



EAM Solar ASA

Q1 REPORT 2023

Interim condensed consolidated financial statements for the period ended 31 March 2023

CONTENTS

Highlights	3	Financial statements	13
Key figures	3	Consolidated statement of comprehensive income	14
Interim report	4	Consolidated statement of financial position	15
Strategic review and outlook	4	Consolidated cash flow statement	16
Solar PV power plant review and outlook	5	Consolidated statement of changes in equity	17
Litigation activity review	5	Notes to the interim consolidated financial statements	18
Administrative events	10	Note 01 Basis for preparation	18
Subsequent events	11	Note 02 Significant accounting judgements	19
Financial review	11	Note 03 Currency exposure	19
Balance sheet	12	Note 04 Transactions with related parties	19
		Note 05 Segment information	20
		Note 06 Financial income and expenses	20
		Note 07 Cash and cash equivalents	20
		Note 08 Accounts receivables	21
		Note 09 Property, plant and equipment	21
		Note 10 Short- and long-term debt	22
		Note 11 List of subsidiaries	24
		Note 12 Operational costs break-down Q1 2023	24
		Note 13 Events after the balance sheet date	25

HIGHLIGHTS

Q1 2023

- EBITDA for the quarter was minus EUR 315 thousand. Normal operations, adjusted for legal costs resulted in an EBITDA of minus EUR 191 thousand for the quarter, equivalent to an adjusted EBITDA margin of minus 91 per cent.
- Cost of operations and SG&A were EUR 53 thousand and EUR 357 thousand for the quarter.
- Legal costs were EUR 125 thousand in the quarter.
- On 31 January 2023 the Company announced the resignation of the Chair of the Board of Directors, Mrs Ragnhild Wiborg.
- From 1 January 2023 the Company will not recognise Feed-In-Tariff revenues for ENFO 25. See Financial Review for more information.
- The Company had a profit before tax of EUR 512 thousand, mainly caused by foreign exchange gain due to currency fluctuations.
- On 25 April 2023, Aveleos requested permission from the Court to appeal the 2022 stay of the standstill. On 2 May 2023, the Court heard arguments and on 5 May 2023 rendered a judgement rejecting Aveleos' appeal on the merits.
- The Annual General Meeting held on 22 May 2023 elected Viktor E Jakobsen as Chairman of the Board of Directors and Stephan L Jervell and Gro P Hvammen as members of the Board of Directors.

Key figures

EUR 000'	Unaudited Q1 2023	Unaudited Q1 2022	Audited 2022	Audited 2021
Revenues	209	306	1 221	1 334
Cost of operations	(53)	(60)	(814)	(237)
Sales, general and administration expenses	(347)	(240)	(950)	(890)
Legal costs	(125)	(299)	(1 387)	(2 499)
EBITDA	(315)	(293)	(1 929)	(2 292)
Depreciation, amortizations and write downs	(141)	(141)	(564)	(562)
EBIT	(457)	(434)	(2 493)	(2 854)
Net financial items	969	(454)	428	(836)
Profit before tax	512	(888)	(2 065)	(3 690)
Income tax gain/(expense)	-	(12)	(141)	(85)
Net income	512	(900)	(2 206)	(3 774)
Earnings per share (fully diluted):	0.07	(0.13)	(0.32)	(0.55)
Distribution to shareholders per share	-	-	-	-
Dividend yield	-	-	-	-
Million no. of shares (fully diluted)	6.85	6.85	6.85	6.85
EBITDA adjusted	(191)	6	(542)	207

INTERIM REPORT

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 in order 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.

This interim report should be read in combination with the Annual Report 2022 and stock exchange notices in the reporting period.

Strategic review and outlook

The company is in its ninth 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

Although criminal complaints have been lodged in relevant jurisdictions against the involved parties in the P31 fraud, the various national police authorities seem to have a challenge in pursuing and investigating cross-border economic crime.

As of today, to our knowledge, no police authority has conducted an appropriate investigation of the fraud of EAM Solar ASA. Therefore, the Board and management has over a period been evaluating the alternative legal measures to be taken to hold the joint venture partners Enovos and Renova/ Avelar et.al. responsible for the P31 fraud. As a result of this evaluation the Company has decided to file a private criminal proceeding against the company Enovos Luxembourg SA in Oslo District Court.

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 is initiated in accordance with section 402 of the Norwegian Criminal Procedure Act.

The criminal proceedings are formally initiated by the Oslo District Court. Originally a hearing was set for 31 January and 1 February 2022, but it was later postponed due to illness at the court.

A new hearing date was set for 21 April and 22 April 2022.

The hearing took place as scheduled and Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected. On 1 July 2022 Oslo District Court, by Judge Flaterud, dismissed EAM Solar ASA’s request for a Private Criminal Proceeding against Enovos Luxembourg SA. On 15 July 2022 the Company filed an appeal of the decision by the Oslo District Court to the Borgarting Appellate Court. 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.

