

The logo for EAM, consisting of the lowercase letters "eam" in white, set against a dark blue square background.

eam

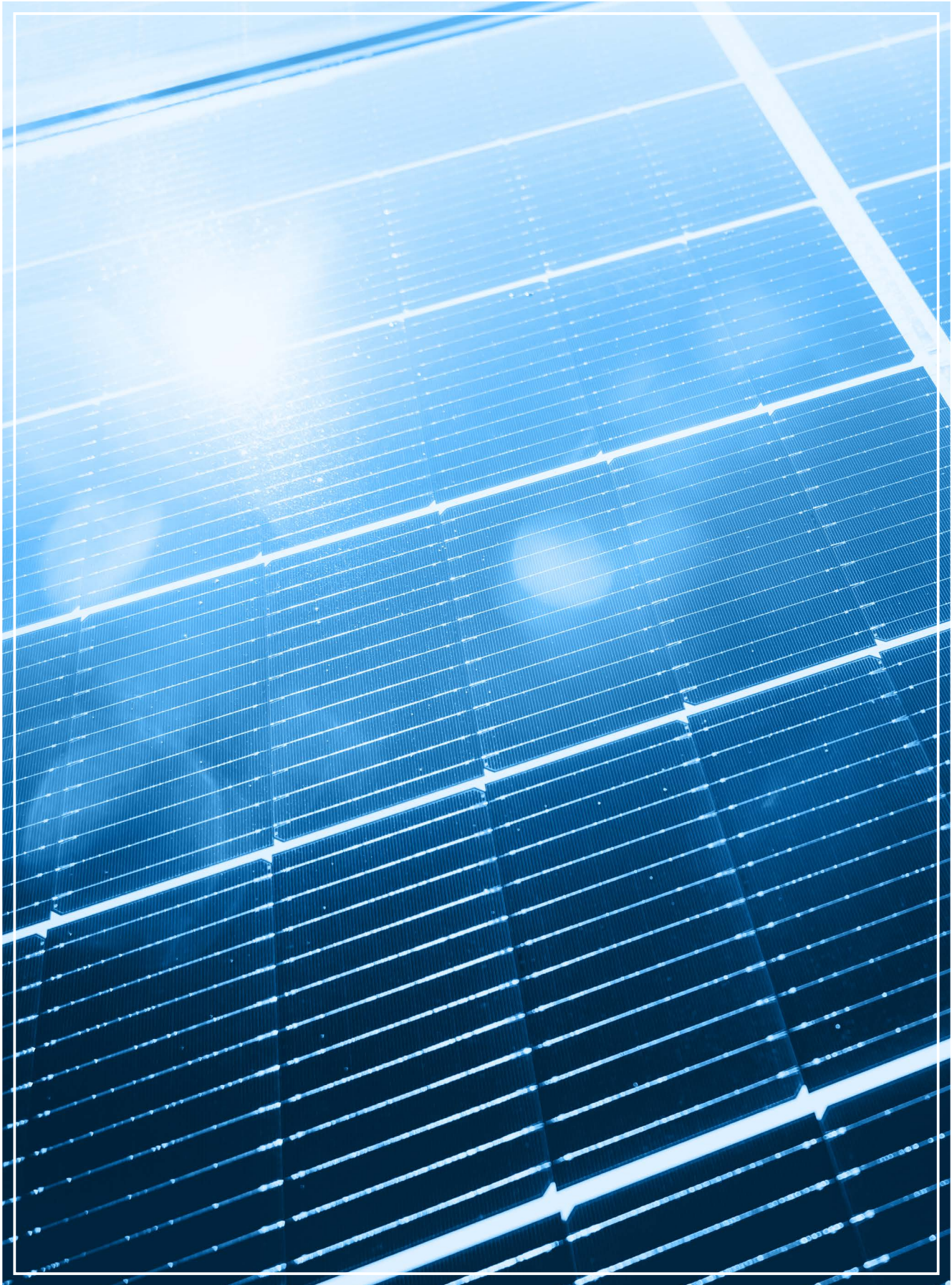
A low-angle, perspective view of a large array of solar panels. The panels are arranged in a grid pattern and extend towards the horizon, creating a strong sense of depth and scale. The lighting is bright, suggesting a clear day.

EAM SOLAR ASA
ANNUAL REPORT 2021



CONTENTS

EAM Solar in brief	5
Directors' report	11
Corporate governance and ESG reporting	19
Financial statements	28
Consolidated financial statements	
Consolidated statement of profit and loss and comprehensive income	29
Consolidated statement of financial position	30
Consolidated statement of cash flow	31
Consolidated statement of changes in equity	32
Notes to the consolidated financial statements	33
Parent company financial statements	
Statement of comprehensive income	48
Statement of financial position	49
Statement of cash flow	50
Notes to the parent company financial statements	51
Power production	56
Power plant capacity	57
Responsibility statement	58
Auditor's report	59



EAM SOLAR ASA IN BRIEF

Energeia AS established EAM on 5 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 Energeia AS. Energeia 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 2021 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 pur-

chase 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 an amount in excess of EUR 300 million. This has resulted in the bankruptcy of the SPVs affected by the criminal proceedings in 2016.

The annual accounts of 2021 have identified a profit after tax of minus EUR 3 774 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 in excess of EUR 300 million. This situation has effectively changed EAM from a YieldCo to a large listed lawsuit.

As a consequence 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 has remained in 2021.

Strategic review and outlook

The company is in its eighth 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

Valuation (EUR million)



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, state utility company of Luxembourg, and Renova/Avelar, the investment company of the Russian oligarch Viktor Vekselberg, 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 January 31 and February 1, 2022, but it was later postponed due to illness at the court. A new hearing date has been set for 21 April and 22 April 2022.

Business development activities

Forty per cent of EAM Solar ASA is owned directly or indirectly by Energeia AS and its shareholders. 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.

Before the establishment of EAM Solar ASA in 2011, the CEO of Energeia AS had started investment activities within solar PV energy in the Netherlands.

As of year-end 2021, 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 2021 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.

The latest news on the strategic review processes was communicated to the shareholders of EAM Solar ASA during the presentation of the Q4 2021 Financial Report with the main points being:

There are several concession applications in preparation, which entails the construction and operation of between 350MW to 700MW Solar PV power plants.

Energeia's first grid connected energy storage project is under development in the Netherlands. The project is relevant for similar projects in the Norwegian electricity market.

Energeia AS intend to include the EAM Solar ASA shareholders in this development through a directed equity issue, and the current plan, subject to approval by shareholders in Energeia and EAM Solar ASA, is that EAM Solar ASA shareholders will receive one share in Energeia for each share in ASA as a dividend.

An investment memorandum will be issued as part of the decision process in EAM Solar ASA, and Energeia AS is planned listed on the Oslo Stock Exchange (Euronext Growth) following the equity issue.

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, the state utility company (59 per cent) and Renova/Avelar group in Switzerland/Cyprus, the investment company of the Russian oligarch Viktor Vekselberg, (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 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.

Oslo District Court will decide if the fraud charges shall go to main trial proceedings following the hearing.

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 has been postponed due to sickness. A new hearing date has been set for 21 April and 22 April 2022. Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

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.

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 rela-

tion 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.

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 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, 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.

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.

