



**NORSK
SOLAR**

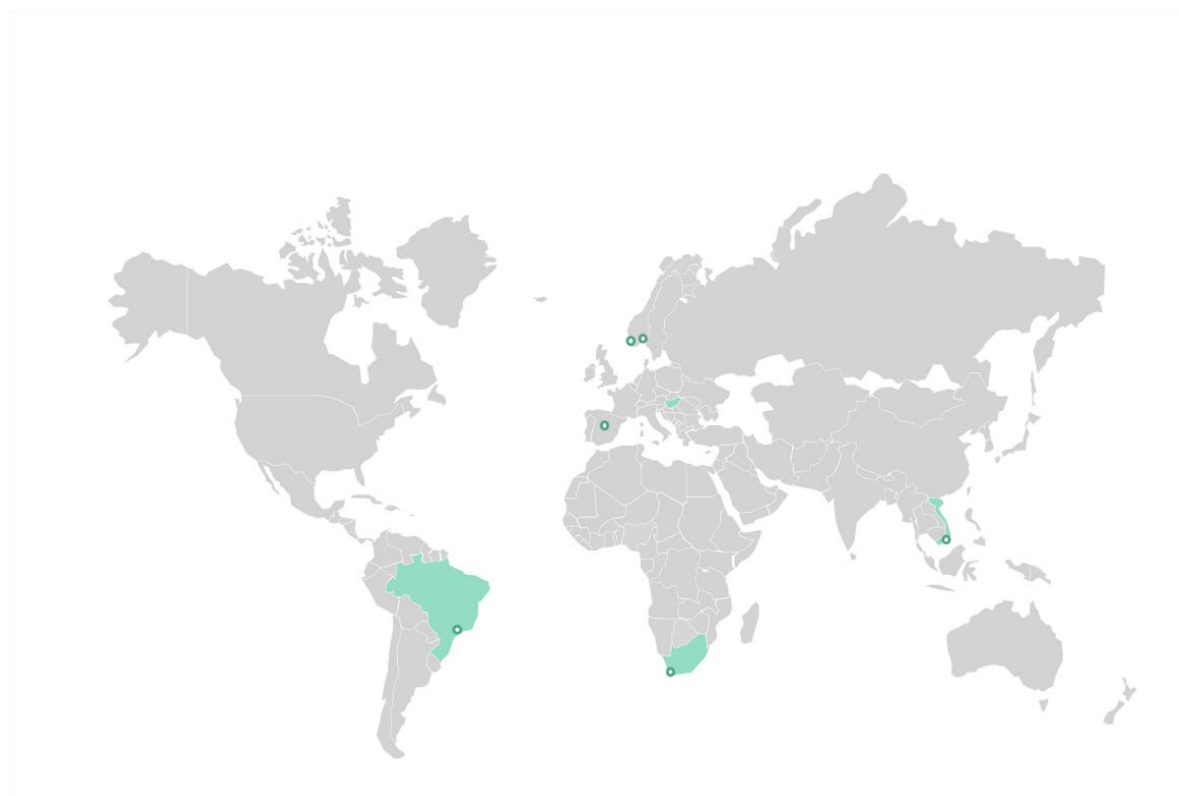


Q1 Financial Report 2023

Norsk Solar in brief

Norsk Solar is an independent solar power producer, established in 2017 in Stavanger, Norway. Norsk Solar currently has approx. 40 employees located in Norway, Spain, South Africa, Vietnam and Brazil. Norsk Solar AS is listed on the Euronext Growth Oslo stock exchange under the ticker NSOL.

Markets — Norsk Solar Group Q1 Financial Report



Vietnam

Total in operation: 11 MW

In Q1 our assets in Vietnam produced 2 429,8 MWh, an increase from 807,6 last Q1 2022. Production was in accordance with seasonal irradiance expectations, supported by a well-functioning O&M and Asset Management team.

