



EAM Solar ASA  
**ANNUAL REPORT 2023**

# CONTENTS

<u>EAM Solar in brief</u>	3
<u>Directors' report</u>	10
<u>ESG report</u>	23
<u>Financial statements</u>	35
<u>Consolidated financial statements</u>	36
<u>Parent company financial statements</u>	60
<u>Power production</u>	73
<u>Power plant capacity</u>	73
<u>Responsibility statement</u>	74
<u>Auditor's report</u>	75

# EAM SOLAR ASA IN BRIEF

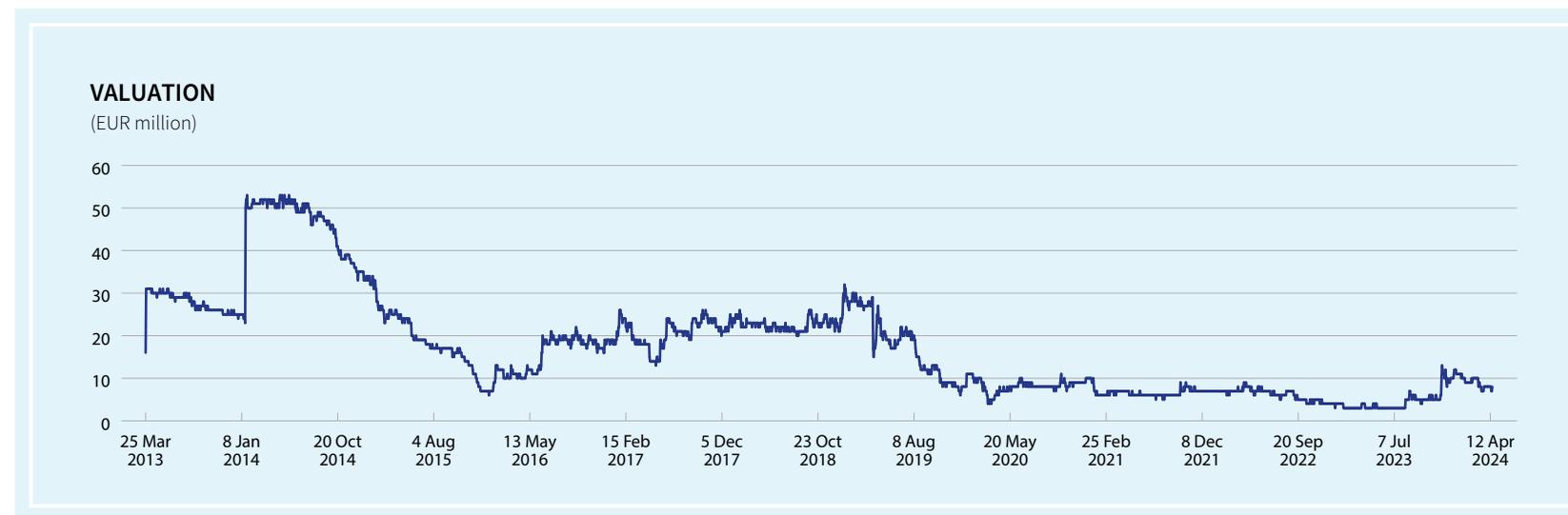
Strategic review and outlook	5
Litigation activities	5
Business development activities	5
Litigation activity review	5
Criminal proceedings in Oslo	5
Criminal proceedings in Milan	6
New criminal investigation for subsidy fraud in Italy	6
Arbitration proceedings in Milan of 2016	7
New Arbitration in Milan of 2020	7
Civil Court Italy; Aveleos	7
Civil Court Italy; UBI	8
Civil Court Luxembourg	8
Administrative Court Italy – ENFO 25	8
Breach of standstill agreement proceedings against Aveleos S.A. in the Court of Luxembourg.	8

# EAM SOLAR ASA IN BRIEF

Energieia AS established EAM Solar ASA (EAM or the Company) in January 2011. The Company was established with the purpose of owning Solar PV power plants under long-term electricity sales contracts and distributing dividends on a regular basis to its shareholders. The Company was listed on the Oslo Stock Exchange under the ticker EAM in March 2013, becoming the world's first publicly listed pure solar PV "YieldCo".

EAM has no employees and is managed by Energieia AS. Energieia AS conducts all administrative and technical tasks with own employees and subcontractors. The annual general meeting of EAM elects the Company's board of directors, who make all material investments, divestments, and contractual decisions. EAM acquired the first power plant in Italy in 2011. At the end of 2023 EAM owned and operated 4 power plants with a combined capacity of 4.0 MW generating an average annual production of 5.4 GWh annually (P50 production).

EAM entered into a Share Purchase Agreement with Aveleos S.A. in July 2014 to acquire 31 PV power plants in Italy, for a total consideration of EUR 115 million. One week after the transfer of 21 of the 31 power plants, it appeared that 27 of 31 power plants comprised by the Share Purchase Agreement, and two directors of the sellers,



were already the targets of a criminal investigation conducted by the Prosecutor's Office of Milan.

Based on the criminal proceedings, the companies contractual counterparty for purchase of electricity, the state-owned utility company Gestore dei Servizi Energetici (GSE), firstly suspended and then terminated the long-term electricity sales contract for 17 of the 21 PV power plants transferred to EAM in July 2014. The Administrative Court of Lazio legalized GSE's decision to terminate in June 2016.

EAM's calculated loss of revenues due to terminated FIT contracts and permanent closure of power plants because of lacking technical certification, amounts to more than EUR 300 million. This has resulted in the bankruptcy of the SPVs affected by the criminal proceedings in 2016.

The annual accounts of 2023 have identified a loss after tax of EUR 1 211 thousand, the negative result is stemming mainly from extensive legal costs.

On the basis of the fundamental breach of contract and contractual guarantees in the Share Purchase Agreement, resulting in losses now suffered by EAM, and the lack of willingness from the seller to remedy the flawed sale, EAM has been forced to initiate legal proceedings against the sellers to recover losses and damages. This situation has effectively changed EAM from a YieldCo to a litigation company.

Because of the fraud, EAM's market valuation dropped to EUR 10 million in the beginning of 2016, 80 per cent below the invested equity capital of EUR 55 million. During 2016, 2017 and 2018 the

market value increased to EUR 27 million. In 2019 the market value decreased to EUR 8 million. In 2020 the market value further decreased to EUR 6 million, where it remained in 2021 with a further decrease to EUR 3-4 million in 2022. In 2023 the market value increased to EUR 9 million.

### Strategic review and outlook

The company is in its tenth year of litigation activity following the P31 fraud. Consequently, the company have lost out on opportunities within its initial core business activity in renewable energy.

### Litigation activities

Criminal complaints have been lodged in relevant jurisdictions against the involved parties in the P31 fraud against EAM Solar ASA. However, as of today, no police authority in these jurisdictions have conducted any investigation of the fraud of EAM Solar ASA.

At current, the only ongoing criminal proceeding related to the fraud is the criminal proceedings in the Court of Milan. The criminal proceedings recommenced in the Criminal Court of Appeal of Milan in November 2023 following the Italian Supreme Courts annulment of the previous appeal court decision of 2021. The final hearing is scheduled for 16 May 2024.

### Business development activities

The Company does not foresee any business development activities beyond the litigation activities until the litigation activities are finally resolved.

### Litigation activity review

The P31 Acquisition fraud transformed EAM from an operational Solar PV YieldCo to a company where a significant part of the activity and future value are dependent on various litigation processes.

In July 2014 EAM Solar ASA transferred EUR 30 million to Aveleos SA, a Joint Venture investment vehicle owned by the Enovos group in Luxembourg (59 per cent) and Renova/Avelar group in Switzerland/Cyprus (41 per cent).

The cash transfer was the initial payment in a EUR 114 million transaction of 31 Solar PV power plants constructed by Aveleos et.al in 2010 and 2011, operational since 2011 with long-term subsidised electricity contracts with the State of Italy.

In July 2014 ownership of shares in companies with 21 of the 31 power plants was transferred to EAM Solar ASA, with the remaining 10 power plants to be transferred by December 2014. This transfer was never conducted.

In August 2014, the State of Italy suspended payment of electricity delivered under the long-term subsidy contracts for 17 of the 21 transferred power plants. In June 2016 the competent Italian court ruled that it was a final legal fact that the 17 power plants did not have valid subsidized "feed in tariff" contracts and as such lost all its value.

During the criminal proceedings commencing in 2016, EAM received evidence that the Prosecutors office of Milan already in 2012 had initiated a broad investigation into Aveleos et.al. for fraud against the state of Italy in relation to subsidized electricity contracts. This fact

was known to the directors of Aveleos prior to negotiating a sale of the power plants to EAM Solar ASA.

The Enovos/Renova/Aveleos group has failed to honour their contractual obligations and has as such dragged EAM Solar ASA into a prolonged and costly process of losses, litigations, and lawsuits.

EAM Solar ASA filed criminal complaints for fraud to the national police authorities in Italy in 2014, Luxembourg 2016 and in Norway 2018/2019.

### Criminal proceedings in Oslo

On Friday 28 May 2021, EAM Solar ASA filed a private criminal proceeding for the crime of serious fraud against the company Enovos Luxembourg SA in Oslo District Court. The private criminal proceeding was initiated in accordance with section 402 of the Norwegian Criminal Procedure Act, and formally Initiated by the Oslo District Court.

The Oslo District Court decided to conduct a court hearing in the fraud case against Enovos Luxembourg SA. The hearing was scheduled to take place in Oslo District Court on 31 January and 1 February 2022, but later postponed to 21 April and 22 April 2022.

On 1 July 2022 Oslo District Court, presided by Judge Flaterud, dismissed EAM Solar ASA's request for a Private Criminal Proceeding against Enovos Luxembourg SA.

On 4 July 2022 the Company decided to appeal the decision by the Oslo District Court to the Borgarting Appellate Court. Reasons for an appeal was substantiated in both factual errors as well as wrongful

interpretation of the law in the decision made by the Oslo District Court on 1 July 2022.

On 21 October 2022 Borgarting Court of Appeal rejected EAM Solar ASA's appeal against Oslo District Court's decision to reject the start of a private criminal proceedings against Enovos Luxembourg S.A.

According to the Borgarting Court of Appeal, the fraud against EAM Solar ASA should not be brought before a Norwegian court in a private criminal proceedings since this is not in the public interest. The Court of Appeal concludes that the fraud case falls under the jurisdiction of the Norwegian Criminal Code, and writes in its ruling that:

“The evidence and evidentiary arguments that EAM has shown points overall to the fact that Enovos' representatives on the board of Aveleos had so much information about the suspicion and the investigation related to false documents about the country of origin, which in turn had an impact on the right to subsidies, that it meant that EAM was misled by Enovos in connection with the purchase.”

The Borgarting Court of Appeal, however, concludes in its assessment of the case's evidence “at a more general level” that there is “reasonable doubt as to whether EAM will be able to provide sufficient evidence of criminal guilt”.

### **Criminal proceedings in Milan**

In January 2015 the prosecutor's Office of Milan filed a request for trial to the Criminal Court of Milan against 9 individuals for fraud against the State of Italy in conjunction with subsidized electricity sales contracts.

The criminal proceedings commenced in June 2016, and in April 2019 the Criminal Court of Milan published its decision, where the indicted Aveleos directors, Mr Giorgi, and Mr Akhmerov, was found guilty of criminal contractual fraud against EAM Solar ASA in conjunction with the sale of the P31 portfolio and sentenced them to prison terms and provisional damages of EUR 5 million. Aveleos S.A., as civil liable party, was condemned to be financially responsible for the same provisional damage.

The 2019 ruling by the Criminal Court of Milan was appealed by several parties, and the appeal procedure in the Criminal Court of Appeal of Milan commenced with one hearing in October 2020 and two hearings in December 2020, and on 20 January 2021, the Criminal Appeal Court of Milan decided to revoke the first instance judgement of the Criminal Court of Milan.

EAM Solar ASA decided to join with the Prosecutor's Office in Milan in appealing the Criminal Appeal Court of Milan decision to the Italian Supreme Court of Cassation in 2021.

On 7 October 2021 the Supreme Court of Italy decided to annul the acquittal decision of by the Criminal Appeal Court of Milan in its entirety.

In November 2021 the Supreme Court issued its full grounds for the annulment decision of the acquittal ruling. The Supreme Court found that the Criminal Appeal Court of Milan did not fulfil its obligation to conduct a correct and comprehensive review of the factual evidence in the criminal case, resulting in an erroneous evaluation of the evidence with the effect that the acquittal decision was based on obvious inconsistent and illogical arguments.

The Supreme Court sent the criminal proceedings back to a different chamber of the Criminal Appeal Court of Milan for new proceedings to be conducted, with the requirement that the new court proceedings must be based on a complete review of the evidence, making correct application of the principles of law and the rules of logic as formulated in the Supreme Court decision.

On the fraud of EAM, the Supreme Court concluded that the evidenced withholding of essential information during the contractual negotiations constitutes a contractual fraud.

In July 2023, Section V of the Court of Appeal in Milan notified the parties that the appeal proceedings would continue, and the first hearing took place on 30 November 2023. The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024.

### **New criminal investigation for subsidy fraud in Italy**

On 28 October 2020, EAM Solar ASA was informed that the Prosecutor of the Criminal Court of Bolzano had ordered Guardia Di Finanza (the financial police) to perform a “search and seizure” of documents from 57 Italian companies owning 58 Solar PV power plants with subsidized electricity sales contracts towards the State of Italy (GSE). The search and seizure were conducted in relation to an ongoing investigation into subsidy fraud against the State of Italy.

The Milan office of EAM Solar ASA's Italian subsidiaries (ENS Solar One Srl, Energia Fotovoltaica 25 Srl and EAM Solar Italy Holding Srl) were visited by officers of Guardia Di Finanza who retrieved documentation related to the above-mentioned companies. In addition, the search

and seizure order also identified Energia Fotovoltaica 14 Srl, which already is part of the criminal proceedings in Milan and was sent into bankruptcy in 2016.

The search and seizure order issued by the Prosecutor identified 79 individuals as persons of interest to the public prosecutor. Viktor E Jakobsen, CEO of EAM Solar ASA, holds the position as Sole Managing Director in ENS Solar One Srl, ENFO 14 Srl and ENFO 25 Srl, and is consequently named as one of the 79 individuals.

With this new investigation, and the existing criminal proceedings in Milan, all power plants sold to EAM Solar ASA by Enovos and Avelar through their Joint Venture Aveleos SA, are subject to criminal proceedings or under investigation for subsidy fraud against the state of Italy.

In January 2021, EAM Solar ASA learned that the Bolzano Public Prosecutor requested the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (“Økokrim”) to search the offices of EAM Solar ASA in relation to the above-mentioned investigation.

EAM Solar ASA has been in a continuous dialogue with Økokrim since 2017 in relation to the fraud conducted against the company in 2014.

Following the request from Bolzano, Økokrim was invited to EAM Solar ASA's offices for voluntary transfer of relevant documents. This was conducted on 21 January 2021. EAM Solar ASA will continue to support the investigation to the extent requested by Økokrim and the Prosecutors office of Bolzano.

EAM Solar ASA was informed on 3 March 2021 that the Criminal Court of Bolzano, on the request of the Public Prosecutor, has decided that the Company's CEO, Viktor E Jakobsen, no longer is considered as a “person of interest” (suspect) in the ongoing investigation.

The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (“Økokrim”) is fully informed of the change in status of the Company's CEO.

No provisions are made in the accounts on this matter.

### Arbitration proceedings in Milan of 2016

Following the final legal ruling by the Administrative Court of Lazio (TAR) in June 2016 that the 17 terminated FIT contracts were invalid, the Company summoned Aveleos S.A. to the Milan Chamber of Arbitration requesting the Share Purchase Agreement between the parties to be declared null and void based on fundamental breach of contract.

On 2 April 2019 a final award was made by the Arbitral Tribunal of the Milan Chamber of Arbitration. The Arbitration decision was not unanimous, with one of three arbitrators dissenting to dismissing the claims brought by EAM Solar ASA. The dissenting opinion was published together as an integrated part of the of the arbitration ruling.

On 4 July 2019 EAM Solar ASA filed an appeal against the Arbitration Tribunal decision in the civil Court of Appeal of Milan asking the court to annul the arbitration award of 2 April 2019 based on 12 different accounts of breach of Italian law in its conclusions and the basis for the arbitration award. On 23 June 2021 the Civil Court of Appeal of Milan decided to dismiss the request for the annulment of the

Arbitration award. However, The Arbitration decision of 2019 is not yet final since EAM decided to appeal the dismissal by the Civil Appeal Court in Milan to the Supreme Court in Italy within the deadline on 22 September 2021.

### New Arbitration in Milan of 2020

On 5 October 2020, the Arbitration Chamber of Milan notified EAM Solar ASA and its subsidiary EAM Solar Italy Holding Srl that Aveleos SA had filed for two new arbitration proceedings in relation to the P31 SPA with reference to shareholder loans and corporate guarantees. The two proceedings have later been merged into one proceeding.

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 686 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. This matter is expected to be sorted by 27 May 2024. The total amount should be considered preliminary until this date.

Further, Aveleos has until 18 June 2024 to submit an appeal of the Final Award.

### Civil Court Italy; Aveleos

EAM Solar Italy Holding Srl was on 10 December 2020 notified that Aveleos had filed a petition, without EAM's knowledge, to the Civil

Court in Milano claiming payment of shareholder loans in the amount of EUR 12 683 721 under the Sale and Purchase Agreement of the P31 transaction.

EAM Solar ASA and its subsidiary is of the opinion that such claim does not exist and have third party expert opinions supporting this fact. The fact is that Aveleos SA owes EAM Solar ASA money following the SPA due to the non-transfer of 10 power plants.

EAM Solar Italy Holding Srl contested the decision in January 2021 and enrolled the case to Court. A hearing was expected to take place in June 2021 but ended up being scheduled for 7 September 2021. In the meantime, Aveleos adhered to our objection that an arbitration was already pending on the same issue, and accordingly decided to drop the case. This will bring the proceedings to an end.

No provisions are made in the accounts on this matter.

### **Civil Court Italy; UBI**

In November 2018 EAM Solar ASA was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. The Judgement is expected in early May 2024.

No provisions are made in the accounts on this matter.

### **Civil Court Luxembourg**

EAM Solar ASA filed a civil lawsuit in Luxembourg in July 2019 against the Aveleos shareholder, Enovos, along with the four Enovos-employed directors of Aveleos. This civil claim is subordinate to the original criminal complaint with civil action filed in 2016.

### **Administrative Court Italy – ENFO 25**

In September 2019, the Company received notice from GSE that they had suspended payments of electricity delivered under the feed-in-tariff contracts for ENFO 25. The Company appealed the order before the Administrative Court "TAR" in Lazio (Rome). Subsequent hearings in this matter have been conducted in TAR since in 2019.

In July 2021 TAR decided in a court ruling that the termination decision made by GSE on the FIT contract for ENFO25 in September 2019 is invalid and consequently cancelled.

GSE has not paid the FIT tariff for the electricity delivered by ENFO 25 since July 2019, and currently owe ENFO 25 approximately EUR 1.06 million in unpaid electricity bills. The Administrative Court also ordered GSE to cover the legal costs of EAM Solar ASA. How and when GSE will restore their contractual obligations is not yet determined.

Management evaluated the situation of ENFO 25 and its net receivable position against GSE at year end 2022, concluding that it is more likely than not, that the net receivable against GSE will not

be collected in the short-term. Based on this conclusion the trade receivable against GSE and the corresponding provision of payable was written down and the net amount recognised as an operating cost, write down of trade receivables amounting to EUR 569 thousand at year-end 2022. Revenues recognition and reporting of revenues for 2022 remained unchanged, however from 1 January 2023 the Company has not recognised Feed-In-Tariff revenues for ENFO 25.

No further provisions are made in the accounts on this matter.

### **Breach of standstill agreement proceedings against Aveleos S.A. in the Court of Luxembourg.**

In a ruling communicated in March 2017 the court decided that the Luxembourg civil proceedings regarding the standstill agreement shall be put to a halt until the award before the Arbitration Court of Milan is finalized.

In October 2022 the matter was brought for a renewal. The Judge reconfirmed stay of any proceedings.

On 25 April 2023, Aveleos requested permission from the Court to appeal the 2022 stay of the standstill proceedings. Aveleos alleged that its human rights had been violated by the court's decision to stay proceedings. On 2 May 2023, the Court heard arguments and on 5 May 2023 decided to reject Aveleos' appeal on the merits. Consequently, the 2022 decision remains in effect.



