Cloudberry

Annual report 2022

Cloudberry Clean Energy ASA

Content

Reporting

Cloudberry reports consolidated financial statements in accordance with IFRS and a supplementary proportionate[1] segment reporting. The proportionate segment reporting provides enhanced insight to the operation, financing and future prospect of the Group. Proportionate reporting is aligned with internal management reporting, analysis and decision making.

Cloudberry is preparing for the adoption of the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD). The standard is based on the ESG structure Environment, Social and Governance. For more information see our Sustainability chapter.

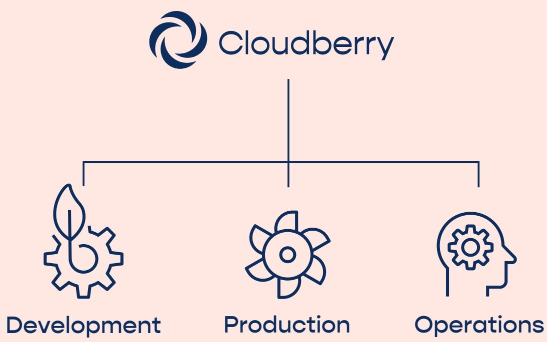
[1] See Alternative Performance Measure appendix for further definitions.

Cloudberry in brief

Cloudberry is a renewable energy company, born, bred, and operating in the Nordics. We own, develop, and operate hydropower plants and wind farms in Norway, Sweden and soon in Denmark. 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 is based on three revenue generating segments and one cost-efficient corporate segment. Development is a green-field developer for both onshore and off-shore projects. **Development** has a solid track record of organic, in-house developments of wind and hydropower assets in Norway and Sweden. **Production** is an active owner of renewable power assets in the Nordics. **Operations**, 60% owned, is an asset manager and operator of hydro and wind assets including digital solutions with a scalable operating platform.



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

Cloudberry`s growth strategy

Our current portfolio in Norway and Sweden consists of 28 hydropower assets and 51 wind turbines (in four projects), wholly or partially owned. Before summer 2023, we expect to add another 51 wind turbines primarily in Denmark to the portfolio. We have a local and active ownership strategy and prefer majority ownership; however, in certain investments we have shared ownership with strong, strategic partners. The scalable Cloudberry platform is positioned for profitable 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 through acquisitions in the Nordic market. We are backed by strong owners and an experienced management team. Our shares are traded on Oslo Stock Exchange's main list, ticker: CLOUD.

Our Values Be Supportive • Be Committed • Be Bold • Be Exceptional

Letter from the CEO

Building The Leading Nordic Independent Power Producer

Cloudberry's purpose is to provide clean sustainable energy for future generations. We share a strong culture and everything we do reflects our purpose and our values. Because of this we always strive to see opportunities, make the right decisions, and do business in a sustainable way. This is our contribution locally and globally to the ongoing climate and energy crisis.

Through 2022 we have focused on growing the project pipeline and moving power projects into producing assets generating long term cash flow for the company – on time and budget and with a strong ESG focus. Our Hån wind farm is an excellent example of a project developed in-house from the very start. Hån is now in full operation generating new renewable power to a geographical area that soon will be in need of more power to avoid power shortage.

We doubled the production in Cloudberry from 2020 to 2021 and doubled the production again during 2022. Successful projects like Hån, Odal Vind and the hydropower plant Bøen were great contributors. In parallel with the sustainable development and construction of our projects we always focus on being well financed for all our projects. During 2022 we established a strong financial position to be able to act on opportunities and develop more renewable projects onshore and offshore.

Building the offshore team in Sweden has also been a priority in 2022 and we are proud of the competent and diverse team we have developed during the year. In addition to our lake project Stenkalles, we have come a long way with the Baltic Sea shallow water project Simpevarp (800 MW). The Simpevarp project is a good example of how we work locally to develop a project. We want to go beyond just obtaining acceptance for a project, but through local involvement, transparency and sufficient information create a positive engagement for new renewable projects. We look forward to seeing more from the development team in Sweden over the next years.

As a developer, owner, and operator of renewable energy assets we have placed sustainability at the core of everything we do and view it as essential to our long-term achievements and value-creation. We treasure our community and business partnerships, and work closely with our employees, business partners, shareholders, and local community members to create this value and share the rewards fairly. Our stakeholders expect us to operate our business in line with the strongest environmental, social, and governance (ESG) principles and we have the same expectation of ourselves, as well as of our partners and suppliers. We strive to live and breathe ESG in all we do. We hope our 2022 Sustainability Report will give you a deeper insight into Cloudberry's ESG work in practice.

We have also focused on strengthening the Cloudberry organization and portfolio in 2022 with the acquisition of the Captiva Group. We are happy to get fantastic new colleagues onboard and to see how well the different organizations have become integrated and are collaborating in developing and operating hydro- and wind projects in the Nordics. The Captiva Portal™ is for many of us the new

"We believe the demand for more renewable energy in Europe will increase".

favourite source of information for managing our power production portfolio.

The recent acquisition of the Odin portfolio in early 2023 is a game changing step into the Danish market creating a strong and diversified position for Cloudberry throughout the Nordics. The partnership with Skovgaard is a new important step to build the Nordic Independent Power Producer with both a strong producing portfolio and access to new development projects in the Danish market.

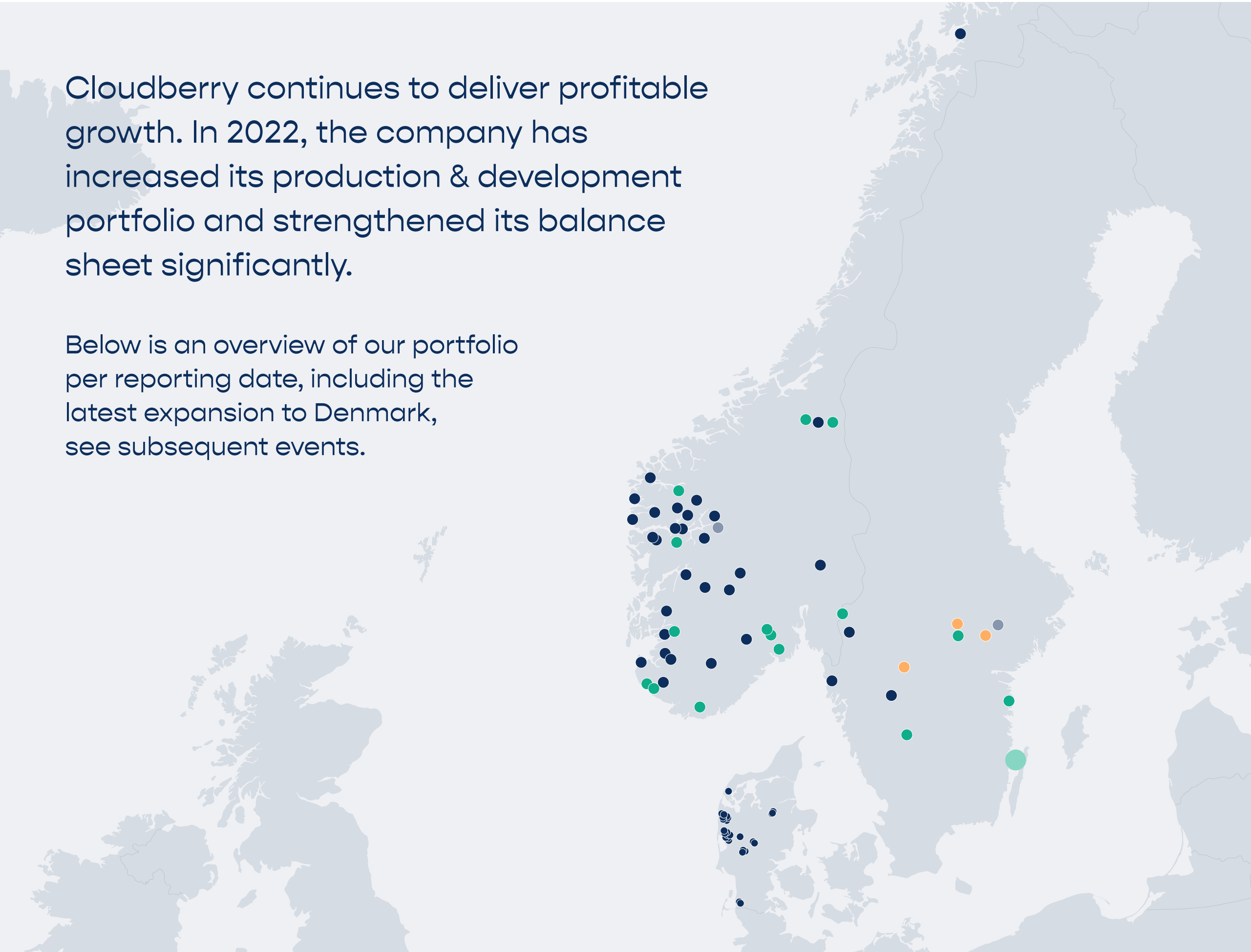
Looking into the future we believe the demand for renewable energy in Europe will increase. We are certain that the "RePowerEU" initiative introduced by the EU will further speed up the process of developing more new renewable energy in the coming years. The ongoing energy transition will also lead to continued high power prices in our relevant price areas into 2023 and onwards. Cloudberry is well positioned for the massive energy demand in the Nordics and Europe.

Our company's strong commercial and sustainable performance in 2022 against a backdrop of continued unrest and volatility caused by pandemic, war and regulatory challenges in Europe would not have been possible without the bold and exceptional performance from all Captiva and Cloudberry colleagues. I would like to thank all my colleagues for their hard work and commitment during a game-changing year. I also thank the Board for it's engangement and valuable input throughout the year, and our shareholders for their continued support. Together we create the Leading Nordic Independent Power Producer.

We are building our business for the long term.
We are building our business for all of us.

Anders J. Lenborg
Chief Executive Officer

Overview and highlights



Cloudberry continues to deliver profitable growth. In 2022, the company has increased its production & development portfolio and strengthened its balance sheet significantly.

Below is an overview of our portfolio per reporting date, including the latest expansion to Denmark, see subsequent events.

Production

● Production
● incl. under construction[1]

Existing portfolio
Capacity: 188 MW
Production: 612 GWh

Odin portfolio[3]
Capacity: 106 MW
Production: 311 GWh

Total
Capacity: 294 MW
Production: 923 GWh

Development

● Construction permit[2]

Wind assets: 3
Capacity: 128 MW[2]
Production: 389 GWh (normalized)

● Backlog

Backlog (exclusive projects)
Projects: 15
Capacity: 480 MW
New projects Söderköping and Ulricehamn in Sweden, downprioritizing of Norwegian wind projects

Pipeline (non-exclusive projects)
Projects: >20
Capacity: >2,500 MW
Example: Simpevarp

1 Asset portfolio per reporting date with proportionate ownership to Cloudberry.

2 Duvhällen project included as 60 MW – Cloudberry has grid capacity permit for 30 MW and has applied for increased grid capacity to match the construction permit.

3 Odin transaction is pedning governmental approval and expected to close in Q2 2023. The capacity and production figures assumes no triggering of pre-emptive rights.

Main developments in 2022

Financials[1] (per 31.12.2022, consolidated figures unless otherwise stated)

- Revenue increased by more than five times, from NOK 41m to NOK 217m
- EBITDA improved from NOK -32m to NOK 151m
- Proportionate EBITDA improved from NOK -25m to NOK 381m
- Cash position increased from NOK 1 115m to NOK 1 538m
- Interest bearing debt increased from NOK 304m to NOK 339m
- Booked equity increased from 2 636m to 3 794m

Operational

- Proportionate production increased 129% from 117 GWh to 268 GWh[1]
- Completed Hån wind-farm on time and budget, with strong ESG performance
- Odal in full operation
- Secured new projects in Sweden: Sundby (previously Kafjarden) and Munkhyttan
- Farm-down of the shallow-water project Stenkalles, bringing in Hafslund as a 50% strategic partner
- Updated climate risk assessment and scenario analysis. Implemented new ESG requirements as part of supply chain management
- New hydro projects: Ramsliåna and Skåråna completed. Bøen I & II in operation, with an option for Bøen III
- Purchased 60% of Captiva (Cloudberry's operation segment). Option to purchase 100%

Subsequent events

February 2023. First step into Denmark increasing production capacity by up to 70%.

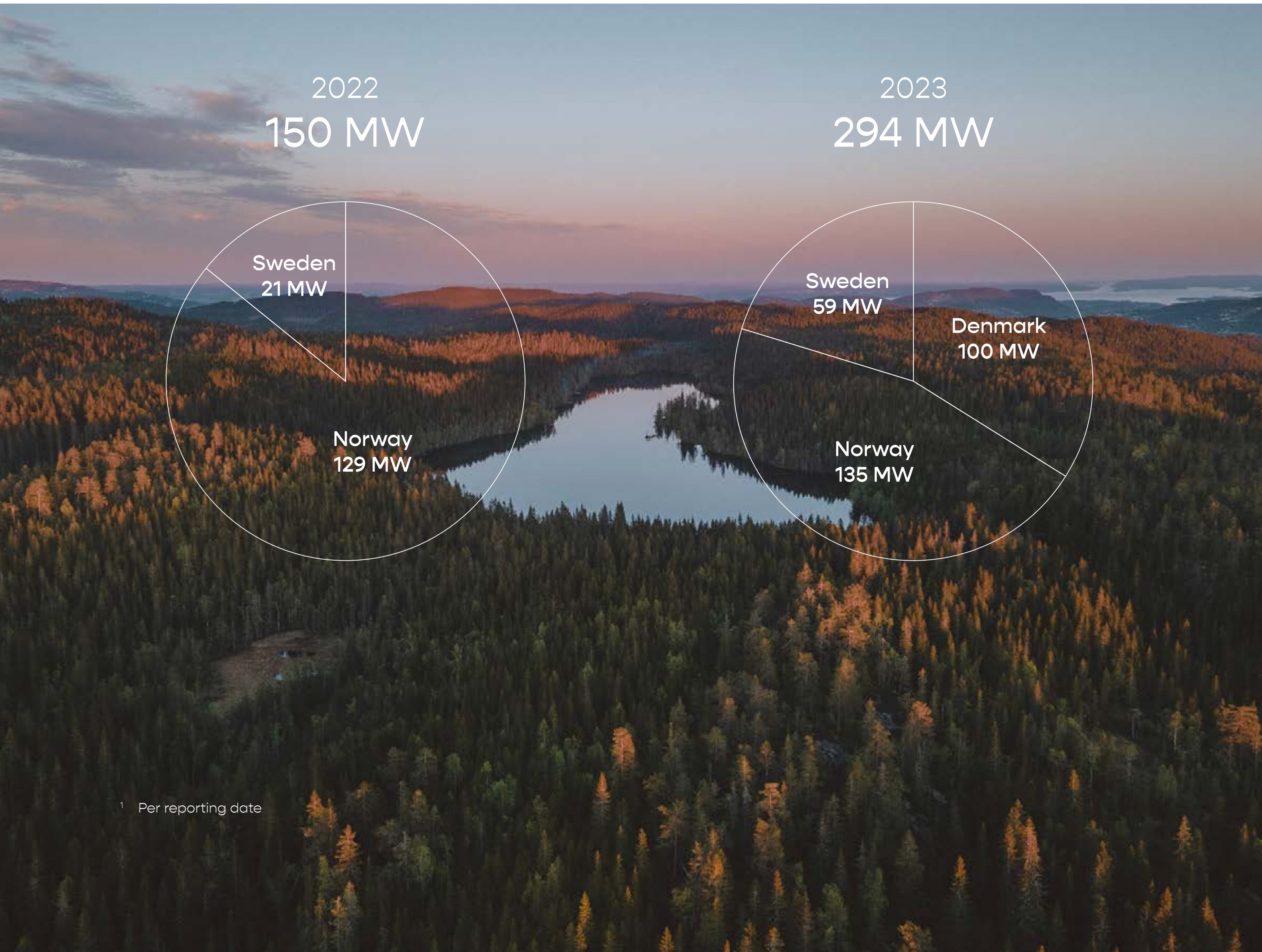
- Cloudberry signed a sale and purchase agreement to acquire 80% of the Odin portfolio from Skovgaard Energy A/S ("Skovgaard")
- A step-change for Cloudberry establishing Denmark as the third Nordic area
- A high-quality and primarily Danish portfolio of producing onshore wind assets
- Primarily located in the attractive DK1 price area
- Portfolio consists of 51 Vestas and Siemens turbines in total 106 MW (net to Cloudberry), all in production
- Acquisition includes land, re-powering options and a well anchored partnership with Skovgaard (a local and highly successful development team)
- Fully financed through existing cash & bank facility (approx. 50% equity / 50% debt) – Please see stock exchange notice 10.02.23.

[1] Compared to FY 2021.

Project portfolio[1]

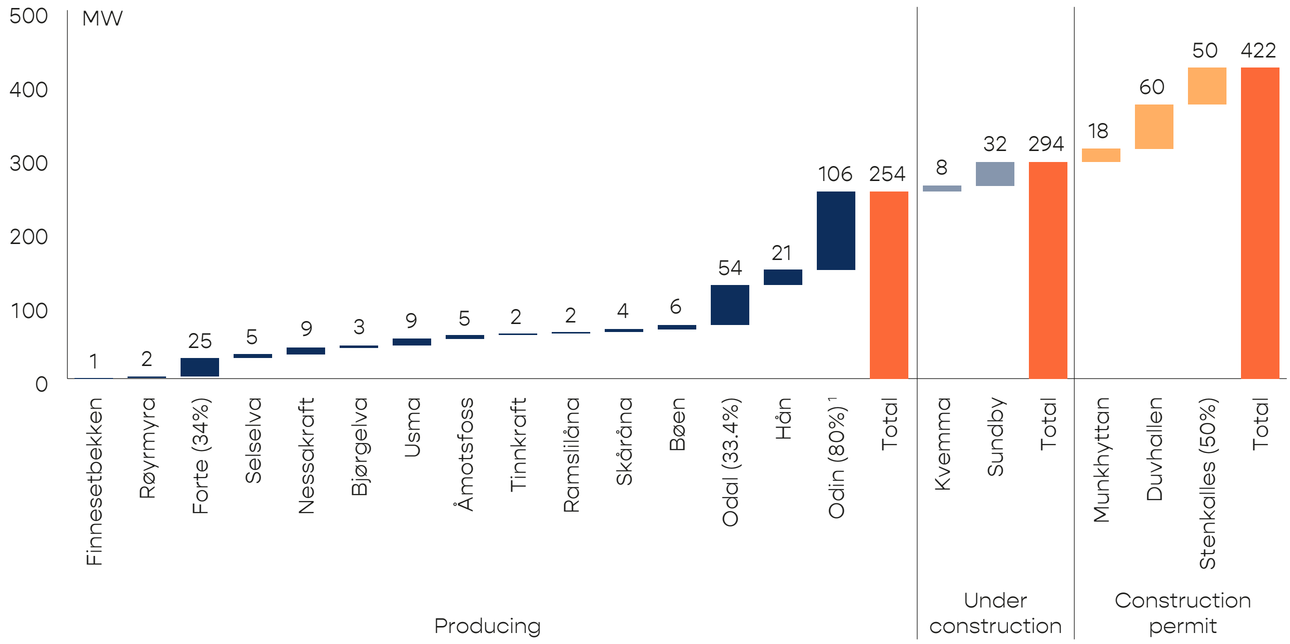
Cloudberry's strategy is to develop, own and operate producing assets in the Nordic region. During February 2023, Cloudberry signed a sale and purchase agreement with Skovgaard Energy A/S. The transaction will be Cloudberry's first step into Denmark and adds up to ~106 MW of net production. The transaction is pending government approval and is expected to close during Q2 2023.

The 2023 chart is an illustrative picture of our portfolio diversification following the Odin transaction.



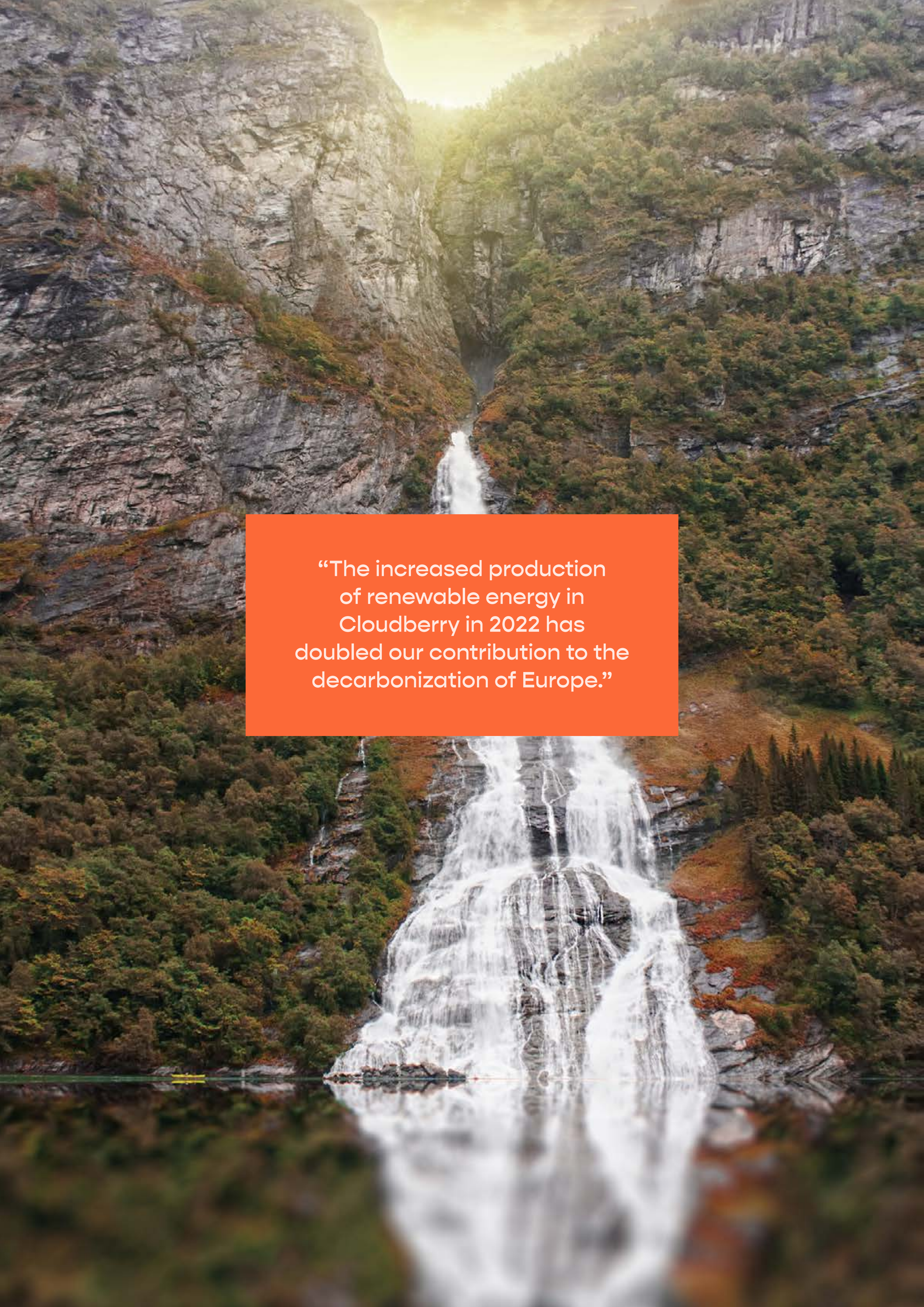
[1] Per reporting date

The figures belop summarize the status of our projects



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 assets, NO-2)	Hydro	Norway	NO-2	26	34%	8	29	Producing
Forte (4 assets, NO-3)	Hydro	Norway	NO-3	19	34%	6	21	Producing
Forte (6 assets, 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	Hydro	Norway	NO-2	2	100%	2	6	Producing
Bøen I & II	Hydro	Norway	NO-2	6	100%	6	18	Producing
Ramsliåna	Hydro	Norway	NO-2	2	100%	2	6	Producing
Skåråna (2 assets)	Hydro	Norway	NO-2	4	100%	4	14	Producing
Odal Vind	Wind	Norway	NO-1	163	33.4 %	54	176	Producing
Hån	Wind	Sweden	NO-1	21	100%	21	74	Producing
Odin portfolio[1]	Wind	Denmark	DK-1	133	80%	106	311	Producing
Total 1 (Producing)				**441**		**254**	**813**	
Kvemma	Hydro	Norway	NO-5	8	100%	8	20	Const/Prod. H1 2024
Sundby (Kafjarden)	Wind	Sweden	SE-3	32	100%	32	89	Const/Prod. H1 2024
Total 2 (Producing + under constr.)				**481**		**294**	**922**	
Munkhyttan	Wind	Sweden	SE-3	18	100%	18	60	Final procurement
Duvhalllen	Wind	Sweden	SE-3	60	100%	60	165	Constr. permit
Stenkalles (Vanern)	Offshore	Sweden	SE-3	100	50%	50	164	Constr. permit
Total 3 (Producing + const. + permit)				**659**		**422**	**1311**	

[1] Odin portfolio. SPA signed. Closing expected Q2 2023. 85 MW is unconditional. Production mainly in DK-1 (93%).



“The increased production of renewable energy in Cloudberry in 2022 has doubled our contribution to the decarbonization of Europe.”

Key Performance Measures

		2022	2021
Financials Consolidated FY	Revenue	217m	41m
	EBITDA	151m	-32m
	Cash, year-end	1 538m	1 115m
	Interest bearing debt, year-end	339m	304m
	Total equity, year-end	3 794m	2 636m
Proportionate FY	Revenue	646m	83m
	EBITDA	381m	-25m
Sustainability[1] Proportionate	CO^2 reduction EU-27 electricity mix	59 496 tons CO_2 eq.	29 133 tons CO_2 eq
	Direct and indirect emissions	10 727 tons CO_2 eq.	25 827 tons CO_2 eq.
Production Proportionate	Production	268 GWh	117 GWh
	In operation year-end	148 MW	58 MW
Development Proportionate	Construction permits year-end	128 MW	160 MW
	Backlog year-end [2]	420 MW	370 MW

1 CO2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. Go to the Sustainability section for details.

2 Backlog not including subsequent events which represents an additional 60 MW.

Market and power prices

While 2021 was a special year in the power markets, 2022 showed even greater volatility. The war in Ukraine tested the European energy supply to its limits, and has caused significant, long-term changes to the European energy markets. The demand for more power in Europe is expected to increase going forward, and there is clear push towards renewables following EU initiatives. Overall, the outlook caused by the energy transition and the market conditions is expected to serve as a foundation for high power prices going forward.

During 2022, Europe and the Nordics, saw record high power prices, primarily driven by soaring gas prices. With a near complete cut-off of gas import from Russia, gas prices skyrocketed to unprecedented levels, pushing power prices to the limits set by the markets. As the year drew to a close, the immediate danger of a real shortfall of gas in Europe during the winter fell, and prices dropped significantly, albeit from exceptional levels. However short- to medium term prices are still, historically, very high.

The uncertainty related to the energy crisis, and the associated volatility in the markets, affected the Power Purchase Agreements ("PPA") market negatively, and the volumes of PPAs in the Nordics dropped. This is both due to soaring prices, and the stress put on the financial power market. This stress is based on, amongst others, a significantly higher associated cost of hedging due to the rise of guarantees needed for trades. A rebound for the PPA market during 2023 is thus expected, especially in a scenario where prices stabilize.

For the year 2022, the Nordic System price averaged at 136 euro/MWh, the highest ever recorded price. The previous record was set in 2021, at 62 euro/MWh. For NO1 and NO5, the average price for 2022 ended at approximately 192 euro/MWh, and NO2 ended at 211 euro/MWh. However, the internal price difference in Norway were at record levels: In Northern Norway, the average price ended at 24 euro/MWh. Similarly, prices in Southern Sweden, SE4, (152 euro/MWh) were above twice the average price in Northern Sweden, SE1, (59 euro/MWh) for the year. We expect the internal price differences to remain, although at relatively lower 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), is expected to reduce the bottleneck between the Norwegian price areas NO3 and NO5.

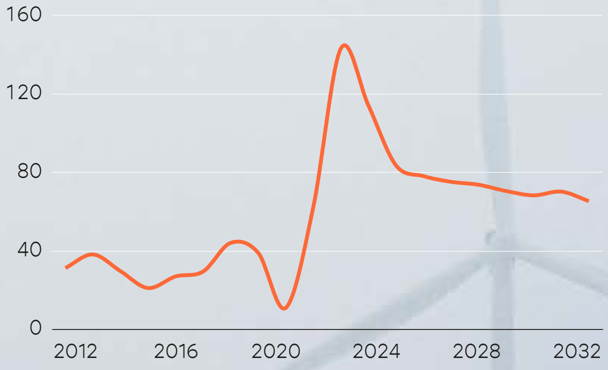
Going forward, we expect the supply crunch caused by the war to keep the prices higher than normal in especially NO1, NO2, NO5, DK1, DK2, SE3 and SE4 in 2023. More-than-usual rain during the spring/summer/autumn seasons might change the outlook for Norway. However, the underlying shortage of energy in Europe will affect European energy markets for years to come.

In Norway a significant growth in new demand is expected mainly related to emerging electrification projects and power intensive industries. This combined with a limited growth in power production capabilities moves the country's expected power balance towards negative territory. This may add further pressure on Norwegian, and thus Nordic, power prices. Please see chart on the next page for the expected power balance in Norway from Statnett.

During 2022, more than 95% of Cloudberry's power production was sold at spot prices. We remain positive to elevated Nordic power prices especially in the southern price areas in Sweden (SE3+4) and Norway (NO1+2+5).

Historic Nordic system price average 2012-2021 and Volue forward average 2022-2032

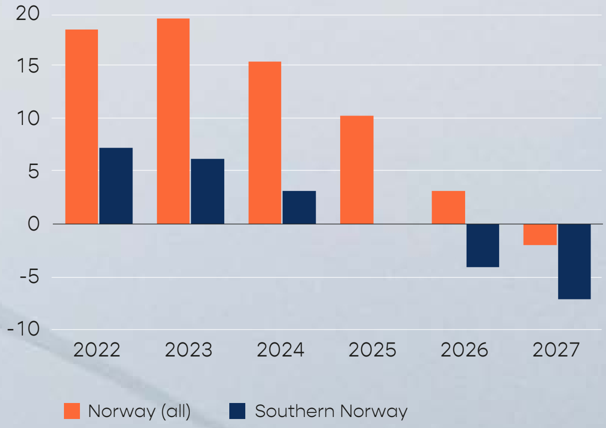
EUR/MWh (real 2022)



Source: Volue Q4 2022 report (EUR/MWh, not inflation adj

Norway's power balance soon in negative territory

(TWh)



Source: www.statnett.no/om-statnett/nyheter-og-pressemeldinger/nyhetsarkiv-2022

Executive Management

Anders J. Lenborg Chief Executive Officer

Anders is the founder of Cloudberry. He is responsible for managing the company's overall operations, 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 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.

Ingrid Bjørdal
Chief Compliance and Organizational Officer

Ingrid started in Cloudberry in 2022 and is responsible for compliance, ESG, organisation and HR in the Group. Ingrid has 20 years of experience from sustainability, HSE, compliance, HR and organisational development from the recycling and circular economy industry. She was SVP of Sustainability and Compliance in the Norsk Gjenvinning Group and has held the position as General Manager of two subsidiaries in the Group. She holds a Master of Science from King's College in London and an Executive MBA from BI Norwegian Business School.

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.

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.

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 16 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. Frank J. Berg is a Norwegian citizen

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 andhead of the ESG Committee in Cloudberry. Petter holds a degree in Economics from Handelsakademiet. Petter W. Borg is a Norwegian citizen.

Benedicte H. Fossum Board member

Benedicte H. 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 ESG Committee in Cloudberry. Benedicte is a veterinarian from the Norwegian University of Life Sciences. Benedicte H. Fossum is a Norwegian citizen.

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 from 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. Liv Lønnum is a Norwegian citizen.

Nicolai Nordstrand Board member

Nicolai Nordstrand is the CEO of Havfonn AS, the investment company of the Bergesen family. He has been with Havfonn for eight years as analyst and investment director. Before joining Havfonn, Nicolai worked more than 10 years with corporate finance in PwC in Oslo and London and Sparebank 1 Markets. Nordstrand holds a Master of Science in Financial Economics from BI Norwegian Business School. Nicolai Nordstrand is a Norwegian citizen.

Stefanie Witte Board member

Stefanie Witte is a Director with responsibility for Google's operating system in the German speaking countries, the Nordics and Poland. Over the last eleven years she has had leading positions in Google, like Head of Marketing for Android, Google's own hardware and advertising products. Witte worked previously six years in leading positions at Novartis after three years as a consultant in McKinsey. Stefanie Witte is represented at the board of several tech companies in Norway and Germany. At Cloudberry, she is also a member of the Compensation Committee. She holds a M.A HSG Finance, Accounting and Controlling from the University of St. Gallen. Stefanie Witte is a German citizen.

Henrik Joelsson Board member

Henrik Joelsson heads his own consultancy firm and has formerly worked 13 years as an Investment Director at the listed investment firm Ratos AB. Furthermore, Joelsson has 9 years of experience as a strategic consultant at Bain & Company. Joelsson has broad board experience and has been an active investor, board member and consultant within the energy sector, with a specific focus on renewables. He is currently a board member of Goava Sales Intelligence AB. Joelsson holds a Master of Science in Business Administration and Economics from Stockholm School of Economics and a MBA from INSEAD in France. Henrik Joelsson is a Swedish citizen.

Board of Directors report

Cloudberry owns, develops and operates hydropower plants and wind farms in the Nordics. Over the recent years Cloudberry has built a scalable publicly available Nordic renewable platform for hydro and wind power assets. This is further cemented by the signed share purchase agreement in February 2023 for the Odin portfolio, establishing Denmark as the third Nordic area. This will immediately increase Cloudberry's production capacity with up to 70% (further described under subsequent events). The Cloudberry platform is well positioned for profitable growth going forward in the Nordic market. Cloudberry is backed by strong owners and an experienced management team, powering the transition towards a sustainable future by providing clean and renewable energy.

Cloudberry`s business model and strategy

The development segment consists of green-field projects both onshore and off-shore. Managed by our experienced team with a solid track record of organic, in-house development of wind and hydropower assets. The production segment 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 area. The Operations segment delivers services such as asset management of hydro and wind assets, including digital solutions. The services are created on a scalable operating platform, delivered both internally to Cloudberry's assets, as well to third parties.

Cloudberry considers material financial, legal, ESG and technical 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 presence and optimization of stakeholder alignment to grow through greenfield developments and acquisitions.

Cloudberry believes in being local, focused and agile. The long-term growth strategy rests upon its ability to create value for all stakeholders, using the best possible technology available, being cost efficient, and enhancing sustainable operations.

Operating our business in a sustainable way

Sustainability is at the very core of Cloudberry`s business and is crucial for the company`s long-term achievements and value creation. The company wants to be a driver of a positive change and we are committed to powering the transition to a sustainable future by providing renewable energy today and for future generations. Cloudberry creates value in the communities in which we operate, together with and for our employees, customers, business partners, and shareholders. Developing new renewable assets is essential to reduce the global greenhouse gas (GHG) emissions, and we believe that a systematic approach towards incorporating sustainability in the value chain is imperative to fulfilling our purpose.

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

Dialogue and input from all stakeholders are of high importance to Cloudberry. As the company has grown significantly in 2022 through the acquisition of 60% of the Captiva Group (the Operations segment) and by organic growth, we saw the necessity of further developing and strengthening our sustainability strategy. Our materiality analysis and stakeholder dialogue process resulted in stronger sustainability ambitions, and updated material environmental, social and governance topics. With this Cloudberry has set our sustainability targets and key performance indicators (KPIs) for the short and longer term, which we have described in more detail in this year's sustainability report.