Brazil:

Total construction 18 MW

Total under development 19 MW

The construction of the 18 MW solar portfolio for Órigo Energia progresses as planned.

South Africa

The continuous acute energy crisis in South Africa has led to major government incentives for private energy developers and we are exploring several opportunities.

Ukraine

The Semypolky solar plant in Ukraine produced 987 MWh during Q1 2023, compared to 817 MWh during Q1 2022. While no damage is done to the plant, there are curtailments to both production and revenue. Norsk Solar pays special attention to domestic workers at the site and is relieved that there have not been incidents at the plant that have caused harm to any individuals.

Pakistan

The Gharo plant in Pakistan, where Norsk Solar owns 10%, generated 26 577 MWh in Q1 2023, compared to 26 117 in Q1 2022.

Financial summary Q1 2023

– Norsk Solar Q1 Financial Report

Consolidated statement of profit & loss

Group profit in Q1 was negative NOK 17.4 million. Compared to the same period in 2022 this is a decrease in loss of NOK 5.2 million. Part of the reduction is due to the recognized impairment of NOK 9.5 million of the Semypolky plant in Q1 2022. Some of the reduction is offset by higher operational costs due to organizational growth and timing of costs. Net financial expense is positive NOK 2.7 million, compared to negative NOK 2.5 million in Q1 2022. This is mainly related to interests received and currency effects, but also income from associates. EBITDA for the quarter was negative NOK 17.8 million compared to a negative EBITDA of NOK 17.5 million in the same period last year.

Revenue

The company derives its income from sale of solar power under long-term power purchase agreements, as well as management and development services to associated companies. In the consolidated financial statements these sources are shown under revenue and income from associates. During Q1 of 2023, the revenue consisted mainly of the sale of power derived from the Semypolky plant in Ukraine, as well as management fees. Ongoing curtailment at the Semypolky plant due to the war in Ukraine has continued to affect the production negatively.

In 2022 Nordic Impact Cooperation became an associated company of Norsk Solar AS, also making Norsk Solar Vietnam Co Ltd an associated company. The sale of solar energy from our operations in Vietnam is thus accounted for through income from associates, rather than revenue as in Q1 2022.

Operating expenses

Salaries increased with NOK 3.1 million compared to Q1 2022, as the organization has increased both on HQ and country level.

Other operating expenses increased with NOK 7.2 million. NOK 4.5 million is explained by increased costs to other third-party services and legal assistance related to development activities. Other increases relate to the timing of audit cost, increased travel expenses and operating expenses followed by a growth in the organization.

Total operating expenses increased by NOK 0.3 million, as the increase is offset by the impairment of the Semypolky plant that was recognized in Q1 2022.

Financial items

Financial income increased by NOK 5.2 million in Q1 2023 compared to the same period last year, mainly due to interest received of NOK 1.7 million and currency gains of net NOK 2.1 million.

Consolidated statement of financial position

– Norsk Solar Q1 Financial Report

Fixed assets

Reduction of fixed assets in Q1 is related to depreciations. The changes in PP&E includes currency translation changes.

Total current assets

Decrease in trade and other receivables is mainly due to the received repayment of previous loans to associated companies, and this is further reversed as at the time of this reporting.

Cash and cash equivalents decreased due to the repayment of debt facility, planned company growth and two capital increases in Nordic Impact Cooperation AS to support construction of Origo I Brasil.

Total shareholder equity

Net equity is reduced by the loss in Q1 2023 and translation effects.

Total liabilities

Other long-term liabilities are increased by two drawdowns of the NOK 100 million credit facility at Sparebank 1 SR-Bank.

Current liabilities are mainly reduced by the repayment of the outstanding on the NOK 50 million credit facility at Sparebank 1 SR-Bank.

Subsequent events

On 16 May, 2023 Norsk Solar AS announced CEO change: Torbjørn Elliot Kirkeby-Garstad to succeed Øyvind L. Vesterdal.