Business development activities

EAM Solar ASA was established by Energeia AS in 2011 and the development of the company EAM Solar ASA and the Energeia group have been inseparably linked since that time.

As Energeia’s shareholders are well aware, the fraud EAM Solar ASA was exposed to in 2014, and which is still subject to prosecution, has had a strictly negative effect on the business development of the Energeia group since that time.

Now that the Energeia Group, through the investments and the work carried out in parallel with the management of EAM Solar ASA, will develop its business within the same business areas that originally and naturally was within the scope EAM Solar ASA, the board in the two companies and the administration are of the opinion that for the sake of the Energeia Group's reputation, and also based on the moral values and obligations that are the basis for the operations in Energeia, it is desirable to offer EAM Solar ASA's shareholders the opportunity to participate in the business development of the Energeia Group independently of the business in EAM Solar ASA.

Over time, talks have been held between the board of Energeia AS and the board of EAM Solar ASA about how the companies can jointly ensure that the shareholders of EAM Solar ASA can take part in the future value creation in the Energeia group without creating legal bindings and preventing the normal business development of Energeia AS.

Based on these discussions, the following solution was proposed and executed:

The Company decided on 15 August 2022 to participate in a private placement whereby EAM Solar ASA at the nominal price of NOK 0.02 per share for a total consideration of NOK 137 044.20, subscribed for 6 852 210 new shares in Energeia AS. This number of shares corresponds to the total number of outstanding shares in the Company.

The private placement was conditional upon the board of EAM Solar ASA calling for an extraordinary general meeting of the Company, where the Board suggested that the received shares in Energeia AS would be distributed as dividends to the shareholders of the Company.

In the extraordinary general meeting that took place on 6 September 2022 it was resolved that all shareholders in EAM Solar ASA received 1 share in Energeia AS for each share they own in EAM Solar ASA. As a result of the share issuance, Energeia's outstanding number of shares increased from 38 049 000 to 44 901 210, corresponding to an increase of 14.42 per cent held by the shareholders of EAM Solar ASA at the time of issuance.

The shares in the Company went ex-dividend on 7 September 2022 and were transferred to each shareholder on 3 October 2022.

Solar PV power plant review and outlook

Power plants in operation

EAM ASA operated 4 power plants in the quarter. The 4 power plants have a combined installed capacity of 4.0 MW with an average annual power production of 5.4 GWh (P50 production).

Power production

Power production in the quarter was 985 MWh, 5 per cent below estimated production due to lower capacity of the power plants caused by thefts.

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

The Italian government has 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, in order 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 has 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 had an estimated electricity sales revenue reduction of EUR 49 thousand for the period from 1 January 2023 to 31 March 2023.

FIT revenues

FIT revenues in the quarter were EUR 83 thousand including the reduction in revenue following the implementation of the Sostegni Ter Decree.

Market price development

Market price revenues in the quarter were EUR 125 thousand representing an average market price of EUR 127 per MWh.

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 is 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 has 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 is initiated in accordance with section 402 of the Norwegian Criminal Procedure Act.

The criminal proceedings are formally initiated by the Oslo District Court. The parties filed their arguments in briefs to the Court.

The Oslo District Court has decided to conduct a court hearing in the fraud case against Enovos Luxembourg SA. The hearing was expected to take place in Oslo District Court on 31 January and 1 February 2022.

On 28 January 2022 EAM Solar ASA was informed by the Oslo District Court administration that the hearing in the private criminal proceedings against Enovos Luxembourg SA in Oslo District Court scheduled for Monday 31 January and Tuesday 1 February 2022 had been postponed due to sickness. A new hearing date was set for 21 April and 22 April 2022.

The hearing took place as scheduled and Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

On 1 July 2022 Oslo District Court, 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. EAM Solar ASA and its legal counsel deem that the reasons for an appeal are 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 15 July, the Company filed an appeal of the decision by the Oslo District Court to the Borgarting Appellate Court. The Company and its legal counsel deem that the decision by the Oslo District court dated 1 July is incorrect in both facts as well as law.

On 21 October 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 Borgating 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".

The Company has made a provision for the coverage of legal costs for the counterpart.

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 Court proceedings in Milan involved only the two Avelar appointed directors of Aveleos that was involved in the fraud against EAM. The four Enovos appointed directors active in negotiating with EAM has so far not been subject to any investigation or indictment.

In March 2016 the Criminal Court of Milan accepted the request for trial and decided that EAM Solar ASA should be included as a victim in the criminal proceedings.

The criminal proceedings commenced in June 2016, and on 18 April 2019 the Criminal Court of Milan published its decision. The Criminal Court of Milan found it evidenced in 2019 that the indicted Aveleos directors, Mr Giorgi and Mr Akhmerov, was 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 Criminal Court of Milan published a 300-page long detailed reason for their ruling on 15 October 2019.

