

FINANCIAL STATUS 2021

**Report on the financial position of the Company
since the Annual General Meeting,
pursuant to Article 3, paragraph 13b and
Article 4, paragraph 12b of the Articles of Association**

and

OPERATIONS, FINANCIAL AND INVESTMENT BUDGET 2022

**Proposed budget for the coming fiscal year for approval,
pursuant to Article 3, paragraph 13c; Article 4, paragraph 12c,
and Article 9, paragraphs 1-4 of the Articles of Association**

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1. Summary

Pursuant to the Articles of Association of the Company, SEV shall submit a report on the fiscal status of the Company for 2021, and the Operations, Financial and Investment Budget for 2022 shall be approved. The 2022 Operations, Financial and Investment Budget is structured as a consolidated corporate concern budget, wherein the daughter companies are consolidated (integrated) within the parent company budget and the inter-company transactions, current accounting, etc. are excluded.

1.1. Financial position since the Annual General Meeting and the trends for 2021

The 2021 budget was reviewed and approved at the Extraordinary General Meeting held on 27 November 2020.

The financial position for 2021 is based on the accounts as at 30 September 2021 and a forecast of the economic trends predicted for the fourth quarter to generate a total evaluation of the trends in 2021.

No electrical pricing changes were carried out in 2021.

The Company anticipates an operational profit in 2021 of some DKK 77.4 million before taxes. After taxes, the result is expected to be DKK 63.5 million and this is DKK 12.8 million greater than budgeted.

The reason that the result was better than budgeted stems from especially higher income from the sale of kWhs for DKK 25.7 million and greater connection fees of DKK 22.0 million. Oil expenses are higher based on the fact that the price for oil has increased over the last several years and that the Company has used considerably more heavy oil in production than budgeted stemming from the good weather that occurred in the spring and summer, plus the fact that SEV produced considerably more electricity than the previous year. Also, for a period of time, SEV consumed a significant amount of gasoil at the Sund power plant in connection with the necessity of having to return a load of oil to its supplier based on the poor quality of the oil. Oil expenses are forecast to be DKK 176.3 million, which is DKK 41.1 million higher than budgeted. This is the highest cost of oil that the Company has ever had.

The forecast cost for goods and services is DKK 59.7 million, which is DKK 3.1 million lower than budgeted. The costs for wages are forecast to be DKK 81.6 million, which is DKK 0.9 million higher than budgeted. Forecast depreciation costs are DKK 157.9 million, which is DKK 0.2 million higher than budgeted, and interest expenses are DKK 40.4 million, which is DKK 10.3 million lower than budgeted.

The distribution among the various energy resources is forecast to be 61.8% from oil, 38.2% from green energy sources, hereof 24.3% from hydropower and 12.5% from wind and 1.4% from tidal energy, biogas, and solar energy.

Moreover, the wind turbines owned by the windfarm at Neshagi were plagued with generator failures and this impacted the production of electricity from wind the wrong way.

Total production in 2021 is expected to grow by 4.1%.

The expectation is that the production of electricity from renewable resources shall increase in the future. This is a challenge and even with future windfarms planned expansion is going too slowly, especially given the unusual steady increase in total production at present. Therefore, SEV is also working on projects designed to support the “green course”, for example, an offshore windfarm east of Nólsoy island, the pumping system in the Vestmanna area, plus the solar project in Sumba and the tidal current projects in Vestmanna Sound.

Investment in 2021 was forecast to be DKK 231.8 million, compared to a budgeted DKK 307.2 million, which is DKK 75.4 million less. This lower investment is distributed over several areas. The intent was that the Company would draw down some DKK 90 million against the loan facility that the Company had obtained from the financial institutions, but when actual investment proved lower than budgeted and the timing of additional investment was delayed, it proved unnecessary to tap the loan facility in 2021. Cash-on-hand is forecast to be DKK 157.9 million at year-end. Moreover, the Company has access to a line of credit from financial institutions of around DKK 420.0 million for near-term investment and liquidity that the Company obtained in 2016 and in 2019.

In total, the Company has access to cash-on-hand and drawing rights of some DKK 577.9 million at year-end. Thus, the Company has good liquidity.

The ratio of net debt to EBITDA is forecast to be 5.4; the ratio of share equity to total assets is 44.7%. Thus, SEV is well within the permitted the key-figure ratios stipulated by financial institutions, which is nine times and higher at 35.0%.

The management of the Company, i.e. the Board of Directors and the Managing Director, is satisfied with the financial status and the fiscal result of the Company for 2021. In addition, management is satisfied that the net debt (NIBD) to earnings (EBITDA) is below the stipulated “in-house” ratio goal of a factor of 6 (ratio of 5.4) and the share equity as well is within the “in-house” goal of 40.0% (44.7%).

1.2. Operations, Financial and Investment Budget 2022.

No electricity price changes are envisioned for 2022. The Company expects an operational profit in 2022 of DKK 65.0 million before taxes. After tax, the result is expected to be DKK 53.3 million.

Electricity sales are expected to increase in 2022 by around 4.8% and thus production will also increase. Net revenue is expected to be DKK 588.2 million. Oil costs will be at a high level at around DKK 159.7 million, which is, however, less than the projected costs for 2021.

The costs for goods and services are budgeted to be DKK 61.7 million, which is lower than the forecast costs for 2021. Wage costs will increase by the normal wage increases, individual reassignments/distribution, as well as certain individuals are expected to be hired. The budget sets wage costs at DKK 83.7 million, which is somewhat higher than the forecast costs in 2021.

Depreciation is budgeted at DKK 158.4 million, compared to a forecast DKK 157.9 million for 2021. The reason for this increase in depreciation expense is the investment the Company will undertake.

Net interest expense is budgeted at DKK 59.6 million, which is higher than the forecast cost for 2021. The reason for the increase in net interest expense is the increase in loan facilities for investment undertaken by the Company and the cost of refinancing current debt and drawing rights.

The costs associated with the refinancing of bank loan facilities and the costs associated with undertaking new debt for investment in the coming years is included in the net interest costs for 2022. There is no set aside for the valuation adjustments for the financial instruments.

Investment for DKK 381.4 million is planned. In addition, there are plans to execute additional loan facilities of some DKK 190.0 million against current drawing rights. Long-term debt is anticipated to be DKK 1,788 million at year-end 2022.

At year-end 2022, it is anticipated that the Company will have cash-on-hand of DKK 132.6 million at year-end 2022 plus drawing rights of some DKK 1,248 million from the financial institutions, or, in total, DKK 1,411.6 million. These funds shall be used to repay debt in 2023 of DKK 336 million, for investment in the coming years and to maintain liquidity of the Company. Thus, the Company has good liquidity and can meet its obligations.

Net debt (NIBD) compared to the operational income of the Company (EBITDA) is a factor of six, which is within the permitted in-house amount and well within the highest permitted factor stipulated by the financial institutions, which require a factor of nine.

Owner equity compared to total assets equalled 43.3%, which means that SEV is within the most permitted in-house ratio requirement for owner equity of 40.0% and well within the requirement stipulated by the financial institutions which is 35% (previously 37.5%).

The Board and Management is satisfied with the budgeted result for 2022 and with the economic prospects of the Company in the coming years.

2. The following shall be laid before SEV's Extraordinary General Meeting on 26 November 2021:

2.1 For discussion and review:

Fiscal trends since the Annual General Meeting and the financial status for 2021, pursuant to § 3, paragraph 13b and § 4, paragraph 12 b of the Articles of Association.

2.2 For Approval:

Operations, Financial and Investment Budget for 2022, pursuant to § 3, paragraph 13c and § 4, paragraph 12c and § 9, paragraphs 1-4, hereunder:

- 1) That the kWh price for all customers remain unchanged. The prices for 2022 will be as shown in the Company's pricing schedule, effective as at 1 January 2022. See www.sev.fo – prices.
- 2) Fixed fees and connection fees will remain unchanged and will be as shown in the current pricing schedule, effective as at 1 January 2022. See www.sev.fo – prices.
- 3) That the fixed compensation for the Chairperson of the Board of Directors be DKK 12,612 per month, the Vice-chairperson DKK 9,459 per month, and individual Board members DKK 6,306 per month. Moreover, for each meeting in which the Board

members participate on behalf of the Company, that the Board members receive a meeting allowance consistent with the Civil Servants Wage Agreement. The costs associated with travel, etc. will be refunded to the Board members.

- 4) That Board members of SEV who sit on other boards of the Company, e.g., other subsidiaries of SEV or building committees or the like shall be compensated based on the extent of the work involved. However, there shall be no extra compensation for Board work undertaken in the windfarm subsidiaries of the Company.

- 5) That investment in 2022 be a total of DKK 381.4 million, hereunder:

- a. That the Extraordinary General Meeting grant the Company's Board the authority to allocate up to DKK 29 million in 2022 for the study, initial project management and other preparation work relative to the project to construct a pumping system for the central region of the country for a total cost of up to DKK 1,200 million during the period 2022 through 2028. The intent is that the owners of the Company should take a decision about the project in a forthcoming Annual Meeting late in 2021 or in the first quarter of 2022.
- b. That the Company's Board itself can determine how the long-term expansion of the grid for the period 2022-2025 shall be designed and managed, including the time-period, priority, tenders, etc. for a total cost of DKK 560.3 million, as detailed in the chart below. Specifically, the Extraordinary Annual Meeting shall only address the amount of investment stipulated for 2022.

Investment per year	2022	2023	2024	2025	Total
Millions DKK	201.2	134.1	155.1	70.1	560.3

- c. That the Company's Board, as a part of the long-term expansion of the grid during the period 2022-2025 for some DKK 560.3 million as describe above, itself can determine how the construction of the new coupling stations and the updating of the existing coupling stations over four years shall be organized, including the timeframe, priority of construction, tenders in connection with the construction, etc. for a total cost of DKK 410.4 million over the time period, as detailed in the chart below. Specifically, the Extraordinary Annual Meeting shall only address the amount of investment stipulated for 2022.

Investment per year	2022	2023	2024	2025	Total
Millions DKK	112.7	113.6	134.6	49.6	410.4

- 6) That the Extraordinary General Meeting approves and grants the Board permission/authority for the period 2021 through 2023 to direct SEV (herein including the subsidiaries of SEV) to initiate the work to extend current financing and/or take on new financing of up to DKK 1,400 million (budgeted DKK 1,340 million) for the refinancing at a time deemed prudent of current debt of the Company (herein including the subsidiaries of the Company). The Board at the same time shall be

granted authority to itself determine from which financial institution or institutions said new investments shall be obtained, herein possible financing from the US Private Placement Market, other markets, bank financing or other financing. In addition, the Board shall be granted authority to itself determine the terms and conditions of in connection with the extension of current financing and in connection with the undertaking of new financing, including the term length of the loan and other loan conditions, as noted below in Note 1.

NOTE 1:

This authority replaces the authority granted SEV from the Annual General Meeting on 27 November 2020, pursuant to Paragraph 5, Proposal B, the board in the period 2021 through 2022 was granted permission/authority to undertake new financing of up to DKK 1,000 million for the refinancing at a time deemed prudent of current debt of the Company. Proposal A) above amounts to up to DKK 1,400 million and the time period to get the financing in order is from 2021 through 2023.

- 7) That the Extraordinary General Meeting approves and grants the Board permission/authority for the period 2021 through 2023 to direct SEV (herein including the subsidiaries of SEV) to undertake new financing of up to DKK 800 million (budgeted DKK 760 million) for investment and liquidity of SEV (herein including the subsidiaries of SEV). The Board at the same time shall be granted authority to itself determine from which financial institution or institutions said new investments shall be obtained, herein possible financing from the US Private Placement Market, other markets, bank financing or other financing. In addition, the Board shall be granted authority to itself determine the terms and conditions in connection with the financing, including the term of the loan and other loan conditions, as noted below in Note 2.

Note 2:

This authority replaces the authority granted SEV at the Extraordinary General Meeting held on 27 November 2020 where the Board for the time period 2021 through 2023 pursuant to Paragraph 5, Proposal C, was granted permission/authority to undertake new financing of up to DKK 1,200 million for the financing of investments and for ensuring the liquidity of SEV.

- 8) That the Extraordinary General Meeting approves and grants the Board permission/authority for the period 2020 through 2023 to consult (herein to approve the negotiations of Management) and to enter into agreements of whatever kind with current and/or new loan providers of SEV and to amend said loan agreements of SEV as may exist from time to time (herein including the subsidiaries of SEV), including but not limited to relevant financial key figures, such as NIBD/EBITDA and Equity-ratio and other aspects that the Board deems relevant.

Note:

This is a repetition of the authority, that the Board was granted pursuant to Paragraph 5, Proposal D at the Extraordinary General Meeting held on 27 November 2020 with the permission/authority time period from 2020 through 2023.

- 9) Consistent with the Extraordinary General Meeting held on 28 June 2019, that SEV may increase the share equity by some DKK 20.0 million (budgeted DKK 17.7 million) in the P/F Neshagi windfarm [P/F Vindfelagnum í Neshaga] in connection with the erection of the windfarm at Porkeri.

- 10) Consistent with the Extraordinary General Meeting held on 28 June 2019, that SEV may offer P/F Neshagi windfarm a long-term loan of some DKK 70.0 million (budgeted DKK 53.3 million) in connection with the windfarm at Porkeri.
- 11) Consistent with the Extraordinary General Meeting held on 28 June 2019, that SEV may increase the share equity by some DKK 35 million (budgeted DKK 33.8 million) in P/F Neshagi windfarm in connection with the erection of a windfarm at Eiði.
- 12) Consistent with the Extraordinary General Meeting held on 28 June 2019, that SEV may offer P/F Neshagi windfarm a long-term loan of some DKK 120 million (budgeted DKK 101.5 million) in connection with the windfarm at Eiði.
- 13) That the Extraordinary General Meeting approve and grant the Board the permission/authority to place up to DKK 15 million in new share capital and/or security capital in P/F Fjarhitafelagið, however, conditioned on that the Tórshavn Municipality places a comparable amount in P/F Fjarhitafelagið. In addition, the Board is granted the authority to itself determine the detailed conditions relative to the possible placement of the share capital and/or security capital in P/F Fjarhitafelagið.
- 14) That the Extraordinary General Meeting approve and grant the Board the permission/authority to place up to DKK 10 million in new share capital and/or security capital in a new company that shall be responsible for the erection of the sea-based offshore windfarm east of Nólsoy. In addition, the Board is granted the authority to itself determine the detailed conditions relative to the possible placement of the share capital and/or security capital in the new company.
- 15) That SEV in 2022 continue with the sale of electricity for electric vehicles and heat pumps and that the Board in this connection be granted the authority to itself determine how such sales of electricity shall be organised in all aspects, including herein the stipulation of the kWh price, the fixed fee, the connection fee and other relevant terms and conditions.

3. Financial position since the Annual General Meeting and the trends for 2021

Pursuant to the Articles of Association of SEV – § 3, paragraph 13b and § 4, paragraph 12b – the Board of Directors shall submit to an Extraordinary General Meeting in the autumn of each year a report on the Company's fiscal position and the economic trends since the last Annual General Meeting. Below, in addition to a discussion of the overall economic trends experienced since the last Annual General Meeting, is an analysis of the anticipated activity for the remainder of the year, culminating in a forecast of the expected result for 2021.

Below is the projected result for 2021. Also shown are deviations from the 2021 budget and projections. The account entries for 2021 are complete and up-to-date but have not been audited. Also, entry adjustments and accounting adjustments are probable before the numbers are finalized.

The Table below shows verified operational data for 2016-2020 and verified and forecast data for 2021 in DKK million.

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Concern Budget 2021	Forecast 2021	Difference between Budget and Forecast
Net turnover	420.3	432.3	427.53	508.8	550.4	548.8	592.6	43.8
Oil expenses	50.9	84.7	105.8	143.9	164.5	135.2	176.3	-41.1
Goods & services	59.3	53.9	50.4	57.5	59.9	62.8	59.7	-3.1
Wages	66.5	67.4	74.2	81.3	83.2	80.7	81.6	0.9
Result before depreciation & write-downs	243.6	226.3	197.1	226.2	242.8	270.1	275.0	4.9
Depreciation	93.2	102.7	115.1	133.6	141.4	157.8	157.2	0.5
Result before interest. etc.	150.4	123.5	82.0	112.6	101.4	112.4	117.8	5.4
Net interest expense & value adjustments	48.3	32.9	34.6	37.0	40.2	50.6	40.4	10.3
Result before tax	102.1	90.6	47.3	75.6	61.2	61.7	77.4	15.6
Tax on result	9.3	1.6	9.2	13.2	11.4	11.1	13.9	-2.8
Annual result	92.8	89.0	38.1	62.4	49.8	50.6	63.5	12.8

The annual result for 2021 is forecast to be an operational profit before taxes of some DKK 77.4 million. After taxes, it is anticipated that the result will be around DKK 63.5 million. Forecasts by their very nature embrace some doubt, but in this case SEV truly expects that its profit will not be less than DKK 60 million before tax.

In March 2020, when the Corona pandemic actually broke out in the Faroe Islands and other places around the globe, various steps were undertaken with the goal of maintaining the operations and investments of SEV, which included increasing the frequency of accounting for income, expenses, and investments. In short, it can be noted that the Corona virus did not impact the Company's operations and investments in any significant way in 2021.

The Company originally planned on a result for 2021 before taxes of DKK 61.7 million. Now projections indicate that the Company will experience a better operational result than budgeted of DKK 77.4 million before taxes, corresponding to a higher profit than budgeted of some DKK 15.6 million before taxes.

As the Table above shows, there are several deviations in the various line items in operations. EBITDA is DKK 4.9 million higher than budgeted as a result of a higher net revenue and higher oil expenses.

Forecast oil expenses, including urea, gasoil, and lubricating oil, is DKK 176.3 million. This is DKK 41.1 million more than budgeted. The reason for this is that the Company used considerably more heavy oil than budgeted, as well as the valuation adjustments for oil storage consistent with actual current values. The growth in sales and thus production has been significant throughout the year and total sales have set a record.

Goods and services are forecast to be DKK 59.7 million, which is DKK 3.1 million lower than budgeted. Wages are forecast to be DKK 81.6 million, which is DKK 0.9 million higher than budgeted.

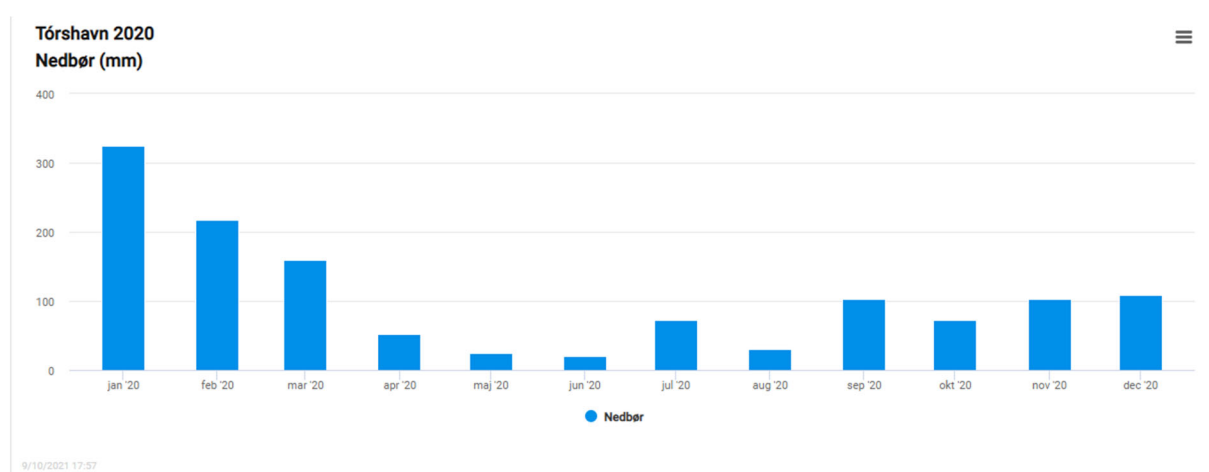
Depreciation is forecast at DKK 157.2 million, which is DKK 0.5 million less than budgeted. Depreciation in the budget is based on the depreciation-year requirements stipulated by the Electricity Production Commission. It can be noted that depreciation is consistent with the budget, however, with less investment than budgeted. On the other hand, several more work-in-progress projects were completed and transferred to the depreciation account than budgeted.

Interest expense is DKK 40.4 million, which is DKK 10.3 million less than budgeted. The reason for this is that the planned refinancing of current debt and the undertaking of new financing was postponed to the first quarter of 2022, especially because the work underway to revise the structure of the electricity sector. Moreover, the valuation adjustments of the financial instruments held by the Company were included in the interest expense.

On the other hand, projections indicate a reduction in loan facilities based on less investment than budgeted and this was done to hold costs down.

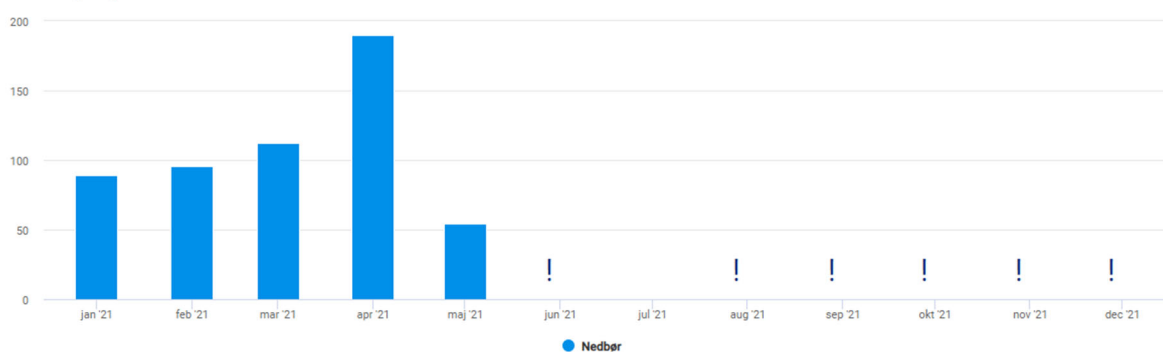
3.1 Electricity sales and production

The weather varies from year to year and thus impacts the production of electricity from hydropower and wind, which fluctuates both up and down.





Tórshavn 2021
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The Tables above from DMI (Danish Meteorological Institute) shows how much rain fell in 2020 and to May 2021. As the charts show, the rainfall in the first three months of 2021 was much less than in 2020, but in April the rainfall was considerably more than in 2020. Altogether, the summer experienced little to no rainfall, while at the same time there was but little wind. This, of course, impacts the production of electricity from hydropower and wind.

This is also revealed in the Table below that shows the distribution of electricity production.

The Table below shows the production of SEV to date this year in GWh. The Table also shows production over the last twelve months. The same time period for the previous year is provided for comparison.

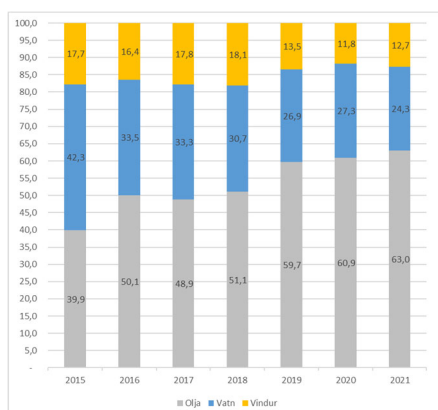
	Jan-Sep 2021	Jan-Sep 2020	Difference in %	Difference in GWt	Oct 2020 to Sep 2021	Oct 2019 to Sep 2020	Difference in %	Difference in GWt
Wind	36.8	34.4	7.0	2.4	49.5	49.4	0.3	0.1
Hydropower	58.4	68.6	-14.8	-10.1	98.5	105.2	-6.3	-6.6
Thermal	208.3	192.7	8.1	15.6	265.1	250.5	5.8	14.6
Biogas	4.4	0.2		4.2	5.6	0.2		5.4
Solar	0.2	0.2	4.8	0.0	0.2	0.2	11.2	0.0
Tidal current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	308.1	296.0	4.1	12.1	418.9	405.4	3.3	13.5

Comparing the period October 2019 to September 2020 with October 2020 to September 2021, it is evident that production has increased by 13.5 GWh or 3.3%. So far in 2021, production has increased by 12.1 GWh or 4.1%.

If one observes the production data for the last six years, the data presents as the bar chart below shows.



[Oil, Hydro, Wind]



For 2021, the first nine months are actual, while the last three months are an average of the last three months of the last five years.

The bar chart shows the distribution among wind, hydropower, and thermal energy production each year from 2015 through 2021.

Thus, projections indicate that production of green energy will be lower in 2021 than in 2020, and the green energy portion will be less than 40% when the year is over.

The Table below shows the trend in booked sales to the customers of the Company, grid loss and own-use and production in GWh over the last five years.

Moreover, the budgeted and forecast figures for 2021 are shown.

Booked sales in GWh	2016	2017	2018	2019	2020	Concern Budget 2021	Forecast 2021	Difference
Booked sales to customers in GWh	291.4	306.5	320.5	350.4	370.4	373.8	387.1	13.3
Grid loss and own use in GWh	26.0	27.8	31.5	35.7	36.4	35.3	35.3	0
Total production in GWh per year	317.4	334.3	352.0	386.1	406.8	409.1	422.4	13.3
Thermal	158.9	163.4	180.1	230.0	249.4	223.5	260.8	37.3
Hydro	106.3	111.2	108.1	103.5	108.7	117.0	102.5	-14.5
Wind	52.1	59.7	63.8	52.6	47.1	67.7	52.9	-14.8
Biogas, Tidal current, Solar	0	0	0	0	1.6	0.9	6.2	5.3
Green portion totals	158.4	170.9	171.9	156.1	157.4	185.3	161.2	-24.1
Green portion %	49.9	51.1	48.8	40.4	38.7	45.4	38.2	7.2% decline
Growth in electricity usage in %	1.1	5.2	4.6	9.3	5.7	2.0	4.5	2.5% increase

For 2021, electricity production was budgeted at 409.1 GWh. Production is forecast to be 422.4 GWh or 13.3 GWh more. Electricity production from renewable energy resources was budgeted at 185.3 GWh (45.4% from green energy resources), but this production is now forecast to be 161.2 GWh, or 38.2 GWh less. The thermal power plants were expected to produce 223.5 GWh, but now production is forecast to be 260.8 GWh, or 37.3 GWh more.

Thus, electric power produced from green energy sources is forecast to be 38.2%, while thermal power is forecast to be 61.8%

Thus, SEV is somewhat less green than in 2020, when green energy production was 38.7%, which was the lowest over the last five years. The reason stems from growth in electricity

consumption and reduced growth of green production from hydro and wind. This corresponds also to the booked figures, based on the last twelve months, as shown above.

In 2021, an increase in customer sales was budgeted, especially industrial customers in fish farming and the production of fish products. Also, an increase was projected in electricity consumption of ordinary private customers.

Now it would appear that the decline has stopped, and the forecast figures indicate that the Company will generate 387.1 GWh in sales to its customers, compared to 373.8 GWh, which is 13.3 GWh more. The consumption of customers engaged especially in fish farming, etc. contributed to much of the growth, while sales to customers in fish product production remained constant. Otherwise, there was growth in sales to business and restaurants and public offices. Sales to private customers is as budgeted.

Grid loss and own-use is estimated to be 35.3 GWh, of which SEV itself has estimated to use around 10.4 GWh in own-use. Thus, grid loss is projected to be 24.8 GWh, corresponding to 6.4% of sales to all customers.

3.2 Revenue 2021

There are three main factors that influence SEV's gross revenue: 1) changes in the price of electricity, 2) changes in electricity consumption, and 3) shifts by a customer from one pricing group to another.

The Table below shows SEV's net revenue over the past few years in DKK million and forecast numbers for 2021.