Condensed interim financial information

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated financial statement Profit and loss statement

<i>NOK 1000</i>	Note	Q1 2023 Unaudited	Q1 2022 Unaudited	2022 Audited
Operating revenue and operating expenses				
Revenue	3	2,019	1,779	13,077
Other operating income		0	0	660
Total operating revenue		2,019	1,779	13,737
Cost of goods and services	3	0	258	167
Salaries and adm. expenses		10,077	6,952	30,437
Depreciation	4	2,294	2,507	10,887
Impairment	5	0	9,492	9,492
Other operating expenses		9,711	2,592	26,388
Total operating expenses		22,082	21,801	77,371
Operating profit/(loss)		-20,063	-20,021	-63,635
Financial income and financial expenses				
Interest received		1,714	0.3	1,958
Other financial income		2,067	173	1,903
Income/Loss from associates	8	736	0	-3,581
Interest expenses		-1,268	-800	-3,488
Other financial expenses		-537	-1,907	-27
Net financial expense		2,711	-2,534	-3,235
Profit/(loss) before taxation		-17,352	-22,555	-66,870
Income tax expense		3	0	138
Profit/(loss) for the financial year		-17,355	-22,555	-67,008
Net profit/(loss) for the year attributable to:				
Owners of the parent company	11	-15,916	-15,246	-52,487
Non-controlling interest	11	-1,439	-7,309	-14,521
		-17,355	-22,555	-67,008

Interim consolidated balance sheet

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated financial statement Balance sheet at March 31

<i>NOK 1000</i>	Note	Q1 2023 Unaudited	Q1 2022 Unaudited	2022 Audited
Assets				
Non-current assets				
Property, plant and equipment	4	17,365	83,755	18,027
Intangible assets	4	174	280	174
Investments in subsidiary companies	7	0	0	325
Investments in associated companies	8	52,205	0	35,613
Investments in shares		14,667	14,667	14,667
Total non-current assets		84,411	98,703	68,806
Current assets				
Inventories		156	165	150
Trade receivables		9,975	2,838	40,855
Other receivables		9,834	17,416	5,233
Loan to associated company		20,601	0	17,721
Cash and bank balances	9	14,550	67,771	44,436
Total current assets		55,117	88,190	108,396
Total assets		139,529	186,892	177,202

Interim consolidated balance sheet

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated financial statement Balance sheet at March 31

<i>NOK 1000</i>	Note	Q1 2023 Unaudited	Q1 2022 Unaudited	2022 Audited
Shareholders equity and liabilities				
Capital and reserves				
Paid-in equity				
Share capital	10	758	748	748
Share capital - not registered	11	0	0	6
Share premium reserves	11	117,021	168,409	117,021
Total paid-in capital		117,779	169,157	117,775
Retained earnings				
Retained earnings	11	-43,492	-27,141	-27,040
Total retained earnings		-43,492	-27,141	-27,040
Equity attributable to owners of the parent company				
Non-controlling interests	11	-2,646	25,569	-1,142
Total shareholders equity		74,288	142,016	90,736
Non-current liabilities				
Non-current liabilities	6	42,416	32,998	31,560
Total non-current liabilities		42,416	32,998	31,560
Current liabilities				
Debt to financial institutions	6	6,591	4,693	44,175
Trade liabilities		5,442	534	2,988
Social security, VAT and similar public debt		1,400	1,121	4,874
Tax payable		24	1	14
Other current liabilities		9,368	5,529	2,856
Total current liabilities		22,825	11,878	54,907
Total liabilities		65,241	44,876	86,466
Total shareholders equity and liabilities		139,529	186,892	177,202

Interim consolidated cash flow statement

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated statement of cash flows