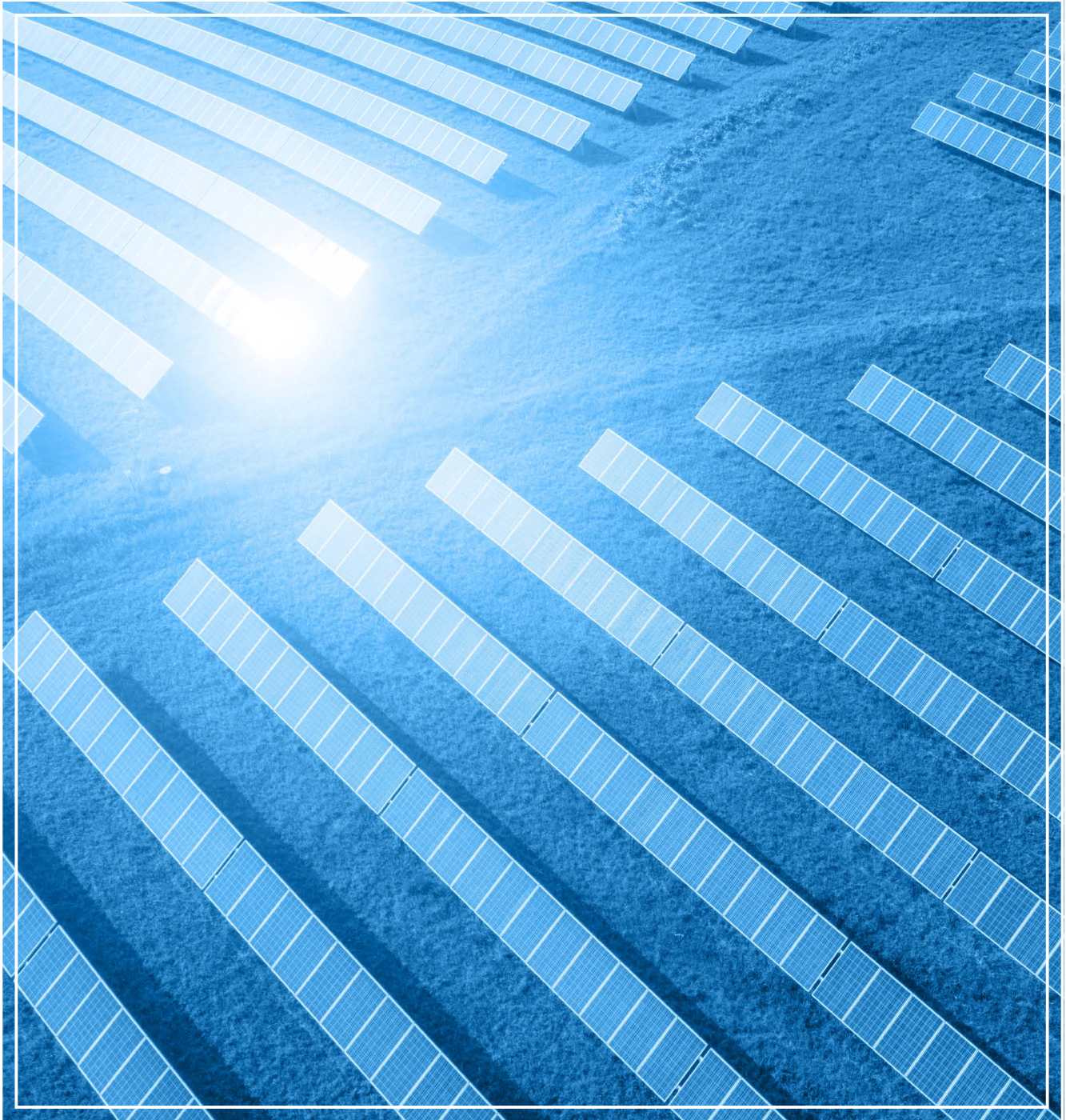
Administrative Court Italy – ENFO 25

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 was 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 643 thousand 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.

No provisions are made in the accounts on this matter.

Please also see the Annual Report 2020 and previous years for further information on the legal processes.



DIRECTORS' REPORT

The 2021 annual report

EAM Solar ASA (EAM or the Company) is a public limited liability company, incorporated and domiciled in Norway, with registered address at Bryggetorget 7, 0250 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 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.

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 as fast as possible 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 document below.

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 eighth 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, state utility company of Luxembourg, and Renova/ Avelar, the investment company of the Russian oligarch Viktor Vekselberg, 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 has been set for 21 April and 22 April 2022.

Business development activities

Forty per cent of EAM Solar ASA is owned directly or indirectly by Energeia AS and its shareholders. 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.

Before the establishment of EAM Solar ASA in 2011, the CEO of Energeia AS had started investment activities within solar PV energy in the Netherlands.

As of year-end 2021, 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 2021 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.

The latest news on the strategic review processes was communicated to the shareholders of EAM Solar ASA during the presentation of the Q4 2021 Financial Report with the main points being:

There are several concession applications in preparation, which entails the construction and operation of between 350MW to 700MW Solar PV power plants.

Energeia's first grid connected energy storage project is under development in the Netherlands. The project is relevant for similar projects in the Norwegian electricity market.

Energeia AS intend to include the EAM Solar ASA shareholders in this development through a directed equity issue, and the current plan, subject to approval by shareholders in Energeia and EAM Solar ASA, is that EAM Solar ASA shareholders will receive one share in Energeia for each share in ASA as a dividend.

An investment memorandum will be issued as part of the decision process in EAM Solar ASA, and Energeia AS is planned listed on the Oslo Stock Exchange (Euronext Growth) following the equity issue.

Operational review

Power production

Throughout 2021 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 power production of 5.4 GWh (P50 production).

Accumulated for the year the power production was 4 402 MWh, 19.1 per cent below estimated production. The lower than estimated production was mainly due to lower capacity of the power plants caused by thefts.

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 in order 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 yearend 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 is estimated to be NOK 70.9 million at year-end 2021.

The final determination of the total sales price including capital gain will be established at the end of the warranty period of the sale by Energeia AS in 2022.

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 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.

Oslo District Court will decide if the fraud charges shall go to main trial proceedings following the hearing.

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 has been postponed due to sickness. A new hearing date has been set for 21 April and 22 April 2022. Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

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.

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.

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 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, 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.

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 was 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 643 thousand 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.

No provisions are made in the accounts on this matter.

Please also see the Annual Report 2020 and previous years for further information on the legal processes.

Business operations in 2021

At the end of 2021 EAM owned or controlled 4 power plants operating under normal conditions, with a combined installed capacity of 4.0 MW with an average annual power production of 5.4 GWh (P50 production).

The financial statements and annual report are prepared under the assumption of going concern. It is the board's opinion that the Group has sufficient liquidity to support operations for the next twelve months. Accumulated extraordinary costs related to the fraudulent sale amounted to approximately EUR 2.5 million in 2021.

Financial review

In 2021 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 2021.

Consolidated statement of profit and loss and comprehensive income

Revenue and production

All 4 power plants owned or controlled by EAM produced electricity and delivered this to the grid in 2021. Total electricity production in 2021 was 4 402 MWh, 19.1 per cent below estimated production. Accumulated for the year revenues were EUR 1 334 thousand, of which EUR 864 thousand was received from FIT contracts and EUR 469 thousand from markets sales of electricity. EUR 1.2 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.

The fixed price sales contracts (FIT) accounts for 64.8 per cent of revenues, with electricity sales at market prices accounting for 35.1 per cent. Other revenues accounts for the remaining 0.1 per cent.

FIT revenues for 2021 were EUR 864 thousand and the average FIT contract price revenue was EUR 196 per MWh.

Market price contracts are renewed yearly. Market prices achieved for electricity in-

creased from a year average of EUR 36 per MWh in 2020 to EUR 106 per MWh in 2021. Total market price revenues for 2021 were EUR 469 thousand.

Operating costs

Total cost of operations in 2021 amounted to EUR 237 thousand. The cost of operations consisted mainly of operating and maintenance costs, and insurance. SG&A expenses amounted to EUR 890 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 2 499 thousand.

Operational earnings

Earnings before interest, depreciation, amortisation and taxes (EBITDA) amounted to minus EUR 2 292 thousand for 2021.

Accumulated for the year depreciation and amortisation were EUR 562 thousand, resulting in an operating profit (EBIT) of minus EUR 2 854 thousand.

Net financial items

Net financial items amounted to minus EUR 836 thousand for the full year 2021.

Profit before tax and net income after tax

Profit before tax amounted to minus EUR 3 690 thousand for 2021. Net tax amounted to EUR 85 thousand.

Reported net income after tax was minus EUR 3 774 thousand for 2021 and reported loss per share were EUR -0.55 on a fully diluted basis.

Cash flow and balance sheet statements

Consolidated statement of financial position

Total assets amounted to EUR 13.7 million on 31 December 2021. This was down by EUR 3.1 million over the year.

Total equity amounted to EUR 6.8 million on 31 December 2021, a decrease by EUR 2.9 million over the year. The equity ratio was positive with 49.6 per cent on 31 December 2021, down from 57.8 per cent on 31 December 2020. Net working capital amounted to EUR 4 544 thousand on 31 December 2021.

Cash flow

Net cash flow from operating activities was negative with EUR 1 690 thousand in 2021. Net cash flow from investing activities was positive with EUR 2 405 thousand. Net cash flow from financing activities was negative with EUR 606 thousand. Cash and cash equiv-

alents amounted to EUR 582 thousand on 31 December 2021, of which 443 thousand was restricted at year-end and 62 was seized (see [note 17](#)).

EAM Solar ASA (parent company)

Profit and loss statement

Revenues are management services provided to subsidiaries (see [note 3](#)). Other operating expenses consist mainly of purchased services. Net financial items for 2021 were negative with NOK 17.5 million.

Balance sheet

Total assets amounted to NOK 115 million, of which NOK 77.7 million is intercompany. Cash amounted to NOK 210 thousand at year-end. Total equity amounted to NOK 100 million equal to 86.8 per cent of total assets, compared to 89.2 per cent in 2019. Current liabilities amounted to NOK 7.8 million.