Sustainability is a rapidly developing field, and ensuring sustainable business operations is an ongoing process. We follow new developments closely to ensure we keep up with the changing landscape and to ensure that our sustainability strategy and reporting are adapted to growth and changes in the company and in line with future regulations. As a response to it, Cloudberry decided in 2022 to look to the European Sustainability Reporting Standards (ESRS) requirements, set by the Corporate Sustainability Reporting Directive (CSRD), rather than the World Economic Forum (WEF) Stakeholder Capitalism reporting framework. The ESRS standards are based on the Environment, Social, and Governance (ESG) structure.

We know that there is always more work to do. We are currently working on developing more sustainability KPIs and targets and plan to commit to the Science Based Targets initiative (SBTi) in the future. Additionally, we will conduct a CSRD gap analysis in 2023 to prepare for the coming requirements as part of our efforts towards continuous improvement.

Environment

Renewable energy is essential to reducing the worlds greenhouse gas emissions, stopping climate change, and protecting the environment. At Cloudberry, concern for the environment and climate change are at the center of everything we do. Our main ambition is powering the transition to renewable energy, while aiming to have a net positive impact on climate and nature. With the development and production of renewable energy, Cloudberry makes a positive contribution to the energy transition. Cloudberry's proportionate power production in 2022 totalled 268 GWh (117 GWh in 2021). The avoided emissions based on the baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2022) is equivalent to 59,496 tCO_2e (29,133 tCO_2e in 2021). However, developing and constructing renewable energy have a negative impact on the planet as well. It is of the utmost importance to Cloudberry to reduce our environmental footprint as much as possible. Controlling our greenhouse gas (GHG) emissions in the value chain is of high importance to us, and therefore we identified more significant GHG emissions from the categories in scope 3 during 2022. The total GHG emissions reported in 2022 is 10,727 tCO_2e (25,827 tCO_2e in 2021) across scopes 1, 2, and 3. CO_2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. Go to the Sustainability section for details. From 2023 we will report our carbon emissions on a quarterly basis.

Cloudberry will create a roadmap to reach net-zero from our emissions by no later than 2040, with the aim of using this process to identify pathways to reach net-zero even earlier.

Cloudberry has conducted thorough assessments of our producing assets' alignment to the criteria of the EU Taxonomy, and the internal analysis found that all wind and hydropower plants are aligned. In 2022 Cloudberry engaged a third-party, Det Norske Veritas (DNV), to perform a detailed assessment to evaluate our alignment to the criteria of the EU Taxonomy. DNV stated all of Cloudberry's hydropower plants to be aligned to the criteria of the EU Taxonomy, and a verification statement has been issued for each of the hydropower plants. The third-party verification for the wind power plants is ongoing and will be reported on during 2023.

Cloudberry has aligned further with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, focusing on developing more mature and holistic reporting. We updated our climate-related financial risks and opportunities related to our growth and expansion during 2022. This was further used to formulate the most material risks for Cloudberry, which the scenario analysis is based upon. In the sustainability section in this report there is a short summary of our work with the climate related risks and opportunities. A detailed TCFD report and the scenario analysis is published on our website.

During 2022 we have strengthened our work with environmental topics, where climate change and energy transition, biodiversity and nature impact, and circular use of resources and materials are the main topics. Minimizing environmental and nature impact in our development and operating projects are of high importance to us. We are continuously working on developing measurement and KPIs on how to minimize nature impact on our sites and will continue to work on relevant measurements going forward and implement the framework for Taskforce on Nature-related Financial Disclosures (TNFD).

Social

Providing renewable energy enables society's essential transition to green energy, and we seek to do this in a sustainable and responsible manner. Specifically, Cloudberry must act responsibly towards our employees and society at large, seek to be a preferred employer and partner in the renewable energy industry and create local engagement and value where we operate.

The Board of Directors considers the working environment to be healthy and productive. In 2022 there were no material health and safety incidents – and the organization's rate of absence due to illness was 1.83% (1.06% in 2021). Of the recordable work-related injuries, none were classified as serious injuries. However, two near misses were reported where a rock rolled down a slope at a construction site, and a truck slid off a construction road and into a shallow ditch.

Health, Safety and Environment (HSE) is addressed in the Supplier Code of Conduct to safeguard a mutual commitment between Cloudberry and its suppliers and contractors, and training and awareness are required in our agreements with contractors. In 2022 Cloudberry continued to work with HSE concerns throughout the supply chain, and the Supplier Code of Conduct is implemented in all our procurement phases.

In the Group, total FTE per year end was 62[1], of this 15 were female employees. Fostering diversity, equity, and inclusion (DEI) in the organization is of high importance for Cloudberry. In 2022, Cloudberry conducted an employee engagement survey focusing on HSE, compliance, work life balance and DEI in the workplace. The results from the survey gave a DEI index of 5.2 (6 is maximum score), which is based on a bundle of responses to five questions. This result constitutes the baseline for measures and targets within DEI and employee engagement. Actions to ensure progress and continuous improvement have been identified and are under implementation. Cloudberry will conduct smaller surveys in addition to the annual employee engagement survey to measure progress and discuss results in focus groups during 2023. Cloudberry has also set targets related to gender balance in the company, which are described in the Sustainability section in this report.

Additionally, Cloudberry takes its impact on local communities very seriously and strives to maintain ongoing, transparent dialogue with stakeholders. We hold meetings in local communities on each development project to assess local needs, and we plan our work accordingly. Cloudberry opened two new offices during 2022 which are located nearby our projects in Sweden. We also hired local employees and engage local businesses wherever possible. This contributes to local economic growth and value creation. Going forward we aim to develop appropriate KPIs to measure our local impact and establish goals, in parallel with continuing our work with local communities and stakeholders.

[1] The sustainability report covers employees and companies where the Group has more than 50% proportionate ownership, ie. 42 employees.

Governance

Responsible and good governance is the basis for a healthy business, and it is our ambition at Cloudberry to always ensure solid governance internally and in our value chain. The company adheres to recognized governance standards and shall comply with the Norwegian Code of Practice for Corporate Governance of October 2021, issued by the Norwegian Corporate Governance Board (NUES). This includes having principles for disclosure and transparency in Cloudberry`s business to provide shareholders and stakeholders with precise and accurate information concerning all aspects regarding Cloudberry.

Incorporating sustainability focus on our day-to-day business is a continuous process in the business units and in Cloudberry's entire value chain. The ESG committee ensures the alignment with the company`s sustainability strategy and assesses the administration's work and implementation of the ESG strategy in the company`s overall strategy. In 2022, the committee held eight meetings, a doubling from 2021, and the Chief Compliance and Organization Officer became a member of the committee, alongside the Chief Sustainability Officer and the two board members. Furthermore, to secure the integration of ESG ambitions and topics in all business units in the company, Cloudberry established an ESG project group early in 2022. The group consists of employees from different segments and areas of responsibility that actively work to improve methods and internal routines for ESG compliance.

In the Supplier Code of Conduct we address Cloudberry`s ethical standards towards our suppliers. We expect our suppliers and partners to uphold these standards, and that their policies, statements, and commitments are enforced in their own operations, and with their sub-suppliers. The Supplier Code of Conduct is implemented in procurement phases and is reviewed annually by the organization.

Cloudberry has integrated due diligence evaluations of environmental, social, and governance topics in all operational and investment decisions. In tender processes Cloudberry implemented a supplier declaration form which is used as a basis for pre-screening of suppliers of products and services to Cloudberry. The declaration form reflects regulatory requirements, quality, sustainability topics and HSE, and is included in an overall assessment when choosing a supplier. The procedure was implemented during 2022, and we will work to expand this further. In accordance with the Norwegian Transparency Act, we have incorporated human rights due diligence aligned with the OECD guidelines for Multinational Enterprises and the United Nations Guiding Principles for Business and Human Rights. A report on the due diligence assessment will be published by 30 June 2023, in accordance with deadlines outlined in The Norwegian Transparency Act.

Cloudberry conducts 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 of Conduct as an integral part of the onboarding, and all personnel are followed up with training and awareness. The Code of Conduct is revised and audited by the Board of Directors annually.

An important part of good governance is being transparent and proactive regarding any incidents or irregularities that may occur. Cloudberry wants to be made aware of any such irregularities or other concerns regarding the organization and its business and encourages a speak-up culture among its employees. To notify misconduct observed with the Group, an independent and anonymous reporting channel is abailable on our website. There were no whistleblowing reports and no instances or suspicion of corruption or fraud raised during 2022.

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.

Financial Performance

Financial summary

In 2022 Cloudberry has grown significantly. The proportionate production more than doubled compared to 2021, while the consolidated revenues increased ~400%, on the back of a 50% increase in the balance sheet. The group has a strong financial position and is fully financed for ~1TWh in run-rate production.

The year started with the completion of the acquisition of Captiva, establishing the fourth business segment Operations to support and develop the remaining Cloudberry segments. The acquisition enabled all Cloudberry assets to be manged inhouse. Further, Captiva strengthened Cloudberry's capabilities within development of renewable assets, especially within hydro power.

The Production portfolio grew during 2022 after closing several acquisitions. In addition, both power production and revenue were continuously ramped up as the wind assets Odal and Hån came into full operation. By year end the production portfolio, including assets under construction, consisted of 28 hydropower assets and 51 wind turbines (in four projects), wholly or partially owned.

The Development segment achieved several milestones through the fiscal year. Most importantly Hån was finalized on time and on budgets and started in November to generate revenues through its commissioning period. Hån was the first wind farm in the portfolio that was overseen by Cloudberry from early-stage development through construction. The project was in Q3 2022 sold to the Production segment. Further, the Development segment secured two new projects: Sundby Vindpark (Kafjärden) and Munkhyttan, and in December Cloudberry took final investment decision on Sundby where Cloudberry plans to install 32.4 MW. The project is expected to have first power by the end of 2023. In addition, the development segment farmed-down the shallow-water project Stenkalles, bringing in Hafslund as a 50% strategic partner. Hafslund has an experienced organization, strong balance sheet and operational know-how which is expected to help improve the project economics and reduce risk.

The corporate segment had an active year in 2022. Among other activities, In September Cloudberry raised NOK 800 million through a private placement, and published an updated Prospectus, which was approved by the Financial Supervisory Authority of Norway in December.

By year-end 2022, the total equity of Cloudberry was NOK 3 794m (NOK 2 636m at the end of 2021). The Group has a robust balance sheet with low debt, strong cash position and is fully funded for a portfolio of ~1 TWh.

Key figures

The below information describes the operations of the consolidated Group in 2022, with the corresponding figures for 2021 in brackets. Figures are presented in NOK million.

Profit and loss

Profit before tax was NOK 122m (NOK -64m). This comprises reported total revenues of NOK 217m (NOK 41m) from sale of power related products,

Financial summary		2022	2021
Operating revenues	NOK million	217	41
EBITDA	NOK million	151	(32)
Profit for the year	NOK million	122	(63)
Total assets	NOK million	4 603	3 118
Cash	NOK million	1 538	1 115
Net interest bearing debt	NOK million	(1 200)	(811)
Total equity	NOK million	3 794	2 636
Equity share	%	82%	85%
Producing during the year [1]	GWh	268	117
Secured portfolio (Producing and under construction)	MW	188	150
Secured portfolio (construction permit)	MW	128	160
Secured portfolio (Backlog)	MW	420	370

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

asset management-, digital- and consultancy services and other income. Operating expenses were NOK -186m (NOK -89m), share of profit from associated companies was NOK 120m (NOK 16m), depreciations and amortization were NOK -35m (NOK -10m) and net finance items were NOK -6m (NOK -22m).

EBITDA was NOK 151m (NOK -32m), and EBIT was NOK 116m (NOK -41m). Profit after tax for the year was NOK 122m (NOK -63m).

Other comprehensive income consists mainly of items that may subsequently be reclassified to profit and loss and amounts to NOK 101m (NOK -7m). This relates to movements of cash flow hedges with tax effects and foreign currency translation differences.

Total comprehensive income was NOK 223m (NOK -70m), of which NOK 219m was attributable to Cloudberry shareholders, while NOK 3m was attributable to non-controlling interests.

The total income of NOK 223m is expected to be allocated to retained earnings.

Cashflow

Cash flow from operating activities for the year was NOK 43m (NOK -61m).

Cash flow from investing activities was NOK -379m (NOK -838m).

Cash flow from financing activities amounted to NOK 760m (NOK 1 411m).

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 538m (NOK 1 115m).

Financial position

Total assets at year-end were NOK 4 603m (NOK 3 118m). The increase from last year primarily reflects acquisitions, business combinations and capital raises. Non-current assets totalled NOK 2 821m (NOK 1 735m) consisting of investment in producing assets and associated companies, while current assets were NOK 1 782m (NOK 1 383m), mainly project inventory, other current assets and cash, and cash equivalents.

Total equity was NOK 3 794m (NOK 2 636m) at year end, corresponding to an equity ratio of 82% (85%).

Total liabilities were NOK 808m (NOK 482m), with NOK 283m (NOK 91m) due within 12 months.

Segments

Cloudberry reports its operations in four segments, Production, Development, Operations and Corporate. Operations was established with the acquisition of Captiva in January 2022.

Production

Cloudberry Production owns long-term yielding hydro and wind assets in Norway, Sweden and soon Denmark pending Governmental approval of the Odin acquisition. Electricity is primarily sold through the spot market Nordpool, but also through bilateral agreements. Producing assets are entitled to electricity certificates and guarantees of origin.

Production, segment		2022	2021
Total revenue	NOK million	402	77
EBITDA	NOK million	262	43
Production (proportionate)	GWh	268	117
Production capacity year-end	MW	148	58
Secured portfolio (Producing & under construction)	MW	188	150

Main activities

The focus during 2022 has been on increasing production volumes and continuous streamlining and improving the operational platform.

Key events over the year:

- Hån reached commercial operating date and was in Q3 sold from the Development to the Production segment. By year end Hån was in full production.
- Odal Vind reached full operation after having taken over all turbines through the year. All turbines are operational by year end, except for the one turbine that needs to change its gearbox and main bearing. Due to long lead time on spare parts the gear box and main bearing will be changed during summer 2023. This is covered by Siemens guarantees.

- The acquisitions of the hydropower plants Tinnkraft, Ramsliåna and Bøen were all completed and are currently in full production
- A share purchase agreement for Øvre Kvemma Kraftverk was entered into. Financial close is expected during the first half of 2024 when the construction of the power plant is completed and tested.
- The hydropower plants in Skåråna Kraft were connected to the grid in the third quarter of 2022 after a delay caused by 3rd party grid owner. The plants are by year end in full and stable production
- The share purchase agreement for Odin Energy was entered into subsequent to the balance sheet date. Please see subsequent events for more information

Power production

Cloudberry's proportionate power production grew from 117 GWh to 268 GWh during the year. Based on the current production portfolio, Cloudberry estimates an annual run-rate production of ~500 GWh, and up to ~800 GWh per year including the Odin portfolio.

Development

Cloudberry Development has a significant onshore and offshore development portfolio with renewable assets in the Nordics. Since inception, eleven projects have been fully developed and sold to infrastructure investors and European insurance companies. Going forward Cloudberry has the option to either sell, farm-down or maintain in-house projects for long-term cash flow. In 2022, 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 and procurement and construction of wind projects have joined the Cloudberry team.

Development, segment		2022	2021
Total revenue	NOK million	207	6
EBITDA	NOK million	177	(30)
Construction permits	MW	128	160
Backlog	MW	420	370

Key events over the year:

- Completion of the Hån project on time and budget during the fourth quarter. All turbines were taken over from Vestas in December.
- Cloudberry has taken the final investment decision on Kafjärden (renamed Sundby Windpark AB) and signed a turbine agreement with Vestas. Cloudberry plans to install 32.4 MW (9 Vestas turbines with an effect of 3.6 MW each). The project was then moved from projects with construction permits, into projects under construction.
- Farm-down on the shallow-water project Stenkalles, brining in Hafslund as a 50% strategic partner in order to improve the project economics and reduce risks. The project received two-year extension during 2022 giving the project team time to further optimize the project.
- Cloudberry has per year end an exclusive backlog of 420 MW (480 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 2022 the segment has scaled up both onshore and off-shore with projects and new employees. Charlotte Bergquist is now heading the Development segment with an increased focus on shallow-water projects.
- In addition to the onshore activities, we are actively working on shallow water projects in the Baltic Sea. It is a long-term goal to have a shallow-water project portfolio of > 2,500 MW in the Baltic Sea by 2030.

Operations

The segment Operations includes the activities organized in the Captiva Group. The segment was established after completion of the acquisition of Captiva in January. Captiva is an asset manager and operator of wind and hydro assets in the Nordics with more than 15 years of experience in the industry. Cloudberry is currently a 60% owner of Captiva with the option to purchase 100% of the business by 2025 (the remaining 40% is owned by the management of Captiva). Captiva has organized its business into management services and digital solutions.

Operations, segment		2022	2021
Total revenue	NOK million	38	N/A
EBITDA	NOK million	4	N/A

Key events over the year:

- In September Cloudberry raised in NOK 800 million through a private placement and published an updated Prospectus which was approved by the Financial Supervisory Authority of Norway in December.
- The share capital has been changed over the year in connection primarily to the private placement and settlement of the acquisition of Bøen and Captiva. By year end the Company's new share capital was NOK 72,824,976.25, comprising 291,299,905 shares, each with a par value of NOK 0.25. Each share carries one vote.
- New board members. Stefanie Witte, Henrik Joelsson and Nicolai Nordstrand were elected into the Board of Directors. Morten Bergesen stepped out of the Board and will remain head of the election committee.

Corporate

The Corporate segments represents corporate centralised functions, operated out of the Oslo office. The corporate management aims to remain a cost-effective, agile and dynamic team that the other segments can build on. By year end, there were seven employees in the corporate segment.

Key events over the year:

- In September Cloudberry raised in NOK 800 million through a private placement and published an updated Prospectus which was approved by the Financial Supervisory Authority of Norway in December.
- The share capital has been changed over the year in connection primarily to the private placement and settlement of the acquisition of Bøen and Captiva. By year end the Company's new share capital was NOK 72,824,976.25, comprising 291,299,905 shares, each with a par value of NOK 0.25. Each share carries one vote.
- New board members. Stefanie Witte, Henrik Joelsson and Nicolai Nordstrand were elected into the Board of Directors. Morten Bergesen stepped out of the Board and will remain head of the election committee.

Cloudberry Corporate, segment		2022	2021
Total revenue	NOK million	-	-
EBITDA	NOK million	(63)	(38)

Risk Management

The Group is exposed to various risks through its value chain, including strategic, operational, climate, financial and market/external risks. Cloudberry has extensive routines and policies in place to actively manage risks. In 2022, we updated our risk management policy and implemented a standardized process for risk assessment and risk mitigation in the Group. The process included conducting risk work shops in all segments, training the management team and key personnel in risk management, and aligning and calibrating risks across the Group. The key risks are discussed, and policies are reviewed and approved by the Audit committee and Board of Directors on a regular basis.

Operational 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, another risk relates to the process of transitioning development projects from the backlog and pipeline stage to finalization. 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.

Operational risks also include health and safety hazards especially in our construction processes, and risks related to climate, nature and environment.

Cloudberry manages the risk through close follow-up and monitoring of operating assets and developing projects. Procedures and guidelines for the segments are implemented and reviewed regularly and include the whole value chain we are part of.

Market/External/Political risk

The Group is engaged in the production and sale of renewable electrical power. The power industry is highly regulated, and regulations may change over time. Further, the Group`s activities are subject to the laws and regulations applied by the governmental authorities in connection with obtaining concessions and permits, government guarantees, and other obligations regulated by law in each country. The proposed changes to the taxation of Norwegian renewables in 2022 has further heightened the political risk in Norway.

A number of broader regulatory changes to the electricity market, such as changes to integration of transmission allocation, changes in the tax regulation, changes to energy trading, potential caps on energy prices and transmission charging, are being implemented or evaluated across Europe. These changes have an impact on the electricity prices and the costs of selling electrical power, which may reduce the Group's profitability. 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 Group also has several projects under development, which require support from local and/or national authorities. Changes in the political landscape may imply that certain of the Group's projects under development must be abandoned due to lack of political support or regulatory changes which result in the projects no longer being expected to meet the Group's minimum profitability requirements.

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. During 2022, Cloudberry's power production has increased to a level where there are opportunities to evaluate both financial power price hedges, and long term PPA's.

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 projects 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. 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 forced 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 and EUR through its operations in Sweden and investments in associated companies, hence the Group is exposed to currency risk through fluctuations in exchange rates between NOK, SEK and EUR.

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 risks can pose a significant threat to humans, wildlife and society as a whole. For Cloudberry it can possibly damage producing assets, increase costs of maintenance and other costs, reduce 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.

The Norwegian tax proposal

In September 2022, the Norwegian government proposed significant changes to the taxation of Norwegian renewables, primarily introducing a ground rent tax for onshore wind and a windfall tax for wind- and hydropower. Cloudberry has invested a significant amount of time on the proposed new tax regime to meet with and inform the Government, the Ministry of Finance, Ministry of Petroleum and Energy, the Parliament, and the public in general of the negative consequences it will have for development and production of renewable energy in Norway if implemented. Our two key messages are that: i) Tax implementation cannot be retroactive in principle i.e., the existing wind projects must be exempted from the ground rent tax for onshore wind, and ii) for new projects it is important the taxation is implemented with investment neutrality to ensure continuous development of renewable energy in Norway. Cloudberry delivered an official hearing on 15 March 2023, and will continue to work on improving the proposal until the final vote in Parliament hopefully before summer of 2023.

The war in Ukraine

On 24 of February 2022 Russia attacked Ukraine which started a war that is still ongoing at the time of publication in March 2023. The invasion is a terrible tragedy for all affected both within and outside the Ukraine boarders. Further, the invasion has resulted in severe implications on inter alia global trade, global markets, energy prices and commodity prices.

During 2022, Europe, and the Nordics, saw record high power prices, primarily driven by soaring gas prices after European gas imports from Russia ended. The intermediate danger of a European gas shortage has since been reduced, and power prices have dropped significantly, but are still at historically high levels. As Cloudberry primarily sells its electricity in the spot market, the war's effect on energy prices has, and will continue to have, a significant impact on Cloudberry's revenues. Further, there may be implications to global trade, transportation costs and/or commodity prices, which may increase the cost of Cloudberry's construction projects.

It is still highly uncertain how the conflict will evolve and how it will continue to have an impact on the global economy going forward. Cloudberry continues to assess the risk related to volatility in energy prices and implications of the war in detail going forward.

Outlook

Cloudberry is continuing its profitable growth and has become a leading Nordic Independent Power Producer (IPP). Please refer to the recently announced acquisition of "Odin", which provides diversification into a new attractive market and price area DK1.

We are pleased that Odal Vind and Hån wind farms are in full production adding new renewable power to our portfolio. New wind power will also affect our production profile especially in winter where our hydro based portfolio is generally producing on a lower level. Further strengthening the production profile and power production is the FID on Sundby Wind Farm in SE 3 adding another 32MW to our portfolio once it is in production at the beginning of 2024.

We have an increased focus on growing our development backlog with new hydro and wind projects. We are happy to see new projects in Sweden coming into the development portfolio. On the offshore side we continue our work on our latest early-stage project Simpevarp (800MW) in Sweden and also other near shore projects in the Swedish sector.

On the international arena EU is focusing on speeding up the energy transition through Fitfor55 and RePowerEU at the same time as they are looking at a redesign of the energy market. We are following the work closely and hope the outcome will be positive for the development of new renewable power throughout the EU leading to reduced and more stable energy prices for the consumers and industry.

The Nordic power market continues to look strong with high spot prices and high forward prices compared to historical levels for all our relevant price areas. With the ongoing energy transition and the increased focus on security of supply the power prices are expected to remain strong.

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 the 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 complies 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, 23 March 2023

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg Chair of the Board	**Petter W. Borg** Board member	**Benedicte Fossum** Board member	**Liv Lønnum** Board member
Henrik Joelsson Board member	**Nicolai Nordstrand** Board member	**Stefanie Witte** Board member	**Anders J. Lenborg** CEO

Sustainability report

What we do and why we do it

Climate change is a global crisis, and the world is already beginning to see its effects in the changing weather patterns and increasing frequency and severity of floods, droughts, and other extreme weather events. At the same time, these issues are compounded by nature degradation.

To slow down or stop the climate change and mitigate its impacts, the society must reduce its greenhouse gas (GHG) emissions and nature impact. This requires a significant reduction in the use of fossil and carbon-intensive energy, at the same time as global energy demand is increasing. This must be achieved through the development of renewable energy. We have high ambitions on increasing our production of renewable energy in the years to come and thus contribute to the much-needed globally decarbonization.

At Cloudberry, we are powering the transition to a sustainable future by developing and providing renewable energy today and for future generations. We create value in the communities in which we work, together with and for our employees, customers, business partners, and shareholders. Nevertheless, the positive effects we create, Cloudberry's development and construction of renewable energy plants generates GHG emissions and impacts the surrounding environment and society at large in a multitude of ways.

We aim to be transparent about all our impacts – good and bad. In the following sustainability report we describe how Cloudberry contributes to the shift to the renewable energy transition, the impacts we have on the climate, nature, and society, and how we proactively work to mitigate our negative impacts. We ensure that concern for environment, society and sustainability is at the core of everything we do.

Introduction

Everything we do at Cloudberry is based on our desire to make a positive impact for all our stakeholders while contributing to society's transition to renewable energy. Our licence to operate is closely linked to our ability to act in a sustainable way and to develop and provide renewable energy for current and future generations.

In Cloudberry a long-term perspective colours everything we do. We want to be a driver for positive change. Developing new renewable assets is essential to reducing global CO_2 emissions. We realise, however, that our growth does not come without environmental and social impact. Construction and production have an impact on biodiversity, land use and individuals' interests. Cloudberry is conscious of these 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 develop our approach to ensure sustainability remains a key aspect in all our processes. We know that the choices we make along the way matter, and conduct our business with concern for our impact on environmental, social, and governmental (ESG) aspects at all times. We work systematically towards our goal to be net zero across the value chain no later than 2040.

It is important to our various stakeholders that we manage our business according to the strongest ESG principles. We expect nothing less of ourselves and our partners. Thus, we continually improve our sustainability efforts and are transparent about what we have done and what we still need to work on. This report addresses what we have done in 2022, our ongoing sustainability processes, and the topics we plan to increase our focus on in the future.

Cloudberry grew significantly in 2022 through the acquisition of 60% of the Captiva Group (the

ESG Ambitions. Material Topics and Targets

	Environmental	Social	Governance
Sustainability ambitions	To power the transition to renewable energy aiming to be climate and nature positive	To act responsibly towards our employees and society, being a preferred employer and partner	To ensure solid governance internally and in our value chain at all times
Material topics	Climate change and energy transition Nature impact & biodiversity Circular use of resources and materials	Engagement, health and safety Diversity and equal opportunities Local community impact	Responsible business conduct Responsible value chain
Targets	Net zero by 2040 Minimize and repair adverse nature impact	Zero injuries Attract and retain a diverse and competent workforce	Zero compliance breach internally and in the value chain
Contribution to SDG targets	7 Affordable and clean energy; 12 Responsible consumption and production; 13 Climate action; 15 Life on land	5 Gender equality; 11 Sustainable cities and communities	16 Peace, justice and strong institutions

Operations segment) and by organic growth. This growth, along with developments within the field of sustainability, necessitated an update and strengthening of our sustainability strategy. During 2022, we revised the material topics, a process which included updating our external stakeholder dialogue. The stakeholder meetings are treasured and of high importance to the company.

As a result of these processes, during 2022 we have updated our ESG material topics, and set our sustainability ambitions, targets, and key performance indicators (KPIs).

Over the past year we have constantly improved our formal efforts within social sustainability and sustainable governance. We conducted a due diligence assessment in accordance with the requirements of the Transparency Act to secure fundamental human rights and decent working conditions in our entire supply chain. The work included, among other measures, implementing pre-screening for all potential suppliers. Furthermore, we conducted an employee engagement survey focusing on HMS, compliance, work life balance and diversity, equity, and inclusion (DEI) in the organization. This will be an annual survey, in addition to introducing smaller employee surveys on compliance and employee well-being on a more frequent level. As Cloudberry has grown, we arranged a workshop for all employees with the purpose of further developing our value-based culture. This resulted in revitalised values:

Our Values

Be Supportive

We accept everyone's worth and dignity, respect and help each other. We encourage supportiveness and value diversity. We welcome different opinions, but always pull in the same direction towards Cloudberry's common goals.

Be Committed

We work together with passion and dedication to reach our purpose and goals today and for the next generation. We engage in our work and emphasize the value of collaboration and teamwork. We operate with a long-term perspective, and sustainability is integrated in everything we do.

Be Bold

We believe that our mission to accelerate the transition to renewable energy requires us to be bold, go in new directions, think innovatively and differently, and think big – but always act responsibly.

Be Exceptional

We know that to succeed we must always perform our best. Being exceptional means valuing diversity to strengthen our ability for problem solving and value creation. We set our standards high and ensure industry-leading competence and foster a culture that values the synergies of cooperation.

About the report

Reporting standards

Sustainability is a rapidly evolving field, with evolving reporting standards. When we wrote our first sustainability report in 2020, we chose to use the World Economic Forum (WEF) Stakeholder Capitalism reporting framework. This year we have decided to move away from the WEF structure in favor of an Environment, Social, and Governance (ESG) structure. We make this change because the ESG structure is becoming more standard in sustainability reporting, and to prepare for the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD). These standards have been detailed by the European Financial Reporting Advisory Group (EFRAG) and are based on the ESG structure. Accordingly, we have included some information related to the mandatory CSRD disclosures in this report and plan to conduct a CSRD gap analysis in 2023.

Despite our switch to the ESG reporting structure, this report contains many of the same disclosures as before, which are aligned with the Sustainability Accounting Standards Board (SASB) and elements of the UN Sustainable Development Goals (SDGs). Previously, Cloudberry's sustainability reports were also aligned with the Task Force on Climate Related Financial Disclosures (TCFD). This year we have published a separate TCFD report, although the sustainability report still highlights the most material climate risks. This report is also inspired by the Global Reporting Initiative (GRI) and therefore includes new GRI disclosures and a GRI reporting matrix at the end of the report.

ESG Key Performance and Targets

In 2022, we updated our material environmental, social, and governance (ESG) topics and developed corresponding ambitions, targets, and KPIs. The table below shows the targets and the KPIs we are reporting.

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Environment [1]	GHG emissions avoided tCO_2e	5 229	29 133	59 496	124 500	249 000
	GHG emissions tCO_2e	6 980	25 827	10 727	13 500	24 750
Social [2]	Work injuries (incl. Sub-contractors)	0	0	0	0	0
	Employee engagement index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
	Female employees % of total	20%	29%	29%	35%	> 40%
	Female managers % in mgmt. positions	20%	20%	33%	33%	> 40%
	Female BoD % in total BoD	40%	40%	43%	> 40%	> 40%
	Equal opportunities index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
Governance	Prescreening of suppliers	N/A	N/A	10%	50%	100%
	Whistle-blowing incidents	N/A	0	0	N/A	N/A
	Compliance training	N/A	100%	36%	100%	100%

[1] CO_2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. See the Key performance summary and the Environment section for details.

[2] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

Key performance summary

Cloudberry's sustainability management was strengthened in 2022, with focus on organizing and disclosing our ESG activities and performance. As a result, we have developed and expanded our set of targets and KPIs. We are continuously improving our sustainability efforts and acknowledge that some KPIs need to be further developed going forward. Nevertheless, our current KPIs are discussed in the Environmental, Social and Governance chapters of this sustainability report.

Cloudberry's 2022 proportionate power production totaled 268 GWh (117 GWh in 2021). The avoided emissions relative to baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2022) are equivalent to 59,496 tCO_2e (29,133 tCO_2e in 2021). The avoided emissions previously reported in 2020 and 2021 are adjusted in the 2022 report and is described in the Environment section. The 2023 and 2025 targets are based on expected proportionate production of renewable energy.

In 2022 Cloudberry's total direct and indirect GHG emissions from Scope 1, Scope 2 and Scope 3 amounted to 10,727 tCO_2e (25,827 tCO_2e in 2021). The previously reported Scope 3 emissions for 2020 and 2021 have been adjusted in the 2022 report, and includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm. This is described in detail in the Environment section. Targets estimated for 2023 and 2025 are calculated from the construction projects in the company`s project pipeline. Starting from 2023 we will report our GHG emissions on a quarterly basis.

All of Cloudberry's hydro power plants are aligned to the criteria of the EU Taxonomy. Detailed third-party assessments were carried out to evaluate our alignment to the criteria of the EU Taxonomy, and a verification statement has been issued for each of Cloudberry's hydro power plants. The internal analysis of our three wind power plants found that all are taxonomy aligned. The third-party assessment is currently ongoing for the wind power plants and will be reported on during 2023. For more information on the EU Taxonomy please go to the Environment section in this report.

In 2022 Cloudberry received a light green rating from Position Green, the annual review of ESG reporting of the 100 largest listed companies in Denmark, Norway, and Sweden.

ESG100
POSITION GREEN | 2022

During 2022 Cloudberry recorded no material incidents causing harm to people`s health and safety. We have a zero-incident target for injuries that cause absence from work, as well as for incidents causing harm to people`s health and safety.

The 2022 employee engagement survey focused on HSE, compliance, work life balance and diversity, equity, and inclusion (DEI) in the workplace. A DEI index of 5,2 was calculated of based on a bundle of responses to five questions, where six is the maximum possible score. This result will be used as a baseline for measures and targets within DEI and employee engagement. We will work systematically to sustain or improve the score in 2023. Furthermore, Cloudberry has set targets related to gender balance in the company. Gender balance and our work with DEI are described in detail in the Social section.

In 2022 we conducted a due diligence assessment in accordance with the Transparency Act requirements, to secure fundamental human rights and decent working conditions in our entire supply chain. Additional steps to strengthen our work on transparency and decent working conditions, such as implementing pre-screening of all potential suppliers, have been implemented. The work relating to prequalifying suppliers will be fully incorporated in Cloudberry from 2023. We have set targets related to screening suppliers with significant impact in our projects. This is described in more detail in the Governance section.

SUSTAINABLE DEVELOPMENT GOALS

Supporting the UN Sustainable Development Goals

The development of renewable energy capacity contributes to the energy transition required to reach net-zero, European and national climate targets, and the UN Sustainable Development Goals (SDGs). In 2021 we reviewed our sustainability strategy with attention to the SDG targets and highlighted those we aligned with. In 2022 we evaluated our alignment with the UN SDGs in light of our updated environment, social and governance (ESG) strategy. As a result, we made some adjustments, including highlighting two additional SDGs as topics important to Cloudberry's business and how we operate: number 5; Gender Equality, and number 16; Peace, Justice and Strong Institutions.

Cloudberry is aware that the energy industry is highly male dominated. Supporting SDG number 5, Gender Equality, reflects how Cloudberry actively works to improve gender equality in an area where we can have a real impact.

Cloudberry is committed to acting ethically and using ethical suppliers. This includes working against corruption and bribery, which is a central part of SDG 16, as well as establishing transparency in institutions at all levels and ensuring inclusive decision making. Both goals are well aligned with Cloudberry's work to ensure a steady and transparent flow of information between the company and its stakeholders, as well as the focus we have on stakeholder collaboration.

The following UN Sustainable Development Goalss are particularly important to Cloudberry's business and how we operate

Gender equality

Cloudberry contributes improving gender balance and ensuring equal opportunities for all genders in own workforce and operations and brings the attention to recruitment agencies and contractors. Progress is measured through our social KPIs for share of female employees, -management, and -the Board of Directors.