<i>NOK 1000</i>	Note	Q1 2023 Unaudited	2022 Audited
Cash flows from operating activities:			
Net profit (- loss) for the period		-17,352	-66,870
Adjustments for:			
Depreciation and amortization changes	4	2,294	10,887
Impairment charges		0	9,492
Income / Loss from associates	8	-736	3,581
Change in inventories		-6	29
Change in trade and other receivables		23,399	-24,082
Change in trade and other payables		-1,021	-2,165
Change in accrued expenses, other current liabilities and currency		-1,068	-3,142
Cash from operating activities		5,510	-72,270
Taxes paid		0	3
Net cash from operating activities		5,510	-72,267
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment	4	-180	-10,726
Payments for purchase of shares	8	-8,493	-325
Cash from long term receivables		0	-653
Cash out due to deconsolidation of NIC Group		0	-2,538
Net cash from investing activities		-8,674	-14,241
CASH FLOWS FROM FINANCING ACTIVITIES:			
Capital increase	11	4	0
Cash from transaction with non-controlling interests		0	9,235
Proceeds / repayment short term loans		-40,222	38,000
Proceeds / repayment of long term loans		13,495	-3,092
Net cash from financing activities		-26,723	44,143
Net change in cash and cash equivalents		-29,886	-42,364
Cash and cash equivalents at beginning of the year		44,436	86,801
Cash and cash equivalents at end of year	9	14,550	44,436

Notes to the consolidated financial statements

Note 1 – Corporate information

Norsk Solar 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 Solar 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 emerging markets.

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

The consolidated financial statements for the Q1 2023 were authorised for issue in accordance with a resolution by the Board of Directors on June 13th, 2023.

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 2022.

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 2023	Q1 2022	2022
Solar Energy	1,790	1,779	12,479
Government grant	0	0	660
Other	229	1	598
Total	2,019	1,779	13,737

Per geographic market:	Q1 2023	Q1 2022	2022
Norway	229	1	1,258
Europe	1,790	1,288	9,996
Asia	0	491	2,483
Total	2,019	1,779	13,737

*In 2022 Nordic Impact Cooperation became an associated company of Norsk Solar AS, also making Norsk Solar Vietnam Co Ltd an associated company. The revenue from Asia is thus accounted for in the Income from Associates.

Note 4 – Property, plant and equipment

Up until 31 March 2023, Property, Plant and Equipment (PP&E) have been affected by depreciation expenses of NOK 2.3 million. The changes in PP&E includes currency translation changes.

Note 5 – Impairment

The situation in Ukraine per end of March 2023 remains 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 Q1 2022.

The Group has considered the Trade Receivables related to the offtaker of the solar plant in Semypolky. The Ukrainian off-taker has since March 2022 paid on average 53 % of the revenues generated on the defined Feed-in-Tariff for the asset. Norsk Solar continues its cautious approach and recognizes a credit loss provision for the full amount of unpaid invoices. This results in an additional impairment of NOK 0.8 million in the first quarter of 2023.

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 current liabilities in Q1 are recognized by the repayment of the NOK 38 million drawn of the NOK 50 million facility early January. Non-current liabilities are increased by a draw down on the NOK 100 million debt facility in relation to bridge financing for the investment in the 18 MW project in Brasil. 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.

Debt to financial institutions classified as current liabilities per 31 March, consist of loan repayments to NEFCO and Innovasjon Norge that are due within one year.

Note 7 – List of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Subsidiary	Country of incorporation	March 31, 2023 Interest/voting power	Dec 31,2022 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	100.0%	100.0%
Norsk Solar Maldives PVT Ltd	Maldives	100.0%	100.0%
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%

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

The process of liquidating Norsk Solar Ukraine LLC, Norsk Solar Nicaragua and Norsk Solar Maldives is still under progress.

Norsk Solar Vietnam Ltd. Company and Norsk Solar Spain S.L. were established at the end of 2022 and were not eliminated in the annual report due to little to no activity in the year. The subsidiaries have been eliminated in the consolidated financials for Q1.

