



Annual Report 2021

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About Norsk Solar

Norsk Solar delivers the power to build a better world. We provide solar energy as a service to corporate and industrial entities in emerging markets, providing a cost-efficient clean power solution to drive sustainable growth and reduce emissions.

Norsk Solar has 107 MW in operation or under development in emerging markets and is a fast-growing independent solar power producer, targeting 2 GW under management in 2025. Our ambition is to be the go-to renewable energy partner for commercial and industrial (C&I) entities in select high-growth markets.

Established in 2017 in Stavanger, Norway, Norsk Solar counted more than 25 employees representing 15 nationalities at the end of 2021. The company has offices in Norway, Ukraine, South Africa, Brazil, and Vietnam. Norsk Solar AS was listed on the Euronext Growth Oslo stock exchange in April 2021 under the ticker NSOL.

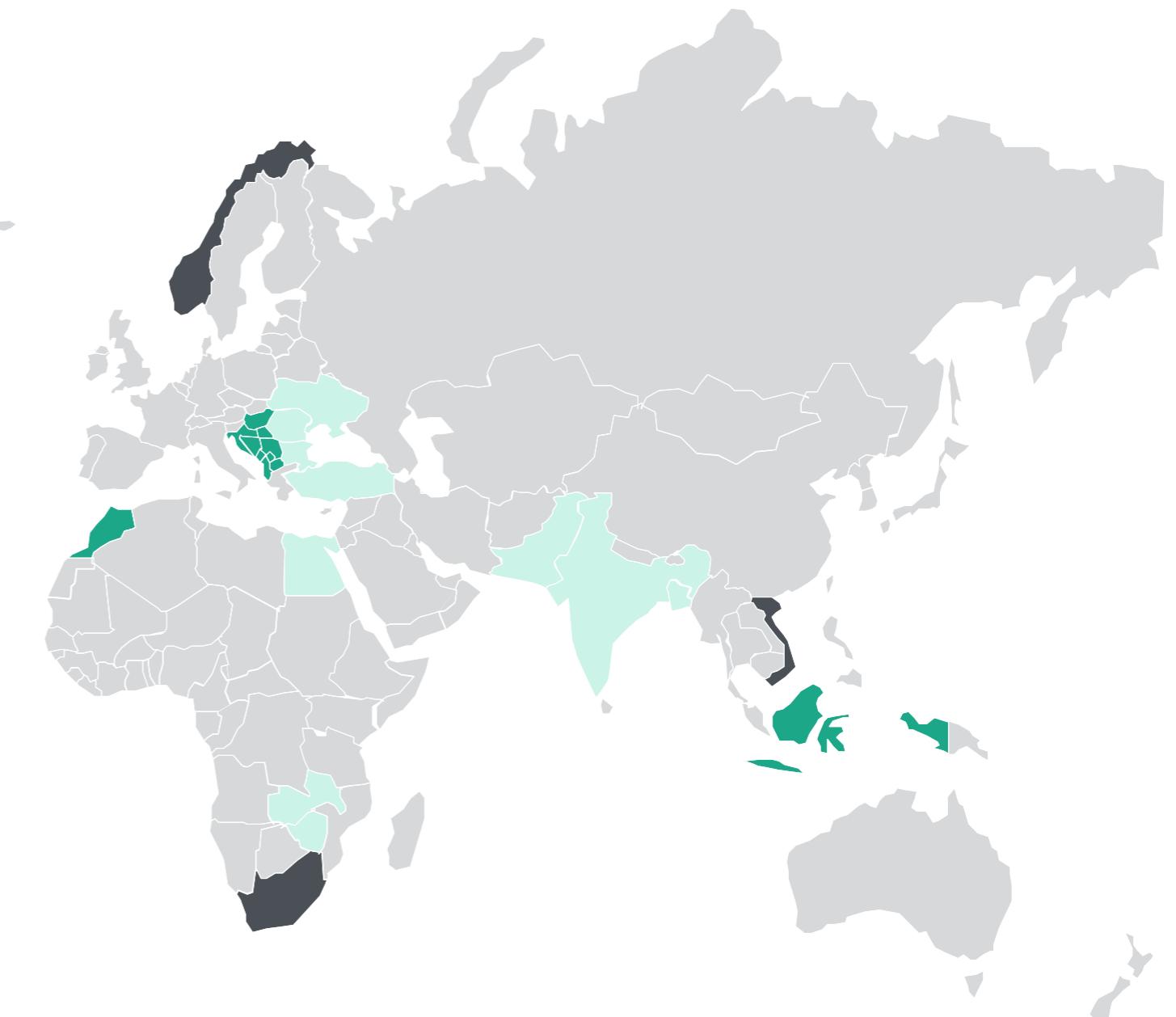


Established in Norway, with a global reach

- 30 team members
- 15 nationalities
- 20 languages
- 3 country units
- 6 global office locations



Norsk Solar delivers solar energy as a service to corporate energy buyers in high-growth markets, powering sustainable growth while reducing carbon emissions.



Vision, Mission and Values



Vision

To fight climate change and support growth in emerging markets by giving businesses the power to choose cost-efficient, reliable energy solutions.

Mission

To deliver solar energy as a service to customers in emerging markets, providing clean power solutions to drive growth while reducing emissions.

Values

- Imaginative
- Committed
- Trustworthy
- Open

Milestones reached in 2021

1

Doubled team from 15 to 30 in line with execution and growth preparations.

2

Reached an investment decision for 6 MW project in Brazil, out of a secured 37 MW portfolio.

3

Listed on the Euronext Growth Oslo stock exchange.

5

Completed construction and secured commercial operations date for 11 MW rooftop project for C&I offtaker Central Retail in Vietnam.

6

Established country units and local teams in the high-growth markets of Brazil and South Africa.

7

Secured a strategic financial partnership with Finnfund, with EUR 15 million earmarked via Nordic Impact Cooperation.



Message from the CEO



Dear shareholders,
In 2021, Norsk Solar made major strides toward our ambition to become a leading solar energy partner for corporate and industrial (C&I) entities in high-growth markets. If I were to choose two words to describe the year, they would be *foundation* and *focus*.