# DIRECTORS' REPORT

The 2023 annual report	11
Strategic review and outlook	11
Operational review	12
Corporate status	12
Financial review	16
Going concern	17
Market overview	18
Events after the balance sheet date	18
Risk factors	18
Transactions with related parties	19
Health, safety, and the environment	20
Presentation of the financial statements	21

# DIRECTORS' REPORT

## The 2023 annual report

EAM Solar ASA (EAM or the Company) is a public limited liability company, incorporated and domiciled in Norway, with registered address at Cort Adelers gate 33, 0254 Oslo, Norway. Energeia AS established EAM on 5 January 2011.

EAM Solar ASA ("EAM", "EAM ASA", or "the Company") is a company listed on the Oslo Stock Exchange under the ticker "EAM". The Company's primary business is to own solar power plants and sell electricity under long-term fixed price sales contracts, and to pursue legal proceedings to restore company values. The Company owns four power plants in Italy, which are located in the Puglia and Basilicata regions in Southern Italy. Energeia AS manages EAM under a long-term management agreement.

The geographical focus of EAM has since its inception been to acquire power plants under long-term contracts in Europe. EAM acquired its first power plant in Italy in 2011. Since then, EAM has acquired in total 25 power plants with a combined capacity of 27.1 MW generating 38.3 GWh annually, representing annual revenue of EUR 13.5 million.

At the beginning of 2015, EAM had EUR 110 million in capital employed, EUR 180 million in contractual revenue reserve, EUR 50 million in future market price sales and an expected EBITDA from the 17-year contract period of EUR 200 million.

However, the period from 2014-2016 became very challenging for EAM on the back of the flawed acquisition of 21 PV power plants from Enovos Luxembourg S.A. and Avelar Energy Ltd. through their jointly owned single purpose vehicle Aveleos S.A.

Seventeen of the 21 PV power plants transferred to EAM in July 2014 did not have valid long-term feed-in-tariff contracts (FIT) according to the contractual counterparty Gestore dei Servizi Energetici GSE S.p.A, owned by the State of Italy, as warranted by Enovos Luxembourg S.A. and Avelar Energy Ltd under the Share Purchase Agreement.

In the fourth quarter 2015, GSE terminated the FIT contracts, which had been suspended since August 2014, and demanded a repayment of previously received FIT from 5 of the 7 companies acquired by EAM.

Due to Enovos Luxembourg S.A. and Avelar Energy Ltd lack of willingness to assume what the Company believes is their contractual obligation as owners of Aveleos S.A. and to remedy the situation, EAM has been forced to initiate legal proceedings in Italy, Luxembourg, and Norway.

The events following the so-called "P31 acquisition" have effectively transformed EAM from a dividend paying "YieldCo" to a large lawsuit. Consequently, the share price of EAM Solar ASA on the Oslo Stock Exchange has dropped considerably.

The board of directors and the management are directing all their effort and attention to resolve this challenging situation in the appropriate legal venues in order to restore the value of the Company and return the outcome to the shareholders.

Information on Corporate Governance is presented in a separate section.

## Strategic review and outlook

EAM's strategy was in the outset to create value by acquiring operational power plants and, through an active ownership, to optimise operations and achieve the best possible electricity yield, lowest possible cost of operations, and highest possible dividend yield.

The company is in its tenth year of litigation activity following the P31 fraud. Consequently, the company have lost out on opportunities within its initial core business activity in renewable energy.

Following the decision by the Criminal Appeal Court of Milan in January 2021, where the appeal court decided to revoke the first instance judgement of the Criminal Court of Milan, the board and management of the company deemed it appropriate to conduct a strategic review of the litigation activities and its initial core business activities. The decision in the appeal court was later overturned by the supreme court, see more details below.

### Litigation activities

Criminal complaints have been lodged in relevant jurisdictions against the involved parties in the P31 fraud against EAM Solar ASA. However, as of today, no police authority in these jurisdictions have conducted any appropriate investigation of the fraud of EAM Solar ASA.

At current, the only ongoing criminal proceeding related to the fraud is the criminal proceedings in the Court of Milan. The criminal proceedings have recommenced in the Criminal Court of Appeal of Milan from November 2023 following the Italian Supreme Courts annulment of the previous appeal court decision of 2021. The final hearing is scheduled for 16 May 2024.

### Business development activities

Following the dividend distributed to the company's shareholders in October 2022 of 1 share in Energeia AS for each share in EAM Solar ASA, the shareholders now have an investment in a litigation company and in a separate company operating within the Solar PV industry under normal business conditions.

Apart from this action in 2022, the Company does not foresee any business development activities beyond the litigation activities until the litigation activities are finally resolved.

### Operational review

#### Power production

Throughout 2023 EAM Solar ASA owned and operated 4 power plants. The 4 power plants have a combined installed capacity of 4.0 MW with an average annual technical power production capacity of 5.4 GWh (P50 production).

Accumulated for the year power production was 4 333 MWh, 20.4 per cent below estimated production. The lower than estimated production was mainly due to lower production capacity of the power plants caused by thefts of solar PV modules.

#### Additional profit from sale of shares to Energeia AS

On 15 August 2019 EAM Solar ASA sold the shares in the subsidiary EAM Solar Norway Holding AS to Energeia AS. The board of directors decided to conduct this sale to protect and secure the financial integrity of EAM Solar ASA.

The final sales price for the shares consisted of two elements; 1) a fixed price for the shares, and 2) a profit split if Energeia sold the power plants with a profit before year-end 2020. On 30 April 2020 Energeia AS sold the power plants indirectly owned by EAM Solar Norway Holding AS to a third party.

Since Energeia AS sold the power plants in 2020, EAM Solar ASA is entitled to receive 75 per cent of any net capital gains realized by Energeia AS above the purchase price from EAM Solar ASA.

The provisional capital gain for EAM Solar ASA was in 2020 estimated to be NOK 70.9 million and the profit was entered in the books in 2019 and 2020. The final sales price, including capital gain, will be determined in 2025 when all historical tax assessments relating to the period prior 2019, and taxes related to the sale of the power plant in 2020 are finalized with the tax authorities in Italy.

### Corporate status

#### Legal proceedings

##### Criminal proceedings in Oslo

On Friday 28 May 2021, EAM Solar ASA filed a private criminal proceeding for the crime of serious fraud against the company Enovos Luxembourg SA in Oslo District Court. The private criminal proceeding was initiated in accordance with section 402 of the Norwegian Criminal Procedure Act, and formally initiated by the Oslo District Court.

The Oslo District Court decided to conduct a court hearing in the fraud case against Enovos Luxembourg SA. The hearing was scheduled to take place in Oslo District Court on 31 January and 1 February 2022, later postponed to 21 April and 22 April 2022.

On 1 July 2022 Oslo District Court, presided by Judge Flaterud, dismissed EAM Solar ASA's request for a Private Criminal Proceeding against Enovos Luxembourg SA.

On 4 July 2022 the Company decided to appeal the decision by the Oslo District Court to the Borgarting Appellate Court. Reasons for an appeal was substantiated in both factual errors as well as wrongful interpretation of the law in the decision made by the Oslo District Court on 1 July 2022.

On 21 October 2022 Borgarting Court of Appeal rejected EAM Solar ASA's appeal against Oslo District Court's decision to reject the start of a private criminal proceedings against Enovos Luxembourg S.A.

According to the Borgarting Court of Appeal, the fraud against EAM Solar ASA should not be brought before a Norwegian court in a private criminal proceedings since this is not in the public interest. The Court of Appeal concludes that the fraud case falls under the jurisdiction of the Norwegian Criminal Code, and writes in its ruling that:

“The evidence and evidentiary arguments that EAM has shown points overall to the fact that Enovos’ representatives on the board of Aveleos had so much information about the suspicion and the investigation related to false documents about the country of origin, which in turn had an impact on the right to subsidies, that it meant that EAM was misled by Enovos in connection with the purchase.”

The Borgarting Court of Appeal, however, concludes in its assessment of the case’s evidence “at a more general level” that there is “reasonable doubt as to whether EAM will be able to provide sufficient evidence of criminal guilt”.

### **Criminal proceedings in Milan**

In January 2015 the prosecutor’s Office of Milan filed a request for trial to the Criminal Court of Milan against 9 individuals for fraud against the State of Italy in conjunction with subsidized electricity sales contracts.

The criminal proceedings commenced in June 2016, and in April 2019 the Criminal Court of Milan published its decision, where the indicted Aveleos directors, Mr Giorgi, and Mr Akhmerov, was found guilty of criminal contractual fraud against EAM Solar ASA in conjunction with the sale of the P31 portfolio and sentenced them to prison terms and provisional damages of EUR 5 million. Aveleos S.A., as civil liable

party, was condemned to be financially responsible for the same provisional damage.

The 2019 ruling by the Criminal Court of Milan was appealed by several parties, and the appeal procedure in the Criminal Court of Appeal of Milan commenced with one hearing in October 2020 and two hearings in December 2020, and on 20 January 2021, the Criminal Appeal Court of Milan decided to revoke the first instance judgement of the Criminal Court of Milan.

EAM Solar ASA decided to join with the Prosecutor’s Office in Milan in appealing the Criminal Appeal Court of Milan decision to the Italian Supreme Court of Cassation in 2021.

On 7 October 2021 the Supreme Court of Italy decided to annul the acquittal decision of by the Criminal Appeal Court of Milan in its entirety.

In November 2021 the Supreme Court issued its full grounds for the annulment decision of the acquittal ruling. The Supreme Court found that the Criminal Appeal Court of Milan did not fulfil its obligation to conduct a correct and comprehensive review of the factual evidence in the criminal case, resulting in an erroneous evaluation of the evidence with the effect that the acquittal decision was based on obvious inconsistent and illogical arguments.

The Supreme Court sent the criminal proceedings back to a different chamber of the Criminal Appeal Court of Milan for new proceedings to be conducted, with the requirement that the new court proceedings must be based on a complete review of the evidence, making

correct application of the principles of law and the rules of logic as formulated in the Supreme Court decision.

On the fraud of EAM, the Supreme Court concluded that the evidenced withholding of essential information during the contractual negotiations constitutes a contractual fraud.

In July 2023, Section V of the Court of Appeal in Milan notified the parties that the appeal proceedings would continue, and the first hearing took place on 30 November 2023. The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024.

### **New criminal investigation for subsidy fraud in Italy**

On 28 October 2020, EAM Solar ASA was informed that the Prosecutor of the Criminal Court of Bolzano had ordered Guardia Di Finanza (the financial police) to perform a “search and seizure” of documents from 57 Italian companies owning 58 Solar PV power plants with subsidized electricity sales contracts towards the State of Italy (GSE). The search and seizure were conducted in relation to an ongoing investigation into subsidy fraud against the State of Italy.

The Milan office of EAM Solar ASA’s Italian subsidiaries (ENS Solar One Srl, Energia Fotovoltaica 25 Srl and EAM Solar Italy Holding Srl) were visited by officers of Guardia Di Finanza who retrieved documentation related to the above-mentioned companies. In addition, the search and seizure order also identified Energia Fotovoltaica 14 Srl, which already is part of the criminal proceedings in Milan and was sent into bankruptcy in 2016.

The search and seizure order issued by the Prosecutor identified 79 individuals as persons of interest to the public prosecutor. Viktor E Jakobsen, CEO of EAM Solar ASA, holds the position as Sole Managing Director in ENS Solar One Srl, ENFO 14 Srl and ENFO 25 Srl, and is consequently named as one of the 79 individuals.

With this new investigation, and the existing criminal proceedings in Milan, all power plants sold to EAM Solar ASA by Enovos and Avelar through their Joint Venture Aveleos SA, are subject to criminal proceedings or under investigation for subsidy fraud against the state of Italy.

In January 2021, EAM Solar ASA learned that the Bolzano Public Prosecutor requested the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime ("Økokrim") to search the offices of EAM Solar ASA in relation to the above-mentioned investigation.

EAM Solar ASA has been in a continuous dialogue with Økokrim since 2017 in relation to the fraud conducted against the company in 2014.

Following the request from Bolzano, Økokrim was invited to EAM Solar ASA's offices for voluntary transfer of relevant documents. This was conducted on 21 January 2021. EAM Solar ASA will continue to support the investigation to the extent requested by Økokrim and the Prosecutors office of Bolzano.

EAM Solar ASA was informed on 3 March 2021 that the Criminal Court of Bolzano, on the request of the Public Prosecutor, has decided that the Company's CEO, Viktor E Jakobsen, no longer is considered as a "person of interest" (suspect) in the ongoing investigation.

The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime ("Økokrim") is fully informed of the change in status of the Company's CEO.

No provisions are made in the accounts on this matter.

#### **Arbitration proceedings in Milan of 2016**

Following the final legal ruling by the Administrative Court of Lazio (TAR) in June 2016 that the 17 terminated FIT contracts were invalid, the Company summoned Aveleos S.A. to the Milan Chamber of Arbitration requesting the Share Purchase Agreement between the parties to be declared null and void based on fundamental breach of contract.

On 2 April 2019 a final award was made by the Arbitral Tribunal of the Milan Chamber of Arbitration. The Arbitration decision was not unanimous, with one of three arbitrators dissenting to dismissing the claims brought by EAM Solar ASA. The dissenting opinion was published together as an integrated part of the of the arbitration ruling.

On 4 July 2019 EAM Solar ASA filed an appeal against the Arbitration Tribunal decision in the civil Court of Appeal of Milan asking the court to annul the arbitration award of 2 April 2019 based on 12 different accounts of breach of Italian law in its conclusions and the basis for the arbitration award. On 23 June 2021 the Civil Court of Appeal of Milan decided to dismiss the request for the annulment of the Arbitration award. However, The Arbitration decision of 2019 is not yet final since EAM decided to appeal the dismissal by the Civil Appeal Court in Milan to the Supreme Court in Italy within the deadline on 22 September 2021.

#### **New Arbitration in Milan of 2020**

On 5 October 2020, the Arbitration Chamber of Milan notified EAM Solar ASA and its subsidiary EAM Solar Italy Holding Srl that Aveleos SA had filed for two new arbitration proceedings in relation to the P31 SPA with reference to shareholder loans and corporate guarantees. The two proceedings have later been merged into one proceeding.

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 686 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. This matter is expected to be sorted by 27 May 2024. The total amount should be considered preliminary until this date. Further, Aveleos has until 18 June 2024 to submit an appeal of the Final Award.

#### **Civil Court Italy; Aveleos**

EAM Solar Italy Holding Srl was on 10 December 2020 notified that Aveleos had filed a petition, without EAM's knowledge, to the Civil Court in Milano claiming payment of shareholder loans in the amount of EUR 12 683 721 under the Sale and Purchase Agreement of the P31 transaction.

EAM Solar ASA and its subsidiary is of the opinion that such claim does not exist and have third party expert opinions supporting this

fact. The fact is that Aveleos SA owes EAM Solar ASA money following the SPA due to the non-transfer of 10 power plants.

EAM Solar Italy Holding Srl contested the decision in January 2021 and enrolled the case to Court. A hearing was expected to take place in June 2021 but ended up being scheduled for 7 September 2021. In the meantime, Aveleos adhered to our objection that an arbitration was already pending on the same issue, and accordingly decided to drop the case. This will bring the proceedings to an end.

No provisions are made in the accounts on this matter.

#### **Civil Court Italy; UBI**

In November 2018 EAM Solar ASA was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. The Judgement is expected in early May 2024.

No provisions are made in the accounts on this matter.

#### **Civil Court Luxembourg**

EAM Solar ASA filed a civil lawsuit in Luxembourg in July 2019 against the Aveleos shareholder, Enovos, along with the four Enovos-employed directors of Aveleos. This civil claim is subordinate to the original criminal complaint with civil action filed in 2016.

#### **Administrative Court Italy – ENFO 25**

In September 2019, the Company received notice from GSE that they had suspended payments of electricity delivered under the feed-in-tariff contracts for ENFO 25. The Company appealed the order before the Administrative Court "TAR" in Lazio (Rome). Subsequent hearings in this matter have been conducted in TAR since in 2019.

In July 2021 TAR decided in a court ruling that the termination decision made by GSE on the FIT contract for ENFO25 in September 2019 is invalid and consequently cancelled.

GSE has not paid the FIT tariff for the electricity delivered by ENFO 25 since July 2019, and currently owe approximately EUR 1.06 million in unpaid electricity bills to ENFO 25. The Administrative Court also ordered GSE to cover the legal costs of EAM Solar ASA. How and when GSE will restore their contractual obligations is not yet determined.

Management evaluated the situation of ENFO 25 and its net receivable position against GSE at year end 2022, concluding that it is more likely than not, that the net receivable against GSE will not be collected. Based on this conclusion the trade receivable against GSE and the corresponding provision of payable was written down and the net amount recognised as an operating cost, write down of trade receivables amounting to EUR 569 thousand at year-end 2022. Revenues recognition and reporting of revenues for 2022 remained

unchanged, however from 1 January 2023 the Company has not recognised Feed-In-Tariff revenues for ENFO 25.

No further provisions are made in the accounts on this matter.

#### **Breach of standstill agreement proceedings against Aveleos S.A. in the Court of Luxembourg.**

In a ruling communicated in March 2017 the court decided that the Luxembourg civil proceedings regarding the standstill agreement shall be put to a halt until the award before the Arbitration Court of Milan is finalized.

In October 2022 the matter was brought for a renewal. The Judge reconfirmed stay of any proceedings.

On 25 April 2023, Aveleos requested permission from the Court to appeal the 2022 stay of the standstill proceedings. Aveleos alleged that its human rights had been violated by the court's decision to stay proceedings. On 2 May 2023, the Court heard arguments and on 5 May 2023 decided to reject Aveleos' appeal on the merits. Consequently, the 2022 decision remains in effect.

#### **Business operations in 2023**

At the end of 2023 EAM owned or controlled 4 power plants operating under normal conditions, with a combined installed capacity of 4.0 MW with an average annual technical power production capacity of 5.4 GWh (P50 production).

The financial statements and annual report are prepared under the assumption of going concern. However, although the Company's asset base and operating revenues covers ordinary operations,

administration and service of operating assets debt obligations, the Company's liquidity is strained due to the significant legal costs relating to the litigation activities. See comment under headline Going concern.

### Financial review

In 2023 EAM Solar ASA has continued the legal processes to restore the shareholder values. The legal processes are expensive and are heavily contributing to the loss in 2023.

### Cap on the price of electricity from renewable energy sources in Italy

In 2022 the Italian government proposed a cap on the price of electricity from renewable sources known as the "Sostegni-ter Decree".

On 27 January 2022, Law Decree No. 4, known as the "Sostegni-ter Decree", (the "Decree") was published in the Italian Official Journal and entered into force on the same date, to mitigate, among others, the impact of the recent energy price increases and to protect consumers. One of the most significant measures introduced by the Decree is the limitation of the windfall profits of certain renewable power plants that have been able to benefit from rising energy prices, set out under Article 16.

On 29 March 2022, Law no. 25 (Sostegni ter Decree) entered into force. The Decree was initially intended to apply from February 2022 to the end of the year, but it was later been extended to 30 June 2023. Following the Decree, the achieved market price of electricity has been limited to EUR 56 per MWh for the Company's power plants in the South of Italy. Based on the information received from GSE and the Decree, the Company has during the first half of 2023 had an estimated electricity sales revenue reduction of EUR 90 thousand.

### Consolidated statement of comprehensive income

#### Revenue and production

The Group owns and operates four solar PV power plants in Italy as of year-end 2023. The business is investing in and operating power plants that have similar economic characteristics.

All 4 power plants owned or controlled by EAM produced electricity and delivered this to the grid in 2023. Total electricity production in 2023 was 4 333 MWh, 20.4 per cent below estimated production. Accumulated for the year revenues were EUR 993 thousand, of which EUR 474 thousand was received from market sales of electricity. EUR 7 thousand were other revenues.

All EAM's electricity sales are made under 20-year sale agreements in the feed-in-tariff (FIT) scheme, with the Italian renewable energy authority Gestore Servizi Energetici (GSE) as commercial counterparty.

During the year ended 31 December 2023 approximately EUR 602 thousand (2022: EUR 914 thousand) of the Group's external revenue was derived from sales to the Italian state, represented by GSE for the Feed In Tariff contracts.