Cash flow

Net cash flow from operational activities was negative at NOK 1.1 million and net cash flow from investments were positive with NOK 853 thousand.

Allocation of net income

The board has proposed that the net income of minus NOK 22 619 267 is transferred from share premium, making total transfers of minus 22 619 267.

Going concern

The financial statements and annual report are made under the assumption of going concern. The basis for this assumption is that the Company has cash to continue the legal proceedings for the foreseeable future, and that the revenue contribution from the 4 power plants in the fixed contract period to 2031 is, sufficient to cover the long-term lease obligation and operational costs relating to these assets.

Covid-19

The outbreak of Covid-19 has during 2020 and 2021 not resulted in any major business interruptions or losses, but it has resulted in some delays of the legal processes the Company is involved in. The board of directors does not expect as a result of Covid-19 neither loss of customers nor loss on receivables. The access to spare parts and the ability to maintain the power plants are also expected to be satisfactory due to energy supply being of crucial importance. None of the above-mentioned events are expected to significantly affect the entity's operations,

the results of those operations, or the entity's state of affairs in future financial years.

Market overview

Power prices in Italy

The average wholesale power price in Italy for 2021 was EUR 125 per MWh. The price fluctuated mainly between EUR 40 and EUR 260 per MWh during the year. The lowest and highest price observed was EUR 23 and EUR 506 respectively. The average electricity market price in the northern part of Italy accumulated for the year was EUR 132 per MWh and in the southern part of Italy EUR 127 per MWh.

Events after the balance sheet date

Criminal proceedings in Oslo

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 has been postponed due to sickness. A new hearing date has been set for 21 April and 22 April 2022. Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

Administrative Court Italy – ENFO 25

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.

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.

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 oth-

ers, 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.

The decree has not yet been passed into law.

Risk factors

The Company is exposed to a number of 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 in order 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 of 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 or 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 2021 was EUR 755 thousand. EAM has made no financial arrangements to limit the credit risk further.

Asset value risk

EAM's cash balance was EUR 582 thousand on 31 December 2021, 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.

Transactions with related parties

Related parties

Energeia AS is the manager of EAM. Energeia AS in Norway and Italy employs or subcontract all of 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 is represented on the board of directors 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.

Accumulated for the year Energeia AS' direct costs for the management of EAM was EUR 1 029 thousand, of which EUR 0 thousand was related to cost of operations, EUR 428 thousand was related to SG&A, and EUR 601 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 Energeia AS. The Board of Directors decided to conduct this sale in order 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 is estimated to be NOK 70.9 million at year-end 2021.

The final determination of the total sales price including capital gain will be established at the end of the warranty period of the sale by Energeia AS in 2022.

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 recruits 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.

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.

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 below.

Stakeholder group	Relevance	Expected of the company	Arena for dialog	Actions by the company
Investors – the Company is listed on Euro-next 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
Customers – only 2 customers, the Italian state on 20-year feed-in-tariff contracts (65 per cent of revenue) and a local power trader on market price contracts (35 per cent of revenue)	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
Suppliers – very limited, mainly law firms in Norway and abroad, only small amounts for other suppliers	Low	Corruption prevention	Meetings and dialog. Written contracts	Formulate ethical guidelines
Civil society – 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
Authorities – 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
Employees – there are no employees in the Company	None	None	None	None
Financial institutions - Three out of four power plants are financed by leasing	Medium	Corruption prevention	Questionnaires and Written contracts	Formulate ethical guidelines

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 have at all times access to all information and assistance from the employees of the manager.

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:

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

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, and that this assumption was appropriate at the date when the financial statements were approved.

Oslo, 26 April 2022

Stephan L Jervell
Non-executive director

Pål Hvammen
Non-executive director

Ragnhild M Wiborg
Chair

Viktor E Jakobsen
CEO



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.

EAM Solar ASA will comply with the above-mentioned rules and regulations, and the current code, issued on 14 October 2021 with the exception of 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.

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 6.8 million at 31 December 2021, representing an equity ratio of 49.6 per cent.

The equity of the parent company amounted to EUR 10 million at 31 December 2021, representing an equity ratio of 86.8 per cent.

Dividend policy

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

Article 11 of the Company's articles of association specifies that the entire annual cash surplus will be distributed as dividend to the shareholders to the extent permitted by applicable law. Changes to, or exemptions from this article require the support of at least 90 per cent of the votes cast, of the share capital represented, at the general meeting.

Based on the status of the Company no dividend will be declared for 2021.

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.

In the event that 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 2021 have been conducted both as part of ordinary operations in accordance with the management agreement, and also 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 2022 will be held on 23 May 2022 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 in order 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.

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.

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 18 May 2021 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 other-

wise. 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 2021, the board of EAM Solar ASA consisted of three directors, two men and one woman:

- Ragnhild Märta Wiborg, chair
- Stephan Lange Jervell, non-executive director
- Pål Hvammen, non-executive director

At the annual general meeting on 18 May 2021 Ragnhild Märta Wiborg was re-elected as chair of the board, and at the same date Stephan Lange Jervell and Pål Hvammen was re-elected as members of the board. The functioning period of the Board of Directors is until the annual general meeting in 2022.

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

Ragnhild Märta Wiborg, Stephan Lange Jervell and Pål Hvammen are all independent of the Company's manager, material business contacts and largest shareholders.

The board included at year end 2021 no members proposed by the manager.

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.

During 2021, the board of directors had several meetings in addition to the formal meetings each quarter. In addition, both the board and individual directors held informal discussions and meetings on specific issues. In 2021 the board of directors met on 7 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.

Financial reports

EAM publishes its fourth quarter results by the end of February, 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 future 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, in light of 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

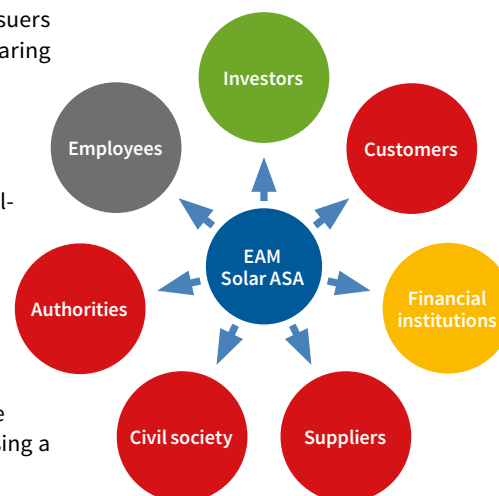
information that influences the opinion or decision of users by helping them to evaluate past, present, or future events or by confirming or correcting their past evaluations, such information will almost entirely be related to the legal proceedings and not to the renewable energy industry, as originally 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 samfunnsan-

svar” 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 dialog	Actions by the company
Investors – 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
Customers – only 2 customers, the Italian state on 20-year feed-in-tariff contracts (65 per cent of revenue) and a local power trader on market price contracts (35 per cent of revenue)	Low	Corruption prevention	Meetings and dialogue. Written contracts	Formulate ethical guidelines
Suppliers – very limited, mainly law firms in Norway and abroad, only small amounts for other suppliers	Low	Corruption prevention	Meetings and dialog. Written contracts	Formulate ethical guidelines
Civil society – 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
Authorities – 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
Employees – there are no employees in the Company	None	None	None	None
Financial institutions -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 counterparties; 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

In order 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.

In order 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 continu-

ously 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, so as 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 so as 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 2021 putting them in 42nd place out of a total of 180 countries, meaning that 41 countries in the world are considered less corrupt than Italy. In fact, according to the ENCJ's (European Network of Councils for the Judiciary) Report on Independence, Accountability and Quality of the Judiciary – performance indicators 2017, nearly half of Italian judges indicate they strongly believe that judges are being promoted on basis other than ability and experience. And further, as shown in the

Global Competitiveness Report 2015-2016 issued by the World Economic Forum, businesses do perceive that bribes or irregular payments in return for favourable judicial decisions sometimes occur.

Luxembourg, on the other hand, is considered a low-risk country when it comes to corruption finishing in 9th place with a score of 81 on the Transparency International Index for 2021. The risk with Luxembourg is that the country is very small with only 633 100 inhabitants (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/portal/countryprofiles/luxembourg/), updated as of June 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 4th place with a score of 85 on the Transparency International Index for 2021 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 en-

forced 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. In light of 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 eight 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. As of year-end 2021, 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 2021 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.

Forty per cent of EAM Solar ASA is owned directly or indirectly by Energeia AS and its shareholders. 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.

The latest news on the strategic review processes was communicated to the shareholders of EAM Solar ASA during the presentation of the Q4 2021 Financial Report with the main points being:

There are several concession applications in preparation, which entails the construction and operation of between 350MW to 700MW Solar PV power plants.