Backed by a successful private placement and listing on Euronext Growth in May, we entered an intensive building mode, doubling the size of our team by the end of the year. While we are still a lean organization, we have added capacity and expertise needed to scale.

Together with our Board of Directors and with the involvement of all employees, in 2021 we refined our vision for the company's future and charted a strategically sound path toward it. We are building a company culture that is diverse, globally-minded, optimistic about our ability to affect climate change, and fully committed to serving our customers' energy needs.

Sharpened strategy to focus on commercial and industrial clients
Solar power is the cheapest form of energy in our core markets. But despite the cost savings and emissions reduction benefits, most corporate energy buyers don't have access to solar power and are still running their businesses on expensive, fossil fuel-generated energy from the grid.

Norsk Solar is ready to fill the gap and meet the growing corporate demand for clean energy solutions. Supported a solid ecosystem of equity and debt financiers ready to co-invest in our coming C&I projects, we provide a win-win opportunity to customers that offers direct and reliable access to renewable power, cost savings and emissions reductions.

In 2021 we revised our corporate strategy to focus almost entirely on the commercial and industrial market opportunity. Supported a solid ecosystem of equity and debt financiers ready to co-invest in our coming C&I projects, we provide a win-win opportunity to customers that offers direct and reliable access to renewable power, cost savings and emissions reductions.

I am excited about this direction and fully confident that we are on the path to a more profitable future for our organization, shareholders, and the environment.

Our goal is to become a leading independent power producer (IPP) for commercial and industrial entities in select high-growth markets, with a total of 2 GW investment decisions for our portfolio by 2025.

In practice, narrowing our focus has meant making changes in how we prioritize and evaluate project opportunities and adjusting our former pipeline to reflect our strategic focus. We are already seeing our pipeline grow, with quality projects for commercial and industrial customers.

Completion of rooftop solar project in Vietnam

In 2021, Norsk Solar delivered 10 rooftop solar plants at multiple retail properties across Vietnam, which had some of the toughest restrictions globally due to the Covid-19 pandemic.

I am proud of our team's endurance and resiliency as they led construction remotely and faced challenges and delays that could not be avoided. However, every obstacle we overcame has made us smarter, stronger and more robust. We have honed project development tools and refined processes that will give us a competitive advantage going forward, and in December we completed construction on all 11 MW for our customer Central Retail, one of the largest retail conglomerates in Southeast Asia with a USD 7 billion market cap.

Established a unique investment platform with FinnFund
One of the most significant events of 2021 was the partnership established with FinnFund and the creation of a unique joint

investment platform, Nordic Impact Cooperation AS (Nordic Impact Cooperation). FinnFund is a development financier and professional impact investor that is majority-owned by the Finnish state, with total investments and commitments of approximately EUR 957 million. The Nordic Impact Cooperation platform is tailored to Norsk Solar's business model and will allow us to quickly finance and deploy on new commercial and industrial projects. It is part of the Nordic Impact Cooperation strategy to increase the investment cap significantly for a larger project pipeline, and to consider additional growth by bringing in other suitable state-owned development funds as co-investors.

Positioned for accelerated growth in 2022 and beyond

With revenues from our power plants in operation in Vietnam, Pakistan, and Ukraine, as well as successful development and construction margins in our new investments, we are seeing proof that our business model is working. Market demand in target markets is high, as evidenced in Brazil, where we signed a 37 MW development agreement in 2021 and have a significant pipeline of new C&I projects.

Heading into 2022, Norsk Solar's strategic foundation is stronger than ever, and our focus is clear. We have an experienced and committed team that is prepared to scale globally. Our presence is established in markets where the demand for our solutions is increasing at a rapid pace, and we have strong partners such as FinnFund and Norfund interested in investing in coming projects. In other words – we are ready to execute on our recent developments, and we are well-positioned for further growth.

Thank you for your continued confidence and support as an investor in Norsk Solar.

Sincerely,

Øyvind L. Vesterdal
CEO

Vietnam 11 MW



- 10 rooftop sites in Vietnam
- Offtaker: Central Retail
- Completed Q4 2021
- Capex USD 8.6 million
- NSOL ownership 100 % → 33.4 %
- 20+ year PPA

Nordic Impact Cooperation: A unique financing platform with Finnfund

The Finnish Fund for Industrial Cooperation Ltd (“Finnfund”), a development financier and professional impact investor majority-owned by the Finnish state, joined forces with Norsk Solar by establishing the Nordic Impact Cooperation during the second quarter of 2021.

This unique investment platform provides pre-allocated capital at an earlier stage than traditional debt financing. It is structured to mirror the Norsk Solar investment decision process, allowing us to deploy on projects quickly and efficiently.