Net revenue in DKK millions	2016	2017	2018	2019	2020	Concern budget 2021	Forecast 2021	Difference
KWh fee	392.7	393.1	402.2	470.0	522.8	526.7	552.4	25.7
Fixed fee	16.6	16.8	17.0	17.4	18.0	18.8	19.2	0.4
Connection fee	8.0	27.4	9.2	24.0	11.2	6.0	28.0	22.0
Other	5.3	-2.2	1.7	-0.3	2.2	0.0	2.0	2.0
Income	422.6	435.1	430.2	511.1	554.2	551.5	601.6	50.1
Purchase of wind power	-2.4	-2.8	-2.7	-2.3	-3.8	-2.7	-9.1	-6.3
Net revenue	420.3	432.3	427.5	508.8	550.4	548.8	592.6	43.8

As the Table above shows, the Company's revenue has grown from 2016 through 2021. The forecast indicates DKK 592.6 million in net revenue, which is DKK 43.7 million more than budgeted.

The price per kWh of electricity for all customers was unchanged in 2016. Subsequently, the price was lowered for all customers by DKK 0.05 per kWh in 2017 and again in 2018 by DKK 0.05 per kWh, with the exception of the "industrial customers". For 2019, the price increased by DKK 0.10 per kWh for all customers and in 2020 the price of electricity increased by DKK

0.05 per kWh for all customers except the industrial customers, wherein the price increased by DKK 0.10 per kWh. No price increases were carried out in 2021.

The increased revenue flowed from an increase in the sale of kWhs, price increases in 2019 and 2020 and from connection fees, especially in 2017, 2019 and again in 2021. The increase in connection fees stemmed from the major expansion in the business and public sectors experienced over the last few years. The fixed fees remain unchanged, but the income from these fees steadily increases as more and more customers enter the electric system.

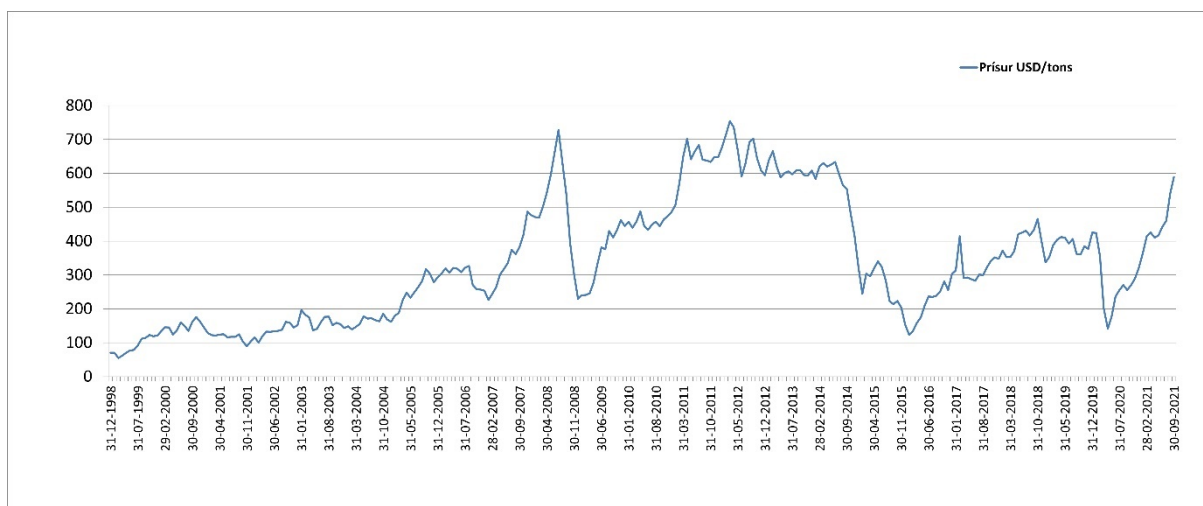
It is difficult to predict more precisely the level of sales because SEV's revenue stream is conditioned on which customer group generates sales. This varies from group to group. It also varies relative to how customers' electricity consumption is distributed over the year. Generally, more electricity is consumed during the dark months of the year, especially by SEV's private customers.

3.3 Operational expenses

The operational expenses of the Company are oil costs, goods and services, wages, depreciation, and interest. These costs are discussed in more detail below.

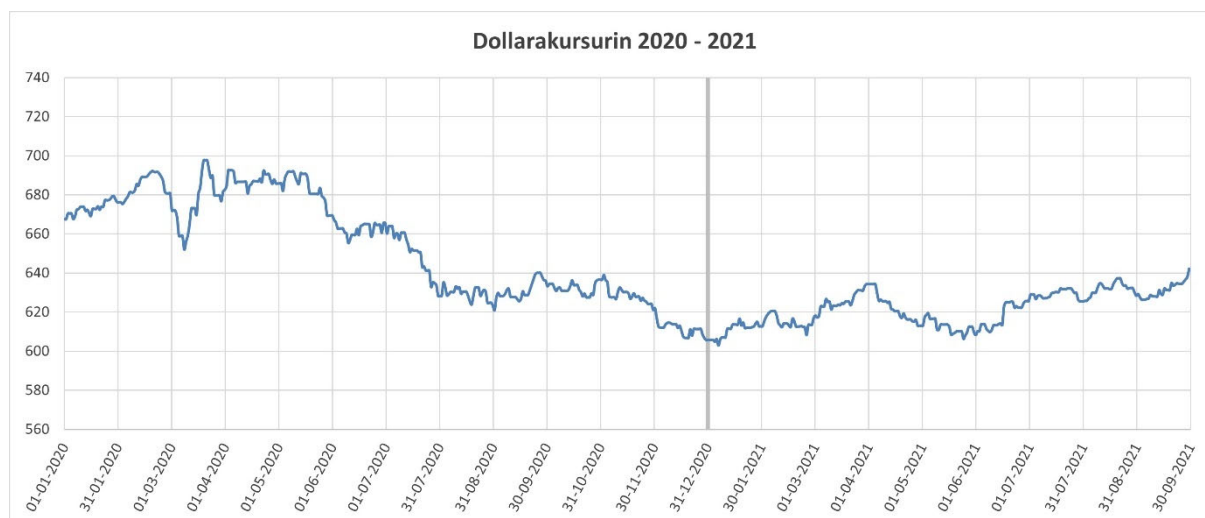
3.3.1 Oil expenses

The Table below shows the trends in oil prices (dollar per tonne of heavy oil) over the last few years and through 30 September 2021. The average price per tonne of heavy oil in January 2021 was USD 366.00. The oil price through 2021 increased and at the end of September 2021 was USD 589.00 per tonne of heavy oil. The average market price for January through September 2021 has been USD 451.00 per tonne.



The Table below shows the trends in the dollar exchange rate since January 2020 through September 2021. It can be seen here that the dollar exchange rate at the end of September is higher than at the beginning of the year.

Since the turn of the year 2020-2021, when the exchange rate was DKK 6.05 per dollar, the dollar exchange rate rose through April and subsequently fell somewhat, and from June the dollar has increased whereby at the end of September it was DKK 6.42 per dollar.



Good weather in the spring and summer has impacted the “green” part of electricity production such that it has been less than the previous year. Moreover, the wind turbines at the Neshagi windfarm were afflicted with mishaps that also impacted the production of electricity from green energy sources the wrong way. Moreover, the demand for electricity is quite significant at present.

The Table below shows the projected costs of oil for all of 2021. It shows a greater total cost of some DKK 41.1 million, wherein the greater cost particularly stems from heavy oil.

Oil	Budgeted consumption in tonnes	Budgeted cost	Budgeted average cost	Forecast consumption	Forecast cost	Booked avg. price	Forecast more consumption	Cost excess
Gasoil	1,200	8,640	7,200		13,658			5,018
Lubricating oil	240	5,040	21,000		2,319			-2,721
Urea	1,800	3,780	2,100		4,107			327
Heavy oil	46,933	117,721	2.51	54,778	156,185	2.82	7,845	38,464
Total	50,173	135,181	-	-	176,271	-		41,090

Pursuant to the adopted accounting principles of the Company regarding the valuation of the heavy oil held in storage, the oil storage inventory shall be adjusted from time to time to the then current market price. This means that the value of the oil held in storage by SEV changes from month to month, consistent with the trends in the market price of heavy oil. Thus, this reflects only a booked cost, not a realized cost.

As at 30 September 2021, SEV has booked an unrealized expense adjustment for the oil inventory of DKK 2.9 million, based on the increases in the price of oil. The valuation adjustment of the oil storage inventory is set in the budget as at year-end. The final numbers reflecting the adjustments will not be available until year-end.

On the other hand, SEV's purchase price of heavy oil for 2021 will not be impacted by the unrealized adjustment of the oil storage inventory because SEV has price hedged the budgeted amount of heavy oil at a fixed price per tonne of heavy oil, while at the same time the Company has purchased US dollars at a fixed price to be used for the purchase of oil.

From the time when the 2021 budget was created during October and November 2020 up to the date of the price hedging undertaken by SEV in January and February 2021, the price of heavy oil increased, thus impacting the purchase price of oil compared to the original budget.

The Table below provides an overview of the price hedging of the total hedged oil purchases for 2021.

Time period	Tonnes	Amount in %	Price for oil in USD
2017 January	5,622	10.3	330.30
2018 February	978	1.8	374.00
2019 March	5,100	9.3	354.40
2020 January	7,112	13.0	374.00
2021 January	7,000	12.8	374.00
2021 February	21,300	39.0	392.00
2021 June	7,500	13.7	439.00
Total	54,612	100.0	383.60

- 1) In addition, comes the costs for insurance, transport, handling, and profit to the oil suppliers.

SEV anticipates consuming around 55,000 tonnes of heavy oil and the oil is purchased as the table above shows. In the 2021 budget developed in October-November 2020, a cost of some USD 284 per tonne was calculated for the part of the oil purchase that was not hedged and this amounted to some 21,300 tonnes. This cost was included in the financial budget. In addition, comes the payment to the oil supplier, customs fees, and duties.

The mentioned portion of the oil purchase of some 21,300 tonnes was price hedged in February 2021 for a cost of around USD 392.00 per tonne, corresponding to a higher purchase price of some USD 108.00 per tonne more than budgeted, equalling to DKK 13.1 million more than projected in the budget, based on a lower price level for oil in the autumn of 2020 and increasing oil prices around the turn of the year 2020/2021.

Moreover, in June 2021, SEV hedged an extra purchase of oil of some 7,500 tonnes for a price of USD 439.00 per tonne such that the strategy for price hedging was followed, corresponding to at least 80% of the projected oil purchase being hedged.

Through this strategy of hedging the purchase of oil, SEV has tried to protect itself against possible swings in the price of oil and the dollar exchange rate for the purchase of oil. On the other hand, the Company cannot protect itself from fluctuations in oil consumption. It is extremely important to limit the swings in this particular expense category because these costs represent a major portion of the total costs of the Company. These costs are directly linked to the price adjustments in the world market, as well as changes in the consumption of electricity and the fluctuations in production of electric power from wind and hydropower. The oil price paid by SEV is linked to the commodity market price index for oil and the US dollar exchange rate.

On the other hand, the price of oil on the spot market when the oil is purchased can either be higher or lower than the stipulated hedged price. This means that SEV either receives funds from the insurer underwriting the hedge agreement or must pay the insurer relative to the market price at the time of the oil purchase. The same holds true for the purchase of dollars at term. It is commonly understood that when the price of oil goes up the cost of a dollar goes down and vice-versa.

It has been necessary to produce electricity with gasoil at the small power plants to meet the demand of electricity power and to ensure grid stability.

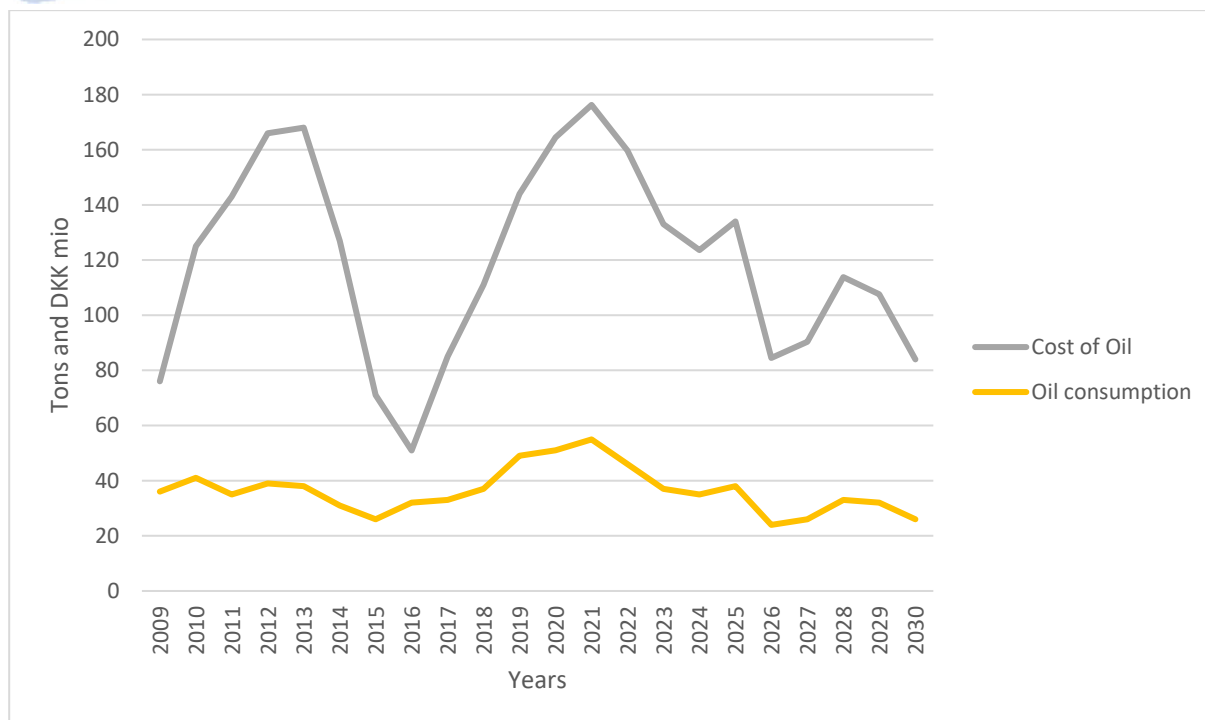
The thermal power plants are anticipated to consume some 1,200 tonnes of gasoil, but the forecast for 2021 indicates the plants will consume some 2,417 tonnes or 1,217 tonnes more.

The reason for this is that the Sund Power Plant burned gasoil for some days in September this year instead of heavy oil, because the heavy oil that was procured could not be used and SEV had to send the oil back. SEV procured the gasoil for the purchase price from the oil supplier, who thus took upon itself a portion of the cost for the damaged heavy oil. In this connection, it is estimated that SEV burned around 1,700 tonnes of gasoil during the days while SEV awaited a resupply of heavy oil from the oil supplier. In contrast to previous years, it has not been as necessary to ensure electricity production with the help of the small power plants that burn gasoil. Anticipated gasoil costs are projected at DKK 13.7 million at year-end for normal consumption, which is higher than budgeted.

The thermal power plants were budgeted to consume 46,933 tonnes of heavy oil, but the forecast for 2021 indicates the plants will consume 54,778 tonnes. This is 7,845 tonnes more than budgeted. The principal reason for this discrepancy is the good weather in spring and summer, which resulted in but little rainfall. The cost for the greater consumption of heavy oil is projected to be DKK 38.5 million, including the value adjustment for SEV's oil storage.

The cost of lubricating oil and urea is as budgeted.

The Table below shows the trend in booked oil costs and oil consumption from 2009-2020 and the forecast/projected and budgeted costs for 2021 through 2030.



The Table above shows that both the amount and cost of oil is the highest that SEV has experienced compared to the previous year. Thus, it is of great importance to convert as much as possible the thermal power plants from being primary electricity production power plants to being just back-up power plants. If it is possible to convert from thermal power sources to green energy sources, which have a lower cost of production, this will reduce the overall cost of production and increase the chance to reduce the price of electricity for customers.

3.3.2 Goods and services

Total cost for goods and services was budgeted at DKK 62.8 million, but this is forecast to be DKK 59.7 million, or DKK 3.1 million less. This decrease in goods and services can be further broken down such that the production plants used DKK 0.3 million less, the grid DKK 1.9 million more, and administration used DKK 0.9 million more than originally budgeted.

SEV continues to focus on a tight management of the resources of the Company, where each and every department scrutinizes how funds are allocated. This balancing effort means that some undertakings are revised or postponed. In addition, changes were made to various projects.

3.3.3 Wages

The total cost for wages was budgeted at DKK 80.7 million, while the forecast indicates a cost of DKK 81.6 million – corresponding to an increased spend of around DKK 0.9 million. This increase breaks down thusly: DKK 3.2 million decrease in production operations; DKK 5.2 million increase in grid-related activities; and the administrative spend was DKK 1.2 million less.

The lower wage costs for production operations partially stems from less maintenance work on the motors, as well as fewer operational endeavours at the power plants this year than the previous year due to the new Station 3.

However, considerable effort was expended relative to the oil that was received in the summer which proved necessary to ship back.

The higher wage expense for grid-related activities, in the main, reflects that more people are employed, more maintenance work has been done than planned and a smaller proportion of the work has been booked as investment. The wage expense projected for the grid was likely underestimated in the 2021 budget, and in addition it is likely that a part of the wage expenses in production and grid are levelled at the end of the year when the final calculations are done.

Wage expense for administration is DKK 1.2 million less than budgeted.

3.3.4 Depreciation

Depreciation was budgeted at DKK 157.7 million and is projected to be DKK 157.2 million, which is DKK 0.5 million less than budgeted. Fewer investments were undertaken than budgeted, but several work-in-progress projects were done and transferred to the depreciation account than expected. Given this, the depreciation was as originally planned in the budget.

3.3.5 Interest and valuation adjustments of share capital

Net interest costs were budgeted at a total of DKK 50.6 million. The projected amount equals DKK 40.4 million, corresponding to decrease of DKK 10.3 million. The reason for this was that fewer investments than budgeted were undertaken in 2021, and this impacted the associated costs in a positive direction, given that the need to access the drawing rights that SEV had arranged was not as great in 2021 as budgeted. Moreover, included is the budgeted payment for the refinancing of the current debt of the Company, but this effort is postponed until the first quarter of the coming year and thus the associated costs are not as high as budgeted. This cost will occur in the coming year.

3.3.6 Taxes on the annual result and deferred taxes

The 2021 budget projected a tax on the result of DKK 11.1 million. The forecast numbers for 2021 incorporate deferred taxes, corresponding to 18% of the annual result. The forecast tax for 2021 is DKK 13.9 million. This tax will not be paid but is set aside and booked as a debt of the Company under reserves set aside for deferred taxes. This debt at the beginning of the year was DKK 3.5 million and, with the growth of the reserves for 2021 deferred taxes, the debt at year-end 2021 will be DKK 17.7 million.

Deferred taxes have no impact on the liquidity of the Company before these taxes become due and payable. The Company anticipates that it will not have to pay taxes on the annual result in the coming years, based on the fact that the Company currently has a significant tax deficit that offsets the annual tax obligation on earned revenue.

3.4 Investment, financing, and liquidity

According to the 2021 budget, total investments were estimated to be DKK 307.2 million. Now that the end of the year is soon upon us, investment for the year is forecast to be DKK 231.8 million, which is DKK 75.4 million less than budgeted, and is distributed over several areas. It should be noted also that ongoing revision is taking place within the different sections and departments within the current framework.

The Table below shows investment distributed by production, grid-activities, and administration.

Investment in DKK millions	2021 Forecast	2021 Budgeted	Difference
	DKK millions	DKK millions	DKK millions
Engine Department	0.5	1.3	-0.8
Fossá power plant	0.7	1.2	-0.5
Heyga power plant	0.2	0.3	-0.1
Mýra power plant	0.6	0.8	-0.2
Eiði power plant	2.6	4.5	-1.9
Botni power plant	4.0	7.8	-3.8
Vágs power plant	4.0	4.0	0.0
Sund power plant	23.2	29.6	-6.4
Strond power plant	1.2	2.9	-1.7
Small power plants	3.7	6.3	-2.6
Wind turbines. etc.	6.2	51.5	-45.3
Solar energy	0.3	0.3	0.0
Tidal current turbines	0.3	5.0	-4.7
Pumping system	8.6	10.3	-1.7
Total investment, Production activities	56.0	125.6	-69.6
Coupling stations	33.3	40.2	-6.9
Grid and other related buildings. etc.	122.3	123.5	-1.2
Administration plus buildings	20.2	17.9	2.3
Total investment, Grid activities	175.8	181.6	-5.8
Total budgeted investment	231.8	307.2	-75.4

Relative to the Sund power plant, the investment is lower by some DKK 6.4 million than budgeted. The work on Station 3 is complete and the station was taken into use in March of last year.

Some DKK 45.3 million was not expensed for wind turbines, given that the budgeted expansion of the wind farm at Eiði did not materialize in 2021 and has been postponed until at least 2023. The work to detail the situation surrounding the pumping system in the Vestmanna area continues.

With regard to the coupling stations, there was some DKK 6.9 million less investment and for the grid the investment was some DKK 1.2 million less. The construction of the coupling stations at Porkeri and at Eiði is delayed and postponed, respectively. It is anticipated that the coupling station at Porkeri, along with its battery system and a synchronous generator, will be

ready to accept electric power from the Porkeri windfarm later this year or the beginning of next year.

Work on the renovation and updating of the administrative headquarters is essentially completed, however, miscellaneous work remains and will be completed next spring. Administration has a decreased investment of DKK 0.8 million.

Because SEV did not undertake all the budgeted investment, it was not necessary to increase its drawing rights in 2021, as otherwise budgeted. The budget called for the increase of debt by some DKK 90.0 million. Also, this corresponds well with the anticipated investment being DKK 75.4 million less than budgeted.

Together with existing drawing rights from 2016 of some DKK 70.0 million, the Company has access to line of credit / drawing rights as of November 2019 totalling DKK 350 million, of which DKK 150 million is budgeted for the Eiði windfarm, and DKK 100 million for general line of credit and DKK 100 million as drawing rights, corresponding to drawing rights and line of credit of DKK 420 million in total.

Cash-on-hand at year-end is calculated to be DKK 157.9 million, such that, with cash-on-hand, including the line of credit and drawing rights equalling 420.0 million, there will be a total of DKK 577.9 million available for investment and liquidity purposes.

Long-term gross debt at year-end 2021 is expected to be DKK 1,598.1 million.

4. Operations, Financial and Investment Budget 2022

4.0 Attest of independent auditors

TO THE SHAREHOLDERS OF ELECTRIC UTILITY ELFELAGIÐ SEV

Pursuant to agreement, we have reviewed the budget of Elfelagið SEV for the period 1 January to 31 December 2022, which includes the budget for operations, liquidity, and financing, as well as the relevant accounting principles, terms and conditions underlying the budget and other data. The budget is the subject of Section 4 of this document.

The Board of Directors and Management have responsibility for the budget and stipulating the accounting principles, terms and conditions underpinning the budget set forth in pages 24-52. Our responsibility is to provide an opinion regarding the budget, based on our review.

Review

We have reviewed the budget consistent with international standards governing how future financial data should be reviewed, as well as the provisions of the Faroese auditing law and regulations. These require that we plan and perform the review to obtain reasonable assurance that 1) there is adequate and suitable basis for the accounting principles, terms and conditions underpinning the budget, 2) the budget is free from material misstatement, and 3) the budget is set up consistent with the ascribed to accounting principles, terms and conditions.

We have therefore reviewed the budget to determine if the accounting principles, terms, and conditions ascribed to by management are documented, well-grounded and complete. We have investigated the budget to determine if it is structured consistent with the stipulated conditions and if the numbers are consistent and logical.

It is our belief that the review undertaken provides a satisfactory basis for our opinion.

Opinion

Based on a review of the evidentiary documentation supporting the stipulated accounting principles, terms and conditions, we did not discover any circumstances that would give rise to the belief that the ascribed accounting principles, terms and conditions are not a valid foundation upon which to base the budget. Furthermore, it is our opinion that the stipulated accounting principles, terms, and conditions are the basis underpinning the budget, which in turn is set up in accordance with the Faroese annual accounting laws and regulations.

It is probable that the final results will differ from the budget because anticipated events often do not occur as planned. The differences can be significant.

Tórshavn, 5 November 2021.

P/F Januar

State Authorized Public Accounting Firm
Hans Laksá, State-authorized Auditor

The discussion below analyses the fundamentals supporting the revenue assumptions for the 2022 budget.

4.1 Profitability and setting the price of electricity

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Forecast 2021	Budget 2022
Net sales	420.3	420.3	427.5	508.8	550.4	592.6	588.2
Oil expenses	50.9	84.7	105.8	143.9	164.5	176.3	159.7
Goods and services	59.3	53.9	50.4	57.5	59.9	59.7	61.7
Wages	66.5	67.4	74.2	81.3	83.2	81.6	83.7
Total expenses	176.7	206.0	230.4	282.7	307.6	317.6	305.1
Result before depreciation and write-downs	243.6	226.3	197.1	226.2	242.8	275.0	283.1
Depreciation	93.2	102.7	115.1	113.6	141.4	157.2	158.4
Result before financial adjustments	150.4	123.5	82.0	112.6	101.4	117.8	124.7
Net interest expenses and value adjustments	48.3	32.9	34.6	37.0	40.2	40.4	59.6
Result before taxes	102.1	90.6	47.3	75.6	61.2	77.4	65.1
Taxes	9.3	1.6	9.2	13.2	11.4	13.9	11.7
Result after taxes	92.8	88.9	38.1	62.4	49.8	63.5	53.3
Total investments	242	389	436	341.8	331.1	231.8	381.4
Total assets	2,303	2,447	2,722	2,918	3,208	3,211	3,440
Cash	335	248	191	125	224	158	132.6
Equity	1,141	1,196	1,207	1,345	1,372	1,435	1,488
Total liabilities	1,134	1,222	1,473	1,446	1,638	1,598	1,788
NIBD/EBITDA	3.1	4.2	6.2	6.1	6.2	5.4	6.0

There will be no kWh price increase in 2022 and the fixed fee will also remain unchanged.

The budgeted result for 2022 projects a profit before taxes of DKK 65.0 million, wherein the EBITDA compared to net debt is a factor of 6. After taxes, the result will be DKK 53.3 million.

In the coming years, it is critical to have an excellent profit such that the operations of the Company can provide an excellent possibility for self-financing of the investments that lie ahead. Moreover, the strengthening of the operational revenue shall be of such a level that the Company can meet its debt even if there is a downturn in the economy.

In order to meet these goals, SEV, aside from estimating the need to balance pricing, shall study its operations and undertake evaluations of expenses and investments that are budgeted for the coming years. See Section 5 on the sustainability of the budgets for 2021 through 2030.

4.1.1 Overview of the efforts to improve profitability over the past few years

SEV submitted a proposed 2012 operations, financial and investment budget to the shareholders on 5 December 2011, along with a proposal to increase the price of electricity by DKK 0.25 per kWh for 2012. The Electricity Production Commission granted permission for the Company to increase the price of electricity by DKK 0.15 per kWh. Thereafter, SEV

submitted a new proposed 2012 budget to the shareholders on 18 December 2011, wherein the price increase was stipulated at DKK 0.15 per kWh. The Board of Directors also called for savings of some DKK 5 million over and above the proposed budget.

At the Annual General Meeting held on 19 December 2011, the shareholders approved an increase to the price of electricity of DKK 0.10 per kWh instead of the suggested DKK 0.15 per kWh and SEV proceeded to again update the 2012 budget effective 19 December 2011 consistent with the wishes of the shareholders. Moreover, SEV was directed to source income and/or devise savings amounting to DKK 5 million, such that revenue coupled with the realized savings would equal DKK 10 million for 2012.

After implementing these initiatives consistent with the 2012 budget, SEV realized a deficit of DKK 6.3 million, instead of the originally budgeted deficit of DKK 16.3 million.

SEV submitted its budget for 2013 before an Extraordinary General Meeting on 30 November 2012. In this connection, it was again observed that SEV continued to be plagued by deficits that in the long-term would be unsustainable. Therefore, it was deemed necessary to implement strong measures, including the setting of a sufficient kWh price.

SEV subsequently invested considerable time and effort in the analysis of the price schedule to determine that each individual price level was appropriate. In addition, SEV carried out a detailed cost-benefit analysis for each category of customer and for each specific customer and it was determined that the pricing schedule for certain commercial customers, those in the so-called "industrial group", was inadequate.