Energeia's first grid connected energy storage project is under development in the Netherlands. The project is relevant for similar projects in the Norwegian electricity market.

Energeia AS intend to include the EAM Solar ASA shareholders in this development through a directed equity issue, and the current plan, subject to approval by shareholders in Energeia and EAM Solar ASA, is that EAM Solar ASA shareholders will receive one share in Energeia for each share in ASA as a dividend.

An investment memorandum will be issued as part of the decision process in EAM Solar ASA, and Energeia AS is planned listed on the Oslo Stock Exchange (Euronext Growth) following the equity issue.

The decision is subject to general meeting resolutions on both sides.

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, so as to affect or alter rulings

Observations in the period 2016-2021 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 2016-2021 give reason to believe that the lack of police inves-



tigations 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.

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.

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

No final decision made.

FINANCIAL STATEMENTS

Consolidated financial statements

Consolidated statement of profit and loss and comprehensive income	29
Consolidated statement of financial position	30
Consolidated statement of cash flow	31
Consolidated statement of changes in equity	32
Notes to the consolidated financial statements	33

Parent company financial statements

Statement of comprehensive income	48
Statement of financial position	49
Statement of cash flow	50
Notes to the parent company financial statements	51

Power production	56
-------------------------	----

Plant capacity	57
-----------------------	----

Responsibility statement	58
---------------------------------	----

Auditor's report	59
-------------------------	----

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

EUR	Note	2021	2020
Revenue	9	1 333 522	1 271 084
Total revenue		1 333 522	1 271 084
Cost of operations		(236 682)	(212 744)
Sales, general and administration expenses	5, 6	(889 894)	(947 426)
Legal costs		(2 498 623)	(1 769 672)
Operating profit before depreciation and amortisation (EBITDA)	7, 9, 10	(2 291 678)	(1 658 758)
Depreciation, amortizations and write downs	13, 21	(562 378)	(556 471)
Operating profit (EBIT)		(2 854 055)	(2 215 228)
Finance income	8	255 118	4 058 170
Finance costs	8, 7	(1 090 812)	(1 861 061)
Profit before tax		(3 689 749)	(18 119)
Income tax gain/(expense)	11	(84 583)	(154 888)
Profit after tax		(3 774 332)	(173 007)
Other comprehensive income¹			
Translation differences		873 349	(1 108 462)
Other comprehensive income for the year, net of tax		873 349	(1 108 462)
Total comprehensive income for the year		(2 900 983)	(1 281 469)
Profit for the year attributable to:			
Equity holders of the parent company		(3 774 332)	(173 007)
Equity holders of the parent company		(3 774 332)	(173 007)
Total comprehensive income attributable to:			
Equity holders of the parent company		(2 900 983)	(1 281 469)
Equity holders of the parent company		(2 900 983)	(1 281 469)
Earnings per share		2021	2020
Continued operation			
– Basic	12	(0.55)	(0.03)
– Diluted	12	(0.55)	(0.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Property, plant and equipment	13	6 538 257	7 099 936
Intangible assets	21	9 801	10 501
Other long term assets		455 020	542 544
Deferred tax assets	11	82 862	109 147
Total non-current assets	9	7 085 939	7 762 128
Current assets			
Trade and other receivables	7, 16	5 450 336	7 879 195
Other current assets		540 782	624 081
Cash and cash equivalents	17	581 696	473 322
Total current assets		6 572 814	8 976 598
TOTAL ASSETS		13 658 754	16 738 726
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital		8 126 110	8 126 110
Share premium		27 603 876	27 603 876
Total paid in capital	18	35 729 986	35 729 986
Other equity			
Translation differences		(7 128 830)	(8 002 179)
Other equity		(21 830 374)	(18 056 042)
Total other equity		(28 959 204)	(26 058 221)
Total equity		6 770 782	9 671 765
Non-current liabilities			
Leasing	13	3 771 567	4 180 849
Long term loan - interest bearing		-	-
Deferred tax liabilities	11	743 424	682 785
Other non current liabilities		343 887	393 083
Total non-current liabilities	19	4 858 878	5 256 717
Current liabilities			
Leasing	13	409 097	388 455
Trade and other payables	19	1 619 996	1 421 789
Tax payables		-	-
Total current liabilities	19	2 029 093	1 810 244
Total liabilities		6 887 971	7 066 961
TOTAL EQUITY AND LIABILITIES		13 658 754	16 738 726

Oslo, 26 April 2022

Stephan L Jervell
Non-executive
director

Pål Hvammen
Non-executive
director

Ragnhild M Wiborg
Chair

Viktor E Jakobsen
CEO

CONSOLIDATED STATEMENT OF CASH FLOW

EUR	Note	2021	2020
Cash flow from operations			
Profit before income taxes		(3 689 749)	(18 119)
Gain/loss from sale of subsidiaries	3, 8	-	(1 680 472)
Depreciation	13, 21	562 379	556 471
Change in trade debtors	16	(108 427)	(255 274)
Change in trade creditors	19	50 152	(746 814)
Effect of exchange fluctuations		1 129 784	(1 111 469)
Change in other provisions		365 494	(499 072)
Net cash flow from operations		(1 690 367)	(3 754 749)
Cash flow from investments			
Purchase of fixed assets		-	-
Payment of short term loan /receivables		2 405 121	2 698 067
Proceeds from sale of shares and investments in other companies		-	1 680 472
Cash effect sale of subsidiaries		-	-
Net cash flow from investments		2 405 121	4 378 539
Cash flow from financing			
Repayment of long term loans		(388 640)	(369 030)
Interest paid		(217 739)	(147 125)
Net cash flow from financing	13	(606 380)	(516 155)
Exchange gains / (losses) on cash and cash equivalents			
Net change in cash and cash equivalents		108 374	107 635
Cash and cash equivalents at the beginning of the period		473 322	365 687
Cash and cash equivalents at the end of the period	17	581 696	473 322

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	Issued capital	Share premium fund	Other equity	Translation differences	Total equity
Equity as at 1 January 2020	8 126 110	27 603 876	(17 883 035)	(6 893 717)	10 953 234
Profit (loss) After tax			(173 007)		(173 007)
Other comprehensive income				(1 108 462)	(1 108 462)
Equity as at 31 December 2020	8 126 110	27 603 876	(18 056 042)	(8 002 179)	9 671 765
Equity as at 1 January 2021	8 126 110	27 603 876	(18 056 042)	(8 002 179)	9 671 765
Profit (loss) After tax			(3 774 332)		(3 774 332)
Other comprehensive income				873 349	873 349
Equity as at 31 December 2021	8 126 110	27 603 876	(21 830 374)	(7 128 830)	6 770 782

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents

Note 01 Summary of significant accounting policies	33
Note 02 Alternative Performance Measures “APMs”	37
Note 03 List of subsidiaries	38
Note 04 Significant accounting judgements, estimates, assumptions and comparable figures	38
Note 05 Other operating expenses	38
Note 06 Salary and personnel expense and management remuneration	39
Note 07 Transactions with related parties	39
Note 08 Financial income and expenses	40
Note 09 Segment information	40
Note 10 Operational costs breakdown 2021	40
Note 11 Income tax	41
Note 12 Earnings per share	42
Note 13 Property, plant and equipment	42
Note 14 Other contractual obligations	44
Note 15 Financial risk management	44
Note 16 Trade receivables	44
Note 17 Cash and cash equivalents	44
Note 18 Share capital, shareholder information and dividend	45
Note 19 Debt	45
Note 20 Impairment	46
Note 21 Intangible assets	46
Note 22 Events after the balance sheet date	47

NOTE 01 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of EAM for the year ending 31 December 2021 were authorised for issuance by the board on 26 April 2022.

EAM is a public limited liability company, incorporated and domiciled in Norway, with registered office at Bryggetorget 7, NO-0250 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 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 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 the International Financial Reporting Standards (IFRS) as adopted by the EU and mandatory for financial years beginning on or after 1 January 2021.

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 on the basis of 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). The majority 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 figures presented in the directors’ report are prepared under the assumption of going concern. The reason for preparing the financial statements as going concern is due to the board’s opinion that the Group has sufficient liquidity for the next twelve months. 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 at 31 December 2021.

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 intra-group 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. Due to the termination of the FIT contracts, the accounts reflect fully loss of values, but not reduction of debt obligations, although these obligations are disputed due to the criminal fraud.

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.

The fixed price sales contracts (FIT) accounts for approximately 80 per cent of revenues, with electricity sales at market prices accounting for approximately 20 per cent.

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's activities are uniform, where the business strategy is to operate solar power plants in different European countries. For management purposes, the Group is organised into segments related to the individual solar power plants and when they were purchased. Financial information relating to segments is presented in [note 9](#).

