



# Company Presentation

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8 December 2021



# Important information (1/2)

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The information in this company presentation (the "Presentation") has been prepared by Cloudberry Clean Energy ASA (the "Company", and taken together with its subsidiaries the "Group") and is made solely for information purposes. This Presentation does not constitute any recommendation to buy, sell or otherwise transact with any securities issued by or pertaining to the Company or any member of the Group.

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## Important information (2/2)

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## Company overview

Key financials per Q3-2021

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# Cloudberry develops, owns and operates Nordic renewables



Local developer, owner and operator of hydropower and wind in the Nordics



Large and growing development backlog and pipeline both on- and off-shore



Diversified and growing production portfolio, with both hydro and wind assets



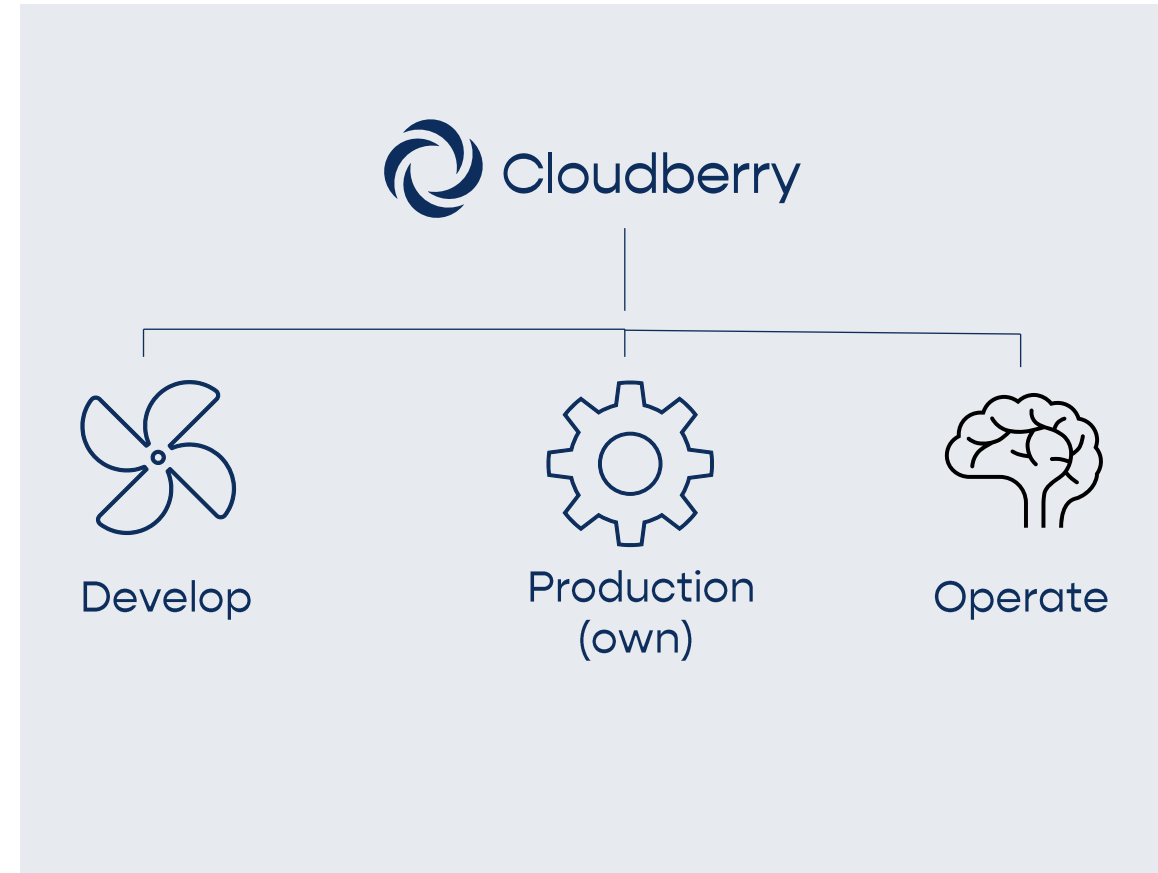
Highly efficient operating platform. Cloudberry expects to strengthen its development and operating segment before year end 2021



Aim to be a substantial contributor to the green energy transition

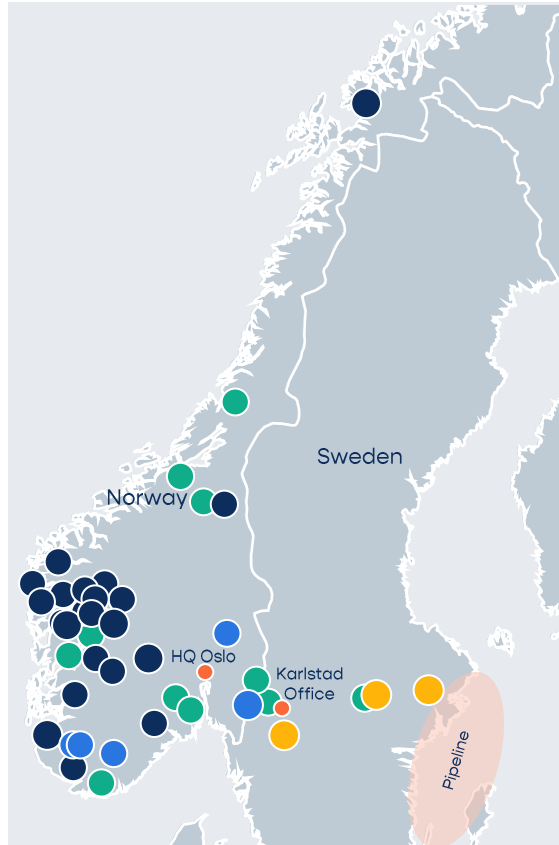


Listed on Oslo Stock Exchange's main list



# Business overview per 8 December 2021

Proportionate production capacity of 340 MW (net to Cloudberry) including construction permits



● In production ● Under construction ● Construction permit ● Backlog

## Production

### Production incl. under construction<sup>(1)</sup>

- Hydro assets: 24
- Wind assets: 3
- Capacity: 140 MW
- Production: 484 GWh (normalized)

## Develop

### Construction permit

- Wind assets: 3
- Capacity: 200 MW<sup>(2)</sup>
- Production: 580 GWh (normalized)

### Backlog

- Projects: 13
- Capacity: 370 MW
- Pipeline of additional >20 projects and >2 500 MW