Approximately EUR 474 thousand (2022: EUR 1 300 thousand) of the Group's external revenue was derived from sales to an international commodities trading house for the market price contracts. Due to the implementation of the Sostegni Ter Decree, which is applicable for companies with Feed In Tariff contracts, the achieved market price of electricity has been limited to EUR 56 per MWh for the Company's power plants in the South of Italy.

Based on the information received from GSE and the Decree, the Company has had an estimated electricity sales revenue reduction of EUR 90 thousand for the period from 1 January 2023 to 30 June 2023.

#### Operating costs

Total cost of operations in 2023 amounted to EUR 237 thousand. The cost of operations consisted of cost related to insurance, O&M, utilities, and security services. SG&A expenses amounted to EUR 743 thousand for the year.

#### Legal costs

The cost item consists almost entirely of legal costs. Accumulated for the year the legal costs amounted to EUR 983 thousand.

#### Operational earnings

Earnings before interest, depreciation, amortisation, and taxes (EBITDA) amounted to minus EUR 971 thousand for 2023.

Accumulated for the year depreciation and amortisation were EUR 564 thousand, resulting in an operating profit (EBIT) of minus EUR 1 535 thousand.

#### Net financial items

Net financial items amounted to EUR 584 thousand for the full year 2023.

#### Profit before tax and net income after tax

Profit before tax amounted to minus EUR 951 thousand for 2023. Net tax amounted to EUR 260 thousand.

Reported net income after tax was minus EUR 1 211 thousand for 2023 and reported loss per share were EUR -0.18 on a fully diluted basis.

**Cash flow and balance sheet statements****Consolidated statement of financial position**

Total assets amounted to EUR 8.5 million on 31 December 2023. This was down by EUR 2 million over the year.

Total equity amounted to EUR 1.8 million on 31 December 2023, a decrease by EUR 2 million over the year. The equity ratio was positive with 20.8 per cent on 31 December 2023, down from 36.3 per cent on 31 December 2022. Net working capital amounted to EUR 285 thousand on 31 December 2023.

**Cash flow**

Net cash flow from operating activities was negative with EUR 487 thousand in 2023. Net cash flow from investing activities was positive with EUR 180 thousand. Net cash flow from financing activities was negative with EUR 765 thousand. Cash and cash equivalents amounted to EUR 392 thousand on 31 December 2023, of which 229 thousand was restricted at year-end and 62 thousand was seized (see [note 17](#)).

**EAM Solar ASA (parent company)****Profit and loss statement**

Revenues are management services provided to subsidiaries (see [note 2](#)). Other operating expenses consist mainly of purchased services. Net financial items for 2023 were positive with NOK 26.9 million.

**Balance sheet**

Total assets amounted to NOK 49 million, of which NOK 44 million is intercompany. Cash amounted to NOK 823 thousand at year-end. Total equity amounted to NOK 32 million equal to 65.9 per cent of total assets, compared to 81.1 per cent in 2022. Current liabilities amounted to NOK 5.9 million.

**Cash flow**

Net cash flow from operational activities was positive with NOK 17 million and net cash flow from investments were negative with NOK 26 million.

**Going concern**

The financial statements and annual report are prepared under the assumption of going concern.

However, although the Group's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group's liquidity is strained due to the significant legal costs relating to the litigation activities.

At year-end 2023 the Group had EUR 391 thousand in cash of which EUR 122 thousand was unrestricted. At the end of first quarter 2024, the cash was reduced to EUR 237 thousand of which EUR 25 thousand was unrestricted. The first quarter in a year is normally a loss making quarter due to the seasonality of power production.

In the final award of 29 February 2024 in the Milan arbitration, EAM Solar ASA was awarded an estimated net compensation payable by Aveleos SA between EUR 2 686 810 and EUR 2 939 814 after interest is applied. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM Solar ASA to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the

Company. However, such sale may take between 9 and 18 months to conclude.

A final factor with regards to the assessment of going concern is the outcome of the ongoing criminal proceedings in Milan, scheduled for a decision on 16 May 2024. A court decision upholding the original court decision of 2019 will secure going concern, an unfavourable decision for EAM Solar ASA may challenge the going concern assumption.

These circumstances imply that there will be a need for additional capital infusion. If this is not attainable, there will be a material uncertainty regarding the group's ability to continue as a going concern.

The board has convened an extraordinary general meeting on 10 May 2024 in order to grant the board power of attorney to execute on measures to improve the short term liquidity of the Group.

**Risk associated with the economic situation in Europe**

Throughout 2022 and 2023 markets in Europe have been characterised by surging energy prices, increasing interest rates and price increases in general. The Group has to a very little extent been affected by this.

Since the Decree in Italy has limited the market price during the first half of 2023 there has been no windfall profit for the Group in this period. Increased interest rates impact the group to a certain extent through the external leasing debt.

**The War in Ukraine and sanctions against Russia**

The war in Ukraine and the sanctions against Russia has had no direct impact on the Company's operations.

## Market overview

### Power prices in Italy

The average wholesale power price in Italy for 2023 decreased from 2022 but is still higher than in earlier years. The increased price in 2022 resulted in a decree from the Italian government to cap the price of electricity from renewable sources, known as the "Sostegni-ter Decree". The Decree was initially intended to apply from February 2022 to the end of the year but was later extended to 30 June 2023.

## Events after the balance sheet date

### Changes to the board of directors

The directors Stephan Jervell and Gro Prødel Hvammen has both informed the Company the need to resign from the board of directors prior to the ordinary annual general meeting for reasons unrelated to the Company.

The Company consequently has decided to convene an extraordinary shareholder's meeting on 10 May 2024 for the establishment of an interim board of directors pending the annual general meeting of the shareholders scheduled for 22 May 2024.

### Criminal proceedings in Milan

The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024.

### New Arbitration in Milan of 2020

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 686 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. This matter is expected to be sorted by 27 May 2024. The total amount should be considered preliminary until this date.

Further, Aveleos has until 18 June 2024 to submit an appeal of the Final Award.

## Risk factors

The Company is exposed to several risk factors.

The largest risk to our current operation is regulatory (political) risk in Italy, i.e. retroactive changes in government incentives schemes, changes to regulatory framework for operation and changes in taxation of assets and renewable energy operations.

EAM is also exposed to risk related to market power price fluctuations and general technical operational risks. The Company mitigate these risks as far as possible through long-term electricity sales contracts with limited counterparty risk, hands-on operation, and insurance.

## Regulatory risk

The unilateral and retroactive 8 per cent reduction of the long-term electricity price of the FIT contracts conducted by the State of Italy in 2015 through their wholly owned subsidiary, Gestore dei Servizi Energetici GSE S.p.A., is believed illegal and in a breach of the constitutional law of Italy by leading legal experts, law firms and courts of law in Italy. However, the state of Italy has made no attempt to amend this situation. The regulatory risk experienced in Italy is by far

the largest risk to PV power plant financial return and operation at the current moment.

It is unfortunately impossible to hedge against this type of regulatory risk in Italy at this point in time. The international market for insurance against State Government risk only is possible to achieve for countries classified as "underdeveloped" or "developing" by the United Nations system through the World Bank Group insurance institute MIGA (MIGA underwrite insurance against state confiscation, unlawful punitive taxation etc.). Since Italy is classified as a developed country, insurance against regulatory risk in Italy is not possible to obtain.

The new regulatory environment of the operation of solar PV power plants in Italy, partially implemented in 2015, poses a significant risk to PV power plant owners since these rules may be exploited to reduce or revoke long-term FIT contracts for non-material or non-technical reasons. This creates significant risk for corruption in conjunction with administrative processes since the legal treatment of administrative decisions takes several years, in breach of Italy's administrative law, exposing owners to financial default and bankruptcy without having administrative measures judged in a court of law.

## Litigation risk

The Company is involved in several legal processes where the outcome is unknown. There is a risk that the Company might lose some or all these processes and that it can result in a counter claim from the other party in such legal processes. It is also a risk that the counterpart is unable to settle an award in favour of the Company.

**Credit risk**

Under normal circumstances the risk of credit losses is considered low, since the main contractual counterparty is GSE, a state-owned entity. The Group has not made any set-off or other derivative agreements to reduce the credit risk against GSE.

The Company's gross credit risk exposure against GSE on 31 December 2023 was EUR 132 thousand. EAM has made no financial arrangements to limit the credit risk further.

**Asset value risk**

EAM's cash balance was EUR 392 thousand on 31 December 2023, of which the Prosecutors Office of Milan has seized EUR 62 thousand.

EAM has identified no indicators for impairment of the power plants as described in IAS 36 after write-downs conducted in 2015 and the second quarter of 2016. The assumptions used in the impairment test, when there are indicators present, represent business development scenarios EAM finds most likely at the reporting date, although the actual outcome may be materially different due to on-going legal processes.

**Risk associated with the economic situation in Europe**

Throughout 2022 and 2023 markets in Europe have been characterised by surging energy prices, increasing interest rates and price increases in general. The Group has to a very little extent been affected by this.

Since the Decree in Italy has limited the market price during the first half of 2023 there has been no windfall profit for the Group in this period. Increased interest rates impact the group to a certain extent through the external leasing debt.

**The War in Ukraine and sanctions against Russia**

The war in Ukraine and the sanctions against Russia has had no direct impact on the Company's operations.

**Transactions with related parties****Related parties**

Energieia AS is the manager of EAM. Energieia AS in Norway and Italy employs or subcontract all the personnel conducting the technical and administrative services for EAM. Energieia AS owns 9.5 per cent of the shares in EAM.

Sundt AS and Canica AS are shareholders in EAM. They are also shareholders in Energieia AS, but not involved in the day-to-day operations of Energieia AS. Sundt AS was represented on the board of directors of Energieia AS until 13 December 2022. Certain key personnel managing the day-to-day operations of EAM are also investors in Energieia AS.

**Transactions with related parties**

All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

Energieia AS invoice all billable hours at a predetermined rate for each consultant working on the assignment. Out-of-pocket expenses is billed separately at cost. The hourly rate per consultant will be adjusted yearly in conjunction with the budget process and approval in EAM Solar ASA.

Accumulated for the year Energieia AS' direct costs for the management of EAM was EUR 488 thousand, of which EUR 361 thousand was related to SG&A, and EUR 127 thousand was related to legal and litigation work in conjunction with the P31 Acquisition fraud.

On 15 August 2019 EAM Solar ASA sold the shares in the subsidiary EAM Solar Norway Holding AS to Energieia AS. The board of directors decided to conduct this sale to protect and secure the financial integrity of EAM Solar ASA.

The final sales price for the shares consisted of two elements; 1) a fixed price for the shares, and 2) a profit split if Energieia sold the power plants with a profit before year end 2020. On 30 April 2020 Energieia AS sold the power plants indirectly owned by EAM Solar Norway Holding AS to a third party.

Since Energieia AS sold the power plants in 2020, EAM Solar ASA is entitled to receive 75 per cent of any net capital gains realized by Energieia AS above the purchase price from EAM Solar ASA.

The provisional capital gain for EAM Solar ASA was in 2020 estimated to be NOK 70.9 million and the profit was entered in the books in 2019 and 2020. The final sales price, including capital gain, will be determined in 2025 when all historical tax assessments relating to the period prior 2019, and taxes related to the sale of the power plant in 2020 are finalized with the tax authorities in Italy.

## Health, safety, and the environment

EAM has no employees, and therefore no statistics related to health issues, recruiting processes, salaries or working conditions.

The board of directors comprised at year end of two male and one female director.

Energeia AS and sub-suppliers to the manager provide all administrative, technical, and commercial services. The manager is responsible for requirements related to gender neutrality, non-discrimination, and equal opportunities. The manager recruit employees on a gender-neutral and non-discriminatory basis.

Solar power plants offer a power source that is environmentally superior to fossil fuels. The power plants do not expose the environment to any harm, other than by occupying land and possibly altering its visual appearance. EAM's power plants are built with silicon-based solar panels, and the power production facilities produce no harmful waste.

Activities related to the management of the business have no impact on the natural environment apart from effects related to normal office work.

## Values and guidelines for business ethics and CSR

Honesty, transparency, and trust are essential to the success of the Company. EAM is committed to transparency in its management practices, and in particular in the relationship between EAM and Energeia AS. The board of directors always have access to all information and assistance from the employees of the manager.

The Company's work to integrate consideration for human rights,

employee rights and social conditions, the external environment, and the fight against corruption in its business strategies, in its daily operations and in its relations with its stakeholders takes place mainly in meeting suppliers and society in general.

The Company has in total identified 6 groups that are relevant in the company's work to translate the company's guidelines into action. These can be summarized as follows:

Stakeholder group	Relevance	Expected of the company	Arena for dialogue	Actions by the company
<b>Investors</b> – the Company is listed on Euronext Expand and has a broad investor base	High	Compliance with regulatory requirements for ESG reporting	Quarterly presentations, annual reporting and investor meetings	Comply with Oslo Stock Exchange guidelines
<b>Customers</b> – only 2 customers, the Italian state on 20-year feed-in-tariff contracts (56 per cent of revenue) and a local power trader on market price contracts (44 per cent of revenue)	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
<b>Suppliers</b> – very limited, mainly law firms in Norway and abroad, only small amounts for other suppliers	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
<b>Civil society</b> – legal proceedings have no impact on society and the solar PV power plants are not located near populated areas and are located on private ground	Low	Minimise local waste. Fencing and security measures around power plants to prevent contact with high voltage equipment	E-mail or local meetings	Establish maintenance plans
<b>Authorities</b> – delivery of electricity to the grid is a very standardised commodity	Low	Compliance with regulatory requirements for electricity production	Inspections and reporting portals	Establish operational procedures and reporting procedures
<b>Employees</b> – there are no employees in the Company	None	None	None	None
<b>Financial institutions</b> -Three out of four power plants are financed by leasing	Medium	Corruption prevention	Questionnaires and Written contracts	Formulate ethical guidelines

It is difficult to give an assessment of the results achieved, both in relation to the day-to-day operations and in relation to stakeholders. Work on these guidelines has been ongoing for several years and no significant changes in the results have been observed in recent years. The Company plans to continue the work in the same way as now to maintain the standard that has been achieved.

Separate guidelines for environmental, social and governance ("ESG") are presented in a separate section.

Disclosure requirements regarding the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) (norsk: åpenhetsloven) are made available on the Company's homepage.

### Presentation of the financial statements

Pursuant to Section 4-5 of the Norwegian Accounting Act, the board of directors of EAM confirms that the financial statements have been prepared under the assumption that the enterprise is a going concern.

However, although the Group's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group's liquidity is strained due to the significant legal costs relating to the litigation activities.

In the final award of 29 February 2024 in the Milan arbitration, EAM Solar ASA was awarded an estimated net compensation payable by Aveleos SA between EUR 2 686 810 and EUR 2 939 814 after interest is applied. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM Solar ASA to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the Company. However, such sale may take between 9 and 18 months to conclude.

A final factor with regards to the assessment of going concern is the outcome of the ongoing criminal proceedings in Milan, scheduled for a decision on 16 May 2024. A court decision upholding the original court decision of 2019 will secure going concern, an unfavourable decision for EAM Solar ASA may challenge the going concern assumption.

Oslo, 30 April 2024

Stephan Lange Jervell  
Non-executive director

Gro Prødel Hvammen  
Non-executive director

Viktor Erik Jakobsen  
Chair

Christian Hagemann  
CEO



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Implementation and reporting on corporate governance	24
Business	24
Equity and dividends	25
Equal treatment of shareholders and transactions with close associates	25
Transfer of shares	25
General meetings	25
Nomination committee	26
Board of directors: composition and independence	26
Work of the board of directors	27
Risk management and internal control	27
Remuneration of the board of directors	28
Remuneration of the manager and the CEO	28
Information and communications	28
Take-overs	28
Auditor	29
Implementation and reporting on sustainability	29
ESG – Relevance and materiality	29
Materiality analysis: identification and prioritisation	29
Summary of analysis	31
Findings	33

# CORPORATE GOVERNANCE AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

EAM Solar ASA is committed to pursuing environmental, social and governance practices that supports the trust in the Company, its directors and management, the way it operates its business and thereby contribute to value creation.

As defined in the Euronext ESG Guide:

“Environmental, social and governance principles (ESG) are a set of standards by which a company and its investors can measure the wider impact of its operations and long-term strategy”.

The objective of corporate governance is to regulate the roles and responsibilities of shareholders, directors and management in a more comprehensive manner than is required by legislation.

## Implementation and reporting on corporate governance

### Implementation

EAM Solar ASA's board of directors is responsible for executing best practice corporate governance and has prepared and approved the Company's policy for corporate governance.

Through its board and management, the Company conducts a review and evaluation of its principles for corporate governance on an annual basis.

EAM Solar ASA is a Norwegian public limited company listed on the Oslo Stock Exchange. Section 3-3b of Norway's Accounting Act requires the Company to provide an annual statement of its corporate governance principles and practices. These provisions also specify the minimum requirements for the content of this report.

The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian code of practice for corporate governance (the code). Adherence to the code is based on the “comply or explain” principle, which means that a company must comply with the recommendations of the code or explain why it has chosen an alternative approach to specific recommendations.

The Oslo Stock Exchange requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the code in force at the time. Rules on the continuing obligations of listed companies are available at [www.oslobors.no](http://www.oslobors.no).

EAM Solar ASA will comply with the above-mentioned rules and regulations, and the current code, issued on 14 October 2021 except for the following:

1. According to the code, the entire board of directors should not act as the Company's audit committee. Nevertheless, EAM has chosen to establish an audit committee consisting of the full board of directors. The reason for this is that EAM is exempted from the obligation to have an audit committee since the Company satisfies the criteria in section 6-41 (2) of the Norwegian Public Limited Liability Companies Act. With the exception mentioned above, the Company has established an audit committee with tasks and composition as mentioned in the Public Limited Liability Companies Act, sections 6-41 to 6-43.

EAM Solar ASA provides a statement on its principles for corporate governance in its annual report, and this information is also available on its website at [www.eamsolar.no](http://www.eamsolar.no).

### Business

The business purpose of EAM is defined in article 3 of the Company's articles of association, which states that:

“The Company's business activities include identification, analysis, financing, operating, purchase, and sale of Solar power plants outside Norway, and naturally related activities, such as ownership in similar companies. In addition, the Company's business is lawsuits in relation to Solar power plants.”

## Equity and dividends

### Equity

Total equity for the Group amounted to EUR 1.8 million at 31 December 2023, representing an equity ratio of 20.8 per cent.

The equity of the parent company amounted to EUR 2.9 million at 31 December 2023, representing an equity ratio of 65.8 per cent.

### Dividend policy

The Company's primary objective is to generate a capital return and distribute this to its shareholders through dividends.

Based on the status of the Company no dividend will be declared for 2023.

## Equal treatment of shareholders and transactions with close associates

### Equal treatment

All the shares in the Company and shareholders have equal rights, including voting rights. Each share carries the right to one vote at the Company's general meeting.

If the board is mandated to buy the Company's own shares and decides to exercise this mandate, the transactions will be conducted through the stock exchange or at prevailing market prices if conducted in any other way.

### Transactions with related parties

EAM has a long-term management agreement with Energeia AS. The latter provides all administrative, technical, and operational services required by the Company. EAM has no employees.

The transactions between EAM and the manager in 2023 have been conducted both as part of ordinary operations in accordance with the management agreement, and conducted by the manager in pursuing legal objectives in the various processes of the fraud case against EAM.

Any transactions, agreements or arrangements between the Company and its shareholders, directors, members of the executive management team or close associates of any such parties will only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions will comply with the procedures set out in the Norwegian Public Limited Liability Companies Act or similar provisions, as applicable.

### Transfer of shares

The Company's articles of association place no general restrictions on transfers of the Company's shares.

No provisions in the articles would have the effect of delaying, deferring, or preventing a change of control of the Company, or would require disclosure of a level of ownership above any specified threshold, unless such transaction would be in violation of Norwegian law and in conjunction with criminal activities.

Transfers of shares in the Company do not require the consent of the board. Nor do they trigger any pre-emptive rights for other shareholders.

## General meetings

### Annual general meeting

The annual general meeting (AGM) is the Company's highest authority. The board strives to ensure that the AGM is an effective

forum for communication between the shareholders and the board, and encourages shareholders to attend.

### Preparations for the AGM

The AGM will be held before 30 June, which is the latest date permitted by Norwegian company law. It will approve the annual report and annual accounts, including the distribution of any dividend, election of board, auditor and nomination committee and such other matters as may be set out in the notice of the meeting.

The AGM for 2024 will be held on 22 May 2024 at the Company offices in Oslo, Norway.