The 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.

On 20 January 2021, the Criminal Appeal Court of Milan decided to revoke the first instance judgement of the Criminal Court of Milan. Consequently, Akhmerov and Giorgi were acquitted by the Court for all points of indictment related to fraud against the State of Italy and EAM Solar ASA, including the ruling to hold Aveleos financially liable for the acts conducted by Akhmerov and Giorgi.

The Appeal Court's decision was a two-page notice identifying the decisions without presenting arguments or explanations for the revocation of the Criminal Court of Milan decision of April 2019. The arguments and evidence base for the decision by the Criminal Appeal Court was made available to the parties on 20 April 2021, 90 days from the date of the decision.

Following the reception of the full judgement from the Milan Criminal Court of Appeal, EAM Solar ASA decided to join with the Prosecutor's Office in Milan in appealing to the Italian Supreme Court of Cassation. The appeal was submitted on 1 June 2021 to the Supreme Court of Cassation.

EAM Solar ASA seeks to reinstate the convictions of Igor Akhmerov and Marco Giorgi for the crime of fraud against EAM.

The appeal was based on several cases of misinterpretation of facts in the grounds for judgment by the Milan Criminal Court of Appeal.

The Supreme Court of Italy held a hearing on 6 October 2021 on the appeal of the acquittal sentence decided by the Milan Criminal Court of Appeal issued 20 January 2021.

On 7 October 2021, the Company was informed that the Supreme Court of Italy decided to annul the 20 January 2021 judgment of acquittal by the Milan Criminal Court of Appeal in the subsidy fraud case against the State of Italy and contractual fraud against EAM Solar ASA.

Late November 2021 the Supreme Court issued its full decision for the annulment of the acquittal ruling. The short summary of the reason for the Supreme Court to annul the Milan Appeal Court acquittal decision in its entirety is that the Supreme Court found that the Milan Appeal Court 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 is sending the criminal case back to a different chamber of the Milan Appeal Court for a new proceeding in the criminal case with the requirement that the new court proceedings must proceed with 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 concludes that the evidenced withholding of essential information during the contractual negotiations in itself constitute a contractual fraud.

There has still not been a date set for any further appeals following the decision of the Italian court of Cassation.

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

Following the final legal ruling by the Administrative Court of Lazio in June 2016 that the 17 terminated FIT contracts were invalid, the Company summoned Aveleos S.A. in September 2016 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.

The majority of the Tribunal decided to dismiss EAM’s claims for the annulment and termination of the SPA. However, the Tribunal declared the right of the Company to be compensated for losses suffered in connection with the breach of the Representation and Warranties under the SPA within the limits of the liability cap of approximately EUR 3.7 million as defined in the SPA.

On 4 July 2019 EAM Solar ASA filed an appeal against the Arbitration Tribunal decision. The appeal was filed in the civil Court of Appeal of Milan. EAM Solar ASA asks the Civil Court of Appeal of Milan 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.

The first hearing in the appeal proceedings was held in January 2020, and the Appeal Court accepted the request for appeal. The

first hearing of the appeal process was scheduled to take place in February 2021, but the Appeal Court decided that the hearing would be replaced by submission of briefs by the parties.

On 23 June 2021 the Civil Court of Appeal of Milan decided to dismiss the request for the annulment of the Arbitration award from 2019.

The Arbitration decision of 2019 is still not 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

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.

Each party has appointed an arbitrator that together has appointed a chairman. A first hearing after the formation of the arbitration panel has been conducted. The proceedings were originally scheduled by the court to end on or about the first quarter 2022. This was later extended by 6 months until the end of September 2022.

The proceedings have been delayed compared to what was originally anticipated. The Arbitration Tribunal has appointed a 3rd party financial evaluator to assess the amounts claimed under this second arbitration, and final briefs are expected to be submitted to the Tribunal on or about 26 May 2023.

No provisions are made in the accounts on this matter.

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 is 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, and the first hearing was scheduled in May 2019. A summary hearing was held, and the case was postponed until November 2019. In December 2019 EAM was informed that the judge in the Civil Court of Brescia dismissed the petition by UBI

Leasing to have a provisionally enforceable injunction against the Company.

A further hearing was held in January 2020. In this hearing the judge enabled the parties to submit further briefs in the period until mid-April and the next hearing was set for May 2020. This hearing and filing of briefs were postponed due to Covid-19.

Briefs were filed in May and June 2020 and a hearing was held in September 2020. An order was issued in November 2020 where the Judge accepted EAM Solar ASA's request to examine witnesses. The first witness hearing in this matter was held 1 June 2021. The court set a second hearing to resume the examination of witnesses on 10 November 2021, but this hearing was postponed and held on 31 March 2022. A third witness hearing was held on 12 July 2022. 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 next hearing is scheduled for December 2023.