# Strategy – Cloudberry's value creation

## Early-stage developments

- Convert acreage into projects
  - Hydro, wind and shallow water Sweden
- Cloudberry's developers have local knowledge and are hands-on when dealing with local stakeholders
- Interaction with landowners, industrial power consumers, grid owners and local authorities
- >2.5 GW shallow water pipeline

Portfolio:  
370 MW

Capital  
allocation:  
Low

Value  
creation:  
Moderate

## Commercializing assets

- Progress in-house developments to construction permit and FID
  - Stenkalles (Vänern), Hån, Duvhällen
- Acquire attractive projects with growth opportunities or low-cost entries with value potential
  - Odal, Kafjärden, Åmotsfoss
- Farm-out or sell assets prior to construction/large capital allocation

Portfolio:  
200 MW

Capital  
allocation:  
Low

Value  
creation:  
High

## Monetize operating assets

- Strict capital allocation policy targeting highest return projects in construction phase
- Strategy to sell at the right time considering risks, return and capital allocation
- Hold assets with unrealized potential until value is unlocked
- Unlock capital for new projects

Portfolio:  
140 MW

Capital  
allocation:  
High

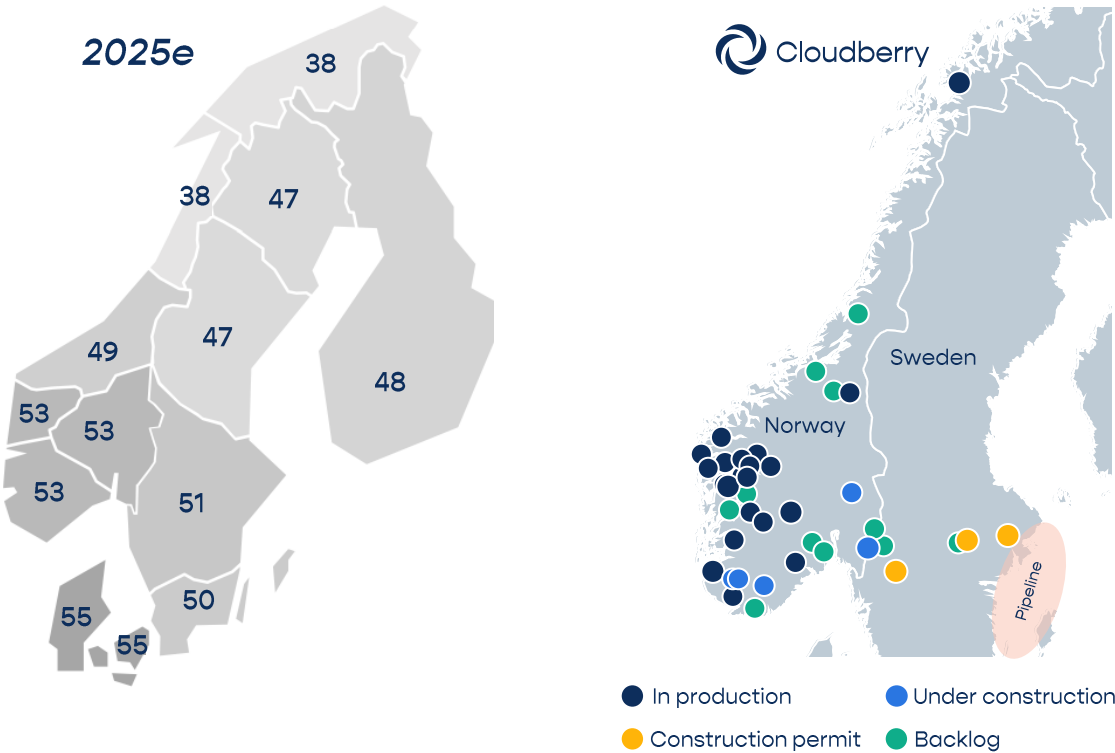
Value  
creation:  
Moderate  
/ High

# Positive outlook for Nordic power prices





Cloudberry's portfolio strategically situated in high price areas

## Positive outlook for power prices in key Cloudberry price areas

NOK (øre)/kWh



## Key market drivers

-  Positive development in the long-term power prices. Both Volve and NVE (the Norwegian Water Resources and Energy Directorate) increasing the long-term prices
-  Statnett expecting 40% increase in Nordic power consumption by 2040, largely due to electrification of power intensive industries, as well as new industries (hydrogen, battery, data centers)
-  Ambitious climate goals will lead to a significant reduction in fossil fuel consumption
-  Interconnectors between Norway and Northern Europe/UK – increasing the export capacity



# ESG

Integrated in the organisation and throughout the value chain



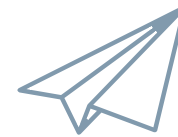
## Planet

- Assessing Task Force on Climate-Related Financial Disclosures (TCFD)
- EU Taxonomy:
  - Lifecycle emissions < 100g CO<sub>2</sub>e/kWh
  - Cloudberry's hydro and wind projects estimates far below
  - Power density > 5 W/m<sup>2</sup> on Cloudberry's powerplants



## People

- Health and safety policies and procedures
- Diversity in the organization
- Developing Suppliers Code of Conduct



## Prosperity

- Local value creation – top priority
- Utilize best available technology in order to:
  - Lower our carbon footprint
  - To secure the company's profitability and financial position