Internal gains on sales between the various segments are eliminated in the segment reporting.

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, with the exception of 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 on the basis of 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 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and at the amount of any non-controlling interest in the acquired company. For each business combination, the Group elects whether it measures the non-controlling interest in the acquired company either at fair value or at the proportionate share of the acquired company's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquired company.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquired company is measured to fair value at the acquisition date through profit and loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as profit or loss.

After initial recording, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units which are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Bargain purchase transactions

If the net of the acquisition-date fair values of identifiable assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred (measured at acquisition-date fair value), the excess amount is recognised as a gain in the statement of comprehensive income on the acquisition date. Having done so, the company has reviewed the procedures used to measure all of the following:

- the identifiable assets acquired, and liabilities assumed
- the non-controlling interest in the acquired, if any
- The consideration transferred

01.11 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.

01.12 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.

01.13 Equity

Costs of equity transactions

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

01.14 Provisions

A provision is recognised when the Group has an obligation (legal or constructive) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result 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.

01.15 Contingent liabilities and assets

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of 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.

01.16 Current/non-current classification

Assets and liabilities are presented on the basis of 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.

01.17 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.

01.18 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.

01.19 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.

01.20 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](#).

01.21 Application of new IFRS requirements

For the preparation of these consolidated financial statements, no new standards were adopted from 1 January 2021.

01.22 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 2021. 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.

In order 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.	EUR	2021	2020
	Revenue	1 333 522	1 271 084
	Total revenue	1 333 522	1 271 084
	Cost of operations	(236 682)	(212 744)
	Sales, general and administration expenses	(889 894)	(947 426)
	Legal costs	(2 498 623)	(1 769 672)

Operating profit before depreciation and amortisation (EBITDA)	(2 291 678)	(1 658 758)
---	--------------------	--------------------

EBIT – Earnings Before Interest and Tax. Used as an indicator of a company's profitability.	EUR	2021	2020
	Revenue	1 333 522	1 271 084
	Total revenue	1 333 522	1 271 084
	Cost of operations	(236 682)	(212 744)
	Sales, general and administration expenses	(889 894)	(947 426)
	Legal costs	(2 498 623)	(1 769 672)

Operating profit before depreciation and amortisation (EBITDA)	(2 291 678)	(1 658 758)
---	--------------------	--------------------

Depreciation, amortizations and write downs	(562 378)	(556 471)
Operating profit (EBIT)	(2 854 055)	(2 215 228)

Equity ratio – Equity as a percentage of total assets at the end of the period. Shows financial position.	EUR	31 Dec 2021	31 Dec 2020
	TOTAL ASSETS divided by	13 658 754	16 738 726
	TOTAL EQUITY	/ 6 770 782	/ 9 671 765
	Equity ratio	49.6%	57.8%

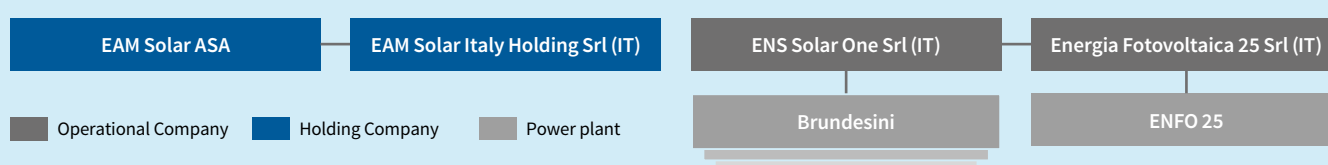
Working capital – Total current assets minus total current liabilities. Used as a measure of a company's liquidity, operational efficiency, and short-term financial health	EUR	31 Dec 2021	31 Dec 2020
	Total current assets	6 572 814	8 976 598
	-Total current liabilities	2 029 093	1 810 244
	=Working capital	4 543 721	7 166 354

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 (2020), presented in ITA GAAP.

Company	Country	Principal activity	Ownership	Vote	Profit 2020	Equity
EAM Solar Italy Holding Srl	Italy	Holding company	100%	100%	(2 406 326)	(2 291 326)
Ens Solar One Srl	Italy	Solar power plant	100%	100%	(143 332)	54 648
Energia Fotovoltaica 25 Srl	Italy	Solar power plant	100%	100%	66 692	206 697

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 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 643 thousand 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.

The full recognition of revenue is based on the arguments in the ruling from the Administrative Court of Lazio (TAR).

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 82 862.

NOTE 05 OTHER OPERATING EXPENSES

VAT is not included in the fees specified below.

Specification of auditor's fee (EUR)	2021	2020
Statutory audit	55 298	71 274
Other non-assurance services	-	6 313
Other services from RSM Advokat AS	6 887	-
Other services	15 726	26 151
Other services from RSM Italy	-	10 259
Other services RSM Luxembourg	-	17 926
Total fee to auditor's	77 911	131 922

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 2021:

- Ragnhild Märta Wiborg (chair)
- Stephan Lange Jervell (non-executive director)
- Pål Hvammen (non-executive director)

The CEO in 2021, Viktor Erik Jakobsen, is hired and remunerated by the manager (see [note 7](#) for description of transactions with related parties).

Ragnhild Märta Wiborg, has received in 2021 NOK 462 500 in remuneration for her work as chair. Stephan Lange Jervell has received NOK 282 500 in 2021. Pål Hvammen has received NOK 282 500 in 2021. At year end 2021 Ragnhild Märta Wiborg held directly or through companies she controls 3 765 shares in EAM Solar ASA. No shares were held by other directors or CEO.

Nomination committee year-end 2021:

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

Leiv Askvig has received in 2021 NOK 25 750 in remuneration for his work as chair of the Nomination Committee. Nils Erling Ødegaard and Georg Johan Espe each received NOK 15 500 in 2021 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 of 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 is represented on the board of directors 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.

In 2021 Energeia direct costs of the management of EAM was EUR 1.03 m (2020: EUR 0.9 m). For 2021 the direct cost was EUR 0.23 per kWh based on full year figures. (Against EUR 0.16 per kWh in 2020).

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 in order 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 yearend 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 is estimated to be NOK 70.9 million at year-end 2021.

The final determination of the total sales price including capital gain will be established at the end of the warranty period of the sale by Energeia AS in 2022.

On 31 December 2021 the Group had net receivables from related parties (Energeia AS) of EUR 3 063 thousand.

Energeia AS ownership

Company/owner	Ownership	Person	Position year-end 2021
Jakobsen Energeia AS	26.28%	Viktor E Jakobsen	Chief Exexecutive Officer of EAM Solar ASA
Sundt AS	26.28%	Family office	Shareholder of EAM Solar ASA
Naben AS	14.45%	Audun W Iversen	Shareholder of EAM Solar ASA
Canica AS	6.96%	Family office	Shareholder of EAM Solar ASA
Chold AS	9.07%	Christian Hagemann	Acting Chief Operating Officer of EAM Solar ASA
Jemma Invest AS	5.00%	Jarl Egil Markussen	Acting Chief Administrative Officer of EAM Solar ASA
Others	11.96%		

NOTE 08 FINANCIAL INCOME AND EXPENSES

Financial income (EUR)	2021	2020
Interest income	6	216 352
Foreign exchange gain	255 112	2 161 345
Gain from sale ¹	-	1 680 472
Total financial income	255 118	4 058 170
Financial expenses (EUR)	2021	2020
Interest expense	(110 385)	(147 125)
Foreign exchange losses	(951 839)	(1 666 118)
Other financial expenses	(28 588)	(47 817)
Total financial expenses	(1 090 812)	(1 861 061)
Net financial income (expenses)	(835 694)	2 197 109

¹ Gain from sale 2020 was calculated with the average exchange rate used for 12M 2020.

Gain from sale relates to Varmo and Codroipo being sold by Energeia before the end of 2020 at a higher value than the sales valuation between EAM Solar ASA and Energeia in 2019, and an adjustment of previous year's gain calculation. EAM Solar ASA has the right to receive 75 per cent of the value uplift above the original sales valuation. A provision for an additional estimated gain of NOK 18 million has been recognised at year-end 2020.