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.

A hearing had been scheduled for 12 May 2020 in the commercial court of Luxembourg regarding the Standstill Agreement. However, this hearing has been postponed several times since the Court has

decided to stay the proceedings awaiting the final outcome of the Arbitration proceedings, and the arbitration appeal procedure.

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 shortly thereafter the aforementioned order before the Administrative Court “TAR” in Lazio (Rome).

The hearing held before TAR Lazio in December 2019 was a precautionary hearing in order to evaluate whether there are urgent reasons for GSE to resume payments while waiting for the court hearing of the merits. TAR Lazio denied the request for GSE to resume payments.

The Company consequently decided to appeal the TAR Ordinance before the second instance Court (i.e. Consiglio di Stato) which upheld the appeal.

The lawsuit has been sent back to the TAR waiting the merit phase, and a hearing was scheduled on 4 June 2021. In the meantime, in this case, the GSE will not pay for electricity delivered until the merit phase and ENFO 25 will not have to reimbursement any previously received revenues from GSE.

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 873 000

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.

Due to the unwillingness by GSE to settle the outstanding amount and resume payment of the Feed-In-Tariff in accordance with the decision by the administrative court of Lazio (TAR), the Company has decided to summon GSE to the higher administrative court (Consiglio di Stato), asking the court to order GSE to immediately resume payment of the Feed-In-Tariff and the outstanding amount.

No hearing date has yet been set.

Management has 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 will not recognise Feed-In-Tariff revenues for ENFO 25.

No 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 rendered i.e. all claims of Aveleos S.A. have been suspended until further.

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

On 25 April 2023, Aveleos requested permission from the Court to appeal the 2022 stay of the standstill. Aveleos alleged that its human rights had been violated by the court’s decision to stay these proceedings. On 2 May 2023, the Court heard arguments and on 5 May 2023 rendered a judgement rejecting Aveleos’ appeal on the merits. The decision from 2022 remains in effect.

Please also see the Annual Report 2022 and previous years for further information on the legal processes.

Administrative events

Resignation of Chair of the Board of Directors, Mrs Ragnhild Wiborg

On 31 January 2023 the Company announced the resignation of the Chair of the Board of Directors, Mrs Ragnhild Wiborg. The resignation comes as consequence of her assuming the role as Chair of the Board of Directors in Energeia AS, the manager of the Company.

Mrs Wiborg has served on the Board of Directors of EAM Solar ASA for almost 10 years since May 2013, and has carried the responsibility of leading the Board since December 2014. EAM Solar ASA shareholders and its management are very grateful for the unwavering and the steady hand by which Mrs Wiborg has led the Company in trying times.

Subsequent events

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

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

Election of members to the Board of Directors

The Annual General Meeting held on 22 May 2023 elected Viktor E Jakobsen as Chairman of the Board of Directors and Stephan L Jervell and Gro P Hvammen as members of the Board of Directors. The functioning period of the members of the Board of Directors is until the Annual General Meeting in 2024.

Pål Hvammen has served on the Board in several rounds, last since April 2019, and has asked to resign. The Board respects his decision and wants to thank Pål Hvammen for his dedicated work for the Company once again and wishes him all the best.

Risk associated with the economic situation in Europe.

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

With the Decree in Italy that has limited the market price dramatically has there been no windfall profit for the Group. And increase interest

rates and prices in general does not impact the Group substantially given the limited external debt and low operating costs.

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. The war has indirectly together with the sanctions further increased the power prices for renewable energy in 2023.

Financial review

Revenues

Revenues in the quarter were EUR 209 thousand, of which FIT revenues were EUR 83 thousand including the reduction in revenue following the implementation of the Sostegni Ter Decree, and EUR 125 thousand were from market sales of electricity. EUR 1 thousand were other revenues.

Based on the information received from GSE and the Decree, the Company has had an estimated electricity sales revenue reduction of EUR 49 thousand for the period from 1 January 2023 to 31 March 2023.

The quarterly revenues represent approximately 15.5 per cent of the expected annual revenues of EUR 1 350 thousand.

Management has 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 will not recognise Feed-In-Tariff revenues for ENFO 25.

Cost of operations

Cost of operations in the quarter was EUR 53 thousand.

SG&A costs

SG&A costs in the quarter were EUR 347 thousand.

Legal costs

The cost item consists almost entirely of legal costs. In the quarter legal costs stemming from the P31 Acquisition were EUR 125 thousand.

EBITDA

EBITDA in the quarter was minus EUR 315 thousand, representing an EBITDA margin of minus 150 per cent.

EBIT

Depreciation and amortization in the quarter were EUR 141 thousand, resulting in an operating profit of minus EUR 457 thousand.

Net financial items

Net financial items in the quarter were positive with EUR 969 thousand.

Pre-tax profit, taxes and net profit

Pre-tax profit in the quarter was positive with EUR 512 thousand.