The board can call for extraordinary general meetings. It will also call for an extraordinary general meeting at the request in writing of the auditor or shareholders representing at least five per cent of the share capital to deal with a specific subject.

The board summons general meetings. Notice of a general meeting will be issued at the latest 21 days before the date of the meeting and will include a proposed agenda. The notice will also be made available on the Company's website at [www.eamsolar.no](http://www.eamsolar.no).

A shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the board in time for the proposal to be entered in the agenda for the meeting.

The date of the next AGM is included in the Company's financial calendar. The financial calendar for the coming year will be published no later than 31 December in the form of a stock exchange announcement, and will also be made available on the Company's website.

### Participation in a general meeting

The Company's articles of association do not specify any requirements for giving notice of attending a general meeting.

Shareholders who are unable to attend the meeting are encouraged to appoint a proxy. The arrangements for appointing a proxy allow shareholders to specify how their proxy should vote on each matter to be considered. The directors are invited to attend the AGM, together with at least one member of the nomination committee and the auditor. The CEO represents the management at the AGM.

### Agenda and conduct of the AGM

The board decides the agenda for the AGM. The main agenda items are determined by the requirements of the Public Limited Liability Companies Act and article 9 of the articles of association of EAM.

The shareholders may propose a person independent of the Company and the board to chair general meetings.

The board and the chair of the meeting will make appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the Company's governing bodies.

The minutes of the AGM are published in the form of a stock exchange announcement, and are also made available on the Company's website at [www.eamsolar.no](http://www.eamsolar.no).

### Nomination committee

EAM will have a nomination committee consisting of three members. The Company's current nomination committee was elected for one year on the annual general meeting 22 May 2023 and consists of:

- Leiv Askvig, chair
- Nils Erling Ødegaard, member
- Georg Johan Espe, member

Members of the nomination committee will be shareholders or shareholder representatives.

The general meeting elects the members of the nomination committee, including its chair. These members will serve for one year unless the general meeting decides otherwise. This term commences from the date of election unless otherwise decided. It terminates at the end of the annual general meeting in the year when the term expires. Even if the term has expired, the member must remain in their post until a new member has been elected.

Remuneration for members of the nomination committee is determined by the general meeting.

The nomination committee has the following responsibilities:

- To provide the general meeting with recommendations on directors to be elected by the shareholders, subject to the provision that the manager has the right to recommend up to two directors
- To provide the general meeting with recommendations on the remuneration of directors
- To provide the general meeting with recommendations on members of the nomination committee

- To provide the general meeting with recommendations on the remuneration of the members of the nomination committee.

The general meeting may issue further guidelines for the nomination committee's work.

### Board of directors: composition and independence Elections to the board

The general meeting elects directors. The Company's articles of association provide that the board will have no fewer than three members and no more than seven. In accordance with Norwegian law, the CEO and at least half the directors must be either resident in Norway or citizens of or resident in an EU/EEA country.

### Composition of the board

On 31 December 2023, the board of EAM Solar ASA consisted of three directors, two men and one woman:

- Viktor Erik Jakobsen, chair
- Stephan Lange Jervell, non-executive director
- Gro Prødel Hvammen, non-executive director

At the annual general meeting on 22 May 2023 Viktor Erik Jakobsen was elected as chair of the board, and at the same date Stephan Lange Jervell was re-elected as members of the board. Gro Prødel Hvammen was elected as member of the board.

Directors have been elected to serve for a period of one year unless otherwise stated. Directors represent varied and broad experience from relevant industries and areas of technical speciality, and contribute knowledge from both Norwegian and international

companies. More information about the expertise and background of directors can be found on the Company's website.

### **Independence of the board**

Stephan Lange Jervell and Gro Prødel Hvammen are both independent of the Company's manager, material business contacts and largest shareholders.

The Company chair, Viktor E Jakobsen, is the CEO of the manager Energeia AS and may thus not be considered as a completely independent director of the Company.

### **Work of the board of directors**

#### **Board's duties and responsibility**

The board has the ultimate responsibility for managing the Company and for supervising management and make strategic decisions.

This includes participating in the development and approval of the Company's strategy, performing necessary monitoring functions, including supervision, to ensure that the Company manages its business and assets and carries out risk management in a prudent and satisfactory manner, and acting as an advisory body for the manager.

In the management agreement between the Company and the manager, the manager is effectively the CEO of the Company. Should an individual have to be appointed as the CEO, the manager will propose this person for approval by the board. The board of directors defines objectives, strategies, and risk profiles for the company's business activities to facilitate that the company creates value for shareholders.

The board of directors ensures that its members and executive personnel make the Company aware of any material interests that they may have in items which are considered by the board.

#### **Mandate for the board**

In accordance with the provisions of Norwegian company law, the terms of reference for the board are set out in a formal mandate that includes specific rules and guidelines on the work of the board and decision-making. The chair is responsible for ensuring that the work of the board is carried out in an effective and proper manner in accordance with legislation.

#### **Mandate for the CEO**

The CEO is the representative of the manager. The manager is responsible for executive management and day-to-day operations of the Company as defined in the management agreement.

#### **Financial reporting**

The board receives periodic reports on the Company's commercial and financial status. The Company follows the timetable laid down by the Oslo Stock Exchange for the publication of interim and annual reports.

#### **Board meetings**

The board holds regular meetings each year. Extraordinary board meetings are held when required to consider matters that cannot wait until the next regular meeting.

In 2023 the board of directors met on several occasions, either in person or by circulation.

#### **Audit committee**

EAM is exempted from the obligation to have an audit committee since the Company satisfies the criteria in section 6-41 (2) of the Norwegian Public Limited Liability Companies Act. Nevertheless, the Company has established an audit committee, consisting of the full board of directors, with tasks and composition as mentioned in the Public Limited Liability Companies Act, sections 6-41 to 6-43.

None of the members of the committee are employees of the Company. The audit committee will not make any decisions on behalf of the board since it is effectively the board.

#### **Board's evaluation of its own work**

The board carries out an annual evaluation of its own performance, working arrangements and competence. The chair prepares a report on this evaluation, which is made available to the nomination committee.

#### **Risk management and internal control**

EAM's board is responsible for ensuring that the Company has a sound internal control and sufficient systems for risk management. The Company's systems for internal control and procedures for risk management are intended to ensure timely and correct financial reporting, as well as compliance with the legislation and regulations to which the Company is subject.

Follow-up of internal controls relating to financial reporting is undertaken by means of management's day-to-day monitoring, periodic reports to the board and the work of the audit committee.

The board carries out an annual review of the Company's most important areas of exposure to risk and its internal control procedures. In addition, the auditor presents an annual review of the Company's internal control procedures to the audit committee, including the Company's accounting principles, risk areas, internal control routines and proposals for improvement.

The size and activity of the Company does not support the establishment of an internal audit function.

### Remuneration of the board of directors

The AGM determines the board's remuneration, based on a recommendation from the nomination committee. Remuneration of directors will be reasonable and based on the board's responsibilities, work, the time invested and the complexity of the enterprise. Compensation will be a fixed annual amount. The chair receives a higher compensation than the other directors.

The board will be informed if individual directors perform other tasks for the Company than their role as directors. Work in sub-committees may be remunerated in addition to the remuneration received for the directorship. The Company's annual accounts provide information about the board's compensation.

There are no share options issued to members of the board of directors.

### Remuneration of the manager and the CEO

Pursuant to the management agreement, the CEO receives no direct remuneration from the Company. The CEO is receiving his remuneration from the manager, Energeia AS. Energeia AS will invoice all

billable hours at a predetermined rate for each consultant working on the assignment. Out-of-pocket expenses will be billed separately at cost. The hourly rate per consultant will be adjusted yearly in conjunction with the budget process and approval in EAM Solar ASA.

The management agreement has been entered into for an initial term of 10 years. After the initial term, both parties may terminate the agreement by giving 12 months' notice, with effect at the earliest from 2021. Termination by the Company triggers a termination fee of five times the average fee for the two preceding fiscal years.

No member of the Company's board or other administrative or supervisory body has service contracts with the Company or any of its subsidiaries that provide benefits on the termination of employment. No loans or guarantees have been given to any members of the board or other company bodies.

### Information and communications

EAM maintains regular dialogue with analysts and investors. The Company strives to publish relevant information continuously to the market in a timely, effective, and non-discriminatory manner, and considers it very important to inform shareholders and investors about the Company's commercial and financial performance. All stock exchange announcements are made available both on the Company's website and on the Oslo Stock Exchange news website at [www.newsweb.no](http://www.newsweb.no).

### Financial reports

EAM publishes its fourth quarter results in the beginning of March and the full annual report, including approved and final financial statements and the directors' report, is available no later than 30 April

each year as required by the Securities Trading Act. The complete annual report and financial statements are made available to shareholders no later than three weeks prior to the AGM.

Quarterly interim reports are published within eight weeks of the end of the quarter. The Company's financial calendar for the coming year is published as a stock exchange announcement and made available on the Company's website and on the Oslo Stock Exchange website in accordance with the continuing obligations for companies listed on the Oslo Stock Exchange. The Company will continue to publish quarterly reports in accordance with Oslo Børs Code of Practice for IR.

### Other market information

EAM may give open presentations in conjunction with the publication of the Company's interim results. At these presentations, the manager will review and comment on the published results, market conditions and the company's prospects.

### Communication with shareholders

The manager gives high priority to communication with the investor market. Individual meetings are organised for major investors, investment managers and analysts. The Company also attends investor conferences.

The board has issued guidelines for the Company's investor relations' function, including the designation of authorised spokespersons for the company.

### Take-overs

The board endorses the principle of non-discrimination of shareholders. In the event of a take-over, the board undertakes to act in a

professional manner and in accordance with applicable legislation and regulations.

The board will seek to comply with the recommendations in the code relating to the board's responsibilities and duties in a takeover situation.

**Auditor**

EAM is audited by RSM Norge AS, Norway.

The auditor presents a plan annually to the board for the audit work and confirms that the auditor satisfies established requirements for independence and objectivity.

In connection with the auditor's presentation of the annual work plan to the board, the board will specifically consider whether the auditor also exercises a control function to a satisfactory extent. The auditor attends board meetings that deal with the annual accounts and presents a review of the Company's internal control procedures to the audit committee, including the Company's accounting principles, risk areas, internal control routines and so forth, and proposals for improvement.

The board has established guidelines on the use of the auditor by the Company's executive management for services other than auditing. The board reports the remuneration paid to the auditor to the AGM, including details of fees paid for audit work and for other specific assignments.

**IMPLEMENTATION AND REPORTING ON SUSTAINABILITY**

**ESG – Relevance and materiality**

The information that investors and other stakeholders in the company consider material and relevant has changed drastically since the company went public in 2013.

At the outset, EAM's strategy was to create value by acquiring operational solar power plants and, through active ownership, to optimise operations and achieve the best possible electricity yield, lowest possible cost of operations, and highest possible dividend yield. However, considering the impact that the fraud and subsequent legal proceedings have had on the Company value, EAM has been forced to change from a YieldCo to a company primarily focused on litigation.

Consequently, when evaluating what information is considered relevant, meaning information that influences the opinion or decision of users by helping them to evaluate past, present, or future events or by confirming or correcting their past evaluations, such information will almost entirely be related to the legal proceedings and not to the renewable energy industry, as originally envisaged. Future value creation is not, at present, linked to traditional business development within renewable energy but rather to the restoration of lost values, stemming from the P31 fraud, via in-court legal proceedings in several jurisdictions or via out-of-court settlements.

The company has used the "Oslo Børs veiledning om rapportering av samfunnsansvar" and "Euronext Guidelines to Issuers for ESG Reporting" as a tool in preparing the report.

**Materiality analysis: identification and prioritisation**

When going deeper into the materiality analysis, which involves mapping the opportunities and risks the company faces, as well as identifying its most important stakeholders and their primary areas of interest, it becomes clear that many of the stakeholders one would expect to find, are less relevant or not present at all. Using a traffic light model, it looks like this:



Stakeholder group	Relevance	Expected of the company	Arena for dialogue	Actions by the company
<b>Investors</b> – the Company is listed on Euronext Expand and has a broad investor base	High	Compliance with regulatory requirements for ESG reporting	Quarterly presentations, annual reporting and investor meetings	Comply with Oslo Stock Exchange guidelines
<b>Customers</b> – only 2 customers, the Italian state on 20-year feed-in-tariff contracts (56 per cent of revenue) and a local power trader on market price contracts (44 per cent of revenue)	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
<b>Suppliers</b> – very limited, mainly law firms in Norway and abroad, only small amounts for other suppliers	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
<b>Civil society</b> – legal proceedings have no impact on society and the solar PV power plants are not located near populated areas and are located on private ground	Low	Minimise local waste. Fencing and security measures around power plants to prevent contact with high voltage equipment	E-mail or local meetings	Establish maintenance plans
<b>Authorities</b> – delivery of electricity to the grid is a very standardised commodity	Low	Compliance with regulatory requirements for electricity production	Inspections and reporting portals	Establish operational procedures and reporting procedures
<b>Employees</b> – there are no employees in the Company	None	None	None	None
<b>Financial institutions</b> -Three out of four power plants are financed by leasing	Medium	Corruption prevention	Questionnaires and Written contracts	Formulate ethical guidelines

The main opportunities and risks the Company faces are given a score (1-5) based on the significance for stakeholders and the impact they have, based on the matrixes below.

Risk and opportunity matrix			Significance for the Company’s impact on economic, social and environmental issues					
			Negligible	Minor	Moderate	Considerable	Major	Paramount
			0	1	2	3	4	5
Significance to the Company’s stakeholders	Negligible	0	0	0	0	0	0	0
	Minor	1	0	1	2	3	4	5
	Moderate	2	0	2	4	6	8	10
	Considerable	3	0	3	6	9	12	15
	Major	4	0	4	8	12	16	20
	Paramount	5	0	5	10	15	20	25

Legend:

Negligible	Low	Moderate	High	Crucial
------------	-----	----------	------	---------

**Risks and opportunities for the legal activities:**

Risks:	Stakeholder score	Impact score	Total score	Opportunities:	Stakeholder score	Impact score	Total score
Not having enough liquidity to fund the legal strategy	5	4	20	Victory in court resulting in payment from the counter-parties; out of court settlements	5	4	20
Lack of police investigation to collect evidence and prosecute	4	3	12				
Corrupt courts and/or judges – There is a risk that courts or legal proceedings are already influenced or could be influenced, so as to affect or alter rulings	4	4	16				
The counterparty evades payment for fraudulent actions even if sentenced in court either through continuous delays or even bankruptcy	4	3	12				
Risk that a case might be rejected by the courts due to statutory limitations, jurisdiction or other reasons	3	3	9				
Threats of physical injury or death towards individuals both internal and external representing the Company	3	3	9				

**Risks and opportunities for the solar PV energy production activities:**

Risks:	Stakeholder score	Impact score	Total score	Opportunities:	Stakeholder score	Impact score	Total score
Assets acquired are not built in accordance with standards and regulations and documents are falsified	2	2	4	New investments in solar PV in countries and regions where corruption is less probable at government level, in the business environment and in the judicial system	4	4	16
Regulatory risk, change in regulations relating to the GSE and payment of feed-in-tariff	3	3	9				

**Summary of analysis**

Based on the score from the matrix above, two risks and two opportunities have been identified as significant and will form basis for the company's ESG reporting. These are:

**Not having enough liquidity to fund the legal strategy**

To successfully pursue the legal strategy, EAM Solar ASA depends on having sufficient funds and liquidity to provide payment for the legal costs related to the various legal proceedings. The risk entails that the legal proceedings would stop or be delayed in the event the Company does not have these funds. Consequently, this would jeopardize the Company's legal integrity, stall progress in the legal proceedings or ultimately prevent the Company from reaching the desired outcome or result. The legal proceedings, in which the Company is involved, are costly and require legal expertise from legal professionals in several countries.

The Company defines the risk as whether or not available funds are held by either the Company itself and/or by the manager. Measures taken by the Company to monitor this risk are carried out in the form of monthly reports to the board of directors on available liquidity and accrued legal costs. The monthly reporting provides the tools for the management and the board of directors to continuously monitor the Company's financial situation and the cost of the legal proceedings.

To minimize the risk of not having enough liquidity to fund the legal strategy, the Company conducted the sale of power plants Varmo and Codroipo in 2019. The sale provided the Company with a profit and removed the operational and administrative costs related to the ownership of these powerplants. In addition, the Company continuously takes measures to reduce and optimize operational and

administrative costs on a general basis to improve liquidity within the Company.

The reporting on the risk will be conducted by classifying the Company's liquidity situation in one of the following three categories.

**Satisfactory:** The Company's considers its liquidity to be good. The Company has sufficient liquidity to fund the legal strategy on a long-term basis.

**Unsatisfactory:** The Company considers its liquidity situation to be less than good. The Company has sufficient liquidity to fund the legal strategy on a short-term basis, but needs to take further measures to fund the legal strategy on a long-term basis.

**Crucial:** The Company considers its financial situation to be crucial and does not have sufficient liquidity to fund the legal strategy on either a short-term or long-term basis.

**Corrupt courts and/or judges – There is a risk that courts or legal proceedings are already influenced or could be influenced, to affect or alter rulings**

There is an imminent risk that attempts could be made to influence, or that influence has already been exerted over, judges or arbitrators to alter the outcome of a procedure or a decision rendered. These attempts could take the form of monetary value or non-monetary value such as promotions or benefits given both inside and outside the courts. Typically, arbitrators will have their own legal practice where such benefits could be received, while both judges and arbitrators could receive promotions that are not based on competence and experience. There could even be threats put forward to the same

individuals. These risks are more likely to occur in jurisdictions where corruption is more common than in Norway.

In jurisdictions where the counterparty is a state-controlled entity there might be express or indirect pressure from the authorities to reach a specific outcome. There could also be pressure to do nothing, or to obstruct or hinder investigations.

The corruption risk is considered high in Italy. Italy scores only 56 on the Transparency International Index for 2023 putting them tied for 42<sup>nd</sup> place out of a total of 180 countries, meaning that 41 countries in the world are considered less corrupt than Italy. The ENCJ's (European Network of Councils for the Judiciary) Report on Independence, Accountability and Quality of the Judiciary – performance indicators 2018-2019, show that the vast majority of judges in Europe do not experience inappropriate pressure to influence their decisions in judicial procedures. Across all countries 5 per cent of the judges report inappropriate pressure with less than 1 per cent reporting that this happens regularly. Italy on the other hand is the extreme case: 41 per cent believe corruption occurs, but 26 per cent believe this happens very rarely. And further, as shown in the Global Competitiveness Report 2019 issued by the World Economic Forum, is Italy ranked at 60<sup>th</sup> place when it comes to Judicial independence out of a total of 141 countries.

Luxembourg, on the other hand, is considered a low-risk country when it comes to corruption finishing in 9<sup>th</sup> place with a score of 78 on the Transparency International Index for 2023. The risk with Luxembourg is that the country is very small with only 633 100 inhabitants ([www.britannica.com/place/Luxembourg](http://www.britannica.com/place/Luxembourg)), not much more than a small European city. In this context, everyone knows everyone.



That makes it more likely that an outcome might be influenced when a foreign company is in a litigation against a state-controlled entity. Not as outright corruption but as a silent, or even outspoken, wish to receive a particular outcome, or for the police and prosecution to not take any action. According to the GAN Integrity Luxembourg Corruption Report ([www.ganintegrity.com/countryprofiles/luxembourg/](http://www.ganintegrity.com/countryprofiles/luxembourg/)), updated as of November 2020, corruption does not constitute a problem for businesses in Luxembourg in general. The country has a strong legal framework to curb corruption, and

anti-corruption laws are effectively enforced. Nonetheless, some corruption cases have revealed conflicts of interest between the private and public sectors, tainting transparency in the country.

For comparison, Norway is in 4<sup>th</sup> place with a score of 84 on the Transparency International Index for 2023 and Norway ranks among the least corrupt countries in the world.

The company's ability to mitigate this kind of risk is very limited. The company's ability to change the behaviour of individuals in the most risk-associated jurisdictions is non-existent. What the company can do, is to monitor for indications of influence over judges, arbitrators, police, and prosecutors and try to get the disputes in front of judges in countries that are less corrupt or influenced than Italy and Luxembourg. There are though legal limitations on which venues that are available to the company.

