Contributions to the defined contribution schemes are recognised in the consolidated statement of profit and loss in the period in which the contribution amounts are earned by the employees. The defined contribution plan does not commit the Company beyond the amounts contributed.

Renumeration of Executive Group management

The renumeration of the Executive Group Management is based on a fixed salary, including personal benefits such as free telephone and health insurance, a variable group performance bonus scheme, pension benefits, and a share-based long term incentive program.

The table below shows the renumeration in 2021

NOK 1 000	Anders Lenborg (CEO)	Christian Helland (CVO)	Suna Alkan (CSO)	Jon Gunnar Solli (COO)	Tor Arne Pedersen (CDO)	Total
Salary	2 700	2 100	1 640	1 850	1 850	10 140
Bonus	1 350	700	400	600	150	3 200
Pension costs	83	77	87	0	87	334
Share based payment	1 729	1 259	355	586	401	4 330
Total reportable benefits paid 2021	**5 862**	**4 136**	**2 482**	**3 036**	**2 488**	**18 004**

The table below shows the renumeration in 2020

NOK 1 000	Anders Lenborg (CEO)	Christian Helland (CVO)	Suna Alkan (CSO)	Jon Gunnar Solli (COO)	Tor Arne Pedersen (CDO)	Total
Salary	1 864	1 448	1 306	1 490	1 330	7 437
Bonus	1 150	600	500	600	600	3 450
Pension costs	66	62	69	63	68	328
Share based payment	426	269	120	160	149	1 124
Total reportable benefits paid 2020	**3 506**	**2 378**	**1 995**	**2 314**	**2 147**	**12 340**

The Board of Directors have set the target KPI for the group performance bonus scheme that was applicable for achievements in 2021. For 2022 the Group has established a compensation committee which will set the targets for 2022.

Total renumeration, warrants and shares for top management in 2021:

Executive group management

FY 2021 NOK 1 000	Holding Company	Shares pr 31.12.21	Total renum-aration 2021	Warrants grantet 2021	Warrants pr 01.01.21	Warrants grantet total pr 31.12.21	Warrants exirciced
Anders Lenborg (CEO)	Lenco AS	1 323 546	5 862	1 900 000	795 000	2 695 000	-
Christian Helland (CVO)	Amandus Invest AS	452 758	4 136	1 500 000	500 000	2 000 000	-
Suna Alkan (CSO)	Cappadocia Invest AS	233 448	2 482	300 000	225 000	525 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	600 498	3 036	600 000	300 000	900 000	-
Tor Arne Pedersen (CDO)	Viva North AS	139 128	2 488	300 000	300 000	600 000	-
			18 004	**4 600 000**	**2 120 000**	**6 720 000**	**-**

FY 2020 NOK 1 000	Holding Company	Shares pr 31.12.20	Total renum-aration 2020	Warrants grantet 2020	Warrants pr 01.01.20	Warrants grantet total pr 31.12.20	Warrants exirciced
Anders Lenborg (CEO)	Lenco AS	1 283 546	3 506	795 000	-	795 000	-
Christian Helland (CVO)	Amandus Invest AS	444 758	2 378	500 000	-	500 000	-
Suna Alkan (CSO)	Cappadocia Invest AS	214 000	1 995	225 000	-	225 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	553 602	2 314	300 000	-	300 000	-
Tor Arne Pedersen (CDO)	Viva North AS	49 027	2 147	300 000	-	300 000	-
			12 340	**2 120 000**	**-**	**2 120 000**	**-**

Board of Directors

FY 2021 NOK 1 000	Function	Served since	Term expires	Renum-eration in 2021	Warrants pr 31.12.21	Shares pr 31.12.21	Holding Company
Frank J Berg	Chairman of the Board	2020	2022	550 000	-	3 202 040	CCPartner AS
Petter W. Borg	Board Member	2019	2022	275 000	-	1 995 738	Caddie Invest AS & Kewa AS
Morten S. Bergesen	Board Member	2019	2022	275 000	-	33 868 506	Havfonn AS & Snefonn AS
Benedicte H. Fossum	Board Member	2020	2022	275 000	-	67 845	Mittas AS
Liv E. Lønnum	Board Member	2020	2022	275 000	-		
				1 650 000	**-**	**39 134 129**	