Affordable and clean energy

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

Sustainable cities and communities

Cloudberry contributes to the development of sustainable cities and communities by developing and operating renewable energy infrastructure. In addition, Cloudberry seeks to protect cultural and natural heritage as well as using sustainable materials and solutions, e.g., reuse materials and engage local suppliers where possible.

Responsible consumption and production

Cloudberry aims to act responsibly in all development projects, focusing on environmentally sound management of chemicals and all waste throughout the life cycle, recycled and reuse of material as well as efficient use of natural resources. Secondhand furniture in own offices and improving circularity where we have an impact.

Climate action

Cloudberry contributes to mitigating climate change by developing and operating renewable energy with a focus on reducing our GHG emissions and minimizing our nature impact, and we have a goal of being net-zero before 2040. The effect of climate change has consequences for our operating assets therefore we consider our business planning and have assessed our climate related risks and opportunities to ensure that our assets are climate-resilient.

Life on Land

Cloudberry protects life on land through the company's contributions to climate change mitigation. Additionally, Cloudberry integrates ecosystem protection and biodiversity values into our development processes, and promotes sustainable forest and biodiversity management, including protection of threatened flora and fauna.

Peace, justice and strong institutions

Cloudberry contributes ensuring ethical value-chain, transparency, and include various stakeholders in our decision making and project planning processes. We track our work through our compliance and anti-corruption KPIs, as well as supplier screening.

In 2022 we received zero grievances from neither project under construction nor from those in operation. Cloudberry aims for zero non-compliance incidents in the years to come. However, we want to be made aware of irregularities or concerns regarding the organization and our business. We therefore welcome all whistle-blowing occurrences and encourage a culture of transparency. Compliance training includes training in Code of Conduct, notification routines for whistleblowing incidents and anti-corruption. In 2022, all Cloudberry and Captiva employees received information about the whistleblowing policy, and the updated Code of Conduct was shared. Mandatory training for all employees in anti-corruption and the Code of Conduct is embedded in Cloudberry from 2023.

Updated sustainability strategy

Cloudberry`s overarching purpose is to provide renewable energy for future generations and power the transition to a sustainable future. This purpose shapes everything we do, and our long-term success is linked to operating our business in a sustainable way. To fulfil this purpose, Cloudberry believes that identifying, understanding, and systematically managing the material sustainability topics in our value-chain is of utmost importance for future long-term value creation.

Cloudberry grew significantly in 2022 with the acquisition of 60% of the Captiva Group (the Operations segment) and through organic growth. The growth necessitated an update of our sustainability strategy and material topics list, facilitated by renewed external stakeholder dialogue.

As a result of this process, Cloudberry has revised its material topics and developed relevant sustainability ambitions, targets, and key performance indicators (KPIs). They have all been incorporated into our development, production, operations, and corporate business units. The targets and KPIs were approved by Cloudberry's ESG committee and Board of Directors at the end of 2022.This sustainability report addresses our updated strategy and sustainability material topics in more detail, as well as our plans to address each of them, divided into the Environmental, Social, and Governance dimensions.

Double materiality assessment and adjusted material topics

As part of our ESG strategy update we conducted a double materiality assessment inspired by the Global Reporting Index (GRI) and the methodology described in CSRD. This process represents our first step towards CSRD alignment and included interviewing our most important stakeholders. This resulted in receiving input on how our activities impact people and the environment, and on how different sustainability matters create risks and opportunities for Cloudberry.

We have linked the topics that came out of this process with the three ESG dimensions: Environmental, Social, and Governance.

Our assessment found our most material environmental topic dimensions to be climate change and energy transition, nature impact and biodiversity, and circular use of resources and materials. Our most material social topics are engagement, health and safety, diversity and equal opportunities, and local community impact. Under governance, responsible value chain and responsible business conduct were identified as the most material sustainability topics.

In the coming years Cloudberry will continue to raise our sustainability ambitions and goals and strengthen the work with our material topics. The integration of ESG topics is an ongoing process in both our own business units and the value chain. Good corporate governance and ethical business conduct are essential to Cloudberry as the company continues to grow organically and through acquisitions.

The table below gives an overview of our material sustainability topics, as well as our preliminary assessment of them related to double materiality. For each material topic, we have considered how Cloudberry impacts the outside world (also known as inside-out impact and sometimes called “impact”), as well as how changes related to the topic create risks and opportunities for Cloudberry (also known as the outside-in impact and closely related to financial issue).

Material sustainability topics

ESRS	Topic	Inside-out	Outside-in
E1 – Climate change	Climate Impact	**Positive:** Cloudberry's development and production of renewable wind and hydro power contributes positively to society's overall energy decarbonization, which helps to mitigate climate change. **Negative:** The manufacturing and transport of the components used in renewable energy production, along with production site construction, are significant sources of greenhouse gas emissions.	**Opportunities:** There will likely be an increase in funding for renewable energy development as society tries to limit climate change and reduce emissions. As an established clean energy company with a clear focus on environmental and social sustainability, Cloudberry is well positioned to take advantage of this growth opportunity. **Risks:** Climate change will cause changes in precipitation patterns, which will make hydro power less reliable in the future. This risk can be minimized by establishing a resilient network of hydropower plants in different locations. Climate change will also cause an increase in extreme weather events, which could damage assets.
E4 – Biodiversity and ecosystems	Nature impact and biodiversity	**Positive:** Cloudberry has an indirect positive impact on nature and biodiversity through the production of renewable energy, which contributes to the mitigation of climate change. This is positive because climate change constitutes a serious threat to the existence of many species, the world's ecosystems, and therefore biodiversity as a whole. **Negative:** On the other hand, Cloudberry has direct and indirect negative impacts on nature and biodiversity. Indirectly, the extraction of raw materials that Cloudberry uses harm nature in the areas they come from. Cloudberry's construction of projects have a direct negative nature impact, which we are working to minimize.	**Opportunities:** Cloudberry has the opportunity to be an industry leader regarding nature impact and biodiversity and is currently working to develop relevant KPIs and planning how to reduce our impact. This would make us an attractive partner to work with for organizations and communities which are focusing on reducing nature impact risk and halting biodiversity loss. **Risks:** Regulators, local communities, environmental activists, and the general public are becoming more aware of the global biodiversity crisis and focusing more on the risks that renewable energy generation pose to nature and biodiversity. Public opinion turning against development of wind and hydro power plants is a risk to Cloudberry's operations and we are working to minimize our impact and maintain an open, transparent dialogue with stakeholders in the areas in order to minimize this risk.
E5 – resource use and circular economy	Resource use and circularity	**Positive:** Cloudberry works to use resources in a circular manner wherever possible, such as in our own offices, and by encouraging suppliers to be as resource efficient as possible. In the future, Cloudberry will work actively to improve circularity related to wind turbines and other critical use components for renewable energy. **Negative:** While hydropower plants have long lifecycles, which is good for circular resource use, the opposite is for wind energy at current stage. It is still a challenge the recycling of the wind turbine blades, and the same for the concrete used in the foundations this is some of the negative impact on overall circular material use.	**Opportunities:** The renewable energy industry is not very mature when it comes to circular resource use, giving Cloudberry the opportunity to be a front runner. Increasing circular resource use is also a direct financial opportunity, as successful material or component reuse would reduce the company's costs. **Risks:** There are some regulatory risks regarding circular resource use in the renewable energy industry. For example, governing bodies may impose fees or other costs for the end of life handling of resources. Additionally, there is a reputational risk for Cloudberry if wind turbine blades end up in the landfill.

ESRS	Topic	Inside-out	Outside-in
S1 – own workforce, S2 – workers in the value chain	Engagement, health and safety	**Positive:** Cloudberry's employees are mainly office workers, and safety is therefore not a large concern. We work actively to ensure good employee engagement and promote employee health. **Negative:** Cloudberry hires subcontractors for development, construction, and maintenance of projects, and it is difficult to ensure that the subcontractors follow Cloudberry's standards. There is therefore a risk that our activities have an indirect negative impact on overall health and safety.	**Opportunities:** Having high levels of employee engagement makes Cloudberry an attractive employer. Employee engagement also creates opportunities for employee feedback and input which can improve our operations. **Risks:** It is impossible to completely eliminate health and safety risk, especially in construction, and Cloudberry has, therefore, some financial risk due to the risk of accidents on the job. We emphasize safety and strive to minimize this risk as much as possible.
S1 – Own workforce	Diversity and equal opportunities	**Positive:** Cloudberry is an equal opportunity employer and encourages diversity, equity, and inclusion in the workplace. We have a systematic process and work actively to promote equity and prevent discrimination across the company. **Negative:** Despite Cloudberry's status as an equal opportunity employer, our employees include a higher number of men. Additionally, manufacturing and construction are industries which are known to favor men.	**Opportunities:** Being seen as an equal opportunity employer is closely connected with employee engagement and contributes to making Cloudberry an attractive employer. Cloudberry has the opportunity to be a diversity, equity, and inclusion leader in the construction sector, making the company an attractive partner for future projects and for investors. **Risks:** Cloudberry faces reputational risks if we fail to fulfil our diversity and equal opportunity ambitions, or lag behind in the renewable energy industry.
S3 – Affected communities	Local value creation	**Positive:** Cloudberry strives to have a positive impact on local communities, and we use local suppliers and hire employees locally wherever possible. Cloudberry also engages with local stakeholders to determine the best way to create value in each community, which has lead to, for example, building local bike paths and walking trails. **Negative:** The construction and running of wind and hydro power plants do have some negative impact on local communities. The biggest complaints are generally noise, ruining the view, and impact on nature. We work hard to consult with the communities where we operate and minimize these negative impacts.	**Opportunities:** Successfully creating local value and developing a reputation for doing so can lead to future opportunities for Cloudberry, with community focused investors and partners, as well as the local communities themselves, considering this in their decision making processes. **Risks:** If Cloudberry fails to create enough local community value and maintain its reputation as a professional developer there is the risk of delaying or even losing future projects.

ESRS	Topic	Inside-out	Outside-in
G1 – Business conduct	Responsible value chain	**Positive:** Cloudberry has the opportunity to use the Transparency Act as a force for good, to uncover supply chain risks and end illegal and unfair practices when it comes to human and workers' rights. **Negative:** Cloudberry has a large network of suppliers and is, as is the case with all renewable energy companies, dependent on industries which are known for human rights' and workers' rights abuses, as well as damaging the environment. At Cloudberry we do our best to minimize this risk by choosing suppliers in Europe where possible, and expecting our suppliers and partners to uphold the standards in our Supplier Code of Conduct.	**Opportunities:** Establishing a reputation as a transparent and responsible employer and partner will make Cloudberry a desirable partner in the future. **Risks:** Regulations and potential fines in the case of human or workers' rights abuses as well as costs related to environmental damage in the supply chain constitute financial risks for Cloudberry. We do our best to mitigate this risk, but as with other companies in the industry, it is still a risk.
G1 – Business conduct	Responsible business conduct	**Positive:** Cloudberry emphasizes responsible business conduct throughout our operations, including in our Code of Conduct. We follow up our suppliers closely and have long relationships with them which builds trust and allows us to have more influence in their practices. **Negative:** Cloudberry has a large network of business partners which makes it difficult to ensure that they are all acting responsibly. We do our best to choose transparent, responsible business partners when possible.	**Opportunities:** Establishing a reputation as a transparent and responsible business partner will make Cloudberry a desirable partner in the future. **Risks:** If Cloudberry, or someone connected to the company fails to act responsibly or follow our Code of Conduct, there is a reputational risk, which could lead to loss of business and loss of investor confidence.

Stakeholder dialogue and managing stakeholder expectations

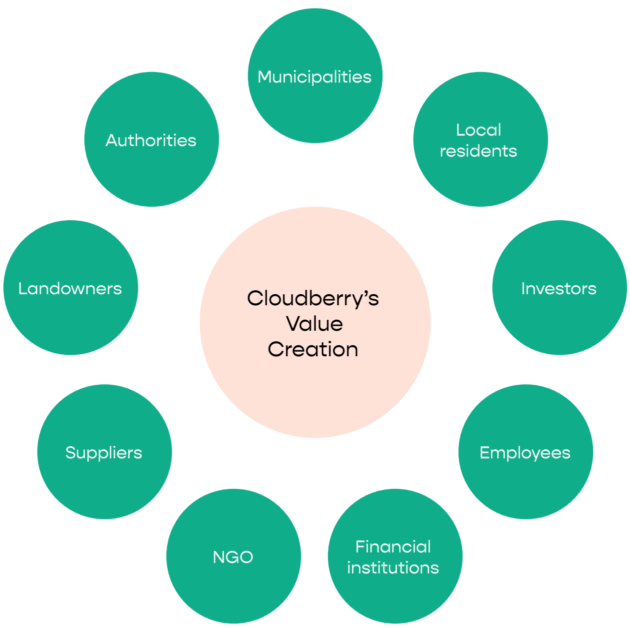
Cloudberry`s success depends on our ability to build trust amongst our stakeholders. It is essential that landowners lend their land to us, local communities have trust in us, people and partners want to work with us, and that investors and creditors value us. It is fundamental for the company to engage timely and openly with our stakeholders, and we have the ambition to maintain an open and transparent dialogue.

An important part of maintaining dialogue and building trust is ensuring Cloudberry a local presence, allowing us to understand the context we work in. We strive to have a transparent decision-making process. Regular dialogue with and input from our main stakeholders gives us valuable feedback and enables Cloudberry to continue to improve and enhance our trust and reputation.

When exploring a new opportunity, we evaluate landowners' interest in having a powerplant on their property as well as the local attitude towards the establishment of the relevant renewable energy power plant. After submitting the formal notification of a project to the authorities, we hold public meetings to inform residents about the project and identify local needs that we can accommodate them. Cloudberry creates opportunities for individual residents to discuss any concerns they may have throughout the process.

Dialogue with and input from all stakeholders are highly important to the company and contribute to and validate, our sustainability strategy. In 2022 Cloudberry engaged with external stakeholders as a part of our larger process to update our material topics. We conducted interviews with existing and potential stakeholders and individuals belonging to several stakeholder groups. Key stakeholders consist of landowners on whose land Cloudberry has projects, residents, municipalities, and politicians in communities where Cloudberry operates, suppliers, consultants, investors, relevant financial institutions, and an environmental NGO, as illustrated below. A full day workshop with employees and management was also conducted.

Cloudberry's main stakeholders



Cloudberry's stakeholders are particularly concerned with how we handle environmental and social impact, governance issues, health and safety, company culture and supplier management. In the table below we describe the main findings from the 2022 stakeholder interviews regarding Cloudberry's development and construction projects in Norway and Sweden.

Way forward

In 2023, Cloudberry will further systematize our stakeholder engagement. The input we receive is valuable and influence our sustainability framework and will be reflected in our strategic priorities going forward. On every construction project Cloudberry will continue to distribute newsletters, keep updated project websites, and hold meetings for authorities, landowners and other stakeholders involved. We maintain close dialogue with our stakeholders to understand and address their concerns.

Main stakeholders

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Landowners and residents	Frequent and transparent communication, protecting and minimizing damage to nature, consider cultural sustainability, financial funds for locally initiatives and contribute to local business opportunities creating jobs.	Direct contact with the landowners and residents through meetings, and consultation meetings with the residents of the neighbourhood.	Information letters to stakeholders on progress regarding the project. Several informational meetings were held locally to ensure understanding around the process, impact, risk, and opportunities, local value creation, and to facilitate Q&A sessions. In the Sundby Vindpark (Kafjärden), a specific budget is dedicated to environmental and social work in the construction phase. A budget for the production period is dedicated to investment in local initiatives. Participation in an open community hearing at Hån Vindpark in the early phase of construction. This participation was a result of Cloudberry's community outreach and relationship building, ensuring that our projects are carried out in the best possible way. Cloudberry engaged external consultants to investigate biodiversity at the Björnetjärnsberget wind development project and modified the wind farm layout based on the results of this work. At Hån wind farm dialogue with the local stakeholders resulted in a bike trail called "Unions-leden" in the area around the border of Sweden and Norway, as a part of Cloudberry`s contribution during the construction phase. A project website with updated information regarding projects during development and construction. At Tinnkraft hydro power plant Cloudberry set up benches for hikers in the area.
Municipalities and politicians	Energy supply locally, local value creation such as jobs on projects and infrastructure. Professional handling of conflicts, sustainability throughout the supply chain and minimizing the environmental impact. Recommend that the company enters into dialogue with the local community at an early phase.	Dialogue and meetings with the municipalities, politicians and authorities.	The development and production of wind and hydro power are highly regulated in both Norway and Sweden, including stringent environmental regulations. The company maintains a continuous dialogue with authorities and local stakeholders and held several meetings with the municipalities where our projects are located e.g., Sundby (Kafjärden), Munkhyttan and Düvhällen wind farm projects. Simpevarp project managers held regular dialogue with local stakeholders, visiting local municipalities, events, and businesses and held meetings with local politicians and interest groups. The dialogue improved our understanding of the community and established a good baseline for future discussions. In all our projects we have the policy to work with local suppliers as far as possible and to use local companies for food and accommodations.

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Suppliers and consultants	Transparent communication, focus on health and safety , minimizing environmental and climate impact, contribute to local value creation.,	Regular meetings with partners, suppliers, and consultants.	Cloudberry has implemented a supplier declaration form which is an overall assessment conducted when choosing a supplier for a project and is used as a basis for pre-screening suppliers of products and services to Cloudberry The prequalification formula reflects regulatory requirements, quality, sustainability topics and HSE. Supplier Code of Conduct is a part of procurement phases. Regular meetings on health and safety management on site with entrepreneur and other suppliers. Focus on health and safety routines and environmental and social impact. Registering incidents and mitigation plans. Reporting on GHG emissions from projects.
Investors and financial institutions	Close collaboration with investors and partners. Balanced and fact-based ESG reporting. Be ambitious on sustainability targets. Alignment to governance acts., Focus on environmental and social impact and circular use of material.	Meetings with investors nationally and globally, analyst presentations, company presentations in investor forums and at conferences.	Direct and indirect greenhouse gas (GHG) emissions will be reported quarterly from 2023 (annually previously). A plan for a pathway and commitment to Science Based Targets initiative (SBTi) to reach net-zero no later than 2040. Climate related financial risks and opportunities, which the scenario analysis is based upon, and integrated in the overall risk management in the company. The KPIs and targets on the material ESG topics are set, and are to be further developed. Alignment to the criteria of the EU Taxonomy on all hydro power plants. The wind power plants expected to be aligned and under assessment by a third party.
NGOs	Develop and produce renewable energy, minimize land use and nature impact, respect the needs and rights of indigenous people, prioritize wind projects in already impacted areas such as in industrial areas and areas already impacted.	Meetings with associations and NGO´s.	Reuse existing infrastructure to minimize environmental and nature impact. E.g., at Sundby wind farm project we reuse existing concrete foundations and cables. At Hån wind farm, we used just in time (JIT) deliveries for wind turbine blades. In this way we minimized and saved nature impact by not building storage area for the blades. At both Simpevarp and Björnetjärnsberget development projects we held meetings with local stakeholders to establish transparent dialogue at an early stage, focusing on biodiversity and nature impact, and how to create local value for stakeholders involved. At Åmotsfoss hydro power plant we maintain regular dialogue with local communities to safeguard and protect biodiversity surrounding the river, and particularly in the river. We set up reconciled solutions which contribute to a sustainable environment for the local inhabitants and society.

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Investors	Measuring CO_2 emission, energy efficiency, life-cycle assessment and environmental impact. Prioritize developing windfarms in industrial areas.	Meetings (preferably digitally) with investors and analysts, company presentations.	Providing renewable energy and thereby reducing climate GHG 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. The increased production of renewable energy in Cloudberry in 2022 has doubled our contribution to the decarbonization of Europe. Reports annually on direct and indirect greenhouse gas (GHG) emissions, assessed climate related financial risks and opportunities, which the scenario analysis is based upon.
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.

NATUR OG UNGDOM

Cloudberry met with Natur og Ungdom (NU), the largest environmental organization for young people in Norway. NU is a non-political, independent organization that works to take care of nature and biodiversity to secure the livelihood of future generations.

As a part of our stakeholder management, it is essential for Cloudberry to have dialogue with NGOs such as NU, to learn about and understand their views on how climate change and nature impact must be linked to each other when developing and constructing wind- and hydropower plants.

«Natur og Ungdom clearly sees that there is a necessity for much more renewable energy, as well as a need for an overarching plan to develop wind energy. We must improve our energy efficiency and develop more efficient renewable energy in order to secure our energy supply and facilitate profitable wind energy with a low nature impact. Since climate mitigation and nature impacts are complex, renewable energy asset development must quickly be planned locally, regionally, and nationally - integrated with existing infrastructure and in already impacted areas. We always encourage local anchoring and the establishment of some positive spin-offs for the local community and the landowners», says Simon Balsnes, Natur og Ungdom

Environment

Sustainability ambitions

To power the transition to renewable energy aiming to be climate and nature positive

Renewable energy is essential to reducing the worlds greenhouse gas (GHG) emissions, stopping climate change, and protecting the environment. At Cloudberry, concern for the environment and climate change lies at the center of everything we do. Our main ambition is to power the transition to renewable energy. While aiming to have a net positive impact on climate and nature, our goal is to be net-zero on GHG emissions no later than 2040. We plan to commit to the Science Based Targets initiative (SBTi) in our further work and is currently developing a roadmap which we aim to use actively to identify opportunities to even speed up the process and reach net-zero sooner. It is a high priority for Cloudberry to reduce our environmental footprint and our 2022 materiality assessment identified three environmental topics which we will prioritize in the years to come 1) climate change and energy transition, 2) nature impact and biodiversity, and 3) the circular use of resources and materials.

Our production of renewable energy positively impacts the energy transition which addresses the climate crisis. In addition, the impact also addresses major operational and financial risk posed by climate change that causes changes in weather patterns which makes wind energy and hydropower less predictable. Additionally, climate change may increase the frequency of extreme weather events which can damage our assets. At the same time, renewable energy development damages nature and negatively impacts biodiversity. Thus, minimizing nature impact is one of Cloudberry's highest priorities going forward. Finally, renewable energy, particularly wind energy, is known to be resource intensive with underdeveloped markets for reuse and recycling, as well as for manufacturing and transport of the components used in the production. These, along with site construction, are significant sources of GHG emissions. Addressing these issues and becoming more circular will contribute to our overall sustainability and minimize our material scarcity risks which is another of Cloudberry's focus areas.

Climate change end energy transition

Our approach

Climate change constitutes a global threat, and transitioning to a less carbon intensive energy system is essential. Contributing to this transition and helping to mitigate climate change is imperative for Cloudberry. We have an overall positive impact in this area, although we acknowledge that the development and operation of renewable energy sites are sources of GHG emissions.

Climate change itself is a risk for Cloudberry, although society's climate change mitigation efforts create financial opportunities for us. Climate change is altering precipitation patterns, which makes hydropower a less dependable source of electricity than it has been in the past. Additionally, climate change is increasing the frequency and severity of extreme weather events, which pose threats to our assets. At the same time, concern about climate change is leading many investors and governments to look towards renewable energy which will likely result in new renewable energy development opportunities for Cloudberry in the future.

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Environment[1]	GHG emissions avoided tCO_2e	5 229	29 133	59 496	124 500	249 000
	GHG emissions tCO_2e	6 980	25 827	10 727	13 500	24 750

[1] CO_2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. See the Key performance summary and the Environment section for details.

Our activities

Climate related risks and opportunities

Financial markets, creditors and investors need clear, consistent, and comparable, high-quality information on the impacts of climate change on businesses. The Task Force on Climate-related Financial Disclosure (TCFD) developed the TCFD disclosure recommendations to improve and standardize the reporting of climate-related financial information and to enhance market transparency and stability.

In 2022 Cloudberry has further aligned with the TCFD disclosure recommendations, related to our growth and expansion during 2022, and we developed a more mature reporting. A workshop, facilitated by a third party, reassessed the financial risks- and opportunities. The update was used to determine the most material risks for Cloudberry. A summary report outlining the key elements of each risk and opportunity was developed. A wide range of key personnel were engaged to assist in quantifying each risk and opportunity based on its likelihood, financial impact, and time horizon. In total, ten changes to the risk and opportunities were identified. This was further used to formulate the most material financial risks for Cloudberry, on which the scenario analysis is based upon.

Transition risk: Volatile power prices.

- As observed in 2022, energy prices are constantly evolving and can, under certain circumstances, be extremely volatile. What are key drivers that could potentially lead to changes in volatility in the future? How might these drivers develop in a transition narrative where the world aligns with a well-below 2˚C scenario?

Physical risk: Changing weather patterns.

- Changes in average temperatures will impact the climate In the Nordics where Cloudberry currently operates. Overall warmer climate can lead to increased rainfall, increased wind, and longer periods of drought. Potential consequences include flooding at hydro plants resulting in less production, severe winds exceeding a wind turbine`s capacity leading to production stops, and droughts leading to low water levels and forcing the company to reduce or even fully stop the electricity production.

The risks were analyzed in two different scenarios. In the Business-as-Usual scenario, aligned with Intergovernmental Panel on Climate Change (IPCC)'s SSP5-8.5 and RCP 8.5 scenario, physical risks dominate the risk landscape. In the well-below 2°C scenario, IPCC's SSP1-2.6 and International Energy Agency (IEA)'s Net Zero Emissions were used as the premise, and transitional risks dominate.

The climate-related risks and opportunities related to Cloudberry`s business development and expansion are assessed annually. The full TCFD report and the scenario analysis is available on our website.

Cloudberry's Carbon Emissions

We positively impact the energy transition by developing and producing renewable energy. Sustainability is at the core of everything we do and well-integrated in our long-term strategy. To improve our climate footprint, we must reduce our environmental impact and avoid CO_2 emissions wherever possible. In 2022, we improved and conducted our Scope 3 screening of our carbon emissions, aligned with the Greenhouse Gas (GHG) Protocol, focusing on the most material categories of GHG emissions. The company has developed an in-house system to streamline the process of gathering data on emissions, including emissions from the value chain, our operations and Cloudberry`s offices. This will allow us to report GHG emissions on a quarterly basis from 2023. Cloudberry is planning to commit to SBTi and is currently developing a roadmap to reach net-zero no later than 2040. We aim to use this process actively, to identify opportunities to speed up the process and reach net-zero sooner.

Table 1. GHG emissions in tons for Scope 1, Scope 2 and Scope 3

Carbon Accounting	Unit	2020	2021	2022
Scope 1 Total	tCO_2e	-	-	-
Scope 2 Total Location-Based	tCO_2e	1	7	5
Scope 3 Total	tCO_2e	6 978 [1]	25 820 [2]	10 723
Total	**tCO_2e**	**6 980**	**25 827**	**10 727**

1 Adjusted from 186 tCO2e previously reported for 2020. The number now includes the Scope 3 emissions from construction of the Odal wind farm.

2 Adjusted from 196 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm.

Cloudberry`s carbon inventory is divided into the three main scopes of direct and indirect emissions, and in 2022 Cloudberry's reported GHG emissions from Scope 1, Scope 2 and Scope 3 were 10,727 tons CO_2e (25,827 tCO_2e).

Scope 1 covers all direct emissions sources, including the use of fossil fuels for stationary combustion (predominantly diesel generators) and transportation. Cloudberry does not have any company cars and did not purchase any gas (SF6) refills in 2022 and has, therefore, zero direct GHG emissions to report in Scope 1.

Scope 2 includes indirect emissions from Cloudberry`s purchased energy (i.e., electricity and heating/cooling). This includes purchased energy for Cloudberry`s offices in Oslo, Norway and in Karlstad, Eskilstuna and Särö, Sweden, as well as the energy used at our production sites. In 2022 Cloudberry used a total of 183 MWh of energy, corresponding to the emission of 5 tCO_2e.

Scope 3 comprises the reported indirect emissions resulting from Cloudberry`s value chain activities. Reporting of purchased goods and services, and upstream transportation and distribution, were identified as the most material reporting categories. The total registered emissions from Scope 3 were 10,723 tCO_2e. Please see Appendix for a Scope 3 breakdown of included categories.

Cloudberry follows the principle of Proportionate Share (by ownership) and is reporting 34% of the total emissions based on the ownership share in Odal wind farm. The previously reported Scope 3 emissions for 2020 and 2021 have been adjusted in the 2022 report. According to the GHG protocol, emissions from the Odal wind farm should be reported under Category 15 (investment Scope 1 and 2), but Cloudberry has decided to include emissions from the construction phase under Category 2 (capital goods) instead. Additionally, the Scope 3 Category 1 and 2 emissions from Hån wind farm have not previously been reported. This is adjusted and the 2020 and 2021 figures are updated including the construction activities respectively (concrete, steel, copper, diesel, and production of the wind turbines). The GHG emissions are reported based on the invoices from the construction period, both for Hån and Odal wind farms. In total, the Scope 3 emissions accounted for 99% of Cloudberry's GHG emissions in 2020, 2021 and 2022.

Principles on reporting emissions

In-house development projects: Cloudberry reports emissions on in-house development 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

Table 2. GHG emissions in tons, Cloudberry Clean Energy

Carbon Accounting	Unit	2020	2021	2022
Scope 1	tCO_2e	-	-	-
Scope 2 (Location-Based)	tCO_2e	1.4	7	5
Scope 2 (Market-Based)	tCO_2e	9.1	56.1	49
Scope 3 (Purchased Goods and Services)	tCO_2e	183.7	1 134[1]	6
Scope 3 (Capital goods)	tCO_2e	6 793[2]	24 678[3]	10 693
Scope 3 (Fuel-and-energy related activities)	tCO_2e	-	-	1
Scope 3 (Waste Management)	tCO_2e	-	0.9	9
Scope 3 (Business Travel)	tCO_2e	1.6	4.6	11
Scope 3 (Investments)	tCO_2e	-	2.1	3
Total GHG emissions	**tCO_2e**	**6 980**	**25 827**	**10 727**
Total Energy	**MWh**	**34.6**	**226**	**183**

1 Adjusted from 188 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Hån wind farm.

2 Adjusted from 0 tCO2e previously reported for 2020. The number now includes the Scope 3 emissions from construction of the Odal wind farm.

3 Adjusted from 0 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm.

construction where Cloudberry is the legal owner, Cloudberry reports construction phase emissions.

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 takeover.

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

Hån wind farm

The majority of Cloudberry's total carbon emissions in 2022 were related to the construction of Hån and Odal wind farms. Hån wind farm started producing renewable energy in October 2022, and will from May 2023, by avoiding CO_2 emissions in the grid, have a carbon-neutral footprint assuming normal wind conditions.

CO_2 Reduction in the grid

In 2022, Cloudberry produced 268 GWh (117 GWh in 2021) of renewable energy, which is equivalent to reducing 59,496 tCO_2e (29,133 tCO_2e in 2021), based on the baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2022). As the underlying frameworks are continuously evolving the avoided emissions in 2020 and 2021 have been restated to exclude Cloudberry's GHG emissions which was previously included in the relevant year as an off set against the avoided emissions. The avoided emissions are a result of our production of renewable energy and is contributing to the much-needed globally decarbonization.

Target

Cloudberry monitors 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 change and energy transition is one of the core topics.

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 strategically in the Nordic market. Areas of our business will have residual GHG emissions, which we will neutralize while minimizing our footprint as much as possible.

To do our part for society to become a low-carbon economy, Cloudberry is planning to commit to SBTi. We will create a roadmap to reach net-zero from our emissions no later than 2040, with the aim of using this process to identify pathways to reach net-zero even earlier.

Starting from 2023 Cloudberry will report our GHG emissions on a quarterly basis.

The Taxonomy

Cloudberry has conducted thorough assessments of our producing assets' alignment to the criteria of the EU Taxonomy, and the internal analysis found that all wind and hydropower plants are taxonomy aligned. In 2022 Cloudberry engaged a third-party, Det Norske Veritas (DNV), to perform a detailed assessment to evaluate our alignment to the criteria of the EU Taxonomy. DNV stated all of Cloudberry's hydropower plants to be aligned to the criteria of

Transitioning to a low-carbon society

Net-Zero by 2040

Cloudberry will create a roadmap to reach net-zero from our emissions no later than 2040, with the aim of using this process to identify pathways to reach net-zero even earlier.

the EU Taxonomy, and a verification statement has been issued for each of the hydropower plants. The third-party verification for the wind power plants is ongoing and will be reported on during 2023.

Eligibility
In accordance with the EU Taxonomy requirements for the reporting year 2022, 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 2022 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 expenditure, 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 reports on the company's proportion of Taxonomy-eligible activities: 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 as "producing", while units that are under construction, ready for construction or in the concession process, (project inventory in the consolidated balance sheet) are classified as "construction". The eligible sales revenues from Note 11 in the 2022 annual report are divided into each of the two Taxonomy eligible activities above. Asset management services related to assets eligible-classified activities are assessed as closely related to that eligible activity and reported as part of it. Corporate activities (OpEx) were in 2021 allocated proportionately to the respective eligible activities, while in 2022 related KPI's are reported as non-eligible.

Eligible turnovers include sales revenue from the sale of products generated from wind or hydro electricity production or closely related to this activity. Closely related may include products originating from the sale of El-certificates or guarantees of origin (GoO) or asset management services related to the eligible activity. The denominator in the turnover KPI is "Sales revenue" (Note 11 in the Consolidated Group financial statements in the 2022 annual report).

Eligible capital expenditures are investments in property, plant, and equipment (PPE), intangible assets or lease agreements which have activities that are EU Taxonomy eligible.

The denominator for capital expenditures is the CAPEX KPI and includes total additions to intangibles and Tangibles assets (PPE), including capitalized

CAPEX and OpEx per activity and the proportionate share

Economic Activities	NACE Codes	Turnover (mNOK)	Revenue proportion	CAPEX (mNOK)	CAPEX Porportion	OPEX (mNOK)	OPEX Porpotion
A: Taxonomy eligible activities							
Electricity generation from wind power - Production of electricity	D35.1.1	42.0	20%	-	0%	3.5	4%
Electricity generation from wind power - Construction of utility projects for electricity	F42.2.2	1.9	1%	271.2	84%	-	0%
Electricity generation from hydropower - Production of electricity	D35.1.1	138.4	66%	-	0%	23.1	29%
Electricity generation from hydropower - Construction of utility projects for electricity	F42.2.2	0.7	0%	14.0	4%	-	0%
Total A: Taxonomy eligible activities		183.1	88%	285.2	88%	26.6	33%
B: Taxonomy non-eligible activities		25.3	12%	39.2	12%	54.0	67%
Total A and B		**208.4**	**100%**	**324.4**	**100%**	**80.6**	**100%**

leases. (Notes 16 and 17 in the Consolidated Group financial statements in the 2022 annual report).

Eligible operating expenses (OpEx) include direct costs related to the eligible activity, such as maintenance, repair, and variable lease.

The denominator of the operating expenditure, OpEx KPI is “Other operating expenses” (Note 13 in the Consolidated Group financial statements in the 2022 annual report).

88% of Cloudberry`s turnover and investments, and 33% of operating expenses were EU Taxonomy eligible in 2022. The table shows the turnover, CAPEX and OpEx per activity and the proportionate share of the Group’s total reported figures.

Alignment
All of Cloudberry`s hydropower plants are aligned to the criteria of the EU Taxonomy, and verification statements are issued by the third-party Det Norske Veritas (DNV). The internal analysis found that the three wind power plants are aligned to the criteria of the EU Taxonomy, and a verification by DNV is currently ongoing and expected to be reported on during 2023.

