



NORSK
RENEWABLES

Q1 2024

Financial Report



Dear Shareholders,

The first quarter of 2024 has been one of critical reassessment and decisive action to ensure the future growth and sustainability of Norsk Renewables AS.

Norsk Renewables is pleased to have been able to raise equity through the private placement and the subsequent offering. The company aims to direct a significant portion of its focus, resources, and capital towards the development of the significant project pipeline in South Africa, while at the same time completing the construction in Brazil.

As stated previously, the company will consider sale of operating assets with the aim of reallocating capital to the South African operations. Given the size of the project portfolio in South Africa, the company foresees that near term project investments will be focused on South Africa only. Furthermore, the company will continue its focus on decreasing its operational expenses in order to maximize the value creation of the available capital.

To enhance our investor attractiveness, we will adjust our geographical footprint and build a growth pipeline in markets more strategically aligned with capital market interests. We are committed to implementing the necessary changes to navigate these challenging times and position Norsk Renewables for future growth.

Our reallocation of capital and strategic adjustment of market focus reflects our commitment to maximizing value for our stakeholders in the long term. By focusing on the South Africa project pipeline and completing our existing pipeline, we are poised for growth.

Your support is invaluable as we embark on these strategic initiatives. Although 2024 was off to a challenging start, our pipeline and backlog projects are maturing. We are committed to our disciplined growth plan, and I would like to thank our team for their valuable efforts this quarter.

Thank you for your continued trust and investment in Norsk Renewables.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Torbjørn E. Kirkeby-Garstad', with a stylized flourish at the end.

Torbjørn Elliot Kirkeby-Garstad

CEO, Norsk Renewables AS

Financial summary Q1 2024

– Norsk Renewables Q1 Financial Report

Consolidated statement of profit & loss

Group profit in Q1 shows a loss of NOK 8,5 million. This is an improvement of NOK 9,6 million as compared to the same period in 2023, resulting from higher revenue from project development services, as well as reduced operating costs.

EBITDA for Q1 was minus NOK 8,6 million compared to minus NOK 17,8 million in the same period last year.

Revenue

During Q1 of 2024, revenue consisted mainly of income from project development services as well as the sale of power derived from the Semypolky plant in Ukraine.

The plant in Ukraine is fully operational, but the situation remains challenging. The plant is affected by lower receipts on invoiced revenues, although an increasing share of invoices has been paid in recent months. As a continued precautionary measure for the time being, Norsk Renewables writes off the

outstanding accounts receivable from the Ukrainian plant.

Operating expenses

Total operating expenses in Norsk Renewables consists mainly of personnel expenses and other operating expenses.

In 2022, Norsk Renewables received a grant from Norad for up to NOK 20 million to help support our development work in South Africa and Vietnam. The coverage period is 2022 – 2024 and the grants are booked as cost reductions in the relevant period.

Total operating expenses was NOK 19,6 million, a decrease of NOK 2,6 million from Q1 2023.

Financial items

Net financial income amount to NOK 2,4 million in Q1 2024 compared to NOK 2 million the same period last year.

Consolidated statement of financial position

– Norsk Renewables Q1 Financial Report

Fixed assets

Reduction of fixed assets in Q1 is mainly related to the sale of Origo 2 to Nordic Impact Corporation (NIC) and depreciations. The changes in PP&E includes currency translation changes.

Total current assets

Decrease in current assets since Q1 2023 is mainly due to the received repayment of previous loans to associated companies.

Total shareholder equity

Net equity is reduced by the loss in 2024 and translation effects.

Total liabilities

Current liabilities are increased by drawdowns from the NOK 100 million credit facility at Sparebank1 SR-Bank which expires in December 2024.

Subsequent events

In April 2024, the general assembly of Norsk Renewables voted to approve a capital increase, firstly through a private placement and subsequently through authorising the Board of Directors to carry out a repair issue. The total capital raised was NOK 40 million.