Taxes in the quarter were 0.4 thousand.

Reported net income in the quarter was EUR 512 thousand.

Cash flow

Cash flow from operations in the reporting period was negative with EUR 45 thousand. Investment activities were negative with EUR 1.8 thousand in the period. Financing activities were negative with EUR 181 thousand in the period.

Restricted and unrestricted cash at the end of the quarter was EUR 1 236 thousand, of which EUR 661 thousand is restricted and EUR 62 thousand remains seized by the Prosecutors Office in Milan in companies not included in the criminal proceedings.

Balance sheet

On a group level total assets at the end of the quarter were EUR 9.8 million with book equity of EUR 3.3 million representing an equity ratio of 34 per cent.

Shares and share capital

The Company's registered share capital at the end of the quarter was NOK 68 522 100 divided into 6 852 210 shares, each with a nominal value of NOK 10.

Oslo, 23 May 2023

Stephan Lange Jervell
Non-executive director

Gro Prødel Hvammen
Non-executive director

Viktor Erik Jakobsen
Chairman & acting CEO



CONSOLIDATED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	Unaudited Q1 2023	Unaudited Q1 2022	Audited 2022	Audited 2021
Revenues	5, 12	208 760	306 265	1 221 073	1 333 522
Cost of operations	12	(52 515)	(60 019)	(813 734)	(236 682)
Sales, general and administration expenses	12	(347 130)	(239 874)	(949 613)	(889 894)
Legal costs	12	(124 568)	(299 279)	(1 386 837)	(2 498 623)
EBITDA	5	(315 452)	(292 907)	(1 929 111)	(2 291 678)
Depreciation, amortizations and write downs	9	(141 479)	(140 666)	(563 575)	(562 378)
EBIT	5	(456 932)	(433 573)	(2 492 686)	(2 854 055)
Finance income	6	1 025 692	2 112	1 192 570	255 118
Finance costs	6	(56 857)	(456 571)	(764 986)	(1 090 812)
Profit before tax		511 903	(888 032)	(2 065 101)	(3 689 749)
Income tax gain/(expense)		(383)	(12 132)	(140 582)	(84 583)
Profit after tax		511 519	(900 164)	(2 205 683)	(3 774 332)

EUR	Note	Unaudited Q1 2023	Unaudited Q1 2022	Audited 2022	Audited 2021
Other comprehensive income					
Translation differences		(1 052 683)	469 698	(686 065)	873 349
Other comprehensive income net of tax		(1 052 683)	469 698	(686 065)	873 349
Total comprehensive income		(541 164)	(430 466)	(2 891 748)	(2 900 983)
Profit for the year attributable to:					
Equity holders of the parent company		511 519	(900 164)	(2 205 683)	(3 774 332)
Equity holders of the parent company		511 519	(900 164)	(2 205 683)	(3 774 332)
Total comprehensive income attributable to:					
Equity holders of the parent company		(541 164)	(430 466)	(2 891 748)	(2 900 983)
Equity holders of the parent company		(541 164)	(430 466)	(2 891 748)	(2 900 983)
Earnings per share:					
Continued operation					
- Basic		0.07	(0.13)	(0.32)	(0.55)
- Diluted		0.07	(0.13)	(0.32)	(0.55)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	Note	Unaudited 3M 2023	Audited 2022
ASSETS			
Property, plant and equipment	9	5 848 475	5 987 981
Intangible assets		8 926	9 101
Other long term assets		299 244	324 297
Deferred tax assets		58 509	64 018
Non-current assets		6 215 155	6 385 396
Current assets			
Trade and other receivables	8	1 668 766	2 174 744
Other current assets		662 926	634 662
Cash and cash equivalents	7	1 236 461	1 464 397
Current assets		3 568 153	4 273 803
TOTAL ASSETS		9 783 308	10 659 199

EUR	Note	Unaudited 3M 2023	Audited 2022
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital		8 126 110	8 126 110
Share premium		27 603 876	27 603 876
Paid in capital		35 729 986	35 729 986
Other equity			
Translation differences		(8 867 578)	(7 814 895)
Other equity		(23 537 573)	(24 049 092)
Other equity		(32 405 151)	(31 863 987)
Total equity		3 324 835	3 865 999
Non-current liabilities			
Leasing		3 211 945	3 340 536
Deferred tax liabilities		742 121	804 250
Other non current liabilities		343 887	343 887
Total non-current liabilities	10	4 297 953	4 488 674
Current liabilities			
Leasing		453 731	430 836
Trade and other payables		1 703 851	1 873 690
Tax payables		2 938	-
Total current liabilities	10	2 160 520	2 304 526
Total liabilities		6 458 473	6 793 200
TOTAL EQUITY AND LIABILITIES		9 783 308	10 659 199