The average exchange rate used for 12M 2021 is EUR/NOK 10.1648 (12M 2020 EUR/NOK 10.7207), whereas the exchange rate used on 31 December 2021 is EUR/NOK 9.9888 (31 December 2020: EUR/NOK 10.4703)

NOTE 10 OPERATIONAL COSTS BREAKDOWN 2021

EUR	EAM Solar Group	ENS1 & ENFO25	Other & Eliminations
Revenues	1 333 522	1 333 522	-
Cost of operations	(236 682)	(178 883)	(57 798)
Land rent	-	-	-
Insurance	(109 379)	(51 581)	(57 798)
Operation & Maintenance	(61 192)	(61 192)	-
Energeia operating costs	-	-	-
Other operations costs	(66 110)	(66 110)	-
Sales, General & Administration	(889 894)	(276 610)	(613 285)
Accounting, audit & legal fees	(154 388)	(45 767)	(108 621)
IMU tax	(12 898)	(12 898)	-
Energeia direct costs	(428 247)	(102 987)	(325 260)
Other administrative costs	(294 361)	(114 957)	(179 403)
Legal costs	(2 498 623)	(19 746)	(2 478 877)
Legal costs	(1 897 665)	(19 746)	(1 877 919)
Energeia legal costs	(600 958)	-	(600 958)
EBITDA	(2 291 678)	858 283	(3 149 960)

NOTE 09 SEGMENT INFORMATION

The Group owns and operates four solar PV power plants in Italy as of year-end 2021. EAM Solar Italy 1 and EAM Solar Italy 2 was sold during 2019, and only one business segment remains. The business is investing in and operating power plants that have similar economic characteristics.

During the year ended 31 December 2021 approximately EUR 864 thousand (2020: EUR 1 067 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 469 thousand (2020: EUR 195 thousand) of the Group's external revenue was derived from sales to an international commodities trading house for the market price contracts.

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)	2021	2020
Current taxes	31 026	12 282
Changes in deferred taxes	53 557	142 606
Correction for previous years tax	-	-
Total income tax expense	84 583	154 888
Income tax net income	84 583	154 888
Income tax other comprehensive income	-	-
Total income tax expense	84 583	154 888
Tax payable (EUR)	2021	2020
Tax payable for the year	(31 026)	(12 282)
Prepaid tax	31 026	12 282
Total payable tax	-	-
Temporary differences Norway		
Receivables	-	-
Intercompany interest	(4 956 160)	(4 551 901)
Total temporary differences	(4 956 160)	(4 551 901)
Tax losses carried forward	1 422 599	649 910
Tax losses carried forward not recognised as an asset	(1 422 599)	(649 910)
Basis for deferred tax	(4 956 160)	(4 551 901)
Deferred tax	(743 424)	(682 785)
Temporary differences Italy		
Tangible assets	51 623	51 623
Intangible assets	-	-
Leasing	293 632	351 696
Cash flow hedge	-	49 195
Total temporary differences	345 255	452 515
Tax losses carried forward	11 235 454	10 303 102
Tax losses carried forward not recognised as an asset	(11 235 454)	(10 300 845)
Basis for deferred tax asset	345 255	454 772
Deferred tax asset	82 863	109 147
Tax expense reconciliation (EUR)	2021	2020
Profit before tax	(3 689 749)	(18 119)
Corporation tax charge thereon at 22% (2019: 22%)	(811 745)	(3 986)
<i>Adjusted for the effects of:</i>		
Expenses not deductible for tax purposes	107 185	151 874
Gain from sale, not taxable	-	(369 704)
Change in temporary differences	23 597	29 639
Change in tax rates	-	-
Different tax rates in foreign jurisdictions	(203 543)	-
Change in tax loss not carried forward	934 609	255 058
Change in deferred tax	-	-
Withholding tax on intercompany interest	28 666	94 686
Adjustments to tax in respect of previous periods	-	-
Translation differences	-	-
Other minor items	5 814	(2 678)
Income tax expense for the year	84 583	154 888
<i>Effective tax rate</i>	<i>(2%)</i>	<i>(855%)</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 2021. There is no dilutive potential on the ordinary shares, so the earnings will be the same for both basic and diluted basis.

Earnings per share (EUR)	2021	2020
Profit for holders of ordinary shares	(3 774 332)	(173 007)
Basis for earnings per share	(3 774 332)	(173 007)
Earnings per share (EUR)	2021	2020
- Basic	(0.55)	(0.03)
- Diluted	(0.55)	(0.03)
Earnings per share in NOK ¹	2021	2020
Continued operation		
- Basic	(5.60)	(0.27)
- Diluted	(5.60)	(0.27)
Total shares outstanding at period end	6 852 210	6 852 210
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
¹ Average NOK/EUR exchange rate	10.165	10.721

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

2021 (EUR)	Solar power plants	Solar power plants under lease	Leashold improvements	Total
Carrying value 1 January 2021	1 584 568	5 168 528	346 840	7 099 936
Depreciation	(113 958)	(412 999)	(34 722)	(561 679)
Carrying value 31 December 2021	1 470 610	4 755 529	312 119	6 538 257
2020 (EUR)	Solar power plants	Solar power plants under lease	Leashold improvements	Total
Carrying value 1 January 2020	1 692 619	5 581 528	381 566	7 655 712
Depreciation	(108 051)	(412 999)	(34 726)	(555 776)
Carrying value 31 December 2020	1 584 568	5 168 528	346 840	7 099 936

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.

2021 (EUR)	Amount	2020 (EUR)	Amount
Plant and equipment - at cost	2 771 466	Plant and equipment - at cost	2 771 466
Less: Accumulated depreciation	(1 300 856)	Less: Accumulated depreciation	(1 186 898)
	1 470 610		1 584 568
Plant and equipment under lease	8 041 834	Plant and equipment under lease	8 041 834
Less: Accumulated depreciation	(3 286 305)	Less: Accumulated depreciation	(2 873 306)
	4 755 529		5 168 528
Leasehold improvements - at cost	503 869	Leasehold improvements - at cost	503 869
Less: Accumulated depreciation	(191 750)	Less: Accumulated depreciation	(157 029)
	312 119		346 840

Leasing

Total obligation	Contracts that were		Total
	Contracts identified as leases applying IFRS 16	previously identified as leases applying IAS 17	
ENS Solar One	80 915	4 099 749	4 180 664
Total obligation 31 December 2021	80 915	4 099 749	4 180 664
Long term obligation	Amount	Amount	Total
ENS Solar One	76 958	3 694 609	3 771 567
Total long term obligation 31 December 2021	76 958	3 694 609	3 771 567
Short term obligation	Amount	Amount	Total
ENS Solar One	3 957	405 140	409 097
Total short term obligation 31 December 2021	3 957	405 140	409 097

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 outflows

Year (EUR)	Amount
2022	697 000
2023	697 000
2024	697 000
2025	697 000
2026	697 000
After 2026	2 827 000
Total undiscounted lease liabilities at 31 December 2021	6 312 000

Summary of the lease liabilities	Contracts that were		Total
	Contracts identified as leases applying IFRS 16	previously identified as leases applying IAS 17	
At initial application 1 January 2021	84 872	4 484 432	4 569 304
New lease liabilities recognised in the year	-	-	-
Cash payments lease	(7 756)	(608 466)	(616 222)
Interest expense on lease liabilities	3 799	223 782	227 582
Disposal	-	-	-
Total lease liabilities at 31 December 2021	80 915	4 099 749	4 180 664

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
2022	112 000
2023	112 000
2024	112 000
2025	112 000
2026	112 000
After 2026	566 000
Total	1 126 000

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 at all times are in compliance with the prevailing rules and regulations.

Financial risk

The Group has different financial instruments; a) trade and other receivables and trade accounts payable, b) project finance (bank loan at amortised cost), c) leasing.

Credit risk

Under normal circumstances the risk for losses is considered to be low, as the counterparts will be sovereign states in Western Europe. 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 Group's 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 Group's 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 in order to support its business operations and the ongoing legal proceedings.

The financial statement is prepared on the basis of going concern. It is the board's opinion that the Group has sufficient liquidity for the next twelve months.

NOTE 16 TRADE RECEIVABLES

Trade and other receivables (EUR)	2021	2020
Accounts receivables	324	-
Deferred revenue towards GSE	754 696	646 593
Receivable from sale	3 062 910	5 350 917
Other receivables	1 632 406	1 881 686
Accounts receivables	5 450 336	7 879 195

A substantial amount of the receivable outstanding is the receivable from the sale of EAM Solar Norway Holding AS, at year end 2021 EUR 3.06 million. The agreement between Energeia and EAM has a clause regulating onward sales, If 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 final determination of the total sales price including capital gain will be established at the end of the warranty period of the sale by Energeia AS in 2022. The additional profit is at year end estimated to be EUR 1.80 million and is included in the EUR 3.06 million.

The receivable against GSE is mainly receivable for the incentive on ENFO 25 that has been suspended awaiting the outcome of the legal proceedings. Please see [note 4](#) for further information.

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	2021	2020
Cash Norway	20 970	45 245
Cash Italy	560 726	428 077
Seized cash in the period	-	-
Cash and cash equivalents	581 696	473 322
Restricted cash	443 422	370 285
Seized cash Italy	61 616	61 616

Restricted cash at year end 2021 is mainly related to the debt service reserve account of ENS 1. The seized cash of EUR 62 is taken from companies not included in the criminal proceedings. The Group had no undrawn credit facilities at 31 December 2021.