In 2013 and 2014, the special price schedule was amended such that the customers that consumed more than 20,000 kWh would pay DKK 0.11 per kWh more in 2013. This was DKK 0.06 per kWh more than other customers had to pay under the new price increases. Other customers of SEV were levied a price increase of DKK 0.05 per kWh.

In 2014, the price of electricity was again increased by DKK 0.05 per kWh for the group of customers using more than 20,000 kWh, while no price increase was levied on other customers. The fixed base rate for this industrial group was also raised by DKK 600, while at the same time, the "lowest level" at which customers in this special price schedule could get the lowest price would be raised by 10,000 kWh from 20,000 kWh to 30,000 kWh.

The kWh price and the fixed rate fees remained unchanged in 2015 and 2016. For 2017, the price of electricity was decreased by DKK 0.05 per kWh for all customers and for 2018 the price of electricity was again lowered by DKK 0.05 per kWh for all customers, except for those industrial customers that consume more than 30,000 kWh.

In 2019, SEV increased the price of electricity by DKK 0.10 per kWh for all of its customers to compensate for the income loss stemming from the price reductions in 2017 and especially in 2018.

In 2020, the price of electricity was increased by DKK 0.05 per kWh for all customers, except those in the special price schedule with a rate of consumption greater than 30,000 kWh, generally called “industrial customers”, where the price increased by DKK 0.10 per kWh.

In 2021, the price of electricity remained unchanged, and this is the case for 2022. The chart below shows the total costs of SEV compared to the income for each kWh sold. This represents the average cost including tax and the average sale price per each kWh sold.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 2021	Budget 2022
Income	1.11	1.10	1.25	1.37	1.41	1.46	1.47	1.45	1.42	1.34	1.46	1.50	1.55	1.51
Cost	1.05	1.28	1.40	1.42	1.37	1.25	1.11	1.13	1.13	1.22	1.24	1.36	1.39	1.38
Result	0.06	-0.18	-0.15	-0.05	0.04	0.21	0.37	0.32	0.29	0.12	0.18	0.13	0.16	0.13

For 2022, the budget anticipates that each kWh on average will be sold for DKK 1.51. The average cost for each kWh is DKK 1.38, corresponding to a result for SEV of DKK 0.13 for each kWh sold.

SEV believes that the expenses and investments budgeted for 2022 are necessary to maintain and advance a reliable, high quality, and secure future provision of electricity.

The price schedule for 1 January 2022 will be as shown in the Table below. The fixed fee is an annual fee. The prices shown do not include VAT.

Annual usage in kWh	Fixed fee	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Budget 2022
0-10,000	480	1.36/ 1.70	1.46/ 1.83	1.51/ 1.89	1.51/ 1.89	1.51/ 1.89	1.51/ 1.89	1.46/ 1.83	1.41/ 1.76	1.51/ 1.89	1.56/ 1.95	1.56/ 1.95	1.56/ 1.95
10,000- 100,000	1,280	1.28/ 1.60	1.38/ 1.73	1.43/ 1.79	1.43/ 1.79	1.43/ 1.79	1.43/ 1.79	1.38/ 1.73	1.33/ 1.66	1.43/ 1.79	1.48/ 1.85	1.48/ 1.85	1.48/ 1.85
>100,000	5,280	1.24/ 1.55	1.34/ 1.68	1.39/ 1.74	1.39/ 1.74	1.39/ 1.74	1.39/ 1.74	1.34/ 1.68	1.29/ 1.61	1.39/ 1.74	1.44/ 1.80	1.44/ 1.80	1.44/ 1.80

The price of electricity in the ordinary price schedule has increased by DKK 0.10 per kWh over a 10-year period from 2013 through 2022, corresponding to an increase in the price of electricity of 6.8% for the entire time period. During the same time period, the consumer price index increased by 5.2% (updated in June 2021). Thus, the price of electricity increased 1.6% more than the consumer price index for the same timeframe. During the same time period, SEV undertook total investments of DKK 3.0 billion, or in average DKK 301 million annually.

A special price schedule is in effect for the industrial customers, fish farming, agriculture, fish processing and certain computer/data processing services. The fixed fee is an annual fee. The prices shown do not include VAT.

The above is as shown below.

Annual usage in kWh 1)	Fixed fee	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Budget 2022
0-10,000	480	1.36	1.46	1.51	1.51	1.51	1.51	1.46	1.41	1.51	1.56	1.56	1.56
10,000-30,000	1,280	1.28	1.38	1.43	1.43	1.43	1.43	1.38	1.33	1.43	1.48	1.48	1.48
> 30,000	9,680	0.89	0.99	1.10	1.15	1.15	1.15	1.10	1.10	1.20	1.30	1.30	1.30

1) Annual consumption in kWh 10,000 – 20,000 and greater than 20,000 through 2014. Fixed fee for customers with a consumption > 30,000 increased by DKK 600.00 annually in 2015. Through to 2014, this fee was DKK 9,080.

The special price schedule for “industrial customers” includes export customers that have an annual consumption greater than 30,000 kWh, and for these customers the price of electricity was increased by DKK 0.31 per kWh over 10 years from 2013 through 2022, corresponding to an increase of 31.3% for the time period. This represents normal growth and the discount adjustments required by the discount system that was agreed to with the Faroese Government in 1992, wherein the adjustment equalled DKK 0.21 per kWh of the DKK 0.31 per kWh basis. In other words, the price of electricity for the “industrial customers” also increased by DKK 0.10 per kWh, which is consistent with SEV’s other customers, with the exception of the adjustment mentioned above.

The support initiative for the industrial customers was originally offered pursuant to an agreement with the Faroese Government executed in 1992, wherein the price of electricity was lowered by DKK 0.35 per kWh. This reduction was based on a level of electricity consumption for these customers that was considerably less then compared to the last few years.

On the other hand, SEV has, through the years, held fast with the price of DKK 0.35 per kWh, but has begun to adjust the support afforded these customers based on the amount of kWh consumed in 2013, 2014, 2018 and 2020 such that the realized income is DKK 0.21 per kWh such that the support offered is now DKK 0.14 per kWh. This means that DKK 0.21 is earned compared to when the support was established, based on the extreme growth in the kWh that were covered by the support.

If the support granted in 1992 was calculated based on 2020 data, the support would be DKK 0,15 per kWh, while it is at present DKK 0,14 per kWh at current consumption of kWh.

Adjustments shall be undertaken relative to the amount of kWh that the so-called industrial customers purchase today compared to the amount these customers purchased in 1992. To have the same discount as then, it is necessary to distribute the discount over several kWh and thus the discount is reduced per kWh. Based on the data from 2010, the amount would be DKK 0.15 per kWh and thus the discount shall be adjusted by DKK 0.20 per kWh compared to the original discount of DKK 0.35 per kWh.

To date, SEV has also provided its customers a fixed annual price of electricity compared to abroad where the price of electricity is set on a daily basis. This can then swing considerably

from day to day over a year. In brief, the electricity consumers around Europe experience a very high price for electricity, which they have not taken into account. The customers of SEV do not have to worry about this.

4.2 Electricity sales and production

The Table below shows the growth in electricity consumption.

Year	Calculated electricity consumption for customers in GWh	Growth in GWh	Growth in %
2007	256.8	15.2	6.3
2008	258.9	2.1	0.8
2009	252.0	-6.9	-2.7
2010	255.0	3.0	1.2
2011	254.8	-0.2	-0.1
2012	261.4	6.6	2.6
2013	274.4	13.0	5.0
2014	283.8	9.4	3.4
2015	288.1	4.3	1.5
2016	291.4	3.4	1.2
2017	306.5	15.1	5.2
2018	320.5	14.0	4.6
2019	350.8	29.9	9.3
2020	370.4	19.6	5.6
2021 Forecast	387.1	16.7	4.5
2022 Budgeted	405.5	18.4	4.8

The Table above shows an increase in average electricity consumption of 4.8% on average for 2022. This increase reflects growth in several customer groups with varying individual amounts of growth, as well as decreases in other groups. Moreover, SEV is now including the impact of the shift in energy usage in the budget, which will influence sales.

It is anticipated that there will be increased energy consumption, reflecting increased growth in production by SEV's commercial customers. SEV's private customers overall are using more and more electrical equipment, such as heat pumps, electric vehicles, flat screen TVs, and computers per individual customer. On the other hand, these particular customers are more and more conscious of ways to conserve electricity, e.g., using LED bulbs, which are much more energy efficient than regular light bulbs. In addition, SEV's private customers are now purchasing electrical equipment that is designed to use less energy than older equipment.

SEV believes that its private customers will use 2.5% more electricity in 2022. Other customer groups are expected to use between 1% and 3% more electricity in the future. However, it is anticipated that there will be an increase in electricity consumption in the commercial trade group "retail stores, restaurants and hotels" of some 4%. On the other hand, it is anticipated

that the decline in streetlight consumption will continue. Thus, it is budgeted that there will be a decline in streetlight consumption of some 3%.

The Table below shows SEV sales of GWh within the various customer groups from 2005 to 2020 (booked amounts), while the data for 2021-2022 are forecast (F) and budgeted (B).

	Agri- culture, aqua- culture, fishing industry, natural resources industry	Manu- fact- uring, pro- duction and construc- tion	Retail stores, restau- rants, hotels	Transport, postal services, communi- cations	Financial services, insurance, other business services	Public / private sector services, churches and other religious organiza- tions, etc.	Street lighting	Homes, apts, summer homes and boat- houses	Electric vehicles and heat pumps ¹⁾	Calculated totals
2005	15.8	51.1	19.1	18.7	3.8	32.0	6.1	74.9	0	221.6
2006	19.3	53.8	21.0	21.8	3.9	34.1	5.6	75.6	0	234.9
2007	22.1	54.7	21.7	23.3	4.0	35.2	6.8	77.6	0	245.4
2008	23.1	53.8	22.9	25.1	4.2	36.2	7.0	81.5	0	253.9
2009	25.8	52.0	22.6	24.4	4.5	35.6	6.7	80.5	0	251.9
2010	25.9	48.9	22.5	28.7	4.2	36.5	6.8	81.3	0	255.0
2011	26.4	44.5	22.4	31.8	4.2	36.8	7.3	81.4	0	254.8
2012	29.4	52.5	21.6	34.7	3.9	36.6	6.9	75.7	0	261.4
2013	29.2	69.3	22.7	25.1	4.0	37.7	7.4	78.9	0	274.4
2014	31.1	76.1	24.7	25.7	4.0	37.3	7.0	78.0	0	283.8
2015	36.6	76.5	23.1	24.9	3.9	37.9	7.1	78.0	0	288.1
2016	37.9	73.9	24.4	25.6	3.9	40.5	7.0	78.1	0	291.4
2017	42.1	85.5	24.4	24.3	3.3	41.5	6.7	78.2	0	306.5
2018	56.8	82.2	24.9	24.3	3.7	42.1	6.6	79.9	0	320.5
2019	70.6	95.1	25.1	24.3	3.7	44.1	6.4	81.2	0	350.4
2020	83.9	96.5	25.0	23.6	3.5	45.5	6.2	82.2	4.0	370.4
2021F	89.3	98.9	27.2	22.6	3.6	49.7	6.0	85.2	4.6	387.1
2022B	93.8	101.8	29.9	23.0	3.7	52.2	5.9	87.3	8.0	405.5

Through the years, SEV has sold electricity for heat pumps, but these sales are not shown specifically in the Tables in previous years.

The Table below shows the trend in electricity production in GWh and percentages from 2009-2020, for which the data are confirmed, while the figures for 2021 are forecast (F) and for 2022 they are budget projections (B).

Production in GWh	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	F2021	B2022
Total	275.5	280.3	273.8	291.6	292.5	305.4	314.4	317.4	334.3	352.0	386.1	406.8	422.4	440.8
Thermal	168.1	199.3	166.8	181.0	180.1	150.2	125.5	158.9	163.4	180.1	230.0	249.4	260.8	204.0
Hydropower	92.4	67.4	92.5	99.8	90.6	120.7	133.1	106.3	111.2	108.1	103.5	108.7	102.5	110.5
Wind	15.0	13.6	14.5	10.8	21.8	34.5	55.8	52.1	59.7	63.8	52.6	47.1	52.9	116.6
BSS 1)												1.6	6.2	9.7
Black energy	168.1	199.3	166.8	181.0	180.1	150.2	125.5	158.9	163.4	180.1	230.0	249.4	260.8	204.0
Green energy	107.4	81.0	107.0	110.6	112.4	155.2	188.9	158.4	170.9	171.9	156.1	157.4	161.6	236.8

1) BSS = biogas, tidal current, solar

fProduction in %	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	F2021	B2022
Thermal	61.1	71.1	60.9	62.1	61.6	49.2	39.9	50.1	48.9	51.2	59.6	61.3	61.8	46.3
Hydro	33.5	24.1	33.8	34.2	31.0	39.5	42.3	33.5	33.3	30.7	26.8	26.7	24.3	25.1
Wind	5.4	4.9	5.3	3.7	7.4	11.3	17.8	16.4	17.8	18.1	13.6	11.6	12.5	26.5
BSS 1)												0.4	1.4	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Black energy	61.1	71.0	60.9	62.1	61.6	49.2	39.9	50.1	48.9	51.2	59.6	61.3	61.8	46.3
Green energy	38.9	29.0	39.1	37.9	38.4	50.8	60.1	49.9	51.1	48.8	40.4	38.7	38.2	53.7

1) BSS = biogas, tidal current, solar

Production from renewable energy resources is estimated to be 161.6 GWh in 2021, corresponding to 38.2% of total production. Thermal production for 2021 is budgeted to be 260.8 GWh, or 61.8% of total production.

4.3 Wind energy purchase from Sp/f Vindrøkt and SEV subsidiaries

Pursuant to a purchase agreement¹ SEV purchases around 6.7 million kWh of electricity produced from wind energy for DKK 0.40 per kWh. from Sp/F Vindrøkt based in Vestmanna. This corresponds to an expense of DKK 2.7 million, which is reflected in the 2022 budget.

In addition, SEV intends to purchase wind energy from the two subsidiaries that operate the wind farms at Neshagi and Húsahagi.

¹ The agreement terminated on 1 September 2013 and as yet the agreement has not been formally renewed. However, negotiations are proceeding between S/pf Vindrøkt and SEV and the parties agreed upon the possibility to extend the agreement forward to 1 September 2019. This time-period has now run and no conclusion or agreement has been reached with S/Pf Vindrøkt. Work continues with the goal to put in place an agreement.

The Neshagi windfarm company has had trouble with several of their wind turbines in 2020 and 2021 and these did not produce electricity for much 2020 and 2021 and it is anticipated that these difficulties will also impact 2022 somewhat. Therefore, it is planned that the company will produce less electricity than normal.

The Neshagi windfarm normally produces around 15 GWh, but in 2022 it is anticipated that SEV will purchase around 11.0 GWh, corresponding to an energy purchase of around DKK 5 million, where the price is DKK 0.40 per kWh from the two wind turbines at Vørðun and DKK 0.456 per kWh (including the approved price increase of 1% per annum) for the three wind turbines at East Nes (Eystnesi).

It is anticipated that in 2022 SEV will pay around DKK 0.351 per kWh (including the approved price increase of 1% per annum) for 34 GWh from the Húsahagi wind farm, corresponding to a total cost of some DKK 12.0 million. This is the case when the guaranteed purchase of electricity from the windfarm company is not considered, about which the Electricity Production Authority disputes. At present, the Grid Department of SEV has submitted an appeal on the issue. No decision has been made in the matter.

Energy purchases from the Húsahagi and Neshagi wind farms are not incorporated into the financial budget because at present the 2022 budget reflects a consolidated concern budget.

4.4 Total revenue

Customer segment DKK millions	Forecast electricity sales in DKK millions 2021	Forecast fixed fees in DKK millions 2021	Forecast totals = (1)	Budgeted electricity sales in DKK millions 2022	Budgeted fixed fees in DKK millions 2022	Budgeted total = (2)	Difference in DKK = (2-1)
Agriculture, fish farming, fish processing and raw materials	116.6	1.2	117.8	122.4	1.2	123.6	5.8
Manufacturing, production and construction	133.9	2.2	136.1	137.9	2.2	140.1	4.0
Retail stores, restaurants and hotels	39.8	0.8	40.6	43.8	0.8	44.6	4.0
Transport, postal and communication	32.1	0.7	32.8	32.7	0.7	33.4	0.6
Finance, insurance and other commercial services	5.2	0.1	5.3	5.3	0.1	5.4	0.1
Public and private services, religious groups	74.0	1.7	75.7	77.8	1.7	79.5	3.8
Streetlights	9.0	0.4	9.4	8.7	0.4	9.1	-0.3
Private homes, apartments, summer- and boathouses	136.5	11.9	148.4	139.9	11.9	151.8	3.4
New heat pumps	2.7	0.1	2.8	4.6	0.1	4.7	1.9
Electric vehicles	2.7	0	2.7	4.6	0	4.6	1.9
Total	552.4	19.2	571.6	577.6	19.2	596.8	25.2

The Table above shows that the Company will experience an increase in revenue in 2022 of DKK 25.2 million from kWh sales and fixed-fee charges, corresponding to a total revenue from kWh sales and fixed-fees of DKK 596.8 million. Also included in the overview are revenue projections for new heat pumps and electric vehicles, which have been especially highlighted in the Table to add clarity in the budget.

In addition, the Company will derive revenue from its connection fees and other services amounting to DKK 17.0 million, thus yielding a total annual revenue of DKK 613.8 million, compared to the forecast revenue of DKK 601.8 million for 2021. This means that SEV will earn DKK 12.2 million more in revenue than projected for 2021.

4.5 Operational expenses

Expenses are subdivided among grid-related activities, production activities and administration.

Total expenses encompass oil costs, purchase of wind energy, operational costs, depreciation, and interest. Operational costs of the Company are divided between goods and services and wages for employees.

Administrative expenses in the main relate to grid activities, but often there are joint expenses a portion of which is ascribed to production.

4.5.1 Hedging strategy for oil, currency, and interest

Over the last few years, SEV has undertaken major investment in its production facilities and the grid, and SEV intends to continue making such investments.

Based on all the investment either undertaken or planned by SEV, it is apparent that SEV to a certain extent is a project-based company and thus of necessity thinks long-term and builds its budgets accordingly. This means that it is critical to remain abreast of key costs, such as oil-, currency exchange- and interest rate expenses.

The price hedging strategy of SEV is based on the determination that it is critical for the Company to successfully hold to its budgets over the coming years. The purpose of hedging the Company's oil purchases or a portion thereof is to mitigate the swings in future oil prices in US dollars, compared to the projected purchase requirements, as well as to adjust operations if a major increase should occur.

The potential for SEV to cover any increases in costs by adjusting the price of electricity or other fees either partially or completely is limited, and the possibility of experiencing a deficit or an unsatisfactory operational result is only acceptable for a given time-period. Ultimately, the pricing levels are a decision of the shareholders of SEV and thus there is a political overlay. Pricing can also be subject to the final approval of the Electricity Production Commission. At the same time, the financing of increased operational costs through loan liquidity is only a short-term solution and limits the potential for budgeted investment when extra financing is used instead to cover increased costs.

As part of SEV's loan applications, the various financial institutions look closely at the key financial figures of the Company for the most critical areas and the requirements set by these institutions regarding these key data are rigorous and fixed. To obtain competitive financing, it is thus absolutely essential for SEV to meet or exceed the requirements of the financial institutions to insure against the most crucial risks relative to cost increases and SEV as well considers this to be a prudent business practice. When SEV ventures out into the loan market to obtain financing, SEV is compared to other similar companies and thus must compete against these other companies to gain the attention and interest of the financial institutions and, in the end, obtain the best financing possible.

SEV is an interesting customer to which to provide financing, and, according to SEV's financial advisors, is considered an "investment grade" customer. This designation affords SEV the opportunity to gain favourable financing on many levels.

If SEV is to maintain this investment grade "rating", it is critical to maintain consistent operations that yield a satisfactory surplus such that SEV's key financial figures are equal to the companies with which it competes for financing. Confer also the discussion of investment rating under Section 6.

Therefore, SEV, together with Skandinaviska Enskilda Banken AB (SEB), which is SEV's advisor in the area of financing and hedging, designed a hedging strategy for oil, currency, and interest. This hedging strategy is incorporated into the loan agreements that SEV has executed. At the same time, in collaboration with its advisors at the insurance broker Sp/f Íti (formerly Willis Føroyar), SEV has worked diligently to cover its insurance risks.

The price levels are not in themselves definitive relative to hedging, which is designed to ensure steady operations.

4.5.2 Strategy for insuring against oil price and currency risks

SEV has taken affirmative steps to minimize its oil price risks as shown in the Table below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Oil price hedge	80%	60%	40%	20%	20%

This means that insurance coverage is taken out in year “1” for a specific fiscal year. In year “2”, this insurance coverage is increased to extend coverage for a total of five years. This framework secures a stepwise underwriting of insurance at a level that extends insurance coverage at a cost-averaged price level over the relevant time-period. SEV itself selects the type of insurance framework that is most advantageous to SEV to insure against fluctuations in the price of oil, e.g., fixed-price, top-price, top-bottom price, etc.

At the same time, as insurance coverage is put into place relative to the price of oil, SEV also enters into dollar futures contracts to secure the funds for a specific time period to be used for oil purchases to insure against currency fluctuation risks on the dollar market.

4.5.3 Strategy for insuring against interest rate risk

Pursuant to the Company’s previously discussed interest-rate policy and agreements with its loan providers, SEV has secured its current long-term debt at terms longer than 12 months at a fixed rate of interest. At the same time, the repayment period for fixed-rate interest loans is between 5 and 10 years. This was done to ensure that SEV could cover its interest-rate risk of between 80% and 100% of its debt at any particular time. The debt could carry either an agreed upon fixed-rate of interest or a variable rate of interest that would be covered by an agreement to shift from a variable rate of interest to a fixed rate of interest (known as interest-rate SWAPS)

This strategy requires that the debt with fixed interest shall be maintained at such a level that, if the fixed-rate portion of the debt falls under 80% or increases to over 100% of total debt, an adjustment is made consistent with the interest rate swap agreements, where the goal is to maintain the fixed-rate portion of total debt at 90%. This means that some interest rate swaps could expire, e.g., to avoid having a portion of the debt larger than 100% protected against interest rate fluctuations. In turn, this means that the value of the interest rate swap will increase.

A positive value lowers the financial needs of the Company, while a negative value increases SEV’s financial requirements. The net balance of the interest rate swaps shall be booked under Company equity. SEV continually strives to balance its interest rate swaps over time, wherein the goal is to have on average a fixed rate of interest stipulated for terms between 5 and 10 years.

4.5.4 Oil expenses

The Table below shows heavy oil consumption in tonnes for 2015-2020. Also shown is the forecast figures for 2021 and the budgeted consumption for 2022.

	2015	2016	2017	2018	2019	2020	F2021	B2022
Tonnes	25,738	32,195	32,631	35,976	44,226	51,121	54,778	42,840

SEV expects to use 42,840 tonnes of heavy oil in 2022, compared to a forecast of 54,778 tonnes in 2021 or 11,938 tonnes less. Gasoil and lubricating oil are in addition. The reason is that the budget anticipates an average year relative to electricity production from hydropower, while at the same time electricity production from wind is expected to increase in 2022.

The oil expense forecast for 2021 is estimated to be DKK 176.3 million, and the oil expenditure for 2022 is budgeted to be DKK 159.7 million, which is DKK 16.6 million less. Any potential adjustment relative to the oil storage inventory at year-end 2022 is not included while an adjustment is included for 2021. The 2022 budget does not address pricing adjustments for the oil storage inventory. Moreover, the price of oil has increased, and this impacts the overall oil expense because the cost will be higher even though the amount of oil is less.

The oil market is now facing the new IMO2020 standards and the introduction of the new 0.5% restriction on sulphur worldwide.

From September 2021, SEV has shifted over to burn heavy oil with 0.5% sulphur consistent with the public environmental regulations being enforced beginning January 2022. The price difference between fuel with 1% sulphur and 0.5% sulphur is around USD 40-45 per tonne. This corresponds to an increased expense of around DKK 10-11 million ($42,840 \cdot (40 \cdot 6.4)$).

The 2022 budget is therefore based on the oil that SEV uses with a 0.5% sulphur content.

With regard to that portion of SEV's oil purchases not governed by its hedging strategy, SEV relies on the average oil price projected in the Forward Curve for the spot price of heavy oil as at 28 September 2021, which on average is USD 540 for 2022. Moreover, the dollar exchange rate was stipulated at DKK 6.37 (DKK 637.00). In addition to these costs is added the payment to the oil provider, import duties and other fees. This forms the basis for oil expenses in the budget.

Thus, if the trend in oil pricing and the dollar exchange rate is considerably different than forecast in the operations budget, this will have a major impact on the operations result.

4.5.5 Goods and services

2015	2016	2017	2018	2019	2020	F2021	B2022
49,935	59,271	53,902	50,391	57,457	59,922	59,747	61,722

The projected total cost for goods and services for 2022 is DKK 61.7 million, reflecting an increase of DKK 2.0 million, compared to the forecast costs for 2021.

4.5.5.1 Production activities

The Table below shows the cost trend for goods and services for production activities over the past several years in DKK million. The figures for the years 2015-2020 have been verified and are accurate.

2015	2016	2017	2018	2019	2020	F2021	B2022
21,280	28,210	25,046	22,356	27,590	26,104	29,131	27,799

The cost for 2022 is budgeted to be DKK 27.8 million, compared to DKK 29.1 million forecast for 2021, corresponding to a decrease in costs of DKK 1.3 million. The forecast for 2021 indicates a higher cost based on the maintenance of the motors, which can occur as a result of poor quality oil that Sund Power Plant received in the summer. This cost is not anticipated to carry over in 2022.

The goal of the Company is to hold down expenses, but it must undertake the necessary maintenance to ensure secure operations.

4.5.5.2 Grid activities

The Table below shows the cost trend for goods and services for grid-related activities over the past several years in DKK millions. The figures for years 2015-2020 have been verified and are accurate.

2015	2016	2017	2018	2019	2020	F2021	B2022
11,815	12,439	10,403	9,927	10,013	12,311	12,313	13,600

Expenses for goods and services relative to grid activities is budgeted to be DKK 13.6 million in 2022, compared to DKK 12.3 million forecast for 2021, some DKK 1.3 million less or at the same level as the previous year.

It will be necessary to use more funds for the maintenance of the grid, especially the high-tension lines and the cables, than was undertaken over the last few years. The reason for this

is the emphasis on new investment over the last years, while less emphasis was placed on maintenance. In 2022, there will be the same focus on maintenance as in 2021.

The costs associated with the inspection department of the installation division, which is a responsibility of SEV pursuant to a directive of the Electricity Production Commission and the Ministry of Industry, are estimated to be DKK 0.5 million.

4.5.5.3 Administration

The Table below shows the cost trend for goods and services for administration over the past several years in DKK millions. The figures for the years 2015-2020 have been verified and are accurate.

2015	2016	2017	2018	2019	2020	F2021	B2022
16,840	18,622	18,452	18,108	19,854	21,507	18,302	20,323

The Table above shows costs for administration, including the cost for research studies, consultancy work and the write-off of creditor/accounts receivable debt, etc. Expenses for 2022 are budgeted to be DKK 20.3 million, which is DKK 2.0 million higher than forecast for 2021.

For 2022, the intent is to continue work on a variety of projects, as well as new endeavours that may present themselves. Certain projects that can be named are R&D projects under the Development Department, research into new cost and pricing schedules, research into ancillary power services, legal costs, accounting work and audits, communications, stipulation of new customer terms and conditions, and satisfaction surveys. At the same time, funds are set aside to strengthen SEV's identity and the new website.

In addition are costs related to research and advisory consultancy services, bank charges and the costs related to processing accounts receivable via the payment system. Other administrative costs include, among others, insurance, telecommunications and advertising, member dues in the Municipal Employers Association, write-off of customer debt, office cleaning, etc, electricity production oversight fees, employee costs, and office expenses and the costs associated with information technology, herein subscription and license fees for IT systems/programs.

4.5.6 Wage expenses

The Table below shows the trend in total wage expenses over the past several years in DKK million. The figures for years 2015-2020 have been verified and are accurate.