Cloudberry’s run-of-river hydropower plants and wind farms are within the substantial contribution criterion to climate mitigation, as there are no further requirements for such power plants. The hydropower plant with a reservoir is well within the substantial contribution criteria of 100 gCO_2e/kWh calculated with EU’s G-res tool, as well as a power density above the limit.

In addition to the substantial contribution criteria, the EU taxonomy has three criteria for “Do not significant harm” that apply to electricity generation from hydropower: Climate adaptation, Water and Biodiversity.

To ensure no significant harm are done under Climate adaptation, Cloudberry has conducted physical climate risk assessments for each hydropower plant. These assessments identify the materiality of risks, document adaptation solutions and consider the potential environmental impacts for the physical climate risk mitigation strategy.

To meet the criteria for Water, Cloudberry has implemented all feasible and ecologically relevant minimum water flow measures and all feasible and ecologically relevant measures to protect or enhance habitats. Additionally, we have established monitoring plans for these measures. This includes the measures described in the water management plans for 2022-2027, as well as additional measures where needed.

Environmental Impact Assessments (EIA) have been conducted, and implementation of mitigation and compensation measures for protecting the environment have been documented. None of the hydropower plants are located near biodiversity-sensitive areas. For these reasons, Cloudberry considers the do no significant harm criteria for biodiversity to be met.

For the wind power farms, the same internal analysis for physical climate risk assessments has been carried out, environmental impact assessments conducted and an assessment of the recyclability and durability of the material and components has been performed.

The EU Taxonomy has a general minimum safeguard criterion for all economic activities. Cloudberry follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and has assessed risk for anti-bribery, anti-corruption, remuneration of staff and tax compliance. The relevant governance practices (management structures, and whistle blower mechanisms) are documented.

DNV

EU TAXONOMY
ALIGNMENT
VERIFICATION

DNV has issued verification statements for each of Cloudberry’s hydropower plants.

For the wind farms, the same exercise for physical climate risk assessments has been carried out, environmental impact assessments conducted and an assessment of the recyclability and durability of the material and components has been performed.

Target
Cloudberry continues to assess the company's economic activities in accordance to the criteria of the EU Taxonomy. Alignment to the EU Taxonomy is a continuous process and the Do No Significant Harm to Water and Biodiversity criteria, must be updated yearly to ensure that all feasible mitigation solutions are reevaluated, implemented, and followed up. We acknowledge that the EU Taxonomy will be further updated in the years to come with additional requirements, and Cloudberry aims to be top-of-the-range in terms of transparency and reporting, and to be 100 percent aligned to the criteria of the EU Taxonomy for our hydro and wind power plants.

Cloudberry currently develops a standalone Taxonomy report that will be published going forward. The focus of our taxonomy work in 2022 has been the company's producing assets, as they cover most of the revenue streams, as well as CAPEX and OpEx of our economic activities.

Cloudberry`s goal is to have 100 percent alignment in the coming years. It is crucial for society to shift to a low-carbon economy and reach net-zero, while doing no significant harm to the environment, water, climate adaptation efforts or other sustainability goals. Cloudberry will ensure that its organization reduces GHG emissions while the activities contribute to lower emissions in third parties.

Nature impact & biodiversity

Healthy ecosystems and the natural environment are essential to humanity's survival, and a high level of biodiversity gives us resilience against shocks and diseases. It is therefore essential that we protect nature and biodiversity, and this topic is accordingly getting more and more attention in sustainability discussions. The science is clear that we currently are in the midst of a massive biodiversity loss, and that this loss is at least partially caused by climate change. For the sake of the future of us all, we must work to protect and strengthen nature and biodiversity.

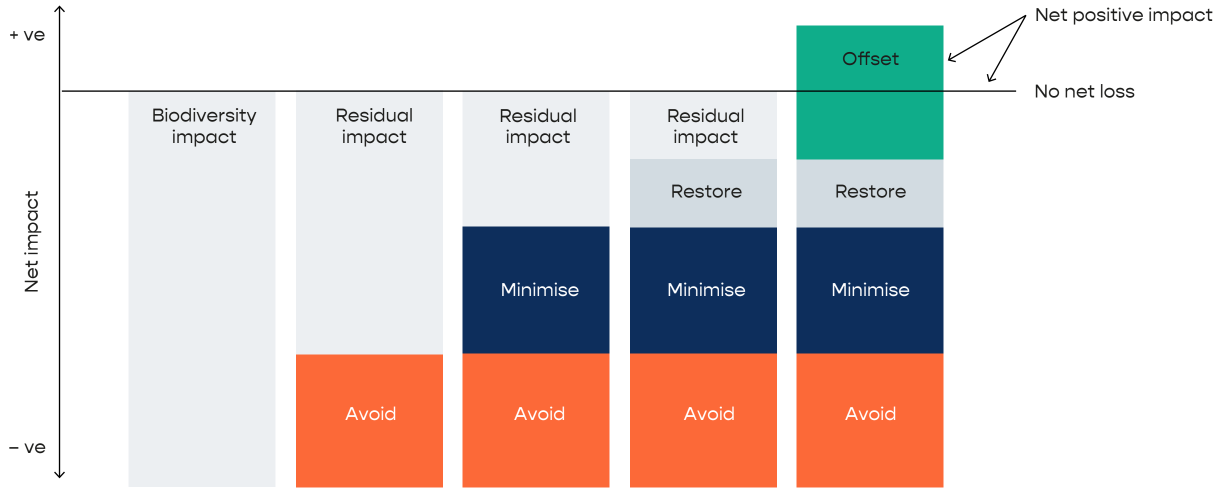
Cloudberry's operations are closely linked with nature and biodiversity in two ways.

First, through the production of renewable energy, we positively impact the energy transition which addresses the climate crisis. On the other hand, building power plants has a negative impact on the natural areas and biodiversity where we operate, using natural habitat, destroying local plant life, disturbing wildlife, and impacting people and animals with noise and visual disruption. Hydropower plants disrupt water flow, change sedimentation patterns downstream, create obstacles for fish, and in some cases create lakes and flood large areas. Wind farms also impact the natural environment, both onshore and offshore. The main impacts of onshore wind farms include the prominence of wind turbines in the landscape, shadows, and noise. Offshore wind turbines are less prominent, especially if they are far from the shore, although they still disrupt the local ecosystem visually and with noise, in addition to disrupting the above water visual landscape. To protect sea life, there are also specific environmental impacts to address when constructing offshore wind farms.

Our approach

We aim to contribute to stopping the loss of, and even improving, biodiversity. An important part of this is ensuring that everyone at Cloudberry understands what biodiversity is and why it is important. This knowledge will allow biodiversity protection to be integrated into every aspect of Cloudberry's work. To structure our work with biodiversity, we will look to frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Target Network's (SBTN) upcoming guidance for working with nature protection. The "mitigation hierarchy", is a valuable tool that helps development projects prepare for impacts and aim to achieve no net loss of biodiversity. The first step in the hierarchy is to avoid impacting nature where possible. Where impacts are unavoidable, we try to minimize them. The next step is to restore the damaged nature after

The mitigation hierarchy



construction, and the final step is to make compensations for any remaining damage. Theoretically, a high enough level of compensation could lead to projects having a net-positive impact on nature (biodiversity net gain).

Our activities
To understand and assess our impact on biodiversity, Cloudberry will develop a strategy on how to track the effects of our impact in our future projects. It is essential that we collaborate with partners to develop measurement tools. Accordingly, in 2022 Cloudberry participated in the project group for Changing Land use Impact on Biodiversity CLImB, a method and tool for measuring biodiversity impact and avoidance under development projects.

Cloudberry always looks for solutions to minimize our impact on nature and biodiversity. During the construction phases in 2022 we:
- Consulted with biologists on how to conduct early-stage mapping of potential compensation areas at the Munkhyttan wind farm development project
- Minimized our nature footprint at the Hån wind farm by using just in time deliveries to avoid building curves for storage of wind turbine blade
- Established a fund to safeguard and protect biodiversity in and surrounding the river at the Åmotfoss hydropower plant
- For all early-stage development projects we have established a library of ideas and potential solutions on biodiversity and how to minimize nature impact

The construction of the Hån wind farm in Sweden, at the boarder to Norway, began in August 2021 and was in operation in December 2022. With its five turbines, Hån is expected to produce 74 GWh annually. The energy is transferred to the Norwegian grid due to a lack of capacity in the Swedish grid. Hån is the first wind farm in Cloudberry's portfolio where we oversaw the entire process, and sustainability topics and assessments on environmental, social and governance aspects have been reported on during the development and construction phases.

Hån wind farm

Our project manager at Hån wind farm, Sebastian Prause, shares his view on nature impact and biodiversity

At Cloudberry we have initiated efforts regarding the mitigation hierarchy. As a first step, we work to avoid and minimize the impact on nature. What actions have you been taking at Hån?

"We try to minimize the construction area and thereby the impact on nature, and we continuously learn what we can improve. At Hån we avoided building a blade storage area close to each turbine and focused on a logistics solution that minimized the land claimed. Instead, we built one common storage area for all the blades next to the E18 road, where nature was already strongly impacted by the road. When we add up the total constructed storage area, we reduced the impact on nature by 7,500 m^2 compared to constructing a storage area close to each turbine. When we planned the roads to each turbine, we reused the existing forest roads and tried to make the roads and their verges as narrow as possible according to laws and regulations.

When we find new solutions to minimize impact on the nature, we share our experiences internally so that our knowledge bank grows and brings us forward in our journey to minimize our impact on nature around our wind parks. I am inspired by our examination of how we can restore and compensate the nature to support biodiversity in our upcoming projects."

Our ambition at Cloudberry is to reduce our greenhouse gas (GHG) emissions and to reach net-zero no later than 2040. How have you worked in that direction at Hån?

"At Hån we used up to 70% less concrete by using rock-anchored foundations instead of gravity foundation depending on the ground conditions. It is our base line to always evaluate if we can use rock-anchored foundations."

We are all in a learning process in our aim to be nature positive. What will you bring to the next project to work even more with the mitigation hierarchy?

"The surfaces to be re-covered after the construction phase could be replanted with species that improve biodiversity and strengthen local resilience. All upcoming projects should strive to find opportunities to create better conditions for biodiversity. Which measures that could be relevant are highly project specific and should be evaluated in collaboration with experts."

Way forward

A goal at Cloudberry is to have a net positive impact on both society and nature. This necessitates protecting nature during the construction phase, and limiting our land use in order to do the least possible damage. We must preserve the natural areas near and around our power plants and contribute to biodiversity.

We are still in an early phase, but nevertheless, having a net positive impact on nature is of high priority to us. Cloudberry will collaborate with partners, have policies for biodiversity and nature impact, and continue the development of more sustainability KPIs and targets related to nature impact on our sites. To successfully implement the mitigation hierarchy, we will look to collaboration opportunities with technical specialists, such as ecology experts.

In each project we evaluate how we can minimize our impact on nature and biodiversity, and we have a concern for the unique circumstances at the site of the projects. E.g., at the Sundby wind farm project in Sweden, which will be constructed during 2023, we will use steel plates and wooden mats on the fields for temporary storage of turbine blades. This will reduce Cloudberry's impact on nature.

Åmotsfoss

At Åmotsfoss Kraft hydropower plant, Cloudberry has established a fund as an initiative to safeguard and protect biodiversity surrounding the river, particularly the habitat in the river. Cloudberry interacts with local communities, striving to establish reconciled solutions contributing to a sustainable environment for the local inhabitants and society.

Circular use of resources and materials

In recent years there has been increasing focus on the overuse of resources, their future availability, and the impact of heavy resource use on nature. The loss of biodiversity is also directly linked to the use of natural resources. These concerns have led to increasing use of the circular economy concept, where the main goal is to keep as many materials as possible in the value-chain for as long as possible at as high a value as possible. As of today, the renewable energy industry is not very circular, and Cloudberry faces the same obstacles to circular resource use as other renewable energy companies.

Our approach and activities

Cloudberry's complete material footprint is made up of the materials used in our renewable energy production, the materials used in our offices, and the materials used in the production of all these products. The extraction of raw materials and subsequent production of the essential components for building wind farms and hydropower plants have large, negative impacts on nature and produce significant amounts of greenhouse gases. At the same time, some components, such as wind turbine blades, are difficult to dispose of at end-of-life. Increasing circular resource use in this area could have an enormous impact, and significantly reduce Cloudberry's impact on nature and Scope 3 GHG emissions. Additionally, circular resource use could reduce our exposure to supply chain disruption risks and human and workers' rights violation risks.

Unfortunately, our ability to act in this area is somewhat limited by technological maturity, scientific advancements, and practical limitations such as land leasing agreements. Nevertheless, we strive to improve our circular resource use going forward and adhere to branch standards. We are currently in the process of developing suitable KPIs to track our progress.

An important part of limiting our material use is ensuring that our assets last as long as possible. Through repair and reuse, we can give our assets longer lifecycles and reduce our need for new materials. We further limit our material use by selecting products which have a long lifecycle and can be repaired.

Improving the circularity of our internal resource use is an area where we have more control and accordingly have taken more concrete actions. Everything starts with how we consider our ESG goals in our daily decisions and work. In 2022 Cloudberry moved into new offices in Oslo, Norway and established an office in Eskilstuna, Sweden. All furniture in both offices is second hand and in the Oslo office we have reused most of the glass walls that split the internal departments. Recycled material and reuse in procurement is a way of increasing the circularity of our resource use.

Way forward

During spring 2022, Cloudberry acquired the long-begun project Sundby that was abandoned during construction, with the foundations unused. For a long time, the project was ignored due to the rapid development of technology, but the recent high electricity prices and strained electricity supply situation made it important to develop electricity capacity wherever possible. Cloudberry believes that it is possible to refine the project through climate-smart reuse or “making use of unused infrastructure”. At Sundby Vindpark, a significant part of the existing infrastructure such as foundations, roads and support structures will be reused. In collaboration with our supplier there will be specially designed turbine towers fitting onto the previously constructed foundations. This will reduce the GHG emissions compared to if the infrastructure had been dismantled. Even the existing underground cables within the wind farm will be reused, which will result in less need for new materials as well as a reduction in ground disturbance and impact on nature.

On a higher level, we plan to explore further opportunities for reducing our material use and increasing the circularity of the material use we can’t avoid. At the same time, we are working to establish a KPI, such as reused and recycled material in procurement, which will allow us to monitor our circularity over time and ensure that we improve.

Social

Sustainability ambitions

To act responsibly towards our employees and society, being a preferred employer and partner

Providing renewable energy enables society's essential energy transition, and we seek to do this in a sustainable and responsible manner. Specifically, Cloudberry aims to act responsibly towards our employees and society at large and be a preferred employer and partner in the renewable energy industry. Our materiality assessment and strategy update process highlighted three social topics on which we will focus most of our efforts 1) engagement, health and safety, 2) diversity and equal opportunity, and 3) local community impact.

Cloudberry has responsibility for community employee health and safety. This is an area where Cloudberry can have a significant impact, and good results can, in turn, have a positive impact on Cloudberry. Thus, health and safety is a key priority for us. Fostering diversity, equity and inclusion (DEI) in the organization is of high importance for Cloudberry. In the fourth quarter 2022 we conducted our first employee engagement survey focusing on HSE, compliance, work life balance and DEI in the workplace. Additionally, Cloudberry recognizes that the development of wind farms and hydropower plants have a non-desired impact on nature and affect local communities. We aim to minimize the impact on nature caused by our activities. Cloudberry is a responsible developer, we work with the communities where we operate, to ensure that we make a positive local contribution. We recognize that minimizing damage to nature and having a positive relationship with local communities contribute to a positive public opinion on renewable energy. This may increase future renewable energy development, contribute to the energy transition and our own economic performance.

We are in the process of developing further targets and KPIs in order to measure our social impact and aim to report more fully on this going forward. Our current social performance KPIs are presented in the table below[1].

Engagement, health, and safety

Ensuring the health, safety, and overall well-being, of our employees and others in our value chain is essential to Cloudberry's larger goal to have a positive impact on society. Employers have an important impact on their employees' well-being, and maintaining high levels of employee engagement and establishing a culture of health and safety is of utmost importance to us.

Our approach

Cloudberry ensures that construction and operation partners maintain adequate safety policies and report on a variety of measures to safeguard the workplace during development, construction, and

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Social[1]	Work injuries (incl. Sub-contractors)	0	0	0	0	0
	Employee engagement index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
	Female employees % of total	20%	29%	29%	35%	> 40%
	Female managers % in mgmt. positions	20%	20%	33%	33%	> 40%
	Female BoD % in total BoD	40%	40%	43%	> 40%	> 40%
	Equal opportunities index	N/A	N/A	5.2	≥ 5.2	≥ 5.3

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

operation projects. We have a zero-incident target for injuries that cause absence from work, and we work steadily to arrive at a stage where there are no incidents causing harm to people`s health and safety, nor any serious material or environmental damages in the development, construction, or operations phases in our projects and daily operations.

Cloudberry's own employees are predominately office-based, thus our biggest health and safety risks are among our suppliers and contractors. Construction is an inherently high-risk activity, and we know that our operations have the potential to negatively impact the health and safety of our value-chain workers. We require that all our contractors follow Cloudberry's standards but dependent on their own implementation of effective health and safety management systems. It is our responsibility to have good routines in place to follow up our contractors on sites.

Our activities

During 2022, no incidents causing harm to people`s health or serious material damage were recorded, although two near misses were reported. In one of the near misses, a rock rolled down a slope at a construction site, and in the other a truck slid off a construction road and into a shallow ditch. The causes of the incidents were thoroughly investigated, and corrective measures were implemented to reduce the risk of similar incidents in the future. There were no injuries or material damages detected at the site of either incident.

At Øvre Kvemma, a Norwegian hydropower plant construction site, an unintended discharge of sludge was reported during summer 2022. An investigation commenced immediately. Shortly after the incident the County Governor (No: Statsforvalteren) concluded that no adverse impacts were caused on the environment and the case was closed. Cloudberry will take over the Øvre Kvemma hydropower plant after commissioning in the first half of 2024. We are actively engaged with the current owner to ensure learning and reduced risk of similar incidents in the future.

Health and safety risks at Cloudberry's construction and operational projects will increase as the company grows. To address these risks, Cloudberry has safety and health guidelines for the work environment ("SHA-plans") on every development project and is continuously improving our framework and reporting routines. We have weekly construction meetings for all our projects and have health and safety management on site as part of our regular supplier dialogue to ensure that routines are followed.

In 2022 the sick leave was 1.66% (1.06% in 2021) amongst the employees[1] in the Group.

Way forward

Cloudberry aims to continue to prevent incidents causing harm to people`s health and safety, and serious material or environmental damages. The largest health and safety risks are at our development, construction and operational projects, and the likelihood of injuries caused by work-related accidents will increase with the company's growth.

We maintain a zero-incident target for injuries and have significant liability for health and safety. We have mitigation measures in place to avoid injuries and material damage. We continue to update our routines and reporting structures on health and safety policies, and we place high priority on monitoring contractor safety, and we perform regular risk assessments.

Health and safety are also addressed in our Supplier Code of Conduct (SCoC) to ensure 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 mitigation activities and preventive

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

measures, such as providing relevant training to build the required competence.

Diversity, equity, and inclusion

Cloudberry's business rests on a desire to have a positive impact on society. Strong, ethical approach to diversity, equity, and inclusion (DEI) is an important part of this. We have a positive impact on overall DEI through our dedication to being an equal opportunity employer and encouraging DEI in the workplace. This also gives positive impact on our business, as our employees are our greatest assets. Diversity brings new ideas and perspectives to the table, and fosters innovation, development, and growth in the company. Our commitment to diversity and inclusion is intersectional and encompasses all aspects of diversity, including gender identity and expression, sexual orientation, disability, ethnicity, age, personal beliefs and religion, family leave for childbirth and adoption, and care responsibilities. We embrace and celebrate differences and believe that a diversified workforce is vital for Cloudberry's success.

Cloudberry experienced significant growth in 2022, both in terms of workforce due to the acquisition of Captiva Group, and in terms of our expanding locations. Cloudberry has 42 employees[1] representing various backgrounds and competencies from the renewable energy sector. Of these, 28 employees work out of the main office in Oslo, Norway, and five employees work out of the Karlstad office in Sweden. In 2022 we opened new offices in Sweden; Gothenburg with three employees and Eskilstuna with two employees. Additionally, through the acquisition of Captiva, Cloudberry has an office in Bern, Switzerland, with three employees. In total, the company employs 30 men and 12 women.

Our approach

Our commitment to equal opportunities applies to all organizational processes, including but not limited to recruitment and hiring, training and development, compensation and benefits, and leave of absence. Developing a culture of openness, respect and support is fundamental for the health and wellbeing of our employees.

With a growing number of employees across several locations, it is essential for Cloudberry to work actively, targeted and systematically to promote equality and prevent discrimination in the workplace. Following the merger with Captiva Group in 2022, we have strengthened our efforts in accordance with the expectations set out in the Norwegian Equality and Anti-Discrimination Act, more specifically the Activity duty. Cloudberry practices a data-driven approach to the work on DEI, identifying potential obstacles through data-collection, and using the insights to identify measures, establish goals, and measure progress. The findings and proposed measures have been discussed and approved by the ESG committee and by the Board of Cloudberry.

Our activities

In 2022, Cloudberry conducted an employee engagement survey with DEI in the workplace as one of the focus areas, thus collecting insights relevant for the organization's work with the Equality Act. An equal opportunity index was calculated based on the result of five questions covering the employees' perceived DEI, with a score of 5.2 (6 is maximum score) in 2022. Cloudberry will work systematically to sustain or improve the score in 2023.

Our commitment to equal opportunities starts at the top through our board and management team. The results of the survey and suggested measures and targets were presented at board level. The company's Code of Conduct was updated and approved to reflect expectations from legislation, in addition to heightening the company's ambitions related to DEI and the workplace environment.

As part of Cloudberry's effort to utilize data to make informed decisions, the company measures and compares gender balance in the organization and sets gender balance targets. In 2022, 29 % of all employees in Cloudberry are female, and the company intends to increase that share to 35 % in 2023 and a minimum of 40 % by 2025. Cloudberry acknowledges the importance external recruitment agencies play in creating a balanced workforce and aims to keep them accountable through requiring the best possible representation in the shortlisting of candidates, hence 40 percent female candidates in the first selection and female representation in following rounds.

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

The war in Ukraine has horrified us all, and is a heavy toll on children and families. As part of our social engagement at Cloudberry, we have supported the important work of Save the Children locally in Ukraine to try and improve the fundamental needs and security for Ukrainian Children. We continue to applause and support the vital and brave work that Save the Children do in Ukraine.

Redd Barna

Way forward
Numerous steps to strengthen Cloudberry's efforts have been taken in 2022. With the hiring of a Chief Compliance and Organization Officer, we have increased our ambitions for the year to come. The results from the employee engagement survey have been presented to all employees and will be discussed in local teams. The teams will decide on improvement measures, and the progress will be measured through smaller pulse surveys and a new annual employee engagement survey in 2023. The organization will develop a DEI policy, showcasing our commitment to fostering a culture where everyone can thrive and setting expectations towards all employees and partners. The employee handbook and guidelines for compensation and benefits will also be updated to enable coherency across the organization's policies and guidelines.

Cloudberry will further ensure knowledge and adherence to all company regulation and guidelines through the onboarding process of new employees. The company's general meetings and management meetings will also set DEI on the agenda, contributing to raising awareness and sharing experiences.

Local community impact

For society to achieve a just transition to clean, low-emission energy and successfully mitigate climate change, renewable energy companies must have a net-positive impact on the communities in which they operate. It is thus important to understand and address landowners' and residents' concerns. As a local business partner, Cloudberry's long-term growth strategy is based on creating value for all our stakeholders while developing essential renewable energy.

Our approach
At Cloudberry, we strive to have a positive impact on the communities in which we operate, despite both wind- and hydropower having a reputation for being unpopular and damaging the local environment. To us, responsible behavior towards local communities means communicating transparently as well as having local presence, providing regular information, and working with residents to find the best solutions for any issues that arise. The development team focuses on developing projects close to our offices, if possible, which allows for easy access to project facilities. Local presence makes it easier to cooperate with local stakeholders such as municipalities, politicians, landowners, and local industry.

Investing in local stakeholders and establishing good relationships with the local communities is fundamental to Cloudberry's business. We strive to ensure that local voices are heard and accommodated, from development through construction, and during operation.

Our activities
We establish balanced contracts with landowners and engage with local partners and suppliers when possible in our projects. The local municipalities profit on the local taxes we pay. For the broader society we provide renewable energy and contribute to reducing GHG emissions from fossil fuels, thereby contributing to meeting the SDGs and the Paris Agreement.

Local community impact and value creation are important to Cloudberry. We work hard to identify local stakeholders' needs and try to accommodate them.

In December 2022 Cloudberry made the final investment decision to construct the Sundby wind power plant (Kafjärden) in Eskilstuna. For the first time in Sweden, existing infrastructure will be reused. This will result in a lower climate footprint and a shorter construction time than usual. The nine wind turbines will start supplying renewable energy from late 2023, with an annual production of 89 GWh, which is almost a doubling of current electricity production in the municipality.

Sundby wind farm

Our project manager at Sundby wind farm, Joachim Espvik, shares his thoughts on local value creation and impact

How would you describe local value creation at our wind power project at Sundby?

"When we develop and construct wind power plants, we affect those in the local area in different ways over a longer period of time, and so also when the turbines are operating and producing electricity. It is important to respect the people who lives in the area, and we want to take care of the local knowledge. We have a clear ambition to provide jobs for the locals where possible, both during the construction of the wind power plant and during its operation and maintenance. For example, we need service technicians, maintenance of the roads, accommodations, and meeting facilities.

We have included a specific budget for environmental and social work in the construction phase. In addition, a budget for the production period is in place for investment in local initiatives. This is an integral part of returning value to the communities in which Cloudberry operates.

Seen in a greater perspective, Eskilstuna municipality currently consumes almost ten times more electricity than what is produced. With the construction of Sundby Vindpark, in just a year, we generate almost 89 GWh new renewable energy in the area, almost a doubling of current electricity production. This is extremely important to secure the electricity supply. For the municipality's it means possibilities for further growth."

How is it possible constructing a wind power plant in just a year?

"This project is very interesting in terms of climate and nature impact. The construction of the wind farm had already started. A lot of the infrastructure will be reused, so will also the foundations. We will use the existing support structures for the legs of the crane that will lift the turbines into place - not obvious at all, but by this we avoid emissions of 700 tCO_2e compared to building new ones. To be able to reuse the existing foundations we have also invested in turbines with custom designed towers made in collaboration with our supplier Vestas. This allows the turbines to fit onto the existing foundations, which were originally designed for another turbine model."

Under the construction phase at the Hån wind park in Sweden, Cloudberry engaged local and regional contractors. We also rented the temporary site offices from residents in the area. From late 2022 when Hån was in operation, Cloudberry hired local service technicians and subcontractors for road maintenance.

A road along the cable route at Hån wind farm, originally built for landowners' vehicles, has been adapted for bicycle use. This has led to frequent use by people in the area and the initiative reflects Cloudberry's intention to understand and interact with the local communities and is an example of Cloudberry's continuous efforts to make positive local contribution.

At Munkhyttan wind farm development project, Cloudberry is in dialogue with the municipality to assess the possibilities for cycling and will connect Munkhyttan biking trails to other nearby biking trails in the region.

At the Björnetjärnsberget wind development project Cloudberry is looking into finding synergies and solutions with a local sawmill. Wind power development will ensure power supply to the sawmill and provides an opportunity to increase its production with sufficient access to electricity. The project is plans to hand in the permit application during 2023. More detailed work and dialogue with the municipality will continue once the project gets its environmental permit. Cloudberry will also rent local venues under the construction phase at the Björnetjärnsberget project.

Cloudberry interacts with local communities and strives to establish reconciled solutions and contribute to a sustainable environment for the local society. As a part of the local stakeholder management, Cloudberry initiated a meeting with the landowners at the hydropower plant Åmotsfoss in Norway. Cloudberry has established a fund as an initiative to safeguard and protect biodiversity surrounding the river, particularly the habitat in the river.

At the Åmotsfoss hydropower plant we have also built a canoe paddling trail to facilitate paddling next to the power plant. In 2023 we plan to invest in canoe trolleys at the hydro plant to make the passing easier for the canoes.

The construction of the Norwegian Odal wind power plant was completed at the end of 2022 and all turbines have been in operation since then. We have contributed to more job opportunities and increased revenue for local businesses both in Nord-Odal municipality and in neighboring municipalities. The construction phase also made significant local contributions through the purchasing of overnight accommodation and food service. In the years ahead, we will use local suppliers whenever possible for snow plowing, road maintenance, modifications, electro upgrades and more. Private landowners will receive compensation based on turnover. A ski resort will be established, and the roads and infrastructure will make the area more accessible for anyone who wants to go hiking or access the surrounding nature. The fund "Odal Vind-fondet" contributes to growth and well-being in the local community and annually supports local teams and associations in Nord-Odal, Eidsvoll and Nes municipalities.

Way forward

Acting responsibly towards our employees and society is firmly connected to our actions in the local communities in which we operate. We shall be a preferred employer and business partner, and our goal is to create value together and share the result of our efforts fairly.

In the years to come we aim to evaluate how our local value creation initiatives have succeeded and been perceived by local stakeholders over time. Therefore, one of our main activities going forward related to this material topic will be developing suitable KPIs to track and report on the value we create in local communities and our overall community impact. Additionally, we will continue to seek cooperation opportunities with local communities and other stakeholders to ensure their needs are met and that value is created for them when we develop, construct, and operate our assets. Cloudberry will strive to engage local stakeholders through meetings and site visits, with the aim of learning from every project.

Governance

Sustainability ambitions

To ensure solid governance internally andin our value chain at all times

Responsible and good governance forms the basis for good business, and it is our ambition at Cloudberry to always ensure solid governance internally and in our value chain. Correspondingly, our materiality assessment has identified 1) responsible business conduct and 2) responsible value chain as material topics.

Acting responsibly throughout the whole organization and in our value chain is essential. Cloudberry sets high ethical behavior standards for everyone who acts on behalf of the company. We also aim to reduce business risk to safeguard the company's reputation. We need to ensure that our operations do not violate any human or workers' rights violations. Having a responsible value chain will benefit Cloudberry and limit our risk exposure to value chain disruption and our exposure to reputational risks. Cloudberry also focuses on responsible business conduct, which sets the basis for good business relationships and predictability. This makes Cloudberry a desirable business partner, securing future opportunities for the company.

Responsible business conduct

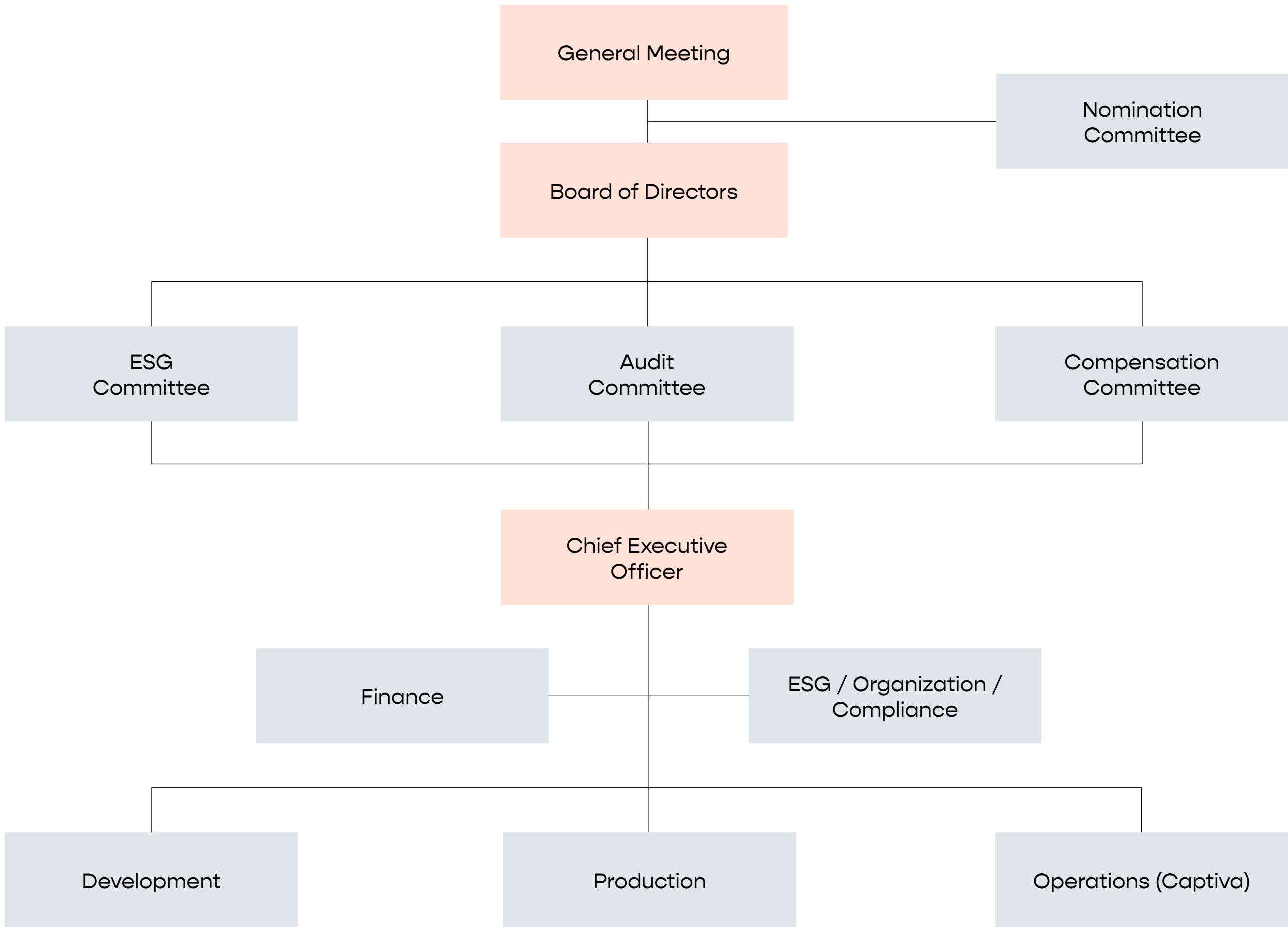
Conducting our business in a responsible way ensures our continued development and operation of renewable energy plants in the future. Well designed and implemented procedures and expectations for responsible business conduct also ensures fair decision-making processes as well as responsible consideration of important environmental and social impacts and financial risks. We can have a positive impact on overall business conduct by choosing to only work with suppliers and partners which live up to our standards. We minimize risk in this area by being as transparent as possible in all our activities.

Our approach and activities

Cloudberry`s commitment to sustainability starts at the top of the organization with the company`s Board of Directors and the management team. The company strengthened the management team and hired a Chief Compliance and Organization Officer (CCO). At the management level, the CEO and the CCO monitors the implementation of the sustainability strategy. They are responsible for ensuring that environmental, social and governance risks and 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 topics. At the operational level, the Chief Sustainability Officer (CSO) is responsible for managing sustainability. The CCO and CSO meet once a week to discuss and ensure that the ESG strategy is implemented in daily operations in all business units. Furthermore, the CCO and CSO work together to prepare ESG topics for both the management and the Board of Directors, and they ensure progress on ESG initiatives and reporting.

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Governance	Prescreening of suppliers	N/A	N/A	10%	50%	100%
	Whistle-blowing incidents	N/A	0	0	N/A	N/A
	Compliance training	N/A	100%	36%	100%	100%



In 2022 Cloudberry has further developed its alignment with The Task Force on Climate-related Financial Disclosure (TCFD) framework. Please confer the Environment section for information regarding our work to improve our maturity on the TCFD recommendations. The TCFD report and the scenario analysis are also available on our website.