### **Victory in court resulting in payment from the counterparties, out of court settlements**

One of the most significant opportunities for the company is the possibility to receive a payment that restores lost values stemming from the fraud and subsequent lost opportunities. Such payment might either be awarded by a competent court and enforced towards the counterparty or could be reached in an out-of-court agreement where the parties agree on fair settlement.

The company is actively pursuing a restoration of values in various venues and jurisdictions and will continue to do so until all such possibilities are exhausted. Any possible settlement talks would be conducted through our legal representation and be evaluated if presented.

The outcome is binary, either you have an award or settlement, or you do not. Once an award has been irrevocably granted or a settlement reached, the company may also measure the outcome on a monetary scale, either in comparison with costs incurred and values lost or as a value per share issued in the company.

### **New investments in solar PV in countries and regions where corruption is less probable at government level, in the business environment and in the judicial system**

EAM Solar ASA's strategy was, at the outset, to create value by acquiring operational power plants and, through active ownership, to optimise operations and achieve the best possible electricity yield, lowest possible cost of operations and highest possible dividend yield. Considering the legal proceedings and their impact on the Company's value, EAM has been forced to change from a YieldCo to a company primarily focused on litigation. The company is in its tenth year of litigation activity following the P31 fraud. Consequently, the company have lost out on opportunities within its initial core business activity in renewable energy.

The Company's manager, Energeia AS is currently investing and developing business opportunities in the Netherlands and Norway. As of year-end 2023, this activity has resulted in Energeia AS constructing, operating, and owning a solar PV power plant in the Netherlands, and developed a prospective Dutch project pipeline. In 2023 Energeia AS also identified and is currently working on the development of solar PV power plants in Norway. This activity is still in an early stage of development but may result in significant power plant developments in the coming years.

Therefore, Energeia AS and EAM Solar ASA have initiated a preliminary discussion with the aim to ensure that all shareholders in EAM Solar ASA can participate in the future business development and value creation of Energeia AS.

The opportunity would provide additional value creation for the Company's shareholders and an opportunity to take part in new development within the renewable energy sector. The outcome of this opportunity is binary.

Energeia AS included the EAM Solar ASA shareholders in this development through a directed equity issue in September 2022, where EAM Solar ASA shareholders received one share in Energeia AS for each share in EAM Solar ASA as a dividend.

### **Findings**

#### **Not having enough liquidity to fund the legal strategy**

The Company considers its liquidity situation to be unsatisfactory. On a short-term basis, it is expected that the Company's liquidity situation is adequate. However, due to uncertainty related to the cost and the length of the legal proceedings and the Company's ability to collect receivables outstanding the situation on a long-term basis is more uncertain.

#### **Corrupt courts and/or judges – There is a risk that courts or legal proceedings are already influenced or could be influenced, to affect or alter rulings**

Observations in the period 2016-2023 give reason to believe that decisions given in courts in Italy involving the company have been influenced, although this has not been proven.

Observations in the period 2016-2023 give reason to believe that the lack of police investigations and prosecution could stem from the result of influence or informal pressure, although this has not been proven.

EAM Solar ASA has filed criminal fraud complaints to police authorities in Italy (2014), Luxembourg (2016) and Norway (2018/2019). So far, no investigation of the fraud has been conducted to our knowledge.

**Victory in court resulting in payment from the counterparties, out of court settlements**

No irrevocable payment has yet been granted in court, nor have the parties agreed on any settlement.

**New investments in solar PV in countries and regions where corruption is less probable at government level, in the business environment and in the judicial system**

Energeia AS included the EAM Solar ASA shareholders in this development through a directed equity issue in September 2022, where EAM Solar ASA shareholders received one share in Energeia AS for each share in EAM Solar ASA as a dividend.



# FINANCIAL INFORMATION

Consolidated financial statements	36
Parent company financial statements	60
Power production	73
Power plant capacity	73
Responsibility statement	74
Auditor's report	75

# CONSOLIDATED FINANCIAL STATEMENTS

<b>Consolidated statement of comprehensive income</b>	37	Note 10 Operational costs breakdown 2023	50
<b>Consolidated statement of financial position</b>	38	Note 11 Income tax	50
<b>Consolidated cash flow statement</b>	39	Note 12 Earnings per share	52
<b>Consolidated statement of changes in equity</b>	40	Note 13 Property, plant and equipment	52
<b>Notes to the consolidated financial statements</b>	41	Note 14 Other contractual obligations	54
Note 01 Summary of significant accounting policies	41	Note 15 Financial risk management	54
Note 02 Alternative Performance Measures “APMs”	45	Note 16 Trade receivables	55
Note 03 List of subsidiaries	46	Note 17 Cash and cash equivalents	55
Note 04 Significant accounting judgements, estimates, assumptions and comparable figures	46	Note 18 Share capital, shareholder information and dividend	56
Note 05 Other operating expenses	47	Note 19 Debt	56
Note 06 Salary and personnel expense and management remuneration	47	Note 20 Impairment	58
Note 07 Transactions with related parties	48	Note 21 Intangible assets	58
Note 08 Financial income and expenses	49	Note 22 Events after the balance sheet date	59
Note 09 Segment information	49	Note 23 Going concern	59

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	2023	2022
Revenue	<a href="#">9</a>	992 716	1 221 073
Total revenue		992 716	1 221 073
Cost of operations		(237 408)	(813 734)
Sales, general and administration expenses	<a href="#">5, 6</a>	(743 296)	(949 613)
Legal costs		(982 772)	(1 386 837)
Operating profit before depreciation and amortisation (EBITDA)	<a href="#">7, 9, 10</a>	(970 760)	(1 929 111)
Depreciation, amortizations and write downs	<a href="#">13, 21</a>	(564 108)	(563 575)
Operating profit (EBIT)		(1 534 869)	(2 492 686)
Finance income	<a href="#">8</a>	1 404 806	1 192 570
Finance costs	<a href="#">8, 7</a>	(820 867)	(764 986)
Profit before tax		(950 930)	(2 065 101)
Income tax gain/(expense)	<a href="#">11</a>	(260 378)	(140 582)
Profit after tax		(1 211 308)	(2 205 683)

EUR	Note	2023	2022
<b>Other comprehensive income<sup>1</sup></b>			
Translation differences		(896 286)	(686 065)
Other comprehensive income for the year, net of tax		(896 286)	(686 065)
Total comprehensive income for the year		(2 107 594)	(2 891 748)
<b>Profit for the year attributable to:</b>			
Equity holders of the parent company		(1 211 308)	(2 205 683)
Equity holders of the parent company		(1 211 308)	(2 205 683)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent company		(2 107 594)	(2 891 748)
Equity holders of the parent company		(2 107 594)	(2 891 748)
<b>Earnings per share</b>		<b>2023</b>	<b>2022</b>
<b>Continued operation</b>			
- Basic	<a href="#">12</a>	(0.18)	(0.32)
- Diluted	<a href="#">12</a>	(0.18)	(0.32)

<sup>1</sup> Other comprehensive income that may be reclassified to profit and loss in subsequent periods.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<a href="#">13</a>	5 429 870	5 987 981
Intangible assets	<a href="#">21</a>	8 401	9 101
Other long term assets		200 290	324 297
Deferred tax assets	<a href="#">11</a>	40 002	64 018
Total non-current assets	<a href="#">9</a>	5 678 563	6 385 396
<b>Current assets</b>			
Trade and other receivables	<a href="#">7, 16</a>	1 733 201	2 174 744
Other current assets		649 876	634 662
Cash and cash equivalents	<a href="#">17</a>	391 720	1 464 397
Total current assets		2 774 798	4 273 803
<b>TOTAL ASSETS</b>		<b>8 453 361</b>	<b>10 659 199</b>

EUR	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Issued capital		8 126 110	8 126 110
Share premium		27 603 876	27 603 876
Total paid in capital	<a href="#">18</a>	35 729 986	35 729 986
<b>Other equity</b>			
Translation differences		(8 711 181)	(7 814 895)
Other equity		(25 260 400)	(24 049 092)
Total other equity		(33 971 581)	(31 863 987)
<b>Total equity</b>		<b>1 758 405</b>	<b>3 865 999</b>
<b>Non-current liabilities</b>			
Lease liabilities	<a href="#">13</a>	2 886 601	3 340 536
Deferred tax liabilities	<a href="#">11</a>	974 368	804 250
Other non current liabilities		343 887	343 887
Total non-current liabilities	<a href="#">19</a>	4 204 856	4 488 674
<b>Current liabilities</b>			
Lease liabilities	<a href="#">13</a>	453 731	430 836
Trade and other payables	<a href="#">19</a>	2 035 127	1 873 690
Tax payables	<a href="#">11</a>	1 242	-
Other current liabilities		-	-
Total current liabilities	<a href="#">19</a>	2 490 100	2 304 526
<b>Total liabilities</b>		<b>6 694 956</b>	<b>6 793 200</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8 453 361</b>	<b>10 659 199</b>

Oslo, 30 April 2024

Stephan Lange Jervell  
Non-executive directorGro Prødel Hvammen  
Non-executive directorViktor Erik Jakobsen  
ChairChristian Hagemann  
CEO

## CONSOLIDATED CASH FLOW STATEMENT

EUR	Note	2023	2022
<b>Cash flow from operations</b>			
Profit before income taxes		(950 930)	(2 065 101)
Depreciation	<a href="#">13, 21</a>	564 109	563 576
Change in trade debtors	<a href="#">16</a>	86 181	536 899
Change in trade creditors	<a href="#">19</a>	517 168	(449 978)
Effect of exchange fluctuations		(961 289)	(656 901)
Change in other provisions		257 583	1 383 856
Net cash flow from operations		(487 177)	(687 649)
<b>Cash flow from investments</b>			
Purchase of fixed assets	<a href="#">13</a>	(5 300)	(12 600)
Payment of short term loan /receivables	<a href="#">16</a>	185 000	2 213 757
Net cash flow from investments		179 700	2 201 157

EUR	Note	2023	2022
<b>Cash flow from financing</b>			
Repayment of long term loans		(431 041)	(409 291)
Interest paid		(334 158)	(221 516)
Net cash flow from financing	<a href="#">13</a>	(765 199)	(630 807)
<b>Exchange gains / (losses) on cash and cash equivalents</b>			
Net change in cash and cash equivalents		(1 072 677)	882 701
Cash and cash equivalents at the beginning of the period		1 464 397	581 696
Cash and cash equivalents at the end of the period	<a href="#">17</a>	391 720	1 464 397

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	Issued capital	Share premium fund	Other equity	Translation differences	Total equity
Equity as at 1 January 2022	8 126 110	27 603 876	(21 830 374)	(7 128 830)	<b>6 770 782</b>
Profit (loss) After tax			(2 205 683)		<b>(2 205 683)</b>
Issue of new shares			(13 035)		<b>(13 035)</b>
Other comprehensive income				(686 065)	<b>(686 065)</b>
Equity as at 31 December 2022	8 126 110	27 603 876	(24 049 092)	(7 814 895)	<b>3 865 999</b>
Equity as at 1 January 2023	8 126 110	27 603 876	(24 049 092)	(7 814 895)	<b>3 865 999</b>
Profit (loss) After tax			(1 211 308)		<b>(1 211 308)</b>
Other comprehensive income				(896 286)	<b>(896 286)</b>
Equity as at 31 December 2023	8 126 110	27 603 876	(25 260 400)	(8 711 181)	<b>1 758 405</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 01 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of EAM for the year ending 31 December 2023 were authorised for issuance by the board on 30 April 2024.

EAM is a public limited liability company, incorporated and domiciled in Norway, with registered office at Cort Adelers gate 33, NO-0254 Oslo, Norway. The Company was founded on 5 January 2011 and listed on the Oslo Stock Exchange under the ticker "EAM" in 2013. EAM Solar ASA is the parent company of the Group. The primary business activity of EAM is both to own solar photovoltaic power plants and sell electricity under long-term fixed price sales contracts, and to pursue legal proceedings to restore company values. EAM was structured to create a steady long-term dividend yield for its shareholders. Following the P31 Acquisition, the main value of EAM is dependent on the future outcome of litigation activities.

EAM currently owns 4 photovoltaic power plants through a holding company and 2 subsidiaries in Italy. The Company has no employees.

### 01.01 Basis for preparation of the financial statement

The EAM Group's consolidated financial statements have been prepared in accordance with IFRS Accounting standards as adopted by the EU and mandatory for financial years beginning on or after 1 January 2023.

The consolidated financial statements are based on historical cost. In addition, interest rate swaps used for hedging is measured at fair value.

The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under similar circumstances.

The Group's presentation currency is Euro (EUR) and the parent company's functional currency is Norwegian Krone (NOK). Most of the Group's revenue and cost are in Euro, thus the group accounts are presented in Euro. Balance sheet items in the Group companies with a functional currency other than EUR are converted to Euro by applying the currency rate applicable on the balance sheet date. Currency translation differences are booked against other comprehensive income. Income statement items are converted by applying the average currency rate for the period.

The financial statements and annual report are prepared under the assumption of going concern. However, although the Company's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Company's liquidity is strained due to the significant legal costs relating to the litigation activities. See [note 23](#) for more information. The board and manager are placing all their effort into operating the Company in a prudent manner, pending the legal proceedings that is expected to ultimately solve the situation for EAM.

### 01.02 Consolidation principles

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries on 31 December 2023.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains, and losses resulting from intragroup transactions and dividends are eliminated in full.

The acquisition method is applied when accounting for business combinations. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative transaction differences recorded in equity.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

### 01.03 Use of estimates in the financial statements

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses, deferred tax asset and information on potential liabilities.

Future events may lead to estimates being changed and estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is accounted for prospectively. See also [note 4](#).

#### 01.04 Foreign currency

The Group's consolidated financial statements are presented in EUR. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

#### Transactions in foreign currency

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into the functional currency using the exchange rate applicable at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchanges at the date when the fair value is determined. Change in exchange rates are recognised in the statement of comprehensive income as they occur during the accounting period.

#### Foreign operations

On consolidation, the assets, and liabilities of operations with a functional currency other than the EUR are translated to EUR at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions.

The average exchange rates are used as an approximation of the transaction exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign

operation, the accumulated translation differences relating to the subsidiary are recognised in the statement of comprehensive income.

Translation differences arising from the translation of a net investment in foreign operations are specified as translation differences in the statement of equity.

#### 01.05 Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services.

#### Sale of solar power

EAM owns and operates four solar power plants in Italy, which generate electricity. Revenue from the sale of electricity is recognised in the statement of comprehensive income once delivery has taken place and the risk and return have been transferred.

All EAM's electricity sales are made under 20-year sale agreements in the feed-in-tariff (FIT) scheme, with the Italian renewable energy authority Gestore Servizi Energetici (GSE) as commercial counterparty.

In 2022 the Italian authorities set a limit on the market price to be realised for renewable energy and made the reductions applicable for companies with FIT contracts. More information on the Sostegni Ter Decree can be found under Financial Review above.

In previous years, the fixed price sales contracts (FIT) accounted for approximately 80 per cent of revenues, with electricity sales at market prices accounting for approximately 20 per cent. This was substantially changed in 2022 following the increase of market prices. In 2023 the FIT revenues accounted for approximately 56 per cent and market price revenue accounted for approximately 44 per cent of the revenue, prior to taking reduction under the Decree into consideration.

Market price contracts are renewed yearly.

#### Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate which exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

#### 01.06 Segments

The Group owns and operates four solar PV power plants in Italy as of year-end 2023 and thus only one segment both geographically and nature wise. Further information relating to segments is presented in [note 9](#).

#### 01.07 Income tax

Income tax consists of tax payable and changes to deferred tax. Deferred tax liability/tax asset is calculated on all differences between the carrying and tax value of assets and liabilities, except for temporary differences related to investments in subsidiaries where the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the deferred tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax liability and deferred tax asset are measured based on the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax liability and deferred tax asset are recognised at their nominal value and classified as non-current asset investments (long-term liabilities)

in the balance sheet. Tax payable and deferred tax are recognised directly in equity to the extent that they relate to equity transactions.

### 01.08 Property, plant, and equipment

All property, plant, and equipment (including solar power plants) are valued at their cost less accumulated depreciation and impairment. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income as incurred, while other costs expected to provide future financial benefits are capitalised.

Depreciation is calculated using the straight-line method over the following useful lives:

- Movers, modules, and cable connectors 20 years
- Land lease rights 25 years

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognised as a change in an estimate.

### 01.09 Leases

The Group has adopted IFRS 16 from 1 January 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of

inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

#### Lease liabilities

A lease liability is recognised at the commencement date of a lease.

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 01.10 Classification and measurement of financial assets and liabilities

#### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for

settlement within 60 days for the feed-in-tariff contracts, and 15 days for the market price contracts.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### 01.11 Cash and cash equivalents

Cash includes cash in hand, at the bank or cash seized by the Prosecutors Office of Milan.

Cash equivalents are short-term liquid investments which can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

### 01.12 Equity

#### Costs of equity transactions

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

### 01.13 Provisions

A provision is recognised when the Group has an obligation (legal or constructive) because of a previous event, it is probable (more likely than not) that a financial settlement will take place because of this obligation, and the size of the amount can be measured reliably. If the effect is considerable,

the provision is calculated by discounting estimated future cash flows using a discount rate before tax which reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Restructuring provisions are recognised when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognised when the Group's estimated revenues from a contract are lower than unavoidable costs that were incurred to meet the obligations pursuant to the contract.

#### **01.14 Contingent liabilities and assets**

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, except for contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

#### **01.15 Current/non-current classification**

Assets and liabilities are presented based on current and non-current classification.

An asset is classified as current when it is expected to be sold or utilised or sold in the consolidated entity's normal operating cycle, or within 12 months after the reporting period, all other assets are classified as non-current.

A liability is classified as current when it is expected to be paid in the consolidated entity's normal operating cycle or within 12 months after the reporting period, all other liabilities are classified as non-current.

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

#### **01.16 Derivative financial instruments and hedging activities**

Derivatives at fair value not classified as hedging instruments are carried in the statement of financial position at fair value with net changes in fair value in profit and loss statement.

The categories include foreign exchange contracts and interest rate swaps.

#### **01.17 Earnings per share**

Earnings per share are calculated by dividing the majority shareholders' share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

#### **01.18 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

#### **01.19 Events after the reporting period**

New information on the Company's financial position at the end of the reporting period, which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period which do not affect the Company's financial position at the end of the reporting period, but which will affect the Company's financial position in the future are disclosed if significant. See [note 22](#).

#### **01.20 Application of new IFRS requirements**

According to the amendments to IAS 1, effective as of 1 January 2023, the Group has disclosed material accounting policy information rather than significant accounting policies.

#### **01.21 New standards and interpretations not yet adopted**

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**NOTE 02 ALTERNATIVE PERFORMANCE MEASURES “APMS”**

EAM uses financial performance measures not within the applicable financial reporting framework also referred to as Alternative performance measures or APMS. These are used to give the reader relevant figures for comparison, analysis, and additional information. The Company uses the APMS in a consistent and transparent manner to make it understandable to users of the financial reports.

To provide a basis for analysis the Company presents EBITDA, EBIT, equity ratio and working capital.

**Definitions:**

**EBITDA** – Earnings Before Interest, Tax, Depreciation and Amortisation. Used as a measure of overall financial performance and indicator for cash that is available to pay debt.

**EBIT** - Earnings Before Interest and Tax. Used as an indicator of a company's profitability.

**Equity ratio** - Equity as a percentage of total assets at the end of the period. Shows financial position.

**Working capital** - Total current assets minus total current liabilities. Used as a measure of a company's liquidity, operational efficiency, and short-term financial health.