2015	2016	2017	2018	2019	2020	F2021	B2022
64,338	66,466	67,380	74,201	81,265	83,167	81,554	83,748

In 2022, it is anticipated that the total wage expense will be DKK 83.7 million, compared to the forecast amount for 2021 of DKK 81.6 million or an increase of DKK 2.1 million. The 2022 budget is based on a portion of the wage expense being related to investment processing, because SEV will take care of a part of the various work related to investment. For 2022, DKK 9.1 million is set aside for investment processing, corresponding to a total wage expense for the Company of DKK 93.4 million in 2022, compared to a forecast amount in 2021 of DKK 89.5 million, or DKK 3.9 million more.

The budgeted growth stems from the increases stipulated in the wage agreements, reassignments, on-call fees, the hiring of new employees and overtime compensation.

The Table below shows total wage expense for SEV for the past several years. Also shown are the adjustments to employee pensions governed by public civil service pension agreements and the wage expenses related to investment.

	2016	2017	2018	2019	2020	F2021	B2022
Total wages	74,775	75,469	81,349	92,150	90,676	90,751	92,848
Investment related	8,065	6,727	7,436	8,087	6,952	9,200	9,100
Pension adjustments	244	1,362	-288	2,798	557	0	0
Total operational wages	66,466	67,380	74,201	81,265	83,167	81,551	83,748
Wage growth in %	6.2	1.4	10.1	9.5	2.3	-1.90	2.7
No. of full-time equivalent employees	162	167	172	178	174	178	182

SEV complies with the public wage agreements for the various union work groups relevant to SEV. An increase in the number of employees in certain specific areas is anticipated for 2022, costs related to employee reassignments, internal security system, overtime, as well as an increase in wages as a result of future wage negotiations by the various unions.

The Table below shows total operational wage expense subdivided into production, grid-related activities, and administration for the past several years. The figures for 2016-2020 are realised figures.

	2016	2017	2018	2019	2020	F2021	B2022
Production	33,647	33,776	36,700	38,497	39,866	35,025	32,375
Grid	20,714	21,040	23,500	23,996	26,114	29,762	31,908
Administration	12,009	12,444	14,002	18,772	17,187	16,766	19,464
Total	66,466	67,380	74,201	81,265	83,167	81,554	83,748

The Table above shows that wage expenses have grown from 2016 to 2020. Wage costs associated with investment processing amounts to a steady investment of some DKK 80.0 million.

Over the last few years, the Company has employed a number of additional people in all areas to meet the manpower needs required of the many and diverse projects that the Company is engaged in at present.

Wage expenses related to inspection of electric installation, the responsibility for which SEV has taken pursuant to directives from the Electricity Production Commission/Ministry of Industry, is budgeted at DKK 3.0 million. Together with the costs of equipment, the total cost for this task is estimated to be around DKK 3.5 million.

In connection with the compensation paid to the Board of Directors, it should be noted that the Board Chairperson will receive a fixed compensation of DKK 12,612 per month; the Vice Chairperson, DKK 9,459; while general board members receive DKK 6,306 per month. This is the same as the previous year.

In addition, the Board members receive a meeting compensation that corresponds to the rate stipulated in the civil servants wage agreement. This compensation is between DKK 616 and DKK 1,849 per meeting, depending on the length of the meeting.

Board members are reimbursed their travel expenses as well.

In the event that board members sit on other governing boards of SEV, e.g. subsidiary companies of SEV or the buildings committee or the like, they shall receive extra compensation, depending on the scope of work involved. However, there is no additional compensation provided for board work relative to the wind farm subsidiaries.

Generally, the Board has a regular meeting once a month, plus extra board meetings, meetings with the municipalities, annual general meetings and other meetings with shareholders, government authorities, etc. For 2022, Board compensation and related costs are budgeted at DKK 1.2 million, compared to the forecast amount for 2021 of DKK 1.2 million. In addition are reimbursements for travel expenses.

4.5.7 Depreciation

Depreciation is budgeted at DKK 158.4 million for 2022, compared to a forecast DKK 157.2 million for 2021, and is based on current fixed assets and anticipated acquisition and disposal of assets. This reflects an increase of DKK 1.2 million.

The distribution of depreciation from year to year can change somewhat, depending on when the asset was taken into use. This reflects a balancing between actual acquisitions and works in progress. However, the Company's depreciation expense will continue to grow over the course of the next few years, because major infrastructure investments will be undertaken and booked, and this will, in turn, increase the depreciation expense.

The budgeted depreciation for 2022 and onward is based in the main on the depreciation principles stipulated by the Electricity Production Commission. In the budget, production-related assets are, on average, depreciated over 25 years and buildings and dams 50 years. Investment in the grid is depreciated on average over 35 years, while investment in operating equipment is depreciated on average over five years. Investment designed to extend the lifespan of an asset is depreciated over the extended useful life of the asset.

4.5.8 Interest and balancing of equity

There is no adjustment for a capital infusion into the subsidiaries budgeted for 2022, because the budget remains a consolidated concern budget. Estimated interest expense is based on current loan facility agreements.

For 2022, net interest expense is budgeted to be DKK 59.6 million. Net interest expense for 2021 is forecast to be DKK 40.4 million.

Increased interest expense over the past few years stems from an increase in the loan facilities taken out by SEV for investment and operations. In 2008, interest expense was DKK 3.5 million, consistent with long-term debt of DKK 105.8 million held at year-end 2008.

For 2022, an increase in loan facilities of DKK 190 million is budgeted. The gross long-term debt at year-end 2022 is budgeted to be DKK 1,788 million.

The interest expense for liquidity is set at DKK 0.0 million, because, at present, interest is negative, i.e., it costs to have liquid funds sitting in a bank account.

4.5.9 Taxes on annual result and deferred taxes

The intent is to incorporate taxes on the result in the 2022 budget and onward. The 2022 budget calculates that deferred taxes will equal 18% of the annual result. This tax will not be paid but will be set aside as a debt obligation of the Company and booked under reserves as set-aside deferred taxes.

Deferred taxes do not impact the liquidity of the Company before these taxes become due and payable. The Company does not expect to have to pay tax on the annual result in the coming years based on the fact that the Company holds a sizable taxable deficit against which it can subtract its annual taxable income.

4.6 Investment

Investment for 2022 is projected to be DKK 381.4 million. In addition, the budget includes a capital infusion into P/F Fjarhitafelagið, which is an associated company linked to SEV, of some DKK 15 million. A condition for this capital infusion is that the other owner of P/F Fjarhitafelagið, which is the Tórshavn Municipality, also increases the capital in the company by the same amount. Moreover, the investment in P/F Fjarhitafelagið is conditioned on the approval by the owners of SEV of this endeavor. It shall be noted that the Electricity Production Commission has questioned whether the Company is authorized to increase their equity share in P/F Fjarhitafelagið. Hence the Electricity Production Commission has asked the Municipal Commission to investigate this matter. SEV is also investigating the circumstances surrounding the capital infusion and will only move forward with the capital infusion if it is deemed authorized to do so even if the infusion is approved by the Board.

Furthermore, it is budgeted that an investment of some DKK 10 million will be made in the company that will engage in the effort to erect the sea-based offshore windfarm to the east of Nólsoy, which shall be undertaken in the coming years.

The Table below also shows the audited amounts for 2015 through 2020, as well as the forecast (F) amounts for 2021 and budgeted (B) for 2022. The investment for 2022 will be distributed as shown on the Table below.

Investment DKK million	B2022	F2021	2020	2019	2018	2017	2016	2015
Fossá power plant	3.2	0.7	0.5	0.7	0.4	3.4	0.6	4.3
Heyga power plant	2.9	0.2	0.6	0.8	0.1	0.4	0.2	0.1
Mýra power plant	0.9	0.6	0.4	0.4	1.8	0.7	3.5	5.5
Eiði power plant	4.7	2.6	0.5	0.3	2.6	3.0	1.5	2.4
Botni power plant	12.1	4.0	0.2	0.8	4.7	1.6	0.3	0.6
Vágs power plant	7.0	4.0	1.2	4.4	6.7	13.2	34.1	68.0
Trongisvági power plant	0	0	0.0	0.0	0.0	0.1	0.0	0.0
Sund power plant	23.5	23.2	75.0	193.1	255.3	233.5	97.4	41.2
Strond power plant	2.5	1.2	1.2	1.7	5.4	8.2	2.3	0.5
Small power plants	13.4	4.2	2.1	1.5	2.9	3.7	4.1	1.1
Wind turbines/pumping stations	47.0	6.2	70.4	3.7	2.2	0.7	-0.2	-2.0
Solar	0.0	0.3	0.8	3.1	0.0	0.0	0.0	0.0
PTS (Energy Production Tracking System)	29.0	8.6	7.4	0.0	0.0	0.0	0.0	0.0
Total production investment	146.1	56.1	160.3	210.5	282.2	268.5	143.9	121.7
Coupling stations	112.7	33.3	51.5	61.2				
Grid and other related equipment, etc.	88.5	122.3	93.3	56.1	138.6	110.0	92.4	95.8
Administration with buildings	34.1	20.2	25.7	14.1	15.1	10.0	5.4	14.6
Total grid-related investment	235.3	175.8	170.5	131.4	153.7	120.0	97.8	110.4
Total budgeted investment	381.4	231.8	331.1	341.8	436.0	388.5	241.7	232.1
Budgeted 2015-2021		307.2	476.8	479.7	554.7	728.1	377.4	407.5
Investment slack 1)		-75.4	-145.7	-137.9	-118.7	-339.6	-135.7	-175.4

- 1) The reduced investment for 2020 reflects the fact that SEV withheld investment of some DKK 110 million during the Corona virus pandemic in an abundance of caution.

The Fossá power plant was extensively upgraded over the last several years and in 2022 a variety of small upgrades were carried out for DKK 3.2 million. The total investment in the Fossá power plant over the last few years ensures that the power plant will be like new.

The Heyga power plant was also upgraded over the last few years for a considerable investment and several small investments will be undertaken in 2022 for a total of DKK 2.9 million.

At the Mýra power plant, only some few small investments will be made in 2022 totalling DKK 0.9 million.

Also at the Eiði power plant the budget calls for several small projects totalling DKK 4.7 million, specifically work on the culvert and river intake system.

At the Botni Power Plant, the goal is to expand the intakes to the Vatnsnesvatn for DKK 2.0 million in 2022 and DKK 5.0 million in 2023. Moreover, the plan it to undertake the work to update the hydropower turbines for DKK 8.0 million in 2022 and DKK 15.0 million in 2023. In addition, other small projects will be undertaken.

Considerable investment was made in the Vágs Power Plant with the result that the power plant is like new. In 2022, it is planned to carry out several small investments for a total of DKK 7.0 million, including the updating of the regulator for M1 and M2, updating of the 800XA motor system, spare parts for the motors, a new locking system, etc.

A new coupling station was completed at the Trongisvágs power plant, which is now a part of the grid assets. No other investment is planned in 2022.

The Station 3 expansion of the Sund Power Plant is now completed and this latest addition to the power plant was taken into use in the Spring of 2020.

The 2022 budget projects an investment in the Sund Power Plant of DKK 23.5 million. The goal is to purchase a new electric boiler for DKK 13 million, of which DKK 4.0 million will be spent on the project in 2022. In addition, new turbochargers will be purchased for DKK 8.0 million. Also at the Sund Power Plant, the 800XA motor system shall be updated and this is estimated to cost DKK 2.0 million. The generator protector shall be replaced for DKK 2.8 million. It is also planned to purchase a new locking system for DKK 1.0 million. In addition, several small investments will be carried out.

Work to update the Strond Power Plant shall continue in 2022 with several small investments for a total of DKK 2.5 million. The power plant is very well maintained today.

In 2019, a tender was submitted for the installation of wind turbines on Suðuroy and SEV was granted permission to erect seven wind turbines equalling 0.9 MW in Porkeri. The work to erect the turbines in 2020 went well and these turbines were formally taken into use in February 2021. At present, the project work is being completed and the construction accounting is being completed. It is anticipated that the total investment will be around DKK 70 million.

In 2019, the Energy Authority offered two wind turbine tenders, one either in Hoyvíkhagi or some other competitive location and the other in Eiði. Both were for some 18 MW. SEV won the opportunity to erect wind turbines at Eiði. Work on this project is underway, but several permits from the government authorities have yet to be granted.

What this means is that the erection of the wind turbines is much delayed, and it is anticipated that they will be erected in the summer of 2023. In 2022, therefore, it is envisioned that DKK 40 million will be invested in the project and DKK 109 million in 2023.

In the long-term DKK 200 million are assigned to allow SEV to participate in potential wind turbine tenders.

Difficulties have plagued the wind turbines at Neshagi and partly also at Húsahagi and the work to resolve these difficulties is expected to cost DKK 6 million at Neshagi and DKK 1 million in Húsahagi in 2022. Negotiations are underway with the supplier of the wind turbines, Enercon, on how to resolve the financial challenges of these difficulties.

A solar trial installation was set up in Sumba in 2019 for DKK 3.0 million. The Company plans to place investment along with others in the production of electricity from solar power in the coming years.

In connection with the pumping system on Suðuroy, DKK 100 million was set aside for 2023 and DKK 100 million in 2024 for a “stabilization” project on Suðuroy. This project was deleted from the budgets. No decision has been made on the project and it was not deemed prudent to have this project in the budget with so much uncertainty about the project at present.

Relative to the pumping system in Vestmanna, some DKK 8.6 million was set aside for a study in 2021 and DKK 29.0 million in 2022. This is a project that the shareholders of SEV should discuss when there is sufficient data available upon which to base a decision. In addition, a variety of permits will need to be obtained from the various governmental authorities involved.

In the budget for 2022 and onward, a total of DKK 1,200 million is set aside for such a system to begin in 2022 and through to 2028 when the system shall come online.

Significant investment in the grid, coupling stations, buildings, etc. need to be made in 2022 and in the years to come. Especially with regard to strengthening the grid and making it ready to receive more wind energy to meet the strong demand for power from the electricity consumers.

The total investment for the distribution grid for 2022 is DKK 69.8 million. These funds will be divided thusly: the North Islands area, DKK 4.5 million; Eysturoy area, DKK 5.0 million; Vágoy area, DKK 0.5 million; Central Streymoy, DKK 5.4 million; Southern Streymoy, DKK 15.5 million; Sandoy area, DKK 14.2 million; Suðuroy area, DKK 9.7 million. In addition, some DKK 6.7 million is budgeted for turbochargers and distant management of the transformers and DKK 1.5 million for a control room in the central region of the country.

In 2022, the installation department will invest some DKK 9.0 million in wireless electric meters, home-based charging stations, as well as vehicles and tools for DKK 1.7 million.

A synchronous generator and battery system was erected at the coupling station in Porkeri in 2021 and it is anticipated that the majority of this work will be completed in 2021. For this work in 2022, a total of DKK 7.0 million is set aside. Total costs for this work is expected to be some DKK 50.0 million.

SEV plans to erect new coupling stations for DKK 451.3 million in the period 2021-2025. In addition, SEV also plans to install a battery system in the central region of the country in connection with the project to install wind turbines generating 2x18 MW of electric power, one project in Eiði (SEV) and one project at Flatnahaga (Magn).

This battery system project is anticipated to cost DKK 82.5 million, of which DKK 62.0 million is set aside for 2022 and the remaining DKK 15 million will be expensed in 2023.

This amount is included in the coupling station for Station 3 at Sund. In addition, included in the investment is the battery and synchronous generator investment for the coupling station in Sandoy, which shall be undertaken in 2023 and 2024.

The plan is to expense DKK 112.7 million for coupling stations in 2022, including investment in the battery system and synchronous generator.

The total investment in the coupling stations has changed over the last few years, based on the increasing demand for electric power by our customers. The revised budget for 2021 and onward is as shown in the Table below.

Place/year in DKK million	2021F	2022B	2023	2024	2025	Total
Húsahagi	0.0	0.0	0.0	0.0	0.0	0.0
Vestmanna	4.4	0.0	0.0	0.0	0.0	4.4
Sund. Station 3	5.5	62.0	15.0	0.0	0.0	82.5
Sund. updating	1.7	0.0	0.0	1.5	20.0	23.2
Skarðshjalli	0.2	2.5	2.0	64.0	0.0	68.7
Varðagøta	1.4	4.0	0.0	0.0	1.5	6.9
Runavík	0.9	0.0	0.0	0.0	0.0	0.9
Innan Eið	0.0	0.2	0.0	1.5	0.0	1.7
Tvøroyri	0.0	0.0	0.0	0.0	0.0	0.0
Porkerishálsur	12.1	0.0	0.0	0.0	0.0	12.0
Klaksvík	0.6	0.0	0.0	0.0	0.0	0.6
Skálabotnur	0.0	0.0	0.0	0.0	0.0	0.0
Sandoy	3.0	30.0	60.0	45.0	0.0	138.0
Strond	0.1	0.5	0.0	0.0	0.0	0.6
Eiði	0.2	4.0	0.0	0.0	0.0	4.2
Húsareyn	2.6	6.5	0.0	0.0	1.5	10.6
Havnardalur	0.0	0.0	0.0	0.0	0.0	0.0
Skansin	0.1	3.0	35.0	10.5	2.5	51.1
Vágoy	0.0	0.0	1.5	12.0	24.0	37.5
Other	0.6	0.0	0.1	0.1	0.1	0.9
Totals	33.3	112.7	113.6	134.6	49.6	443.9

Included in the investment in the coupling station at Porkeri is an investment in the battery system and the synchronous generator for some DKK 50 million, of which DKK 7 million is set aside for 2022. The plan is that the system in Suðuroy shall give SEV the necessary experience with utilizing considerable unsteady wind energy in the system, while at the same time the thermal power plants should produce as backup sources of electric energy. The goal is that the battery system and the synchronous generator should take over the production and provide the management services that the thermal power plants and the hydropower plants currently provide. In this manner, SEV will save on oil.

In the central region of the country, the plan is to set up the same equipment as in Suðuroy, but this will be done when SEV has obtained the necessary experience and the results from the project in Suðuroy are satisfactory or indicate the potential of continuing further with the project in the central region of the country. The anticipated investment is DKK 140 million from 2021 through 2023, placed in Sund and Sandoy. In 2022, an investment of DKK 62 million is budgeted, in 2023 DKK 45 million, and in 2024 DKK 30 million, for a total of around DKK 140 million.

Investment in the battery system and the synchronous generator in the central region of the country is incorporated into the 2022 budget, which is early compared to the experience from Suðuroy.

The reason is that SEV is taking a cautious view for the windfarm in Flatnahagi and Eiði, which are expected to come into production in 2022 and 2023, respectively.

On the other hand, SEV has not entered into possibly more investment in the budget of some DKK 150 million for several battery systems and synchronous generators, which SEV has otherwise seen as necessary given the project at Gellingarkletti by Vindrøkt and Efft. This investment awaits a final conclusion of the appeal of the late tender for the Gellingarkletti project.

Moreover, one must take into consideration that SEV in 2022 has not obtained all the necessary experience that is needed to recommend that it is advisable to purchase a battery system and a synchronous generator for the central region of the country. Thus, it is prudent that the project be postponed into the future, perhaps to begin in 2023 or 2024.

On the other hand, the project encompassing a battery system and a synchronous generator for upwards of DKK 140 million in the central region of the country will not be set into motion unless it is clear to SEV and documented that this project is the right way forward and achievable.

The renovation and updating of the administrative headquarters on Landavegur is finished, expect for some small detail work. The project was greatly delayed, but it is expected that the budget for the project will be held. It is anticipated that the cost for total project will be around DKK 39.0 million.

In 2022, the goal is to expand the building with several additional low-rise buildings, given the increased activities within the electric energy sector, better conditions for a control room, storage and archives. Also, the goal is to complete the landscaping around the headquarters building. For this, DKK 12 million is set aside.

An investment of DKK 10.7 million is intended for IT equipment and programming in 2021. In addition, DKK 1.8 million is set aside for the development of the SEV homepage and DKK 2.0 million is set aside for a new SEV identity or image.

DKK 2.0 million is set aside for the establishment of a museum for old equipment in the electric energy sector.

In addition, funds are set aside for several small projects, among them projection of energy consumption in the Faroe Islands, a study of the tidal currents in connection with tidal energy and a concept for charging stations, etc.

The overall cost for these various investments is based on the costs for project management, preliminary studies, detailed evaluations, and projections. It is prudent to understand that changes could come in these various evaluations and that the cost estimates will be more accurate as the work progresses on the various projects.

Total investment is estimated to be DKK 381.4 million for 2022, plus the funds for the increase in the current share capital of P/F Fjarhitafelagið of some DKK 15 million and the placement of some DKK 10 million in a company that is planned to be created in connection with the sea-based offshore windfarm east of Nólsoy.

4.7 Loan facilities and refinancing of current debt

At year-end 2016, SEV undertook new long-term financing that the Company had been working diligently to organize and structure. In total, the amount of new loan facilities and refinancing equalled DKK 1,670 million. DKK 830 million was used to refinance current debt, while the rest shall be used to fund planned investment and liquidity.

The new financing obtained by SEV was procured from the US Private Placement (USPP) market and equalled DKK 1,042 million. SEV secured DKK 626 million as bank financing from Faroese and Scandinavian financial institutions.

SEV drew down all DKK 1,042 million from USPP in 2017, as well as DKK 106 million against the Company's drawing rights of DKK 626 million in 2017. In 2018, SEV drew down DKK 200.0 million against its drawing rights, DKK 100 million in 2019, DKK 150 million in 2020 and is expected in 2021 to draw down as little as possible so that there will be DKK 70 million available for 2022. It is expected that the DKK 70 million will be accessed at the beginning of 2022 such that all the remaining credit available from 2016 is drawn down as investment in 2022. SEV also found new financing in 2019 of DKK 500 million.

This is consistent with the liquidity policy of SEV that no project can be brought off the back burner without having full financing available before any work is undertaken on the project.

Of the DKK 500 million, DKK 300 million was intended for expansion of windfarms and of the remaining DKK 200 million, DKK 100 million was permitted to be drawn for necessary investment and DKK 100 million to secure the Company's liquidity. For SEV to set up the windfarm in the central region of the country (Eiði project), there was only a need of DKK 150 million of the available DKK 300 million in a new loan facility for this purpose. SEV has waived the right to draw the remaining DKK 150 million in available financing as per the end of 2021.

In February 2021, the bank financing from 2016 and the bank financing from 2019 was extended by one year because the work on the reorganization of the electricity sector has delayed the work on refinancing and new financing. The current bank financing of the Company shall be refinanced no later than November 2022.

It is anticipated that the bank financing will be transferred to the American USPP market.

At present, SEV is engaged with the refinancing of the Company debt. The plan was that this work should be completed by year-end 2021, but, because of the work expended relative to the reorganization of the electricity sector and the relevant circumstances of all the parties and because part of the terms and conditions for the refinancing and financing were not completed yet, the work continues to refinance the debt of the Company and the goal to undertake new debt is postponed to the first quarter of 2022.

The goal is to refinance the bank financing undertaken in 2016 for some DKK 626 million together with the temporary financing of the windfarm in Eiði of DKK 150 million. In addition, the financing equalling DKK 100 million and the line of credit for DKK 100 million that the Company set up in 2019 shall be refinanced such that the total refinancing will equal DKK 976 million.

Moreover, the plan is to refinance in the USPP market the DKK 336 million that will be due and payable in 2023, together with current planned refinancing. The goal is to obtain financing in place now with a delayed repayment in 2023 when the USPP financing becomes due and payable in 2023. All this means that SEV shall refinance DKK 1,312.0 million.

New financing for investments occurring in the years 2022-2028 shall also be undertaken. Of special interest is the investment in the pumping system at Vestmanna budgeted at around DKK 1,200 million that would hopefully be undertaken in 2022, if the shareholders of the Company concur with this vision.

The initiatives undertaken to obtain new financing should be done in concert with the Company refinancing current debt in 2022.

The Table below offers some indication of how much financing the Company will need to acquire to achieve the planned investments set out for 2022-2028.

Investment	2021	2022	2023	2024	2025	2026	2027	2028	Total
DKK millions									
Grid including administration	176	235	136	157	72	70	136	129	1,111
Production	56	146	310	281	387	302	309	130	1,920
Total	232	380	446	438	459	372	445	259	3,032
Divided by major projects									
Pumping systems	9	29	124	220	216	252	259	80	1,189
Battery systems and synchronous generators	45	69	45	30	0	0	0	0	189
Hydropower	13	26	29	0	1	0	0	0	69
Wind turbines Eiði	1	40	109	50	150	0	0	0	350
Coupling Stations	32	51	99	118	50	47	62	35	494
Grid	68	70	20	20	20	20	71	91	380
Other	64	95	20	0	22	53	53	53	360
Investment	232	381	446	438	459	372	445	259	3,032
Necessary financing	0	120	190	160	130	4	70	80	754

The necessary financing for investment in 2021 was obtained in 2019 and extended in 2021. In addition, the financing for the investment in the Eiði windfarm in 2022 and 2023, respectively, DKK 40 million and DKK 109 million was also arranged in 2019, however, the investment in the windfarm in 2023 shall be obtained as part of the refinancing. SEV has also, to give the Company the opportunity to participate in future wind turbine tenders, included in the budget a DKK 200 million investment in a wind turbine tender to be completed in 2025. These funds can be carried forward if necessary. Hence, SEV will have the opportunity to participate in future wind turbine tenders if deemed prudent or critical to do so given it is in the consumers best interest.

If construction of the pumping station is to get underway in 2022, the needed financing for this project will equal some DKK 1,200 million.

Moreover, the financing required for the other projects envisioned for 2022 and onward will need to be obtained. It is deemed that new financing of upwards of DKK 754 million will be obtained by drawing down over the coming years. The goal is to gain financing greater than DKK 800 million (DKK 754 million rounded-off) and this should be done in the time period 2021 through 2022.

It is critical to have financing in hand before SEV undertakes any investment, because SEV has adopted a policy that no project will be undertaken without it being fully financed.

Altogether, SEV shall refinance or finance DKK 2,100 million in 2022. This can be sub-divided as shown below. Figures have been rounded-off.

	2021	2022	2023	2024	2025	2026	2027	Total
Bank financing 2016	0	626						
Bank financing 2019	0	150						
Bank financing 2019	0	200						
USPP			336			536		
Refinanced	0	1,000	336			536	0	
Refinanced 2023		340						
New financing	0	760	0	0	0	0	0	
Necessary financing	0	2,100	0	0	0	0		

All total some DKK 1,340 million shall be refinanced (seeking approval to obtain DKK 1,400 million) and new financing obtained equalling DKK 760 million (seeking approval to obtain DKK 800 million). The goal is to refinance DKK 1,140 million via the US Private Placement market and DKK 200 million refinanced through bank financing. The new financing of some DKK 760 million will be obtained via bank financing and from the Nordisk Investment Bank, NIB.

4.8 Liquidity

The Table below provides an overview of the Company's liquidity key figures, based on the detailed register maintained by the Company.

In DKK millions	Budget 2021	Verified and Forecast 2021	Budget 2022
Cash flow from general operations	270.1	275.0	283.1
Adjustments, debt, assets, financial instruments and inventory	2.7	-14.8	-20.7
Cash flow from operations	272.8	260.1	262.3
Investment and work-in-progress	-307.2	-231.5	-406.4
Current year loan facilities	90.0	-40.0	190.0
Capital gains, taxes, net interest expenses	-61.7	-54.3	-71.3
Total Liquidity Changes	-6.1	-65.9	-25.4
Profit at beginning of year	118.4	225.7	157.9
Liquidity at year-end	112.3	157.9	132.6
Drawing rights/Line of credit	342.8	420.0	1,279.0
Cash at year-end including drawing rights and line of credit	455.0	577.9	1,411.6

The Company is always keenly focused on maintaining a solid and secure liquidity base. To date, the goal has been to maintain a security margin or cushion of DKK 100.0 million in available cash, in addition to drawing rights with various financial institutions.

SEV provides its subsidiaries its loans via its internal transfer accounts or loans to the subsidiaries to finance the purchase of wind turbines and the erection thereof. In addition, daily operations of the subsidiaries are financed via internal transfer accounts.