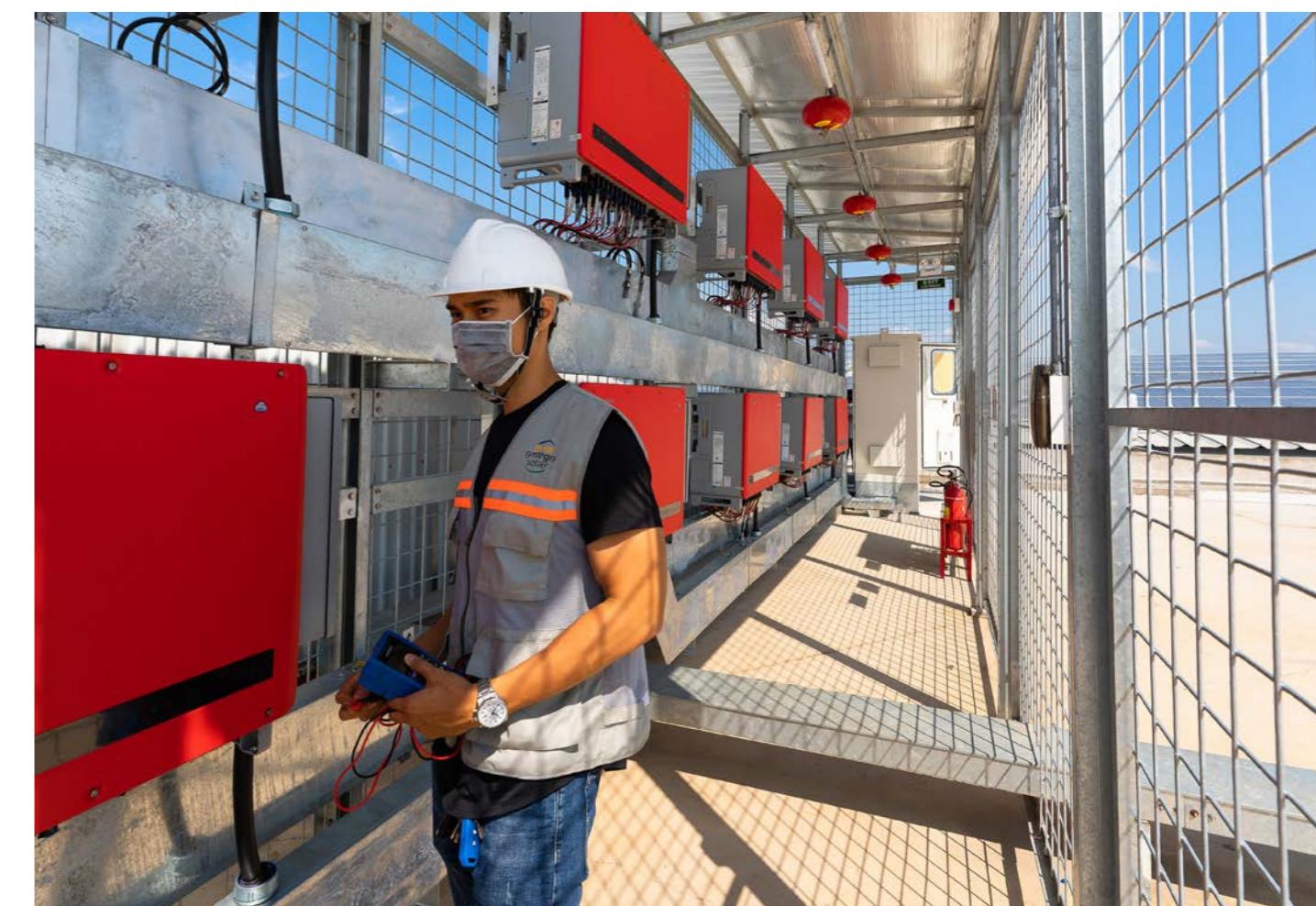
An initial EUR 15 million has been earmarked for Norsk Solar’s C&I projects in developing countries, with the possibility to increase funding in the future. The first investment made by Nordic Impact Cooperation was the Central Retail project in Vietnam.

Other development financing institutions are also interested in investing in Norsk Solar projects. Investing in Nordic Impact Cooperation is one way this can be facilitated, as are direct investments into projects. In early 2022 Norfund joined Finnfund and Norsk Solar as an investor in the Vietnam project*

“We look forward scaling the Nordic Impact Cooperation platform further in the time to come, and taking part of the much-needed transition.”

Tuomas Suurpää — Senior Investment Manager, Finnfund

Finnfund’s strong reputation provides assurance to customers considering a long-term power purchase agreement. They know that their project will meet the top international standards for E&S management and sustainability, and that their plant is co-owned by an investor with significant resources. The Nordic Impact Cooperation gives Norsk Solar a major competitive advantage in our target markets.



Market



Why C&I?

C&I is the fastest growing market for solar power. Often the cheapest form of power in markets with high economic growth, solar can provide up to double-digit savings on electricity costs.

Norsk Solar is one of the first global players focused on the C&I segment in our key markets. We work with corporate offtakers, often large multinationals with high market caps and impeccable credit, to develop highly bankable projects. The PPA model lets us deploy quickly on projects that generate revenue through the construction phase and on a recurring basis for more than 20 years.



Customer profiles



11 MW rooftop project in Vietnam

- **Central Retail Group** is one of the largest and one of the fastest-growing retailers in Southeast Asia
- More than 280 properties in 39 provinces in Vietnam
- Listed on the Stock Exchange of Thailand (SET: CRC) with a market cap of USD 6.8 billion



37 MW to be constructed in Brazil

- **Órgão Energia** is well-established in the Brazilian renewables sector, supplying 30,000+ homes and businesses with clean solar power
- Named as one of the top 500 green Companies in Latin America and a certified B corporation
- Owned by TPG Alternative & Renewable Technologies (55%), Mitsui & Co. (17%) and MOV Investimentos Ltda (17%)

Market outlook for C&I solar

The corporate and industrial (C&I) sector is the fastest-growing segment of the renewable energy market, driven by increased electrification, economic growth and the expectations of consumers, investors and regulators.

Corporations purchased a record 31.1 GW of clean energy through power purchase agreements (PPAs) in 2021, a 24% increase from the record set the year before. BloombergNEF estimates that companies will have to purchase an additional 246 TWh of clean electricity in 2030 to meet their own sustainability targets.

Norsk Solar is focused on high-growth emerging markets where our value proposition is the highest for customers, and where the C&I market is expected to grow at a high rate.

- Brazil is the largest corporate PPA market in South America.
- In South Africa, energy security concerns are supporting its growth as a corporate PPA “hotspot”.
- Vietnam’s fast economic growth has driven a rapid increase in demand for power. An estimated 130 GW in installed capacity will be needed by 2030 and the country has ambitious COP26 emissions targets.