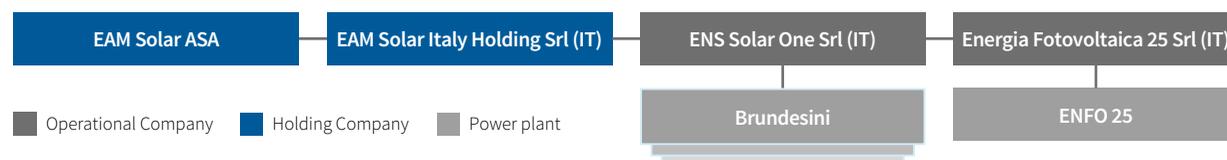
<b>EBITDA</b> (EUR)	2023	2022
Revenue	992 716	1 221 073
Total revenue	992 716	1 221 073
Cost of operations	(237 408)	(813 734)
Sales, general and administration expenses	(743 296)	(949 613)
Legal costs	(982 772)	(1 386 837)
Operating profit before depreciation and amortisation (EBITDA)	(970 760)	(1 929 111)
<b>EBIT</b> (EUR)	2023	2022
Revenue	992 716	1 221 073
Total revenue	992 716	1 221 073
Cost of operations	(237 408)	(813 734)
Sales, general and administration expenses	(743 296)	(949 613)
Legal costs	(982 772)	(1 386 837)
Operating profit before depreciation and amortisation (EBITDA)	(970 760)	(1 929 111)
Depreciation, amortizations and write downs	(564 108)	(563 575)
Operating profit (EBIT)	(1 534 869)	(2 492 686)
<b>Equity ratio</b> (EUR)	31 Dec 2023	31 Dec 2022
TOTAL ASSETS divided by TOTAL EQUITY	8 453 361 / 3 865 999	10 659 199 / 3 865 999
Equity ratio	20.8%	36.3%
<b>Working capital</b> (EUR)	31 Dec 2023	31 Dec 2022
Total current assets	2 774 798	4 273 803
-Total current liabilities	2 490 100	2 304 526
= Working capital	284 698	1 969 277

### NOTE 03 LIST OF SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements. Profit and equity below is from the last audited financial statements of the subsidiaries (2022), presented in ITA GAAP.

Company	Country	Principal activity	Ownership	Vote	Profit 2022	Equity
EAM Solar Italy Holding Srl	Italy	Holding company	100%	100%	(1 696 594)	(1 581 596)
Ens Solar One Srl	Italy	Solar power plant	100%	100%	(189 174)	57 997
Energia Fotovoltaica 25 Srl	Italy	Solar power plant	100%	100%	25 137	295 698

All subsidiaries based in Italy have registered office at Piazza Cinque Giornate 10, 20129 Milano, Italy.



### NOTE 04 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, ASSUMPTIONS AND COMPARABLE FIGURES

In the process of applying the Group's accounting policies in accordance to IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the management's best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity, and the profit for the year. The Company's most important accounting estimates are the following items:

#### Revenue and receivables

The Group has receivables against various parties including the Italian state and companies involved in the criminal proceedings in Milano. It is uncertainty regarding the willingness or ability for these parties to pay. To the extent the Company or its subsidiary is aware of any doubt in the likelihood of collecting such receivable a provision has been made. Significant judgement is required in estimating the soundness of such receivable.

In the case of ENFO 25 where the Company received a GSE order to suspend the incentives and relevant payments of feed-in-tariff, the Company previously decided to recognise revenues in full.

The Administrative Court of Lazio (TAR) has decided in a court ruling on 12 July 2021 that the termination decision made by GSE on the FIT contract for ENFO25 in September 2019 is invalid and consequently cancelled.

GSE has not paid the FIT tariff for the electricity delivered by ENFO 25 since July 2019, and currently owe approximately EUR 1 060 thousand in unpaid electricity bills to ENFO 25. The Administrative Court also ordered GSE to cover the legal costs of EAM Solar ASA.

Management evaluated the situation of ENFO 25 and its net receivable position against GSE at year end 2022, concluding that it is more likely than not, that the net receivable against GSE will not be collected. Based on this conclusion the trade receivable against GSE and the corresponding provision of payable was written down and the net amount recognised as an operating cost, write down of trade receivables, amounting to EUR 569 thousand at year-end 2022. Revenues recognition and reporting of revenues for 2022 remained unchanged, however from 1 January 2023 the company has not recognised Feed-In-Tariff revenues for ENFO25.

#### Tax assets

The Group has recognised deferred tax asset because it is considered that it is probable that future taxable amounts will be available to utilise those temporary differences. If such assumption proves to be incorrect the tax can be lost partly or in its entirety. Total recognised tax asset at the reporting date is EUR 40 002.

**NOTE 05 OTHER OPERATING EXPENSES**

VAT is not included in the fees specified below.

Specification of auditor's fee	2023	2022
Statutory audit	79 456	67 130
Other services from RSM Advokat AS	-	2 682
Other services	6 398	3 263
Total fee to auditor's	85 855	73 075

RSM Advokat AS is a related party to the auditor RSM.

**NOTE 06 SALARY AND PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION****Board of directors year-end 2023:**

- Viktor Erik Jakobsen (chair & acting CEO)
- Stephan Lange Jervell (non-executive director)
- Gro Prødel Hvammen (non-executive director)

The CEO in 2023, Viktor Erik Jakobsen, is hired and remunerated by the manager (see [note 7](#) for description of transactions with related parties).

Viktor Erik Jakobsen, has received in 2023 NOK 245 000 in remuneration for his work as chair. Stephan Lange Jervell has received NOK 450 000 in 2023 and Gro Prødel Hvammen has received NOK 150 000 in 2023.

**Nomination committee year-end 2023:**

- Leiv Askvig (chair)
- Nils Erling Ødegaard (member)
- Georg Johan Espe (member)

Leiv Askvig has received in 2023 NOK 39 750 in remuneration for his work as chair of the Nomination Committee. Nils Erling Ødegaard and Georg Johan Espe each received NOK 24 000 in 2023 in remuneration for their work as members of the Nomination Committee.

No member of the management receives remuneration or financial benefits from other companies in the Group other than those stated above. No additional remuneration has been paid for services outside the normal functions of a director. No loans or guarantees have been given to any members of the Group management, the board of directors or other company bodies.

## NOTE 07 TRANSACTIONS WITH RELATED PARTIES

### Related parties

Energeia AS is the manager of EAM. Energeia AS in Norway and Italy employs or subcontract all the personnel conducting the technical and administrative services for EAM. Energeia AS owns 9.5 per cent of the shares in EAM.

Sundt AS and Canica AS are shareholders in EAM. They are also shareholders in Energeia AS, but not involved in the day-to-day operations of Energeia AS. Sundt AS was represented on the board of directors of Energeia AS until 13 December 2022. Certain key personnel managing the day-to-day operations of EAM are also investors in Energeia AS.

### Transactions with related parties

All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

In 2023 Energeia direct costs of the management of EAM was EUR 488 thousand (2022: EUR 909 thousand). For 2023 the direct cost was EUR 0.11 per kWh based on full year figures. (Against EUR 0.20 per kWh in 2022).

On 15 August 2019 EAM Solar ASA sold the shares in the subsidiary EAM Solar Norway Holding AS to Energeia AS. The board of directors decided to conduct this sale to protect and secure the financial integrity of EAM Solar ASA.

The final sales price for the shares consisted of two elements; 1) a fixed price for the shares, and 2) a profit split if Energeia sold the power plants with a profit before year-end 2020. On 30 April 2020 Energeia AS sold the power plants indirectly owned by EAM Solar Norway Holding AS to a third party.

Since Energeia AS sold the power plants in 2020, EAM Solar ASA is entitled to receive 75 per cent of any net capital gains realized by Energeia AS above the purchase price from EAM Solar ASA.

The provisional capital gain for EAM Solar ASA was in 2020 estimated to be NOK 70.9 million and the profit was entered in the books in 2019 and 2020. The final sales price, including capital gain, will be determined in 2025 when all historical tax assessments relating to the period prior 2019, and taxes related to the sale of the power plant in 2020 are finalized with the tax authorities in Italy.

On 31 December 2023 the Group had payables to related parties (Energeia AS) of EUR 245 thousand.

### ENERGEIA AS OWNERSHIP AT YEAR END

Company/owner	Ownership	Person	Position year-end 2023
Jakobsen Energia AS	10.93%	Viktor E Jakobsen	Chair and acting CEO of EAM Solar ASA
Sundt AS	14.51%	Family office	Shareholder of EAM Solar ASA
Naben AS	4.84%	Audun W Iversen	Shareholder of EAM Solar ASA
Canica AS	6.11%	Family office	Shareholder of EAM Solar ASA
Stanja AS	0.47%	Stephan L Jervell	Director of EAM Solar ASA
Cerebrum Invest AS	0.08%	Ragnhild M Wiborg	Chair of EAM Solar ASA (resigned 31 Jan 2023)
Others	63.05%		

**NOTE 08 FINANCIAL INCOME AND EXPENSES**

<b>Financial income</b> (EUR)	2023	2022
Interest income	10 857	3 898
Foreign exchange gain	1 393 949	1 188 672
<b>Total financial income</b>	<b>1 404 806</b>	<b>1 192 570</b>
<b>Financial expenses</b> (EUR)		
	2023	2022
Interest expense	(267 068)	(172 589)
Foreign exchange losses	(550 282)	(566 547)
Other financial expenses	(3 516)	(25 849)
<b>Total financial expenses</b>	<b>(820 867)</b>	<b>(764 986)</b>
<b>Net financial income (expenses)</b>	<b>583 939</b>	<b>427 585</b>

The average exchange rate used for 12M 2023 is EUR/NOK 11.4206 (12M 2022 EUR/NOK 10.1040), whereas the exchange rate used on 31 December 2023 is EUR/NOK 11.2405 (31 December 2022: EUR/NOK 10.5138).

**NOTE 09 SEGMENT INFORMATION**

The Group owns and operates four solar PV power plants in Italy as of year-end 2023. The business is investing in and operating power plants that have similar economic characteristics.

During the year ended 31 December 2023 approximately EUR 602 thousand (2022: EUR 914 thousand) of the Group's external revenue was derived from sales to the Italian state, represented by GSE for the Feed In Tariff contracts.

Approximately EUR 474 thousand (2022: EUR 1 300 thousand) of the Group's external revenue was derived from sales to an international commodities trading house for the market price contracts. Due to the implementation of the Sostegni Ter Decree, which is applicable for companies with Feed In Tariff contracts, the achieved market price of electricity has been limited to EUR 56 per MWh for the Company's power plants in the South of Italy.

Based on the information received from GSE and the Decree, the Company has during the first half of 2023 had an estimated electricity sales revenue reduction of EUR 90 thousand.

Management evaluated the situation of ENFO 25 and its net receivable position against GSE at year end 2022, concluding that it is more likely than not, that the net receivable against GSE will not be collected. Based on this conclusion the trade receivable against GSE and the corresponding provision of payable was written down and the net amount recognised as an operating cost, write down of trade receivables amounting to EUR 569 thousand at year-end 2022. Revenues recognition and reporting of revenues for 2022 remained unchanged, however from 1 January 2023 the Company has not recognised Feed-In-Tariff revenues for ENFO 25.

## NOTE 10 OPERATIONAL COSTS BREAKDOWN 2023

EUR	EAM Solar Group	ENS1 & ENFO25	Other & Eliminations
Revenues	992 716	992 716	-
Cost of operations	(237 408)	(188 184)	(49 225)
Land rent	-	-	-
Insurance	(89 218)	(39 993)	(49 225)
Operation & Maintenance	(52 228)	(52 228)	-
Energieia operating costs	-	-	-
Other operations costs	(95 963)	(95 963)	-
Sales, General & Administration	(743 296)	(245 817)	(497 479)
Accounting, audit & legal fees	(159 025)	(32 568)	(126 458)
IMU tax	(12 898)	(12 898)	-
Energieia direct costs	(361 167)	(128 211)	(232 956)
Other administrative costs	(210 205)	(72 140)	(138 065)
Legal costs	(982 772)	(64 621)	(918 151)
Legal costs	(855 799)	(64 567)	(791 231)
Energieia legal costs	(126 974)	(54)	(126 920)
EBITDA	(970 760)	494 094	(1 464 855)

## NOTE 11 INCOME TAX

The basis for the recognition a deferred tax asset is forecasted results in the operating segments. There are no expiry dates on any of the losses carried forward. Property tax payable is expensed as an operating expense under SG&A.

### INCOME TAX EXPENSE

(EUR)	2023	2022
Current taxes	25 816	19 818
Changes in deferred taxes	242 626	120 766
Correction for previous years tax	(8 064)	-
Total income tax expense	260 376	140 582
Income tax net income	260 376	140 582
Income tax other comprehensive income	-	-
Total income tax expense	260 376	140 582

**TAX PAYABLE**

(EUR)	2023	2022
Tax payable for the year	25 816	19 818
Prepaid tax	(24 574)	(19 818)
<b>Total payable tax</b>	<b>1 242</b>	<b>-</b>
<b>Temporary differences Norway</b>		
Receivables	(1 067 833)	-
Intercompany interest	(5 989 196)	(5 361 669)
<b>Total temporary differences</b>	<b>(7 057 029)</b>	<b>(5 361 669)</b>
Tax losses carried forward	722 429	816 680
Tax losses carried forward not recognised as an asset	-	(816 680)
<b>Basis for deferred tax</b>	<b>(6 334 600)</b>	<b>(5 361 669)</b>
Deferred tax	(974 368)	(804 250)
<b>Temporary differences Italy</b>		
Tangible assets	51 623	51 630
Intangible assets	-	-
Leasing	115 050	215 111
Cash flow hedge	-	-
<b>Total temporary differences</b>	<b>166 673</b>	<b>266 741</b>
Tax losses carried forward	16 313 816	14 701 320
Tax losses carried forward not recognised as an asset	(16 313 816)	(14 701 320)
<b>Basis for deferred tax asset</b>	<b>166 673</b>	<b>266 741</b>
Deferred tax asset	40 002	64 018

**TAX EXPENSE RECONCILIATION**

(EUR)	2023	2022
Profit before tax	(950 930)	(2 065 101)
Corporation tax charge thereon at 22% (2019: 22%)	(208 378)	(454 322)
<b>Adjusted for the effects of:</b>	<b>-</b>	<b>-</b>
Expenses not deductible for tax purposes	203 359	123 790
Gain from sale, not taxable	-	-
Change in temporary differences	(201 532)	-
Change in tax rates	-	-
Different tax rates in foreign jurisdictions	(657 312)	(513 108)
Change in tax loss not carried forward	988 486	882 304
Change in deferred tax	-	-
Withholding tax on intercompany interest	143 820	101 921
Adjustments to tax in respect of previous periods	(8 064)	-
Translation differences	-	-
Other minor items	-	(3)
<b>Income tax expense for the year</b>	<b>260 378</b>	<b>140 582</b>
<i>Effective tax rate</i>	<i>(27%)</i>	<i>(7%)</i>

**NOTE 12 EARNINGS PER SHARE**

Basic earnings per share is calculated as the ratio of the profit for the year due to the shareholders of the parent company, divided by the weighted average number of ordinary shares outstanding. The Company had 6 852 210 shares outstanding on 31 December 2023. There is no dilutive potential on the ordinary shares, so the earnings will be the same for both basic and diluted basis.

<b>Earnings per share (EUR)</b>	<b>2023</b>	<b>2022</b>
Profit for holders of ordinary shares	(1 211 308)	(2 205 683)
<b>Basis for earnings per share</b>	<b>(1 211 308)</b>	<b>(2 205 683)</b>
<b>Earnings per share (EUR)</b>	<b>2023</b>	<b>2022</b>
- Basic	(0.18)	(0.32)
- Diluted	(0.18)	(0.32)
<b>Earnings per share in NOK<sup>1</sup></b>	<b>2023</b>	<b>2022</b>
<b>Continued operation</b>		
- Basic	(2.02)	(3.25)
- Diluted	(2.02)	(3.25)
<b>Total shares outstanding at period end</b>	<b>6 852 210</b>	<b>6 852 210</b>
Weighted average number of ordinary shares outstanding	6 852 210	6 852 210
Weighted average number of shares adjusted for dilutive shares	6 852 210	6 852 210
<sup>1</sup> Average NOK/EUR exchange rate	11.421	10.104

**NOTE 13 PROPERTY, PLANT AND EQUIPMENT**

<b>2023</b> (EUR)	<b>Solar power plants</b>	<b>Solar power plants under lease</b>	<b>Leashold improvements</b>	<b>Total</b>
<b>Carrying value 1 January 2023</b>	1 356 652	4 342 529	288 800	<b>5 987 981</b>
Additions	1 750	-	3 550	<b>5 300</b>
Depreciation	(114 133)	(412 999)	(36 277)	<b>(563 410)</b>
<b>Carrying value 31 December 2023</b>	<b>1 244 269</b>	<b>3 929 530</b>	<b>256 072</b>	<b>5 429 872</b>

<b>2022</b> (EUR)	<b>Solar power plants</b>	<b>Solar power plants under lease</b>	<b>Leashold improvements</b>	<b>Total</b>
<b>Carrying value 1 January 2022</b>	1 470 610	4 755 529	312 119	<b>6 538 257</b>
Additions			12 600	<b>12 600</b>
Depreciation	(113 958)	(412 999)	(35 919)	<b>(562 876)</b>
<b>Carrying value 31 December 2022</b>	<b>1 356 652</b>	<b>4 342 529</b>	<b>288 800</b>	<b>5 987 981</b>

Economic life of 20–25 years and straight-line depreciation.

Solar power plants under lease include a plot of land, that is not being depreciated since the land has an unlimited useful life, with a carrying amount of EUR 572 thousand.

(EUR)	<b>2023</b>	<b>2022</b>
Plant and equipment - at cost	2 773 216	2 771 466
Less: Accumulated depreciation	(1 528 946)	(1 414 813)
	<b>1 244 270</b>	1 356 653
Plant and equipment under lease	8 041 834	8 041 834
Less: Accumulated depreciation	(4 112 304)	(3 699 305)
	<b>3 929 530</b>	4 342 529
Leasehold improvements - at cost	520 019	516 469
Less: Accumulated depreciation	(263 947)	(227 669)
	<b>256 072</b>	288 800

## Leasing

	Contracts identified as leases applying IFRS 16	Contracts that were previously identified as leases applying IAS 17	Total
<b>Total obligation</b>			
ENS Solar One	72 408	3 267 924	3 340 332
Total obligation 31 December 2023	72 408	3 267 924	3 340 332
<b>Long term obligation</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
ENS Solar One	68 052	2 818 549	2 886 601
Total long term obligation 31 December 2023	68 052	2 818 549	2 886 601
<b>Short term obligation</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
ENS Solar One	4 356	449 375	453 731
Total short term obligation 31 December 2023	4 356	449 375	453 731

The interest rate used for the recognition of contracts identified as leases applying IFRS 16 and contracts that were previously identified as leases applying IAS 17 is 4.92 per cent p.a., equal to the interest rate of the underlying agreements with the financial institution for obligations measured as of 31 December 2019. The contracts identified as leases applying IFRS 16 run to 2035. The contracts that were previously identified as leases applying IAS 17 run to 2030. The lease contracts recognized in applying IFRS 16 is the land rent and surface rights for ENS One, and the lease contracts that were previously identified as leases applying IAS 17 are leases of the solar power plants of ENS One. The "Right of Use" is calculated as the same value as the lease obligation at the time of initial application.

## UNDISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOW

Year	Amount
2024	697 000
2025	697 000
2026	697 000
2027	697 000
2028	697 000
After 2028	1 433 000
Total undiscounted lease liabilities at 31 December 2023	4 918 000

	Contracts identified as leases applying IFRS 16	Contracts that were previously identified as leases applying IAS 17	Total
<b>Summary of the lease liabilities</b>			
At initial application 1 January 2023	76 763	3 694 608	3 771 372
New lease liabilities recognised in the year	-	-	-
Cash payments lease	(7 872)	(608 466)	(616 338)
Interest expense on lease liabilities	3 516	181 781	185 297
Disposal	-	-	-
Total lease liabilities at 31 December 2023	72 407	3 267 924	3 340 331

The Company has chosen to apply the practical expedient laid out in IFRS 16 where there is no reassessment whether a contract is, or contains, a lease at the date of initial application. Instead IFRS 16 is applied to all contracts that were previously identified as leasing applying 17. Further, the Company has chosen to apply the modified retrospective approach in the new standard.

## NOTE 14 OTHER CONTRACTUAL OBLIGATIONS

The Group has the following contractual obligations not recognized in the balance sheet relating to operations and maintenance, and insurance for ENS 1 and ENFO 25 (All amounts are undiscounted).

Year (EUR)	Amount
2024	92 000
2025	92 000
2026	92 000
2027	92 000
2028	92 000
After 2028	289 000
<b>Total</b>	<b>749 000</b>

## NOTE 15 FINANCIAL RISK MANAGEMENT

### Regulatory risk

The largest risk to the Company's operations and profitability are regulatory risk relating to changes in agreements, taxation or operational regulations made by the State of Italy. This risk is difficult to hedge against apart from securing that operations always follow the prevailing rules and regulations.

### Financial risk

The Group has different financial instruments; a) trade and other receivables and trade accounts payable and b) leasing.