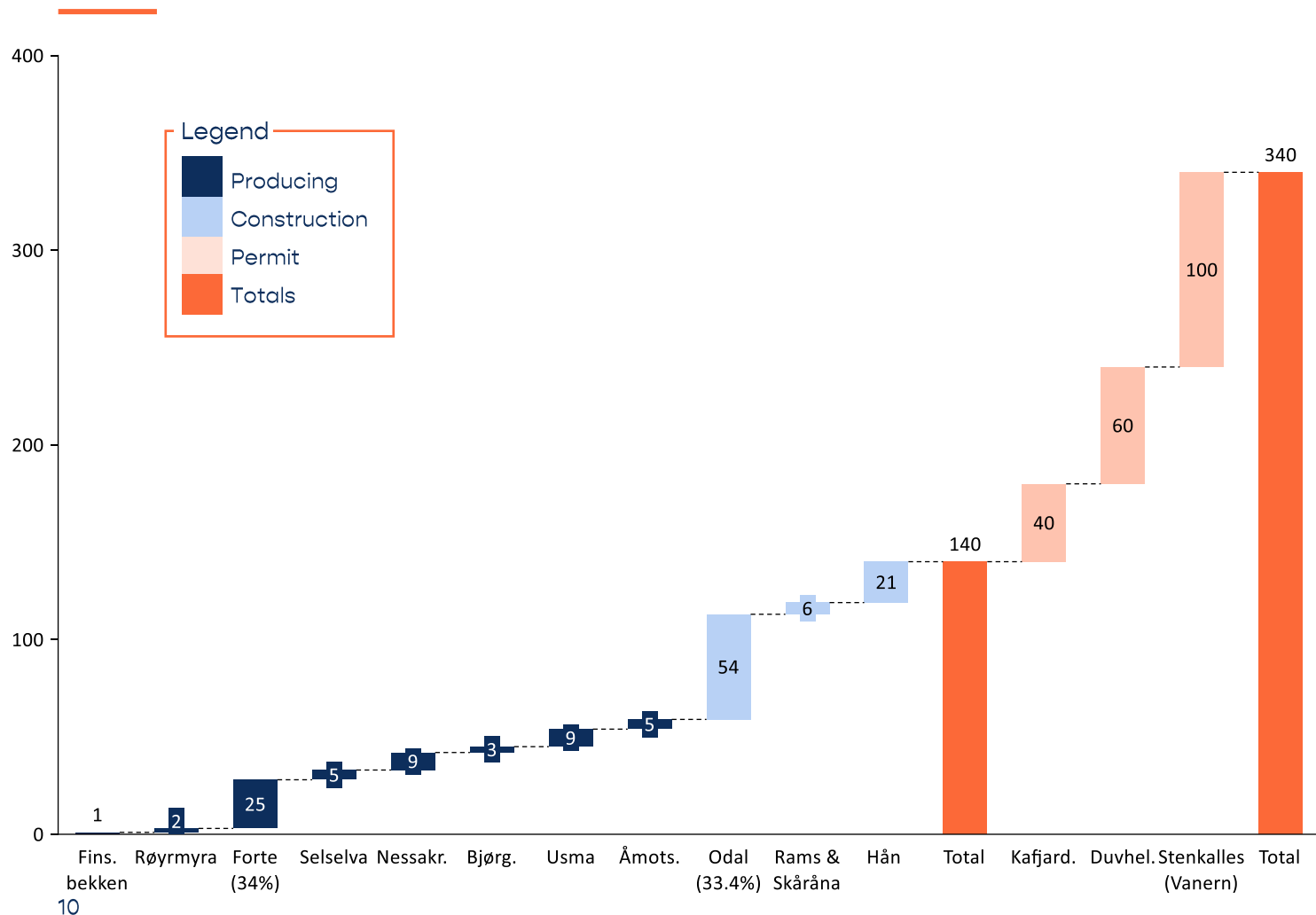


## Governance

- ESG goals and KPIs on identified material aspects
- ESG Due Diligence assessments

# Portfolio overview and ramp-up

## Net capacity (MW) to Cloudberry per 8 December 2021



### Milestones

**Nessa, Bjørgelva, Usma and Åmotsfoss**  
Construction and hand-over completed.  
Currently in production

**Odal**  
Under construction. Slight delays. First power expected in Q4-2021 and full operation during first half of 2022

**Ramsliåna & Skåråna**  
Under construction with first power expected around year-end 2021 and full operation shortly thereafter

**Hån**  
Under construction and according to plan. First power expected end of 2022 and full operation shortly thereafter

**Duvhällen**  
Construction permit in place, awaiting extension of grid from 30 to 60 MW during 2022

# Key events and updates after publishing of the Q3-2021 report (1/2)

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- Cloudberry is experiencing an acceleration in the number of attractive growth opportunities within its core markets, and sees a strong rationale for being well capitalised to act on the right opportunities – Cloudberry has a long and growing list of interesting opportunities, including the recently announced Kafjärden project and the in-house Stenkalles Grund project
- Kafjärden project update
  - Announced binding agreement to acquire the late-stage onshore wind power development project Kafjärden, located in the attractive SE3 price area in Sweden, on 23 November 2021
  - Cloudberry intends to pursue development and construction of a 40 MW (maximum) capacity project, and is expecting a double digit equity IRR for the lifetime of the project
  - Estimated all-in costs for 40 MW is approx. NOK 400 million, to be funded by approx. 50/50% equity and debt (approx. NOK 200 million in equity financing)
- Stenkalles Grund project update
  - Cloudberry owns the development project Stenkalles Grund, a 100 MW shallow water wind project in Lake Vänern, also in the attractive SE3 price area in Sweden
  - Cloudberry intends to raise equity capital for 50% ownership (up from previously 20%) to maintain flexibility into FID of the project while seeking a co-investment partner for the remaining ownership share through construction
  - The estimated project capex for 100 MW is approx. NOK 1.6bn, also to be funded by 50/50% equity and debt (a 30% ownership increase implies approx. NOK 240 million in additional equity financing)