Oslo, 23 May 2023

Stephan Lange Jervell
*Non-executive director*Gro Prødel Hvammen
*Non-executive director*Viktor Erik Jakobsen
Chairman & acting CEO

CONSOLIDATED CASH FLOW STATEMENT

EUR	Note	2023	2022
Cash flow from operations			
Profit before income taxes		511 902	(2 065 101)
Depreciation	9	141 479	563 576
Change in trade debtors	8	115 519	536 899
Change in trade creditors	10	(66 363)	(449 978)
Effect of exchange fluctuations		(1 061 634)	(656 901)
Change in other provisions		314 194	1 383 856
Net cash flow from operations		(44 902)	(687 649)

EUR	Note	2023	2022
Cash flow from investments			
Purchase of fixed assets	9	(1 800)	(12 600)
Payment of short term loan /receivables		-	2 213 757
Net cash flow from investments		(1 800)	2 201 157
Cash flow from financing			
Repayment of long term loans		(105 697)	(409 291)
Interest paid		(75 537)	(221 516)
Net cash flow from financing		(181 234)	(630 807)
Exchange gains / (losses) on cash and cash equivalents			
Net change in cash and cash equivalents		(227 936)	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	7	1 236 461	1 464 397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	Share capital	Share premium fund	Other equity	Currency translation reserve	Total equity
Equity as at 1 January 2022	8 126 110	27 603 876	(21 830 374)	(7 128 830)	6 770 782
Profit (loss) After tax			(2 205 683)		(2 205 683)
Dividend in kind			(13 035)		(13 035)
Other comprehensive income				(686 065)	(686 065)
Equity as at 31 December 2022	8 126 110	27 603 876	(24 049 092)	(7 814 895)	3 865 999
Equity as at 1 January 2023	8 126 110	27 603 876	(24 049 092)	(7 814 895)	3 865 999
Profit (loss) After tax			511 519		511 519
Other comprehensive income				(1 052 683)	(1 052 683)
Equity as at 31 March 2023	8 126 110	27 603 876	(23 537 573)	(8 867 578)	3 324 835

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 BASIS FOR PREPARATION

General accounting principles

EAM is a public limited liability company, incorporated and domiciled in Norway, with registered office at Bryggetorget 7, 0250 Oslo, Norway. The Company was founded on 5 January 2011 and listed on the Oslo Stock Exchange under the ticker “EAM” in 2013.

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 in order 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 and 2 subsidiaries in Italy. The Company has no employees.

Energeia AS manages the Company under a long-term management agreement. Energeia AS conducts the day-to-day operational tasks with own employees and through the use of subcontractors.

These interim condensed consolidated financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. The quarterly report should therefore be read in conjunction with the Group’s Annual Report 2022 that was published on 25 April 2023 and the stock exchange notices in the reporting period.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022.

Financial risk

The external leasing contracts has a floating interest rate.

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, have the management at year end decided to make a provision and write down the receivable against GSE, see [note 2](#) and [8](#). The Group has not made any offsets or other derivative agreements to reduce the credit risk in EAM.

Asset value risk

EAM Group’s cash balance was EUR 1 236 thousand on 31 March 2023, of which EUR 661 thousand are restricted and EUR 62 thousand are seized by the Italian state.

Market and regulatory risk

One of the main risks of operations in Italy is related to regulatory risk. The contractual counterparty, the Government of Italy, has conducted unilateral and retroactive changes to the commercial electricity sales contracts to the detriment of the suppliers and they have also made changes to the operational regulatory regime governing power plants in Italy.

Risk associated with the economic situation in Europe

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

With the Decree in Italy that has limited the market price dramatically has there been no windfall profit for the Group. And increase interest rates and prices in general does not impact the Group substantially given the limited external debt and low operating costs.

NOTE 02 SIGNIFICANT ACCOUNTING JUDGEMENTS

In the process of applying the Group's accounting policies according 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 period. The Company's most important accounting estimates are the following:

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 has decided to recognise revenue 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 873 thousand in unpaid electricity bills to ENFO 25. The Administrative Court also ordered GSE to cover the legal costs of EAM Solar ASA.

Management has 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 will not recognise Feed-In-Tariff revenues for ENFO 25.

Going concern

The board and management consider the Company's ability to operate as a going concern for the next 12 months as secured. The going concern consideration is mainly related to the assessment of adequate liquidity to meet the Company's running operational financial obligations and legal costs.

The war in Ukraine

The war in Ukraine and the sanctions against Russia has had no direct impact on the Company's operations. The war has indirectly together with the sanctions further increased the power prices for renewable energy in 2023.

NOTE 03 CURRENCY EXPOSURE

Most of EAM's economic activities (revenues and costs) are in EUR. Some of the cost base is in NOK. The functional currency for the parent company is NOK.

NOTE 04 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 administrative services for EAM, whereas the technical services are done by subcontractors. Energeia AS owns 9.5 per cent of the shares in EAM.