NOTE 18 SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

The 20 main shareholders as at 31 December 2021 are:

Shareholder	Shares	Ownership
SUNDT AS	1 054 580	15.4%
CANICA AS	886 762	12.9%
ENERGEIA AS	650 956	9.5%
MP PENSJON PK	276 283	4.0%
DNB LIVSFORSIKRING AS	269 086	3.9%
PARK LANE FAMILY OFFICE AS	237 300	3.5%
IMENES, ANDERS GRAVIR	225 929	3.3%
MELLEM NES INVEST AS	156 928	2.3%
AKA AS	125 000	1.8%
ALDEN AS	108 398	1.6%
NORDNET LIVSFORSIKRING AS	89 167	1.3%
NORDNET BANK AB	85 447	1.2%
SKJÆVELAND, ANDERS JOHNSEN	66 422	1.0%
BRUNSBICA AS	62 078	0.9%
VIRO AS	61 156	0.9%
JESEM AS	60 000	0.9%
VERPENTANGEN AS	52 950	0.8%
KM FORVALTNING AS	51 000	0.7%
HAUSTKOLLHOLMEN AS	50 000	0.7%
RO INVEST AS	50 000	0.7%
Total of the 20 main shareholders	4 619 442	67.4%

Share capital	1 Jan 2021	31 Dec 2021
No of shares	6 852 210	6 852 210
Nominal value (NOK)	10	10
Share capital	68 522 100	68 522 100

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 2021.

NOTE 19 DEBT

EUR	2021	2020
Other non current liabilities	343 887	393 083
Obligations under finance leases	3 771 567	4 180 849
Deferred tax	743 424	682 785
Total non-current liabilities	4 858 878	5 256 717
Trade payables	1 077 444	1 027 292
Other payables	523 354	264 688
Social security	7 860	7 104
Taxes other than income taxes	6 677	47 260
Accrued liabilities	4 661	75 445
Trade and other payables	1 619 996	1 421 789
Current leasing	409 097	388 455
Tax payable	-	-
<i>Related to ordinary operations</i>	<i>2 029 093</i>	<i>1 810 244</i>
Total current liabilities	2 029 093	1 810 244
Total liabilities	6 887 971	7 066 961

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, 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.

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.

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.

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 59 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

2021	Intangible assets
Carrying value 1 January 2021	10 501
Additions	-
Write downs	-
Depreciation	(700)
Disposals	-
Currency translation effect	-
Carrying value 31 December 2021	9 801

2020	Intangible assets
Carrying value 1 January 2020	11 201
Additions	-
Write downs	-
Depreciation	(700)
Disposals	-
Currency translation effect	-
Carrying value 31 December 2020	10 501

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**Criminal proceedings in Milan**

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 has been postponed due to sickness. A new hearing date has been set for 21 April and 22 April 2022. Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

Administrative Court Italy – ENFO 25

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.

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.

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.

The decree has not yet been passed into law.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

NOK	Note	2021	2020
Revenue	3	19 271 684	17 666 134
Total revenue	3	19 271 684	17 666 134
Personnel expenses	5, 11	(1 237 129)	(1 182 656)
Other operating expenses	4, 6, 11	(22 893 003)	(21 191 829)
Total operating expenses		(24 130 132)	(22 374 485)
Operating profit		(4 858 448)	(4 708 351)
Financial income and financial expense			
Interest income from group companies		4 097 794	4 088 999
Other interest income		60	2 319 449
Gain from sale of subsidiaries	6	-	18 015 837
Other financial income		2 593 165	23 171 133
Write down of long term investments and receivables	13	(14 852 797)	(27 271 968)
Other interest expense		(274)	(14 613)
Other financial expense		(9 312 427)	(18 196 635)
Net financial items		(17 474 479)	2 112 202
Profit before tax		(22 332 927)	(2 596 149)
Income tax gain/(expense)	7	(286 340)	(991 386)
Profit after tax		(22 619 267)	(3 587 535)
Attributable to			
Transferred from share premium		(22 619 267)	(2 597 669)
Transferred from other equity			(989 866)
Total Transfers	10	(22 619 267)	(3 587 535)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

NOK	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Financial assets			
Investment in subsidiaries	2, 13	1 044 924	1 044 924
Intercompany loan	8, 13	72 317 603	69 930 577
Other long term receivables		4 545 100	5 680 598
Total financial assets		77 907 627	76 656 099
Total non-current assets		77 907 627	76 656 099
Current assets			
Receivables			
Short term receivables group companies	13	4 382 436	2 153 017
Other current receivables	6	32 845 513	58 280 412
Total receivables	8	37 227 948	60 433 428
Cash and cash equivalents	9	209 467	473 727
Total current assets		37 437 415	60 907 155
TOTAL ASSETS		115 345 042	137 563 254
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital		68 522 100	68 522 100
Share premium		31 590 327	54 209 594
Total paid in capital		100 112 427	122 731 694
Other equity		-	-
Total retained earnings		-	-
Total equity	10	100 112 427	122 731 694
Liabilities			
Allowances for liabilities			
Deferred tax liabilities	7	7 425 914	7 139 574
Total allowances for liabilities		7 425 914	7 139 574
Current liabilities			
Trade payables		3 164 523	5 392 009
Public dues		259 742	249 485
Other current liabilities		4 382 436	2 050 493
Total current liabilities	8	7 806 701	7 691 987
Total liabilities		15 232 615	14 831 561
TOTAL EQUITY AND LIABILITIES		115 345 042	137 563 254

Oslo, 26 April 2022

Stephan L Jervell
Non-executive
director

Pål Hvammen
Non-executive
director

Ragnhild M Wiborg
Chair

Viktor E Jakobsen
CEO

PARENT COMPANY STATEMENT OF CASH FLOW

NOK	Note	2021	2020
Cash flow from operations			
Profit before income taxes		(22 332 927)	(2 596 149)
Gain/loss from sale of shares in subsidiaries		-	(18 015 837)
Impairment of financial assets	13	14 852 797	27 271 968
Change in trade creditors	8	(2 227 485)	(3 198 179)
Change in other provisions		8 590 371	15 533 646
Net cash flow from operations		(1 117 245)	18 995 450
Cash flow from investments			
Payment of short term loan/receivables		20 322 226	7 670 761
Change in intercompany balances		(19 469 242)	(44 432 828)
Purchase of shares and investments in other companies		-	18 015 837
Net cash flow from investments		852 984	(18 746 230)
Cash flow from financing			
Group contribution received		-	-
Net cash flow from financing		-	-
Exchange gains /(losses) on cash and cash equivalents			
Net change in cash and cash equivalents		(264 260)	249 220
Cash and cash equivalents at the beginning of the period		473 727	224 507
Cash and cash equivalents at the end of the period	9	209 467	473 727

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Contents

Note 01 Accounting principles	51
Note 02 Group entities	52
Note 03 Revenue	52
Note 04 Other operating expenses	52
Note 05 Salary and personnel expense	52
Note 06 Transactions with related parties	53
Note 07 Income taxes	53
Note 08 Liabilities and receivables	53
Note 09 Cash and cash equivalents	54
Note 10 Equity	54
Note 11 Operational costs breakdown	54
Note 12 Subsequent events	54
Note 13 Subsidiaries and intercompany balances	55
Note 14 Provisions	55

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 Bryggetorget 7, NO-0250 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 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 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 also to choose an appropriate discount rate in order 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 on the basis of 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) as a result 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 GROUP ENTITIES

See [note 3](#) in the consolidated accounts and [note 13](#).

NOTE 03 REVENUE

By business area (NOK)	2021	2020
Management services to subsidiaries	19 271 684	17 666 134
Net revenue	19 271 684	17 666 134

Geographical distribution	2021	2020
Norway	-	-
Italy	19 271 684	17 666 134
Net revenue	(19 271 684)	(17 666 134)

NOTE 04 OTHER OPERATING EXPENSES

Specification auditor's fee (NOK)	2021	2020
Statutory audit	395 908	501 450
Tax consultant services	55 925	-
Other assurance services	58 981	67 683
Other services	33 247	390 332
Other services from RSM Advokat AS	70 000	-
Other services RSM Luxembourg	-	192 179
Total	614 061	1 151 644

VAT is not included in the fees specified above.

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

NOTE 05 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 2021:

- Ragnhild Märta Wiborg (chair)
- Pål Hvammen (non-executive director)
- Stephan Lange Jervell (non-executive director)

The CEO in 2021, 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.