FY 2020 NOK 1 000	Function	Served since	Term expires	Renum-eration in 2020	Warrants pr 31.12.20	Shares pr 31.12.20	Holding Company
Frank J Berg	Chairman of the Board	2020	2022	-	-	2 696 957	CCPartner AS
Petter W. Borg	Board Member	2019	2022	-	-	1 885 638	Caddie Invest AS & Kewa AS
Morten S. Bergesen	Board Member	2019	2022	-	-	1 701 869	Havfonn AS & Snefonn AS
Benedicte H. Fossum	Board Member	2020	2022	-	-	38 095	Mittas AS
Liv E. Lønnum	Board Member	2020	2022	-	-	-	
				-	**-**	**6 322 559**	

In 2021 the renumeration to the Board of Directors was paid amounting to a total of NOK 1.7m.

The nomination committee will propose the renumeration for the board members for 2022 at the Company general meeting in April 2022.

Share based payments and long-term incentive program

In accordance with the terms adopted by the General Meeting of the Company on 21 March 2020, the Board of Directors has established a share incentive scheme for the executive managers and key employees. The key conditions are as follows:

The equity incentive plan may cover up to 5% of the issued shares in the Company from time to time. Allocations are proposed by the Board and subject to shareholder approval. The exercise price for the warrants is determined by the Board in its reasonable discretion based on fair market value of the Shares on the date of the Board of Directors proposed allocation of warrants under the program. The determined exercise price is subject to approval by the general meeting in relation with issuance of warrants. The duration of the warrants from grant date is 5 years. The vesting period is 1-3 years from the grant date.

The value of the warrants is at the grant date given a fair value using the Black and Scholes model. The key assumptions applied is 40% volatility and 1% interest rate.

The table shows the outstanding warrants as of 1 January 2021 and 31 December 2021 and movements in the year:

Outstanding warrants 01.01.2021	2 200 000
Granted in 2021	5 500 000
Exercised in 2021	-
Expired in 2021	-
Outstanding warrants 31.12.2021	**7 700 000**
Exircisable 31.12.2021	2 200 000
Charged to profit and loss statement 2021 (tNOK)	5 261
Charged to equity 2021 (tNOK)	4 388

Outstanding warrants 01.01.2020	-
Granted in 2020	2 200 000
Exercised in 2020	-
Expired in 2020	-
Outstanding warrants 31.12.2020	**2 200 000**
Exircisable 31.12.2020	-
Charged to profit and loss statement 2020 (tNOK)	1 460
Charged to equity 2020 (tNOK)	1 251

As of the date of the annual report the following warrants have been issued:

NOK 1 000	# Warrants	Grant date	Expiry date	Remaining years	Exercise price	Share Price (grant date)
Warrant package #1	775 000	20.03.2020	20.03.2025	3.22	11.1	11.1
Warrant package #2	1 425 000	25.09.2020	25.09.2025	3.74	12.2	13.1
Warrant package #3	5 500 000	17.06.2021	17.06.2026	4.46	12.5	14.66
	7 700 000			**4.55**	**11.8**	**12.4**

There has been no payment of renumeration to the Board of Directors in 2020, this will be paid in May 2021.

Note 5 Other operating expenses

The table shows the breakdown on other operating expenses in 2021 and 2020.