Currently, SEV has a revolving line of credit (drawing rights) equalling DKK 70.0 million, based on financing from 2016 and DKK 350 million from 2019 financing. At year-end 2022, the liquidity base is projected to be DKK 132.6 million, plus DKK 1,279.0 million in drawing rights, for a total of DKK 1,411.6 million, which is deemed adequate liquidity and will be used to pay off the financing that is due and payable in 2023, investment for the next five years and liquidity.

5. Sustainable budgets 2020-2030

In the years ahead, it is deemed especially prudent that the financial budgets be sustainable, given the goal of undertaking the pumping system at Vestmanna, if the shareholders agree to support the project. It is critical that the Company take on debt to carry out these projects.

One of the fundamental conditions that the Company has adopted in order to maintain and foster sustainable financial budgets and which has been demonstrated in its stress-tests, as well, is that net liabilities versus Company results before depreciation and interest (NIBD /EBITDA) must never be greater than a factor of six (6) during the period 2020-2030. The requirement is determinant regarding how much a suggested change in pricing could be.

With increased investment and increasing oil prices, it may be necessary to adjust upward the price of electricity charged by the Company in order to achieve the goal of the Company that the result before depreciation and interest (NIBD/EBITDA) is never greater than a factor of six (6) in the time-period 2020-2030.

To evaluate the sustainability of the budgets, a number of stress-tests were carried out on the assumptions underlying the budgets in order to observe the impact of these on a variety of key figures.

The stress-tests carried out are outlined in the Table below.

Stress test where all else remains the same	Price change in 2022
50% reduction in kWh sales to customers in the fish farming industry	0.12 kr. pr. kWh
50% reduction in kWh sales to customers in the pelagic fishing industry	0.09 kr. pr. kWh
Oil price increases by USD 200.00 per tonne of heavy oil 2022-2024	0.08 kr. pr. kWh
General rate of interest increases by 4% points for all new debt from 2022 onward	0.03 kr. pr. kWh
kWh sales declines by -1% in all customers groupings 2022-2024, subsequently ordinary growth	0.10 kr. pr. kWh

The risk that the price of oil will rise in the coming years and that interest rates will rise are, to a certain degree, covered by SEV having locked in the price of oil for its budgeted oil purchases over the long term, as well as the interest on its loans is fixed for a period of at least 5-10 years.

In the event that there is a decline in the fish farming industry, the economics of the Company no doubt will be more greatly impacted than shown via the stress-tests, because, in the main, such a decline would have wider economic impact for the entire economy of the country. These wider impacts are not incorporated into the stress-tests, but should be duly considered in any planning.

In addition to the stress-tests detailed above the Company has undertaken a stress-test to simulate a 10 % yearly reduction in kWh sales in 2024 and 2025. Sales relating to the electrification remains unchanged and at the same level as in the original budget. The stress-test does not include an increase in the price of kWh to compensate for the lower income. Under these conditions the Company will experience a 71 GWh reduction in sales, from 428 GWh to 357 GWh in 2025 resulting in a vast reduction in income. This increases the financial requirements by DKK 510 million to make up for the

reduced equity carried over. This also increases the net debt relative to the income (NIBD/EBITDA) to a factor of 7.9 at its peak in 2025. This means that the factor is 1.9 times greater than the internal target of six (6) but within in the external target nine (9) stipulated by the lenders. To bring the factor down to six (6) the price must increase by DKK 0.10 pr. kWh in 2014 and again by 0.10 kWh in 2025.

6. Overview of SEV's fiscal economy for the period 2009-2030

SEV has undertaken significant investments over the last several years and intends to further undertake major investments in the years ahead, especially with regard to advancing its Vision 2030 goals and to ensure electricity supply security. Each and every planned investment undertaken by SEV is consistent with and dependent upon the economic viability of the Company.

Maintaining a satisfactory profit is critical if SEV shall meet the planned investment goals it has mapped out for its production facilities and the grid. In this connection, it is critical that SEV maintain a satisfactory level of self-financing, generated via its own business operations, for the required investments. Financial projections of SEV indicate, or at least suggest, that since the Electricity Production Act entered into effect, SEV has not generated sufficient funds via its business operations to cover both its operations and necessary future investment. In fact, just the opposite.

The Table below shows the price fluctuations in Danish Øre per kWh and the trend in sales over the last few years.

Øre/kWh	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021F	2022B
Ordinary customers	+10	0	0	+15	+10	+5	0	0	0	-5	-5	+10	+05	0	0
Industrial customers	+10	0	0	+15	+10	+11	+5	0	0	-5	0	+10	+10	0	0
Sales in GWh	259	252	255	255	261	274	284	288	291	307	321	350	370	387	406

From 2008-2012, SEV had a total deficit of some DKK 100 million, when the 2012 changes to the accounting procedures are considered. The Board and Management adopted the goal of eliminating such poor results and in 2013 the result revealed an operational profit of DKK 11.9 million.

The Table below shows the trend in EBITDA and the annual result for the last few years.

DKK millions	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021F	2022B
EBITDA	36	78	15	36	76	104	156	221	244	226	197	226	243	276	282
Annual result	-16	15	-46	-39	-12	12	58	103	93	89	38	62	50	65	52

A satisfactory corporate economy is one of the conditions stipulated by the financial institutions to even loan SEV any funds to finance the planned investment. The financial institutions consider SEV to be a good customer to offer financing and ascribe a stand-alone

credit rating (consistent with Standard & Poor ratings) of BB+ (Business risk = Strong; Financial risk = Aggressive). If the linkage to the Faroese governmental authorities (the national government and the municipalities) is taken into consideration, the credit rating jumps to A-.

This credit rating (A-) is considered an "Investment Grade" rating, thus making SEV an interesting company in which to make an investment or offer financing. If only the stand-alone credit rating is considered, SEV would fall out of the "Investment Grade" rating, which means that any interest in making an investment or offering financing would, in the main, disappear.

To ensure that SEV maintains its A- credit rating, it is critical that SEV maintains excellent and consistent relationships with the Faroese Government and the Municipalities, and, at the same time, ensures that its financial key figures, at the very least, remain at current levels. In this regard, operations and income are determinative, if all the planned investment should be undertaken and the necessary loan facilities be obtained.

If SEV shall strengthen its credit rating, its financial key figures should be strengthened considerably, and this can only be done through enhanced operational profit relative to its financial liabilities. Here the income side plays a decisive role, as well as one must be watchful of the expense side of the business.

It is considered that it is not good for an ordinary company to carry a debt load compared to EBITDA higher than a factor of three (3). However, it is normal that this figure is higher. Given that SEV is a consolidated concern that operates outside the norms for an ordinary business, the norm of a factor of three (3) may be deemed too demanding. On the other hand, SEV has set the long-term goal that its debt load compared to EBITDA shall not exceed a factor of six (6).

It is advisable that the goal of debt load to EBITDA at the most shall be a factor of six (6) and this is the goal that SEV strives to achieve.

Charts 1 through 4 on the following pages shows the investment trends of the Company. Moreover, investment is compared to net revenue.

Chart 1 - Verified investment in DKK million - 2009 to 2020, forecast for 2021 and budgeted for 2022

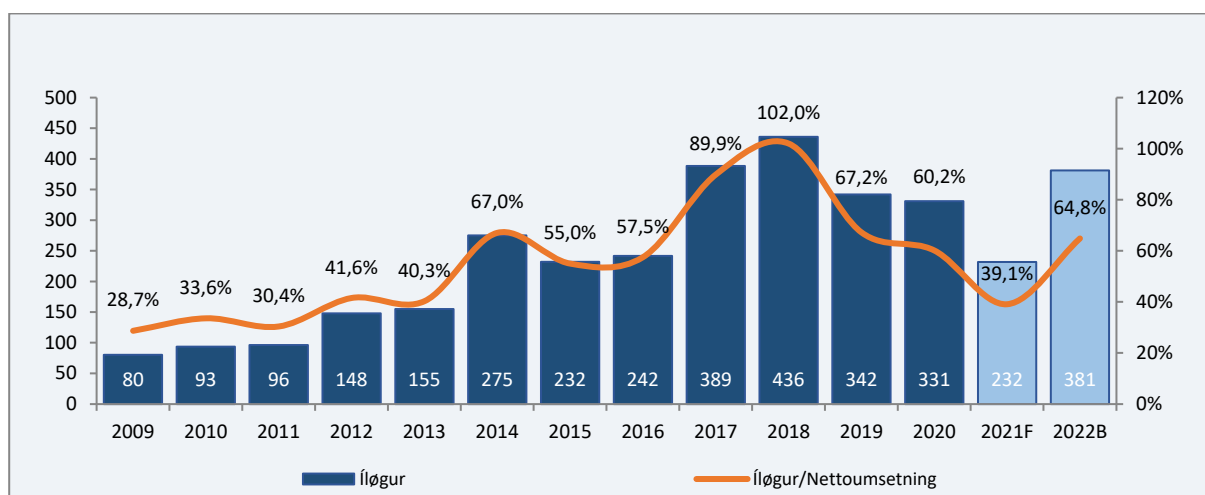
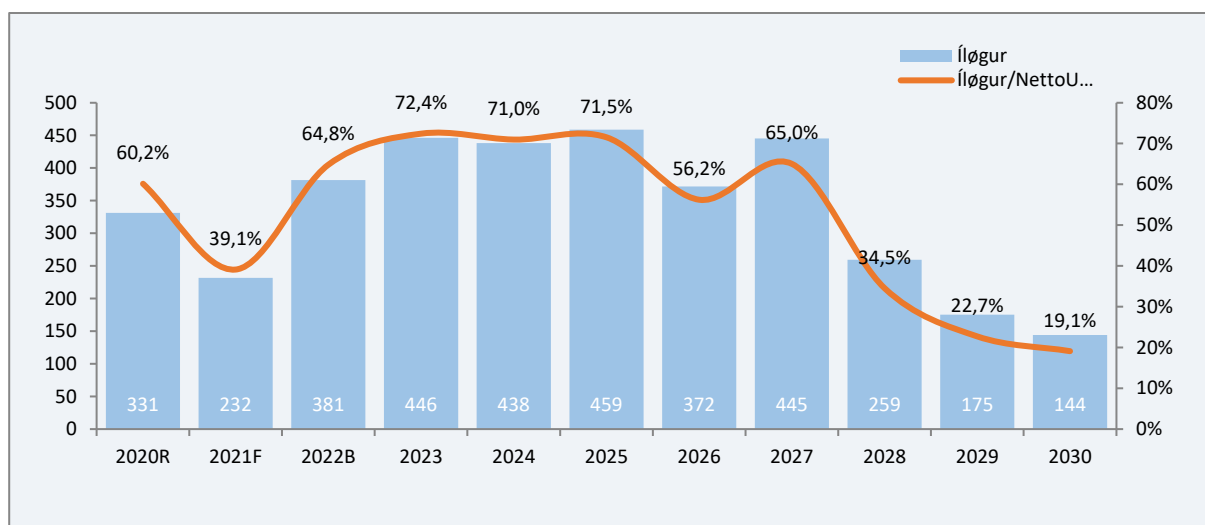


Chart 2 – Projected investment in DKK million 2022 – 2030 and investment compared to net revenue¹⁾



1) Investment in 2020 is confirmed and 2021 is forecast.

Charts 1 and 2 above show the trend in verified and projected investment over a long time-period. The projected investments over the next five years are significant, therefore, it is critical for SEV to have a strong fiscal economy

Chart 3 below provides a detailed description of a particular investment.

Chart 3 – Projected total investment 2020-2030¹⁾

Investment DKK millions	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Grid including administration	178	176	235	136	155	72	70	136	129	125	94	1,508
Production	151	56	145	310	281	387	302	309	130	50	50	2,171
Total	330	232	381	446	438	459	372	445	259	175	144	3,681
Subdivided into main projects												
Pumping systems	7	9	29	124	220	216	252	259	80	0	0	1,196
Battery systems and synchronous generators	1	45	69	45	30	0	0	0	0	0	0	190
Hydropower	2	13	26	29	0	1	0	0	0	0	0	71
Wind turbines Eiði	1	1	40	109	50	150	0	0	0	0	0	351
Coupling stations	51	32	51	99	118	50	47	62	35	31	0	576
Grid	92	68	70	20	20	20	20	71	91	91	91	654
Other	129	64	95	20	0	22	53	53	53	53	53	595
Investment	331	232	381	446	438	459	372	445	259	175	144	3,681

1) Investment in 2020 is confirmed and 2021 is forecast.

Chart 4 – Projected investment in the grid 2020-2030¹⁾

The investment in the Grid is especially focused on the coupling stations, the battery systems and the synchronous generators and the grid.

Grid investment (DKK mil.)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Coupling Stations	51	33	51	69	105	50	47	62	35	31	0	534
Battery systems and other equipment	1	45	69	45	30	0	0	0	0	0	0	190
Grid	92	68	70	20	20	20	20	71	91	91	91	654
Administration	26	19	34	2	2	2	2	2	2	2	2	95
Other	8	11	11	0	0	0	1	1	1	1	1	35
Grid totals	178	176	235	136	155	72	70	136	129	125	94	1,508

1) Investment in 2020 is confirmed and 2021 is forecast.

Chart 5 shows the verified net revenue of the Company from 2010 to 2020, and Chart 6 shows the projected net revenue over the period 2020 – 2030.

The growth in revenue over the last few years stems from price increases and greater sales of kWh. Confer the Tables above on price changes and sales to customers in GWh. Thus, it is

apparent that there was net revenue growth, and it is critical to maintain good net revenue during the years ahead. As the Charts indicate, the impact from the energy shift is now projected into the budgets in anticipation of an increase in electric vehicles and heat pumps. Thus, SEV's revenue is projected to increase in the coming years.

Chart 5 – Net revenue in DKK million and percentage growth year-on-year 2010-2022

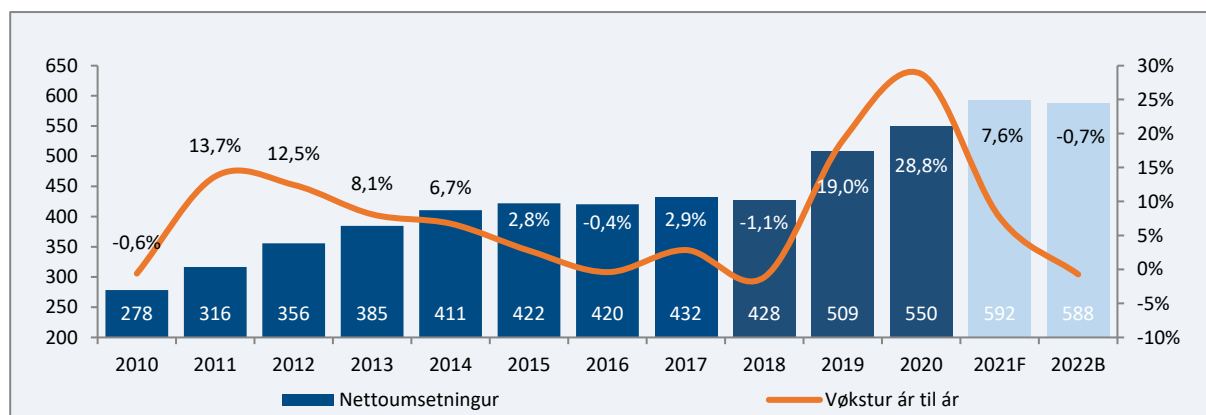
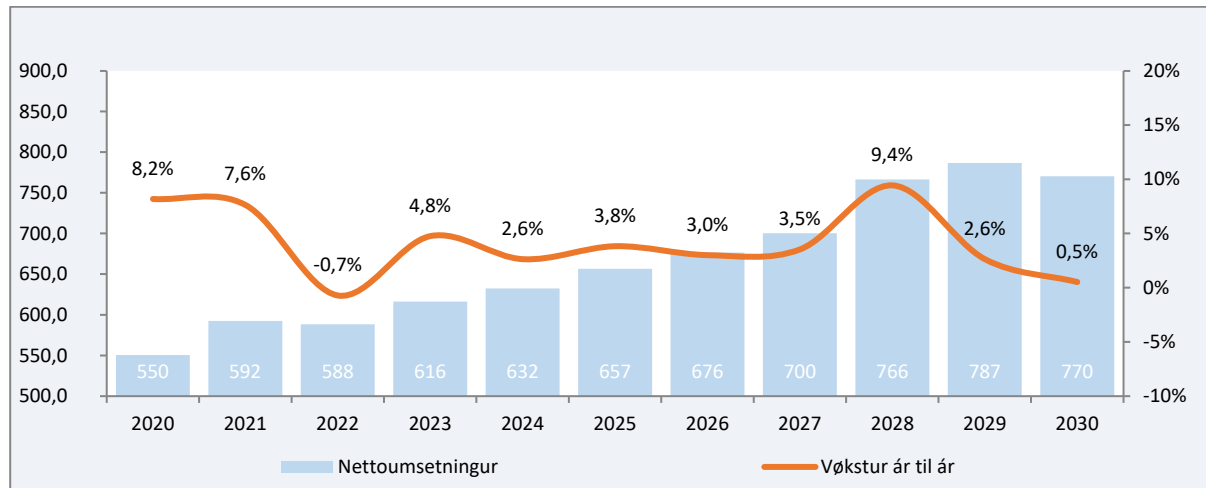


Chart 6 – Net revenue in DKK million and percentage growth year-on-year 2020-2030



The 2020 budget envisioned a price increase for all customers of DKK 0.05 per kWh, except customers in the special pricing schedule with a consumption greater than 30,000 kWh, wherein the price increase was DKK 0.10 per kWh. There was no price increase in 2021 and no price increase is envisioned for 2022.

Long-term planning envisions a price increase of DKK 0.10 per kWh for all customers of the Company in 2023. Thereafter and through 2030, no price increase is envisioned. The owners of the Company shall take the final decision regarding these price adjustments in connection

with the review of the budget for 2023 in the autumn of 2022. Moreover, any possible price changes shall be approved by the Electricity Production Commission.

Chart 7 – EBITDA and EBITDA margin compared to net revenue 2010-2022

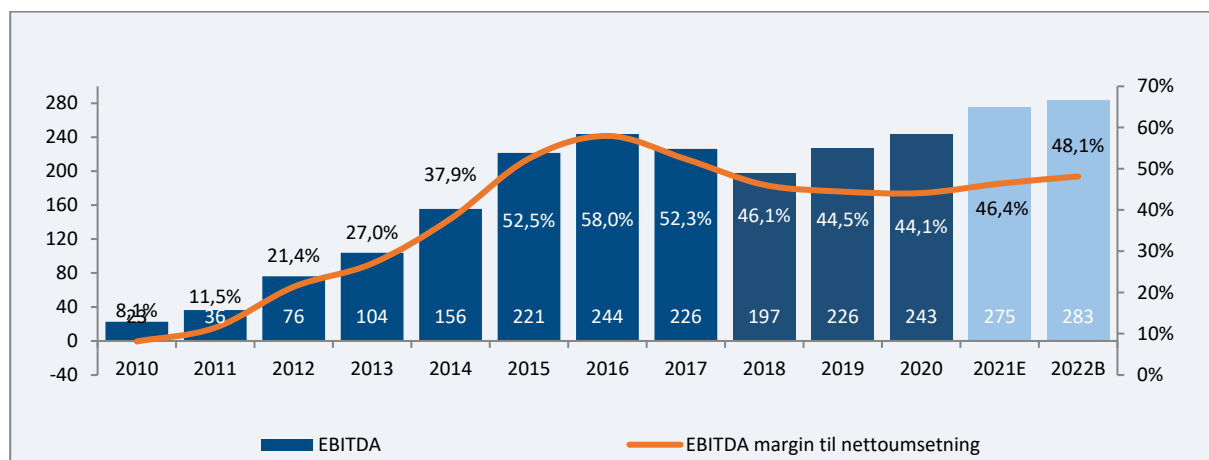
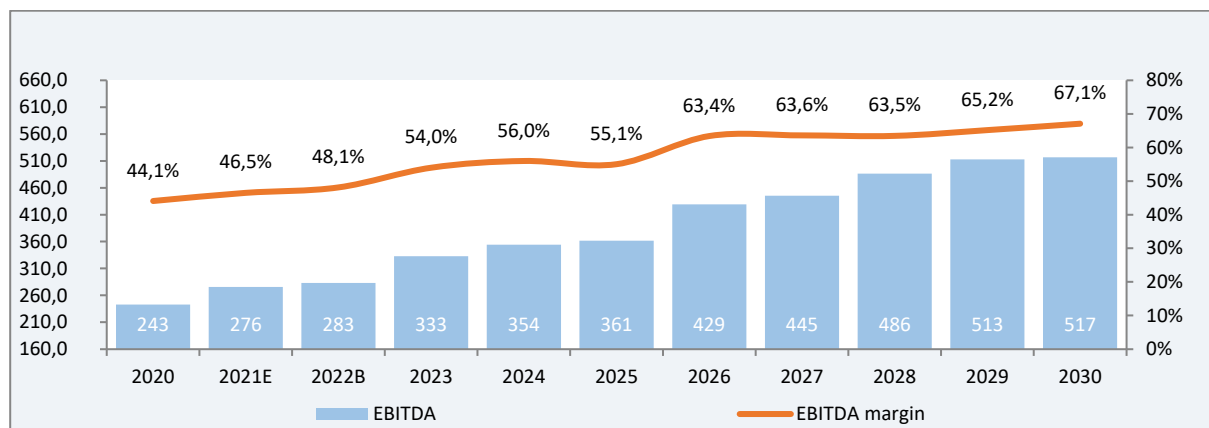


Chart 7 shows the trend in EBITDA and the EBITDA-margin compared to net revenue over the last few years. Early on, these figures were low, but over time they strengthened considerably such that in recent years EBITDA was DKK 276 million against net revenue of some DKK 592.5 million, or 46.5% in 2021, which is forecast. This high level is projected to continue in the years ahead, as depicted in Chart 8 below.

Chart 8 – EBITDA and EBITDA margin compared to net revenue 2020-2030

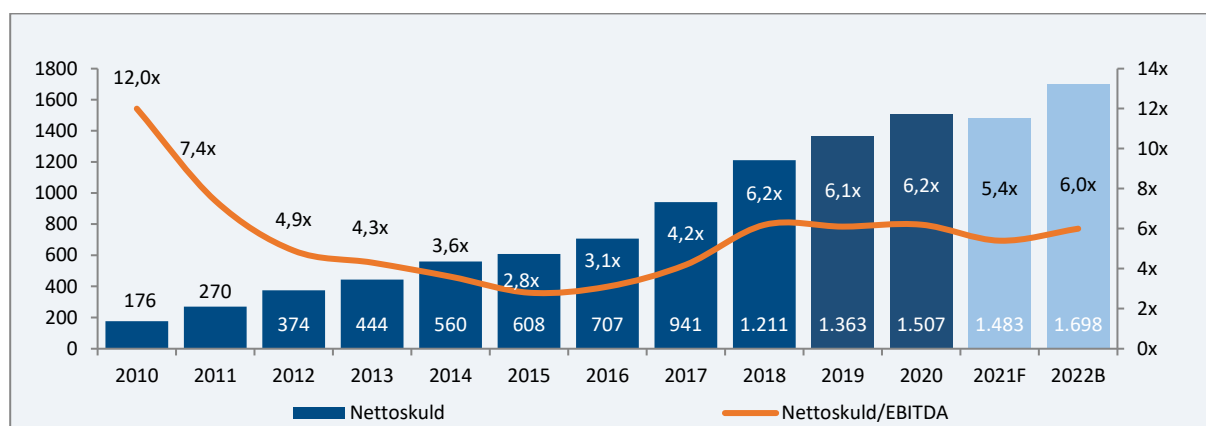


One of the most significant key figure ratios is net liabilities compared to EBITDA. SEV has determined that this ratio shall not be greater than a factor of six (6).

In the current loan facilities with the various financial institutions, this ratio can rise to a factor of nine (9), but SEV believes that this is too high and will therefore strive to ensure that it rises no higher than a factor of six (6).

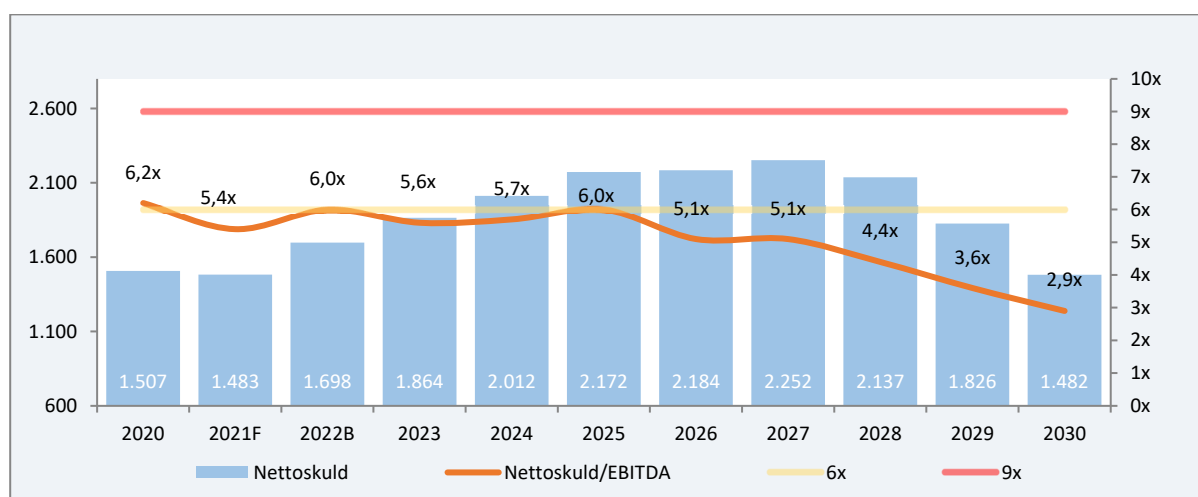
Because the financial institutions have permitted a factor of nine (9), this affords SEV a certain secure margin within which to operate. Chart 9 below shows the trend over the last few years of net liabilities in DKK millions compared to EBITDA.

Chart 9 – Net liabilities compared to EBITDA 2010-2021



As Chart 9 shows, net liabilities compared to EBITDA in 2010 were at an especially high level, but subsequently declined to a factor of 6.2 in 2020, which is 0.2 above the margin of tolerance (factor of 6) adopted by SEV. SEV endeavours continually to hold this key figure at no greater than a factor of 6 and it is anticipated that this key figure will be a factor of 6.0 by year-end 2022.

Chart 10 – Net liabilities compared to EBITDA 2020-2030 ¹⁾



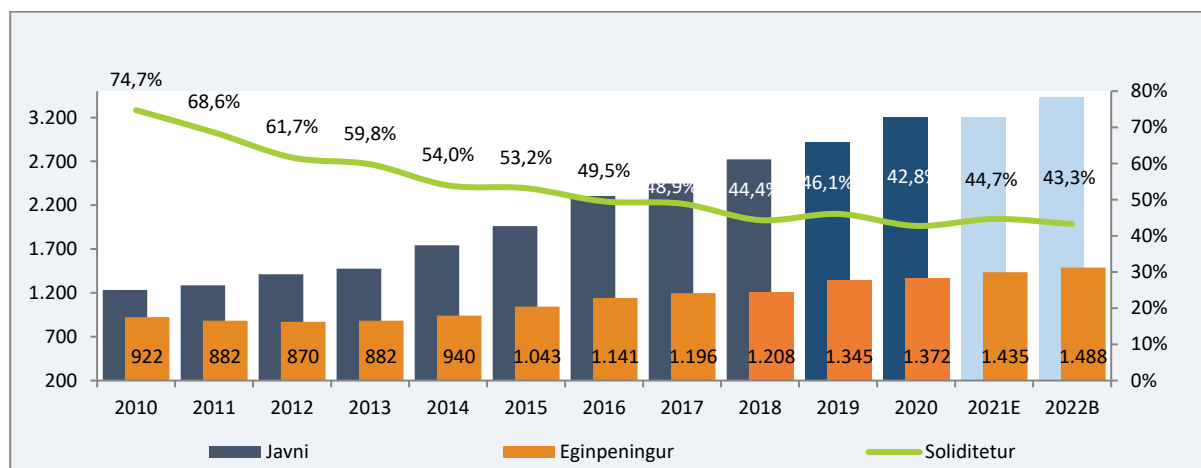
1) Included in net debt are financial instruments

Chart 10 projects that net liabilities compared to EBITDA in 2020 will be higher than a factor of six (6) and then will decline to under a factor of 5.4 in 2021 and a factor of 6.0 in 2022 and then will remain at the stipulated factor of six (6) or lower. The Company's financing providers have stipulated in their terms and conditions for loans that the NIBD/EBITDA may not exceed a factor of nine (9). With a factor of six (6) SEV is well within the terms and conditions stipulated by the loan providers.