Sundt AS and Canica AS are large 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.

Energeia 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.

For the quarter Energeia AS' direct costs for the management of EAM was EUR 147 thousand, of which EUR 103 thousand was related to SG&A, and EUR 44 thousand was related to legal and litigation work in conjunction with the P31 Acquisition fraud.

NOTE 05 SEGMENT INFORMATION

The Group owns and operates four solar PV power plants in Italy at the end of the reporting period. They are reported as one business segment. The business is investing in and operating power plants that have similar economic characteristics.

During the period ended 31 March 2023 approximately EUR 132 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 125 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 49 thousand for the period from 1 January 2023 to 31 March 2023.

NOTE 06 FINANCIAL INCOME AND EXPENSES

EUR	Q1 2023	Q1 2022
Financial income		
Interest income	3 237	-
Foreign exchange gain	1 022 454	9
Total financial income	1 025 692	2 112
Financial expenses		
Interest expense	(61 592)	(37 554)
Foreign exchange losses	5 586	(418 114)
Other financial expenses	(852)	(904)
Total financial expenses	(56 857)	(456 571)
Net financial income (expenses)	968 834	(454 459)

The average exchange rate used for the reporting period is EUR/NOK 10.9900, whereas the exchange rate used on 31 March 2023 is EUR/ NOK 11.394.

NOTE 07 CASH AND CASH EQUIVALENTS

EUR	Q1 2023	2022
Cash Norway	642 969	937 904
Cash Italy	593 493	526 494
Cash and cash equivalents	1 236 461	1 464 397
Restricted cash Norway	272 073	294 851
Restricted cash Italy	389 129	331 541
Seized cash Italy	61 616	61 616

The Company had no unused credit facilities at the end of the quarter. The Company has a litigation funding agreement with Therium for coverage of legal costs where the Company and Therium will cover 50 per cent each. EAM has nearly exhausted the third and final tranche.

The restricted cash in Norway of EUR 272 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 restricted cash in Italy of EUR 389 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 criminal proceedings.

NOTE 08 ACCOUNTS RECEIVABLES**TRADE AND OTHER RECEIVABLES**

EUR	Q1 2023	2022
Deferred revenue towards GSE	102 602	218 121
Receivable from sale of subsidiaries	203 504	305 017
Other receivables	1 362 660	1 651 606
Accounts receivables	1 668 766	2 174 744

Management has 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 will not recognise Feed-In-Tariff revenues for ENFO 25. Please see [note 2](#) for further information.

NOTE 09 PROPERTY, PLANT AND EQUIPMENT**2023**

EUR	Solar power plants	Solar power plants under lease	Leashold improvements	Total
Carrying value 1 January 2023	1 356 652	4 342 529	288 800	5 987 981
Additions			1 800	1 800
Depreciation	(29 029)	(103 250)	(9 025)	(141 304)
Carrying value 31 March 2023	1 327 623	4 239 279	281 575	5 848 476

2022

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

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

The implementation of IFRS 16 relates to land rent and surface rights for ENS 1.

NOTE 10 SHORT- AND LONG-TERM DEBT

EUR	Q1 2023	2022
Deferred tax liabilities	742 121	804 250
Other non current liabilities	343 887	343 887
Obligations under finance leases	3 211 945	3 340 536
Total non-current liabilities	4 297 953	4 488 674
Trade payables	561 103	627 466
Payables to GSE	805 789	756 355
Other payables	327 626	480 681
Taxes other than income taxes	6 677	6 677
Accrued liabilities	2 655	2 511
Trade and other payables	1 703 850	1 873 690
Current leasing	453 731	430 836
Tax payable	2 938	-
<i>Related to ordinary operations</i>	<i>2 160 519</i>	<i>2 304 526</i>
Total current liabilities	2 160 519	2 304 526
Total liabilities	6 458 472	6 793 200

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 has 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. 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 a 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, and the first hearing was scheduled in May 2019. A summary hearing was held, and the case was postponed until November 2019. In December 2019 EAM was informed that the judge in the Civil Court of Brescia dismissed the petition by UBI Leasing to have a provisionally enforceable injunction against the Company.

A further hearing was held in January 2020. In this hearing the judge enabled the parties to submit further briefs in the period until mid-April and the next

hearing was set for May 2020. This hearing and filing of briefs were postponed due to Covid-19.

Briefs were filed in May and June 2020 and a hearing was held in September 2020. An order was issued in November 2020 where the Judge accepted EAM Solar ASA's request to examine witnesses. The first witness hearing in this matter was held 1 June 2021. The court set a second hearing to resume the examination of witnesses on 10 November 2021, but this hearing was postponed and held on 31 March 2022. A third witness hearing was held on 12 July 2022. 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 next hearing is scheduled for December 2023.

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.