# Key events and updates after publishing of the Q3-2021 report (2/2)

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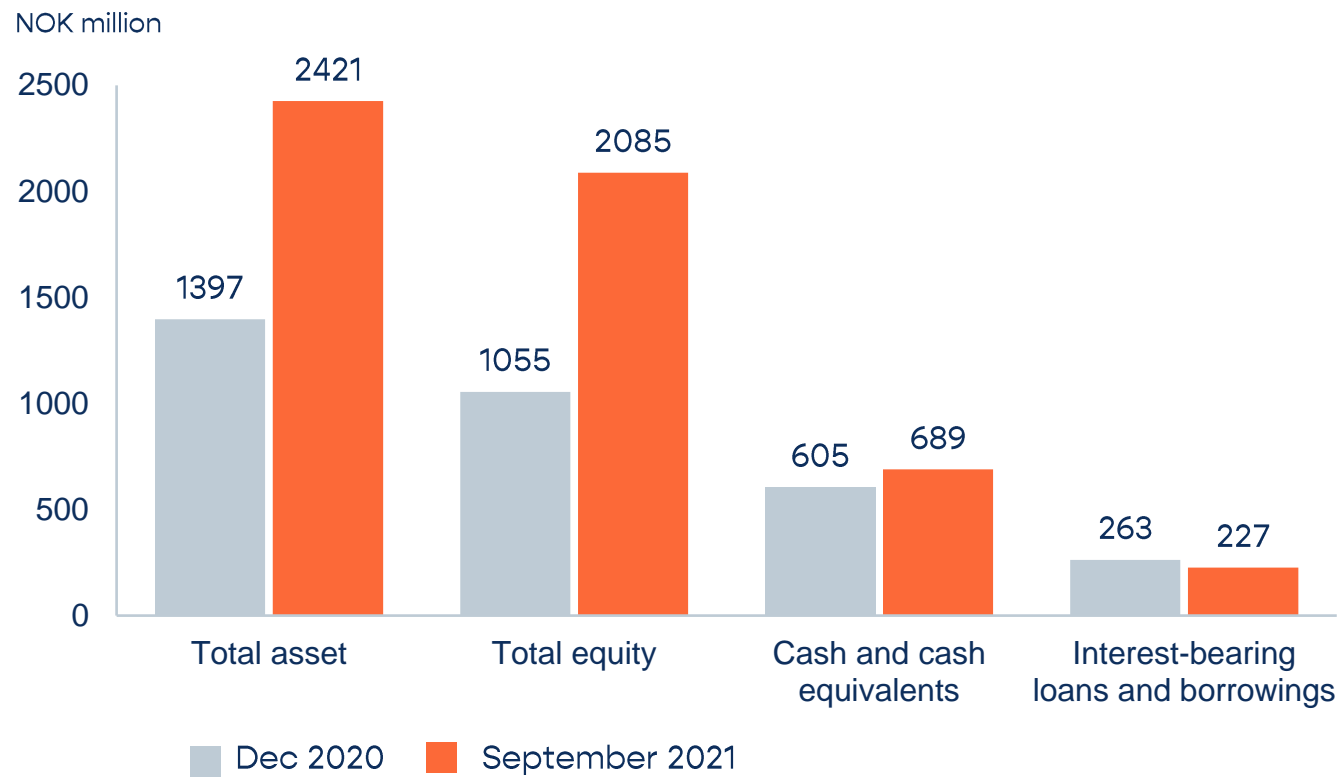
- Letter of intent to acquire Captiva
  - Announced a letter of intent to acquire 60% of the shareholding of the Captiva Group on 17 November 2021
  - The acquisition will significantly strengthen the Company's capabilities within development and operations of hydro and wind assets
  - Captiva Group's core activities have generated an average net earnings after tax of slightly above NOK 10 million p.a. the last four years (2017-2020), and Cloudberry sees significant value creation potential through the acquisition
  - The consideration for the 60% ownership interest is agreed to NOK 96 million (enterprise value on 100% basis of NOK 160 million), to be settled upon closing:
    - 50% through issuance of new shares in Cloudberry. The subscription price for the consideration shares has been agreed to equal the 20 trading day volume weighted average price on the day of closing of the acquisition. In the event a private placement is completed before closing, the subscription price for the consideration shares will equal the subscription price in the private placement; and
    - 50% in cash, equivalent to approx. NOK 48 million
  - The acquisition is conditional on inter alia approval by the board of directors of Cloudberry and confirmatory due diligence which is ongoing
- Credit facility agreement increase
  - Announced credit facility agreement increase from NOK 700 million to NOK 1 400 million, with possibility to increase the facility with an additional NOK 500 million, on 25 November 2021
  - Entered into with SpareBank 1 SR Bank together with other SpareBank 1 banks
  - The credit facility will strengthen Cloudberry's ability to grow both organically and in-organically, has a high flexibility with no fixed price (PPA) requirements and can be used for financing of hydro and wind assets in Norway and Sweden
- Takeover of Åmotsfoss hydro power plant
  - Announced takeover of the 4.5 MW hydro power plant Åmotsfoss, located in the attractive NO2 price area
  - The plant is located in Arendalsvassdraget in Norway, one of the best regulated waterways in Norway, benefitting from the large reservoirs upriver from Åmotsfoss
  - The power plant will on average produce 22.7 GWh per year and will produce more power in the winter season than in the summer season – enough to power approx. 10 000 electrical cars per year

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# Key financials per Q3-2021



## Financial position as of Q3-2021 (consolidated)



### Comments

- Significant growth in assets
  - Property plant and equipment increased from NOK 58m to NOK 756m
  - Investments in associated companies increased from 337m to 676m
- Cash increased from 605m to 689m
- Robust balance sheet, low debt and a strong cash position



# Profit or loss as of Q3-2021 (consolidated & proportionate\*)

## Consolidated financials

NOK 1 000	Q3-2021	Q3-2020	YTD-2021	YTD-2020	FY-2020
Revenue and other income	6 671	923	19 242	1 951	3 640
EBITDA	-3 074	-5 781	-24 390	-13 330	-29 822
Operating profit (EBIT)	-5 807	-6 647	-30 067	-15 806	-33 111

## Proportionate financials

NOK 1 000	Q3-2021	Q3-2020	YTD-2021	YTD-2020	FY-2020
Revenue and other income	23 579	923	46 675	1 951	5 333
<i>Production</i>	23 528	923	41 816	1 740	5 122
<i>Develop</i>	50	-	4 859	93	93
<i>Corporate</i>	-	-	-	118	118
EBITDA	1 662	-5 781	-15 465	-13 330	-26 501
<i>Production</i>	12 230	-370	20 981	-1 779	-1 962
<i>Develop</i>	-3 279	-3 622	-13 319	-6 244	-8 302
<i>Corporate</i>	-7 289	-1 790	-23 127	-5 307	-16 237
Power production (GWh)	35	3	70	8	14

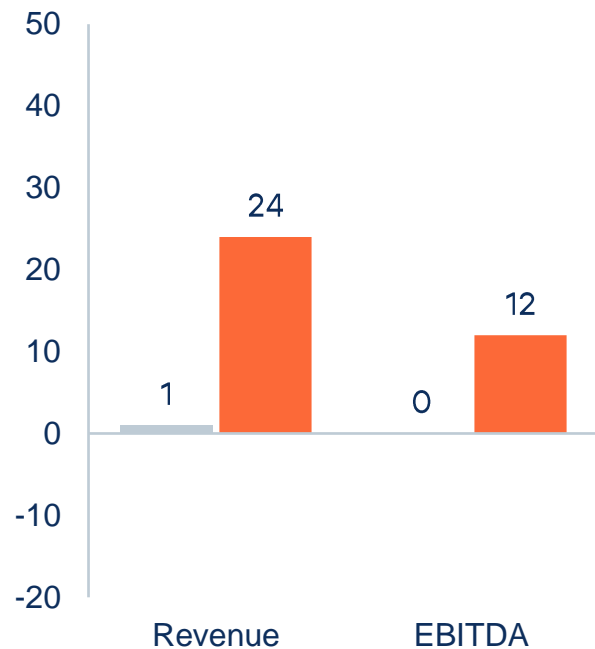
## Comments

- Delivering valuable growth
  - Revenue: NOK 24m (NOK 1m last year)
  - EBITDA: NOK 2m (NOK -6m last year)
- Power production increased from 3 to 35 GWh
- Proportionate figures includes Cloudberry's share of Forte Vannkraft (34%) and Odal Vind (33.4%)