NOK 1 000	2021	2020
Rental of office and equipment	(1 148)	(1 033)
External accounting and auditing fees	(3 209)	(904)
Legal and other fees	(9 931)	(4 797)
Other	(3 245)	(531)
Total other operating expenses	**(17 534)**	**(7 265)**

Other operating expenses in 2021 include:

a. Costs related to up listing from Euronext growth to Oslo Børs' Main List in June 2021
b. Significant activity within merger & acquisitions (M&A) and associated financial and legal due diligence costs to third parties

Expenses related to statutory audit and other auditor services is presented below:

NOK 1 000	2021	2020
Statutory audit	(2 149)	(522)
Other assuranse services	(245)	(26)
Total auditor costs	**(2 394)**	**(548)**

Note 6 Financial items

Financial income

NOK 1 000	2021	2020
Income from subsidiaries	8 004	467
Intrest income	269	587
Other financial income and exchange differences	514	3
Increase in market value of financial current assets	1 489	103
Total financial income	**10 276**	**1 161**

Financial expense

NOK 1 000	2021	2020
Interest expense	(2 668)	(921)
Other financial expense and exchange differences	(10 079)	(541)
Total financial expense	**(12 747)**	**(1 462)**

Note 7 Income tax expense

This years tax expense

NOK 1 000	2021	2020
Tax expense in the income statement		
Entered tax on ordinary profit/loss:	-	-
Payable tax	-	-
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	**-**	**-**
Taxable income:		
Ordinary result before tax	(45 761)	(24 162)
Permanent differences	(56 309)	(27 230)
Changes in temporary differences	103	(7)
Received intra-group contribution	-	467
Taxable income	**(101 967)**	**(50 931)**
Payable tax in the balance:		
Payable tax on this year's result	-	(103)
Payable tax on received Group contribution	-	103
Total payable tax in the balance	**-**	**-**

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

NOK 1 000	2020	2019	Difference
Deferred tax asset			
Property, plant and equipment	(97)	6	103
Accumulated tax loss carried forward	(145 923)	(43 956)	101 967
Not included in the deferred tax calculation	146 020	43 950	(102 071)
Basis for deferred tax asset in the balance sheet	**-**	**-**	**-**
Basis for calculation of deferred tax asset	**(146 020)**	**(43 950)**	**102 071**
Deferred tax asset	**32 124**	**9 669**	**(22 456)**

Deferred tax asset is not recognised in the balance sheet.

Note 8 Property, plant and equipment

NOK 1 000	Equipment	Total
Accumulated cost 1.1.2021	46	46
Additions during the year	1 003	1 003
Accumulated cost at 31.12.2021	**1 049**	**1 049**
Accumulated depreciations and impairment losses at 1.1.2021	23	23
Depreciations for the year	109	109
Accumulated depreciations and impairment losses at 31.12.2021	**131**	**131**
Carrying amount at 31.12.2021	**918**	**918**
Estimated useful life (years)	3-5	

NOK 1 000	Equipment	Total
Accumulated cost 1.1.2020	21	21
Additions during the year	25	25
Accumulated cost at 31.12.2020	**46**	**46**
Accumulated depreciations and impairment losses at 1.1.2020	10	10
Depreciations for the year	12	12
Accumulated depreciations and impairment losses at 31.12.2020	**23**	**23**
Carrying amount at 31.12.2020	**24**	**24**
Estimated useful life (years)	3-5	

Note 9 Subsidiaries and investment in associated companies

Name of Entity		Place of business	Owner share	Share of votes	Purchase cost	Equity	Profit
Cloudberry Production AS	Subsidiary	Oslo, Norway	100%	100%	1 061 072	81 061	650
Cloudberry Develop AS	Subsidiary	Oslo, Norway	100%	100%	200 063	97 066	(24 173)
					1 261 135	**178 127**	**(23 523)**

Note 10 Cash, cash equivalents and corporate funding

NOK 1 000	2021	2020
Free cash	226 975	500 668
Money market funds	732 023	50 570
Restricted cash	-	1 244
Total cash	**958 997**	**552 483**

Placement in money market fund is a short-term placement. The placement is made to receive interest and is cash equivalent.