Ragnhild Märta Wiborg, has received in 2021 NOK 462 500 in remuneration for her work as Chair. Stephan Lange Jervell has received NOK 282 500 in 2021 which was invoiced directly to Wiersholm. Pål Hvammen received NOK 282 500 in 2021. At year end 2021 Ragnhild Märta Wiborg held directly or through companies she controls 3 765 shares in EAM Solar ASA. No shares were held by other directors or CEO.

Nomination committee year-end 2021:

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

Leiv Askvig has received in 2021 NOK 25 750 in remuneration for his work as chair of the Nomination Committee. Nils Erling Ødegaard and Georg Johan Espe each received NOK 15 500 in 2021 in remuneration for their work as members of the Nomination Committee.

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.

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 in order 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 is estimated to be NOK 70.9 million at year-end 2021.

The final determination of the total sales price including capital gain will be established at the end of the warranty period of the sale by Energeia AS in 2022.

In 2021 Energeia direct costs of the management of the parent Company was NOK 8.6 million. (2020: NOK 8.6 million). Approximately NOK 6.1 million of the direct costs charged in 2021 was related to extraordinary costs incurred due to the legal processes in conjunction with the P31 fraud.

Energeia AS ownership

Company/owner	Ownership	Person	Position year-end 2021
Jakobsen Energeia AS	26.28%	Viktor E Jakobsen	Chief Exececutive Officer of EAM Solar ASA
Sundt AS	26.28%	Family office	Shareholder of EAM Solar ASA
Naben AS	14.45%	Audun W Iversen	Shareholder of EAM Solar ASA
Canica AS	6.96%	Family office	Shareholder of EAM Solar ASA
Chold AS	9.07%	Christian Hagemann	Acting Chief Operating Officer of EAM Solar ASA
Jemma Invest AS	5.00%	Jarl Egil Markussen	Acting Chief Administrative Officer of EAM Solar ASA
Others	11.96%		

NOTE 07 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 expense (NOK)	2021	2020
Tax payable	-	-
Changes in deferred tax	286 340	991 386
Change as a result of sale of subsidiaries	-	-
Income tax expense	286 340	991 386
Tax base calculation	2021	2020
Profit before income tax	(22 332 927)	(2 596 149)
Permanent differences	14 852 797	9 261 722
Tax base	(7 480 130)	6 665 573
Temporary difference	2021	2020
Intercompany interest	(49 506 093)	(47 597 160)
Tax losses carried forward	(14 210 056)	(6 729 926)
Total temporary difference	(63 716 149)	(54 327 086)
Tax losses carried forward not recognised as an asset	14 210 056	6 729 926
Total	(49 506 093)	(47 597 160)
Deferred tax	7 425 914	7 139 574

NOTE 08 LIABILITIES AND RECEIVABLES

Receivables (NOK)	2021	2020
Short term receivables group companies	4 382 436	2 153 017
Other current receivables	32 845 513	58 280 412
Total receivables	37 227 948	60 433 428
Liabilities (NOK)	2021	2020
Trade payables	3 164 523	5 392 009
Tax payables	-	-
Social security	78 510	74 385
Advance tax withholdings	181 232	175 100
Other current liabilities group companies	-	-
Other current liabilities	4 382 436	2 050 493
Total liabilities	7 806 701	7 691 987

Receivables (NOK) falling due after one year	2021	2020
Intercompany loan	72 317 603	69 930 577
Total receivables falling due after one year	72 317 603	69 930 577

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 09 CASH AND CASH EQUIVALENTS

NOK	2021	2020
Cash	26 809	297 237
Restricted cash	182 658	176 490
Cash and cash equivalents	209 467	473 727

The Company had no credit facilities at 31 December 2021.

NOTE 10 EQUITY

The 20 main shareholders as at 31 December 2021 are:

Shareholder	Shares	Ownership
SUNDT AS	1 054 580	15.4%
CANICA AS	886 762	12.9%
ENERGEIA AS	650 956	9.5%
MP PENSJON PK	276 283	4.0%
DNB LIVSFORSIKRING AS	269 086	3.9%
PARK LANE FAMILY OFFICE AS	237 300	3.5%
IMENES, ANDERS GRAVIR	225 929	3.3%
MELLEM NES INVEST AS	156 928	2.3%
AKA AS	125 000	1.8%
ALDEN AS	108 398	1.6%
NORDNET LIVSFORSIKRING AS	89 167	1.3%
NORDNET BANK AB	85 447	1.2%
SKJÆVELAND, ANDERS JOHNSEN	66 422	1.0%
BRUNSBICA AS	62 078	0.9%
VIRO AS	61 156	0.9%
JESEM AS	60 000	0.9%
VERPENTANGEN AS	52 950	0.8%
KM FORVALTNING AS	51 000	0.7%
HAUSTKOLLHOLMEN AS	50 000	0.7%
RO INVEST AS	50 000	0.7%
Total of the 20 main shareholders	4 619 442	67.4%

Share capital 2021	No of shares	Nominal value	Share capital
Ordinary shares outstanding	6 852 210	10	68 522 100

NOK	Share capital	Share premium	Other equity	Total equity
Equity as at 1 Jan 2021	68 522 100	54 209 594	-	122 731 694
Profit (loss) after tax		(22 619 267)	-	(22 619 267)
Equity as at 31 Dec 2021	68 522 100	31 590 327	-	100 112 427

NOTE 11 OPERATIONAL COSTS BREAKDOWN

NOK	2021	2020
Revenues	19 271 684	17 666 134
Cost of operations	(587 509)	(398 654)
Insurance	(587 509)	(398 654)
Sales, General & Administration	(6 232 342)	(7 648 192)
Personnel expenses	(1 237 129)	(1 182 656)
Accounting, audit & legal fees	(614 062)	(959 465)
Financial & tax fees	(488 013)	(513 787)
Energeia direct costs	(2 459 378)	(3 761 031)
Other administrative expenses	(1 433 760)	(1 231 253)
Legal costs	(17 310 280)	(14 327 639)
Litigation costs	(11 201 659)	(9 494 357)
Energeia legal costs	(6 108 621)	(4 833 282)
EBITDA	(4 858 448)	(4 708 351)

NOTE 12 SUBSEQUENT EVENTS**Criminal proceedings in Oslo**

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 has been postponed due to sickness. A new hearing date has been set for 21 April and 22 April 2022. Oslo District Court will, following the hearing, decide if the fraud charges shall go to main trial proceedings or be rejected.

Administrative Court Italy – ENFO 25

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.

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.

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.

The decree has not yet been passed into law.

NOTE 13 SUBSIDIARIES AND INTERCOMPANY BALANCES

Subsidiaries	Office	Ownership /Vote	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	2021	2020
Accounts receivables	4 382 436	2 153 017
Long term receivables	140 659 693	147 773 814
Accumulated write-downs of long term receivables	(68 342 090)	(77 843 237)
Total receivables	76 700 039	72 083 593
Write-down during the period	(14 852 797)	(27 271 968)

Liabilities	2021	2020
Other current liabilities	-	-
Long term liabilities	-	-
Total liabilities	-	-

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 4.84 per cent.

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, 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.

No provisions are made in the accounts on this matter.

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 Srl
MWh	3 954	5 792			

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 2021 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, 26 April 2022

Stephan L Jervell
*Non-executive
director*

Pål Hvammen
*Non-executive
director*

Ragnhild M Wiborg
Chair

Viktor E Jakobsen
CEO

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

To the General Meeting of EAM Solar ASA

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 22 619 267 in the financial statements of the parent company and a loss of EUR 3 774 332 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 2021, 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 2021, 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 a summary of significant accounting policies.

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 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations 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 5 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 18 May 2021.

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.

Independent Auditor's Report 2021 for EAM Solar ASA



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.

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 19 and 22, and the Board of Directors' report, is consistent with the assessments performed by management.

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 legal requirements.

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

Independent Auditor's Report 2021 for EAM Solar ASA



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements 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 and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. 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.

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 or 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 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.

Independent Auditor's Report 2021 for EAM Solar ASA



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

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

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

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name EAM-SOLAR-ASA-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 26 April 2022
RSM Norge AS

A handwritten signature in blue ink, appearing to read 'Lars Løyning'.

Lars Løyning
State Authorised Public Accountant

ESEF DATA

Name of reporting entity or other means of identification	EAM Solar ASA
Domicile of entity	Norway
Legal form of entity	ASA
Country of incorporation	Norway
Address of entity's registered office	Bryggetorget 7, 0250 Oslo
Principal place of business	Norway
Description of nature of entity's operations and principal activities	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.

EAM SOLAR ASA

Bryggetorget 7
NO-0250 Oslo
NORWAY

Phone: +47 916 110 09
E-mail: viktor@eam.no
Web: www.eam.no