# Production segment as of Q3-2021 (proportionate)

## Quarter

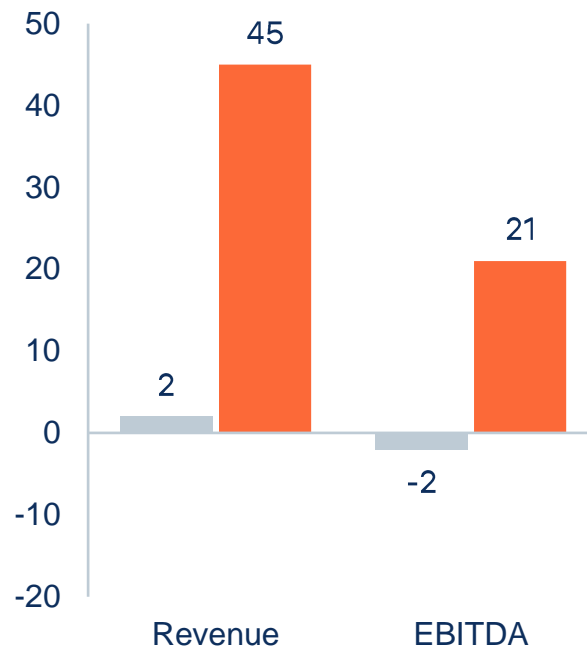
NOK million



■ Q3 2020 ■ Q3 2021

## Last 12 months

NOK million



■ Q3 2020\* ■ Q3 2021

## Comments

- Significant growth in revenue and EBITDA
- Higher power prices, but lower than normal production volumes due to dry conditions
- Significant ramp up of production over the next years

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# Risk factors





# Risk factors (1/11)

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Investing in Cloudberry Clean Energy ASA (the "Company") involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Presentation, as well as all currently available public information. The risks and uncertainties described in this Presentation are the principal known risks and uncertainties faced by the Company and the Group as of the date of this Presentation that the Company believes are the material risks relevant for an investment in the Company. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Company's shares that could result in a loss of all or part of any investment in the Company's shares. The risks and uncertainties described below are not the only risks the Group may face.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Presentation are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The list of risk factors should not be perceived as a ranking of importance, and it is not exhaustive. The risks mentioned herein could materialize individually or cumulatively.

# Risk factors (2/11)

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## Market related risks

- **The Group's profitability depends on the spot rates for electricity**  
The profitability of the Group's producing power plants depends on the volume and prices 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 has entered into fixed price contracts which covers the period until the end of 2021 for sale of the power produced by Røyrmýra Vindpark AS and Selselva. The remaining part of the Group's production volume is sold in the spot market and 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 metrological conditions, CO2 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 Company 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.
- **The power industry is a highly regulated sector and thus subject to political risk**  
The Group is engaged in the production of sale of renewable electrical power. The power industry is highly regulated, and regulations may change over time. If the governments or international community were to withdraw, reduce or change support for the increased use of energy from renewable sources, including generation of electricity from wind farms and hydropower plants, for whatever reason, this may have a material adverse effect on the support of national or international authorities in respect of the promotion of the use of energy from such renewable sources. This may reduce the demand for the power produced by the Group's wind and hydro power assets compared to power produced by other sources. Further, governmental promotion for increased use of other energy sources than wind or hydro power may reduce the value of the Group's assets. Further, a number of broader regulatory changes to the electricity market, such as changes to integration of transmission allocation, changes to energy trading and transmission charging, are being implemented across Europe and in the Nordics. These changes may have an impact on the electricity prices and the costs of selling electrical power, which may reduce the Group's profitability. The Group also has several projects under development, which require support from local and/or national authorities. Changes in the political landscape may lead to that certain of the Group's projects under development must be abandoned due to lack of political support or regulatory changes which result in that the projects no longer are expected to be profitable.

# Risk factors (3/11)

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- **The renewable sector may develop in a direction which adversely affect the Group's business and prospects**

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.

## Commercial and operational risks

- **The Company has a limited operating history**

The Group has a limited operating history upon which to evaluate the Group's likely performance. This equally holds true for the Group's power plants. Some of the Group's power plants are not yet constructed, and the Group has no operating history to base its assessment of future performance on for such power plants. Return calculations, budgets and accounting are based on forecasts and assumptions that may change over the life of the Group. The risks and uncertainties associated with the Group's limited operating history, may adversely affect the Group's business, prospects and income.

- **Several of the Group's development projects may not be realized**

Several of the Group's projects are under development and may not be realized. The right to build and operate a renewable project is subject to public concessions and permits in addition to private ownership rights to land and waterfalls. This comprises all stages of a renewable project, from early development stage to construction, production, transmission and sale of power. The necessary concessions and permits will depend on size and type of project, classification, development stage of the projects and jurisdiction. In addition to the energy/production related concessions and permits other permits, licenses and regulatory requirements are also applicable, such as licenses related to safety, pollution, noise, etc. The Group is required to obtain various governmental concessions and approvals for each of its projects, including inter alia construction concessions and sales concessions. As of the date hereof, all permits and licenses have been obtained for the assets that are in production and all relevant concessions and permits for the projects under construction. Completion permissions, concession for sale of power, etc. are not yet in place due to the stage of the construction work. Following public and political hearings throughout 2019/2020, the Norwegian Water Resources and Energy Directorate ("NVE") are likely to be working from a revised and more conservative framework when considering on-shore wind power permits in the future, which may include new criteria for award, local production fee/tax requirements and/or other new regulatory initiatives. Currently, a temporary pause in the award of new on-shore wind permits has been effected, awaiting the finalisation and approval of an updated and more stringent award framework for new permits. For greenfield projects that are not under construction and/or in operation, the Group will also need to obtain necessary concessions, permits and contracts with landowners. Whether the projects will be profitable depends on several factors outside the Group's control. Before construction of any projects commence, the Group will make an assessment of whether it is expected that the project will be profitable. If a project does not move to the construction phase, the development costs will not be recoverable. For several projects, the granted concessions include deadlines for initiation of the construction phase. If the deadlines are not met, the concessions will lapse. In such case, the Group must write down the investment made in the relevant project.