### Credit risk

Under normal circumstances the risk for losses is considered to be low, as the counterpart is the Italian state, but given the unpaid FIT amounts on ENFO 25, the management at year-end 2022 decided to make a provision and write down the receivable against GSE, see [note 16](#). The Group has not made any offsets or other derivative agreements to reduce the credit risk in EAM.

### Interest-rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's debt with floating interest rates.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation. Surplus liquidity is primarily placed on a bank deposit account.

### Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains an acceptable capital ratio to support its business operations and the ongoing legal proceedings.

The financial statement is prepared based on going concern.

There is uncertainty relating to ongoing legal proceedings in 2024 whether the Group has sufficient liquidity for the next twelve months.

### Risk associated with the economic situation in Europe

Throughout 2022 and 2023 markets in Europe have been characterised by surging energy prices, increasing interest rates and price increases in general. The Group has to a very little extent been affected by this.

Since the Decree in Italy has limited the market price during the first half of 2023 there has been no windfall profit for the Group in this period. Increased interest rates impact the group to a certain extent through the external leasing debt.

### The War in Ukraine and sanctions against Russia

The war in Ukraine and the sanctions against Russia has had no direct impact on the Company's operations.

**NOTE 16 TRADE RECEIVABLES**

<b>Trade and other receivables</b> (EUR)	2023	2022
Accounts receivables	-	-
Deferred revenue towards GSE	<b>131 940</b>	218 121
Receivable from sale	-	305 017
Other receivables	<b>1 601 261</b>	1 651 606
<b>Total trade and other receivables</b>	<b>1 733 201</b>	2 174 744

Management evaluated the situation of ENFO 25 and its net receivable position against GSE at year end 2022, concluding that it is more likely than not, that the net receivable against GSE will not be collected. Based on this conclusion the trade receivable against GSE and the corresponding provision of payable was written down and the net amount recognised as an operating cost, write down of trade receivables amounting to EUR 569 thousand at year-end 2022. Revenues recognition and reporting of revenues for 2022 remained unchanged, however from 1 January 2023 the Company has not recognised Feed-In-Tariff revenues for ENFO 25.

GSE normally has 60 days payment terms from receiving an invoice. In 2015, GSE introduced a 12-month delayed payment on 10 per cent of the expected annual revenues, thereby being paid in June the following year.

Other receivables are mainly receivable on VAT for Italian subsidiaries that does not expire and can be utilised against other taxes or cashed out in the event the companies cease to exist.

**NOTE 17 CASH AND CASH EQUIVALENTS**

(EUR)	2023	2022
Cash Norway	<b>73 255</b>	937 904
Cash Italy	<b>318 465</b>	526 494
<b>Cash and cash equivalents</b>	<b>391 720</b>	1 464 397
Restricted cash Norway	<b>16 378</b>	294 851
Restricted cash Italy	<b>228 804</b>	331 541
Seized cash Italy	<b>61 616</b>	61 616

The restricted cash in Italy of EUR 229 thousand is the debt service reserve account of ENS Solar One Srl. The EUR 62 thousand of the seized cash is taken from companies not included in the in the first criminal proceedings. The restricted cash in Norway is related to a tax withholding account.

The Group had no undrawn credit facilities at 31 December 2023.

## NOTE 18 SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

The 20 main shareholders as at 31 December 2022 are:

Shareholder	Shares	Ownership
CANICA AS	886 762	12.9%
SUNDT AS	784 612	11.5%
ENERGEIA AS	650 956	9.5%
NORDNET LIVSFORSIKRING AS	304 055	4.4%
DNB LIVSFORSIKRING AS	269 086	3.9%
MELLEM NES INVEST AS	156 928	2.3%
AKA AS	125 000	1.8%
SKJÆVELAND	82 120	1.2%
AUTO SPAR AS	68 113	1.0%
CLEARSTREAM BANKING S.A.	63 623	0.9%
VIRO AS	61 156	0.9%
NORDNET BANK AB	58 258	0.9%
MP PENSJON PK	51 345	0.7%
NORTH SEA GROUP AS	49 000	0.7%
LORGEN	46 000	0.7%
MATHIASSEN	41 438	0.6%
MØGSTER	41 000	0.6%
KM FORVALTNING AS	40 000	0.6%
PARK LANE FAMILY OFFICE AS	37 300	0.5%
SKINSTAD	36 000	0.5%
<b>Total of the 20 main shareholders</b>	<b>3 852 752</b>	<b>56.2%</b>

All the shares in the Company and shareholders have equal rights, including voting rights. Each share carries the right to one vote at the Company's general meeting.

Share premium is the difference between nominal value of the Company's shares and the total amount the Company received for shares issued.

Due to the financial situation of the Company the board of directors propose no dividend payments for 2023.

Share capital	1 Jan 2023	31 Dec 2023
No of shares	6 852 210	6 852 210
Nominal value (NOK)	10	10
Share capital	68 522 100	68 522 100

## NOTE 19 DEBT

EUR	2023	2022
Other non current liabilities	343 887	343 887
Lease liabilities	2 886 601	3 340 536
Deferred tax	974 368	804 250
<b>Total non-current liabilities</b>	<b>4 204 856</b>	<b>4 488 674</b>
Trade payables	1 144 635	627 466
Payables to GSE	610 405	756 355
Other payables	80 674	480 681
Social security	1	-
Taxes other than income taxes	6 677	6 677
Accrued liabilities	192 736	2 511
Trade and other payables	2 035 127	1 873 690
Current leasing	453 731	430 836
<i>Related to ordinary operations</i>	<i>2 490 100</i>	<i>2 304 526</i>
<b>Total current liabilities</b>	<b>2 490 100</b>	<b>2 304 526</b>
<b>Total liabilities</b>	<b>6 694 956</b>	<b>6 793 200</b>

### Payables to GSE

On 29 March 2022, Law no. 25 (Sostegni ter Decree) entered into force. The Decree was initially intended to apply from February 2022 to the end of the year, but it was later extended to 30 June 2023. Following the Decree, the achieved market price of electricity has been limited to EUR 56 per MWh for the Company's power plants in the South of Italy. Relevant provisions are made but not yet paid as the Company is awaiting final decision in the Italian judicial system on the lawfulness of the Decree.

### Equity contribution agreement and patronage letter

In conjunction with the "P31 acquisition", EAM Solar Italy Holding Srl entered

into a so-called patronage letter and an equity contribution agreement with UBI Leasing and UniCredit respectively. These agreements may under certain circumstances require EAM Solar Italy Holding Srl to inject additional equity into the debt financed SPVs to cover any shortfall or breach of the debt repayment obligations of the SPVs.

The FIT contracts of the SPVs have been terminated by GSE due to fraud against the State of Italy.

In November 2018 EAM Solar ASA was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. The Judgement is expected in early May 2024.

No provisions are made in the accounts on this matter.

### **Receivable and payable against Aveleos S.A., its directors and its two shareholders Enovos Luxembourg S.A. and Avelar Energy Ltd.**

The 2019 ruling by the Criminal Court of Milan was appealed by several parties, and the appeal procedure in the Criminal Court of Appeal of Milan commenced with one hearing in October 2020 and two hearings in December 2020, and on 20 January 2021, the Criminal Appeal Court of Milan decided to revoke the first instance judgement of the Criminal Court of Milan.

EAM Solar ASA decided to join with the Prosecutor's Office in Milan in appealing the Criminal Appeal Court of Milan decision to the Italian Supreme Court of Cassation in 2021.

On 7 October 2021 the Supreme Court of Italy decided to annul the acquittal decision of by the Criminal Appeal Court of Milan in its entirety.

In November 2021 the Supreme Court issued its full grounds for the annulment decision of the acquittal ruling. The Supreme Court found that the Criminal Appeal Court of Milan did not fulfil its obligation to conduct a correct and comprehensive review of the factual evidence in the criminal case, resulting in an erroneous evaluation of the evidence with the effect that the acquittal decision was based on obvious inconsistent and illogical arguments.

The Supreme Court sent the criminal proceedings back to a different chamber of the Criminal Appeal Court of Milan for new proceedings to be conducted, with the requirement that the new court proceedings must be based on a complete review of the evidence, making correct application of the principles of law and the rules of logic as formulated in the Supreme Court decision.

On the fraud of EAM, the Supreme Court concluded that the evidenced withholding of essential information during the contractual negotiations constitutes a contractual fraud.

In July 2023, Section V of the Court of Appeal in Milan notified the parties that the appeal proceedings would continue, and the first hearing took place on 30 November 2023. The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024.

The Company estimates its claim to be more than EUR 300 million. The claim is a contingent asset that will not be recognised in the balance sheet.

Based on the Share Purchase Agreement and the addendums, the Company is entitled to a payment from Aveleos due to the overpayment for ENS4 and the post-closing adjustments including interest. This amount has been confirmed by EY in a separate audit on the issue which later has been updated and reconfirmed by RSM.

In addition, the company has recognised a loan of EUR 2.5 million given by Aveleos in 2014.

EAM Solar Italy Holding Srl was on 10 December 2020 notified that Aveleos had filed a petition, without EAM's knowledge, to the Civil Court in Milano claiming payment of shareholder loans in the amount of EUR 12 683 721 under the Sale and Purchase Agreement of the P31 transaction.

EAM Solar ASA and its subsidiary is of the opinion that such claim does not exist and have third party expert opinions supporting this fact. The fact is that Aveleos SA owes EAM Solar ASA money following the SPA due to the non-transfer of 10 power plants.

EAM Solar Italy Holding Srl contested the decision in January 2021 and enrolled the case to Court. A hearing was expected to take place in June 2021 but ended up being scheduled for 7 September 2021. In the meantime, Aveleos adhered to our objection that an arbitration was already pending on the same issue, and accordingly decided to drop the case. This will bring the proceedings to an end.

No provisions are made in the accounts on this matter.

**Litigation funding agreement with Therium**

The funding being received from Therium is a contribution to lower the legal costs incurred in pursuing the claim, and legal costs are reduced with the contribution from Therium, and any subsequent repayment to Therium is conditional on EAM receiving a claim award. Therefore, there is no liability to recognise a payment to Therium at this stage in the financial statements. EAM will recognise a claim award after having reimbursed Therium of their amount. Unused litigation funding at the end of the year was EUR 61 thousand. Therium has committed to invest a maximum amount of up to EUR 2.3 million. The agreement entitles Therium to receive the invested amount plus a contingency fee of 3X the committed funds under any incepted tranche of funding as a first priority payment from any litigation claim awarded to the Company.

**NOTE 20 IMPAIRMENT**

EAM has not identified indicators for impairment of the power plants as described in IAS 36 at year end.

**NOTE 21 INTANGIBLE ASSETS**

<b>2023</b>	<b>Intangible assets</b>
<b>Carrying value 1 January 2023</b>	9 101
Additions	-
Write downs	-
Depreciation	(700)
Disposals	-
Currency translation effect	-
<b>Carrying value 31 December 2023</b>	<b>8 401</b>

<b>2022</b>	<b>Intangible assets</b>
<b>Carrying value 1 January 2022</b>	9 801
Additions	-
Write downs	-
Depreciation	(700)
Disposals	-
Currency translation effect	-
<b>Carrying value 31 December 2022</b>	<b>9 101</b>

Intangible assets are depreciated linear over the lifetime of the FIT contracts. The FIT contract period is running to 2031.

## NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

### Changes to the board of directors

The directors Stephan Jervell and Gro Prødel Hvammen has both informed the Company the need to resign from the board of directors prior to the ordinary annual general meeting for reasons unrelated to the Company.

The Company consequently has decided to convene an extraordinary shareholder's meeting on 10 May 2024 for the establishment of an interim board of directors pending the annual general meeting of the shareholders scheduled 22 May 2024.

### Criminal proceedings in Milan

The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024

### New Arbitration in Milan of 2020

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 686 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. This matter is expected to be sorted by 27 May 2024. The total amount should be considered preliminary until this date.

Further, Aveleos has until 18 June 2024 to submit an appeal of the Final Award.

## NOTE 23 GOING CONCERN

The financial statements and annual report are prepared under the assumption of going concern.

However, although the Group's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group's liquidity is strained due to the significant legal costs relating to the litigation activities.

At year-end 2023 the Group had EUR 391 thousand in cash of which EUR 122 thousand was unrestricted. At the end of first quarter 2024, the cash was reduced to EUR 237 thousand of which EUR 25 thousand was unrestricted. The first quarter in a year is normally a loss making quarter due to the seasonality of power production.

In the final award of 29 February 2024 in the Milan arbitration, EAM Solar ASA was awarded an estimated net compensation payable by Aveleos SA between EUR 2 686 810 and EUR 2 939 814 after interest is applied. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM Solar ASA to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the Company. However, such sale may take between 9 and 18 months to conclude.

A final factor with regards to the assessment of going concern is the outcome of the ongoing criminal proceedings in Milan, scheduled for a decision on 16 May 2024. A court decision upholding the original court decision of 2019 will secure going concern, an unfavourable decision for EAM Solar ASA may challenge the going concern assumption.

These circumstances imply that there will be a need for additional capital infusion. If this is not attainable, there will be a material uncertainty regarding the group's ability to continue as a going concern.

The board has convened an extraordinary general meeting on 10 May 2024 in order to grant the board power of attorney to execute on measures to improve the short term liquidity of the Company.

# PARENT COMPANY FINANCIAL STATEMENTS

<b>Statement of comprehensive income</b>	61	Note 07 Subsidiaries and intercompany balances	68
<b>Statement of financial position</b>	62	Note 08 Income taxes	68
<b>Statement of cash flow</b>	63	Note 09 Equity	69
<b>Notes to the parent company financial statements</b>	64	Note 10 Group entities	70
Note 01 Accounting principles	64	Note 11 Receivables and liabilities	70
Note 02 Revenue	65	Note 12 Cash and cash equivalents	71
Note 03 Salary and personnel expense	65	Note 13 Subsequent events	71
Note 04 Operational costs breakdown	66	Note 14 Provisions	72
Note 05 Other operating expenses	66	Note 15 Going concern	72
Note 06 Transactions with related parties	67		

## STATEMENT OF COMPREHENSIVE INCOME

NOK	Note	2023	2022
Revenue	<a href="#">2</a>	13 347 362	14 653 755
Total revenue	<a href="#">2</a>	13 347 362	14 653 755
Personnel expenses	<a href="#">3, 4</a>	(1 145 818)	(1 290 471)
Other operating expenses	<a href="#">4, 5, 6</a>	(13 407 080)	(20 713 114)
Total operating expenses		(14 552 898)	(22 003 585)
Operating profit		(1 205 536)	(7 349 830)
<b>Financial income and financial expense</b>			
Interest income from group companies		7 053 706	4 264 001
Other interest income		123 998	39 390
Other financial income		15 919 692	12 010 341
Write down of long term investments and receivables	<a href="#">7</a>	(43 726 861)	(38 347 836)
Other interest expense		-	(1 105)
Other financial expense		(6 300 712)	(6 461 370)
Net financial items		(26 930 177)	(28 496 579)
Profit before tax		(28 135 712)	(35 846 409)
Income tax gain/(expense)	<a href="#">8</a>	(2 496 659)	(1 029 814)
Profit after tax		(30 632 371)	(36 876 223)

NOK	Note	2023	2022
<b>Attributable to</b>			
Dividend in kind			137 044
Allocated to other equity			
Transferred from share premium			(31 590 327)
Transferred to uncovered loss		(30 632 371)	(5 422 940)
Total Transfers	<a href="#">9</a>	(30 632 371)	(31 590 327)

# STATEMENT OF FINANCIAL POSITION

NOK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Investment in subsidiaries	<a href="#">7, 10</a>	1 044 924	1 044 924
Intercompany loan	<a href="#">7, 11</a>	41 991 172	57 644 331
Investments in shares and stocks		1 113	1 113
Other long term receivables		2 270 994	3 409 602
Total financial assets		45 308 204	62 099 971
Total non-current assets		45 308 204	62 099 971
<b>Current assets</b>			
<b>Receivables</b>			
Short term receivables group companies	<a href="#">11</a>	1 646 301	647 161
Other current receivables	<a href="#">11</a>	1 529 449	5 195 187
Total receivables	<a href="#">11</a>	3 175 750	5 842 348
Cash and cash equivalents	<a href="#">12</a>	823 425	9 860 930
Total current assets		3 999 175	15 703 278
<b>TOTAL ASSETS</b>		<b>49 307 378</b>	<b>77 803 248</b>

NOK	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Issued capital		68 522 100	68 522 100
Share premium		-	-
Total paid in capital		68 522 100	68 522 100
Other equity		-	-
Uncovered loss		(36 055 311)	(5 422 940)
Total retained earnings		(36 055 311)	(5 422 940)
Total equity	<a href="#">9</a>	32 466 789	63 099 160
<b>Liabilities</b>			
<b>Allowances for liabilities</b>			
Deferred tax liabilities	<a href="#">8</a>	10 952 387	8 455 728
Total allowances for liabilities		10 952 387	8 455 728
<b>Current liabilities</b>			
Trade payables		3 562 638	1 845 148
Public dues		262 048	10
Other current liabilities group companies	<a href="#">7</a>	417 216	-
Other current liabilities		1 646 301	4 403 203
Total current liabilities	<a href="#">11</a>	5 888 203	6 248 361
Total liabilities		16 840 590	14 704 089
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49 307 378</b>	<b>77 803 248</b>

Oslo, 30 April 2024

Stephan Lange Jervell  
Non-executive directorGro Prødel Hvammen  
Non-executive directorViktor Erik Jakobsen  
ChairChristian Hagemann  
CEO

## STATEMENT OF CASH FLOW

NOK	Note	2023	2022
<b>Cash flow from operations</b>			
Profit before income taxes		(28 135 712)	(35 846 409)
Impairment of financial assets	<a href="#">7</a>	43 726 861	38 347 836
Change in trade creditors	<a href="#">11</a>	1 717 490	(1 319 376)
Change in other provisions		(313 655)	6 051 479
Net cash flow from operations		16 994 984	7 233 530
<b>Cash flow from investments</b>			
Payment of short term loan/receivables	<a href="#">11</a>	4 375 653	22 357 223
Change in intercompany balances		(30 408 142)	(19 939 290)
Net cash flow from investments		(26 032 489)	2 417 933

NOK	Note	2023	2022
<b>Cash flow from financing</b>			
Group contribution received		-	-
Net cash flow from financing		-	-
<b>Exchange gains / (losses) on cash and cash equivalents</b>			
Net change in cash and cash equivalents		(9 037 505)	9 651 463
Cash and cash equivalents at the beginning of the period		9 860 930	209 467
Cash and cash equivalents at the end of the period	<a href="#">12</a>	823 425	9 860 930

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## NOTE 01 ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. EAM Solar ASA is a public limited liability company, incorporated and domiciled in Norway, with registered office at Cort Adelers gate 33, NO-0254 Oslo, Norway. The Company was founded on 5 January 2011 and listed on the Oslo Stock Exchange under the ticker "EAM" in 2013. EAM Solar ASA is the parent company of the Group. The primary business activity of EAM is both to own solar photovoltaic power plants and sell electricity under long-term fixed price sales contracts, and to pursue legal proceedings to restore company values. EAM was structured to create a steady long-term dividend yield for its shareholders. Following the P31 Acquisition, the main value of EAM is dependent on the future outcome of litigation activities.

EAM currently owns 4 photovoltaic power plants through a holding company and 2 subsidiaries in Italy. The Company has no employees.

### Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, income, expenses, and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

The impairment analysis of goodwill and tangible and other intangible assets requires an estimation of the value in use of the asset or the cash-generating unit to which the assets are allocated. Estimation of the value in use is primarily based on discounted cash flow models which require the Company to make an estimate of the expected future cash flows from the asset or the

cash-generating unit and to choose an appropriate discount rate to calculate the present value of the cash flows.

### Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in foreign currency are translated into NOK using an exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

### Revenue recognition

The Company's revenues consist of management services provided to the subsidiaries. Management services have been presented as incurred in the profit and loss statement. Revenue is recognised once delivery has taken place and most of the risk have been transferred.

### Income tax

Tax expense consists of tax payable and changes to deferred tax. Deferred tax/tax asset are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 per cent of temporary differences and tax effect of tax losses carried forward. Deferred tax asset is recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

### Balance sheet classification

Current assets and liabilities consist of receivables and payables falling due within one year. Other balance sheet items are classified as non-current assets.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognised at nominal value.

Non-current assets consist of investments in subsidiaries, intercompany loans and intangible assets and fall due after one year or more.

Non-current assets are valued at the lower of cost and fair value.