Cash deposits for tax deduction account (restricted funds) and deposit for rent are NOK 1 379 thousand and are not incudes as cash.

Note 11 Equity capital, share capital and shareholder information

The table below show the changes in equity in 2020 and 2021:

NOK 1 000	Share capital	Share premium	Total paid in capital	Other Equity	Retained earnings	Total other equity	Total equity capital
Equity as at 01.01 2020:	950	7 800	8 750	-	(3 921)	(3 921)	4 829
Sharecapital increase	25 316	1 053 875	1 079 191	-	-	-	1 079 191
Loss for the period	-	-	-	-	(24 162)	(24 162)	(24 162)
Share based payment	-	-	-	1 251	-	1 251	1 251
Equity as at 31.12 2020	**26 266**	**1 061 675**	**1 087 941**	**1 251**	**(28 083)**	**(26 832)**	**1 061 110**
	-	-	-	-	-	-	-
Equity as at 01.01 2021:	26 266	1 061 675	1 087 941	1 251	(28 083)	(26 832)	1 061 110
Sharecapital increase	32 545	1 614 400	1 646 945	-	-	-	1 646 945
Loss for the period	-	-	-	-	(45 761)	(45 761)	(45 761)
Share based payment	-	-	-	4 388	-	4 388	4 388
Equity as at 31.12 2021	**58 811**	**2 676 075**	**2 734 886**	**5 639**	**(73 844)**	**(68 205)**	**2 666 681**

The table below show the share capital, share premium and number of shares as of 31 December 2021 and 31 December 2020.

NOK 1 000	2021	2020
Share capital	58 811	26 266
Share premium	2 676 075	1 061 675
Share capital and premium at 31 December	**2 734 886**	**1 087 941**
Number of shares at 31 December	235 244 646	105 065 336

The shares are at par value NOK 0.25.

The following capital increases has taken place in 2021

NOK 1 000	Date	Number of shares	Share capital
Number of shares 1 January 2021		105 065 336	26 266 334
Capital increase	17 Jun	86 000 000	21 500 000
Capital increase	02 Jul	2 800 000	700 000
Capital increase	08 Dec	41 379 310	10 344 828
Number of shares and share capital 31 December 2021		**235 244 646**	**58 811 162**

The table below show the largest shareholders of Cloudberry as of 31 December 2021

20 largest shareholders as of 31 December	Number of Shares	Share of ownership	Share of voting rights
Ferd AS	26 344 827	11.2%	11.2%
Joh Johannson Eiendom AS	24 283 711	10.3%	10.3%
Havfonn AS (Bergesen family)	19 600 264	8.3%	8.3%
HSBC Deutschland (Lloyd Fonds)	18 980 281	8.1%	8.1%
Snefonn AS (Bergesen family)	14 268 242	6.1%	6.1%
The Northern Trust (New Zealand Superannuation Fund)	13 539 560	5.8%	5.8%
State Street Bank and Trust Comp (Swedbank Robur)	11 609 356	4.9%	4.9%
Caceis Bank	9 253 700	3.9%	3.9%
Clearstream Banking S.A.	6 833 195	2.9%	2.9%
Danske Invest Norge Vekst	5 145 485	2.2%	2.2%
Skandinaviska Enskilda Banken AB	5 000 000	2.1%	2.1%
Awilco AS	4 800 000	2.0%	2.0%
Gjensidige Forsikring ASA	3 302 945	1.4%	1.4%
CCPartner AS (Chairman, Frank J. Berg)	3 202 040	1.4%	1.4%
MP Pensjon PK	3 012 360	1.3%	1.3%
Klaveness Marine Finance AS	2 613 115	1.1%	1.1%
Citibank Europe plc	2 600 000	1.1%	1.1%
Verdipapirfondet KLP	2 426 887	1.0%	1.0%
State Street Bank and Trust Comp	2 161 632	0.9%	0.9%
RBC Investor services bank S.A.	1 918 000	0.8%	0.8%
Other	54 349 046	23.1%	23.1%
Total number of shares	**235 244 646**	**100.0%**	**100.0%**