# Risk factors (4/11)

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- **The Group may make acquisitions that prove unsuccessful or strain or divert management resources**  
The Group was created in 2020 through a business combination of three separate businesses. During 2020 and 2021 the Group has had an active mergers and acquisition strategy. Making acquisitions will continue to be an important part of the Group's strategy to support growth and profitability. Successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms, obtain required licenses and authorizations and ultimately complete such acquisitions and integrate acquired entities into the Group. If the Group makes acquisitions, it may be unable to generate expected margins or cash flows, or realize the anticipated benefits of such acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets could prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully and such integration may require greater investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, government authorities or other parties. The process of integrating acquisitions may also be disruptive to the Group's operations, as a result of, among other things unforeseen legal, regulatory, contractual and other issues and difficulties in realizing operating synergies, which could cause the Group's results of operations to decline. Moreover, any acquisition may divert management's attention from day-to-day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, there could be a material adverse effect on the Group's profitability, business and prospects.
- **Specific risks related to the Stenkalles Vind Project**  
The Stenkalles Vind Project, currently wholly owned by the Company, is a shallow water wind project in Lake Vänern under development. The current development plan includes 16 turbines with an estimated installed effect of 100 MW and an annual power production around 350 GWh. The project has been granted a project permit from the Swedish Land and Environmental Court (Sw: Mark- och miljödomstolen) and a construction license with Swedish Mark-och Miljödomstolen (Swedish Court). The project is located in fresh- and shallow-water and construction deadline is Q3 2024. No final investment decision has been made with regard to the project. Before an investment decision will be made, the Group must *inter alia* negotiate and conclude agreements related to construction, maintenance and operation of the plant and obtain financing for the project. The Company intends to sell 50% of the ownership interest to a third party investor as part of obtaining financing for the project. There can be no guarantee that the Group will be able to complete these preparatory steps, or that if completed, the required agreements are entered into on favorable terms or in a timely manner to meet the deadlines set forth in the project timeline. It cannot be guaranteed that project will be realized.
- **Specific risks related to the Kafjärden project**  
On 23 November 2023, the Company announced that they had entered into an agreement to acquire the Swedish late-stage development wind project Kafjärden outside Stockholm. The project is still under development, and it is uncertain if and when the project will be realized. The expected production capacity is between 18-40 MW. If the project is not realized the Group may have to write off the investments made in the project.



# Risk factors (5/11)

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- **Specific risks related to the Odal project**

The Group is a minority owner, owning 33.4% of the shares in Odal Vind AS, which is the owner of the Odal wind farm project. The Odal wind farm project is currently under construction and is expected to be fully operational in H1 2022. Due to strong wind during the autumn of 2021 the project have experience minor delays and slower progress in lifting of the turbines. If the strong wind continues, this may increase the construction costs. Conservative estimates are below 5% of total CAPEX. The deadline for energization of the wind farm is 30 June 2022. If the deadline for energization is not met, Odal Vind AS may be fined for delays or in a worst-case scenario must abandon the project and decommission the work in progress. As a minority shareholder in Odal Vind AS, the Group will not be in position to control the business and operations of Odal Vind AS or Odal Vind AS' payment of dividends to its shareholders. It is therefore a risk that the Group's investment in Odal Vind AS will not generate the expected returns or cash flows. Pursuant to the shareholders' agreement for Odal Vind AS, the Group has an obligation to participate in the funding of the construction of the wind farm. If the Group defaults on its financing obligations, and such default is not remedied within an agreed remedy period the other shareholders have a right to acquire the Group's shares at a significant discount. If this risk materialize, it will have a material adverse effect on the Group's investment in Odal Vind AS. The shares in Odal Vind AS are also subject to share transfer restrictions during the construction period. If the Group should wish to sell all or parts of its shares in Odal Vind AS, there is a risk that the share price could be negatively impacted by such transfer restrictions or that the Group will not be able to complete any such sale at all.

- **Specific risks related to the potential acquisition of the Captiva Group**

On 17 November 2021, the Company announced that the company had entered into a letter of intent to acquire 60% of the Captiva Group ("Captiva"), with a right but not an obligation to increase its ownership to 100% at a pre-determined price within 30 June 2025. The acquisition is conditional on inter alia approval by the Board of the Company and a confirmatory due diligence. If completed, the acquisition will represent a significant change of the Group as Captiva is a larger organization than Cloudberry with more than 30 full time employees. Integration of Captiva with the Group will consequently require significant attention by the management of the Company to ensure a successful integration. Further, it has been agreed that 50% of the purchase price will be settled with consideration shares, which will result in dilution for the Company's existing shareholders. The subscription price for the consideration shares has been agreed to equal the 20 trading day volume weighted average share price of the Company's shares on the day of the financial close ("closing") of the acquisition. In the event of completion of the Private Placement, the subscription price for the consideration shares will equal the subscription price in the Private Placement.

- **Specific risks related to the Hån project**

Hån wind farm is a 21 MW wind project located in Sweden. Due to limited grid capacity in the area the projected wind farm is located, the power produced must be exported and sold into Norway. The Group has been granted a concession to build and operate a 22 kV cable between Norway and Sweden and has also been granted a power export license from the Swedish authorities. Civil works has commenced, and it is expected that the wind farm will be completed in H2 2022. Pursuant to the terms of the project's concessions, the deadline for completion of the construction of project is in Q3 2023. Although, the Group expects the project to be completed well before the deadline, there is a risk of construction delays. If the wind farm is not energized within the deadline set out in the concessions, this may result in fines for delays or in a worst case scenario that the Group must abandon the project and decommission the work in progress.