Global renewable energy capacity will rise more than 60%

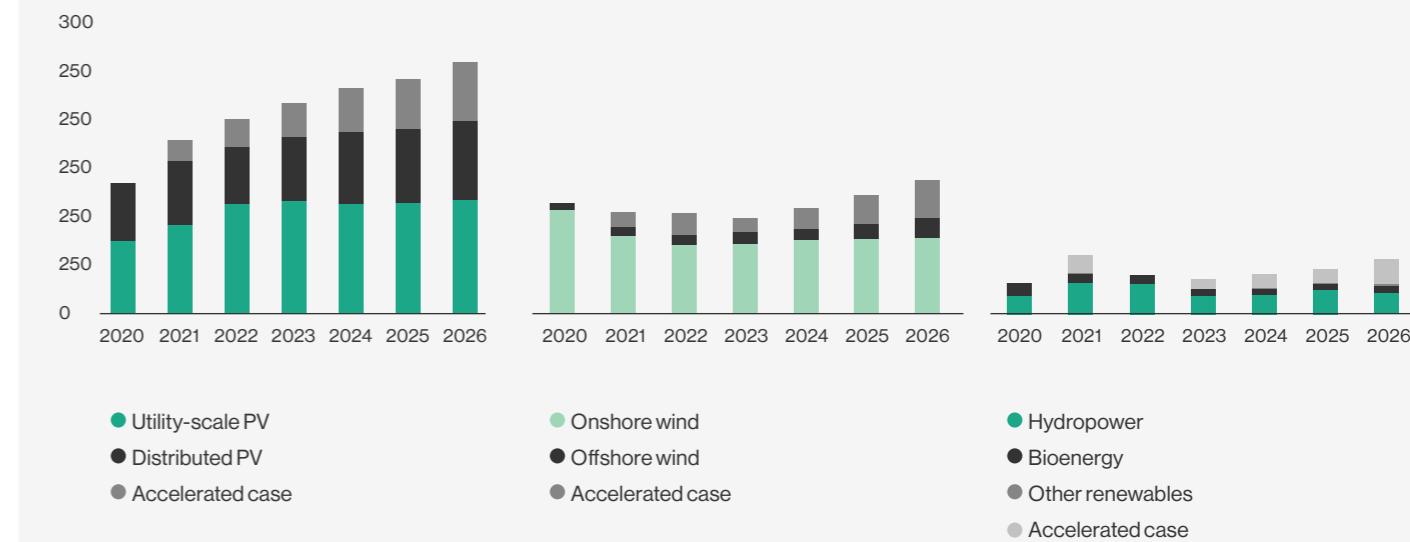
Almost 95% of worldwide power capacity growth will be renewable

Solar PV will account for almost 60% of all renewable capacity additions

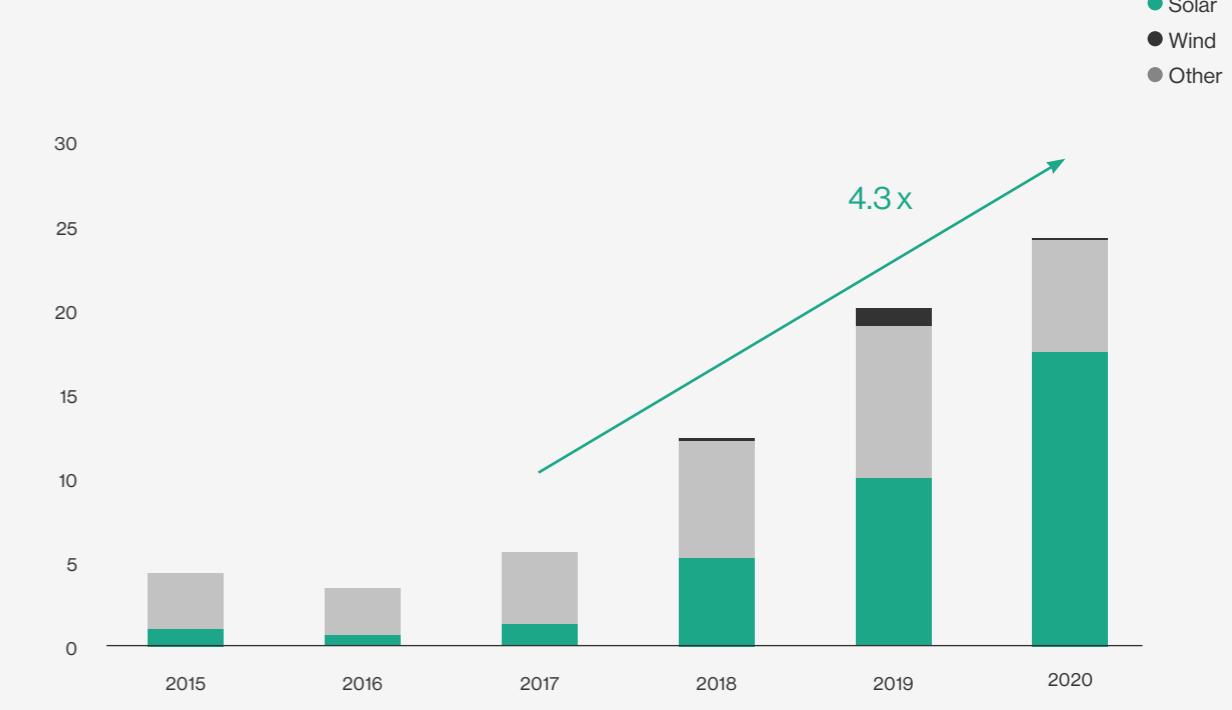
Over 1000 GW of solar PV power will become operational

Source: International Energy Agency

Expected growth in renewables capacity 2020–2026:



Corporate PPA volumes by technology, 2015–2020 – IEA:

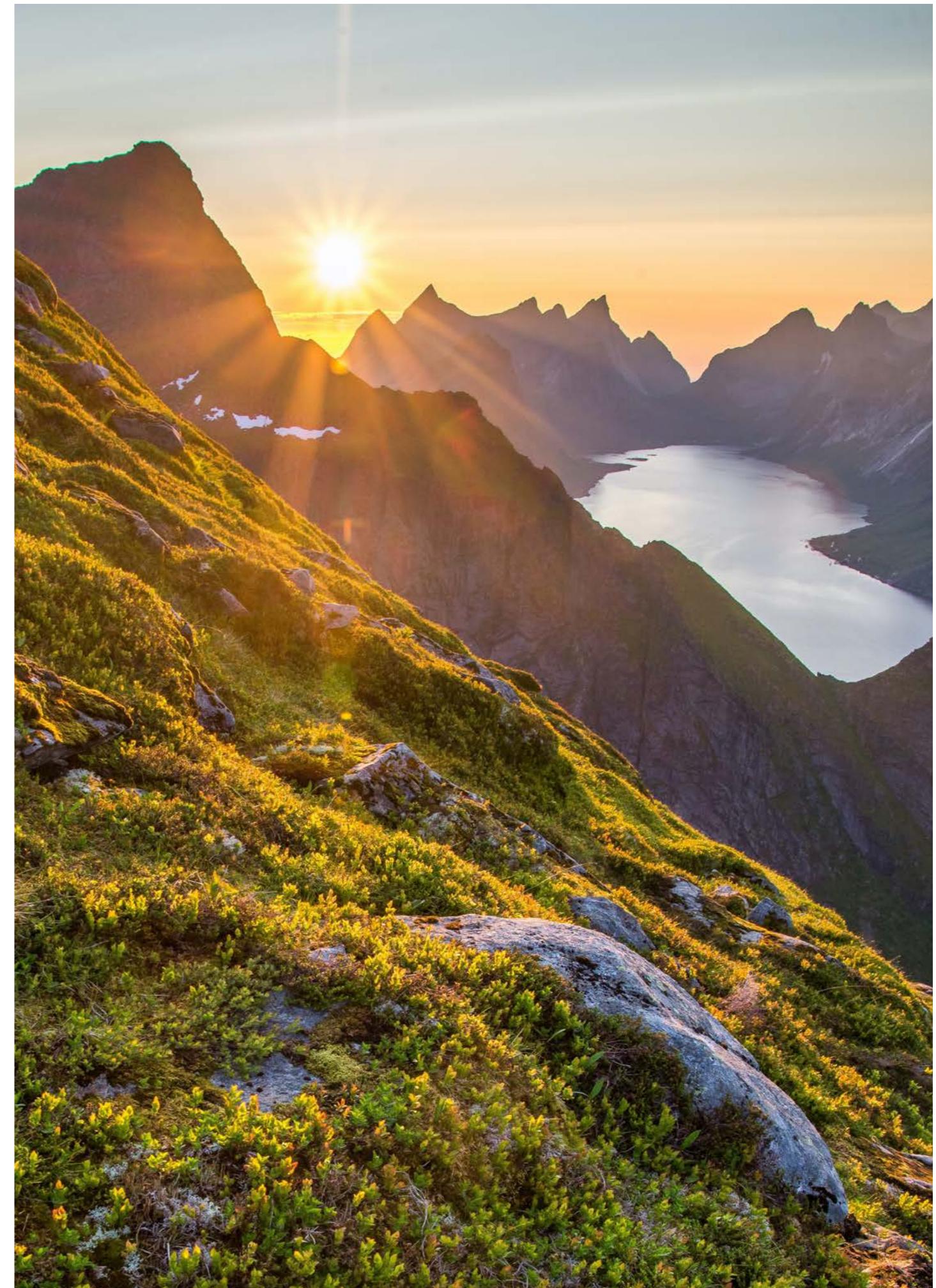
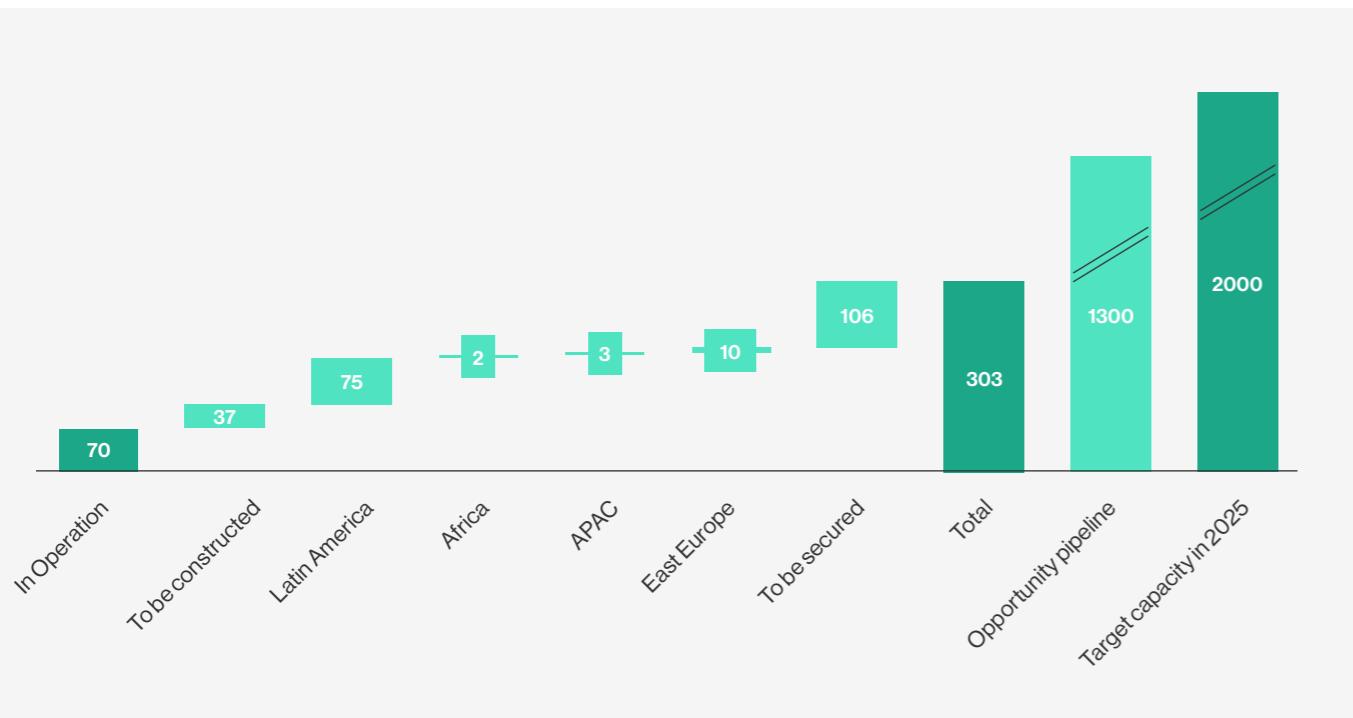


Project pipeline

In 2021, Norsk Solar aligned our corporate strategy with our ambition to become a leading IPP for corporate energy buyers in high-growth markets.

We are now focusing on opportunities in selected core markets. The pipeline we are developing consists primarily of quality C&I projects in prioritized markets.

The transition away from utility projects allows us to avoid uncertain and unpredictable state auction programs and integrate a more stable and predictable “business-to-business” sales process led by our sales team and qualified business partners. Despite the removal of a few large utility opportunities, we have a faster-growing, healthier and more predictable project pipeline heading into 2022.