Condensed interim financial information

– Norsk Renewables Q1 Financial Report

Norsk Renewables AS Consolidated financial statement Profit and loss statement

<i>NOK 1000</i>	Note	Q1 2024 Unaudited	Q1 2023 Unaudited	FY 2023 Audited
Operating revenue and operating expenses				
Revenue	3	8 648	2 019	15 541
Other operating income		0	0	56
Total operating revenue		8 648	2 019	15 598
Cost of goods and services				
Cost of goods and services	3	0	0	0
Salaries and adm. expenses		8 636	10 077	38 669
Depreciation	4	2 307	2 294	9 653
Impairment	5	0	0	0
Other operating expenses	5	8 573	9 711	27 994
Total operating expenses		19 517	22 082	76 315
Operating profit/(loss)		-10 868	-20 063	-60 718
Financial income and financial expenses				
Interest received		152	1 714	2 500
Other financial income		2 304	2 067	275
Income/Loss from associates	8	2 515	0	-5 735
Interest expenses		-2 544	-1 268	-5 787
Other financial expenses		-51	-537	-1 707
Net financials		2 375	1 975	-10 454
Profit/(loss) before taxation		-8 493	-18 087	-71 172
Income tax expense		4	3	56
Profit/(loss) for the financial year		-8 497	-18 090	-71 228
Net profit/(loss) for the year attributable to:				
Owners of the parent company	11	-6 097	-16 652	-68 400
Non-controlling interests	11	-2 400	-1 439	-2 828
		-8 497	-18 090	-71 228

Interim consolidated balance sheet

– Norsk Renewables Q1 Financial Report

Norsk Renewables AS Consolidated financial statement Balance sheet

<i>NOK 1000</i>		31 Mar 2024	31 Mar 2023	31 Dec 2023
	Note	Unaudited	Unaudited	Audited
Assets				
Non-current assets				
Property, plant and equipment	4	8 134	17 365	44 944
Intangible assets		467	174	393
Investments in subsidiary companies	7	0	0	0
Investments in associated companies	8	74 141	52 205	46 141
Investments in shares		14 667	14 667	14 667
Total non-current assets		97 408	84 411	106 145
Current assets				
Inventories		153	156	150
Trade receivables		6 496	9 975	5 212
Other receivables		11 406	9 834	9 183
Loan to associated company		0	20 601	0
Cash and bank balances	9	30 527	14 550	18 072
Total current assets		48 581	55 117	32 617
Total assets		145 990	139 529	138 762

Interim consolidated balance sheet

– Norsk Renewables Q1 Financial Report

Norsk Renewables AS Consolidated financial statement Balance sheet

<i>NOK 1000</i>	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
		Unaudited	Unaudited	Audited
Shareholders equity and liabilities				
Capital and reserves				
Paid-in equity				
Share capital	10	758	758	758
Share capital - not registered	11	0	0	0
Share premium reserves	11	76 426	117 021	76 426
Total paid-in capital		77 185	117 779	77 185
Retained earnings				
Retained earnings	11	-64 311	-43 492	-55 403
Total retained earnings		-64 311	-43 492	-55 403
Equity attributable to owners of the parent company				
		19 001	76 933	25 432
Non-controlling interests	11	-6 127	-2 646	-3 650
Total shareholders equity		12 873	74 288	21 781
Non-current liabilities				
Non-current liabilities	6	42 077	42 416	44 474
Total non-current liabilities		42 077	42 416	44 474
Current liabilities				
Debt to financial institutions	6	79 933	6 591	49 893
Trade liabilities		3 337	5 442	11 162
Social security, VAT and similar public debt		1 218	1 400	4 492
Tax payable		23	24	32
Other current liabilities		6 527	9 368	6 928
Total current liabilities		91 039	22 825	72 507
Total liabilities		133 116	65 241	116 980
Total shareholders equity and liabilities		145 990	139 529	138 762