This trend in net liabilities compared to EBITDA is consistent with the current pricing schedule compared to total expenses and investments. The combined budget is discussed with and reviewed by ORKA (representing the Earth and Energy Directorate [Jarðfeingi]) pursuant to current legislation.

SEV's Operations, Financial, and Investment Budget for 2022 shall be reviewed by Management, the Board of Directors and the shareholders during October and November 2021, when a final decision will be taken on the budget, including possible price changes.

Chart 11 – Asset balance and equity in DKK million and solidity (asset/equity ratio) in percentages 2010-2022

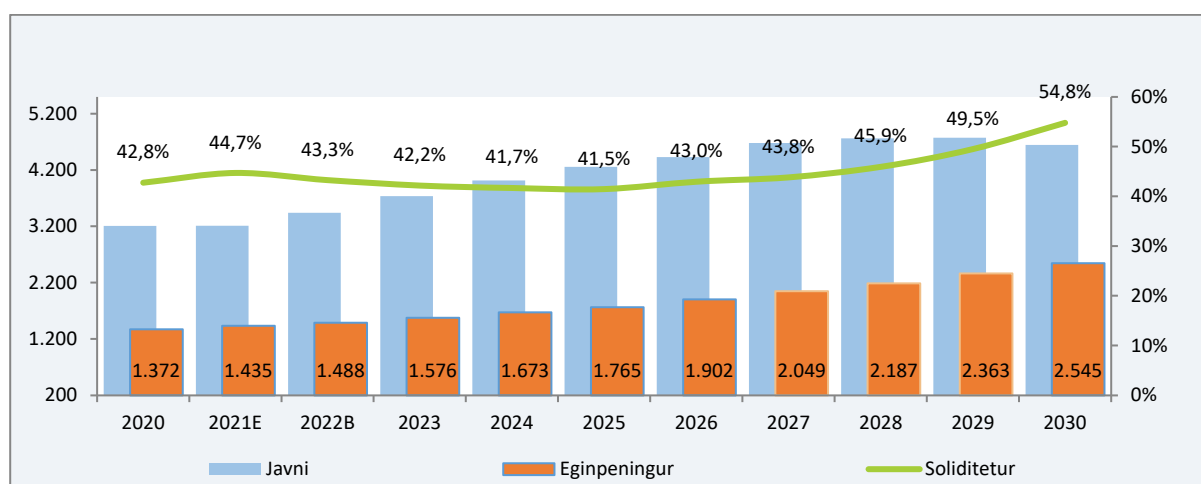


Throughout all the referenced years, SEV has maintained good solidity (owner equity compared to total assets) and in 2020 this equalled 42.8%.

The in-house requirement at present is 40.0%, where the requirement of the financial institutions providing financing to SEV is that owner equity versus total assets must not be less than 35%. In connection with the financing of the expansion of the wind farms, SEV agreed with its loan providers that its share equity, compared to total assets, can be 35%. Thus, this represents a reduction in the requirement of 2.5 percentage points from the earlier requirement of 37.5%. Consistent with this, SEV lowered its in-house requirement to 40.0%.

Thus, the Company meets both of these requirements for share equity and NIBD/EBITDA.

Chart 12 – Assets and equity in DKK million and solidity (asset/equity ratio) in percentages 2020-2030



As Chart 12 shows, the goal of SEV is to continue to maintain strong solidity in the years ahead.

Windfarm subsidiaries of SEV and Fjarhitafelagið

7. Independent subsidiaries to operate wind farms

At year-end 2016, the wind farm subsidiaries were founded, respectively, P/F Vindfelaði í Neshagi, business registration no. 6387 and P/F Vindfelaði í Húshagi, business registration no. 6386. These companies own and operate the wind farms at, respectively, Neshagi and Húshagi. For more information about these wind farm companies, confer the 2016-2020 annual accounts for the wind farm companies, which are available at www.sev.fo.

In the budget, SEV has removed the operations of the windfarms at Neshagi and Húshagi, because the budget of SEV is a concern budget, which contains the parent company and the subsidiaries under one budget.

7.1 Neshagi

The wind farm at Neshagi was completed and went operational in November 2012. Thus, the wind farm has produced electricity for SEV's customers for nine years and the trials conducted through 2019 were good. In 2020, several wind turbines were damaged, and this impacted the operations of the company the wrong direction. The damage is currently being repaired and it is anticipated that the wind turbines will become operational again late in 2021.

However, it can be expected that operations in 2022 will also be impacted by such damage resulting in lower sales. Generally, the company produces around 15 GWh of electricity into the SEV grid, but for 2022 it is expected that production will not be greater than 11 GWh, equalling some DKK 4.8 million. In addition, sales from the windfarm at Porkeri will be around 17 GWh, corresponding to an income of upwards of DKK 5.7 million. Altogether, income is expected to be DKK 10.5 million. Given this, it is expected that there will be an operational shortfall for 2022 of DKK 1.2 million after taxes.

The windfarm at Porkeri formally entered into service in February 2021 at a cost of DKK 70.0 million. The share capital in the company will be increased by some DKK 20 million in 2022 (most probably DKK 17.7 million) such that the share capital will most likely be DKK 24.7 million. Loan facilities will grow by DKK 53.3 million to the windfarms.

The Table below shows the confirmed numbers for 2016-2020 and forecast numbers for 2021. In addition, the budget (B) for 2022 is shown, plus the projected figures for 2023 and 2024.

1000 DKK	2016	2017	2018	2019	2020	2021F	2022B	2023	2024
Sales	6,552	6,681	6,770	5,732	3,809	9,587	10,539	11,720	11,154
Operations and maintenance	717	899	913	1,042	1,645	4,769	4,214	4,261	4,309
Financial costs and depreciation	4,043	3,663	3,628	3,604	3,566	7,875	7,762	7,649	7,534
Result before taxes	1,790	2,121	2,230	786	-1,403	-3,057	-1,438	-190	-689
Tax on annual result	245	459	401	142	253	550	258	34	124
Annual result	1,545	1,662	1,828	645	-1,150	-2,506	-1,179	-156	-565

In addition, the wind company is expected to erect a windfarm at Eiði in 2022 and 2023. It is anticipated that this windfarm will generate around DKK 13 million in the initial years. The operations of this windfarm is not included in the figures above.

Below is the financial position of the subsidiary in key figures. It should be noted that there may be changes in the figures for 2022-2024 when the windfarm project in Porkeri finally is completed, most likely at the end of the year. Moreover, an infusion of share capital in the company of some DKK 18.0 million should be expected as equity in the project.

tDKK	2016	2017	2018	2019	2020	2021F	2022B	2023	2024
Total assets	36,965	36,540	36,166	34,423	96,332	94,615	88,149	82,882	79,725
Assets and Accounts receivable	2,183	5,024	5,499	5,103	225	3,985	3,682	3,476	4,468
Internal current account for loan	28,175	25,628	23,025	20,364	81,183	66,075	61,047	55,970	53,503
Share capital	8,545	10,207	12,036	12,681	9,383	27,795	26,616	26,460	25,894

1) *The internal current account for loans is DKK 62.0 million with the Porkeri windfarm. Of this, a part will be transferred to share equity.*

The Eiði project is not included in the figures for the windfarm in Neshaga. The project is expected to get underway in 2022 and the windfarm erected in 2023. Some DKK 150 million is set aside for the project over two years. In this connection, the share capital will be increased by around DKK 35 million (more than likely DKK 33.8 million) and the long-term debt will be around DKK 100 million which was provided to the company by SEV.

7.2 Húsahagi

SEV decided to erect 13 wind turbines at Húsahagi some time ago and placed these assets in an independent subsidiary after SEV had ensured itself that the project was finally completed. The project cost DKK 104.5 million.

The wind farm at Húsahagi was completed and entered into operation in October 2014. Thus, the wind farm has generated electricity to SEV's customers for seven years and the trials through 2019 went well. During 2020 and 2021, some of the wind turbines experienced damage and these wind turbines have not produced electricity for a part of the year. SEV has an EPK [Enercon Partner Konzept] agreement with the provider of the wind turbines [Enercon], such that the missing income from these wind turbines comes under the agreement provided by Enercon to SEV. This means that Enercon will refund to Vindfelagið Húsahagi any lost income from the wind turbines or a part thereof.

A disagreement has arisen between SEV and Electricity Production Commission on how to calculate the purchase of electricity from the Húsahagi windfarm and SEV shall submit the calculations and how the price agreement and linked insurance otherwise shall be understood. It is unknown how and when a possible solution will be reached. The accounts of the Húsahagi windfarm subsidiary are well substantiated regarding the impact of the accounting numbers. For a more detailed discussion, confer the accounts. The accounts are to be found at www.sev.fo.

The 2022 budget projects that SEV will purchase some 34 GWh per year of the electricity production of the subsidiary for DKK 0.34 per kWh, pursuant to a special price agreement approved by the government authorities. This equates to an electricity purchase of around DKK 11.7 million. In this connection, there is no assurance that the price schedule that SEV sets up will be included in the agreement between SEV (Grid) and Vindfelagið í Húsahagi.

Below is shown the verified figures for 2016-2020 and forecast numbers for 2021. In addition, the budget for 2022 is shown and the numbers for 2023 and 2024 are forecast.

tDKK	2016	2017	2018	2019	2020	2021F	2022B	2023	2024
Sales	14,158	13,685	12,692	13,663	12,436	10,218	11,688	11,805	11,923
Operations and maintenance	4,755	4,261	4,702	5,054	4,430	4,720	4,768	4,815	4,864
Financial costs and depreciation	9,991	8,876	8,754	8,658	8,535	8,371	8,244	8,114	7,982
Result before taxes	-587	548	-764	-49	-530	-2,874	-1,323	-1,124	-922
18% taxes on result	105	99	127	-9	123	0	0	0	0
Annual result	-481	450	-636	-58	-406	-2,874	-1,323	-1,124	-922

Below is the financial position of the subsidiary in key figures

tDKK	2016	2017	2018	2019	2020	2021F	2022B	2023	2024
Total assets	96,518	91,446	85,166	79,609	73,033	66,222	58,729	51,305	43,951
Assets and Accounts receivable	3,705	5,913	6,912	8,574	9,124	9,743	9,529	9,383	9,307
Internal current account for loan	75,000	69,479	63,834	58,336	52,166	47,106	40,936	34,637	28,206
Share capital	21,518	21,968	21,331	21,273	20,867	19,116	17,792	16,668	15,745

8.0 P/F Fjarhitafelagið

SEV owns one-half (50%) of P/F Fjarhitafelagið, while Tórshavn Municipality owns the other half. Thus, P/F Fjarhitafelagið is considered an “associated” company of SEV and therefore not a part of the financial budget of SEV, except that the original capital portion of the company is booked as part of the assets of SEV.

In order to strengthen the company because the company is now engaged in a major expansion of the district heating system, the plan is to increase the share equity of the company by some DKK 30 million. This means that the current owners, which are SEV and the Tórshavn Municipality, who each own half of the company, will each add an addition DKK 15 million to the share capital of the company.

It is deemed necessary to increase the share equity because the debt (NIBD) compared to income (EBITDA) is high. If the company is to obtain the necessary financing and at the same time have a sufficient financial position, it is necessary that the owners support the company by increasing the share capital with their combined DKK 30 million. Please refer to section 4.6 ‘Investment’ on p.41 in which the circumstances regarding the potential capital infusion into p/f Fjarhitafelagið, are explained in more detail.

Fjarhitafelagið, as a “district heating” company, sells heat in the form of hot water to several of the communities within the municipality of Tórshavn and according to the latest annual report has some 1,453 customers, compared to 1,385 customers in 2019. Thus, 68 new customers joined the company in 2020, compared to a total of 131 the previous year.

The annual accounts of the company as at year-end 2020 show a balance sheet of DKK 205.4 million, compared to DKK 182.4 million in 2019, and a share equity in 2020 of DKK 61 million, compared to DKK 62.9 million in 2019. The annual result for 2020 was a deficit of DKK 1.9 million, compared to a surplus of DKK 0.5 million in 2019. Thus, there was a worse result in 2020 compared to 2019.

The company wrote in its annual report for 2020: “The year’s net sales were DKK 21.1 million compared to DKK 22.5 the last year. The result after taxes is a negative DKK 1.9 million, compared to DKK 0.5 million last year. The year 2020 was greatly impacted by high oil consumption, because, among other reasons, several large customers have entered into the system, plus the fact that the weather was much colder. In the last half of 2020, the Sund power plant was to be linked into the distant-heating system, but this was not a reality.

In 2020, investment was undertaken in the system for DKK 17.4 million. In addition, work is underway equalling some DKK 28 million at the end of 2020 for the laying of the distant heating infrastructure on Landavegur, Blómubrekku, Mark, Under Kongavarða and Úti á Fløtum. Considerable work was undertaken along Karlamagnusarbreyt and in connection with the new temporary station at Sund.

During the fiscal year, Fjarhitafelagið employed six staff. In addition, it was necessary to procure certain additional outside manpower.

The company will continue along its “green” path that the shareholders and the board have laid out, which entails the linking of the western region of Tórshavn and Argir into the total system of Fjarhitafelagið. In 2021, work continued to lay distant-heating pipes along Landaveg from West Church over to the old cemetery and down to Finsen. Moreover, efforts to lay



distant-heating pipes along Jústsgøta to the new police offices continues. The work at á Hálsi continues as well, where other major buildings will be incorporated into the distant-heating system.”

By utilizing the heat generated by the incinerator at Sandvíkahjalla and the motors of the Sund power plant that otherwise would be lost, Fjarhitafelagið is a green enterprise, which is consistent with the vision of the Faroe Islands becoming 100% green by 2030. Work is underway to considerably expand the system over the course of the next few years and the company has secured the necessary financing for this endeavour.

It will be important for the economy of the company that the regulatory initiatives of the government designed to promote the competitiveness of heat pumps over oil furnaces do not undermine the earnings potential of Fjarhitafelagið, which already is a green heating solution.

Tórshavn, the 5th of November 2021

Elfelagið SEV

[Electric Utility Company SEV]

Financial Statistics and Tables

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- **Operations**
- **Asset Adjustments**
- **Liquidity**
- **Investments**
- **Tables**

Rakstur / Operations	2020	2021	2021	2022	2023	2024
	Staðfest / Actual	Ætlan / Budget	Staðfest og ætlað / Actual and Budgeted	Ætlan og framskriving/ Budget and projections	Framskrivning/ projections	Framskrivning/ projections
	Íalt / total	Íalt / total	Íalt / total	Ár / year	Ár / year	Ár / year
Inntøkur / Revenue						
kWh-gjald / kWh charges	522.833	526.690	552.404	577.612	636.413	652.506
Fast gjald / Fixed charges	18.039	18.805	19.164	19.164	19.164	19.664
Íbinding / Connection fees	11.187	6.000	28.000	15.000	10.000	10.000
Annað / Other charges	2.178	0	2.000	2.000	2.000	2.000
Keyp av vindorku og Biogass / Purchase of wind power and Biogas	-3.805	-2.685	-9.005	-25.551	-51.333	-51.718
Nettounsetningur / Net Turnover	550.432	548.809	592.563	588.225	616.244	632.452
Oljuútreiðslur til egna nýtslu / Cost of oil used in production	164.546	135.181	176.271	159.673	133.032	123.598
Tilfar og tænaúveitingar / Materials and services	59.922	62.818	59.747	61.722	65.964	69.333
Framleiðsluvirkir/Production	26.104	29.512	29.131	27.799	29.132	32.058
Netvirksemi uttan fyrisiting /Grid without Administration	12.311	14.180	12.313	13.600	16.261	16.424
Fyrisiting /Administration	21.507	19.127	18.302	20.323	20.571	20.851
Bruttovinningur / Gross profit	325.963	350.811	356.545	366.830	417.248	439.521
Starvsfólkaútreiðslur - Salaries and wages	83.167	80.695	81.554	83.748	84.407	85.249
Framleiðsluvirkir /Production	39.866	38.246	35.025	32.375	32.697	33.022
Netvirksemi uttan lönir hjá fyrisiting /Grid without Administration	26.114	24.517	29.762	31.908	32.227	32.550
Fyrisiting / Administration	17.187	17.932	16.766	19.464	19.482	19.677
Úrslit áðrenn av- og niðurskrivingar / Profit before depreciation, amortization and impairment	242.796	270.116	274.992	283.082	332.842	354.272
Avskrivningar / Depreciation, amortization and impairment	141.418	157.754	157.239	158.427	174.417	182.496
Framleiðsluvirkir		91.170	94.112	92.713	106.204	106.642
Bygningar og jarðarøki		7.679	5.825	4.669	3.118	3.118
Býtisvirkir		41.085	41.824	45.693	48.523	54.943
Rakstrargøgn		17.820	15.478	15.352	16.572	17.792
Úrslit áðrenn figgjarpostar og skatt / Profit before financials and tax	101.379	112.361	117.753	124.655	158.425	171.777
Virðisjavnan av kapitalpørtum / Subsidiary fair value adjustments		0	0	0	0	0
Rentuútreiðslur og javnan av figgjarligum amboðum / Interest expenses and value adjustments from derivatives	40.167	50.626	40.371	59.634	51.848	52.936
Rentuinntøkur og javnan av figgjarligum amboðum/ Interest revenue and value adjustments from derivatives		0	0	0	0	0
Úrslit áðrenn skatt / Profit before tax	61.212	61.735	77.382	65.021	106.576	118.840
Skattur / tax	11.403	11.112	13.929	11.704	19.184	21.391
Úrslit eftir skatt / Profit after tax	49.809	50.623	63.453	53.317	87.393	97.449

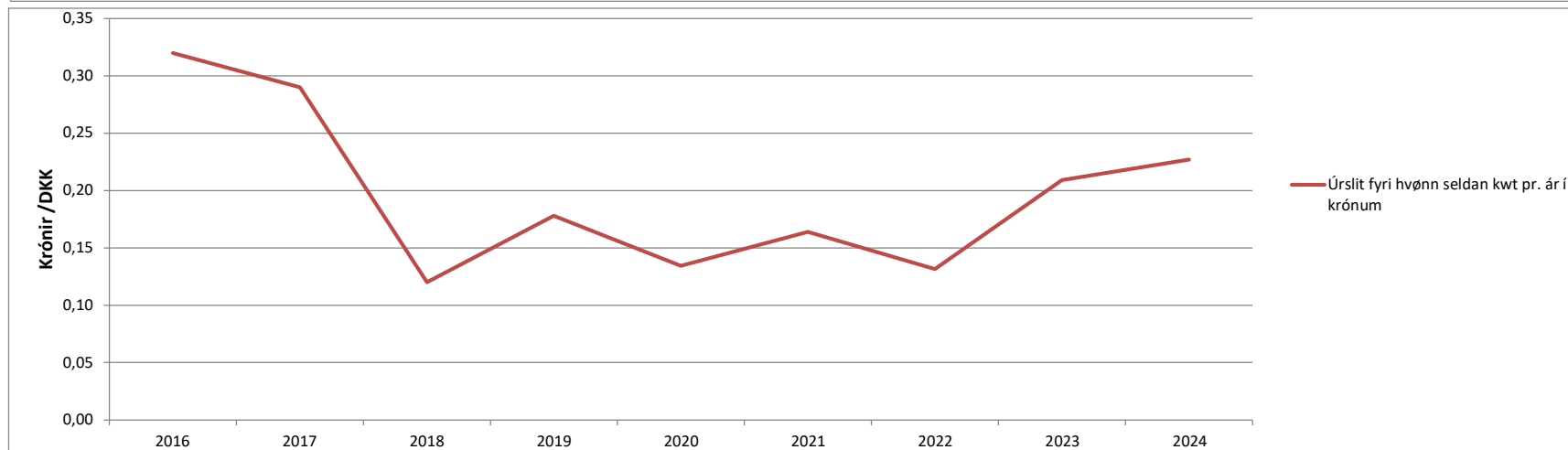
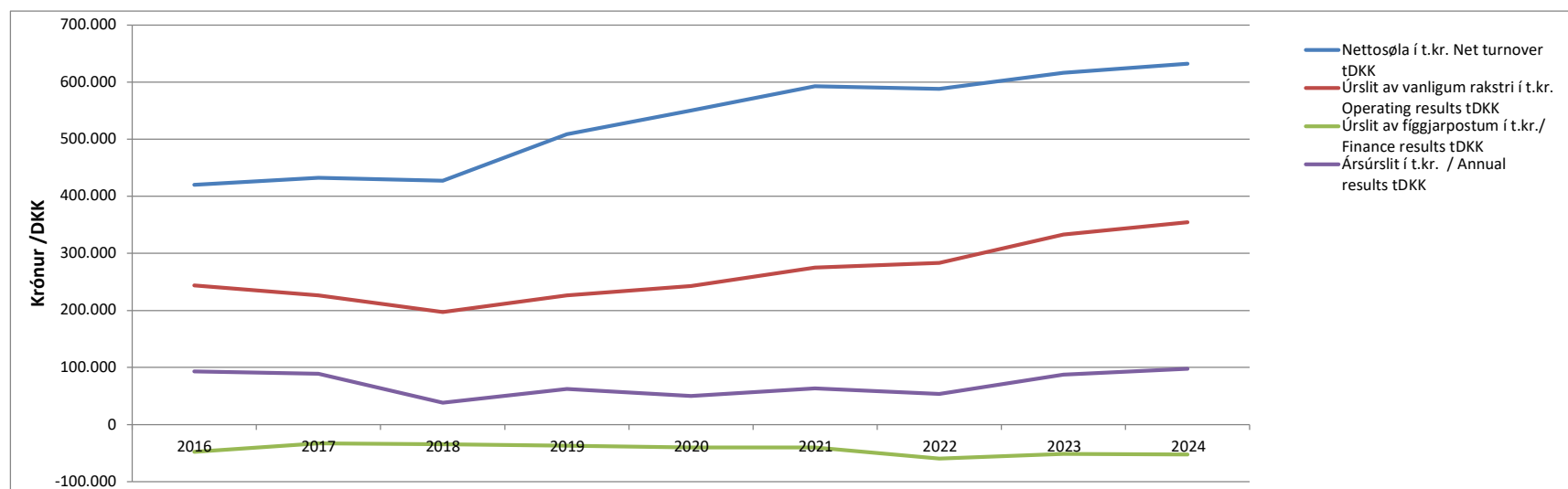
JAVNI / PR. 31. DESEMBER / BALANCE PR. 31. DECEMBER	2020	2021	2022	2023	2024
AKTIV / ASSETS	íalt	íalt	íalt	íalt	íalt
Fastar ognir og avskrivningar / Fixed assets and depreciation, amortization and impairment					
Útvegnarvirði við ársbyrjan / Acquisition value beginning-of-year	3.759.179	4.645.610	4.982.463	5.233.728	5.576.158
Tilgongd / additions	888.163	336.853	251.265	342.430	241.767
Frágongd / disposals	1.732	-	-	-	-
Útvegnarvirði við ársenda / Acquisition value year-end	4.645.610	4.982.463	5.233.728	5.576.158	5.817.925
Avskrivningar við ársbyrjan / Depreciation, amortization and impairment beginning-of-year	1.978.821	2.120.239	2.277.478	2.435.905	2.610.322
Avskrivningar í árinum / Depreciation, amortisation and impairment over the year	141.418	157.239	158.427	174.417	182.496
Avskrivningar við ársenda / Depreciation, amortization and impairment year-end	2.120.239	2.277.478	2.435.905	2.610.322	2.792.818
Fastar ognir við ársenda / Fixed assets year-end	2.525.371	2.704.985	2.797.823	2.965.835	3.025.107
Ílðguarbeiði í gerð / Investment works in progress	274.141	169.044	299.144	402.964	599.297
Materiel stöðioign / Tangible fixed assets	2.799.512	2.874.029	3.096.967	3.368.799	3.624.404
Kapitalpartar í dótturfelögum / Investments in subsidiaries	-	-	-	-	-
Kapitalpartar í assosieraðum virkjum / Investments in associates	2.750	2.750	27.750	27.750	27.750
Avleidd fíggarlig amboð/derivatives	14.989	14.989	14.989	14.989	14.989
Fíggarlig stöðisogn / Financial Assets	17.739	17.739	42.739	42.739	42.739
STÖÐISOGN TILSAMANS / Total Assets	2.817.251	2.891.768	3.139.706	3.411.538	3.667.143
Olja á goymslu - Oil inventory	20.045	16.211	13.663	11.697	18.748
Tilfar á goymslu - Materials inventory	17.087	21.870	21.870	21.870	21.870
Arbeiði í gerð fyrir fremmanda rokning / paid for work in progress	0	0	0	0	0
Goyslur tilsamans / Total Inventory	37.132	38.081	35.533	33.567	40.618
Vøru- og tænaúáðgn (Elskuldarar) / Electricity debtors	109.222	102.296	111.263	114.028	118.127
Skuldarar aðrir / Other debtors	0	0	0	0	0
Millumrokning við net / Settlement grid	0	0	0	0	0
Millumrokning við dótturfelög/ Settlement with subsidiary company's	0	0	0	0	0
Önnur áðgn / Other receivables	0	249	0	0	0
Tíðavmarkingar /Prepayments and accrued income	20.502	20.502	20.502	20.502	20.502
Skuldarar tilsamans / Total Receivables	129.724	123.047	131.765	134.530	138.629
Lánsbrøv / Obligations	0	0	0	0	0
Virðisbrøv tilsamans / Total shares	0	0	0	0	0
Tøkur peningur / Cash and cash equivalents	223.854	157.916	132.553	156.497	168.583
ÖGN Í ÖMFERÐ TILSAMANS /TOTAL CURRENT ASSETS	390.710	319.044	299.851	324.594	347.830
AKTIV TILSAMANS / TOTAL ASSETS	3.207.960	3.210.810	3.439.553	3.736.129	4.014.969

JAVNI PR. 31. DESEMBER / BALANSE PR. 31 DECEMBER	2020	2021	2022	2023	2024
PASSIV / LIABILITIES	Íalt	Íalt	Íalt	Íalt	Íalt
Innskot / Deposits	4.140	4.140	4.140	4.140	4.140
Grunnur til avleidd figgjaramboð	-44.317	-44.317	-44.317	-44.317	-44.317
Grunnur til uppskriving eftir innaravirðishátti	-	-	-	-	-
Kapitalkonto / Capital account	1.361.921	1.411.730	1.475.184	1.528.501	1.615.892
Úrslit / Results	49.809	63.453	53.317	87.393	97.449
Eginogn tilsamans / Total Equity	1.371.553	1.435.006	1.488.324	1.575.716	1.673.164
Avsetingar til eftirløn og líknandi skyldur / Provisions for pensions and equivalent liabilities	20.155	20.155	20.155	20.155	20.155
Avsetingar til útsettan skatt / Provisions for deferred tax	3.479	17.657	25.632	44.816	66.207
Aðrar avsetingar / Other Provisions	0	0	0	0	0
Avsetingar tilsamans / Total Provisions	23.634	37.812	45.787	64.971	86.362
Skuld til peningastovnar / Bank borrowings	1.638.143	1.598.116	1.788.116	1.978.116	2.138.116
Langfreistað skuld til samans / Total long-term debt	1.638.143	1.598.116	1.788.116	1.978.116	2.138.116
Stuttfreistaður partur av langfreistaðari skuld / Current portion of long-term debt	870	9.681	0	0	0
Skuld til peningastovnar / Bank borrowings	0	0	0	0	0
Móttikin frammanundangjöld frá kundum (El-ogrnarar) / Prepayment received from eletricity debtors	1.239	1.239	1.239	1.239	1.239
Vøru- og tænaustuskuld (aðrir ognarar) / Trade creditors	47.415	47.415	47.415	47.415	47.415
Millumrokning framleiðsla / Balance production	0	0	0	0	0
Avleidd figgjarlig amboð/derivatives	93.167	42.300	42.300	42.300	42.300
Partafelagsskattur / Corporate tax	0	0	0	0	0
Onnur skuld / Other debt	31.938	39.239	26.372	26.372	26.372
Tíðaravmarkingar / Prepayments	0	0	0	0	0
Stuttfreistað skuld tilsamans / Total short-term debt	174.629	139.874	117.326	117.326	117.326
SKULD TILSAMANS / TOTAL DEBTS	1.812.772	1.737.990	1.905.442	2.095.442	2.255.442
PASSIV TILSAMANS / TOTAL LIABILITIES	3.207.960	3.210.810	3.439.553	3.736.129	4.014.969