Note 12 Short term debt and provisions

NOK 1 000	2021	2020
Short term interest-bearing debt	-	236 767
Trade creditors	23 358	18 602
Accrued salary and bonus	6 020	5 363
Public duties payable	1 085	877
Other	4 069	575
Total short term debt provisions	**34 531**	**262 184**

The short-term interest-bearing debt in 2020 was related to the acquisitions of Forte Energy Norway AS, which was given a credit facility at the acquisition, with an applied interest rate of 5% p.a. The amount consists of the principal of NOK 236 767. The debt was repaid in the beginning of March 2021.

Trade creditors is mainly related to invoices from advisors and facilitators used in the equity emission in December 2021 and the acquisition of Captiva Digital Services AS, see subsequent events note 15.

Note 13 Earnings per share

Earnings per share is calculated as profit/(loss) attributable to the equity holders of the Company divided by the number of shares outstanding.

Diluted earnings per share is affected by the warrant program for equity settled share-based payments transactions, see note 4 Employee benefits.

NOK 1 000	2021	2020
Profit/(loss) attributable to the equity holders of the company	(45 761)	(24 162)
Wheighted average number of shares outstanding for the purpose of basic earnings per shaer	155 842 058	39 098 584
Earnings per share for income attributable to the equity holders of the company - basic NOK	(0.29)	(0.62)
Effect of potential dilutive shares		
Wheighted average number of shares outstanding for the purpose of diluted earnings per share	159 800 849	40 528 735
Earnings per share for income attributable to the equity holders of the company - diluted NOK	(0.29)	(0.62)

For information about share capital at 31 December see note 11 Equity capital, share capital and shareholder information.

Note 14 Intercompany items between companies in the same group

The Company has the following balance sheet item recognised to group companies.

NOK 1 000	2021	2020
Receivabls		
Loans to companies in the same group	106 995	248 419
Other short-term receivables within the group	372 466	467
Total	**479 461**	**248 886**
Liabilities		
Debt to suppliers within the group	-	251
Total	**-**	**251**

As per 31 December there were no employee or shareholder loans.

Note 15 Subsequent events

Acquisition of 60% of Captiva Digital Services AS "the Captiva Group"

On 7 January 2022 Cloudberry Clean Energy ASA entered a share purchase agreement for the acquisition of 60% of the shares in Captiva Digital Services AS from Captiva Capital Partner AS.

Captiva Digital Services AS with subsidiaries "The Captiva Group" is a data-driven operator, manager and developer of renewable energy in the Nordics.

Note 16 Covid-19

Overall, the pandemic had limited impact on the company's business in 2021. The company focus on protecting the employees, partners and other stakeholders whilst ensuring that we operate the business in the best possible way.

Responsibility statement

We declare to the best of our knowledge that

- the Cloudberry Clean Energy ASA consolidated financial statements for 2021 have been prepared in accordance with IFRS and IFRICs as adopted by the European Union, and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that
- the financial statements for the parent company, Cloudberry Clean Energy ASA, for 2021 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results for Cloudberry Clean Energy ASA and the Cloudberry Group for period as a whole, and that
- the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Cloudberry Clean Energy ASA and the Cloudberry Group, together with a description of the principal risks and uncertainties that they face

Oslo, 22 March 2022

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg Chair of the Board	**Morten Bergesen** Board member	**Petter W. Borg** Board member
Benedicte Fossum Board member	**Liv Lønnum** Board member	**Anders J. Lenborg** CEO Cloudberry Clean Energy ASA

Alternative performance measures

The alternative performance measures (abbreviated APMs) that hereby are provided by Cloudberry are a supplement to the financial statements that are prepared in accordance with IFRS. This is based on the Group's experience that APMs are frequently used by analysts, investors, and other parties for supplement information.