Interim consolidated cash flow statement

– Norsk Renewables Q1 Financial Report

Norsk Renewables AS Consolidated statement of cash flows

<i>NOK 1000</i>		YTD 2024	FY 2023
	Note	Unaudited	Audited
Cash flows from operating activities:			
Net profit (- loss) for the period		-8 493	-71 172
Adjustments for:			
Depreciation and amortization changes	4	2 307	9 653
Impairment charges		0	0
Income / Loss from associates	8	-2 515	5 735
Change in inventories		-3	0
Change in trade and other receivables		-3 507	49 415
Change in trade and other payables		-11 098	7 791
Change in accrued expenses, other current liabilities and currency		-591	8 067
Cash from operating activities		-23 899	9 490
Taxes paid		0	-59
Net cash from operating activities		-23 899	9 431
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment	4	-74	-36 223
Net payments for purchase of shares	8	-25 909	-15 579
cash from sale of property, plant and equipment		35 301	0
Cash from long term receivables		0	0
Net cash from investing activities		9 319	-51 803
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt conversion			
Capital increase	11	0	4
Cash from transaction with non-controlling interests		0	0
Proceeds / repayment short term loans		30 000	5 284
Proceeds / repayment of long-term loans		-2 966	10 720
Net cash from financing activities		27 034	16 008
Net change in cash and cash equivalents		12 454	-26 364
Cash and cash equivalents at beginning of the year		18 072	44 436
Cash and cash equivalents at end of period	12	30 527	18 072

Notes to the consolidated financial statements

Note 1 – Corporate information

Norsk Renewables AS was founded in 2017 and is incorporated and domiciled in Norway. The address of its registered office is Haakon VII's gate 8, NO-4005 Stavanger, Norway.

Norsk Renewables AS ("the company"), its subsidiaries and investments in associated companies ("the Group"), develops solar power plants with a long-term build-own-operate ("BOO") strategy for utility-scale and corporate off-takers in high growth markets.

The company is listed on the stock exchange Euronext Growth in Oslo under the ticker "NSOL".

The consolidated financial statements for the first quarter of 2024 were authorized for issue in accordance with a resolution by the Board of Directors on May 29th, 2024.

Note 2 – Accounting principles

These condensed interim consolidated financial statements are prepared in accordance with recognition and measurement principles consistent with Norwegian Accounting Act and generally accepted accounting principles in Norway. These condensed interim consolidated financial statements are unaudited. They are condensed and do not include all information, and notes required by the Norwegian Accounting Act and generally accepted accounting principles in Norway for a complete set of consolidated financial statements.

The presentation currency of the Group is Norwegian kroner (NOK).

These condensed interim consolidated financials should be read in conjunction with the annual consolidated financial statements for 2023.

Note 3 – Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time in the following major areas of operations.

NOK 1000

Per area of operation:	Q1 2024	Q1 2023	2023
Solar Energy	1 792	1 790	14 621
Government grant	0	0	0
Other / Service	6 856	229	976
Total	8 648	2 019	15 598

Per geographic market:	Q1 2024	Q1 2023	2023
Norway	6 856	229	920
Europe	1 792	1 790	14 565
Asia	0	0	0
Total	8 648	2 019	15 485

Note 4 – Property, plant and equipment

The changes in PP&E in Q1 are mainly due to the sale of Origo 2 to NIC AS which reduce PP&E with NOK 35,3 million. Up until 31 March 2024, Property, Plant and Equipment (PP&E) have been affected by depreciation expenses of NOK 2,3 million, and it also includes currency translation changes.

Note 5 – Impairment

The situation in Ukraine per end of March 2024 continue to remain very challenging and the outcome of the situation and the impact on the assets in Ukraine remains highly uncertain. There has been no damage to the plant in Ukraine and it is still fully operating. We cannot see any factors which have altered our impairment test done in Q2 2022.

The Group has considered the Trade Receivables related to the offtaker of the solar plant in Semypolky. The payment received from the Ukrainian off-taker has increased to 76% of the revenues generated on the defined Feed-in-Tariff for the asset in 2023. For the time being, Norsk Renewables continues its cautious approach and recognizes a credit loss provision for the full amount of unpaid invoices. These are reversed upon payments received. This results in an additional impairment of NOK 2.3 million being booked as Other operating expenses in the first quarter of 2024.

Note 6 – Financing

On February 13, 2023, Norsk Solar secured a NOK 100 million debt facility from Sparebank1 SR-Bank. This replaced the previous NOK 50 million facility from the bank. Changes in non-current and liabilities YTD are recognized by the repayment of the NOK 2,4 million. Current liabilities are increased by drawdowns of 30 million on the NOK 100 million debt facility in relation to project developments. The maturity date for the bridge financing is December 2024.