# Risk factors (6/11)

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- **Specific risks related to the Duvhällen project**  
Duvhällen wind farm is an in-house project where the Group has been granted a construction permit of 60 MW/165 GWh. However, due to limited power grid capacity, the project has only been granted a power grid capacity permit of 30 MW/82 GWh. The grid owner, Vattenfall, has completed an environmental impact assessment and filed for an increased power grid capacity permit with the relevant authorities to match the construction permit. A final investment decision for the project will not be made until an increased power grid capacity permit has been granted. If such permit is not granted, the project may not be realized and the Group may have to write off the investments made in the project.
- **Specific risks related to the Group's shares in Forte Energy Norway AS**  
The Group owns 34% of the shares in Forte Energy Norway AS. As a minority shareholder in Forte Energy Norway AS, the Group will not be in position to control the business and operations of Forte Energy Norway AS or Forte Energy Norway AS' payment of dividends to its shareholders. It is therefore a risk that the Group's investment in Forte Energy Norway AS will not generate the expected returns or cash flows. In case Forte Energy Norway AS requires additional funding, the Group's ownership in Forte Energy Norway AS could be reduced, e.g. due to dilution as a result of share capital increases in Forte Energy Norway AS if the Group does not subscribe for its pro rata share or at all. If the Group's ownership in Forte Energy Norway AS is reduced to below 10% the Group's influence as a shareholder in Forte Energy Norway AS will be significantly limited. The shares in Forte Energy Norway AS are also subject to certain share transfer restrictions. If the Group should wish to sell all or parts of its shares in Forte Energy Norway AS, there is a risk that the share price could be negatively impacted by such transfer restrictions or that the Group will not be able to complete any such sale at all.
- **The outbreak of the corona virus (COVID-19) may have a material adverse effect on the Group's business**  
The outbreak of COVID-19 has resulted in a global pandemic which has severely impacted companies and markets globally. The outbreak may have an impact on the Group's construction projects, where travel bans and disruptions to the supply chain may result in delayed deliveries from the Group's suppliers. Losses as a result of delays may not be recoverable from the suppliers who may, due to the COVID-19 pandemic, trigger force majeure provisions under contracts. It is currently not possible to predict the long-term consequences for the Group, its customers, suppliers or business partners. There is however a risk that the COVID-19 pandemic will result in increased costs particularly for the Company's development projects. Increased costs may result in that projects become unprofitable and cannot be realized. Any such consequences may also the Group's ability to raise capital or secure financing. Delays in the completion of the Group's projects may also result in that the Group's portfolio companies defaults on its obligations towards its customers. Such breaches may result in claims for remedies of breach and rights to termination of the contracts, and have a material adverse effect on the relevant portfolio company and ultimately the Company.

# Risk factors (7/11)

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- **Profitability of the Group's projects is not given**  
There may be errors in the assumptions or methodology used in the financial models used by the Group in relation to its decisions to acquire or develop renewable energy assets, whether as part of the Group's current portfolio or subsequent acquisitions or investments. This may result in the returns generated by such projects being materially lower than expected. Although the Group has more than 10 years of experience with development of renewable energy assets, the Group has only been engaged in acquisition of turn-key projects or assets under production for a few years. This is relatively short time compared to many of its more established competitors. The financial models of the Group is constantly being developed and refined based on the experience gained by the Group. Further, given the lean organization of the Group, there are only a few persons who review and provide input to the financial models used in relation to business decisions. These factors increase the risk of errors in the assumption or methodology used in the financial models used by the Group compared to other more established players in the market. Further, the Group will develop, own, operate and make investments in assets and projects which are illiquid. The realization of such assets may take time and there can be no assurances that the Group will be able to sell its assets or realize its projects as planned. This could have a material adverse effect on the Group's business, operating results, financing condition and prospects.
- **In Norway it is expected that a new tax on revenue from wind power will be levied from 2022**  
In Norway, a political majority has recommended to increase the taxes on revenue from wind power and it has been proposed to levy a production tax of NOK 0.01 per kWh produced. The new excise tax will reduce the Group's net profit after tax for revenue generated by its Norwegian wind farm assets and may also reduce the fair market value of such assets.
- **Power plants are highly technical and thus subject to operational risk**  
Investments in power generation and energy-related infrastructure involve technical and operational risks. The Group will seek to invest in power plants of expected good technical standard to reduce the technical risk of the investment. The Group will prioritize technical solutions that are well-proven and delivered by reputable suppliers, so that any repairs can be made within reasonable timeframes and at reasonable cost, and that it is possible with attractive insurance terms. Despite the aim of choosing sound solutions, technical problems may occur meaning possible stops in production or costly reinvestments that reduce the Group's revenue, profitability and/or financial position.
- **The revenues from the Group's power plants are dependent on the metrological conditions**  
The metrological conditions (rain and wind) at particular sites at which the Group's power plants are located can vary materially from season to season and from year to year. If a site proves to have lower resources than anticipated in the Group's business model or suffers a sustained decline in metrological conditions, such power plants are likely to generate lower electricity volumes and lower revenue than anticipated. This will reduce the Group's revenue and may also result in that the Group must write down the value of the relevant assets.

# Risk factors (8/11)

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- **The Group's revenues and costs are dependent on charges related to 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 growth opportunities for the Group.
- **Future revenues and costs of the Group are dependent on costs related to agreements with landowners**  
Subsequent decisions by the Group to develop renewable energy assets are subject to reaching an agreement with the landowners of the contemplated properties for development. Consequently, the ability to develop further power plants is subject to negotiations with the landowners and thus the Group's revenues and costs are subject to the inherent risk thereof.
- **The Group may be subject to litigation**  
The members of the Group may become subject to legal disputes. Whether or not the member of the Group ultimately prevails, legal disputes are costly and can divert management's attention from the Group's business. In addition, the relevant member of the Group may decide to settle a legal dispute, which could cause the Group to incur significant costs. An unfavourable outcome of any legal dispute could inter alia imply that the relevant member of the Group becomes liable for damages, payments or will not be able to realize some of its projects. A settlement or an unfavorable outcome in a legal dispute could have adverse effects on the Group's business, results or operations, cash flows, financial condition and prospects. The Company is currently involved in a discussion with a contractor related to the final account of the work performed by the contractor. The Company has disputed an invoice of approximately NOK 8.7 million (excl. VAT) related to the construction work of the Marker project, which has been sold. The Company's view is that this amount is covered by the fixed price for the construction work. Further, the Company may have a significant claim for liquidated damages against the contractor due to delayed completion of the construction works. On this basis, no reserves have been made for the claim of NOK 8.7 million (excl. VAT). If the Company's claim is unsuccessful, the Company may be liable for payment of the full amount in addition to overdue interest payments and legal costs.