On 20 January 2021, the Criminal Appeal Court of Milan decided to revoke the first instance judgement of the Criminal Court of Milan. Consequently, Akhmerov and Giorgi were acquitted by the Court for all points of indictment related to fraud against the State of Italy and EAM Solar ASA, including the ruling to hold Aveleos financially liable for the acts conducted by Akhmerov and Giorgi.

The Appeal Court's decision was a two-page notice identifying the decisions without presenting arguments or explanations for the revocation of the Criminal Court of Milan decision of April 2019. The arguments and evidence base for the decision by the Criminal Appeal Court was made available to the parties on 20 April 2021, 90 days from the date of the decision.

Following the reception of the full judgement from the Milan Criminal Court of Appeal, EAM Solar ASA decided to join with the Prosecutor's Office in Milan

in appealing to the Italian Supreme Court of Cassation. The appeal was submitted on 1 June 2021 to the Supreme Court of Cassation.

EAM Solar ASA seeks to reinstate the convictions of Igor Akhmerov and Marco Giorgi for the crime of fraud against EAM.

The appeal was based on several cases of misinterpretation of facts in the grounds for judgment by the Milan Criminal Court of Appeal.

The Supreme Court of Italy held a hearing on 6 October 2021 on the appeal of the acquittal sentence decided by the Milan Criminal Court of Appeal issued 20 January 2021.

On 7 October 2021, the Company was informed that the Supreme Court of Italy decided to annul the 20 January 2021 judgment of acquittal by the Milan Criminal Court of Appeal in the subsidy fraud case against the State of Italy and contractual fraud against EAM Solar ASA.

Late November 2021 the Supreme Court issued its full decision for the annulment of the acquittal ruling. The short summary of the reason for the Supreme Court to annul the Milan Appeal Court acquittal decision in its entirety is that the Supreme Court found that the Milan Appeal Court 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 is sending the criminal case back to a different chamber of the Milan Appeal Court for a new proceeding in the criminal case with the requirement that the new court proceedings must proceed with 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 concludes that the evidenced withholding of essential information during the contractual negotiations in itself constitute a contractual fraud.

There has still not been a date set for any further appeals following the decision of the Italian court of Cassation.

The Company estimates its claim to be in excess of 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.

NOTE 11 LIST OF SUBSIDIARIES

The following subsidiaries are included in the interim consolidated financial statements.

Company	Country	Main operation	Ownership	Vote	EBITDA	EBIT	Equity	Shareholder loans
EAM Solar Italy Holding Srl	Italy	Holding company	100%	100%	(344 803)	(344 803)	(2 057 662)	12 999 923
Ens Solar One Srl	Italy	Solar power plant	100%	100%	91 471	(20 978)	(39 482)	3 360 057
Energia Fotovoltaica 25 Srl	Italy	Solar power plant	100%	100%	(20 963)	(49 992)	(309 043)	1 824 816

NOTE 12 OPERATIONAL COSTS BREAK-DOWN Q1 2023

EUR	EAM Solar Group	ENS1 & ENFO25	Other & Eliminations
Revenues	208 760	208 760	-
Cost of operations	(52 515)	(37 022)	(15 492)
Land rent	-	-	-
Insurance	(25 355)	(9 863)	(15 492)
Operation & Maintenance	(10 433)	(10 433)	-
Other operations costs	(16 727)	(16 727)	-
Sales, General & Administration	(347 130)	(72 151)	(274 978)
Accounting, audit & legal fees	(49 295)	(8 181)	(41 114)
IMU tax	(3 225)	(3 225)	-
Energieia adm costs	(102 857)	(36 827)	(66 030)
Other administrative costs	(191 753)	(23 919)	(167 834)
Legal costs	(124 568)	(29 078)	(95 490)
Legal costs	(81 104)	(29 000)	(52 104)
Energieia legal costs	(44 240)	(54)	(44 186)
Other non-recurring items	776	(24)	800
EBITDA	(315 452)	70 508	(385 961)

NOTE 13 EVENTS AFTER THE BALANCE SHEET DATE

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

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

Election of members to the Board of Directors

The Annual General Meeting held on 22 May 2023 elected Viktor E Jakobsen as Chairman of the Board of Directors and Stephan L Jervell and Gro P Hvammen as members of the Board of Directors. The functioning period of the members of the Board of Directors is until the Annual General Meeting in 2024.

Pål Hvammen has served on the Board in several rounds, last since April 2019, and has asked to resign. The Board respects his decision and wants to thank Pål Hvammen for his dedicated work for the Company once again and wishes him all the best.

Risk associated with the economic situation in Europe

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

With the Decree in Italy that has limited the market price dramatically has there been no windfall profit for the Group. And increase interest rates and prices in general does not impact the Group substantially given the limited external debt and low operating costs.

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. The war has indirectly together with the sanctions further increased the power prices for renewable energy in 2022.

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