Non-current liabilities consist of non-recourse financing from NEFCO in connection to the construction of the solar plant in Semypolky, Ukraine. The maturity date for the non-recourse finance is December 2029.

Non-current liabilities also consist of loan to Innovasjon Norge. As at end Q1 2024, the company was in breach of a covenant in relation to this facility. The company has received a waiver from Innovasjon Norge for this breach.

Debt to financial institutions classified as current liabilities per 31 March, consists of loan repayments to NEFCO and Innovasjon Norge that are due within one year, and also loan from Sparebank1 SR-Bank.

Note 7 – List of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Subsidiary	Country of incorporation	Mar 31, 2024 Interest/voting power	Dec 31,2023 Interest/voting power
Norsk Solar Nicaragua	Nicaragua	99,0%	99,0%
Semypolky Solar Ltd	UK	64,3%	64,3%
Semypolky Solar LLC	Ukraine	45,0%	45,0%
Semypolky Solar 2 LLC	Ukraine	45,0%	45,0%
Norsk Solar EPC AS	Norway	100,0%	100,0%
Norsk Solar Hungary kFT	Hungary	51,0%	51,0%
Norsk Solar Brasil Ltda.	Brasil	100,0%	100,0%
Norsk Solar Ukraine LLC	Ukraine	0,0%	0,0%
Norsk Solar Maldives PVT Ltd	Maldives	0,0%	0,0%
Norsk Solar South Africa (PYT) Ltd.	South Africa	100,0%	100,0%
Norsk Solar AS Vietnam Ltd Company	Vietnam	100,0%	100,0%
Norsk Solar Spain S.L.	Spain	100,0%	100,0%
Norsk Solar Brasil 2 S.A	Brasil	0,0%	100,0%
UFV MG V EF LTDA	Brasil	0,0%	100,0%
UFV MG XXIV EF LTDA	Brasil	0,0%	100,0%
UFV MG XXXII EF LTDA	Brasil	0,0%	100,0%

Interest/voting power in indirectly held subsidiaries are shown with interest/voting power adjusted for ownership percentage via subsidiary.

Norsk Renewables AS has 64.3% ownership in Semypolky Solar Ltd, which again has 70% ownership in Semypolky Solar LLC and Semypolky Solar 2 LLC. In this way Norsk Renewables AS has a controlling interest in Semypolky Solar LLC and Semypolky Solar 2 LLC, and the companies are included in the consolidated financial statements.

Norsk Solar Ukraine LLC and Norsk Solar Maldives was liquidated in 2023.

The process of liquidating Norsk Solar Nicaragua is still under progress.

The sale of Norsk Solar Brasil 2 S.A. to Nordic Impact Cooperation AS was completed as of March 2024, and includes UFV V, XXIV and XXXII.

Note 8 – Interest in associated companies

The consolidated financial statements include the Group's share of profit/loss from associated companies where the Group has significant influence, accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for further investments, distributions, and the Group's share of the net income from the net investment.

The company decided on a capital increase in the first quarter of 2024 to support the investments in Brasil. These were registered in Brønnøysund on 24 April 2024.

Associated company	Country of incorporation	Mar 31,2024 Interest/voting power	Dec 31,2023 Interest/voting power
Nordic Impact Cooperation AS	Norway	33.92%	33.92%

Associated company, Mar 31, 2024 100%	EBIT	Net profit	Total Assets	Total Equity
Nordic Impact Cooperation Group	4 155	7 381	430 092	220 710

*NIC Group consists of Nordic Impact Cooperation AS, and its wholly owned subsidiaries Norsk Solar Vietnam Ltd. (UK), Norsk Solar Vietnam Co. Ltd (Vietnam), Norsk Solar Brasil 1 S.A. (Brasil), UFV MG XXVI EF LTDA (Brasil), UFV MG XXVII EF LTDA (Brasil), UFV MG XXVIII EF LTDA (Brasil), UFV MG XXX EF LTDA (Brasil), UFV MG XXXIV EF LTDA (Brasil) and UFV MG XXXV EF LTDA (Brasil). As of March 2024, NIC group also consists of Norsk Solar Brasil 2 S.A. (Brasil) UFV MG V EF LTDA (Brasil), UFV MG XXIV EF LTDA (Brasil) and UFV MG XXXII EF LTDA (Brasil)