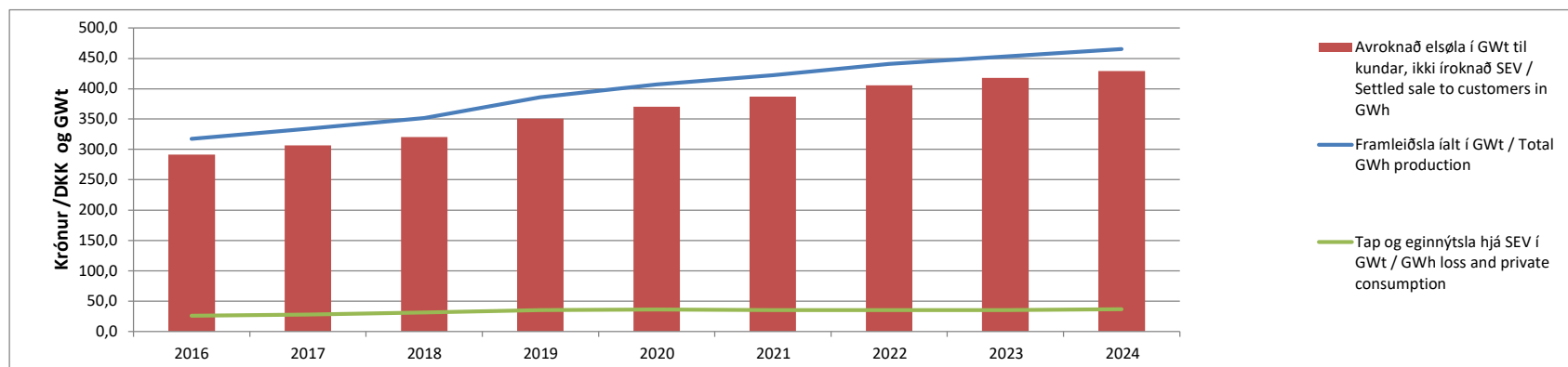
GJALDFØRISYVIRLIT / CASH FLOW STATEMENT	2020 íalt	2021 íalt	2022	2023	2024
Rakstur / Operations					
Nettuumsetningur / Net turnover	550.432	592.563	588.225	616.244	632.452
Streymgjald / KWh charges	522.833	552.404	577.612	636.413	652.506
Fast gjald / Fixed charges	18.039	19.164	19.164	19.164	19.664
Íbindingargjald / Connection fees	11.187	28.000	15.000	10.000	10.000
Ómaksgjöld v.m. / Other charges	2.178	2.000	2.000	2.000	2.000
Keypt av vindorku / Purchase of wind power	-3.805	-9.005	-25.551	-51.333	-51.718
Breyttligur kostnaður / Variable costs					
- Oljukostnaður / Cost of Oil	164.546	176.271	159.673	133.032	123.598
Tungolja, gassolja og smyrjuolja til sundverkið / Heavy fuel oil, gas oil and lubricating oil for Sund power plant	164.546	176.271	159.673	133.032	123.598
- Tilfar og tænastr / Materials and services	59.922	59.747	61.722	65.964	69.333
Framleiðsluvirkir / Power plants	26.104	29.131	27.799	29.132	32.058
Netvirksemi uttan fyrirsiting / Grid less administration	12.311	12.313	13.600	16.261	16.424
Fyrirsiting / Administration	21.507	18.302	20.323	20.571	20.851
Bruttovinningur / Gross Profits	325.964	356.545	366.830	417.248	439.521
- Lönarútreiðslur / Wages and salaries	83.167	81.554	83.748	84.407	85.249
Framleiðsluvirkir / Power plants	39.866	35.025	32.375	32.697	33.022
Netvirksemi uttan fyrirsiting / Grid less administration	26.114	29.762	31.908	32.227	32.550
Fyrirsiting / Administration	17.187	16.766	19.464	19.482	19.677
Gjaldfærissbreyting frá vanligum raksturi / Changes in cash flow from traditional operations/ EBITDA	242.797	274.992	283.082	332.842	354.272
Breytingar í goymslu, skuldarum og ognarum v.m. / Changes in inventory, debtors and creditors etc.	10.745	-14.849	-20.742	18.384	10.242
+/- breyting í vörugoymslu / changes in inventory	2.141	-949	2.548	1.966	-7.051
+/- breyting í skuldarum / changes in debtors	-10.721	6.677	-8.718	-2.766	-4.098
+/- breyting í avsetingum/skyldum / changes in provisions	6.151	14.178	7.976	19.184	21.391
+/- breyting ognarum/changes in creditors	13.174	0	0	0	0
+/- breyting ognarum/stuttfréistað skuld/changes in creditors and short-term debt	0	-34.755	-22.548	0	0
+/- breyting í figgjarlig amboð og jafnvng av skuld í dollar/changes in derivatives and regulation of debt	0	0	0	0	0
+/- jafnvng / Balancing	0	0	0	0	0
Gjaldfærissbdrag frá rakstur / Cash generated from operating activities	253.542	260.143	262.340	351.226	364.514
+/- flögur/Investments:	-331.096	-231.756	-406.365	-446.250	-438.100
Netvirksemi / Grid	-154.079	-276.218	-184.150	-105.150	-230.817
Framleiðsluvirksemi / Production	-732.352	-60.635	-67.115	-237.280	-10.950
Breyting í arbeiði í gerð / Changes to work in progress	555.342	105.097	-130.100	-103.820	-196.333
Breyting í figgjarligari stöðisögn / Changes in financial assets	-7	0	-25.000	0	0
Jafnvng til primo flögur av fðstum ögnum / Balancing of investments in fixed assets	0	0	0	0	0
Figgjarligar inngjaldingar og útgjaldingar / Net cash flow from financing activities					
+/- breyting í langfréistaðari skuld / changes to long-term debt	210.415	-40.027	190.000	190.000	160.000
Nýggj lántaka - New borrowings	210.415	-40.027	190.000	190.000	160.000
Lántaka til umlegging av verandi skuld til langfréistað / Conversion of existing debt into long-term debt	0	0	626.000	0	0
Avdráttir uppá skuld / Repayment of borrowings RCF from 2016	0	0	-626.000	0	0
Lántaka til umlegging av verandi skuld til langfréistað / Conversion of existing debt into long-term debt	0	0	350.000	0	0
Avdráttir uppá skuld / Repayment of borrowings FA from 2019	0	0	-350.000	0	0
Lántaka til umlegging av verandi skuld USPP 2023 til langfréistað / Conversion of existing debt USPP 2023 into long-term debt	0	0	336.000	0	0
Avdráttir uppá skuld USPP 2023/ Repayment of borrowings USPP 2023	0	0	-336.000	0	0
Ábyrgdarpeningur 2019-2029/subordinated debt	0	0	0	0	0
Atfurrindan av skuld í sambandi við sðlu av vindmyllulund/Repayment of borrowing regarding sale of wind turbine park	0	0	0	0	0
Jafnvng av trekki frá flögufiggging / Balancing withdrawals from investment financing	0	0	0	0	0
+/- Kapitalinntøkur og rentukostnaður og provisión netto / Net proceeds from investments and interest expenses and provisions	-34.128	-54.300	-71.338	-71.032	-74.328
Kapitalpartar / Subsidiaries	0	0	0	0	0
Gjald av skatt/tax	0	-13.929	-11.704	-19.184	-21.391
Kursreguleringar av lánum/Interest rate adjustment during the year on loan in USD	0	0	0	0	0
Rentuinntækur / Interest revenue	0	0	0	0	0
Rentuútreiðslur / Interest expenses	-34.128	-40.371	-59.634	-51.848	-52.936
Gjaldfærissbreyting íalt/ Total net cash flow	98.733	-65.940	-25.363	23.944	12.086
Tøkur peningur primo / Cash and Cash equivalents beginning-of-year	125.123	223.856	157.916	132.553	156.497
Tøkur peningur ultimo áðrenn rakstrarkreditt / Cash and cash equivalents year-end before bank overdraft	223.856	157.916	132.553	156.497	168.583
+ USPP figgging til at endurrinda lánsbrøv sum falla til gjaldingar 2023/ USPP refinancing due in 2023	0	0	336.000	0	0
+ Rakstrarkredittur 2016 frá peningastovnum til flögur/ Allowed bank overdraft 2016 to investments	60.000	70.000	0	0	0
+ Rakstrarkredittur 2022 frá peningastovnum til verkætlanir samb. budget/ Allowed bank overdraft 2022 to investments	0	0	634.000	444.000	284.000
+ Rakstrarkredittur 2019 frá peningastovnum til vindmyllur á Eiði/ Allowed bank overdraft 2019 to investments in windturbines in Eiði	150.000	150.000	109.000	0	0
+ Rakstrarkredittur 2019 frá peningastovnum til flögur/ Allowed bank overdraft 2019 to investments	52.758	100.000	100.000	100.000	100.000
+ Rakstrarkredittur 2019 frá peningastovnum til rakstur/ Allowed bank overdraft 2019 to operations	40.000	100.000	100.000	100.000	100.000
Tøkur peningur ultimo eftir rakstrarkreditt / Cash and cash equivalents at the end of year after bank overdraft	526.614	577.916	1.411.553	800.497	652.583

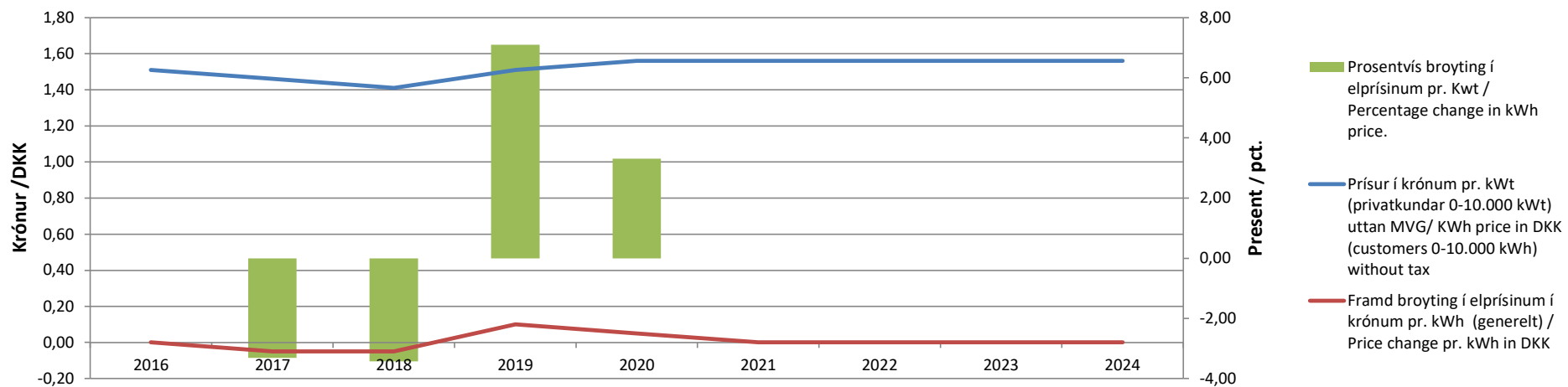
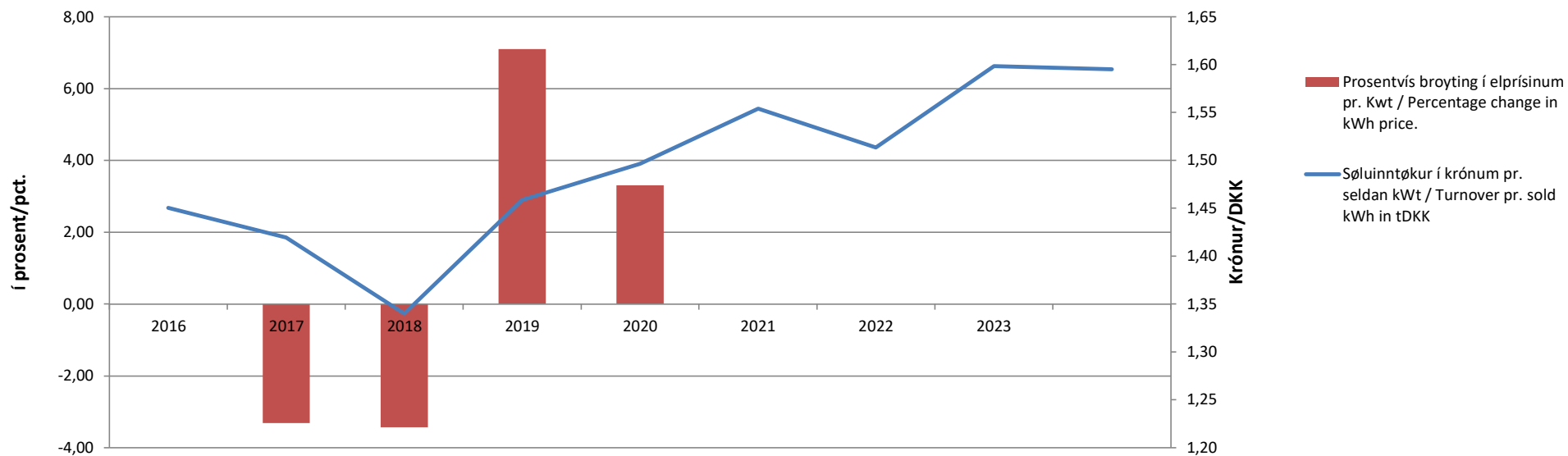
Ár	2021	2022	2023	2024
Íløgur og útgreiningar harav í t.kr.	íalt	íalt	íalt	íalt
Maskindeild (110)	475	2.500	100	100
Fossaverkið - (deild 120)	700	3.160	0	0
Heygaverkið - (deild 130)	168	2.900	8.500	0
Mýruverkið - (deild 140)	600	900	0	0
Eiðisverkið - (deild 150)	2.563	4.700	450	0
Verkið í Botni - (deild 160)	3.950	12.100	20.000	0
Vágsverkið - (deild 170)	4.000	7.000	2.000	0
Verkið í Trongisvági - (deild 180)	0	0	0	0
Sundsverkið - (deild 190)	23.160	23.450	40.500	8.500
Skopun - (deild 210)	0	0	0	0
Strond - (deild 220)	1.225	2.500	200	1.200
Vindorka Neshagi "Enercon" - (deild 231 og 232)	325	6.000	0	0
Vindorka - deild 235 Vindmyllur Eiði	940	40.000	109.000	0
Vindorka - deild 240 Vindmyllur Húsahagi (13 stk.)	1.000	1.000	0	0
Vindorka - deild 245 Vindmyllur Meginøkið	20	0	0	0
Vindorka - deild 255 Vindmyllur Glyvrafjall	2.100	0	0	0
Vindorka - deild 260 Vindmyllur Sandoy	150	0	0	50.000
Vindorka - deild 265 Vindmyllur Kirkjubøreyn	0	0	0	0
Vindorka - deild 270 Vindmyllur Suðuroy	1.540	0	0	0
Vindorka - deild 275 Vindmyllur Høgareyn	0	0	0	0
Smáverk felags - (deild 290)	350	500	0	0
Fugloy - (deild 292)	770	4.110	5.000	0
Svínoy - (deild 293)	260	210	0	0
Mykines - (deild 294)	570	4.560	0	0
Hestur - (deild 295)	300	350	0	0
Koltur - (deild 296)	600	600	0	0
Nólsoy - (deild 297)	0	0	0	800
Skúvoy - (deild 298)	1.000	175	0	0
Dímun - (deild 299)	50	400	0	0
Sjóvindmyllulund	250	0	0	0
Sjóvarfalsorka	0	0	350	350
Sólorka	300	0	0	0
Pumped storage	8.600	29.000	124.000	220.000
Víkarvatn - (deild 200)	0	0	0	0
Annað innan framleiðslu	0	0	0	0
Framleiðsluvirki íalt	55.966	146.115	310.100	280.950
Netvirki uttan fyrisiting	155.590	201.150	134.050	155.050
Koblingsstøðir	33.300	112.700	113.550	134.550
Býtisvirki	68.300	69.800	19.500	19.500
Innlegging	4.940	10.650	1.000	1.000
Verkfrøði	49.050	8.000	0	0
Fyrisiting	20.200	34.100	2.100	2.100
Netvirksemi íalt	175.790	235.250	136.150	157.150
ÍALT	231.756	381.365	446.250	438.100

Rakstrarroknskapur / Income Statement	Staðfest roknskapartöl / Actual accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nettosøla í t.kr. Net turnover tDKK	420.270	432.277	427.460	508.788	550.432	592.563	588.225	616.244	632.452
Úrslit av vanligum rakstri í t.kr. Operating results tDKK	243.621	226.255	197.097	226.211	242.796	274.992	283.082	332.842	354.272
Úrslit av fíggarpostum í t.kr./ Finance results tDKK	-48.286	-32.948	-34.634	-37.040	-40.167	-40.371	-59.634	-51.848	-52.936
Skattur	-9.343	-1.591	-9.242	-13.194	-11.403	-13.929	-11.704	-19.184	-21.391
Ársúrslit í t.kr. / Annual results tDKK	92.754	88.974	38.084	62.379	49.809	63.453	53.317	87.393	97.449
Yvirsótsstig (í prosent) / Operating Profit Margin (%)	58,0	52,3	46,1	44,5	44,1	46,4	48,1	54,0	56,0
Úrslit fyri hvønn seldan kw pr. ár í krónum	0,32	0,29	0,12	0,18	0,13	0,16	0,13	0,21	0,23

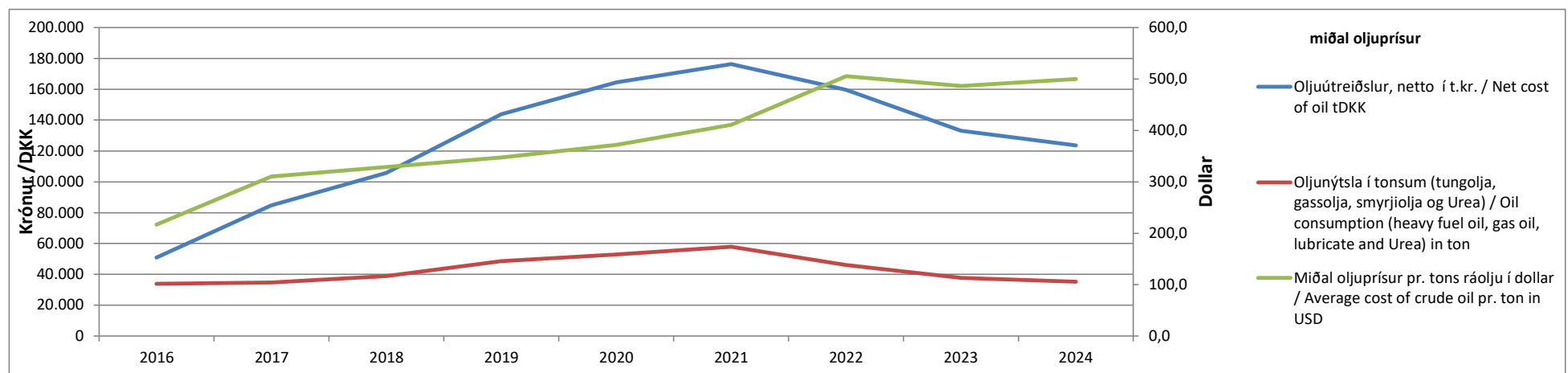


Framleiðsla / Production	Staðfest roknskapartöl / Actual accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Framleiðsla av GWt við vindorku / GWh production utilising wind power	52,1	59,7	63,8	52,6	47,1	52,9	116,6	168,7	193,3
Framleiðsla av GWt við vatnorku / GWh production utilising hydro power	106,3	111,2	108,1	103,5	108,7	102,5	110,5	110,5	110,5
Framleiðsla av GWt við sjóarfall, sólorka og pumped to storage/GWh production utilising tidal, solar and pumped to storage	0,0	0,0	0,0	0,0	1,6	6,2	9,7	9,7	9,7
Framleiðsla av GWt við termiskari orku / GWh production utilising thermal power	158,9	163,4	180,1	230,0	249,4	260,8	204,0	164,1	151,7
Framleiðsla íalt í GWt / Total GWh production	317,3	334,3	352,0	386,1	406,8	422,4	440,8	452,9	465,2
Framleiðsla í GWt sundurgreinað soleiðis / Break down of GWh production									
Avroknað elsøla í GWt til kundar, ikki íroknað SEV / Settled sale to customers in GWh	291,4	306,5	320,5	350,4	370,4	387,1	405,5	417,6	428,9
Eginnýtsla hjá SEV í GWt / Private consumption in GWh	7,0	8,0	8,0	10,4	11,4	10,4	10,4	10,4	10,4
Tap í GWt / GWh loss	18,9	19,8	23,5	24,8	25,0	24,8	24,8	24,8	25,8
Tap og eginnýtsla hjá SEV í GWt / GWh loss and private consumption	25,9	27,8	31,5	35,2	36,4	35,3	35,3	35,3	36,3
Tap og eginnýtsla hjá SEV í % av framleiðslu / GWh loss and private consumption as a percentage of total production	8,2	8,3	8,9	9,1	8,9	8,3	8,0	7,8	7,8
Prosentvísur vøkstur í sølu av GWt til kundar/Percentage change in sale to customers in GWh	1,1	5,2	4,6	9,3	5,7	4,5	4,7	3,0	2,7
Prísur í krónum pr. kWt (privatkundar 0-10.000 kWt) uttan MVG/ KWh price in DKK (customers 0-10.000 kWh) without tax	1,51	1,46	1,41	1,51	1,56	1,56	1,56	1,56	1,56
Framd broyting í elprísinum í krónum pr. kWh (generelt) / Price change pr. kWh in DKK	0,00	-0,05	-0,05	0,10	0,05	0,00	0,00	0,00	0,00
Prosentvís broyting í elprísinum pr. Kwt / Percentage change in kWh price.	0,00	-3,31	-3,42	7,09	3,31	0,00	0,00	0,00	0,00





Oljuútreiðslur og keyp av streym / Oil Expenses and purchase of electricity	Staðfest roknskapartöl/Actual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Oljuútreiðslur, netto í t.kr. / Net cost of oil tDKK	50.911	84.741	105.771	143.855	164.546	176.271	159.673	133.032	123.598
Oljunýtsla í tonsum (tungolja, gassolja, smyrjioleja og Urea) / Oil consumption (heavy fuel oil, gas oil, lubricate and Urea) in ton	33.912	34.590	38.838	48.600	52.821	57.918	46.080	37.695	35.099
Kostnaður pr. tons olju í krónum inkl. gass- og smyrjuolju / Cost of oil pr. ton incl. gas- and lubricating oil in DKK	1.501	2.450	2.723	2.960	3.115	3.043	3.465	3.529	3.521
Tungoljunýtsla í tonsum / Heavy fuel Oil consumption in ton	32.195	32.631	35.976	44.226	51.121	54.778	42.840	34.455	31.859
Kostnaður pr. tons tungolju / Cost of heavy fuel oil pr. ton	1.139	2.123	2.384	2.478	3.199	2.936	3.299	3.354	3.331
Miðal oljuprísur pr. tons ráolju í dollar / Average cost of crude oil pr. ton in USD	216,8	310,2	328,8	347,5	371,9	410,8	505,6	486,8	500,0
Keyp av streymi í t.kr/ Purchase of electricity in DKK	2.394	2.844	2.692	2.338	3.805	9.005	25.551	51.333	51.718



Rakstrarinntøkur og útreiðslur fyri SEV pr. kWt / Revenue and expenses pr. kWh	Staðfest roknskapartøl / Actual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrivað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Inntøkur í t.kr. / Revenue in tDKK	422.664	435.121	430.152	511.126	554.237	601.569	613.776	667.577	684.170
Framleiðsluvirkir (íroknað bygningar) í t.kr. / Power Budgetts (buildings incl.) in tDKK	61.954	58.942	59.056	66.086	65.970	64.156	60.174	61.829	65.080
Netvirksemið í t.kr. / Grid in tDKK	33.154	31.443	33.426	34.009	38.425	42.075	45.508	48.488	48.973
Fyrirsiting íroknað tryggingar, tap av skuldarum, eftirlønir og arbeiðsm. gjöld í t.kr. / Administration incl. insurance, loss on unpaid debt and pensions in tDKK	30.632	30.897	32.110	38.627	38.694	35.069	39.787	40.053	40.528
Rakstrarútreiðslur íalt í t.kr. / Total operational expenses in tDKK	125.740	121.282	124.592	138.722	143.089	141.300	145.470	150.370	154.582
Oljuútreiðslur, netto í t.kr. / Net cost of oil in tDKK	50.911	84.741	105.771	143.855	164.546	176.271	159.673	133.032	123.598
Orkukeyp / Purchase of power	2.394	2.844	2.692	2.338	3.805	9.005	25.551	51.333	51.718
Avskrivningar í t.kr. / Depreciation in tDKK	93.238	102.742	115.136	113.599	141.418	157.239	158.427	174.417	182.496
Fíggarpostar netto í t.kr. (í 2010: íroknað niðurskriving av partabrøv í Sewave 2,1 mió.kr.) / Net financials in tDKK (in 2010 an amortization of shares in Sewave for DKK 2,1 mio is included).	48.284	32.948	34.634	37.040	40.167	40.371	59.634	51.848	52.936
Kostnaður íalt í t.kr. / Total cost in tDKK	320.567	344.557	382.826	435.554	493.025	524.187	548.756	561.001	565.330
Ársúrslit í t.kr. áðrenn skatt / Annual Results in tDKK before tax	102.097	90.564	47.326	75.572	61.212	77.382	65.021	106.576	118.840
Skattur/tax	9.343	1.590	9.242	13.193	11.403	13.929	11.704	19.184	21.391
Ársúrslit í t.kr. eftir skatt / Annual Results in tDKK after tax	92.754	88.974	38.084	62.379	49.809	63.453	53.317	87.393	97.449
Inntøka í mió.kr./Income in DKK million	422,7	435,1	430,2	511,1	554,2	601,6	613,8	667,6	684,2
KWt-gjald í mió.kr. / kWh charges in DKK million.	392,7	393,1	402,2	470,0	522,8	552,4	577,6	636,4	652,5
Onnur inntøka í mió.kr./base-rate, connection fee and service fee in mióDKK	30,0	42,0	28,0	41,1	31,4	49,2	36,2	31,2	31,7
Miðalprísur í krónum pr. seldan kWt/ Average unit price in DKK pr. kWh sold	1,35	1,28	1,26	1,34	1,41	1,43	1,42	1,52	1,52
Onnur inntøka pr. kWt/base-rate, connection fee and service fee per kWh	0,10	0,14	0,08	0,12	0,08	0,13	0,09	0,07	0,07
Søluinntøkur í krónum pr. seldan kWt / Turnover pr. sold kWh in tDKK	1,45	1,42	1,34	1,46	1,50	1,55	1,51	1,60	1,60
Prosentvís broyting í elprísinum pr. kWt									
Søluinntøkur í krónum pr. seldan kWt / Turnover pr. sold kWh in tDKK	1,45	1,42	1,34	1,46	1,50	1,55	1,51	1,60	1,60
Kostnaður í krónum pr. seldan kWt / Cost pr. kWh sold in DKK	1,13	1,13	1,22	1,28	1,36	1,39	1,38	1,39	1,37
Úrslit fyri seldan kWt / Profit/loss pr. sold kWh	0,32	0,29	0,12	0,18	0,13	0,16	0,13	0,21	0,23
Kostnaður í krónum pr. seldan kWt sundurgreinaður í framleiðslu og net / Cost pr. kWh sold in DKK specified in cost for production and grid									
Framleiðslukostnaður pr. framleiddan kWt / production cost pr. produced kWh	0,64	0,74	0,77	0,85	0,91	0,94	0,89	0,90	0,88
Netkostnaður pr. seldan kWt / Grid expenses pr. kWh sold	0,45	0,39	0,39	0,39	0,42	0,42	0,47	0,44	0,44
Kostnaður í krónum pr. seldan kWt uttan skatt/ Cost pr. kWh sold in DKK with out tax	1,10	1,13	1,17	1,24	1,33	1,35	1,35	1,34	1,32
Skattur/tax	0,03	0,01	0,03	0,04	0,03	0,04	0,03	0,05	0,05
Kostnaður í krónum pr. seldan kWt / Cost pr. kWh sold in DKK	1,13	1,13	1,20	1,28	1,36	1,39	1,38	1,39	1,37