The purpose of the APMs, both financial and non-financial, is to provide an enhanced insight to the operations, financing, and future prospect for the Group. Management also uses these measures internally for key performance measures (KPIs). They represent the most important measures to support the strategy goals. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below. The Group uses the following financial APMs:

Financial APMs

Measure	Description	Reason for including
EBITDA	EBITDA is net earnings before interest, tax, depreciation, amortisation & impairments.	Shows performance regardless of capital structure, tax situation or effects arising from different depreciation methods. Management believes the measurement enables an evaluation of operating performance.
EBIT incl. associated companies	EBIT is net earnings before interest and tax.	Shows performance regardless of capital structure and tax situation. Management believes the measurement enables an evaluation of operating performance.
Net interest-bearing debt (NIBD)	Net interest-bearing debt is interest-bearing debt, less cash and cash equivalents. IFRS 16 leasing liabilities are not included in the net interest-bearing debt.	Shows the interest-bearing debt position of the company adjusted for the cash position. Management believes the measure provides an indicator of net indebtedness and risk.
Equity ratio	Equity ratio equals total equity divided by total assets	Shows the equity relative to the assets. Management believes the measurement enables an evaluation the financial strength and an indicator of risk.

Reconcilliation of financial APMs (consolidated figures)

NOK 1 000	FY 2021	FY 2020
EBITDA, incl associated companies	(31 615)	(29 822)
EBIT, incl associated companies	(41 361)	(33 111)
Equity ratio	84.5%	75.5%
Net interest bearing debt	(810 741)	(341 919)

NOK 1000	FY 2021	FY 2020
Long-term interest bearing debt	294 087	26 440
Short-term interest bearing debt	10 105	236 767
Cash and cash equivalent	(1 114 934)	(605 126)
Net interest bearing debt	(810 741)	(341 919)

NOK 1000	FY 2021	FY 2020
Operating profit (EBIT)	(41 361)	(33 111)
Depreciations and amortizations	9 746	3 289
EBITDA	(31 615)	(29 822)

Proportionate Financials

The Group's segment financials are reported on a proportionate basis.

The Group introduces Proportionate Financials as the Group is of the opinion that this method improves transparency and earnings visibility, and also aligns with internal management reporting.

The key differences between the proportionate and the consolidated IFRS financials are that associated companies are included in the financial accounting lines, the profit or loss statement and share of assets and net debt, with the respective proportionate ownership share, while in the consolidated financials associated companies are consolidated with the equity method.

The consolidated revenues and profits are mainly generated in the Production segment. Activities in the Development segment will vary between deliveries to 3. parties or other companies controlled by Cloudberry, where revenues and profits are eliminated in the Consolidated Financial Statements, in the proportionate financials, internal revenue and expenses, are retained. Proportionate interest-bearing debt and NIBD does not include shareholder loans.

From the consolidated IFRS reported figures, to arrive at the proportionate figures for the respective periods the Group has:

Group eliminations:
A: Added back eliminated internal profit or loss items and internal debt and assets, column A.

Residual ownership interest:
B: Replaced the equity accounted net profit from associated companies in the period with items in column C, D and E. Replaced the investment in shares in associated companies including historical share of profit or loss (asset value) with balance sheet items in column C, D and E.

C: Reclassified excess value items included in the equity method to the respective line in the Profit or loss statement, and in the balance sheet.

D/E: Included the proportionate share of the line in the profit or loss statement items (respectively: revenues, operating expenses, depreciations and amortizations and net finance items) and the balance sheet items (total assets, interest bearing debt and cash) for the respective associated company.

The tables below reconcile the consolidated Group figures with the proportionate financial for the periods FY 2021 and FY 2020.