The Chief Compliance and Organization Officer (COO) is a new member of the Environmental, Social and Governance (ESG) Committee. The other members of the committee are the CSO and two Board members. During 2022 the committee held eight meetings, a doubling from 2021. The purpose of these meetings is to ensure alignment with the company`s sustainability strategy and to discuss and evaluate ESG topics relevant to Cloudberry. The committee is responsible for evaluating and follows up on the administration's implementation of the ESG strategy in all business units. The committee will be holding a minimum of four meetings annually, in line with the quarterly reporting structure.

However, more meetings are likely to be scheduled, to review relevant ESG initiatives, topics and KPIs, in line with the sustainability ambitions and targets. Incorporating sustainability focus in the day-to-day business is a continuous process in the organization's business units and its total value chain.

In 2022 Cloudberry established an ESG project group with the intention of securing integration of environmental, social and governance ambitions and topics in all business units in the company. The group consists of employees representing different divisions of the company. In each workplace they actively work to improve methods and internal routines for ESG compliance. The team meets every second week to discuss important questions regarding sustainability within the company. In addition the group arranges a yearly ESG workshop with attendance from a broader representation of employees. Other workshops and events related to ESG are held to incorporate ESG tools in the whole organization.

In 2022 Cloudberry implemented a supplier declaration form which is used as a basis for pre-screening of suppliers of products and services to Cloudberry. The declaration form is a prequalification and reflects regulatory requirements, quality, sustainability topics and Health, Safety and Environment (HSE). Its use will be embedded in the overall assessment when choosing a supplier for a project. Cloudberry implemented the procedure in late 2022, and therefore the actual number of pre-screened suppliers in 2022 is low. The declaration form will be incorporated in processes with suppliers of significance from 2023, and we have set targets to pre-screen 50% of the suppliers in 2023 and 100% in 2025.

Cloudberry`s Code of Conduct was updated and approved by the Board of Directors in December 2022, with the requirements in the Norwegian Equality and Anti-Discrimination Act, and Cloudberry's ambitions related to diversity, equity, and inclusion (DEI) and workplace environment.

During 2022 all of Cloudberry's employees adhered in writing to the Code of Conduct, as a part of an annual mandatory process. All employees in the Cloudberry Group including Captiva will be trained in and expected to comply with Code of Conduct during 2023. Follow-up on the company`s values and training in the Code are integrated in the onboarding of new employees.

A whistleblowing channel is available on our website to all our employees, suppliers, partners, and other stakeholders. Our whistleblowing policy is also available on the company`s website. Cloudberry aims for zero whistleblowing incidents in the years to come (N/A), but we want to be made aware of all and any irregularities or concerns regarding the organization and our business. All notifications may be reported anonymously, and the whistleblowing channel is operated by an independent third party. There were no whistleblowing reports and no reported nor detected incidents of corruption or fraud during 2022.

Compliance with all laws and regulations is of the highest importance to Cloudberry. In fall 2022 the Norwegian Labor Inspection Authority (NO: Arbeidstilsynet) ordered one of Cloudberry's subsidiaries to address minor deviations in terms and conditions related to employment. The deviations were immediately corrected and the case was quickly closed by the authority. Cloudberry has taken measures to ensure that all employment conditions meet the correct standards and to ensure proper learning from this incident.

During the construction phase on Hån Wind farm Cloudberry initiated a work environment audit. The purpose of such audit is to ensure that the execution by the project organization complies with all work environment laws and regulations. A third-party specialist from AFRY was assigned the task and performed the audit. The audit displayed that the construction of Hån Wind farm was complying with current laws and regulations (AML and AFS 1999:3). Cloudberry considers project audits to be an assurance to safeguard quality during the construction phase. This suport support is welcomed as a necessity for the team involved.

Way forward
Cloudberry emphasizes responsible business conduct throughout the company. We will continue to strengthen our procedures and policies and their implementation going forward. We will conduct annual Code of Conduct and anti-corruption trainings and with the target to train 100 percent of our employees in 2023. In addition to the annual employee engagement survey first held in 2022, smaller surveys will be conducted and discussed in focus groups across the organization during 2023, as part of Cloudberry`s continuous improvement. With these measures, we hope to increase the positive impact we can have by ensuring that all our employees act responsibly and select business partners and suppliers acting with the same responsibility, and thus simultaneously minimize our own financial risk.

Cloudberry has a large network of business partners, and we do our best to work with only transparent and responsible business associates. Building relationships and trust in the value chain allows us a greater influence on the work offered. At the same time, we are aware of the risk that our suppliers and business partners in the value chain may not always act responsibly, and will carry out audits and other control measures to mitigate the risk.

Responsible value chain
Cloudberry is dependent on a large network of suppliers and has an elevated risk of human and labor rights issues in the value chain. Our materiality assessment reflected the importance of ensuring a responsible value chain including decent working conditions. We have, from inception, focused on minimizing value chain risk and selecting well reputed local or European suppliers where possible. To uncover supply chain risks and illegal practices, we currently focus control measures on suppliers when it comes to responsible value chain, including decent working conditions and human and workers' rights.

Our approach
Cloudberry has developed guidelines to maintain decent working conditions and prevent violation of human rights, corruption, and environmental harm internally and in our value chain. These guidelines and procedures are evaluated on an annual basis. The standards Cloudberry adheres to in our own operations can be found in the organization's Code of Conduct (CoC). We expect our business partners and suppliers to uphold the same ethical standards and have highlighted our standards in the Supplier Code of Conduct (SCoC).

Suppliers Code of Conduct
Adherence to the Supplier Code of Conduct (SCoC) is required of all suppliers and adherence is implemented in procurement phases. We expect our suppliers and partners to uphold the standards in the SCoC and that their policies, statements, and commitments are enforced in their operations, and in their sub-suppliers. The SCoC is reviewed annually to ensure incorporation of relevant developments.

Human and Labor Rights
Cloudberry is committed to operating in accordance with responsible, ethical, and sound business practices. We have the duty to respect fundamental human- and labour rights, protect health and safety, to ensure environmental and nature management, prevent corruption, and care for local communities. Our commitments towards human- and labour rights are built on internationally recognized standards for responsible business conduct. The standards are understood at a minimum as the human rights expressed in the International Bill of Human Rights, as well as the principles set out in the International Labour Organizations (ILO) Declaration on Fundamental Principles and Rights at work. Cloudberry complies with high ethical standards, applicable laws, and regulations wherever we operate.

Cloudberry has worked systematically with its social responsibility since the conception of the company. We work closely with our suppliers and business partners to enable sustainable and just value chains. Before financial investment decisions (FID) are made, ESG topics are considered in the due diligence process. Mitigation plans are implemented where needed. Both positive and negative impacts must

be assessed and documented before FID. In tender processes Cloudberry pre-screens new suppliers and partners with a pre-qualification related to material ESG topics. This ensures awareness and commitment to sustainability in the value chain.
In accordance with the Norwegian Transparency Act, Cloudberry has incorporated human rights due diligence in accordance with the OECD guidelines for Multinational Enterprises and the United Nations Guiding Principles for Business and Human Rights.

Our activities
The act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Norwegian Transparency Act) came into force in 2022. The main purpose of the Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and provision of services.

As a company affected by the law, Cloudberry conducted a risk assessment in accordance with OECD guidelines based on ISO31000 for managing risks, to address the requirements for due diligence in accordance with the legal framework. The process was conducted through several interviews and workshops with key personnel with insight into relevant value chains, including the top management.

Cloudberry's suppliers are international, national, and local. In the due diligence assessment, we have primarily looked at the risk associated with players with direct supply to the entire business. In many contexts, Cloudberry uses large suppliers over which it has limited influence. The work around the due diligence assessment therefore focused on those suppliers and business associates where Cloudberry is a direct legal counterpart and has a real opportunity to influence.

The due diligence assessment related to the Transparency Act is published on our website. A list of concrete initiatives and measures was developed to reduce the likelihood of the identified threats and to strengthen Cloudberry's ability to deal with them if they do occur. The measures mainly focus on reinforcingCloudberry's inquiries into the status of human rights and decent working conditions related to suppliers. This involves, among other things, increased supplier dialogue on these topics as well as clarifying internal routines and responsibilities to employees authorized to make procurements (project managers, business unit leaders etc). This increases their awareness of the content, and adherence to, the Transparency Act.

Way forward
In accordance with these findings and the identified improvement measures, Cloudberry currently develops the necessary guidelines, internal systems, and routines for conducting due diligence assessments and complying with other obligations of the Transparency Act. The company will publish a report on the due diligence assessment in accordance with the expectations of the Transparency Act by 30 June 2023. The report will be made publicly available on Cloudberry's website.

Cloudberry acknowledges that due diligence assessment is a dynamic and continuous process as circumstances in the organization's operating environment are constantly changing. We will develop routines and systems to work preventively to mitigate potential negative impacts of our operations. Accordingly, the company will establish risk-based audits in the supply chain to secure the best risk management and practice on environmental, social and governance topics within the supply chain.

We believe that securing responsible business conduct and good governance, internally and in our value chain, contribute to a long-term positive reputation making Cloudberry a desirable employer and business partner.

Cloudberry adheres to good governance standards and always seeks to live up to the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021. The Code is available at the Norwegian Corporate Governance Board's NUES website. Our adherence includes disclosure and transparency throughout our business to provide shareholders and stakeholders with accurate and up to date information about Cloudberry.

For more detailed information on Corporate Governance Code please confer Cloudberry`s Corporate Governance Report 2022, also available in the Annual Report 2022.

Contact person for this sustainability report:
Suna F. Alkan, Chief Sustainability Officer
sa@cloudberry.no

GRI index

Disclosure		Location	Comment
General Disclosures			
1. The organization and its reporting practices			
2-1	Organizational details	Executive Management	
2-2	Entities included in the organization's sustainability reporting	About the report	
2-3	Reporting period, frequency and contact point	About the report	
2-4	Restatements of information	Overview and highlights, Sustainability Report: Introduction, Environment, Social, Governance	New structure from WEF to ESG, inspired by GRI
2-5 External assurance		-	No external assurance of the report
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Annual report: overview and highlights	
2-7	Employees	Sustainability Report: Social: Diversity Equity and Inclusion	
2-8	Workers who are not employees	-	Information unavailable, new topic from reporting 2022
3. Governance			
2-9	Governance structure and composition	Corporate Governance Report	
2-10	Nomination and selection of the highest governance body	Corporate Governance Report	
2-11	Chair of the highest governance body	Corporate Governance Report	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report	
2-15	Conflicts of interest	Corporate Governance Report	
2-16	Communication of critical concerns	Sustainability Report: Governance: Responsible Business Conduct	
2-17	Collective knowledge of the highest governance body	Board of Directors	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	
2-19	Remuneration policies	Financial Statements	
2-20	Process to determine remuneration	Financial Statements	
2-21	Annual total compensation ratio	Financial Statements	

Disclosure		Location	Comment
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability Report: Introduction	
2-23	Policy commitments	Sustainability Report: Governance: Responisble Business Conduct, Human and Labor Rights	
2-24	Embedding policy commitments	Sustainability Report: Governance: Responisble Business Conduct, Human and Labor Rights	
2-25	Processes to remediate negative impacts	Sustainability Report: Environment, Social, Governance	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Governance: Responsible Business Conduct	
2-27	Compliance with laws and regulations	Sustainability Report: Governance: Responsible Business Conduct	
2-28	Membership associations	-	Not applicable
5. Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainabiltiy Report: Introduction: Stakeholder dialogue and managing stakeholder expectations	
2-30	Collective bargaining agreements	-	Not applicable
GRI 3: Material Topics			
3-1	Process to determine material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
3-2	List of material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
3-3	Management of material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Financial Statements	
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Report	
201-3	Defined benefit plan obligations and other retirement plans	Financial Statements	
201-4	Financial assistance received from government	-	Not applicable

Disclosure		Location	Comment
GRI 205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Sustainability Report: Governance: Responsible Business Conduct	
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report: Governance: Responsible Business Conduct	
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report: Governance: Responsible Business Conduct	
GRI 304: Biodiveristy			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Information unavailable, new topic from reporting 2022
304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability Report: Environment: Nature impact & biodiversity	
304-3	Habitats protected or restored	-	Information unavailable, new topic from reporting 2022
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-4	GHG emissions intensity	Sustainability Report: Environment: Climate change and energy transition	
305-5	Reduction of GHG emissions	Sustainability Report: Environment: Climate change and enery transition	
305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not applicable

Disclosure		Location	Comment
GRI 306: Effluents and Waste			
306-1	Waste generation and significant waste-related impacts	Sustainability Report: Environment: Nature impact & biodiversity	
306-2	Management of significant waste-related impacts	Sustainability Report: Environment: Nature impact & biodiversity	
306-3	Waste generated	-	Information unavailable, new topic from reporting 2022
306-4	Waste diverted from disposal	-	Information unavailable, new topic from reporting 2022
306-5	Waste directed to disposal	-	Information unavailable, new topic from reporting 2022
GRI 401: Employment			
401-1	New employee hires and employee turnover	Sustainability Report: Social: Diversity Equity and Inclusion	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Not applicable
401-3	Parental leave	Sustainability Report: Social: Diversity Equity and Inclusion	
GRI 403: Occupational health and safety			
403-1	Ocupational health and safety management system	Sustainability Report: Social: Engagement, health and safety	
403-2	Hazard identification, risk assessment, and incident investigation	-	Information unavailable, new topic from reporting 2022
403-3	Occupational health services	-	Information unavailable, new topic from reporting 2022
403-4	Worker participation, consultation, and communication on occupational health and safety	-	Information unavailable, new topic from reporting 2022
403-5	Worker training on occupational health and safety	-	Information unavailable, new topic from reporting 2022

Disclosure		Location	Comment
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Board of Directors, Sustainability Report: Social, Corporate Governance Report	
405-2	Ratio of basic salary and remuneration of women to men	-	Information unavailable, new topic from reporting 2022
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report: Social: Local community impact	
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report: Social: Local community impact	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Sustainability Report: Governance: Human and Labor Rights	
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report: Governance: Responsible value chain, Human and Labor Rights	

Appendix

Scope 3 breakdown

Category 1 (purchased goods and services): For 2022 Cloudberry reported a total of 6 tCO_2e in Category 1. These emissions include the transportation between service providers' location and the locations of hydro plants and wind farms that received service. This was a total of 31,425 km. Cloudberry's reporting system aims to include irregular emissions, such as those from the production and replacement of major parts and onsite work. For example, four days of work with an excavator at the hydropower plant Finnesetbekken has been included under Category 1. For the years in which we have construction using concrete, steel, copper, the associated emissions, and other construction related emissions, these will be reported under Category 1.

Category 2 (capital goods): This report includes the emissions from the production, transportation, and installation of wind turbines purchased by Cloudberry. In 2022, this amounted to 10,693 tCO_2e and included the wind turbines at the Odal and Hån wind farms. This was the most significant component of Cloudberry's scope 3 emissions, accounting for 99.7% of the total GHG emissions (Scope 1, Scope 2 and Scope 3). Our calculations are based on LCA numbers provided by the turbine manufacturer, adapted to fit site specific numbers such as hub height and wind conditions. Going forward, Cloudberry will report these emissions in line with payments made to the turbine manufacturer. I.e., when 20% of the payments are made, 20% of the emissions are reported. Cloudberry has adopted this approach as the payments follow the construction progress and the production under the turbine supply agreement. The exception is the initial payment under the supplier agreements, as the carbon emissions will occur at a later stage in the production cycle of the machinery. The number reported for 2022 includes 17% and 60% of the total Category 2 emissions for the construction of the wind farms Odal and Hån respectively.

Category 3 (Fuel-and-energy related activities): In accordance with the GHG protocol, Cloudberry reports the well-to-tank and transmission & distribution emissions related to the electricity use at the powerplants and offices. Since the power plants and offices are in the Nordics, this accounted for only a minor portion of the total emissions.

Category 5 (waste management): Cloudberry reports on waste management from our offices, projects under construction, and power plants under operation. Waste from Cloudberry's offices in Oslo, Karlstad, Eskilstuna and Särö accounted for 5,932 kilograms. The waste from Hån wind farm during construction in 2022 totaled 28,910 kilograms. Combined, all of Cloudberry's waste management contributed to 11 tCO_2e.

Category 6 (business travel): Cloudberry reports emission from air travel, rental cars and milage allowance, which in total accounted for 11 tCO_2e.

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

The total registered emissions from Scope 3 were 10,723 tCO_2e in 2022. Cloudberry will continue to evaluate and include more aspects of emissions from its value chain activities going forward.

Corporate Governance report

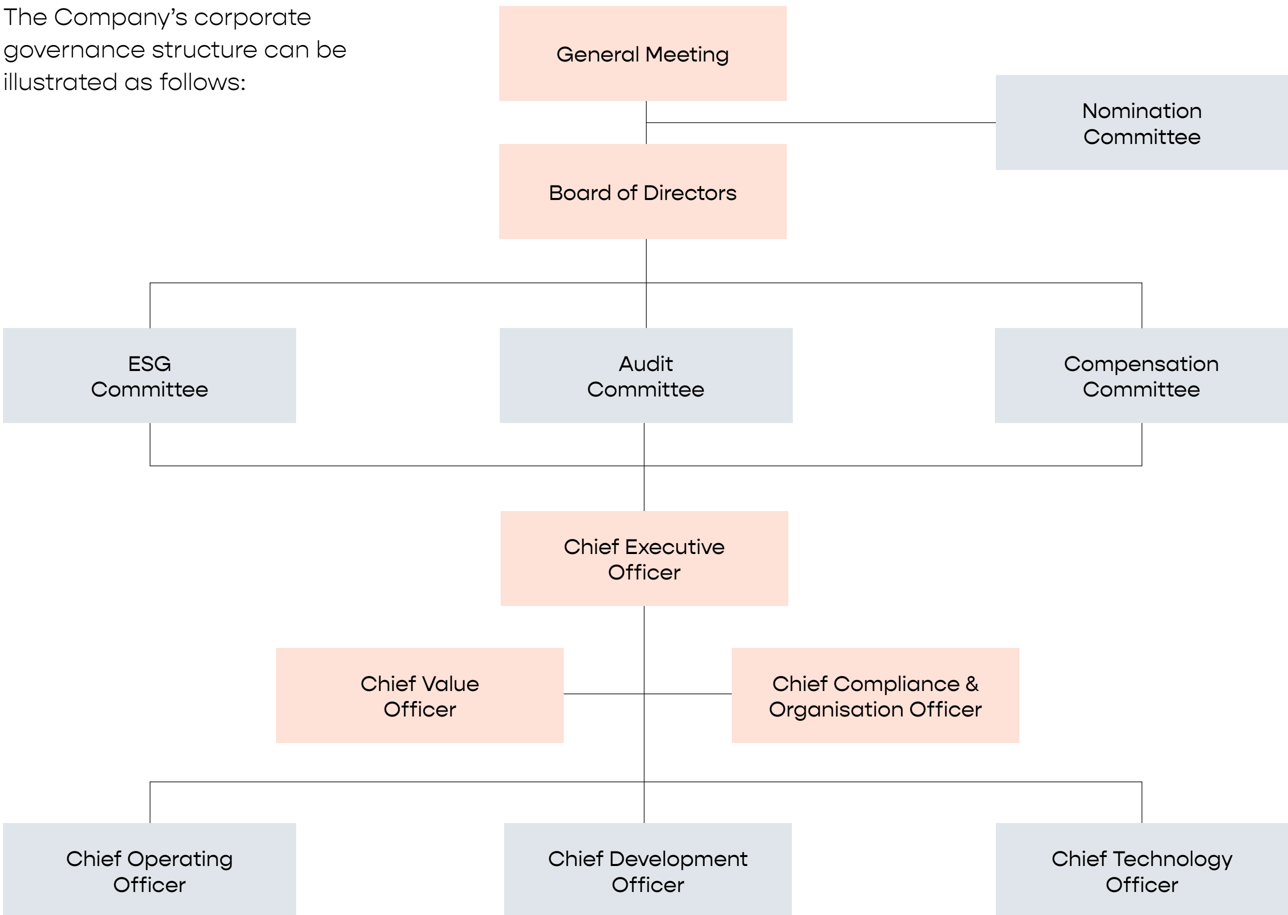
1. Implementation and reporting on corporate governance

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 Stock Exchange. Cloudberry considers good corporate governance to be the foundation for value creation and trustworthiness, and it is integrated in our approach to sustainability where we focus on environmental, social and governance topics (ESG).

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

The Company's corporate governance structure can be illustrated as follows:



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 are 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 Cloudberry to ensure that the Company is operating 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 the principle of 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 six members: Chief Executive Officer, Chief Value Officer, Chief Compliance & Organisation 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.

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. The Company has also acquired a portfolio of up to 51 wind turbines mainly in Denmark, which will be implemented in the organisation during 2023.

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 sustainable 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 and strategic acquisitions and 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 sustainable 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 ESG related factors relevant and important 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 its purpose, and the values and commitments define the Company's way of working. In combination 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: Be Supportive, Be Committed, Be Excellent, and Be Bold. Cloudberry aims to always 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 must 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.

Sustainability is a rapidly developing field, and ensuring sustainable business operations is an ongoing process. Cloudberry follows the developments and changes in reporting standards closely, in addition to new demands due to growth and changes in the Company. In line with this, Cloudberry decided in 2022 to look to the European Sustainability Reporting Standards (ESRS) requirements, set by the Corporate Sustainability Reporting Directive (CSRD), rather than the World Economic Forum (WEF) Stakeholder Capitalism reporting framework. The ESRS standards are based on the Environment, Social, and Governance (ESG) structure.

Cloudberry has described its approach, activities taken place in 2022, ambitions and way forward related to the identified sustainability topics for the Company in the Sustainability report for 2022.

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 2022, Cloudberry's equity amounted to NOK 3 794 million, equivalent to 82% of the company's total assets. The debt ratio was 18%.

Cash equivalents and current financial investments amounted to NOK 1 538 million.

Dividend policy

The Company has adopted a dividend policy which mandates that the Company in the short to medium term intends to use its profit for both organic growth and acquisitions 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 annual General Meeting held 28 April 2022, 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 14,920,524.94 by issuance of up to 59,682,171 new shares each with a nominal value of NOK 0.25. The purpose with the authorisation was to ensure flexibility to finance potential acquisitions and otherwise strengthen the company's equity. NOK 13,136,980.75 of the authorisation has been utilised.
- Authorisation to increase the company's share capital by NOK 100,000.00 by issuance of up to 400,000 new shares each with a nominal value of NOK 0.25. The authorisation is reserved to the share purchase programme for the members of the Board of Directors. NOK 5,823.75 has been utilised.

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 25% 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 share class and each share in the Company carries one vote at the Company's general meeting. All shares carry equal rights, including the right to participate in general meetings.

The Company's shareholders have pre-emption rights in share offerings according to the Public Limited Liability 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 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 is 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 as 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 new regulations in the Public Limited Liability Companies Act which enter into force from 1 July 2023, the Company will amend its Articles of Association so the deadline for notifying the Company cannot be earlier than 2 business days prior to 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 chairperson 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 Corporate Governance Code which states that arrangements shall be made to ensure participation by all directors. The chairperson 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 decides on a shorter period. The members of the nomination committee may be re-elected.

The current members of the nomination committee are:

- Morten S. Bergesen (chairperson)
- Joakim Gjersøe
- 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. No executive personnel or members of the Board of Directors in Cloudberry are members of the Company's nomination committee.

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 was 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: None

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 seven members, consisting of three women and four men.

All members are elected for a term of one year 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 2022 are set out in note 27 of Cloudberry's consolidated financial statements ("Financial Statements").

Further, the composition of the Board of Directors, and information about the Board members' background and qualifications are detailed in the section "Board of Directors" of the annual report for 2022. 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.

All shareholder elected members are considered independent of executive management and material business contacts. Further, 6 of 7 members of the Board are independent of the Company's main shareholders. Nicolai Nordstrand is the general manager of Havfonn AS, which as of 31 December 2022 controlled 8.5% of the shares and votes of Cloudberry. At the same time, Havfonn AS, jointly with its parent company Snefonn AS, controlled 14.06% of the share and votes of Cloudberry.

None of the members of the Board of Directors are part of Cloudberry's executive management team, but the Chief Executive Officer, Chief Value Officer and Chief Compliance & Organisation 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 a 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 16 meetings during 2022. To secure an independent discussion and valuation without related parties on Board issues, there were two incidents where members of the Board of Directors were excused from the board meeting.

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, which in 2022 attended all meetings. It will be held minimum five audit committee meetings per year.

The compensation committee
The compensation committee is appointed by and among the members of the Board of Directors. In 2022 there were made changes to the members of the committee. 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 an ESG committee consisting of two Board members. 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
The Board of Directors is responsible for the Company's risk management and internal control systems that are appropriate in relation to the extent and nature of the Company's activities. Both the Board of Directors and the management of the Company focus on risk management and internal controls.

In 2022, Cloudberry updated the policy and procedures regarding risk management internal control. The aim was to heighten the knowledge and awareness of risk, to standardize the process and ensure a common framework and definition throughout the Group and our different risk processes. The Company considers threats and opportunities within four main areas; strategic risks, financial risk, market/external risk and operational risk.

Risk assessments shall be updated on a quarterly basis, unless there are major events influencing the risk review of the Group. Then the Company updates immediately. The highests risks, calculated by considering probability and consequence, and the mitigating actions are discissed in the management team in Cloudberry, with the audit committee and annually with the Board of Directors.

Prior to every Board meeting and otherwise when needed, the CEO reports in writing to the Board of Directors on the Company's position, financial status and performance. Through the CEO, the Board of Directors is ensuring risk and corporate management and that Cloudberry complies with the Public Limited Liability 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.

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 regulatly.

In the annual reporting, the Board of Directors reviews the Company's risk areas. The annual review pays attention to inter alia:

- Financial risks, including liquidity, interest and foregin exchange rate, inflation and cost control
- Political risk and changes in laws and regulations
- Volatile energy prices and revenue exposure
- IT/digital risk, including IT fraud and hacker attacs
- Climate and nature impact 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 Liability Companies Act.

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 27.

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.

Deviations from Section 11 of the Corporate Governance Code: None.

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 Liability 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, strategy and the Company's financial sustainability, while at the same time ensuring the shareholders' influence.

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 12. 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 annual General Meeting in 2023.

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 Stock Exchanges' 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

1 January - 31 December

NOK million	Note	2022	2021
Sales revenue	11	208	35
Other income	11	9	6
Total revenue		217	41
Cost of goods sold		(14)	(5)
Salary and personnel expenses	12	(91)	(28)
Other operating expenses	13	(81)	(55)
Operating expenses		(186)	(89)
Net income/(loss) from associated companies and JV	4, 20	120	16
EBITDA		151	(32)
Depreciation and amortizations	16,17	(35)	(10)
Operating profit (EBIT)		116	(41)
Financial income	9,14	67	6
Financial expenses	9,14	(61)	(29)
Profit/(loss) before tax		122	(64)
Income tax expense	15	-	1
Profit/(loss) after tax		122	(63)
Profit/(loss) attributable to:			
Equity holders of the parent		118	(63)
Non-controlling interests		3	-
Earnings per share (NOK):			
Continued operation			
- Basic	26	0.47	(0.40)
- Diluted	26	0.47	(0.40)

Consolidated statement of comprehensive income

1 January - 31 December

NOK million	Note	2022	2021
Profit for the year		122	(63)
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	10	91	3
Income tax effect	10	(20)	(1)
Exchange differences on translation of foreign operations		30	(9)
Net other comprehensive income		101	(7)
Total comprehensive income/(loss) for the year		**223**	**(70)**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent company		219	(70)
Non-controlling interests		3	-

Consolidated statement of financial position

NOK million	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	16	1 597	1 009
Intangible assets	17	86	-
Goodwill	17	143	38
Investment in associated companies and JVs	20	890	677
Financial assets and other assets	9	105	10
Total non-current assets		2 821	1 735
Current assets			
Inventory	18	106	154
Accounts receivables		52	12
Other assets		86	103
Cash and cash equivalents	21	1 538	1 115
Total current assets		1 782	1 383
TOTAL ASSETS		**4 603**	**3 118**

Consolidated statement of financial position

NOK million	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Share capital	22	73	59
Share premium	22	3 495	2 676
Total paid in capital		3 568	2 735
Other equity		146	(99)
Non-controlling interests		80	-
Total equity		**3 794**	**2 636**
Non-current liabilities			
Interest-bearing loans and borrowings	10, 23	327	294
Lease liabilities	25	36	3
Provisions	24	36	11
Deferred tax liabilities	15	127	83
Total non-current liabilities		526	391
Current liabilities			
Interest-bearing financial liabilities	23	12	10
Lease liabilities	25	7	1
Accounts payables and other liabilities		135	38
Provisions	24	129	41
Total current liabilities		283	91
Total liabilities		**808**	**482**
TOTAL EQUITY AND LIABILITIES		**4 603**	**3 118**

Oslo, 23 March 2023

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg
Chair of the Board

Petter W. Borg
Board member

Benedicte Fossum
Board member

Liv Lønnum
Board member

Henrik Joelsson
Board member

Nicolai Nordstrand
Board member

Stefanie Witte
Board member

Anders J. Lenborg
CEO

Consolidated statement of cash flows

NOK million	Note	1.1.-31.12.2022	1.1.-31.12.2021
Cash flow from operating activities			
Profit/(loss) before tax		122	(64)
Net gain from sale of PPE and project inventory		(9)	-
Depreciations, amortizations and impairment losses	16,17	35	10
Write down, project inventory	18	-	3
Net income from associated companies and JV's	20	(120)	(16)
Share based payment - non cash to equity		26	4
Net interest paid/received		12	9
Unrealized effect from derivatives not designated for hedgning		-	-
Unrealised foreign exchange (gain)/loss		1	-
Change in accounts payable		88	12
Change in accounts receivabe		(25)	(9)
Change in other current assets and liabilities		(88)	(11)
Net cash flow from operating activities		**43**	**(61)**
Cash flow from investing activities			
Interest received	14	10	1
Investment and capitalization projects		(44)	(9)
Investments in PPE and intangible assets	16,17	(304)	(180)
Proceeds from sale of PPE and project inventory		60	-
Acquisition of shares in subsidiaries, net of cash acquired		(70)	(318)
Investments in associated companies and JV's	20	(31)	(332)
Loans to associated companies and JV's		(33)	-
Distributions from associated companies and JV's	20	31	-
Net cash flow from (used in) investing activities		**(379)**	**(838)**
Cash flow from financing activities			
Payment to escrow account		(14)	(85)
Transfer from escrow account		82	152
Proceeds from new term loans	23	116	226
Repayment of term loan	23	(151)	(283)
Repayment of current interest-bearing liabilities		(13)	(237)
Interest paid other than lease	14	(22)	(9)
Payment on lease liabilities - interest	25	(1)	-
Repayment on lease liabilities	25	(3)	(1)
Share capital increase	22	767	1 647
Net cash flow from financing activities		**760**	**1 411**
Total change in cash and cash equivalents		424	512
Effect of exchange rate changes on cash and cash equivalents		(1)	(2)
Cash and cash equivalents at start of period		1 115	605
Cash and cash equivalents at end of period		**1 538**	**1 115**

Consolidated statement of changes in equity

	Attributable to parent company equity holders									
	Paid in capital		Other Equity							
	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 2021:	**26**	**1 062**	**1**	**1**	**(3)**	**(33)**	**(33)**	**1 055**	**-**	**1 055**
Profit/Loss for the period	-	-	-	-	-	(63)	(63)	(63)	-	(63)
Other comprehensive income	-	-	-	2	(9)	-	(7)	(7)	-	(7)
Total comprehensive income	-	-	-	2	(9)	(63)	(70)	(70)	-	(70)
Sharecapital increase	33	1 614	-	-	-	-	-	1 647	-	1 647
Share based payments in the year	-	-	4	-	-	-	4	4	-	4
Transaction with non-controlling intrest	-	-	-	-	-	-	-	-	-	-
Transfer to other equity	-	-	-	-	-	-	-	-	-	-
Equity as at 31.12 2021	**59**	**2 676**	**6**	**3**	**(12)**	**(96)**	**(99)**	**2 636**	**-**	**2 636**
Equity as at 01.01 2022:	**59**	**2 676**	**6**	**3**	**(12)**	**(96)**	**(99)**	**2 636**	**-**	**2 636**
Profit/Loss for the period	-	-	-	-	-	118	118	118	3	122
Other comprehensive income	-	-	-	71	30	-	101	101	-	101
Total comprehensive income	-	-	-	71	30	118	219	219	3	223
Sharecapital increase	14	819	-	-	-	-	-	833	77	910
Share based payments in the year	-	-	26	-	-	-	26	26	-	26
Transaction with non-controlling intrest	-	-	-	-	-	-	-	-	-	-
Transfer to other equity	-	-	-	-	-	-	-	-	-	-
Equity as at 31.12 2022	**73**	**3 495**	**31**	**74**	**18**	**22**	**146**	**3 714**	**80**	**3 794**

Notes to the Consolidated financial statements Group

General

Note 1 General information

Corporate information

Cloudberry Clean Energy ASA ("the Company"), its subsidiaries and investments in associated companies and joint ventures ("the Group" or "Cloudberry") is a Nordic renewable power producer, operator 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).

Note 2 General accounting policies and principles

Basis for preparation

The Group'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.

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 Group's 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.

These consolidated financial statements for the full year 2022 have been approved for issuance by the Board of Directors on 23 March 2023 and are subject to approval by the Annual General Meeting on 27 April 2023.

Basis for measurement

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

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 the Group has control. The 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. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company. Consistent accounting policies are applied.

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.

Upon purchase of projects, the management assess whether the purchase constitute purchase of an asset or purchase of a business in accordance with IFRS 3.

Transactions with non-controlling interests

Non-controlling interests in subsidiaries are presented within equity separately from the equity attributable to the owners of the parent. Non-controlling interests consist of fair value of those interests at the date of the business combination, and the non-controlling interests' share of changes in equity since the date of the business combination. 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.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Consideration in excess of, or lower than, the carrying amount of non-controlling interests is recognised against the equity attributable to the owners of the parent. If the Group loses control over a subsidiary, it derecognises the assets, liabilities and non-controlling interest, and reclassifies to profit or loss, or transfers directly to retained earnings as appropriate, the amounts recognised in other comprehensive income in relation to the subsidiary. Any investment retained at the date when control is lost is measured at fair value and a gain/loss is recognised.

Foreign currency translation

Functional and presentation currency

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which the company operates. The functional currency of the parent company Cloudberry Clean Energy ASA and the presentation currency of the Group is Norwegian kroner (NOK).

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.

The Group has foreign entities with functional currency other than NOK. At the reporting date, 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.

Principles of cash flow statement

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

Operating activities: changes in working capital comprise of current interest-free receivables and current interest-free liabilities. Effects related to capital expenditures, inventory investments, 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. Capitalized costs related to project inventory is presented together with project investments.

Financing activities: interest payments from interest rate derivatives, which are used to manage the Group's debt portfolio, are presented as a part of interests paid.

Note 3 Key accounting estimates and judgements

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.

The Group management base its estimates on historical experience, current trends and other various assumptions that are believed to be relevant at the time the consolidated financial statements are prepared.

Significant estimates - 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, 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.

Significant judgement

Due to the Group's business activities, management must apply judgement in determining the appropriate accounting policies in many areas, and for some the application of the Groups accounting may have a material impact on the accounting treatment in the financial statements. Significant judgement includes areas such as:

- Assessment of business combination or asset acquisition
  note 5 and 16
- Assessments related to share-based payments
  note 12
- Classification of developing projects
  note 16 and 18
- Assessment of impairment indicators
  note 19

Note 4 Business segments

Accounting principle
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Company has defined that the Board of Directors is the chief operating decision maker.