Brazil 37 MW

- 37 MW development agreement
- Offtaker: Órgo Energia, owned by TPG and Mitsui
- Investment decisions in 2022
- Ownership 90% -> 51%*
- 25 year PPA

*subject to change

Sustainability and ESG

Fighting climate change and supporting sustainable growth in emerging markets is our mission and impetus as we grow. We are stubbornly optimistic about the global energy transition and the opportunity to reduce emissions by giving companies in emerging markets a clean choice.

Environmental and Social Management

Norsk Solar has continuously evaluated our impact on nature, climate, society, and the communities in which we operate. In 2021 we formalized our commitment to sustainability and safety by hiring an experienced E&S manager. We have sustainability management systems in place and will evaluate the impact in new projects at each decision gate, according to the highest international standards (IFC).

Norsk Solar is optimistic about the global energy transition, and we measure success not only by the growth of our business, but our contribution to helping the world reach its climate and sustainable development goals.

IN OPERATION

70 MW

CLEAN ENERGY PRODUCED

128 GWh

METRIC TONNES OF CO₂ EQUIVALENT SAVED

68 000

Anti-corruption

Norsk Solar has zero tolerance for corruption. Clear guidelines and policy position on anti-corruption and anti-bribery are laid out in our Code of Conduct, our anti-corruption policy and are embedded in our values and how we do business. Education and training on corruption for employees is part of onboarding of new employees and is repeated at least annually. Every employee, agent, the management team, CEO, and Board of Directors all sign off on the Norsk Solar Code of Conduct and our anti-corruption policy once a year.

Supplier conduct

Norsk Solar purchases a range of goods and services from global producers and local suppliers throughout the project lifecycle. We aim to thoroughly consider which suppliers we choose to do business with and choose only those with high levels of transparency and strong ESG practices.

Our Supplier Conduct Guidelines set a zero-tolerance policy towards non-respect of Quality, Health, Security, Environment and Safety requirements and laws (including regulations and other legal requirements).

We require suppliers to adhere to appropriate employment conditions including wages, working hours, freedom of association and prohibit child labour, forced labour, abusive behavior, sexual harassment, racist behavior and general misconduct.

The Supplier Conduct Guidelines are integrated in all contracts together with the IFC Anti-Corruption Guidelines. All suppliers and contractors are requested to sign a Declaration of Understanding of those guidelines which is annexed to each contract.

Human and labour rights

Norsk Solar is very concerned about the reported use of forced labour in the production of materials used to manufacture solar PV equipment. Specifically, polysilicon from the region of Xinjian in China. We are working with suppliers to find alternative sources of polysilicon and increase the transparency of raw materials in the supply chain and have updated our supplier pre-qualification procedures to emphasize traceability in procurement and calculate the risk of forced labour involvement when selecting suppliers.

We are also engaged in a dialogue with our counterparts in the industry and the Norwegian Solar Energy Cluster regarding this issue. We are working together to identify ways that the industry can address sourcing and supply-chain related challenges and create collective pressure that will increase compliance and traceability.

Diversity, gender balance and inclusion

Norsk Solar is committed to do what we can to make the clean energy future more diverse, balanced, equal and inclusive than the industry of the past. Our policies on pay equality and fair wage,

diversity and inclusion and occupational health and safety are included in our Code of Conduct, which can be downloaded at www.norskssolar.com.

All our business activities are conducted in accordance with applicable labour standards and fundamental human rights norms as prescribed by the International Labour Organisation (ILO) and the Universal Declaration of Human Rights. We do not allow any discrimination based on race, gender, age, sexual orientation or religion.

We are further aware that diversity and equality must be addressed systematically and ingrained in our company culture and practices regarding hiring, employee management and career development. As we grow, we will continue to develop routines and procedures to support these values and objectives.

Health, safety and security

The wellbeing of everyone who works with us in HQ, country units or via subcontractors on project sites is something we take seriously. In 2021, Norsk Solar took steps to formalize its commitment to HSSE by hiring an E&S manager and developed standard procedures and monitoring. The system will allow us to monitor HSSE performance for reporting in future financial reports.

The sick leave rate in 2021 for Norsk Solar AS was 2%. There were no fatalities or critical injuries on Norsk Solar project sites in 2021.

Sustainability Strategy

In 2021 we began developing a company strategy for sustainability toward 2025. At the time of publication, we are engaging stakeholders to identify key material topics for future reporting and will complete the strategy in 2022.

Targets for 2025 and an implementation plan will be included, and the following will be addressed: (1) targets for avoided emissions, (2) roadmap for reducing carbon emissions, (3) an ISO 45001 (OHS Management System) certificate and (4) a supply chain management program.

The strategy will form the basis for reporting of sustainability metrics in future financial reports.

MALE TO FEMALE RATIO

50%

FEMALE BOARD MEMBERS

2/5

NATIONALITIES

15

LANGUAGES SPOKEN

20+

Management and Board



Executive management

**Øyvind L. Vesterdal****CEO**

Øyvind is one of the co-founders of Norsk Solar. His background includes extensive experience with project and business management roles, from large corporations like General Electric to smaller ventures in the energy sector. Prior to joining the Company, Øyvind was a co-founder and CEO of the boutique finance and consultancy company Elleve AS (previously Kolent AS). He holds a master's degree in Engineering from the Norwegian University of Technology and Science.

**Trond Debes****EVP Legal and Compliance**

Trond's experience includes more than 15 years in financial services, where he held positions including Chief Compliance Officer in the Nordics for GE Money Bank, and Nordic Legal and Compliance Director in Santander Consumer Bank. Prior to his roles in banking, Trond worked as an attorney for DLA Piper Norway. He holds a master's degree in Law from the University of Bergen.

**Filippo Comelli****EVP Project Development & Project Finance**

Filippo has more than 10 years' experience in the renewable energy sector and significant experience working with leading renewable energy IPPs across Europe and emerging markets, bringing projects from concept to completion. His educational background includes an MBA in Corporate Finance from EMLyon Business School and an MSc in Economics and Business Administration from Copenhagen Business School.