### Subsidiaries

Investments in subsidiaries are measured at cost in the company accounts, less any impairment. In accordance with generally accepted accounting principles, an impairment charge is recognised if impairment is not considered temporary. Impairment charges are reversed if the reason for the impairment disappears in a later period.

Dividends and other contributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

### Trade receivables and other receivables

Trade receivables and other receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provision for doubtful accounts is based on an individual assessment of different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

### Cash and cash equivalents

Cash includes cash in hand and bank deposits. Cash equivalents are short-term liquid investments that can be converted to a known amount of cash within three months.

### Cash flow statement

The cash flow statement is presented using the indirect method.

### Provisions

Where, at the reporting date, the Company has a present obligation (legal or constructive) because of a past event and it is probable that the Company will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

## NOTE 02 REVENUE

### BY BUSINESS AREA

NOK	2023	2022
Management services to subsidiaries	13 347 362	14 653 755
Net revenue	13 347 362	14 653 755

### GEOGRAPHICAL DISTRIBUTION

NOK	2023	2022
Norway	-	-
Italy	13 347 362	14 653 755
Net revenue	13 347 362	14 653 755

## NOTE 03 SALARY AND PERSONNEL EXPENSE

The Company does not have any employees and is not required to have any pension plan.

### Board of directors year-end 2023:

- Viktor Erik Jakobsen (chair & acting CEO)
- Gro Prødel Hvammen (non-executive director)
- Stephan Lange Jervell (non-executive director)

The CEO in 2023, Viktor Erik Jakobsen, is hired and remunerated by the manager (see [note 6](#) for description of transactions with related parties).

There are no agreements for severance pay, bonus, profit sharing or similar arrangements to neither CEO nor board of directors.

Viktor Erik Jakobsen, has received in 2023 NOK 245 000 in remuneration for his work as chair. Stephan Lange Jervell has received NOK 450 000 in 2023 and Gro Prødel Hvammen has received NOK 150 000 in 2023.

### Nomination committee year-end 2023:

- Leiv Askvig (chair)
- Nils Erling Ødegaard (member)
- Georg Johan Espe (member)

Leiv Askvig has received in 2023 NOK 39 750 in remuneration for his work as chair of the Nomination Committee. Nils Erling Ødegaard and Georg Johan Espe each received NOK 24 000 in 2023 in remuneration for their work as members of the Nomination Committee.

**NOTE 04 OPERATIONAL COSTS BREAKDOWN**

NOK	2023	2022
Revenues	13 347 362	14 653 755
Cost of operations	(562 173)	(672 178)
Insurance	(562 173)	(672 178)
Sales, General & Administration	(5 452 927)	(5 923 323)
Personnel expenses	(1 145 818)	(1 290 471)
Accounting, audit & legal fees	(768 474)	(534 433)
Financial & tax fees	(675 747)	(511 759)
Energeia direct costs	(1 404 152)	(2 209 184)
Other administrative expenses	(1 458 737)	(1 377 477)
Legal costs	(8 537 797)	(15 408 084)
Litigation costs	(7 088 302)	(11 017 664)
Energeia legal costs	(1 449 495)	(4 390 420)
EBITDA	(1 205 535)	(7 349 830)

**NOTE 05 OTHER OPERATING EXPENSES****SPECIFICATION AUDITOR'S FEE**

(NOK)	2023	2022
Statutory audit	695 402	501 461
Tax consultant services	10 963	2 875
Other assurance services	44 800	7 784
Other services	17 309	22 313
Other services from RSM Advokat AS	-	27 100
<b>Total</b>	<b>768 474</b>	<b>561 532</b>

VAT is not included in the fees specified above.

RSM Advokat AS is a related party to the auditor RSM.

## NOTE 06 TRANSACTIONS WITH RELATED PARTIES

### Related parties

Energeia AS is the manager of EAM. Energeia AS in Norway and Italy employs most of the personnel conducting the technical and administrative services for EAM.

Sundt AS and Canica AS are among the 2 largest shareholders in EAM. They are also shareholders in Energeia, but not involved in the day-to-day operations of Energeia AS. Certain key personnel managing the day-to-day operations of EAM are also investors in Energeia AS.

### Transactions with related parties

All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

On 15 August 2019 EAM Solar ASA sold the shares in the subsidiary EAM Solar Norway Holding AS to Energeia AS. The board of directors decided to conduct this sale to protect and secure the financial integrity of EAM Solar ASA.

The final sales price for the shares consisted of two elements; 1) a fixed price for the shares, and 2) a profit split if Energeia sold the power plants with a profit before year-end 2020. On 30 April 2020 Energeia AS sold the power plants indirectly owned by EAM Solar Norway Holding AS to a third party.

Since Energeia AS sold the power plants in 2020, EAM Solar ASA is entitled to receive 75 per cent of any net capital gains realized by Energeia AS above the purchase price from EAM Solar ASA.

The provisional capital gain for EAM Solar ASA was in 2020 estimated to be NOK 70.9 million and the profit was entered in the books in 2019 and 2020. The final sales price, including capital gain, will be determined in 2025 when all historical tax assessments relating to the period prior 2019, and taxes related to the sale of the power plant in 2020 are finalized with the tax authorities in Italy.

In 2023 Energeia direct costs of the management of the parent Company was NOK 4 million. (2022: NOK 6.6 million). Approximately NOK 1.5 million of the direct costs charged in 2023 was related to extraordinary costs incurred due to the legal processes in conjunction with the P31 fraud.

### ENERGEIA AS OWNERSHIP AT YEAR END

Company/owner	Ownership	Person	Position year-end 2023
Jakobsen Energeia AS	10.93%	Viktor E Jakobsen	Chair and acting CEO of EAM Solar ASA
Sundt AS	14.51%	Family office	Shareholder of EAM Solar ASA
Naben AS	4.84%	Audun W Iversen	Shareholder of EAM Solar ASA
Canica AS	6.11%	Family office	Shareholder of EAM Solar ASA
Stanja AS	0.47%	Stephan L Jervell	Director of EAM Solar ASA
Cerebrum Invest AS	0.08%	Ragnhild M Wiborg	Chair of EAM Solar ASA (resigned 31 Jan 2023)
Others	63.05%		

**NOTE 07 SUBSIDIARIES AND INTERCOMPANY BALANCES**

Subsidiaries	Office	Ownership / Vote	Aquisition cost	Book value	Write down during the period
EAM Solar Italy Holding Srl	Milan	100%	-	1 044 924	-
Total			-	1 044 924	-

Investments in subsidiaries are measured at cost in the company accounts, less any impairment. In accordance with generally accepted accounting principles, an impairment charge is recognised if impairment is not considered temporary. Impairment charges are reversed if the reason for impairment disappears in a later period.

**INTERCOMPANY**

Receivables	2023	2022
Accounts receivables	1 646 301	647 161
Long term receivables	141 699 958	133 449 260
Accumulated write downs of long term receivables	(99 708 786)	(75 804 929)
Total receivables	43 637 474	58 291 492
Write down during the period	(43 726 861)	(38 347 836)
Liabilities	2023	2022
Other current liabilities	417 216	-
Long term liabilities	-	-
Total liabilities	417 216	-

**Assumptions for impairment write down:**

The Company has identified indicators for impairment at year end. Based on this, the Company has conducted an impairment test to see if there is a need to write-down the investment and receivables in subsidiaries. The assumptions in the impairment test are made with scenarios that the management finds explanatory and relevant at the reporting date. The underlying cash flow from the power plants are the basis for the investment and for servicing the loans. The amount of impairment loss recognised for financial assets is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the weighted average cost of capital of 4.65 per cent.

**NOTE 08 INCOME TAXES**

This year's income tax expense only refers to change in deferred tax. The change in deferred tax is in its entirety related to withholding tax in Italy, with an unchanged tax rate of 15 per cent.

**INCOME TAX EXPENCE**

(NOK)	2023	2022
Tax payable	-	-
Changes in deferred tax	2 496 657	1 029 814
Change as a result of sale of subsidiaries	-	-
Income tax expence	2 496 657	1 029 814

**TAX BASE CALCULATION**

(NOK)	2023	2022
Profit before income tax	(28 135 712)	(35 846 409)
Permanent differences	43 726 861	38 347 836
Tax base	15 591 149	2 501 427

**TEMPORARY DIFFERENCE**

(NOK)	2023	2022
Long-term receivables in foreign currency	12 002 977	-
Intercompany interest	67 321 550	56 371 520
Tax losses carried forward	(8 120 463)	(8 586 406)
Total temporary difference	71 204 064	47 785 114
Tax losses carried forward not recognised as an asset		8 586 406
Total	71 204 064	56 371 520
Deferred tax	10 952 386	8 455 728

**NOTE 09 EQUITY**

The 20 main shareholders as at 31 December 2023 are:

Shareholder	Shares	Ownership
CANICA AS	886 762	12.9%
SUNDT AS	784 612	11.5%
ENERGEIA AS	650 956	9.5%
NORDNET LIVSFORSIKRING AS	304 055	4.4%
DNB LIVSFORSIKRING AS	269 086	3.9%
MELLEM NES INVEST AS	156 928	2.3%
AKA AS	125 000	1.8%
SKJÆVELAND	82 120	1.2%
AUTO SPAR AS	68 113	1.0%
CLEARSTREAM BANKING S.A.	63 623	0.9%
VIRO AS	61 156	0.9%
NORDNET BANK AB	58 258	0.9%
MP PENSJON PK	51 345	0.7%
NORTH SEA GROUP AS	49 000	0.7%
LORGEN	46 000	0.7%
MATHIASSEN	41 438	0.6%
MØGSTER	41 000	0.6%
KM FORVALTNING AS	40 000	0.6%
PARK LANE FAMILY OFFICE AS	37 300	0.5%
SKINSTAD	36 000	0.5%
Total of the 20 main shareholders	3 852 752	56.2%

Share capital 2023	No of shares	Nominal value	Share capital		
Ordinary shares outstanding	6 852 210	10	68 522 100		
NOK					
	Share capital	Share premium	Other equity	Uncovered Loss	Total equity
Equity as at 1 January 2023	68 522 100	-	-	(5 422 940)	63 099 160
Profit (loss) after tax		-	-	(30 632 371)	(30 632 371)
Equity as at 31 December 2023	68 522 100	-	-	(36 055 311)	32 466 789

More than half of the share capital has been lost, and according to the Public Limited Liability Companies Act § 3-5, the board's duty to act has arisen.

The board will propose measures that involve the power of attorney from the general meeting to reduce the share capital to cover uncovered losses. In addition, the board will propose to issue new shares to raise necessary capital. The proposed measures will be presented at the extraordinary general meeting on 10 May 2024 and the ordinary general meeting in June 2024.

## NOTE 10 GROUP ENTITIES

See [note 3](#) in the consolidated accounts and [note 7](#).

## NOTE 11 RECEIVABLES AND LIABILITIES

### RECEIVABLES

(NOK)	2023	2022
Short term receivables group companies	1 646 301	647 161
Other current receivables	1 529 449	5 195 187
Total receivables	3 175 750	5 842 348

### LIABILITIES

(NOK)	2023	2022
Trade payables	3 562 638	1 845 147
Social security	80 980	10
Advance tax withholdings	181 068	-
Other current liabilities group companies	417 216	-
Other current liabilities	1 646 301	4 403 203
Total liabilities	5 888 203	6 248 360

### RECEIVABLES FALLING DUE AFTER ONE YEAR

(NOK)	2023	2022
Intercompany loan	41 991 172	57 644 331
Total receivables falling due after one year	41 991 172	57 644 331

### Intercompany transactions

A mark-up on 5 per cent is calculated on intercompany transactions on management services from EAM Solar ASA to its subsidiaries.

## NOTE 12 CASH AND CASH EQUIVALENTS

NOK	2023	2022
Cash	573 185	6 759 249
Restricted cash	250 240	3 101 681
Cash and cash equivalents	823 425	9 860 930

NOK 184 thousand of the restricted cash is related to a tax withholding account and NOK 66 thousand is relating to the court case in Oslo District Court against Enovos and was set aside as collateral for the coverage of the legal costs.

The Company had no credit facilities at 31 December 2023.

## NOTE 13 SUBSEQUENT EVENTS

### Changes to the board of directors

The directors Stephan Jervell and Gro Prødel Hvammen has both informed the Company the need to resign from the board of directors prior to the ordinary annual general meeting for reasons unrelated to the Company.

The Company consequently has decided to convene an extraordinary shareholder's meeting on 10 May 2024 for the establishment of an interim board of directors pending the annual general meeting of the shareholders scheduled 22 May 2024.

### Criminal proceedings in Milan

The final hearing is scheduled for 16 May 2024. The Court of Appeal has stated its intention to render its judgement in the case at the conclusion of the hearing on 16 May 2024.

### New Arbitration in Milan of 2020

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 686 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. This matter is expected to be sorted by 27 May 2024. The total amount should be considered preliminary until this date.

Further, Aveleos has until 18 June 2024 to submit an appeal of the Final Award.

## NOTE 14 PROVISIONS

The Company has not made any provisions for the legal proceedings described below, since the Company considers it more than 50 per cent likely that the proceedings will not lead to any unfavourable ruling.

In conjunction with the “P31 acquisition”, EAM Solar Italy Holding Srl entered into a so-called patronage letter and an equity contribution agreement with UBI Leasing and UniCredit respectively. These agreements may under certain circumstances require EAM Solar Italy Holding Srl to inject additional equity into the debt financed SPVs to cover any shortfall or breach of the debt repayment obligations of the SPVs.

The FIT contracts of the SPVs have been terminated by GSE due to fraud against the State of Italy.

In November 2018 EAM Solar ASA was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. The Judgement is expected in early May 2024.

No provisions are made in the accounts on this matter.

## NOTE 15 GOING CONCERN

The financial statements and annual report are prepared under the assumption of going concern.

However, although the Group's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group's liquidity is strained due to the significant legal costs relating to the litigation activities.

At year-end 2023 the Group had EUR 391 thousand in cash of which EUR 122 thousand was unrestricted. At the end of first quarter 2024, the cash was reduced to EUR 237 thousand of which EUR 25 thousand was unrestricted. The first quarter in a year is normally a loss making quarter due to the seasonality of power production.

In the final award of 29 February 2024 in the Milan arbitration, EAM Solar ASA was awarded an estimated net compensation payable by Aveleos SA between EUR 2 686 810 and EUR 2 939 814 after interest is applied. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM Solar ASA to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the Company. However, such sale may take between 9 and 18 months to conclude.

A final factor with regards to the assessment of going concern is the outcome of the ongoing criminal proceedings in Milan, scheduled for a decision on 16 May 2024. A court decision upholding the original court decision of 2019 will secure going concern, an unfavourable decision for EAM Solar ASA may challenge the going concern assumption.

These circumstances imply that there will be a need for additional capital infusion. If this is not attainable, there will be a material uncertainty regarding the Company's ability to continue as a going concern.

The board has convened an extraordinary general meeting on 10 May 2024 in order to grant the board power of attorney to execute on measures to improve the short term liquidity of the Company.

# POWER PRODUCTION

## REPORTED PRODUCTION

(MWh)	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023
ENS Solar One Srl	748	1 064	1 058	632	3 502	693	852	1 020	586	3 150
Energia Fotovoltaica 25 Srl	274	339	300	237	1 151	292	339	325	227	1 183
<b>MWh</b>	<b>1 023</b>	<b>1 403</b>	<b>1 359</b>	<b>868</b>	<b>4 653</b>	<b>985</b>	<b>1 191</b>	<b>1 345</b>	<b>813</b>	<b>4 333</b>

## ACTUAL PRODUCTION

(MWh)	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023
Lorusso	317	433	441	260	1 451	293	332	434	245	1 305
Brundesini	213	293	281	166	953	171	226	247	135	779
Scardino	218	338	336	206	1 098	229	293	339	205	1 067
Enfo 25	274	339	300	237	1 151	292	339	325	227	1 183
<b>MWh</b>	<b>1 023</b>	<b>1 403</b>	<b>1 359</b>	<b>868</b>	<b>4 653</b>	<b>985</b>	<b>1 191</b>	<b>1 345</b>	<b>813</b>	<b>4 333</b>
<b>Total produced MWh</b>	<b>1 023</b>	<b>1 403</b>	<b>1 359</b>	<b>868</b>	<b>4 653</b>	<b>985</b>	<b>1 191</b>	<b>1 345</b>	<b>813</b>	<b>4 333</b>

# POWER PLANT CAPACITY

Power plant	Capacity kW	Annual production MWh	Location Province	Power plant design	Ownership company
Lorusso	984	1 403	Puglia	Fixed tilt	Ens Solar One srl
Brundesini	994	1 477	Puglia	Fixed tilt	Ens Solar One srl
Scardino	993	1 483	Puglia	Fixed tilt	Ens Solar One srl
Enfo 25	983	1 430	Puglia	Fixed tilt	Energia Fotovoltaica 25
<b>MWh</b>	<b>3 954</b>	<b>5 792</b>			

# RESPONSIBILITY STATEMENT

From the board of directors and the CEO

We confirm, to our best knowledge that the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the entity and the Group taken as a whole. We also confirm that the board of directors' Report includes a true and fair view of the development and performance of the business and the position of the entity and the Group, together with a description of the principal risks and uncertainties.

Oslo, 30 April 2024

Stephan Lange Jervell  
Non-executive director

Gro Prødel Hvammen  
Non-executive director

Viktor Erik Jakobsen  
Chair

Christian Hagemann  
CEO

# AUDITOR'S REPORT



**RSM**

To the General Meeting of EAM Solar ASA

**RSM Norge AS**  
 Ruselekkveien 30, 0251 Oslo  
 Pb 1312 Vika, 0112 Oslo  
 Org.nr: 982 316 588 MVA  
 T +47 23 11 42 00  
 F +47 23 11 42 01  
 www.rsmnorge.no

**Independent Auditor's Report**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of EAM Solar ASA, showing a loss of NOK 30 632 371 in the financial statements of the parent company and a loss of EUR 1 211 308 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company EAM Solar ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of EAM Solar ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

**THE POWER OF BEING UNDERSTOOD**  
 AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
 RSM Norge AS er medlem av is a member of Den norske Revisorforening.



**RSM**

Independent Auditor's Report 2023 for EAM Solar ASA

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 7 years from the election by the general meeting of the shareholders on 10 October 2016 for the accounting year 2016 with a renewed election on the 22 May 2023.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 23 to the consolidated financial statements, and Note 9 and Note 15 to the parent company financial statements, as well as in the Board of Directors' report, which indicates that the Group's liquidity is strained due to the significant legal costs relating to the litigation activities. More than half of the Company's share capital has been lost. As stated in Notes 15 and 23, these events and conditions, along with other matters as set forth in Notes 15 and 23, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

*Ongoing lawsuits*

In conjunction with the ongoing criminal proceedings regarding the company's purchase of 31 solar power plants in 2014, the company has received both counterclaims, claims of injunctions for breach of contract and termination notice of the Feed-in-Tariff contract from GSE on one of the remaining power plants. The termination notice from GSE was disputed in court, and the case is still ongoing. Management's assessment of the possible impact on the financial statement is based on an evaluation of the possibility of a negative conclusion on these matters, both in regard to the possible effect on future cashflows, the value of receivables and in regard to contingent liabilities.

The assessments are complex and involve significant use of management judgment, and due to the possible significant impact on the consolidated financial statements, the control assessments are considered a key audit matter.

We have evaluated management's assessment, as well as the statements from the attorneys representing the company in the lawsuits. We have compared the assessments with the requirements in IAS 37.

We evaluated the information provided in notes and that the description in note 4 and 19, and the Board of Directors' report, is consistent with the assessments performed by management.

Independent Auditor's Report 2023 for EAM Solar ASA



*Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report 2023 for EAM Solar ASA



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report 2023 for EAM Solar ASA



**Report on Other Legal and Regulatory Requirements**

*Report on Compliance with Requirement on European Single Electronic Format (ESEF)*

*Opinion*

As part of the audit of the financial statements of EAM Solar ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name EAM-SOLAR-ASA-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

*Management's Responsibilities*

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

*Auditor's Responsibilities*

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 30 April 2024  
RSM Norge AS

*Marthe Lise Drolsum*  
Marthe Lise Drolsum  
State Authorised Public Accountant

**EAM Solar ASA**

Cort Adellers gate 33  
NO-0254 Oslo  
NORWAY

Phone: +47 916 110 09

E-mail: [viktor@eam.no](mailto:viktor@eam.no)

Web: [www.eam.no](http://www.eam.no)