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. This is consistent with how the internal financial reporting to the Group's chief operating decision maker is. The business segments are determined based on the differences in the nature of their operations.

Management provides this because these measures are used internally for key performance measures (KPIs) and financial risk assessments. These measures represent the most important KPI's to support decision making for achieving the Group's strategic goals. The main performance indicator for segment reporting is EBITDA.

The key differences between the proportionate and the consolidated IFRS financials are that all entities are included with the respective ownership share in each accounting line by the Group. Associated companies and joint ventures are included in the financial accounting lines, the profit or loss statement and share of assets and net debt, using the respective proportionate ownership share. While in the consolidated financials associated companies and joint ventures are consolidated with the equity method. Subsidiaries that have non-controlling interests are in the proportionate reporting presented with only the Group's ownership share, while in the consolidated financials they are included with 100%.

The Group reports its operations in four business segments; Production, an active owner of renewable power assets in the Nordics; Development, a greenfield developer both onshore and off-shore with a long history of organic, in-house developments of wind and hydropower assets in Norway and Sweden; Operations, an asset manager and operator of renewable power assets, that also delivers industrial digital solutions, and a cost efficient Corporate segment ensure management tasks for the Group like financing, marketing, reporting and other corporate activities.

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

Production
The Production segment 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.

Production is also the local manager and delivers management services to the portfolio of power plants owned by Forte Energy Norway AS, see note 20, Investments in associated companies and joint ventures.

Development
The Development segment has a significant onshore and offshore development portfolio with renewable assets in Sweden and Norway.

Development is responsible for development of hydro and wind power assets from early stage until the projects receive construction permits. Cloudberry has ongoing dialogue with landowners, municipalities and grid companies to clarify opportunities for new wind power projects.

Operations (Captiva)
The Operations segment includes the activities organized in the Captiva Group. Captiva is an asset manager and operator of wind and hydro assets in the Nordics with more than 15 years of history. Cloudberry is currently a 60% owner of Captiva with the option to purchase 100% of the business by 2025 (the remaining 40% is owned by the previous sellers). Captiva has organized its business into management services and digital solutions.

Corporate
Corporate consists of the activities of corporate services, management, and group finance. The corporate management aims to remain a cost-effective, agile and dynamic team. By year end, there were seven employees in the corporate segment.

Proportionate financials

The table shows the segment reporting for 2022 (with reconciliation to reported Group consolidated IFRS) and with comparable figures for 2021 in lower table:

FY 2022 NOK million	Production	Develop-ment	Operations	Corporate	Total Proportio-nate	Group elimi-nations	Elimination of equity accounted entities	Residual ownership consoli-dated entities	Total Consoli-dated
Total revenue	402	207	38	-	646	(218)	(254)	43	217
Operating expenses	(139)	(30)	(33)	(63)	(265)	25	94	(40)	(186)
Net income/(loss) from associated companies and JV's	-	-	-	-	-	-	120	-	120
EBITDA	**262**	**177**	**4**	**(63)**	**381**	**(193)**	**(40)**	**3**	**151**
Depreciation and amortisation	(38)	-	(6)	(3)	(48)	-	18	(5)	(35)
Operating profit (EBIT)	**224**	**177**	**(2)**	**(66)**	**333**	**(193)**	**(22)**	**(2)**	**116**
Net financial items	(19)	(9)	-	43	15	-	(10)	2	6
Profit/(loss) before tax	**204**	**168**	**(2)**	**(22)**	**348**	**(193)**	**(33)**	**-**	**122**
Total assets	3 132	381	179	2 178	5 870	(695)	(595)	23	4 603
Interest bearing debt	865	55	6	-	926	-	(591)	4	339
Cash	(131)	(21)	34	1 704	1 587	-	(122)	73	1 538
Net interest bearing debt (NIBD)	996	76	(28)	(1 704)	(661)	-	(469)	(69)	(1 200)

FY 2021 NOK million	Production	Develop-ment	Operations	Corporate	Total Proportio-nate	Group elimi-nations	Elimination of equity accounted entities	Residual ownership consoli-dated entities	Total Consoli-dated
Total revenue	77	6	-	-	83	-	(42)	-	41
Operating expenses	(34)	(35)	-	(38)	(107)	-	18	-	(89)
Net income/(loss) from associated companies and JV's	-	-	-	-	-	-	16	-	16
EBITDA	**43**	**(30)**	**-**	**(38)**	**(25)**	**-**	**(7)**	**-**	**(32)**
Depreciation and amortisation	(18)	-	-	(1)	(19)	-	10	-	(10)
Operating profit (EBIT)	**25**	**(30)**	**-**	**(39)**	**(44)**	**-**	**3**	**-**	**(41)**
Net financial items	(8)	(3)	-	(3)	(14)	-	(8)	-	(22)
Profit/(loss) before tax	**17**	**(33)**	**-**	**(42)**	**(58)**	**-**	**(5)**	**-**	**(64)**
Total assets	2 065	308	-	1 443	3 815	(110)	(587)	-	3 118
Interest bearing debt	826	-	-	-	826	-	(522)	-	304
Cash	11	(59)	-	1 330	1 282	-	(167)	-	1 115
Net interest bearing debt (NIBD)	816	59	-	(1 330)	(456)	-	(355)	-	(811)

Please refer to note 11 sales revenues and other income for information about external sales revenue per product and services and information about geographical area.

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

Accounting principle

Business combinations are accounted for using the acquisition method. The acquisition cost is measured at fair value of the consideration transferred 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.

The acquisition date is the date when control is transferred to the Group, acquired businesses are included in the financial statements from the transaction date. Comparable figures are not adjusted for acquired, sold, or liquidated businesses.

When the Group acquires a business, a purchase price allocation is carried out, and assets and liabilities are valued at fair value at the time of the acquisition. If the acquisition cost (including any non-controlling interests) exceeds the fair value of identifiable net assets acquired, this is recognised as goodwill. 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.

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.

Acquisition related costs, except costs related to issue of debt or equity securities, are booked to operating expenses.

Estimates and judgements

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 of assets and liabilities acquired.

A specific assessment is made for each acquisition to decide 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, IAS 38 Intangible assets 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.

The purchase price allocation is by nature judgemental as it includes allocation of the purchase price to the underlying assets and liabilities on their underlying estimated fair value. Significant management judgement is applied about valuation method, estimates and assumptions. There is an inherent uncertainty related to managements estimates of significant assumptions such as discount rate, cash flow estimates and useful life which impact the split of the allocated fair value of the estimates.

Business combinations in 2022

Acquisition Operations

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 Captiva 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. Kraftanmelding AS, operates as a power trade agent and delivers services related to power trade on behalf of power producers.

Captiva Energi AS with subsidiaries, delivers development projects within renewable hydro energy. Captiva Energi has realized 11 hydro projects over the past 5 years.

The Captiva Group represented a new business segment for the Group, "Operations", established in 2022.

The agreed enterprise value 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 was settled 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% was settled by cash payment of NOK 50.5m. The purchase price was subject to adjustments after audited completion accounts, the settlement amounted to NOK 0 million.

Net acquired assets is in the completion accounts NOK 37.3 million (based on 100%, including non-controlling interests). The transaction is accounted as a business combination and the Captiva Group was consolidated in the Group accounts from 7 January 2022.

Cloudberry is currently a 60% owner of Captiva with a call option to purchase the remaining share up to 100% of the business by 2025 at fixed terms (the remaining 40% is owned by the previous sellers).

Acquisition of 26% of Enestor AS

On June 1 Captiva Asset Management AS called an option to acquire further 26% of the shares in Enestor AS bringing the ownership to a total of 51%.

The acquisition price was fixed at NOK 4.6m and paid in cash. The transaction is accounted as a business combination and Enestor was consolidated in the Group accounts from 1 June 2022.

Acquisition Production

Acquisition of 100% of Tinnkraft AS

On 1 February 2022 Cloudberry Production AS completed the acquisition of 100% of the shares in Tinnkraft AS, "Tinnkraft". Tinnkraft is a producing hydro power plant 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 transaction is accounted as a business combination as Tinnkraft is a producing powerplant and established business. Tinnkraft was consolidated in the Group accounts from 1 February 2022.

Acquisition of 100% of Bøen Kraft AS

On 9 June 2022, Cloudberry Production AS completed the acquisition of 100% of the shares of Bøen Kraft AS "Bøen Kraft". Bøen Kraft consists of two hydro power plants "Bøen 1" and "Bøen 2", which both are producing hydro power plants located in Hjelmeland Municipality in Rogaland County and have an expected annual production (normalized) of total 17 GWh. The plants are in NO2 price area.

In addition to the operating plants, a third license application is under prepararation, "Bøen 3" will if approved be built with a dam adding also flexibility to "Bøen 1" and "Bøen 2". "Bøen 3" is planned with expected annual production of 5 GWh.

The total purchase price was NOK 102m, of which NOK 85m was paid in cash and NOK 16m was settled with Cloudberry shares, this was 935.020 shares of par value NOK 0.25 and a fair value of NOK 17.32 per share (share capital increase with NOK 0.234m).

The acquisition is accounted as a business combination as Bøen Kraft consists of two producing power plants and is an established business. Bøen Kraft was consolidated in the Group accounts from 9 June 2022.

Purchase price allocation for the acquisitions in 2022

NOK million	Captiva Group	Tinnkraft AS	Bøen Kraft AS	Enestor AS[1]	Total
Acquisition date	07.01.2022	01.02.2022	09.06.2022	01.06.2022	
Voting rights/shareholding acquired through the acquisition	60%	100%	100%	26%	
Total voting rights after the acqusition	60%	100%	100%	51%	
Non-controlling interests	40%	-	-	49%	
Consideration					
Cash	51	28	85	5	168
Shares	51	-	16	-	67
Total acquisition cost	101	28	102	5	235
Book value of net assets (se table below)	37	5	(11)	4	35
Identification of excess value. attributable to:					
Intangible assets	47	-	-	-	47
Property, plant and equipment	1	30	144	-	174
Inventory	-	-	-	-	-
Other	2	-	-	-	2
Gross excess value	50	30	144	-	224
Deferred tax on excess value	(11)	(7)	(32)	-	(49)
Net excess value	39	23	112	-	175
Fair value of net acquired assets excluding goodwill	77	28	102	4	210
Of which					
Non controlling interest	33	-	-	3	35
Controlling interests	44	28	102	1	174
Total acquisition cost (controlling interest)	101	28	102	5	235
Fair value of net aquired assets ex goodwill (controlling interest)	44	28	102	1	174
Goodwill (controlling interest)	57	-	-	4	62
Goodwill (non controlling interest)	38	-	-	3	41
Goodwill (100%)	95	-	-	7	103
Total non controlling interest	71	-	-	6	77

[1] Ownership through Captiva Group

Book value of net acquired assets

NOK million	Captiva Group	Tinnkraft AS	Bøen Kraft AS	Enestor AS[1]	Total
Intangible assets	27	-	-	-	27
Property, plants and equipment	16	13	32	-	63
Goodwill	2	-	-	-	2
Other non-current assets	1	-	-	-	1
Financial non-current assets	6	-	2	-	7
Inventory	-	-	-	-	-
Other current assets	33	-	3	3	39
Cash and cash equivalents	161	2	11	3	177
Acquired assets	246	15	48	6	316
Interest bearing debt, long term	20	10	33	-	63
Other non current liabilities	-	-	23	-	23
Current liabilities	185	1	8	-	193
Deferred tax liability	3	-	(5)	-	(1)
Other liabilities	-	-	-	3	3
Net asset value aquired assets	**37**	**5**	**(11)**	**4**	**35**
Total acquisition cost	101	28	102	5	235
Non cash consideration	51	-	16	-	67
Cash consideration	51	28	85	5	168
Cash in acquired company	(161)	(2)	(11)	(3)	(177)
Net cash outflow at acquisition	**(110)**	**26**	**74**	**1**	**(9)**

[1] Ownership through Captiva Group

The purchase price allocation of Captiva has been finalized as at 31 December 2022.

Other financial figures

The acquired subsidiaries are consolidated in the Group accounts from the acquisition date. The table below show the total revenue and total profit or loss that is included in the Group accounts for 2022:

NOK million	Captiva Group	Tinnkraft AS	Bøen Kraft AS	Enestor AS[1]	Total
Acquisition date	07.01.2022	01.02.2022	09.06.2022	01.06.2022	
Gross revenue from aqusition date untill 31.12.22	60	7	4	9	80
Pofit or loss total from aqusition date untill 31.12.22	3	5	(4)	-	3

[1] Ownership through Captiva

The table below show the pro forma revenues and net profit or loss if the acquired companies had been consolidated from 1 January 2022.

Pro forma Group figures 2022

NOK million	Cloudberry Group reported	Captiva Group	Tinnkraft AS	Bøen Kraft AS	Enestor AS[1]	Pro-forma Group figures
Total revenues	217	1	-	9	6	233
Total profit or loss	122	-	-	4	1	126

Key risks and financial instruments

Through its business activities, the Group is exposed to various risks and has engaged in various financial instruments. This section outlines the key risks and management activities undertaken to manage the Group's exposure to financial and other risks.

The Group focuses on the following risk categories: stratgic risk, market/external risk, operational risks, financial and ESG risks.

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. The Group's overall risk management programme seeks to minimize the potential for adverse effects on the Groups performance. The Group uses derivative financial instruments to hedge certain risk exposures. For full disclosure of the Group's ESG risk reporting see also the Groups sustainability report for 2022.

Note 6 Market related risks

Political and regulatory 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 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 hydropower 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. The uncertainties associated with the development of the renewable sector, as well as the emergence of other technologies, are factors which could adversely affect the Group's business and growth opportunities.

Risks related to new sustainability regulations
All industries must expect stricter laws and regulations related to sustainability in the years to come. This is based on the fact that financial markets, creditors and investors need consistent, comparable and high-quality information on the impacts of environment and climate change on businesses. The Task Force on Climate-related Financial Disclosure (TCFD) developed recommendations to improve and standardize the reporting of climate-related financial information and to enhance market transparency and stability. Further, mandatory, or voluntary reporting requirements are likely to continue to come as this is a field in fast change.

Price risk

The profitability of the Group's producing power plants depends on the volume and relevant price of the electricity produced. The majority of the Group's sale will be exposed to price risk related to electricity sold at spot rates. The Group's production volume sold in the spot market is consequently exposed to fluctuations in the market prices for electricity, unless new fixed terms agreements are entered into.

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 meteorological conditions, CO_2 pricing and other supply and demand factors going into the clearing of the market price of electricity.

Further, massive climate goal subsidy schemes may put downward pressure on revenues (i.e. electricity prices) of non-subsidized existing assets. The Group considers subsidized offshore wind power as the most likely threat.

As sale of electricity constitutes a material share of the Group's revenues, the price risks related to electricity prices could result in reduced revenue and profitability for the Group and also reduce the fair market value of the Group's assets.

Electricity price risks are mainly hedged by entering into exchange traded electricity derivatives contracts (NordPool/Nasdaq OMX Commodities), as well as derivative contracts directly with industry counterparties (bilateral contracts). The Group's hedging strategies are continuously evaluated as electricity market prices, the hydrological balance and other relevant parameters change. For further information on hedging and outstanding derivative contracts see details under note 10 Hedge accounting.

Sensitivity analysis
The table below is calculated based on the Group's electricity position (i.e. derivatives) as of 31 December and illustrates the potential impact on the income statement and equity. The sensitivity analysis includes only the market risks arising from derivatives i.e. the underlying physical electricity sales and purchases are not included. The analysis is based on the assumption that the forward price quotations of electricity would change +/-10%, flat in the time period that the Group is exposed with PPA's, with all other variables held constant. The sensitivity is what management assumes may be a reasonable change:

+10% change in electricity forward price quotations	2022	2021
Effect on profit before income tax	(2)	-
Effect on equity	(5)	-

-10% change in electricity forward price quotations	2022	2021
Effect on profit before income tax	2	-
Effect on equity	5	-

Inflation risk does not have a direct impact on the Groups financial position, but inflation and related price risk may have an adverse impact on Group's projects under development, accounted as inventory. The Group's development projects are capital intensive and increasing commodity prices will result in higher capital expenditures to develop and construct the projects (i.e. due to higher construction costs and turbine costs). High inflation may carve out the value of the expected cash flows from the Group's development projects relative to the up-front investments. Further, high inflation is expected to lead to higher short and long-term interest rates, affecting the financial costs for the Group's development projects. These factors and uncertainties may result in lower expected profitability from projects under development and ultimately that projects under development are postponed or abandoned leading to an impairment loss. On the opposite high inflation may be caused by higher energy prices, and thus power prices which can act as a counterweight to the risk.

War in Ukraine
On 24 of February 2022 Russia attacked Ukraine thereby started a war that has been lasting for more than a year. The invasion has resulted in severe implications on global trade, global markets, energy prices and commodity prices.
During 2022, Europe, and the Nordics, saw record high power prices, primarily driven by soaring gas prices after European gas imports from Russia ended. The intermediate danger of a European gas shortage has since been reduced, and power prices has dropped significantly, albeit to still historically high levels. As the Group primarily sells its electricity in the spot market, the war's effect on energy prices have, and will continue to have, a significant impact on the Group's revenues. Further, there may be implications on the global trade, and transportation costs and/or higher commodity prices may increase the cost of the Group's construction projects.
It is still highly uncertain how the conflict will evolve and how it will continue to have an impact on the global economy going forward. The Group continues to assess the risk related to the volatility on the energy prices, and implications caused by the war in detail going forward.

Note 7 Commercial and operational risks

Risks related to changes in laws and regulations

Changes in laws and regulations may affect the Group's operations, increase the Group's operating costs, and reduce demand for its services. It could also 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". These are changes in regulations that 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 September 2022, the Norwegian government proposed several tax changes, which are not yet finally voted in Parliament. The tax changes may have effect of the Groups assets, the details of the proposals and the effects are described further under note 19 Impairment.

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 to achieve 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.

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.

Environmental risks

Climate change related risks

Climate change itself is a risk for the Group, although society's climate change mitigation efforts create business opportunities for us. Climate change can alter the precipitation patterns we are used to, which makes hydropower a less dependable source for energy production than in the past. Additionally, climate change is increasing the frequency and severity of extreme weather events, which pose threats to the Group's assets.
The risk assessment and management related to climate risk, is both a specific process in the Group and integrated in the general risk management activities. The Group 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 the Group. The financial impact is defined by assessing both the actual cost of the impact as well as a consideration of frequency, with the intervals structured as below.

Financial Impact	Low	Medium	High
MNOK	<25	25–100	>100
Frequency	<0-1 years	1-5 years	>5 years

Risk related to changing weather patterns

The meteorological conditions (rain and wind) at the particular sites at which the Group's power plants are located can vary materially from season to season and from year to year.

Changes in average temperatures will impact the meteorological conditions. Overall warmer climates can lead to increased rainfall, increased wind, and longer periods of drought. Potential consequences include flooding at hydro plants resulting in less production, severe winds exceeding a wind turbine`s capacity leading to production stops, and droughts leading to low water levels and forcing the company to reduce or even fully stop the electricity production.

Also, if a site proves to have lower resources than anticipated in the Group's business model or suffers a sustained decline in meteorological 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. For more information about climate related risk, see the Group's separate TCFD-report and Sustainability report 2022.

Note 8 Financial risks

The Group's overall financial risk management focuses primarily on maintaining a financial risk profile that provides flexibility as well as optimising return on assets. Financial risk management is centralised, 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.

The Group uses derivatives, such as interest rate swaps, power purchase agreements and currency forward swaps to manage its exposure to certain risks as described in this section. To reduce volatility in the statement of profit or loss the Group applies hedge accounting. Refer to Note 10 Hedge accounting for further information.

Interest rate risk

Interest rate risk is the risk that the future cash flows, or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risks through funding and cash management activities.

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 financing costs and interest payments, which reduces the Group's profitability. Changes in interest rates also expose the Group to changes in the fair value of interest rate derivatives (fair value risk).

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.

All long-term debt is at fixed rates. The profit or loss statement and future cash flows related to existing debt are therefore limitedly sensitive to changes in interest rates.

Sensitivity analysis

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:

1%-point increase in floating interest rate	2022	2021
Effect on profit before income tax	-	-
Effect on equity	27	12

1%-point decrease in floating interest rate	2022	2021
Effect on profit before income tax	-	-
Effect on equity	(25)	(12)

Currency risk

The Group presents its financial statements in NOK. However, Norwegian power companies sell the power through Nord Pool where EUR is the official trading currency. Electricity Certificates are traded in SEK. Several of the Groups development projects in Sweden also have costs which are denominated in SEK. Further, the Group's investment in Odal Vind AS and Forte Energy Norway AS is exposed to EUR in its entirety. Consequently, the Group is exposed to currency risk. Any fluctuations in exchange rates between NOK, SEK and EUR could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group is also exposed to currency risk by having employees and operations in Sweden. 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, as shown in the signed share purchase agreement with the Odin portfolio as described in note 29 Subsequent events. 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 has significant contractual cash flow obligations in other currencies, especially related to investments or capital expenditures on power plants under construction, these are either in EUR (turbine suppliers) or in the local currency where the investment or construction project is located. The Group seeks to minimize the risk related to these cash flows by entering currency forward contracts that match the contractual cash out flows or buying/swapping the necessary amount to the relevant currency so that the risk of change in FX rate have limited impacts of the investment/project profitability.

The Group holds deposits in local currency (NOK, SEK and EUR) in order to match future obligations and has entered future currency swap contracts for the larger obligations to limit the exposure to future exchange rate fluctuations. The Group has not currently applied hedge accounting for these arrangements.

Sensitivity analysis

Currency gains and losses on monetary items in foreign currency are recognised in the income statement of the Group. The table below shows the sensitivity to a reasonable change in SEK and EUR exchange rate to the Groups consolidated financial assets and liabilities: (only significant exposures are included in the table):

NOK million	2022	2021
Change in SEK	(5%)	(5%)
Effect on cash and cash equivalents	(4)	-
Effect on group receivables and liabilities	(14)	(2)
Change in EUR	(5%)	(5%)
Effect on cash and cash equivalents	(1)	(8)
Effect on group receivables and liabilities	-	(5)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when due.

The Group manages liquidity risk through, on a regular basis, to review 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 24 months ahead to handle the liquidity risk. When taking business decisions and entering into contracts the Group evaluates the liquidity needs and makes sure the liquidity needed is in place before entering into contracts.

As of 31 December 2022, the Group has a total of approximately NOK 550 million in contractual commitments, in addition to the current payables which are recognised in the Groups balance sheet. The obligation does not include regular employee expenses or other day-to-day costs. See note 16 Property, plant and equipment and note 24 Provisions, guarantees and other contractual obligations.

The following table shows the maturity for nominal cash outflow for the contractual obligations as per 31 December 2022:

NOK million	Carrying amount	Less than a year	2024	2025	2026	2027+	Total
Bank loan (incl. interest payments)	338	37	26	26	230	75	394
Lease liabilities	43	7	7	8	7	24	53
Accounts payable	135	135	-	-	-	-	135
Total non-derivatives	**516**	**179**	**34**	**33**	**237**	**99**	**582**
Net-settled derivatives	25	17	8	-	-	-	25
Total financial liabilities and derivatives	**540**	**196**	**41**	**33**	**237**	**99**	**607**

Per 31 December 2021:

NOK million	Carrying amount	Less than a year	2024	2025	2026	2027+	Total
Bank loan (incl. interest payments)	304	20	21	21	21	313	396
Lease liabilities	5	1	1	1	-	2	6
Accounts payable	38	38	-	-	-	-	38
Total non-derivatives	**347**	**59**	**22**	**22**	**21**	**315**	**440**
Net-settled derivatives	3	-	-	-	-	1	3
Total financial liabilities and derivatives	**350**	**60**	**23**	**23**	**22**	**316**	**443**

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 including warranties provided under share purchase agreements.

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.

The Group's account receivables have low credit risk and all receivables over the past several years have been collected in full and on time. At year end Management has evaluated the account receivables credit risk to be insignificant and the account receivables are therefore recognised in the financial statements at face value.

Note 9 Financial instruments

Accounting principle

Financial assets

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

- those to be measured at amortised cost,
- those to be measured subsequently at fair value (either through OCI or profit or loss)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets that are held to collect contractual cash flows and where those cash flows represent solely payments of principal and interest (SPPI) 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.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or 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 or loss.

Derivatives are always measured at fair value through profit or loss. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged (see note 10 Hedge accounting for further details).

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.

For Impairment losses on accounts receivables the group applies the simplified approach as it follows from IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. An allowance is made on the balance sheet for the expected future credit losses and remains on the balance sheet until it is written off as a credit loss or reversed.

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 or fair value recognised in profit or loss)

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. In subsequent periods, all financial liabilities, except derivatives are measured at amortised cost.

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.

Power Purchase Agreements (PPA)

The Group has in some cases entered into PPA for the sale of electric power and related products (el-certificates of guarantees of origin) 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.

As per 31 December the Group has two PPA contracts, one with applied hedge accounting, see note 10, and one recognised at fair value over the profit or loss statement.

The Group has no PPA classified as “own use” contract.

Financial instruments

The table below shows the Groups financial instruments with their carrying amounts recognised in the consolidated financial position on 31 December 2022. The carrying amount for assets and liabilities measured at amortised cost is believed to be approximate to fair value.

FY 2022

NOK million	Financial assts at amortised cost	Liabilities at amortised cost	Financial assets - fair value	Financial liabilities - fair value	Total
Financial investments	57	-	-	-	57
Derivative financial instrument	-	-	39	-	39
Other non-current asset	9	-	-	-	9
Total non-current financial assets	66	-	39	-	105
Trade and other receivables	137	-	-	-	137
Cash and cash equivalents	1 538	-	-	-	1 538
Total current Financial assets	1 676	-	-	-	1 676
Lease liability	-	(7)	-	-	(7)
Current borrowings	-	(12)	-	-	(12)
Total current financial liabilities	-	(19)	-	-	(19)
Lease liability	-	(36)	-	-	(36)
Financial liability for PPA termination	-	(5)	-	-	(5)
Long term borrowings	-	(327)	-	-	(327)
Derivatives	-	-	-	(25)	(25)
Total non current financial liabilities	-	(368)	-	(25)	(393)
Net financial assets (liabilities)	**1 742**	**(387)**	**39**	**(25)**	**1 369**

FY 2021

NOK million	Fianancial assts at amortised cost	Liabilities at amortised cost	Financial assets - fair value	Financial liabilities - fair value	Total
Derivative financial instrument	-	-	7	-	7
Other non-current asset	4	-	-	-	4
Total non-current financial assets	4	-	7	-	10
Trade and other current receivables	85	-	-	-	85
Cash and cash equivalents	1 115	-	-	-	1 115
Total current Financial assets	1 200	-	-	-	1 200
Lease liability	-	(1)	-	-	(1)
Current borrowings	-	(10)	-	-	(10)
Total current financial liabilities	-	(11)	-	-	(11)
Lease liability	-	(3)	-	-	(3)
Financial liability for PPA termination	-	(5)	-	-	(5)
Long term borrowings	-	(291)	-	-	(291)
Derivatives	-	-	-	(3)	(3)
Total non current financial liabilities	-	(299)	-	(3)	(302)
Net financial assets (liabilities)	**1 204**	**(311)**	**7**	**(3)**	**897**

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

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 fair value hierarchy for assets and liabilities measured at fair value are presented in the following table:

	Level 1		Level 2		Level 3	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Derivative assets						
– Interest rate derivatives	-	-	36	7	-	-
– Commodity derivatives (power)	-	-	2	-	-	-
Derivative liabilities						
– Interest rate derivatives	-	-	(1)	(3)	-	-
– Interest rate derivatives	-	-	-	-	-	-
– Commodity derivatives (power)	-	-	(24)	-	-	-
Fair value	**-**	**-**	**14**	**4**	**-**	**-**

* Note 1: fair value of the interest rate derivative in Forte is included in the carrying amount of the equity accounted company, the fair value per 31 December 2022 is NOK 57m and is measured at level 2 in the hierarchy).

The contracts at level 2 as of 31 December are the Groups interest rate derivatives, PPA agreements and EUR forward swap.

The fair value of the derivatives is determined by discounting expected future cash flows to present value through the use of observed market rates. The Group's interest rate derivatives and a PPA agreement are held for hedging purposes, reference to note 10 Hedge accounting.

Note 10 Hedge accounting

Accounting principle

Derivatives are measured at fair value. The resulting gain or loss on re-measurement is recognised immediately in the statement of profit or loss, unless the derivative is designated into an effective hedge relationship as a hedging instrument. The Group designates currently only derivatives as cash flow hedges (where the derivative is used to manage the variability in cash flows relating to recognised liabilities or forecast transactions). Please refer to Note 9 under Fair value measurement for information on how fair value is determined.

Cash flow hedges

If a financial instrument is designated as a cash flow hedging instrument the effective portion of the changes in the fair value of the derivative are recognised in other comprehensive income and accumulated in a separate reserve in equity (cash flow hedge reserve). Subsequently the cumulative amount is transferred to the statement of profit or loss when the underlying transactions are recognised.

The ineffective portion of changes in the fair value of the hedging instruments are recognised immediately.

Hedge accounting is discontinued when the hedging instrument expires, is terminated, is exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss recognised in other comprehensive income remains in the hedge reserve until the forecast transaction occurs, or it is immediately recognised in the statement of profit or loss if the transaction is no longer expected to occur.

The Group applies hedge accounting to the borrowings and the associated interest rate swaps, for movements in benchmark interest rates (i.e. excluding any margin component). The secured debt and the interest rate swap agreement has critical terms that match and are expected to be highly effective. Critical terms are defined as currencies, nominal amounts and maturity. All interest rate swaps are designated as hedging instruments. Hedge ineffectiveness can arise from changes in counterparty credit risk.

As per December 2022 the Group 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 Group also applies hedge accounting to highly probable future sales of power where there is an economic relationship between the hedged item (usually set at a low % of the total exposure) and the hedging instrument. The terms of the derivative (PPA) match the terms of the expected highly probable forecast transactions (i.e. % notional and payment date).

Hedge accounting

Hedging instruments designates in a hedge accounting relationship

Information about hedging instruments that the Group has designated in a hedge accounting relationship is presented in the following table.

				Carrying amount of the hedging instruments	
Risk and hedging instruments	Maturity (months)	Weighted average rate/price[1]	Nominal amount[2]	Assets	Liabilities
Cash flow hedges					
Interest rate risk - borrowings					
Interest rate swap (IRS) - NOK	37-172	1.815%	369 278	36	(1)
Commodity price risk – Forecast transactions					
Fixed price PPA	60	133	21	2	-

[1] The weighted average prices for commodity hedges are presented as the price per megawatt hour for electricity (EUR/MWh)

[2] Nominal amount is the nominal value converted into NOK using the exchange rate at year end.

The carrying amount of the Forte interest swap is NOK 57m per 31 December recognised in other comprehensive income, with tax effect of NOK -13m.

Hedge accounting impact to reserves in other comprehensive income:

NOK million	As at 31.12.2022	As at 31.12.2021
Opening balance	3	1
Net change in value of effective derivative hedging instruments	91	2
Interest rate swap (IRS) - NOK	32	2
Fixed price PPA	2	0
Interest rate swap (IRS) - NOK Forte	57	0
Deferred tax/tax credit	**-20**	**-1**
Total movement	**71**	**2**
Closing balance	**74**	**3**

Impact from derivatives not designated in a hedge relationship

In addition to derivatives that are designated and qualify for hedge accounting, the Group also has two derivatives as economic hedges of foreign currency and price exposure. This is a PPA related to Bøen Kraft and a EUR swap related to future capex in EUR at Sundby Vindpark.

The change in fair value of these derivatives have had limited impact on the profit or loss statement in 2022.

Statement of profit or loss and comprehensive income

Note 11 Sales revenues and other operating income

Accounting principle

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 the following categories:

1. Sale of hydro and wind generated electricity delivered to the grid, el-certificates and guarantees of origin.
2. Sale of management services for hydro and wind power assets.
3. Sale of management services for development of hydro and wind assets
4. Digital services
5. Consultancy services within accounting and IT management.
6. Agency fee power sales

Revenue from power production or related products bear the characteristic of delivering power, el-certificates and guarantees of origin, at a certain price. The performance obligation is to deliver a series of distinct goods (power or related products) and the transaction price is the consideration the Group 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 recognized for each unit delivered at the transaction price. The Group applies a practical expedient under IFRS 15 whereby the revenue from power for most of the contracts is recognized 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 and consultancy services is recognized when the service is performed, and the Group has an unconditional right to the consideration settlement. When the performance obligation is fulfilled and the Group has an unconditional right to the consideration, this is presented separately in the balance sheet as a receivable.

Agency fee from power sales are services related to power trade on behalf of power producers. Agency fee revenues are presented net and represent only the agency fee. This is because the Group acts on behalf of the power producer and does not trade at its own risk. A smaller part of the trade portfolio includes risk related to unbalance, but this risk is actively reduced as much as possible.

When determining the transaction price for each element in the contract, the Group adjusts 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

Sale of ready to build development projects is assessed as not part of the ordinary course of daily business, as each transaction is unique. The sales of ready-to-build development projects is accounted net of inventory costs and presented as other income in accordance with IFRS 10. The projects are often organized in single-purpose-vehicles (SPV) and the net gain and net loss is recognized when control of the project SPV is transferred to the acquirer. Net gain or loss from sale of fixed assets (producing power plants) 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 recognized within sales revenues.

Total revenue
The consolidated revenues are presented in the table below.

NOK million	2022	2021
Power related products	152	33
Asset Management	28	3
Project development services	4	-
Consultancy services	12	-
Digital Services	2	-
Agency fee power trade	11	-
Other revenue	1	-
Sales revenues	208	35
Net gain sale of PPE and project inventory	8	-
Public grants - El certificates and guarantees of origin	-	-
Other	-	6
Other income	9	6
Total revenue	**217**	**41**

99% of all external revenue is generated in Norway, the remaining is generated in Sweden and Switzerland. For information about the revenue split between business segments, see note 4.

Note 12 Employee benefits and share based payments

Accounting principle
Employee benefits are accrued in the period in which the associated services are rendered by the employees of the Company.

Share-based compensation
The Group has an equity incentive plan for top management and key employees. The programme includes the issue of warrants for shares in the Company.

The Group applies the Black-Scholes model 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 vesting period, at the same time a corresponding increase in paid in equity is recognised. The vesting period is the period over which all the specified vesting conditions are to be satisfied. 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. Social security tax is recognised in the profit and loss statement and a provision is recognised in the balance sheet.

Significant estimates and judgement

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 of option, volatility, interest rate and expected dividend yield.

Employee benefits

The table below shows the employee benefits accrued in the period and the capitalized costs relate to development projects.

NOK million	2022	2021
Salaries	67	22
Social security tax	9	5
Pension costs	3	1
Share based payment	26	4
Other benefits	2	-
Gross personnel expenses	**106**	**33**
- Capitalized development costs (project inventory)	(15)	(5)
Total personnel expenses	**91**	**28**
Average number of full-time equivalents (FTEs)	55	12
Number of full-time equivalents as 31.12 (FTEs)	62	14

Included in salaries are remuneration to board members, see note 27 transactions with related parties.

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 or loss in the period in which the contribution amounts are earned by the employees. The defined contribution plan does not commit the Group beyond the amounts contributed.