Note 9 – Cash and cash equivalents

	Mar 31, 2024	Dec 31, 2023
Short-term bank deposits	30 527	18 072
Cash and cash equivalents in the cash flow statement	30 527	18 072
Bank deposits for employee tax withholding	630	883

Note 10 – Share capital and shareholders information

	Number of shares authorised	Number of shares issued and fully paid	Nominal value per share	Carrying amount
Dec 31, 2023	75 825 262	75 825 262	0,0100	758 253
March 31, 2024	75 825 262	75 825 262	0,0100	758 253

Top 10 largest shareholders in %:

	31 March, 2024		31 December, 2023	
	Number of shares	Owner interest	Number of shares	Owner interest
Valinor AS	40 253 821	53,1 %	40 253 821	53,1 %
Pictet & Cie (Europe) S.A.	4 978 194	6,6 %	4 978 194	6,6 %
BERKER GROUP AS	4 000 000	5,3 %	4 035 000	5,3 %
AEGA ASA	3 989 170	5,3 %	3 989 170	5,3 %
FREMT AS	3 003 000	4,0 %	4 027 145	5,3 %
NORDIC ESG AND IMPACT INFRASTRUCT	2 631 578	3,5 %	2 631 578	3,5 %
RØROS KOBBERVERK AS	2 448 120	3,2 %	2 448 120	3,2 %
CACEIS Bank	1 590 536	2,1 %	1 590 536	2,1 %
AUSTAVIND AS	1 102 631	1,5 %	1 102 631	1,5 %
HELGØ INVEST AS	1 000 000	1,3 %	1 000 000	1,3 %
Other top-20 holdings with shares less than 1 %	4 169 228	5,5 %	3 844 175	5,1 %
Total	69 166 278	91,2 %	69 900 370	92,4 %
Total other	6 658 984	8,8 %	5 924 892	7,8 %
Total number of shares	75 825 262	100 %	75 825 262	100 %

Røros Kobberverk AS is owned by Chairman of the Board.

Note 11 – Equity

	Share capital	Share capital unregistered	Share premium	Retained earnings	Equity attributable to parent	Minority Interest	Sum
Balance December 31, 2022	758	0	76 425	-55 403	25 432	-3 650	21 781
Profit (Loss) for the period	0	0	0	-8 497	-6 097	-2 400	-8 497
Translation differences	0	0	0	-412	-334	-77	-412
Registration of previous capital increase	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0
Total	758	0	76 425	-64 311	19 001	-6 127	12 873

Note 12 – Subsequent events

In April 2024, the general assembly of Norsk Renewables voted to approve a capital increase, firstly through a private placement and subsequently through authorising the Board of Directors to carry out a repair issue. On April 2nd the company's share capital was increased with NOK 1 208 952,99 with issuance of 120 895 299 new shares. The total subscription amount was NOK 36 268 589,70 of which NOK 35 059 636,71 is booked as share premium. On April 22nd the company's share capital was increased with NOK 123 851,43 with issuance of 12 385 143 new shares. The total subscription amount was NOK 3 715 542,9 of which NOK 3 591 691,47 is booked as share premium.



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Organization number 819 113 912

Executive Management team

Torbjørn E. Kirkeby-Garstad	CEO
Christine Mork	CFO
Trond Debes	EVP Strategy and General Counsel
Rafael Cola	EVP Commercial
Ingrid Sara Amundsgård	EVP Sustainability, HSE and Communications
Sandra Holstad	EVP People and Culture
Pedro Jose Alonso	EVP Execution and O&M

Extended Management team

Mauro Benedetti	Country Manager, Brazil
Ramon Tavenor	Country Manager, South Africa

Information source: www.norskrenewables.com/investor-relations/

Financial Calendar 2024

30.05.2024	Annual report 2023 & Quarterly Report Q1 2024
26.06.2024	Annual General Meeting
29.08.2024	Quarterly Report Q2 2024
28.11.2024	Quarterly Report Q3 2024