FY 2021

		Residual ownership interest					
		A	B	C	D	E	
NOK 1 000	Total Consolidated	Other eliminations group	Equity accounted	Excess value	Proportionate share of line items Forte	Proportionate share of line items Odal	Total proportionate
Total revenue	40 898	-	-	-	41 588	27	82 513
Operating expenses ex depreciations and amortisations	(88 885)	-	-	-	(16 330)	(2 090)	(107 304)
Net income/(loss) from associated companies	16 373	-	(16 373)	-	-	-	-
EBITDA	(31 615)	-	(16 373)	-	25 259	(2 063)	(24 791)
Depreciation and amortisation	(9 746)	-	-	(2 823)	(6 787)	(52)	(19 408)
Operating profit (EBIT)	(41 361)	-	(16 373)	(2 823)	18 472	(2 115)	(44 200)
Net financial items	(22 287)	-	-		9 113	(792)	(13 966)
Profit/(loss) before tax	(63 648)	-	(16 373)	(2 823)	27 585	(2 907)	(58 164)
Total assets	3 118 391	110 289	(677 407)	160 120	362 672	741 257	3 815 322
Interest bearing debt	304 192	-	-	-	225 803	296 299	826 294
Cash	1 114 934	-	-	-	33 690	133 429	1 282 053
NIBD	(810 741)	-	-	-	192 113	162 870	(455 753)

FY 2020

		Residual ownership interest					
		A	B	C	D	E	
NOK 1 000	Total Consolidated	Other eliminations group	Equity accounted	Excess value	Proportionate share of line items Forte	Proportionate share of line items Odal	Total proportionate
Total revenue	3 640	200	-	-	1 493	-	5 333
Operating expenses ex depreciations and amortisations	(29 904)	-	-	-	(1 930)	-	(31 834)
Net income/(loss) from associated companies	(3 556)	-	3 556	-	-	-	-
EBITDA	(29 822)	200	3 556	-	(437)	-	(26 501)
Depreciation and amortisation	(3 289)	-	-	(591)	(1 259)	-	(5 139)
Operating profit (EBIT)	(33 110)	200	3 556	(591)	(1 696)	-	(31 640)
Net financial items	(1 141)	139	-	-	(1 270)	-	(2 272)
Profit/(loss) before tax	(34 253)	339	3 556	(591)	(2 966)	-	(33 912)
Total assets	1 396 861	(46)	(337 081)	148 332	336 422	108 581	1 653 069
Interest bearing debt	263 207	-	-	-	235 742	-	498 949
Cash	605 126	-	-	-	10 905	32 667	648 698
NIBD	(341 918)	-	-	-	224 837	(32 667)	(149 748)

Non-financial APMs

Measure	Description	Reason for including
Power Production	Power delivered to the grid over the defined time period (one year). Units are measured in GWh. Example A typical 4 MW turbine produces 3 000 full-load hours during a year. 4 MW x 3 000 hours = 12 000 MWh or 12 GWh. For illustration, according to the International Energy Agency[1] ("IEA") the electrical power consumption per capita in Europe is approximately 6 MWh per year. For power production estimates it is used normalized annual level of power production (GWh). This may deviate from actual production within a single 12-month period but is the best estimate for annual production over a period of several years. Defined as "Normalized production".	Shows Cloudberry's total production in GWh for the full year including the proportionate share of the production from Cloudberry's associated companies.
Production & under construction, secured	At the time of measure, the estimated power output of the secured production and under construction portfolio. The measure is at year-end. Units are measured in MW.	Shows Cloudberry's total portfolio of secured projects that are either producing or under construction.
Construction Permits	At the time of measure, the estimated total power output to be installed in projects with construction permit. Construction Permit is at the stage when concession has been granted, but before a final investment decision has been made. The measure is at year-end. Units are measured in MW.	Shows Cloudberry's total portfolio of projects with construction permit.
Backlog	At the time of measure, the estimated total effect to be installed related to projects that are exclusive to the Group and in a concession application process. The measure is at year-end. Units are measured in MW	Shows Cloudberry's portfolio of project where Cloudberry has an exclusive right to the projects. The projects are still under development.
Direct emissions	Measure in tons of CO_2 equivalents. The use of fossil fuels for transportation or combustion in owned, leased or rented assets. It also includes emission from industrial processes.	Shows Cloudberry's direct emissions (Scope 1, GHG emissions) for the full year.
Indirect emissions	Measure in tons of CO_2 equivalents. Related to purchased energy; electricity and heating/cooling where the organisation has operational control. The electricity emission factors used are based on electricity production mixes from statistics made public by the IEA. Emissions from value chain activities are a result of the Group's upstream and downstream activities, which are not controlled by the Group. Examples are consumption of products, business travel, goods transportation and waste handling.	Shows Cloudberry's indirect emissions (Scope 2 and Scope 3, GHG emissions) for the full year.
CO_2 reduction	Refers to the reduction of greenhouse gas emissions relative to baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2020[2].	Shows Cloudberry's reduction of greenhouse gases for the full year relative to the European Electricity mix after the direct and indirect emissions from Cloudberry's operation is subtracted