# Risk factors (9/11)

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- **The Group is dependent on contractors for the operation, maintenance and construction of its power plants and cost overruns or failure by subcontractors may lead to additional costs for the Group**  
The Group does not have in-house expertise required to construct, operate and maintain its power plants. The Group will use external suppliers for construction, operation and maintenance of its power plants. The contracts governing the operation and maintenance of wind farms are generally negotiated and entered into with turbine suppliers at the same time as the construction contracts for such wind farms. Operation and maintenance contracts typically have a term from 5 to 15 years for the Group's wind assets. Hydro power plants do not tend to have long term operation and maintenance contracts with the turbine suppliers or the suppliers of principal components, but tend to have shorter term contracts with local utility partners. Upon expiry of an operation and maintenance contract or their earlier termination (in the event of, for example, contractor insolvency or default), there is no assurance that replacement or renewal contracts can be negotiated on similar terms and less favourable terms could result in increased operation and maintenance costs and reduced profitability for the Group. Where the Group will be required to appoint a replacement contractor, there is a further risk that finding a suitable contractor may take time, which could potentially lead to downtime for the relevant power producing asset. The Group is further exposed to cost overruns on maintenance and/or reconstruction projects and/or construction projects, for example as a result of changes in plans or additional work that becomes necessary over and above what was included in the initial agreement with the subcontractor. The Group's costs may also increase as a result of failure by its subcontractors which is not recoverable from such subcontractor, for example in case of contractor insolvency.
- **The Group's capital expenditure and cost estimates for development and construction projects are subject to final agreements**  
The estimated capital expenditures and costs for the Group's development and construction projects are based on the Group's best assessment, and are subject to final negotiations and agreements with suppliers and contractors. There is therefore a risk that the actual capital expenditures and costs for such projects may deviate from the Group's currently best estimates. If the actual capital expenditures and costs are higher than estimated this will result in reduced profitability for the projects.

## Financial risks

- **Increase in interest rates may reduce the Group's profitability**  
The construction of the Group's projects will normally be financed with a combination of equity and debt. The Group's debt is exposed to floating interest rates. As a result, any increase in interest rates will lead to higher financing costs, which in turn reduces the Group's profitability.

# Risk factors (10/11)

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- **The Group's debt levels could limit the Group's flexibility to obtain additional financing and if the Group is not able to service its debt or meet the other terms of its credit facilities, the Group may be forced to take actions and sell its assets**  
The Group has two credit facilities in Sparebank 1 SR Bank ASA, amounting to NOK 1,400 million, which may be increased with an additional NOK 500 million. The credit facilities are secured with *inter alia* a first priority pledge in 100% of the shares in Cloudberry Production AS and 100% of the shares of Cloudberry Develop AS and a first priority pledge in machinery and equipment, accounts receivables and inventory in Cloudberry Production AS. As of the date of this Company Presentation, the Group has a positive net financial indebtedness. However, as the Group draws on the credit facilities, the level of debt will increase. The Group's level of debt could have material consequences for the Group, including but not limited to (i) hindering the Group's ability to obtain additional financing or financing on favorable terms, (ii) increasing the Group's costs of borrowing as it becomes more leveraged and (iii) require the Group to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders. The Group's ability to service its debt will depend upon, amongst other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, or if the Group is unable to comply with the covenants in its financial arrangements the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital, any of which could adversely impact the Group's results of operations, cash flow and financial condition. In addition, there can be no assurance that the Group will be able to affect any of these remedies on satisfactory terms, or at all. In such case the lender may force the sale of the pledged assets.
- **The Group is dependent on external financing**  
Further expansion of the Group's business will require external financing. If the Group is not able to obtain required financing on a timely basis and on attractive terms this could result in lost business opportunities, shortened lifetime of current assets and/or that the Group is forced to realize its interest in certain projects.
- **Fluctuations in exchange rates could affect the Group's cash flow and financial condition**  
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. Further, the Group's investment in Odal Vind 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. Additionally, 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. Should it choose to do so, any fluctuations in exchange rates between NOK and the relevant foreign currency could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

# Risk factors (11/11)

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## Risks related to the Company's shares

- **The Company expects to raise additional equity funding, which may not be available on favourable terms or at all**  
The Company expects that it will need to raise additional equity funding to, among other things, fund its various projects, acquisitions and for other purposes. Such additional funding may not be available on favourable terms and/or on a timely basis, or at all. Failure to obtain this necessary capital when needed may force the Company to significantly curtail, delay, or discontinue some or all of its projects, acquisition opportunities and other development efforts. Moreover, the terms of any financing may adversely affect the holdings or the rights of the Company's shareholders.
- **Future issuances of shares in the Company or other securities, including by use of board authorizations, may dilute the holdings of shareholders and could materially affect the trading price of the Company's share**  
The Company's general meeting has resolved an equity incentive scheme which may cover up to 5% of the at any time outstanding shares in the Company. Currently, 7,700,000 warrants have been issued under the incentive scheme, with a strike price between NOK 11.1 and NOK 12.50 per share. Each warrant entitles the holder to subscribe for one ordinary share in the Company. If the participants of the equity incentive program exercise their rights under the incentive scheme, this will have a dilutive effect on the existing shareholders. Further, the Company seeks to have a board authorization in place at all times, which will allow the Board to resolve to issue new shares on short notice. Such authorizations may, inter alia, be used in relation to acquisitions. Utilization of such board authorizations will have a dilutive effect for existing shareholders. Depending on the structure of any future fund raising, existing shareholders may not be able to purchase or subscribe for additional equity securities. If the Company raises additional funds by issuing additional shares or other equity securities, the relative holdings and voting interests and the financial interests of the shareholders may be diluted.
- **Shareholders may not be able to exercise their voting rights for shares registered in a nominee account**  
Beneficial owners of the shares that are registered in a nominee account or otherwise through a nominee arrangement (such as brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names in the VPS prior to any General Meeting. The Company cannot guarantee that beneficial owners of the shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or otherwise instruct the VPS Registrar to vote their shares in the manner desired by such beneficial owners.
- **The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions**  
None of the shares have been registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States and other jurisdictions may have difficulty enforcing any judgment obtained in their local jurisdiction against the Company or its directors or executive officers in Norway.



Cloudberry is a renewable energy company, born, bred, and operating in the Nordic and in accordance with local traditions.

We own, develop, and operate hydropower plants and wind farms in Norway and Sweden.

We are powering the transition to a sustainable future by providing new renewable energy today and for future generations.