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 two capital increases in the first quarter of 2023 to support the investments in Brasil. These were registered in Brønnøysund on 28 March and 10 May 2023.

Associated company	Country of incorporation	March 31,2023 Interest/voting power	Dec 31,2022 Interest/voting power
Nordic Impact Cooperation AS	Norway	33.92%	33.92%

Associated company, YTD 2023 100%	EBIT	Net profit	Total Assets	Total Equity
Nordic Impact Cooperation Group	-740	2,137	266,081	156,128

* NIC Group consists of Nordic Impact Cooperation AS, and its wholly owned subsidiaries Norsk Solar Vietnam Ltd. (UK), Norsk Solar Vietnam Co. Ltd (Vietnam) and Norsk Solar Brasil 1 S.A.

Note 9 – Cash and cash equivalents

NOK 1000	March 31, 2023	Dec 31,2022
Short-term bank deposits	14,550	44,436
Cash and cash equivalents in the cash flow statement	14,550	44,436

Bank deposits for employee tax withholding	596	2,140
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Note 10 – Share capital and shareholders information

	Number of shares authorised	Number of shares issued and fully paid	Nominal value per share	Carrying amount
2022	74,770,387	74,770,387	0.0100	747,704
March 31, 2023	75,825,262	75,825,262	0.0100	758,253

Top 10 largest shareholders in % on March 31, 2023

	31 March, 2023		31 December, 2023	
	Number of shares	Owner interest	Number of shares	Owner interest
Valinor AS	35,532,861	46.9 %	35,532,861	47.5 %
Pictet & Cie (Europe) S.A.	4,978,194	6.6 %	4,978,194	6.7 %
ØLV HOLDING AS	4,721,230	6.2 %	4,721,230	6.3 %
BERKER GROUP AS	4,700,930	6.2 %	4,700,930	6.3 %
FREMT AS	4,699,230	6.2 %	4,699,230	6.3 %
AEGA ASA	3,989,170	5.3 %	3,989,170	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	3.3 %
CACEIS Bank	1,590,536	2.1 %	1,590,536	2.1 %
AUSTAVIND AS	1,102,631	1.5 %	1,102,631	1.5 %
Total	66,394,480	87.6 %	66,394,480	88.8 %
Total other	9,430,782	12.4 %	8,375,907	11.2 %
Total number of shares	75,825,262	100%	74,770,387	100%

Røros Kobblerverk AS is owned by Chairman of the Board.
Ølv Holding AS is owned by former CEO. See note 12 Subsequent events.

Note 11 – Equity

NOK 1000	Share capital	Share capital unregistered	Share premium	Retained earnings	Equity attributable to parent	Minority Interest	Sum
Balance December 31, 2022	748	6	117,021	-27,040	91,878	-1,142	90,736
Profit (Loss) for the period	0	0	0	-17,355	-15,916	-1,439	-17,355
Translation differences	0	0	0	904	970	-66	904
Registration of previous capital increase	6	-6	0	0	0	0	0
Capital increase	4	0	0	0	0	0	4
Total	758	0	117,021	-43,491	76,933	-2,646	74,288

Note 12 – Subsequent events

On 16 May, 2023 Norsk Solar AS announced CEO change: Torbjørn Elliot Kirkeby-Garstad to succeed Øyvind L. Vesterdal.



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Top Management

Torbjørn E. Kirkeby-Garstad | CEO

Trond Debes | EVP Legal and Compliance

Rafael Cola | EVP Global Sales

Ingrid Sara Amundsgård | EVP Sustainability and Communications

Sandra Holstad | EVP People and Culture

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

Financial Calendar 2022/2023

26.04.2023 | Annual Report 2022

31.05.2023 | Annual General Meeting

14.06.2023 | Quarterly Report Q1 2023

30.08.2023 | Quarterly Report Q2 2023

29.11.2023 | Quarterly Report Q3 2023