Remuneration of Executive Group management

The remuneration 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 remuneration in 2022

NOK million	Anders Lenborg (CEO)	Christian Helland (CVO)	Jon Gunnar Solli (COO)	Charlotte Bergqvist (CDO)	Stig J. Østebrøt (CTO)	Ingrid Bjørdal[1] (CCOO)	Total
Salary	3	3	2	1	3	1	12
Bonus	2	1	1	-	-	-	4
Pension costs	-	-	-	-	-	-	1
Share based payment	6	5	2	1	-	-	14
Total reportable benefits paid 2022	**11**	**8**	**5**	**3**	**3**	**1**	**31**

[1] Ingrid Bjørdal was hired 1.9.2022, the salary represent 4 months.

The table below shows the remuneration in 2021

NOK million	Anders Lenborg (CEO)	Christian Helland (CVO)	Suna Alkan (CSO)	Jon Gunnar Solli (COO)	Tor Arne Pedersen (CDO)	Total
Salary	3	2	2	2	2	10
Bonus	1	1	-	1	-	3
Pension costs	-	-	-	-	-	-
Share based payment	2	1	-	1	-	4
Total reportable benefits paid 2021	**6**	**4**	**2**	**3**	**2**	**18**

Total remuneration, warrants and shares for top management per year end:

FY 2022 NOK million	Holding Company	Shares pr 31.12.22	Total remun-aration	Warrants grantet 2022	Warrants pr 01.01.22	Warrants grantet total pr 31.12.22	Warrants exercised
Anders Lenborg (CEO)	Lenco AS	1 363 546	11	700 000	2 695 000	3 395 000	-
Christian Helland (CVO)	Amandus Invest AS	452 758	8	550 000	2 000 000	2 550 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	613 723	5	250 000	900 000	1 150 000	-
Charlotte Bergqvist (CDO)		-	3	600 000	-	600 000	-
Stig J. Østebrøt (CTO)		25 000	3	-	-	-	-
Ingrid Bjørdal (CCOO)		40 000	1	-	-	-	-
			19	**1 400 000**	**2 900 000**	**4 300 000**	**-**

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

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 normally 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-Scholes model. The key assumptions applied for the grants in 2022 are 40% volatility (based on listed peer with 3 years historical data and updated with historic volatility for the Company from listing on the Main List Oslo Børs to the grant date in June 2022), 2.8% interest rate and approx. 1% dividend yield. Other inputs to the model are current stock price, exercise price and expected life of option (vesting period + one year).

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

FY 2022	
Outstanding warrants 01.01.	7 700 000
Granted in 2022	3 000 000
Exercised in 2022	-
Expired in 2022	(200 000)
Outstanding warrants 31.12.	**10 500 000**
Vested 31.12.2022	3 299 995
Charged to profit and loss statement 2022 (NOK million)	25
Charged to equity 2022 (NOK million)	26

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**
Vested 31.12.2021	2 200 000
Charged to profit and loss statement 2021 (NOK million)	5
Charged to equity 2021 (NOK million)	4

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

FY 2022 NOK million	# Warrants	Grant date	Expiry date	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price	Share Price (grant date)
Warrant package #1	775 000	20.03.2020	20.03.2025	2.2	11.1	516 665	11.1	11.1
Warrant package #2	1 425 000	25.09.2020	25.09.2025	2.7	12.2	949 998	12.2	13.1
Warrant package #3	5 500 000	17.06.2021	17.06.2026	3.5	12.5	1 833 332	12.5	14.7
Warrant package #4	3 000 000	15.06.2022	28.04.2027	4.3	17.4	-	-	16.0
	10 700 000							

Per 31 December 2022, the equity incentive plan covers 3.7% of the issued shares in the Company.

Note 13 Other operating expenses

The table shows the breakdown of other operating expenses in FY 2022 and FY 2021.

NOK million	2022	2021
Lease short-term and variable	28	7
External accounting and auditing fees	8	5
Legal and other fees	22	16
Operating and maintenance power plants	2	4
Project costs	4	22
Other	16	1
Total other operating expenses	**81**	**55**

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 million	2022	2021
Statutory audit	3	3
Tax counselling	-	-
Other assurance services	1	-
Total auditor costs	**4**	**3**

Note 14 Financial items

The table shows the breakdown of financial income and financial expense in FY 2022 and FY 2021.

Financial income

NOK million	2022	2021
Interest income	11	1
Other financial income	13	2
Exchange differences	44	4
Total financial income	**67**	**6**

Financial expense

NOK million	2022	2021
Interest expense	(22)	(9)
Guarantees and commitment fees	(1)	(6)
Other financial expense	(5)	(5)
Exchange differences	(45)	(12)
Capitalized interest	12	4
Total financial expense	**(62)**	**(29)**

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

The cash effect of interest payments and commitment fee related to long-term borrowing facility was NOK 20m in 2022 (NOK 8m in FY2021). Other interest expenses relate to lease liabilities and asset retirement obligation.

For further information about interest sensitivities and payments, please see note 8 Financial risks, note 10 Hedge accounting, note 25 Lease agreements, note 23 Long term debt, and note 24 Provisions, guarantees and other contractual obligations.

Net foreign exchange differences related to Group internal loans are NOK -1m, while net foreign exchange difference related to external parties are NOK 0m.

Note 15 Income tax expense

Accounting principle

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.

Tax expense and deferred tax

The table below show the tax expense in the income statement

NOK million	2022	2021
Tax expense in the income statement		
Income tax payable	1	-
Change in deferred income tax	(1)	1
Tax expense in the income statement	**-**	**1**
Reconsiliation of nominal tax rate and effective tax rate		
Profit before income tax	122	(64)
Nominal tax rate	22%	22%
Expected tax expense	(27)	14
Effect on taxes of:		
Permanent differences	34	(2)
Not regognized tax asset related to tax losses carried forward	(7)	(12)
Changes related to deferred tax on excess values	(3)	1
Changes related to other deferred tax	2	-
Tax expense in the income statement	**-**	**1**

The appropriate tax rate in Norway and Sweden is 22% and 20,6% respectively.

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

NOK million	2022	2021
Temporarily differences deferred tax asset:		
Property, plant and equipment	(22)	-
Derivatives	24	-
Other receivables	(3)	-
Tax loss carried forward	326	322
Subtotal	325	323
Of which not recognised as tax asset	(192)	(247)
Basis for deferred tax asset	**133**	**76**
Deferred tax asset	**29**	**17**
Temporarily differences deferred tax liability:		
Inventory valuation	(83)	(47)
Property, plant and equipment	(542)	(402)
Intangible assets	(53)	-
Derivatives	(38)	(4)
Other	4	0
Basis for deferred tax liability	**(711)**	**(453)**
Deferred tax liability	**(156)**	**(100)**
Reconsiliation to the statement of financial position		
Deferred tax asset	29	17
Deferred tax liability	(156)	(100)
Net deferred tax liabilities in the statement of financial position	**(127)**	**(83)**

As per 31 December 2022 the Group has recorded a valuation allowance of NOK 192m (247m) related to tax losses carried forward, which is not included as a recognised deferred tax asset. It will be made a new assessment of tax asset recognition after the final outcome of the new tax proposal during 2023.

The table below show the movement in the deferred tax liability in the statement of financial position from 1 January to 31 December

NOK million	2022	2021
Net deferred tax libility at 01.01	(83)	(14)
Change in deferred tax (in profit or loss statement)	1	1
Change in deferred tax (recognised in other comprehensive income)	(8)	(1)
Acquisitions and disposals of subsidiaries	(41)	(69)
Other and currency translation differences	3	
Net deferred tax libility at 31.12	**(127)**	**(83)**

Statement of financial position

Note 16 Property, plant and equipment

Accounting principle

Property, plant, and equipment (PPE) 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 a PPE item with a cost that is significant 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 disposals are included in profit or loss.

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

Asset retirement obligation (ARO)
Provisions for asset retirement costs are recognised when the Group has an obligation to dismantle and remove a power plant and must restore the site on which it is located. The asset retirement cost is capitalised as a part of the carrying value of the power plant and depreciated over the useful life of the plants.

Estimated useful life of power plants
The estimated useful life of power plants is based on assumptions on expected usage of the plant, expected wear and tear, technical or commercial obsolescence, legal or other regulatory limitations or lease expiry.

The power plants in current operations have expected useful life between 20-60 years.

Significant estimates and judgement

Assessment of asset acquisition or business combination
Significant management judgement is required in the assessment if an acquired project or power plant is a business combination or an asset acquisition. It is made a specific assessment for each acquisition.. If the acquisition is 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.

For acquisitions that consist of a single power plant ready to construct, the acquisition will in most cases be regarded as an asset transaction, while acquisitions including producing assets are mainly business combinations. However, to conclude on accounting treatment, a separate assessment is performed for each acquisition.

Impairment

Producing power plants and power plants under construction are tested for impairment to the extent that indicators of impairment exist, please refer to Note 19 Impairment for details.

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.

FY 2022 NOK million	Producing power plants	Power plant under construction	Equipment	Right to use - lease asset	Total
Accumulated cost 1.1.2022	819	255	2	6	1 082
Additions from bus.comb. and acqusitions during the year	303	-	1	24	328
Additions during the year	6	278	1	21	306
Transfer between groups	427	(427)	-	-	-
Transfer from inventory	-	16	-	-	16
Cost of disposed assets	(16)	-	-	(5)	(22)
Effects of movement in foreign exchange	3	(4)	-	-	(1)
Accumulated cost at 31.12.2022	**1 542**	**118**	**4**	**46**	**1 710**
Accumulated depreciations and impairment losses at 1.1.2022	70	-	1	2	73
Accumulated depreciations acquired assets during the year	13	-	1	-	14
Depreciations for the year	22	-	1	5	28
Impairment losses	-	-	-	-	-
Accomulated depreciations and impairment losses disposed assets	-	-	-	(2)	(2)
Effects of movements in foreigs exchange	-	-	-	-	-
Accumulated depreciations and impairment losses at 31.12.2022	**106**	**-**	**2**	**5**	**113**
Carrying amount at 31.12.2022	**1 437**	**118**	**2**	**40**	**1 597**
Carrying amount beginning of period	749	255	1	4	1 009
Estimated useful life (years)	25-60		5-10	5-10	

FY 2021 NOK million	Producing power plants	Power plant under construction	Equipment	Right to use - lease asset	Total
Accumulated cost 1.1.2021	58	6	2	5	72
Additions from business combinations during the year	746	47	-	-	794
Additions during the year	2	176	1	1	180
Transfer between groups	12	(15)	-	-	(3)
Transfer from inventory	-	44	-	-	44
Cost of disposed assets	-	-	(1)	-	(1)
Effects of movement in foreign exchange	-	(4)	-	-	(4)
Accumulated cost at 31.12.2021	**819**	**255**	**2**	**6**	**1 082**
Accumulated depreciations and impairment losses at 1.1.2021	11	-	2	1	13
Accumulated depreciations acquired assets during the year	51	-	-	-	51
Depreciations for the year	8	-	-	1	10
Impairment losses	-	-	-	-	-
Accomulated depreciations and impairment losses disposed assets	-	-	(1)	-	(1)
Effects of movements in foreigs exchange	-	-	-	-	-
Accumulated depreciations and impairment losses at 31.12.2021	**70**	**-**	**1**	**2**	**73**
Carrying amount at end of period	**749**	**255**	**1**	**4**	**1 009**
Carrying amount beginning of period	48	6	1	4	58
Estimated useful life (years)	25-50		5-10	5-50	

During 2022 the Group has expanded the portfolio of producing power plants with acquisitions of Ramsliåna, Tinnkraft, and Bøen Kraft, which are all producing power plants. The latter two were assessed as business combinations, see note 5 for further information.

Two projects under construction, Hån Vindpark and Skåråna were completed during 2022 and have been transferred between asset classes and are now classified as producing power plants.

Power plant assets are pledged as security for long term debt, see note 23 Long term debt.

The development project Sundby Vindpark (Kafjärden) was transferred from inventory to power plant under construction (PPE) when final investment decision (FID) was made in December 2022. Sundby is the only power plant under construction as per year end.

Right to use lease assets include office lease and fixed amount fall lease on power plants. For further details about lease, please see 25 Lease agreements.

The total contractual obligations related to the project Sundby amounts to EUR 50m, of which EUR 12m is already invested and reflected in the table above.

The obligation related to Øvre Kvemma is total investment of NOK 124m (enterprise value). The investment is expected to be financed with 50% debt. See note 24 Provisions, guarantees and contractual obligations.

Note 17 Intangible assets and goodwill

Accounting principle

Intangible assets acquired separately are measured on initial recognition at cost, while the cost of intangible assets acquired in a business combination is the fair value at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisations and accumulated impairment losses.

Intangible assets with an indefinite useful life, such as goodwill are not amortised on a regular basis, but instead tested annually for impairment or more frequently if there are circumstances indicating that the carrying value may be impaired. The Group's goodwill derives from business combinations, the Group has no other intangible assets with indefinite useful life than goodwill as of 31 December 2022.

Intangible assets with a finite lifetime are amortised over the useful life of the assets and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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.

Intangible assets and goodwill

NOK million	Goodwill	Intangible assets
Accumulated cost 1.1.2022	38	-
Additions from business combinations and acqusitions during the year	105	76
Additions during the year	-	19
Accumulated cost at 31.12.2022	**143**	**95**
Accumulated amortizations and impairment losses at 1.1.2022	-	-
Accumulated amortizations acquired assets during the year	-	1
Amortizations for the year	-	8
Impairment losses	-	-
Accumulated amortizations and impairment losses at 31.12.2022	**-**	**9**
Carrying amount at end of period	**143**	**86**
Estimated useful life (years)	N/A	5-10

There are no comparable figures for 2021.

Intangible assets are related to inhouse developed software systems in Captiva (Operations). The main software systems are Captiva's digital platform, "The Portal", and Tyde hydro analytics system.

Goodwill additions of NOK 105m from business combinations in 2022 is related to the Operations segment and the acquisition of Captiva (NOK 98m) and further investment in Enestor AS (NOK 7m) which was an associated company in the Captiva acquisition, but is now a subsidiary.

In the acquisition of Captiva, goodwill was determined to be related to development know-how within hydro projects, a record of accomplishments, operational intelligence business systems integrated in the Captiva Group of other companies to benefit from each other, and the competence and experience of consultants within the industry.

Note 18 Inventory

Accounting principle

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.

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 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.

Asset recognition of project inventory is done when the Group 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 they meet the major key success prerequisites and 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.

Capitalized development costs consists of external development costs, capitalized salaries for internal employees and capitalized interest costs related to project funding.

The development projects are part of the Development 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 the Group makes the final investment decision (FID), the projects will be reclassified to property, plant and equipment and accounted according to IAS 16.

Inventory per year end

NOK million	31.12.2022	31.12.2021
Projects	106	154
Government grants	-	-
Total	**106**	**154**

The table below shows the split of project inventory in projects with construction permit and project backlog.

FY 2022

NOK million	Projects - with construction permit	Projects - Backlog	Total
Project inventory 01.01.	118	35	154
Acqusitions during the year	29	4	33
Capitalization (salary, borrowing cost, other expenses)	41	2	42
Realized	(104)	-	(104)
Transfer to PPE	(16)	-	(16)
Write down current year	-	-	-
Effects of movements in foreign exchange	(2)	-	(3)
Project inventory 31.12.	**66**	**41**	**106**

FY 2021

NOK million	Projects - with construction permit	Projects - Backlog	Total
Project inventory 01.01.21	163	33	196
Acqusitions during the year	-	-	-
Capitalization (salary, borrowing cost, other expenses)	9	2	11
Realized	-	-	-
Transfer to PPE	(47)	-	(47)
Write down current year	(3)	-	(3)
Effects of movements in foreign exchange	(3)	-	(3)
Project inventory 31.12.21	**118**	**35**	**154**

Projects with construction permit comprise of the wind project Duvhällen and Munkhyttan (acquired in first quarter 2022). Both are located in SE3 Sweden.

The development project Sundby Vindpark (Kafjärden, also acquired in first quarter 2022) was transferred from inventory to power plant under construction (PPE), when final investment decision was made in December 2022.

Stenkalles, a shallow water project was in September disposed 50% with Hafslund joining as a new partner The project is now owned 50% and classified as a joint venture and equity accounted.

Included in the carrying amount is capitalized external costs related to the projects, salary to the employees working with project development and borrowing costs.

Capitalized costs in 2022 consists of NOK 4m (NOK 2m) in borrowing costs, NOK 5m (NOK 3m) in salaries and NOK 33m (NOK 7m) in external fees. The capitalisation rate applied for borrowing costs is 4%.

Note 19 Impairment

Accounting principle

Property, plant and equipment and intangible assets with a definite useful life are tested for impairment to the extent that indicators of impairment exist.

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)). The Group has identified the following CGUs:

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 construction permit
- Groups of similar projects that are in concession process and are connected in progress

Equity accounted companies
- The individual associated company or joint venture

Intangible assets
- Captiva portal and related digital services
- Tyde system with related digital services
- Krasys system with related power trade agent services

Goodwill and intangible assets with an indefinite useful life are not depreciated but are considered for impairment testing 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.

Significant estimates and judgement

Management have applied significant judgement to decide on and assess relevant impairment indicators. 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, changes in the Groups strategy or macroeconomic fluctuations.

For intangible assets impairment indicators may be underperforming sales or negative development in market conditions.

Value in use calculation is based on a discounted cash flow model. The future cash flows in the model are based on a number of significant estimates and assumptions such as future market conditions, discount rates and estimated useful life and market price for development projects with construction permit, or sales volume for services. The estimates are based on the Group's budgets and long-term outlooks approved by management.

The Group monitors changes in government legislations and regulations on a continuous basis, changes may impact key assumptions in the value in use calculations in future periods.

Impairment test of Goodwill

Goodwill

For impairment testing of goodwill, the relevant level for impairment testing is the cash generating unit (CGU), this has been identified and defined as the following:

NOK million	Total
Development	37
Production	1
Operations	105
Total	**143**

The recoverable amount for these assets has been determined estimating the value in use of the assets and comparing against the carrying value of the CGU's.

Goodwill related to **Operations** origins from the acquisition of Captiva in January 2022. The goodwill was determined to be related to a long record of accomplishments, business know-how, reputation and established business related to development within hydro projects, advisory within asset management and financial services, IT-support and general operational intelligence business systems integrated in the Captiva Group of other companies to benefit from each other, and the competence and experience of consultants within the industry. The goodwill amount was in the purchase price allocation allocated to the operation CGU and segment.

The Group applies discounted cash flow model for impairment testing of goodwill and intangible assets.

The impairment test is sensitive to the following key assumptions and estimates:
- Captiva is currently in a ramp-up phase and a discount rate of 15% on the cash flows has been applied to adjust for the ramp-up risk
- Future cash flows estimated for the period FY 2023 – FY 2032. The business plan estimates a ramp up period of three years from Captiva's business plan, then normal business with 3% annual growth in the scenario. Plans for ramp up years have been assessed and approved by management and the Board.

SaaS and ARR multiples are used as impairment indicators and as a valuation method.

The Group is of the view that no reasonable possible change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for the CGU.

No impairment loss was recognised as the recoverable amounts exceed the carrying amount.

Goodwill related to **Development** 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 of 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 impairment test is sensitive to the following key assumptions:

- future cash flows with price per MW/GWh for development projects
- Timing of project development and concession grant,
- Applied discount rate of 12%

The Group is of the view that no reasonable possible change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for the CGU.

No impairment loss was recognised as the recoverable amounts exceed the carrying amount.

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 of 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 Group's value in use was significantly higher than the carrying amount.

Impairment test of other assets

Property plant and equipment (producing and under construction power plants)

The Group uses an internal valuation model based on external input as the impairment indicator for PPE. This model makes use and combines the most relevant internal and external input factors, such as long-term power price estimates, interest rate level, tax and regulatory changes and asset performance.

For the majority of the producing power plants there was no impairment indicator observed and no further impairment testing to calculate recoverable amount for the remaining power plants was performed. The impairment indicator applied was based on updated long-term power prices, the new tax proposal that was announced in September 2022 and increased interest rate levels.

When taking the new tax proposal into consideration (see section below), the only asset that would need further impairment testing was Røyrmyra wind farm. An external valuation was nevertheless not preformed because the crucial factor was the new tax proposal. Since this is not finally voted on, the Group awaits the final outcome (expected during summer 2023) before a new assessment and impairment test is performed.

For one other producing power plant asset, the assessment of observed impairment indicator was sensitive to changes in estimates and assumptions and close to having an impairment indicator. If future interest rate increase or long-term power price decrease the asset must be tested for impairment

New Norwegian tax proposal

In September 2022 the Norwegian government proposed several new tax proposals for the power producing industry. With respect to land-based wind farms (both existing and new) which are subject to license requirement and hydropower plants with an installed effect of minimum 1 MW, the Norwegian government proposed to introduce a high price contribution tax levied on energy sold at a price above NOK 0.70/kWh at a rate of 23%, with effect from 1 January 2023. The high price contribution tax is not expected to be deductible in the calculation of corporate income tax or resource rent tax and expected only to be in effect until the end of 2024.

Further, the Norwegian government has informed that they plan to introduce a resource rent tax with an effective tax rate of 40%, and natural resource tax for land-based wind farms (both existing and new) which are subject to license requirement, with effect from 1 January 2023. The high price contribution and the ground rent resource tax is in effect from 01. January 2023, but has not been passed as legislation by the Parliament. The Norwegian government has published a consultation paper in Q4 2022, and official hearings ended 15 of March 2023. A final vote in the Parliament is expected in the summer 2023. If passed it is expected to be in effect from 01.01.2023.

Investments in associated companies and joint ventures

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 and joint ventures in the statement of profit or loss. The same method as for recoverable amount and value in use is used as for producing/ under construction power plants or project inventory is applied.

For the investments related to producing power plants, there was no relevant impairment indicator observed, and no further impairment testing was performed.

Intangible assets

The Groups intangible assets are related to IT systems and customer portfolio. The IT systems are related to the Captiva portal, TYDE science and software developed in Kraftanmelding AS.

The valuation model applied for these software systems are SaaS and ARR multiples with future sales estimates and discounted cash flow models. Relevant impairment indicators which would trigger impairment testing include significant fall in observed market multiples, underperformance in sales compared with forecasts, IT system development delays.

During the 2022 the mentioned multiples have fallen, and the Group has tested the assets for impairment.

The model for impairment testing is based on a multiple valuation for SAAS and ARR.

The impairment test is sensitive to the following key assumptions and estimates:

- SaaS and ARR multiples are used as impairment indicators and as a valuation method. The multiples are based on a peer of comparable companies.
- Applied future sales forecast for 3 years, and the multiple valuations is based on the second year.

The Group is of the view that no reasonable possible change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for the CGUs.

No impairment loss was recognised as the recoverable amounts exceed the carrying amount.

Inventory (development projects)

For project inventory impairment is performed if net sales value is less than the carrying value of the asset. The Group has 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.

Net realizable amount for projects with construction permit is set to an estimated market price per MW or per GWh that is reasonable to expect if the projects was to be sold. The price is compared with recent observable market transactions.

As per 31 December the Group has an impairment loss of less the NOK 0.5m related to a minor development project due to the prospects of profitability in the project. The impairment loss is classified as cost of goods sold.

Projects are reported in the Development segment.

Note 20 Investments in associated companies and joint ventures

Accounting principle

Investments in associated companies
An associated company is an entity over which the Group has significant influence and that is not a subsidiary or a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without the ability to have control over those policies. Significant influence normally exists when the Group has 20% to 50% voting power through ownership or agreements. Investments in associated companies are accounted for using the equity method.

Joint arrangements
A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. That is when the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. If the parties to the joint arrangement have rights to the net assets of the arrangement, the arrangement is classified as a joint venture. If the parties have rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is classified as a joint operation. Currently the company has only a joint venture.

Interests in joint ventures are accounted for using the equity method.

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.

The table shows the summarized investments in associated companies included in the Groups balance sheet as of 31 December 2022

Name of Entity		Place of business	Consolidated economic interest per 31.12.22	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
Stenkalles Holding AS	Joint Venture	Sweden	50.0%	Development	Offshore wind with construction permit
Proxima Hydrotech AS	Assosiated company	Norway	33.3%	Operations	Management hydro

Forte Energy Norway AS (Forte)

Forte was acquired by the Group in November 2020. Forte owns 14 producing hydro power assets and one power offtake agreement in Norway, with a combined normalized annual production of 87 GWh net to Cloudberry. The hydro power assets have an average license life of minimum 50 years.

Odal Vind AS (Odal)

Odal was first acquired in December 2020 with 15% ownership, and further increased its ownership to 33.4% in July 2021. The other owners of Odal Vind AS are Akershus Energi Vind AS and KLP, owning 33.4% and 33.2% respectively. Odal windfarm has been constructed during 2021 and 2022 and is now finished and was in full production from second half of 2022. The windfarm has a normalized annual production of 176 GWh net to Cloudberry and the remaining concession is 29 years.

Stenkalles Holding AS (Stenkalles)

Stenkalles Holding AS includes two Swedish subsidiaries owning the Stenkalles Grund project. The Stenkalles Grund project is a 100 MW shallow-water wind project in the lake of Vänern in south-central Sweden (SE3). 50% of the project was sold to Hafslund Vekst AS in September 2022, bringing them in as a joint partner. Together the parties will work towards a final investment decision (FID) for the project. The 50% ownership is now accounted as a joint venture.

The table show the summarised financial information in the Group accounts for equity accounted companies.

FY 2022

NOK million	Forte Energy Norway AS	Odal Vind AS	Stenkalles Holding AS	Proxima Hydrotech AS	Total
Book value beginning of year	254	423	-	-	677
Additions of invested capital	-	31	17	2	50
Share of profit/loss for the year	41	74	-	-	114
Depreciation of excess value	(3)	-	-	-	(3)
IFRS adjustment	9	-	-	-	9
Dividend paid to the owners	(31)	-	-	-	(31)
Correction from previous years result	-	-	-	-	-
Currency translation differences	2	27	-	-	29
Items charges to equity	45	-	-	-	45
Book value at reporting date	**317**	**555**	**17**	**1**	**890**
Excess value beginning of year	137	19	-	-	156
Correction against booked equity	-	-	-	-	-
Excess value 31 December	134	19	1	-	154
Book value of equity at 31 December associated company/JV	183	536	16	1	736

FY 2021

NOK million	Forte Energy Norway AS	Odal Vind AS	Stenkalles Holding AS	Proxima Hydrotech AS	Total
Book value beginning of year	234	103	-	-	337
Additions of invested capital	-	332	-	-	332
Share of Profit/loss for the year	16	(4)	-	-	12
Depreciation of excess value	(3)	-	-	-	(3)
Dividend paid to the owners	-	-	-	-	-
Correction from previous years result	1	-	-	-	1
IFRS adjustment	6	-	-	-	6
Currency translation differences	-	(8)	-	-	(8)
Items charges to equity	-	-	-	-	-
Book value at reporting date	**254**	**423**	**-**	**-**	**677**
Excess value beginning of year	141	7	-	-	148
Correction against booked equity	(1)	-	-	-	(1)
Excess value 31 December	137	19	-	-	156
Book value of equity at 31 December associated company/JV	116	404	-	-	520

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 table shows the summarized financial information for Forte and Odal. The figures apply to 100% of the companies' operations.

Revenue and balance total

	FY 2022			FY 2021		
NOK million	Forte Energy Norway AS	Odal Vind AS	Total	Forte Energy Norway AS	Odal Vind AS	Total
Revenue	337	405	742	122	-	122
Operating costs	(167)	(98)	(265)	(48)	(7)	(56)
Depreciations and amortisations	(21)	(22)	(42)	(20)	-	(20)
Operating profit	149	285	434	54	(8)	47
Net interest expenses	43	(13)	30	27	(3)	24
Tax expense	(38)	(53)	(91)	(18)	(2)	(20)
Profit for the period	153	219	373	63	(13)	50
Total non current assets	1 197	2 160	3 358	950	1 701	2 651
Total current assets	270	557	827	117	518	635
Total cash and cash equivalents	242	83	325	99	399	499
Long term debt	687	907	1 593	664	882	1 546
Short term debt	243	206	449	60	127	187
Equity	538	1 604	2 142	343	1 209	1 552

The table shows the Group's share of the summarized financial information on a line for line basis for Forte and Odal.

Revenue and balance based on Cloudberrys ownership

	FY 2022			FY 2021		
NOK million	Forte Energy Norway AS	Odal Vind AS	Total	Forte Energy Norway AS	Odal Vind AS	Total
Revenue	114	135	250	42	-	42
Operating costs	(57)	(33)	(90)	(16)	(2)	(18)
Depreciations and amortisations	(7)	(7)	(14)	(7)	-	(7)
Operating profit	51	95	146	18	(2)	16
Net interest expenses	15	(4)	10	9	(1)	8
Tax expense	(13)	(18)	(31)	(6)	(1)	(7)
Profit for the period	52	73	125	22	(4)	18
Total non current assets	407	722	1 129	323	568	891
Total current assets	92	186	278	40	173	213
Total cash and cash equivalents	82	28	110	34	133	167
Long term debt	234	303	536	226	295	520
Short term debt	82	69	151	20	43	63
Equity	183	536	719	116	404	520

Note 21 Cash, cash equivalents and corporate funding

Accounting principle

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 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) to meet short term commitments when needed. The placements have insignificant risk of change in value as they are placements with the lowest risk profiles.

The Group has entered into a corporate account agreement with SpareBank 1 SR-Bank 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 million	2022	2021
Bank deposits	541	383
Money market funds	998	732
Total cash and cash equivalents	**1 538**	**1 115**

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.

Of bank deposits per 31 December, NOK 96m is related to Kraftanmelding AS, which is a company owned 51% in the Operations segment. The company is a power trade agent and receives settlement from spot sales before it settles with the power producers. Hence, the cash position must be seen in relation to other short-term positions, current accounts payable, current provisions and other current debt and assets (including restricted cash related to settlements).

Restricted cash is not included in cash and cash equivalents, this is classified as other current assets and a deposit for office rent of NOK 2m is classified as a non-current financial asset.

Note 22 Share capital and shareholder information

Accounting principle

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.

Share capital

The table below show the share capital, share premium and number of shares as of 31 December 2022 and 31 December 2021.

NOK million	2022	2021
Share capital	73	59
Share premium	3 495	2 676
Share capital and premium at 31 December	**3 568**	**2 735**
Number of shares at 31 December	291 299 905	235 244 646

The shares are at par value NOK 0.25.

The following capital increases has taken place in 2022:

NOK 1000	Date	Number of shares	Share capital
Number of shares 1 January 2022		235 244 646	58 811 162
Capital increase	07.01.2022	3 484 041	871 010
Capital increase	29.06.2022	935 020	233 755
Capital increase	22.09.2022	51 612 903	12 903 226
Capital increase	24.10.2022	23 295	5 824
Number of shares and share capital 31 December 2022		**291 299 905**	**72 824 976**

The table below show the 20 largest shareholders of Cloudberry as of 31 December 2022:

	Number of shares	Share of ownership	Share of voting rights
Ferd AS	33 919 686	11.6%	11.6%
Joh Johannson Eiendom AS	29 512 098	10.1%	10.1%
Havfonn AS (Bergesen family)	24 761 554	8.5%	8.5%
Snefonn AS (Bergesen family)	16 203 725	5.6%	5.6%
The Northern Trust Comp, London	15 980 677	5.5%	5.5%
HSBC Trinkaus & Burkhardt GmbH	15 600 000	5.4%	5.4%
Caceis Bank	12 669 673	4.3%	4.3%
State Street Bank and Trust Comp (Swedbank Robur)	9 578 902	3.3%	3.3%
Clearstream Banking S.A.	7 486 279	2.6%	2.6%
Skandinaviska Enskilda Banken AB	6 570 220	2.3%	2.3%
Danske Invest Norge Vekst	6 317 098	2.2%	2.2%
Verdipapirfondet Alfred Berg Gamba	5 658 324	1.9%	1.9%
Awilco AS	5 282 256	1.8%	1.8%
Citibank Europe plc	5 000 000	1.7%	1.7%
Verdipapirfondet Storebrand Norge	4 087 885	1.4%	1.4%
Gjensidige Forsikring ASA	4 023 469	1.4%	1.4%
MP Pensjon PK	3 496 230	1.2%	1.2%
CCP AS	3 484 041	1.2%	1.2%
CCPartner AS	3 202 040	1.1%	1.1%
Verdipapirfondet KLP Norge	2 426 887	0.8%	0.8%
Other	76 038 861	26.1%	26.1%
Total number of shares	**291 299 905**	**100.0%**	**100.0%**

Note 23 Long term debt

In November 2021 the Group increased the NOK 700 million credit facility with a syndicate of Norwegian savings banks lead by 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 of NOK 1 100m to finance investments in power plants (hydro and wind) in the Nordics. 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 2022:

NOK million	31.12.2022	31.12.2021
Total bank loan related to power plants	338	302
Reclassified principal payment to current interest bearing loans and borrowings	(12)	(10)
Derivative liability realted to hedge accounting	1	3
Total long term interest bearing loans and borrowings	**327**	**294**

Per year end 2022 all external debt in the consolidated group has been re-financed using the facility. There are no other long-term bank loans that are in any other bank.

The total amount drawn from the term loan facility as per 31 December is NOK 328m.

The table below shows a reconciliation of opening balance, movements and closing balance of the long-term debt for the year 2022:

NOK million	In cash flow statement	
Opening balance long term debt 01.01.22		294
Debt take over in acqusitions	non-cash	84
Repaid existing debt in subsidiaries for refinancing	cash outflow	(151)
Drawn from new facility with refinanced	cash inflow	116
Drawn construction loan	cash inflow	-
Downpayments	cash outflow	(13)
Change in swap derivative	non cash	(1)
Reclassified principal payments to short term	non-cash	(2)
Closing balance long term debt 31.12.22		**327**
Of which:		
Drawn from new facility with refinanced		116
Drawn construction loan		-
Proceeds from new term loans 2022		**116**
Repaid existing debt in subsidiaries for refinancing		(151)
Downpayments		(13)
Total repayment of term loan 2022		**(164)**

The interest rate on the term loan is 3 months NIBOR plus 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 10 Hedge accounting.

The following financial covenants and collateral apply to the credit facilities:

1. Group consolidated equity ratio, minimum 30%
   Cloudberry Production AS equity ratio, minimum 30%
   Minimum Group equity NOK 1 800m
   Minimum equity Cloudberry Production AS, NOK 900m

2. Liquidity reserves Group level, minimum NOK 40m

3. Minimum secured 75% share of principal pr loan of 5 years.

4. Main securities granted under the credit facility:

   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

   Pledge in shares in Cloudberry Development AS

The Group was not in any breach of covenants as per 31 December 2022.

Note 24 Provisions, guarantees and other contractual obligations

Accounting principle

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.

Long term provisions

The Group has NOK 36 m in long term provisions, of which NOK 15m is related to asset retirement obligations.

Asset retirement obligation is established for Hån Vindpark and Sundby Vindpark in 2022, in addition to Røymyra Vindpark, payable between 15-30 years.

Current liabilities and provisions

NOK million	2022	2021
Trade creditors	131	37
Advance tax withholdings and taxes payable	4	1
Accounts payables and other liabilities	**135**	**38**
Accrued salary and bonus	14	7
Provision for project costs	5	7
Public duties payable	3	2
PPA contract termination	5	5
Accrued fall lease	48	6
Other	54	14
Provisions	**128**	**41**

Trade creditors and other provisions is related to Kraftanmelding, see also note 21 Cash, cash equivalents and corporate funding.