1 https://www.iea.org/data-and-statistics/?country=WEOEUR&fuel=Energy%20consumption&indicator=ElecConsPerCapita (accessed 14 June 2021).

2 https://www.iea.org/data-and-statistics/charts (accessed 6 May 2021).

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Cloudberry Clean Energy ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cloudberry Clean Energy ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise statement of financial position as at 31 December 2021 and statement of profit and loss, statement of cashflow for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise consolidated statement of financial position as at 31 December 2021, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 18 June 2020 for the accounting year 2020.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Business Combination and Purchase Price Allocation

Basis for the key audit matter
During 2021 the Company has finalized acquisition of several companies as disclosed in note 5 – Business combinations and other transactions. These acquisitions are accounted for as described in note 2 in sections Basis and principles for Consolidation and Business combinations. In relation to these acquisitions the Company has assessed whether assets are acquired or a business, allocated purchase price and determined the date from when control is transferred to the Company.

The purchase price allocation, the valuation and identification of net identifiable assets and liabilities and the assumptions used in the allocation of the purchase price require significant judgement by management. The business combinations and related purchase price allocations was a key audit matter due to the number of acquisitions and the significant judgments and assumptions involved in these assessments.

Our audit response
As part of our audit procedures, we obtained an understanding of the acquisitions, the agreements made in relation to the acquisitions, the valuation process and the valuation methods used to determine purchase price allocations, and the consideration of whether assets were acquired or a business.

We further reviewed the share purchase agreement, tested assumptions and amounts in the valuations to underlying supporting documentation and assumptions determined and documented by the company. We evaluated the identification of net identifiable assets and liabilities and the principles used for recognition and allocation of the purchase price. As part of evaluation of used principles, we obtained an understanding that the principles used are in accordance with the description in note 2. We evaluated the presentation of the Company's disclosures in note 5 – Business combinations to the 2021 consolidated financial statements. In addition, we assessed the process and the competence and capability of management.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

3

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We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Cloudberry Clean Energy ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name Cloudberry-2021-12-31-en.zip, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

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As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 22 March 2022
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Asbjørn Ler
State Authorised Public Accountant (Norway)

About the report

Principles for reporting

The enclosed Financial Statements and Board of Directors' report, together with the accompanying notes, fulfills Cloudberry Clean Energy ASA's Norwegian statutory requirements for annual reporting.

Regarding our ESG reporting, Cloudberry Clean Energy ASA aims to provide its key stakeholders insight into its ESG management and performance, and the Company strives to be consistent and transparent in this reporting. The report is in accordance with the World Economic Forum's[1] core set of ESG metrics. Including an updatedreport on the Company`s performance in implementing the Task Force on Climate-related Financial Disclosures.

[1] https://www.weforum.org/stakeholdercapitalism

Design and production: Artbox AS

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