Sundurgreinaður framleiðslukostnaður 1) / Production expenses broken down						Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Olja / Oil	50.911	84.507	105.771	143.855	164.546	176.271	159.673	133.032	123.598
Keypt av vindorku/purchase of wind power	2.394	2.844	2.692	2.338	2.685	9.005	25.551	51.333	51.718
Tilfar og lönir / Materials, wages and salaries	61.954	58.942	59.056	66.086	65.970	64.156	60.174	61.829	65.080
Avskrivningar / Depreciation	59.230	67.823	74.221	69.169	91.222	97.567	94.684	106.624	107.062
Rentur / Interest	12.116	9.488	9.340	16.476	12.465	15.143	19.498	24.856	28.114
Framleiðslukostnaður íalt / Total production cost	186.605	223.604	251.080	297.924	336.888	362.144	359.581	377.674	375.573
Framleiddir kWt í GWT / Produced kWt in GWh	317,3	334,3	344,1	386,1	406,8	422,4	440,8	452,9	465,2
Framleiðslukostnaður pr. framleiddan kWt / production cost pr. produced Kwh	0,59	0,67	0,73	0,77	0,83	0,86	0,82	0,83	0,81
Harav oljukostnaður / Oil cost pr. produced Kwh	0,16	0,25	0,30	0,37	0,40	0,42	0,36	0,29	0,27
harav vindorkukeypt/purchase of wind power	0,01	0,01	0,01	0,01	0,01	0,02	0,06	0,11	0,11
Harav tilfar og lönir / Materials and wages and salaries portion	0,20	0,18	0,17	0,17	0,16	0,15	0,14	0,14	0,14
Harav avskrivningar / Depreciation pr. produced Kwh	0,19	0,20	0,21	0,18	0,22	0,23	0,21	0,24	0,23
Harav rentur / Interest portion	0,04	0,03	0,03	0,04	0,03	0,04	0,04	0,05	0,06
Seldir kWt í GWT / KWh sold in GWT units	291,4	306,5	316,1	350,4	370,4	387,1	405,5	417,6	428,9
Framleiðslukostnaður pr. seldan kWt / Production cost pr. kWh sold	0,64	0,74	0,78	0,85	0,91	0,94	0,89	0,90	0,88
Harav oljukostnaður / Oil cost pr. kWh sold	0,17	0,29	0,34	0,41	0,44	0,46	0,39	0,32	0,29
harav vindorkukeypt/purchase of wind power	0,01	0,01	0,01	0,01	0,01	0,02	0,06	0,12	0,12
Harav annar kostnaður / Other costs pr. produced Kwh	0,21	0,19	0,17	0,19	0,18	0,17	0,15	0,15	0,15
Harav avskrivningar / Depreciation pr. produced Kwh	0,20	0,22	0,23	0,20	0,25	0,25	0,23	0,26	0,25
Harav rentur / Interest pr. produced Kwh	0,04	0,03	0,03	0,05	0,03	0,04	0,05	0,06	0,07

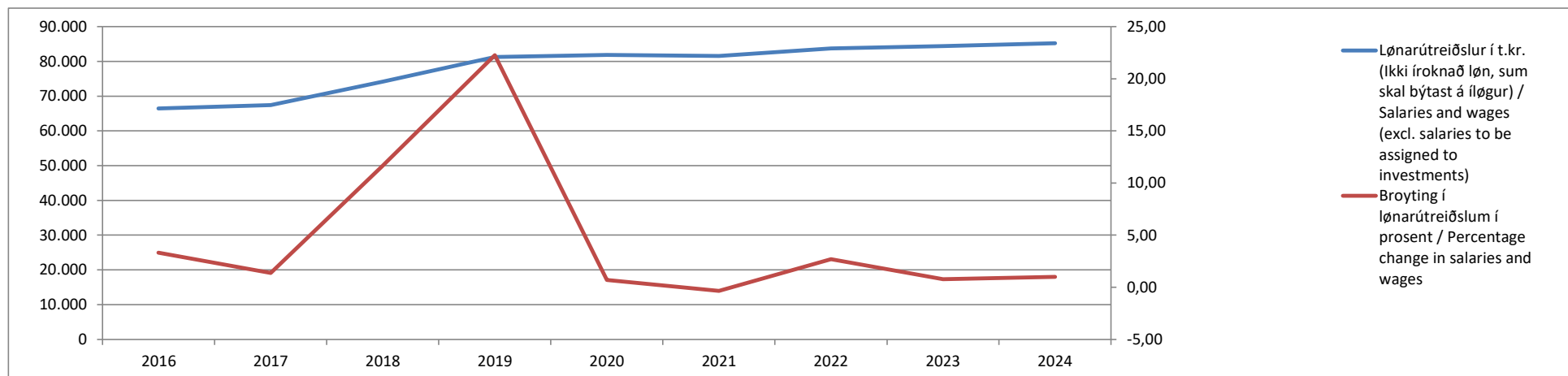
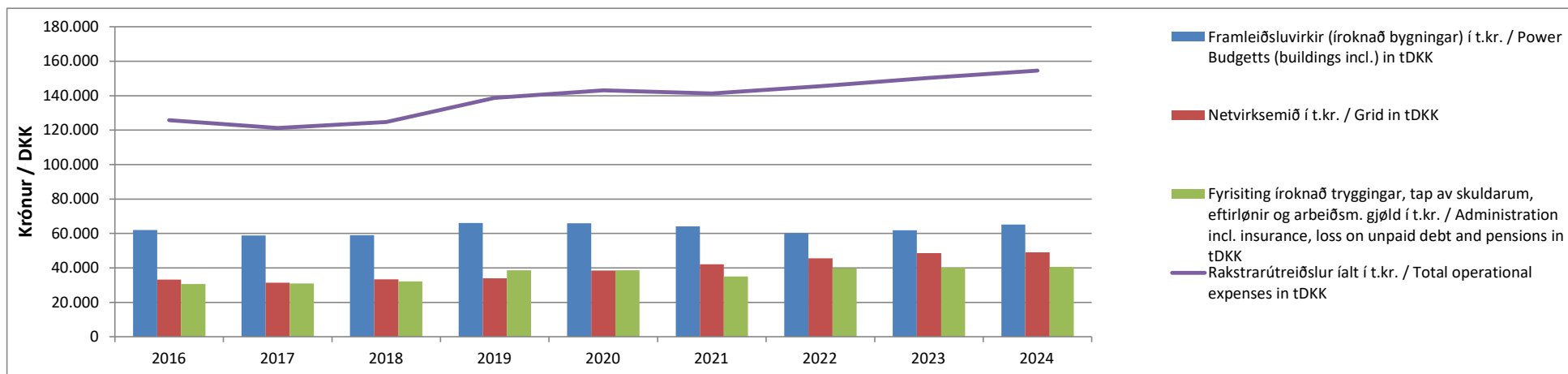
1) Hædd ekki tikið fyrri fordeiling av kostnaði fyrri nettab og eginnytslu hjá SEV millum framleiðslu og net, men tikið í mun til seldan kWt.

Sundurgreinaður netkostnaður 1) / Grid expenses broken down	Staðfest roknskapartöl / Actual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tilfar og lönir / Materials and salaries	63.786	62.340	65.536	72.636	77.119	77.144	85.296	88.541	89.502
Avskrivningar uppá net / Grid depreciation	34.078	34.919	40.915	44.430	52.412	59.672	63.743	67.793	75.434
Rentur / Interest og/and subsidiary fair	35.106	21.348	24.102	19.977	26.816	25.228	40.136	26.992	24.822
Netkostnaður íalt / Total Grid expenses	132.970	118.607	130.554	137.043	156.347	162.043	189.175	183.327	189.757
Roknað nettap og eiginnytla / Calculated net loss and private consumption	25.566	22.531	25.459	41.327	41.337	44.167	40.476	48.595	50.673
Framleiddir kWt í GWT / Produced kWh in GWh	317,3	334,3	344,1	386,1	406,8	422,4	440,8	452,9	465,2
Netkostnaður pr. seldan kWt við nettap og eiginnytla / Net cost pr. kWh sold incl. grid loss and private consumption	0,54	0,46	0,49	0,51	0,53	0,53	0,57	0,56	0,56
Harav netkostnaður / Grid expenses pr. kWh sold	0,10	0,09	0,09	0,09	0,09	0,10	0,10	0,11	0,11
Harav nettap og eiginnytla / Net loss and private consumption pr. kWh sold	0,12	0,11	0,12	0,15	0,15	0,15	0,14	0,15	0,15
Harav fyrisiting / Administration expenses pr. kWh sold	0,10	0,09	0,09	0,10	0,10	0,08	0,09	0,09	0,09
Harav avskrivningar / Depreciation pr. kWh sold	0,11	0,10	0,12	0,12	0,13	0,14	0,14	0,15	0,16
Harav rentur / Interest expenses	0,11	0,06	0,07	0,05	0,07	0,06	0,09	0,06	0,05
Seldir kWt í GWT / Sold kWt in GWT	291,4	306,5	316,1	350,4	370,4	387,1	405,5	417,6	428,9
Netkostnaður pr. seldan kWt / Grid expenses pr. kWh sold	0,45	0,39	0,40	0,39	0,42	0,42	0,47	0,44	0,44
Harav netkostnaður / grid expenses pr. kWh sold	0,11	0,11	0,11	0,10	0,10	0,11	0,11	0,12	0,11
Harav fyrisiting / administration expenses pr. kWh sold	0,10	0,09	0,09	0,11	0,10	0,09	0,10	0,10	0,09
Harav avskrivningar / depreciation pr. kWh sold	0,12	0,11	0,12	0,13	0,14	0,15	0,16	0,16	0,18
Harav rentur / Interest expenses pr. kWh sold	0,12	0,07	0,08	0,06	0,07	0,07	0,10	0,06	0,06

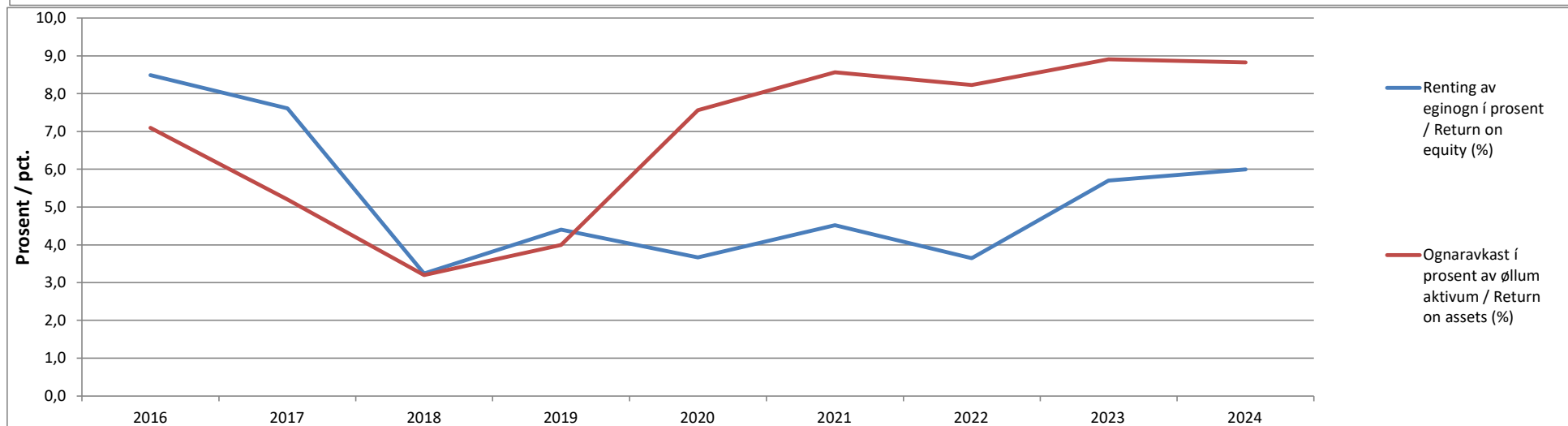
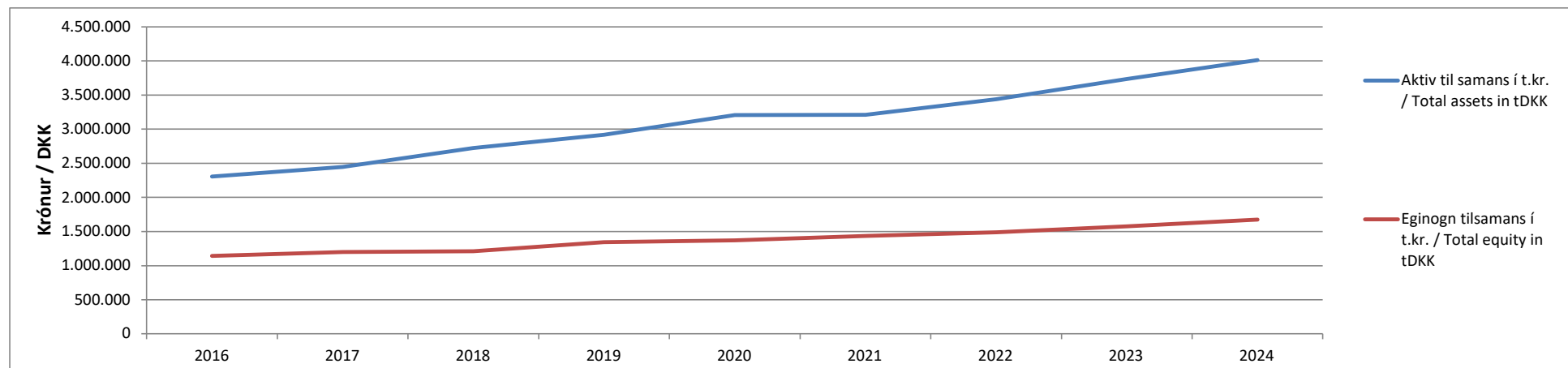
1) Hædd ekki tikið fyrri fordeiling av kostnaði fyrri nettab og eiginnytla hjá SEV millum framleiðslu og net, men tikið í mun til seldan kWt

Sundurgreinaður oljukostnaður / Oil expenses broken down	Staðfest roknskapartöl / Acctual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Kostnaður íalt í t.kr. / Total cost tDKK	320.567	344.557	382.826	435.554	493.025	524.187	548.756	561.001	565.330
Oljukostnaður netto, íalt í t.kr. / Net oil cost in total in tDKK	50.911	84.741	105.771	143.855	164.546	176.271	159.673	133.032	123.598
Kostnaður íalt í t.kr. uttan olju / Total costs excl. cost of oil in tDKK	269.656	259.816	277.055	291.699	328.479	347.916	389.083	427.969	441.732
Olja í prosent av kostnaðinum / Oil portion of total cost (%)	15,88	24,59	27,63	33,03	33,37	33,63	29,10	23,71	21,86
Oljukostnaður pr. framleiddan kWt við olju / Oil cost pr. kWh produced using oil	0,32	0,52	0,60	0,63	0,66	0,68	0,78	0,81	0,81
Oljukostnaður pr. seldan kWt framleiddur við olju (íroknað eginnýtsla og nettap) / Oil cost pr. sold kWh produced using oil (net loss and private consumption incl.)	0,35	0,57	0,66	0,69	0,72	0,74	0,85	0,88	0,88
Sølukostnaður pr. kWt í ídnaðarbólkinum > 20.000 kWt / Cost pr. kWh sold to industry >20.000 kWh	1,15	1,10	1,10	1,20	1,30	1,30	1,30	1,30	1,30
Úrslit í mun til oljuútreiðslunar / Result in comparison to oil expenses	0,80	0,53	0,44	0,51	0,58	0,56	0,45	0,42	0,42
Sølukostnaður pr. kWt í bólkinum < 10.000 kWt / Cost pr. kWh sold to customers < 10.000 kWh	1,51	1,46	1,41	1,51	1,56	1,56	1,56	1,56	1,56
Úrslit í mun til oljuútreiðslunar / Result in comparison to oil expenses	1,16	0,89	0,75	0,82	0,84	0,82	0,71	0,68	0,68
									80

Lønaráútreiðslur í t.kr. (Ikki íroknað lön, sum skal býtast á ílögur) / Salaries and wages (excl. salaries to be assigned to investments)	66.467	67.380	74.201	81.265	81.836	81.554	83.748	84.407	85.249
Broyting í lönaráútreiðslum í prosent / Percentage change in salaries and wages	3,31	1,37	11,64	22,26	0,70	-0,35	2,69	0,79	1,00
Ársverk/Avarage number og employees	162	167	171	171	176	176	176	176	176

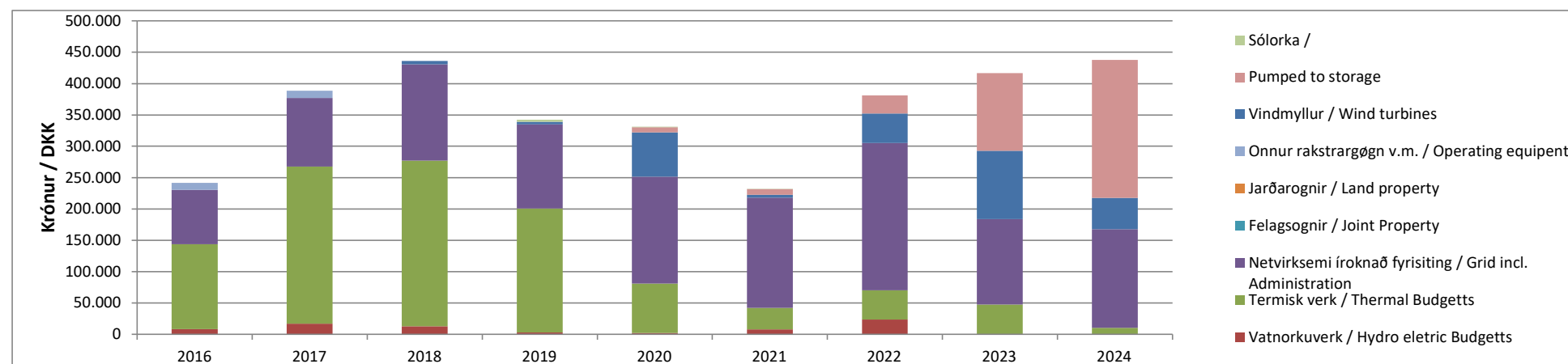
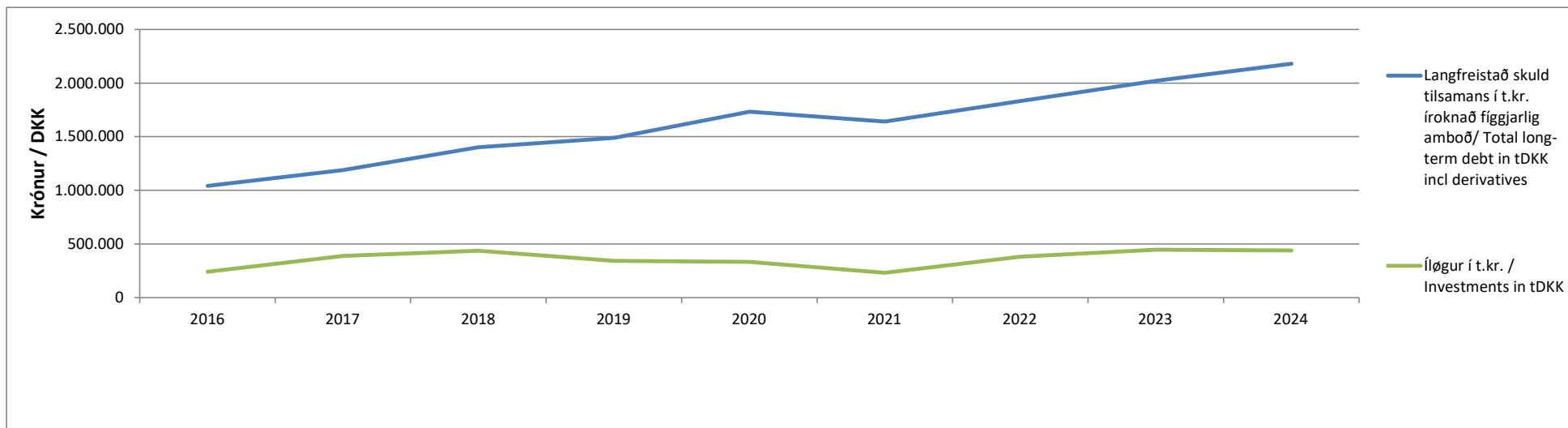


Fígjarstöðja / Balance Sheet	Staðfest roknskapartöl / Actual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Aktiv til samans í t.kr. / Total assets in tDKK	2.303.961	2.447.178	2.722.760	2.918.101	3.207.960	3.210.810	3.439.553	3.736.129	4.014.969
Eiginogn tilsamans í t.kr. / Total equity in tDKK	1.141.003	1.196.397	1.207.723	1.344.823	1.371.553	1.435.006	1.488.324	1.575.716	1.673.164
Soliditetur í prosent / Equity/Asset ratio (%)	49,5	48,9	44,4	46,1	42,8	44,7	43,3	42,2	41,7
Renting av eiginogn í prosent / Return on equity (%)	8,5	7,6	3,2	4,4	3,7	4,5	3,6	5,7	6,0
Ognaravkast í prosent av öllum aktivum / Return on assets (%)	7,1	5,2	3,2	4,0	7,6	8,6	8,2	8,9	8,8



Ílögur og langfreistað skuld - Investments and long-term debt	Staðfest roknskapartöl - Actual Accounts					Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Úrslit frá vanligum rakstri/EBITDA	243.621	226.255	197.097	226.211	242.796	274.992	283.082	332.842	354.272
Langfreistað skuld tilsamans í t.kr. íroknað figgjarlig amboð/ Total long-term debt in tDKK incl derivatives	1.042.116	1.189.057	1.400.867	1.488.437	1.731.310	1.640.416	1.830.416	2.020.416	2.180.416
Gjaldfæri/Closing cash on hand	335.498	247.993	190.785	125.123	223.856	157.916	132.553	156.497	168.583
Netto langfreistað skuld tilsamans í t.kr./net total long-term debt in tDKK	706.618	941.064	1.210.081	1.363.314	1.507.454	1.482.500	1.697.863	1.863.919	2.011.833
Figgjarlig amboð/derivatives	33.998	56.739	59.285	42.160	93.167	42.300	42.300	42.300	42.300
Ábyrgdir/garanties	3	3	9	9	9	1	1	1	1
Netto langfreistað skuld íroknað ábyrgdir í mun til EBITDA, ferðir/net total long-term debt in incl guarantees tDKK in comparison to EBITDA, times	3,1	4,2	6,2	6,1	6,2	5,4	6,0	5,6	5,7
Stuttfreistað skuld tilsamans	91.772	91.772	89.262	104.862	174.629	139.874	117.326	117.326	117.326
Stutt- og langfreistað skuld tilsamans/short and long term debt in total	1.133.889	1.133.889	1.490.129	1.551.139	1.812.772	1.737.990	1.905.442	2.095.442	2.255.442
Netto samlað skuld í mun til EBITDA, ferðir / Total net debt in comparison to EBITDA, times	3,3	3,9	6,6	6,3	6,5	5,7	6,3	5,8	5,9
Eiginpeningspartur í %/equity-asset ratio (solvency)	49,5	48,9	44,4	46,1	42,8	44,7	43,3	42,2	41,7
Skuld í mun til eiginagn í prosent / Debt as a portion of Equity	91,3	99,4	116,0	110,7	126,2	114,31	122,99	128,22	130,32
Kostnaður í % av langfreistað skuld og trekningsrættum/cost of long-term debt and committed lines in pct.	5,2	3,0	2,8	2,9	2,5	2,4	3,4	2,7	2,7
Broyting í langfreistaðari skuld í t.kr.	212.116	146.941	211.810	87.570	242.873	-90.894	190.000	190.000	160.000
Ílögur í t.kr. / Investments in tDKK	241.700	388.500	435.952	342.000	331.100	231.756	381.365	446.250	438.100
Munur millum broyting í langfreistaðari skuld og ílögur í t.kr. / Difference between change in long-term debt and investments in t.DKK	29.584	241.559	224.142	254.430	88.227	322.650	191.365	256.250	278.100

Ílöguslag í 1.000 kr. / Investments in tDKK	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vatnorkuverk / Hydro electric Budgets	8.500	17.200	12.680	3.000	2.200	8.081	23.760	28.950	0
Termisk verk / Thermal Budgets	135.300	250.500	264.514	198.000	78.800	34.235	46.355	47.800	10.600
Vindmyllur / Wind turbines	0	0	5.000	4.000	70.400	4.750	47.000	109.000	50.000
Netvirksemi íroknað fyrising / Grid incl. Administration	86.700	109.400	153.758	134.000	170.500	175.790	235.250	136.150	157.150
Sjóvarfalsorka/Tidal	0	0	0	0	0	0	0	350	350
Pumped to storage	0	0	0	0	8.400	8.600	29.000	124.000	220.000
Sólorka /	0	0	0	3.000	800	300	0	0	0
Felagsognir / Joint Property	0	0	0	0	0	0	0	0	0
Jarðarognir / Land property	0	0	0	0	0	0	0	0	0
Önnur rakstrargægn v.m. / Operating equipment	11.200	11.400	0	0	0	0	0	0	0
Íalt	241.700	388.500	435.952	342.000	331.100	231.756	381.365	446.250	438.100



Gjaldfæri / Liquidity	Staðfest roknskapartöl - Actual Accounts				Staðfest og ætlað / Actual and Budgeted	Staðfest og ætlað / Actual and Budgeted	Ætlan/Budget	Meting og framskriving / Estimation and projection	Framskrifað / projections
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gjaldfærisbreyting frá vanligum rakstri í t.kr. / Changes in liquidity from general operations tDKK	143.821	194.928	197.097	226.211	242.797	274.992	283.082	332.842	354.272
Önnur gjaldfærisbreyting í t.kr. / Other changes in liquidity	191.677	53.065	-6.311	-101.088	-18.941	-117.076	-150.529	-176.345	-185.689
Gjaldfæri við ársenda í t.kr. / Liquidity year-end	335.498	247.993	190.785	125.123	223.856	157.916	132.553	156.497	168.583
Breyting í gjaldfæri í krónum í mun til undanfarna ár í t.kr. / Changes in liquidity DKK compared to previous years.	113.609	-87.505	-144.713	-65.662	98.733	-65.940	-25.363	23.944	12.086
Avdráttur útan afturrindan av lán við sölum/ Loan Repayment (not incl. termination of loan)	0	0	0	0	0	0	0	0	0
Rentukostnaður/cost of finance	48.304	32.948	34.634	37.040	39.281	40.371	59.634	51.848	52.936
Rentuinntækur/interest income	20	0	0	0	0	0	0	0	0
Kapitalkostnaður/cost of finance	48.284	32.948	34.634	37.040	40.167	40.371	59.634	51.848	52.936
Sjálffinansiering til at fígga breytingar í goymslu, skuldarum og ognarum umframt ílögur eftir rindan av avdráttum / Self financed investments after loan repayment	95.537	161.980	162.462	189.171	202.630	234.621	223.448	280.993	301.336
Ílögur/investments	241.700	388.500	435.952	342.000	331.100	231.756	381.365	446.250	438.100
Eiginfígging av ílögum í pst./selffinancing of investment	39,5	41,7	37,3	55,3	61,2	101,2	58,6	63,0	68,8
Eiginpeningspartur	49,5	48,9	44,4	46,1	42,8	44,7	43,3	42,2	41,7