Guarantees and other contractual obligations

The Group has the following guarantees and bank deposits with duration:

NOK million		Balance sheet item	Maturity date	2022	2021
Sundby wind farm	Parent guarantee to supplier	off-balance	H1 2024	311	-
Guarantee Odal Vind	Bank guarantee/ bank deposit restricted	off balance / other current asset	H1 2022	-	317
Guarantee Hån wind farm	Bank deposit restricted	other current asset	H2 2022	3	3
Bank guarantee to Axpo	Bank guarantee	off-balace	February 2022	-	5
Bank guarantee Marker Vindpark	Bank guarantee	off-balace	August 2022	-	8
Guarantees for office rent	Escrow account	non-current financial asset	February 2029	2	1
Total guarantees and deposits				**316**	**333**

The Sundby guarantee is a Vesta's guarantee securing nine wind turbines to be installed at Sundby during H2 2023.

Other obligations not recognised in the balance sheet is related to financial close of secured portfolio. The Group has per 31. December 2022 signed sale and purchase agreement to the following power plants with financial close after 31 December 2022:

NOK million	Expected settlement	Equity financed	Debt Financed	Total
Øvre Kvemma Kraftverk	H1 2024	60	60	120
Total		**60**	**60**	**120**

The power plant is under construction and risk of the assets is not yet transferred to the Group. 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.

In February 2023 the Group signed a share purchase agreement to the Danish Odin wind portfolio, see note 29 subsequent events.

For information about the Group's share of debt in associated companies, please see note 20.

Note 25 Lease agreements

Accounting principle

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 duration 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 other operating expenses 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 duration 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 other operating expenses 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.

Lease

The table shows the reconciliation of lease liability in the beginning of the year and per 31 December:

NOK million	2022	2021
Lease liability at 1.1.	5	4
Lease agreements entered into during the year	21	1
Lease agreements from business combinations	24	-
Lease agreements terminated during the year	(3)	-
Lease payments during the year	(4)	(1)
Interest expense on lease liability	1	-
Lease liability at 31.12.	**43**	**5**
Lease payment of which:		
Payment on lease liabilities - interest	(1)	-
Repayment on lease liabilities	(3)	(1)
Lease payments during the year	**(3)**	**(1)**

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, and some minor lease agreements related to the fixed lease amounts on land lease related to power plants.

During 2022 the Group has recognised office lease agreements related to the acquisition of the Captiva Companies. The office lease at Bergehus was terminated and a new lease contract recognised.

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 million	2022	2021
Assets		
Right-to-use asset beginning of year	4	4
Right-to-use asset recognised in the year	43	1
Right-to-use asset terminated in the year	(3)	-
Amortisation during the year	(4)	(1)
Right to use asset end of year	40	4
Liabilities		
Non-current liabilities	36	3
Current lease liability	7	1
Total lease liability	**43**	**4**

Leases in the income statement

NOK million	2022	2021
Operating expenses		
Variable fall lease payment expenses	(23)	(6)
Short term lease expenses	(2)	-
Low value lease expenses	(3)	(1)
Depreciation expenses		
Depreciation of right to use asset (office lease)	(5)	(1)
Financial expenses		
Interest expenses on lease liability	(1)	-
Total lease expense in the income statement	**(33)**	**(8)**

Included in variable lease is rent to landowner where the water right lease is variable.

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 12 Employee benefits and share based payments.

NOK million	2022	2021
Profit/(loss) attributable to the equity holders of the company	118	(63)
Weighted average number of shares outstanding for the purpose of basic earnings per share	253 292 752	155 842 058
Earnings per share for income attributable to the equity holders of the company - basic NOK	0.47	(0.40)
Effect of potential dilutive shares		
Weighted average number of shares outstanding for the purpose of diluted earnings per share	254 067 752	159 800 849
Earnings per share for income attributable to the equity holders of the company - diluted NOK	0.47	(0.40)

For information about share capital on 31 December see note 22 Share capital and shareholder information.

Note 27 Transactions with related parties

The Group's related parties include the Company and its subsidiaries, as well as members of the Board of Directors, members of Management and their related parties. Related parties also include companies in which the individuals mentioned in this paragraph have significant influence.

All transactions are on arm's length basis and done in the ordinary course of business.

The following related party transactions have been entered in 2022:
- Acquisition of 60% of the shares of Captiva Digital Services AS. Cloudberry's chairperson, Frank J. Berg, through CCPartner AS and related party Mothe Invest AS, held a minority interest of 33% in Captiva Capital Partner AS (now CCP AS), which was the seller of the shares of Captiva Digital Services AS. Mothe Invest now holds 23% of CCP AS.
- Office lease contract for Frøyas Gate 15, Bergehus Holding AS: End of March 2022 the Company terminated the existing office lease contract and entered into a new lease contract for new office space at the same address and with the same lessor, Bergehus Holding AS. Bergehus Holding AS is owned by the Bergesen family who is an owner in Cloudberry through Havfonn AS and Snefonn AS. The new annual lease amount is initially NOK 1.7 million per year and will increase to NOK 3.4 million per year as Captiva is phasing out its existing rental agreements and moving more of its personnel to Cloudberry's head-office. The contract is 7 years on regular business terms.
- Short term office lease contract for Frøyas Gate 15, Bergehus Holding AS entered in September for 2-month lease, while main office was renovated. The contract was on regular business terms.

The Board of Directors ensures that any material transaction between the Company and Shareholders, a Shareholder's parent company, members of the Board of Directors, executive personnel, or close associates of any such parties will be entered into on arm's length terms. The Board of Directors has adopted rules of procedures for the Board of Directors which inter alia includes guidelines for notification by members of the Board of Directors and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

Balances and transactions between the Company and its subsidiaries have been eliminated on consolida-tion and are eliminated in the consolidated accounts.

The Group has had transactions with the following related parties:

NOK million				
Related party	Relation for Cloudberry	Nature of transaction	2022	2021
Bergehus Holding AS	Board member and indirect shareholder	Office lease	3	1
CCPartners AS	Chairman of the Board	Consultant agreement	-	1
Forte Energy Norway AS	Associated company	Management fee revenue	3	3
CCPartners AS	Chairman of the Board	Acqusition of 60% of Captiva Group	33	-
Capiva Asset Management AS	Chairman of the Board & Indirect shareholder	Project consultancy and operational platform asset management	-[1]	5

[1] Captiva Asset Management AS part of Cloudbery Group from 07 January 2022. Intercompanmy transactions are eliminated in group accounts.

See note 12 Employee benefits and share based payment for information about management remuneration.
See note 20 Investments in associated companies and JV's for information about management fee to Forte.
See note 25 Lease agreements for information about the office lease agreement with Bergehus.

As per 31 December there were no employee or shareholder loans.

Remuneration to the Board of Directors

FY 2022	Function	Served since	Term expires	Remun-eration paid in 2022 (NOK)	Warrants pr 31.12.22	Shares pr 31.12.22	Holding Company
Frank J Berg	Chairman of the Board	2020	2023	260 000	-	3 209 805	CCPartner AS
Petter W. Borg	Board Member	2019	2023	257 500	-	2 253 503	Caddie Invest AS & Kewa AS
Benedicte H. Fossum	Board Member	2020	2023	245 000	-	100 103	Mittas AS
Liv E. Lønnum	Board Member	2020	2023	205 000	-	7 765	
Stefanie Witte	Board Member	2022	2023	-	-	-	
Henrik Joelsson	Board Member	2022	2023	-	-	-	
Nicolai Nordstrand	Board Member	2022	2023	-	-	31 264	
Morten S. Bergesen	Board Member	2019	2022	255 000	-	40 965 279	Havfonn AS & Snefonn AS
				1 222 500	**-**	**46 559 954**	

FY 2021	Function	Served since	Term expires	Remun-eration paid in 2021 (NOK)	Warrants pr 31.12.21	Shares pr 31.12.22	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**	

The remuneration to the Board is proposed by the nomination committee to the Company general meeting. The remuneration is paid after the next Company general meeting when the remuneration is earned.

Due to change in routines, the remuneration for the period 2021/2022 was paid in 2021, while the remuneration for 2020/2021 was paid in 2022. The remuneration for the period 2022/2023 will be paid after the Company general meeting in April 2023.

The Group have a share purchase program for Board members implemented by the Company general meeting in 2021. The Board members shall use 30% of the fixed gross remuneration (prior to tax) per year to acquire shares in the Company, until the value of the shares of each individual member reaches a threshold of two years of board remuneration. The Board members shall after the threshold of two years board remuneration has been achieved, be offered to use up to 30% of the gross board remuneration (prior to tax) to acquire shares.

Please refer for further information to the Remuneration report for 2022 that will be presented at the annual Company general meeting and published on the website.

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 or joint ventures) as per 31 December 2022.

Name of Entity	Accouned as	Place of business	Ownership intrest to majority shareholders	Part of Group from date	Segment
Cloudberry Clean Energy ASA	Parent company	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 Utveckling II 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	Production
Hån 22kV AS	Subsiduary	Norway	100%	15.02.2020	Production
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 Wind AB	Subsiduary	Sweden	100%	15.02.2020	Development
Skogvind AS	Subsiduary	Norway	100%	31.08.2020	Development
Rewind Offshore AB	Subsiduary	Sweden	100%	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
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
Sundby Vindpark AB	Subsiduary	Sweden	100%	21.12.2021	Development
Captiva Digital Services AS	Subsiduary	Norway	60%	07.01.2022	Operations
Captiva Asset Management AS[1]	Subsiduary	Norway	60%	07.01.2022	Operations
Caprtiva Financial Services AS[1]	Subsiduary	Norway	60%	07.01.2022	Operations
Proxima HydroTech AS[1]	Associated Company	Norway	20%	07.01.2022	Operations
Captiva Digital Services GmbH[1]	Subsiduary	Switzerland	60%	07.01.2022	Operations
Captiva Digital Solutions AS	Subsiduary	Norway	60%	07.01.2022	Operations
Kraftanmelding AS[1]	Subsiduary	Norway	30%	07.01.2022	Operations
Broentech Solutions AS[1]	Subsiduary	Norway	34%	07.01.2022	Operations
Captiva Energi AS[1]	Subsiduary	Norway	60%	07.01.2022	Operations
Tinnkraft AS	Subsiduary	Norway	100%	01.02.2022	Production
Munkhyttan Vindkraft AB	Subsiduary	Sweden	100%	03.02.2022	Development
Ramsliåna Kraftverk AS	Subsiduary	Norway	100%	31.03.2022	Production
Re Energi AS	Subsiduary	Norway	100%	31.03.2022	Development
Enestor AS[1]	Subsiduary	Norway	31%	01.06.2022	Operations
Bøen Kraft AS	Subsiduary	Norway	100%	10.06.2022	Production
Stenkalles Holding AS	Joint Venture	Norway/Sweden	50%	19.09.2022	Development

[1] Owned through Captiva Digital Services AS (60% ownership to Cloudberry Clean Energy ASA).

Name of Entity	Accouned as	Place of business	Ownership intrest	Part of Group from date	Segment
Øvre Kvemma Kraftverk AS	Subsiduary	Norway	100%	H1-2024	Production

Acquired companies in 2023
Entities with acquisition close after 1 January 2023 is included in secured portfolio, but not included in the table. Se note 29 Subsequent events.

Note 29 Subsequent events

Signed SPA Odin portfolio

On 10 February the Group signed a sale and purchase agreement with Skovgaard Energy A/S ("Skovgaard"), a Danish renewable energy developer. The agreement secured Cloudberry a majority stake in a portfolio consisting of up to 51 high-quality wind turbines in production, with 47 turbines located in Denmark and additional 4 turbines in southern Sweden.

Cloudberry will acquire 80% ownership in the newly established company Odin Energy P/S ("Odin") while Skovgaard will keep a 20% ownership. Thisadds a total capacity of 106 MW (~311 GWh) net to Cloudberry. The turbines are high quality Vestas and Siemens turbines with an average expected remaining lifetime of about 23 years.

The agreed enterprise value for 80% of Odin Energy is DKK 1,488 million. The final purchase price will be reduced with the cash flow generation between 1 January 2023 to Closing, potential pre-emptive rights in Tranche 2 (as described below) and adjustments related to net debt and net working capital. As part of the transaction and included in the enterprise value, Odin will also purchase the land associated with 44 (~95%) of the Danish turbines and certain rights to new wind and solar projects through a development agreement with Skovgaard.

The transaction will be divided into two tranches, where Tranche 1 includes all entities which are wholly owned and partially owned entities without pre-emptive rights (approx. 247 GWh). Tranche 2 covers entities which are partially owned with pre-emptive rights (approx. 64 GWh). For the entities included in Tranche 2, the existing co-owners have certain shareholder rights (such as inter alia right of first refusal) which may be triggered by the transaction. Consequently, the exact size of the portfolio to be transferred in relation to Tranche 2 is subject to changes.

The acquisition of the portfolio will be fully financed by existing cash and the existing bank facility available to Cloudberry by Nordic banks (approx. 50% equity and 50% debt). With the expected cash flow generation from the enlarged producing portfolio and a low levered balance sheet, Cloudberry has capacity to fund further growth such as assets in the development portfolio.

The transaction is inter alia subject to approval from Danish authorities with Closing estimated in latter part of Q2 2023.

Increased backlog with signed option to two projects in Sweden

Cloudberry has increased its backlog to 480 MW by securing exclusive rights to the wind projects Ulricehamn Vindpark and Söderköping Vindpark both in the attractive SE-3 region.

Parent company financial statements

Statement of profit or loss

1 January - 31 December

NOK 1 000	Note	2022	2021
Revenue	3	-	2 100
Total revenue		-	2 100
Cost of goods sold		-	-
Salary and personnel expenses	4	(51 124)	(27 748)
Other operating expenses	5	(19 509)	(17 534)
EBITDA		(70 633)	(43 182)
Depreciation and amortizations	8	(233)	(109)
Operating profit (EBIT)		(70 867)	(43 290)
Financial income	6	113 221	10 276
Financial expenses	6, 14	(19 844)	(12 747)
Profit/(loss) before tax		22 511	(45 761)
Income tax expense	7	-	-
Profit/(loss) after tax		22 511	(45 761)
Allocation of profit/(loss) for the period			
Transfer to/(from) other equity		22 511	(45 761)
Total allocation of profit/(loss) for the period		22 511	(45 761)

Statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	1 022	918
Investment in subsiduaries	9	1 363 441	1 261 135
Other non current receivables		2 478	-
Loan to group companies	14	508 907	106 995
Total non-current assets		1 875 848	1 369 048
Current assets			
Other current assets		1 328	701
Receivables group companies	14	348 113	372 466
Cash and cash equivalents	10	1 404 638	958 998
Total current assets		1 754 078	1 332 164
TOTAL ASSETS		**3 629 926**	**2 701 213**

Statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Share capital	11	72 825	58 811
Sharepremium	11	3 495 270	2 676 075
Total paid in capital		3 568 095	2 734 886
Other equity	11	(19 921)	(68 205)
Total equity		**3 548 173**	**2 666 681**
Current liabilities			
Interest-bearing short term liabilities	12, 14	56 932	-
Accounts payable	12, 14	14 036	23 358
Public duties payable	12	1 251	1 085
Other current liabilities	12	9 534	10 089
Total current liabilities		81 753	34 531
Total liabilities		**81 753**	**34 531**
TOTAL EQUITY AND LIABILITIES		**3 629 926**	**2 701 213**

Oslo, 23 March 2023

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg
Chair of the Board

Petter W. Borg
Board member

Benedicte Fossum
Board member

Liv Lønnum
Board member

Henrik Joelsson
Board member

Nicolai Nordstrand
Board member

Stefanie Witte
Board member

Anders J. Lenborg
CEO

Statement of cash flows

NOK 1 000	Note	1.1.-31.12.2022	1.1.-31.12.2021
Cash flow from operating activities			
Profit/(loss) before tax		22 511	(45 761)
Depreciation	8	233	109
Net interest paid/received		(26 529)	(7 094)
Share based payment - non cash to equity		25 773	4 388
Change in accounts payable	12	(9 322)	4 757
Change in other accruals		19 591	4 423
Net cash flow from operating activities		**32 258**	**(39 180)**
Cash flow from investing activities			
Intrest received	6	31 105	9 762
Investments in property, plant and equipment	8	(338)	(1 003)
Acquisition of shares in subsidiaries, net liquidity outflow	9	(101 037)	(500 000)
Investments in associated companies	9	-	(470 575)
Net increase loans to subsidiaries		(401 912)	
Group contributions/dividends received		-	-
Net cash flow from (used in) investing activities		**(472 181)**	**(961 816)**
Cash flow from financing activities			
Proceeds from short term intrestbearing debt	12	56 932	-
Repayment of short-term interest-bearing liabilities		-	(236 767)
Interest paid	6	(4 576)	(2 668)
Share capital increase	11	833 208	1 646 945
Net cash flow from financing activities		885 564	1 407 510
Total change in cash and cash equivalents		**445 641**	**406 515**
Cash and cash equivalents at start of period	10	958 998	552 483
Cash and cash equivalents at end of period	**10**	**1 404 638**	**958 997**

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 23 March 2023. 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	2022	2021
Fees management	-	2 100
Total revenue	**-**	**2 100**

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	2022	2021
Salaries	(23 824)	(18 749)
Social security tax	(1 563)	(3 628)
Pension costs	(724)	(724)
Share based payment	(24 504)	(4 388)
Other benefits	(509)	(259)
Total personnel expenses	**(51 124)**	**(27 748)**
Average number of full-time equivalents (FTEs)	8	7
Number of full-time equivalents as 31.12 (FTEs)	9	8

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.

Remuneration of Executive Group management

The remuneration 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 remuneration in 2022

NOK 1 000	Anders Lenborg (CEO)	Christian Helland (CVO)	Jon Gunnar Solli (COO)	Ingrid Bjørdal [1] (CCOO)	Total
Salary	3 300	2 600	1 900	650	8 450
Bonus	1 650	867	633	216	3 366
Pension costs	101	94	93	30	317
Share based payment	6 235	4 812	2 050	-	13 097
Total reportable benefits paid 2022	**11 286**	**8 372**	**4 676**	**896**	**25 230**

[1] Ingrid Bjørdal was hired 1 September, the remuneration represent 4 months' salary.

The table below shows the remuneration 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 Board of Directors have set the target KPI for the group performance bonus scheme that was applicable for achievements in 2022. The Group has established a compensation committee which will set the targets for 2023.

Total remuneration, warrants and shares for top management:

Executive group management

FY 2022

NOK 1 000	Holding Company	Shares pr 31.12.22	Total remun-eration	Warrants granted 2022	Warrants pr 01.01.22	Warrants granted total pr 31.12.22	Warrants exercised
Anders Lenborg (CEO)	Lenco AS	1 323 546	11 286	700 000	2 695 000	3 395 000	-
Christian Helland (CVO)	Amandus Invest AS	452 758	8 372	550 000	2 000 000	2 550 000	-
Jon Gunnar Solli (COO)	Lotmar Invest AS	600 498	4 676	250 000	525 000	775 000	-
Ingrid Bjørdal* (CCOO)		40 000	896	-	-	-	-
			25 230	**1 500 000**	**5 220 000**	**6 720 000**	**-**

FY 2021

NOK 1 000	Holding Company	Shares pr 31.12.21	Total remun-eration	Warrants granted 2021	Warrants pr 01.01.21	Warrants granted total pr 31.12.21	Warrants exercised
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**	**-**

Board of Directors

FY 2022

NOK 1 000	Function	Served since	Term expires	Remun-eration in 2022	Warrants pr 31.12.22	Shares pr 31.12.22	Holding Company
Frank J Berg	Chairperson	2020	2023	260 000	-	3 209 805	CCPartner AS
Petter W. Borg	Board Member	2019	2023	257 500	-	2 253 503	Caddie Invest AS & Kewa AS
Benedicte H. Fossum	Board Member	2020	2023	245 000	-	100 103	Mittas AS
Liv E. Lønnum	Board Member	2020	2023	205 000	-	7 765	
Stefanie Witte	Board Member	2022	2023	-	-	-	
Henrik Joelsson	Board Member	2022	2023	-	-	-	
Nicolai Nordstrand	Board Member	2022	2023	-	-	31 264	
Morten S. Bergesen	Board Member	2019	2022	255 000	-	40 965 279	Havfonn AS & Snefonn AS
				1 222 500	**-**	**46 559 954**	

FY 2021

NOK 1 000	Function	Served since	Term expires	Remun-eration in 2021	Warrants pr 31.12.21	Shares pr 31.12.21	Holding Company
Frank J Berg	Chairperson	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**	

In 2022 the remuneration to the Board of Directors was paid amounting to a total of NOK 1.2m (NOK 1.7m).

The nomination committee will propose the remuneration for the board members for 2023 at the Company general meeting in April 2023.

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 for the grants in 2022 are 40% volatility (based on listed peer with 3 years historical data and updated with historic volatility for the Company from listing on the Main List Oslo Børs to the grant date in June 2022), 2.8% interest rate and approx. 1% dividend yield. Other inputs to the model are current stock price, exercise price and expected life of option (vesting period + one year).

The table shows the outstanding warrants as of 1 January 2022 and 31 December 2022 and movements in the year:

FY 2022	
Outstanding warrants 01.01.	7 700 000
Granted in 2022	3 000 000
Exercised in 2022	-
Expired in 2022	(200 000)
Outstanding warrants 31.12.	**10 500 000**
Exercisable 31.12.	3 299 995
Charged to profit and loss statement 2022 (NOK million)	24 780
Charged to equity 2022 (NOK million)	25 780

The table shows the outstanding warrants as of 1 January 2021 and 31 December 2021 and movements in the year:

FY 2021	
Outstanding warrants 01.01.	2 200 000
Granted in 2021	5 500 000
Exercised in 2021	-
Expired in 2021	-
Outstanding warrants 31.12.	**7 700 000**
Exercisable 31.12.	2 200 000
Charged to profit and loss statement 2021 (NOK million)	5 261
Charged to equity 2021 (NOK million)	4 388

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

FY 2022 NOK million	# Warrants	Grant date	Expiry date	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price	Share Price (grant date)
Warrant package #1	775 000	20.03.2020	20.03.2025	2.2	11.1	516 665	11.1	11.1
Warrant package #2	1 425 000	25.09.2020	25.09.2025	2.7	12.2	949 998	12.2	13.1
Warrant package #3	5 500 000	17.06.2021	17.06.2026	3.5	12.5	1 833 332	12.5	14.7
Warrant package #4	3 000 000	15.06.2022	28.04.2027	4.3	17.4	-	-	16.0
	10 700 000							

Note 5 Other operating expenses

The table shows the breakdown on other operating expenses in 2022 and 2021.

NOK 1 000	2022	2021
Rental of office and equipment	(2 509)	(1 148)
External accounting and auditing fees	(3 899)	(3 209)
Legal and other fees	(8 245)	(9 931)
Other	(4 857)	(3 245)
Total other operating expenses	**(19 509)**	**(17 534)**

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

NOK 1 000	2022	2021
Statutory audit	(2 641)	(2 149)
Other assuranse services	(610)	(245)
Total auditor costs	**(3 251)**	**(2 394)**

Note 6 Financial items

Financial income

NOK 1 000	2022	2021
Income from subsidiaries	50 904	-
Interest income from subsidiaries	27 217	8 004
Intrest income	3 889	269
Other financial income and exchange differences	17 801	514
Increase in market value of financial current assets	15 597	1 489
Total financial income	**115 407**	**10 276**

Financial expense

NOK 1 000	2022	2021
Interest expense	(893)	(2 668)
Interest expense - group companies	(3 683)	-
Other financial expense and exchange differences	(15 267)	(10 079)
Total financial expense	**(19 844)**	**(12 747)**

Note 7 Income tax expense

NOK 1 000	2022	2021
Tax expense in the income statement		
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	**-**	**-**
Taxable income:		
Ordinary result before tax	22 511	(45 761)
Permanent differences	(9 048)	(56 309)
Changes in temporary differences	(3 549)	103
Use of tax losses	(9 914)	-
Taxable income	**-**	**(101 967)**
Payable tax in the balance:		
Payable tax on this year's result	-	-
Payable tax on received Group contribution	-	-
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	2022	2021	Difference
Deferred tax asset			
Property, plant and equipment	6	3	(3)
Other	3 099	(451)	(3 549)
Accumulated tax loss carried forward	(136 009)	(145 923)	(9 914)
Not included in the deferred tax calculation	139 114	145 920	6 806
Basis for deferred tax asset in the balance sheet	**6 210**	**(451)**	**(6 660)**
Basis for calculation of deferred tax asset	**(139 114)**	**(145 920)**	**(6 806)**
Deferred tax asset	**30 605**	**32 102**	**1 497**

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	**132**	**132**
Carrying amount at 31.12.2021	**917**	**917**
Estimated useful life (years)	3-5	

NOK 1 000	Equipment	Total
Accumulated cost 1.1.2022	1 049	1 049
Additions during the year	338	338
Accumulated cost at 31.12.2022	**1 387**	**1 387**
Accumulated depreciations and impairment losses at 1.1.2022	132	132
Depreciations for the year	233	233
Accumulated depreciations and impairment losses at 31.12.2022	**365**	**365**
Carrying amount at 31.12.2022	**1 021**	**1 021**
Estimated useful life (years)	3-5	

Note 9 Subsidiaries and investment in associated companies

The following subsidiaries are fully consolidated in the financial statement as of 31 December 2022

Name of Entity		Place of business	Owner share	Share of votes	Purchase cost (NOK 1 000)	Equity (NOK 1 000)	Profit (NOK 1 000)
Cloudberry Production AS	Subsidiary	Oslo, Norway	100%	100%	1 061 072	1 085 958	69 810
Cloudberry Develop AS	Subsidiary	Oslo, Norway	100%	100%	201 332	95 918	(2 416)
Captiva Digital Services AS	Subsidiary	Oslo, Norway	60%	60%	101 037	8 876	66
Total					**1 363 441**	**1 190 753**	**67 459**

Note 10 Cash, cash equivalents and corporate funding

NOK 1 000	2022	2021
Free cash	407 018	226 975
Money market funds	997 620	732 023
Total cash	**1 404 638**	**958 997**

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 not included as cash.

Note 11 Equity capital, share capital and shareholder information

The table below show the changes in equity in 2022 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 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
Profit/(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**
Equity as at 01.01 2022:	58 811	2 676 075	2 734 886	5 639	(73 844)	(68 205)	2 666 681
Sharecapital increase	14 014	819 194	833 208			-	833 208
Profit/(Loss) for the period					22 511	22 511	22 511
Share based payment				25 773		25 773	25 773
Equity as at 31.12 2022	**72 825**	**3 495 270**	**3 568 095**	**31 412**	**(51 333)**	**(19 921)**	**3 548 174**

The table below show the share capital, share premium and number of shares as of 31 December 2022 and 31 December 2021.

NOK 1 000	2022	2021
Share capital	72 825	58 811
Share premium	3 495 270	2 676 075
Share capital and premium at 31 December	**3 568 095**	**2 734 886**
Number of shares at 31 December	291 299 905	235 244 648

The shares are at par value NOK 0.25.

The following capital increases has taken place in 2022

NOK 1 000	Date	Number of shares	Share capital
Number of shares 1 January 2022		235 244 646	58 811 162
Capital increase	07.01.2022	3 484 041	871 010
Capital increase	29.06.2022	935 020	233 755
Capital increase	22.09.2022	51 612 903	12 903 226
Capital increase	24.10.2022	23 295	5 824
Number of shares and share capital 31 December 2022		**291 299 905**	**72 824 976**

The table below show the largest shareholders of Cloudberry as of 31 December 2022

20 largest shareholders as of 31 December	Number of Shares	Share of ownership	Share of voting rights
Ferd AS	33 919 686	11.6%	11.6%
Joh Johannson Eiendom AS	29 512 098	10.1%	10.1%
Havfonn AS (Bergesen family)	24 761 554	8.5%	8.5%
Snefonn AS (Bergesen family)	16 203 725	5.6%	5.6%
The Northern Trust Comp, London	15 980 677	5.5%	5.5%
HSBC Trinkaus & Burkhardt GmbH	15 600 000	5.4%	5.4%
Caceis Bank	12 669 673	4.3%	4.3%
State Street Bank and Trust Comp (Swedbank Robur)	9 578 902	3.3%	3.3%
Clearstream Banking S.A.	7 486 279	2.6%	2.6%
Skandinaviska Enskilda Banken AB	6 570 220	2.3%	2.3%
Danske Invest Norge Vekst	6 317 098	2.2%	2.2%
Verdipapirfondet Alfred Berg Gamba	5 658 324	1.9%	1.9%
Awilco AS	5 282 256	1.8%	1.8%
Citibank Europe plc	5 000 000	1.7%	1.7%
Verdipapirfondet Storebrand Norge	4 087 885	1.4%	1.4%
Gjensidige Forsikring ASA	4 023 469	1.4%	1.4%
MP Pensjon PK	3 496 230	1.2%	1.2%
CCP AS	3 484 041	1.2%	1.2%
CCPARTNER AS	3 202 040	1.1%	1.1%
Verdipapirfondet KLP Norge	2 426 887	0.8%	0.8%
Other	76 038 861	26.1%	26.1%
Total number of shares	**291 299 905**	**100.0%**	**100.0%**

Note 12 Short term debt and provisions

NOK 1 000	2022	2021
Interest-bearing short term liabilities	56 932	-
Trade creditors	14 036	23 358
Accrued salary and bonus	8 808	6 020
Public duties payable	1 251	1 085
Other	726	4 069
Total short term debt provisions	**81 753**	**34 531**

Interest bearing short term liabilities is related to group short term liabilities, see note 14.

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.

NOK 1 000	2022	2021
Profit/(loss) attributable to the equity holders of the company	22 511	(45 761)
Wheighted average number of shares outstanding for the purpose of basic earnings per shaer	253 292 752	155 842 058
Earnings per share for income attributable to the equity holders of the company - basic NOK	0.09	(0.29)
Effect of potential dilutive shares		
Wheighted average number of shares outstanding for the purpose of diluted earnings per share	254 067 752	159 800 849
Earnings per share for income attributable to the equity holders of the company - diluted NOK	0.09	(0.29)

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 related to group companies

NOK 1 000	2022	2021
Receivabls		
Loans to companies in the same group	508 907	106 995
Other short-term receivables within the group	348 113	372 466
Total	**857 020**	**479 461**
Liabilities		
Other short-term liabilities within the group	56 931	-
Total	**56 931**	**-**

As per 31 December there were no employee or shareholder loans.

Note 15 Subsequent events

There are no material events subsequent to 31 December 2022 per reporting date.

Responsibility statement

We declare to the best of our knowledge that

- the Cloudberry Clean Energy ASA consolidated financial statements for 2022 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 2022 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 the period as a whole, and that
- the Board of Directors' Report includes a true and fair view 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, 23 March 2023

The Board of Directors of Cloudberry Clean Energy ASA

Frank J. Berg Chair of the Board	**Petter W. Borg** Board member	**Benedicte Fossum** Board member	**Liv Lønnum** Board member
Henrik Joelsson Board member	**Nicolai Nordstrand** Board member	**Stefanie Witte** Board member	**Anders J. Lenborg** CEO

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	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 million	FY 2022	FY 2021
EBITDA	151	(32)
EBIT	116	(41)
Equity ratio	82%	85%
Net interest bearing debt (NIBD)	(1 200)	(811)

NOK million	FY 2022	FY 2021
Non-current Interest-bearing loans and borrowings	327	294
Current interest-bearing financial liabilities	12	10
Cash and cash equivalent	(1 538)	(1 115)
Net interest bearing debt (NIBD)	(1 200)	(811)

NOK million	FY 2022	FY 2021
Operating profit (EBIT)	116	(41)
Depreciations and amortizations	35	10
EBITDA	151	(32)

Reconcilliation of financial APMs (proportionate figures)

NOK million	FY 2022	FY 2021
Interest bearing debt	926	826
Cash and cash equivalent	(1 587)	(1 282)
Net interest bearing debt (NIBD)	(661)	(456)

NOK million	FY 2022	FY 2021
Total revenue	646	83
Operating expenses	(265)	(107)
EBITDA	382	(25)

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 all entities are included with the Group's respective ownership share:

- Associated companies (ownership between 20%-49%) or joint ventures (ownership 50%) 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. In the consolidated financials associated companies and joint ventures are consolidated using the equity method.
- Subsidiaries that have non-controlling interests (ownership between 50%-99%) are presented with only the Group controlled ownership share, while in the consolidated financials they are included with 100%.
- Group internal revenues, expenses and profits are eliminated in the consolidated financial statements, while 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:

A: Added back eliminated internal profit or loss items and internal debt and assets, column A.

B: Replaced the equity accounted net profit from associated companies in the period with items in column C and D. Replaced the investment in shares in associated companies including historical share of profit or loss (asset value) with balance sheet items in column C and D.

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: 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.

E: Excluded residual ownership share related to non-controlling interest in the respective accounting lines.

The tables below reconcile the consolidated Group figures with the proportionate financial for the periods FY 2022 and FY 2021:

FY 2022

		Residual ownership interest					
		A	B	C	D	E	
NOK million	Total Consolidated	Other eliminations group	Equity accounted	Excess value	Proportionate share of line items ass. comp.	Residual ownership fully consolidated entitied	Total proportionate
Total revenue	217	218	-	-	254	(43)	646
Operating expenses ex depreciations and amortisations	(186)	(25)	-	-	(94)	40	(265)
Net income/(loss) from associated companies	120	-	(120)	-	-	-	-
EBITDA	151	193	(120)	-	161	(3)	381
Depreciation and amortisation	(35)	-	-	(3)	(15)	5	(48)
Operating profit (EBIT)	116	193	(120)	(3)	146	2	333
Net financial items	6	-	-	-	10	(2)	15
Profit/(loss) before tax	122	193	(120)	(3)	156	1	348
							-
Total assets	4 603	695	(890)	156	1 330	(23)	5 870
Interest bearing debt	339	-	-	-	591	(4)	926
Cash	1 538	-	-	-	122	(73)	1 587
Net interest bearing debt (NIBD)	(1 200)	-	-	-	469	69	(662)

FY 2021

		Residual ownership interest					
		A	B	C	D	E	
NOK million	Total Consolidated	Other eliminations group	Equity accounted	Excess value	Proportionate share of line items ass. comp.	Residual ownership fully consolidated entitied	Total proportionate
Total revenue	41	-	-	-	42	-	83
Operating expenses ex depreciations and amortisations	(89)	-	-	-	(20)	-	(107)
Net income/(loss) from associated companies	16	-	(16)	-	-	-	-
EBITDA	(32)	-	(16)	-	22	-	(25)
Depreciation and amortisation	(10)	-	-	(3)	(7)	-	(19)
Operating profit (EBIT)	(41)	-	(16)	(3)	15	-	(44)
Net financial items	(22)	-	-		8	-	(14)
Profit/(loss) before tax	(64)	-	(16)	(3)	24	-	(58)
Total assets	3 118	110	(678)	160	1 103	-	3 815
Interest bearing debt	304	-	-	-	522	-	826
Cash	1 115	-	-	-	167	-	1 282
Net interest bearing debt (NIBD)	(811)	-	-	-	355		(456)

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).

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

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 the balance sheet as at 31 December 2022 and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity 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 the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and 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 2022 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 2022 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 3 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 2022. These matters were addressed in the context of our audit of the

EY
Building a better working world

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 2022 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 2022 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

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.

- 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 the audit of the financial statements of Cloudberry Clean Energy ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Cloudberry-2022-12-31-en.zip, have 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 pursuant to 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 the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, 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. We conduct our work 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 about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include 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, 23 March 2023
ERNST & YOUNG AS

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. Cloudberry is preparing for the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD) and the report is inspired by the standard. The standard is based on the ESG structure Environment, Social and Governance. Including an updated report on the Company`s performance in implementing the Task Force on Climate-related Financial Disclosures (TCFD).

Design and production: Artbox AS

Cloudberry Clean Energy ASA
Frøyas gate 15
0273 Oslo, Norway

contact@cloudberry.no
www.cloudberry.no

Cloudberry