**Helga Cotgrove****CFO**

Helga has more than 20 years of energy sector finance experience in various roles within M&A, strategy, tax, finance, accounting, and auditing. Prior to joining the company, she was director of corporate development for Haliburton in Houston responsible for global M&A transactions. She is currently also a board member of Altus Intervention and the chair of the board at Kelda Dynamics. Helga holds a degree in accounting and auditing and an MBA in Management control from the Norwegian School of Economics and Business Administration (NHH). She is also a state-authorized public accountant in Norway.

**Rafael Cola****EVP Sales**

Rafael has more than 15 years of experience in various commercial roles, including sales, marketing, and business development. Throughout his career, Rafael has worked internationally for industrial companies in Renewable Energy, Oil and Gas, Shipping and Finance. He has worked in Brazil, Switzerland, and Norway, and has a bachelor's degree in Business and Economics, with specialization in Marketing & Brand Management.



Board of Directors

Pål S. Valseth — Chair

Pål is CEO of Valinor, the largest shareholder in Norsk Solar. He is an experienced executive with more than 20 years of experience in the world of finance, technology, and energy. He also has a master's degree in Business from BI Norwegian School of Management and two MBA degrees from NHH, in Audit and Accounting and in Finance.

Nils Petter Skaseland — Board member

Nils is CEO of the renewable energy investment company Aega ASA. His background includes more than 20 years of experience, primarily from finance, and he has been (was?) a partner and board member in NorgesInvestor for over 13 years. Nils Petter holds an Msc in Business from the Norwegian School of Business and Administration (NHH).

Kristin Skofteland — Board member

Kristin is Chief Commercial Officer & Legal Counsel at Beyonder AS, a Norwegian renewable energy company. She is board member of Petoro and was at Total E&P Norge AS for 17 years. She has a Master of Law from University of Tromsø and an MBA from TRIUM Global Executive MBA program. Kristin joined the Board after the Euronext Growth listing in April 2021.

Joakim Johnsen — Board member

Joakim is currently Senior Investment Manager for Aquila Capital. For 14 years, Joakim worked in Latin America as Director of business development, CEO and Country Manager for SN Power, and later Statkraft's country organization in Brazil. He has an MBA from the University of Manchester and ESADE, as well as a CFO executive program from the University of Chicago's Booth School of Business. Joakim joined the Board of Directors after the Euronext Growth listing.

Kari M. Fremme — Board member

Kari is the founder of Kariatide AS and a seasoned and versatile leader with international operations and project experience across several industries. She has served on the board of several solar energy companies, and she worked as VP Sustainability and VP Project Execution at Scatec Solar. Kari has a Master of Management degree in International and Cross-Cultural Management from BI Norwegian Business School.

Pakistan 50 MW

- Gharo, Pakistan
- Offtaker: K Electric
- COD December 23, 2019
- Capex USD 46.6 million
- Debt and equity 75:25
- Norsk Solar ownership 10%
- 25 year PPA

Financials 2021



Board of Directors' report 2021

About Norsk Solar

Norsk Solar is a renewable energy provider that develops, builds, finances, and operates solar power plants. We focus on providing energy savings to corporate and industrial (C&I) customers in high growth emerging markets. Currently, Norsk Solar has proportionate ownership of 17 MW in 70 MW of solar power plants that are in operation. The company is headquartered in Stavanger, Norway, and was listed on the Euronext Growth in Oslo in April 2021.

Entities were established in key markets like Brazil and South Africa and we progressed well on securing PPAs on a portfolio of 37MW in Brazil for TPG and Mitsui backed renewable company Origo Energia.

We completed construction of 10 solar plants in Vietnam for Central Retail, a major retail conglomerate with USD 7 billion market cap, listed on the Thailand stock exchange.

Carrying out the project and delivering 10 rooftop plants despite the ongoing global pandemic and strict Covid-19-related restrictions is a testament to our execution capabilities and commitment. The first revenues generated by the plants will be received in Q1 2022.

A unique financing platform has been established with FinnFund, an impact investment fund, majority owned by the Finnish state securing access to equity funding in the projects.

The number of employees more than doubled from 2020.

We have revised our corporate strategy during 2021 and are now fully committed to the rapidly growing commercial and industrial (C&I) market segment. C&I is growing at a faster rate and offers several clear benefits versus utility projects: shorter time to deployment, often more creditworthy clients, and shorter decision process for customers all of which contribute to reducing the financial and operational risks.

Financial review

Presentation of accounts

Pursuant to Section 3-3 of the Norwegian Accounting Act, the board of Directors confirm that the Financial Statements have been prepared under the assumption that the Norsk Solar group is a going concern and that this assumption was appropriate at the date of approval of the Financial Statements. The group reports its Consolidated Financial Statement in accordance with recognition and measurement principles consistent with Norwegian Accounting Act and generally accepted accounting principles in Norway for small companies with Norwegian Kroner (NOK) as reporting currency. Figures in parentheses are for the corresponding period of the previous year.

The notation Norsk Solar, the company and the group are used interchangeably throughout the document.

Consolidated financial statements

Revenues

Norsk Solar reported net revenue of NOK 13.6 million (11.7) in 2021, reflecting the sale of electricity from solar power plant in Ukraine. Revenue from power sales increased compared to 2020 as the Ukraine plant became operational 1st of July 2020.

Operating profit

In 2021 the group invested in early-stage development activities. We more than doubled the organisation in preparation for expected growth and invested in the Central Retail project which all contributed to the growth in operating expenses compared to last year. In addition, Norsk Solar experienced a one-off increase in operating expenses of NOK 6.3 million due to the listing on Euronext Growth (i.e. listing fee, one off- recruiting and management bonus).

Consolidated operating expenses increased to NOK 52.1 million (24.1) for 2021.

The group is not engaged in research activities and has not recognised such cost in 2021.

Earnings before interest, taxes, depreciation and amortization (EBITDA) was a loss of NOK 21.8 million in 2021 (adjusted for one-off expenses as per above) compared to the negative EBITDA of NOK 5.4 million in 2020.

Depreciation, amortisation and impairment amounted to NOK 10.4 million in 2021 (7.0). The majority of the increase is explained by the first full year of depreciation for the Semypolky solar plant.

Operating profit (EBIT) was a loss of NOK 38.5 million in 2021 (12.4).

Net financial items

Financial income was NOK 10.3 million in 2021 compared to NOK 1.7 million in 2020, mainly explained by received dividend from the Gharo plant and currency gain.

Financial expenses were NOK 5.6 million in 2021 (15.6), wherein the reduction is explained mainly by currency development.

Profit before tax and net profit

The effective tax rate was -1.3% (0%) for 2021. The difference between the actual tax expenses and the calculated tax expense based on the Norwegian tax rate of 22% is explained by differences in underlying tax rates in companies in operation and not recognizing deferred tax asset. The majority of the tax expense is withholding tax on the dividend received from our ownership in the Gharo plant which has already been paid.

Minority interest represents partners ownership in subsidiaries.

Consolidated statement of cash flow

Cash flow

Net cash flow from consolidated operating activities amounted to NOK -19.0 million (0.9) in 2021 compared to EBITDA of NOK -28.1 million (-5.4). The difference between operating cash flow and EBITDA is primarily explained by changes in working capital.

Net cash flow from investment activities was negative NOK 50.3 million (-19.1) due to investment in the 10 solar plants in Vietnam.

Net cash flow from financing activities amounted to NOK 129 million (25.4) driven by issue of capital and investment by minority shareholders.

In total the groups cash balance increased by NOK 59.8 million (7.3).

Consolidated statement of financial position

Assets

Total assets amounted to NOK 215.2 million (109.3). Non-current assets totalled NOK 115.6 million (73.5) of which NOK 94.4 million (52.6) was property, plant and equipment (PP&E). The increase is mainly driven by the new plant in Vietnam.

Current assets amounted to NOK 99.6 million (35.7), with cash and cash equivalent amounting to NOK 86.8 million (27.0). The cash balance increased by NOK 59.8 million since the previous year due to the private placement completed in April 2021 where Norsk Solar raised NOK 110 million. Free cash is NOK 67.2 million at the parent company level (22.7).

Equity and liabilities

Total equity is NOK 160.4 million (54.7), corresponding to an equity ratio of 74.5% (50.0%). The increase in equity is driven by the private placement in 2021 related to the listing at Euronext Growth. The share capital was increased from NOK 556062 to NOK 747704.

Total non- current liabilities were NOK 36 million (44.3) where NOK 31.4 million was related to non- recourse financing for the Semypolky plant in Ukraine. Total current liabilities were NOK 18.8 million (10.3).

Parent company

Norsk Solar AS prepares its financial statements in accordance with recognition and measurement principles consistent with the Norwegian Accounting Act and generally accepted accounting principles in Norway for small companies. Norsk Solar AS provides corporate services, management, group finance in addition to services related to project development and construction for the group's solar plants.

Norsk Solar AS reported revenue of NOK 36.4 million and operating loss (EBIT) of NOK 29.6 million (23.3 million adjusted for one- off cost as per above) in 2021 compared to revenue of NOK 2.3 million and operating profit (EBIT) of negative NOK 12.2 in 2020. The company recognized revenue related to development and construction (D&C) in the second half of 2021 of NOK 35.4 million compared to NOK 0 million in 2020.

Intercompany revenue are based on agreements established between Norsk Solar AS and

its subsidiaries, joint ventures and associated companies. The scope of these agreements include delivery of main components of the solar plants (inverter system, modules and structures) and management services as well as services related to project development and construction, including but not limited to permitting, financial modelling, production of bidding documents, debt and equity financing, evaluation of tax issues, structuring of securities and guarantees, legal services, advice on tendering of components as well as various studies including but not limited to grid connection and environmental.

Operating expenses increased to NOK 66.0 million in 2021 from NOK 14.5 million in 2020 reflecting construction activities, development cost for new projects and an increase from 7 to 20.5 full-time employees during the year.

Loss after tax was NOK 27.6 million compared to loss after tax of NOK 13.1 million in 2020.

Total equity for the parent company Norsk Solar AS was NOK 169.2 million as of December 31, 2021 up from NOK 53.1 million in 2020, mainly driven by the private placement in 2021 related to the listing at Euronext Growth.

Total assets were NOK 184.0 million as of 31 December 2021, up from NOK 64.1 million a year earlier.

The Board proposes to the annual general meeting that the net loss in 2021 of NOK 27.6 million is covered from share premium.

Norsk Solar AS had 20.5 permanent full- time employees by year-end 2021 up from 7 in 2020. The sick-leave rate in 2021 was 2%, an increase from previous year that was partly due to covid. The gender diversity was significantly improved, ending 2021 at 50% female employees, up from 15% in 2020. The Board of Directors is comprised of 3 men and 2 women. The company has a pension scheme for the employees pursuant to Norwegian law.

Organisation

Norsk Solar has an international and diverse workforce, with 15 nationalities represented in the group. The organisation is flexible and has a well-balanced age profile. The workforce is highly competent and continues to deliver strong results and growth. The Board considers the working environment in Norsk Solar and its subsidiaries as satisfactory.

The company focuses on promoting equal opportunities irrespective of gender, age and nationality. There should be no discrimination related to gender, age or nationality in cases such as compensation, promotion or recruitment in Norsk Solar. The group had 25 full time equivalent employees by end 2021, up from 8 in 2020. The sickness leave rate for the group was in line with the company's rate. Female employees in the group made up 40% in 2021, compared to 18.5% in 2020.

Sustainability

Sustainability is the key component of Norsk Solar's business model, contributing positively to the climate and at the same time helping to close the global energy gap. The company generates clean and cost-effective power and strives to conduct its business in a responsible manner.

During 2021, the overall focus for the group was to strengthen the Environmental and Social Management System according to international standards. The key focus for 2022 is to continue strengthening our system and its implementation through the organization and

to develop a sustainability strategy for the company.

Health, safety, security and environment (HSSE)

The company has a strong focus on HSSE embedded in our zero-accident objective. We are monitoring the established procedure for construction and operation of the solar plants. Continuous efforts involve planning, training and careful selection of subcontractors.

The main operation of the group is construction and operation of solar plants that generate renewable energy. Our objectives are to produce as much power as possible while minimizing downtime and construct plants as efficient as possible, while ensuring protection of the environment at the sites.

Even with the positive impact to the climate from its renewable energy generation, the company recognises that input components to its solar projects and land use changes can have an environmental footprint. Environmental is part of our E&S management where we focus on environmental impact and waste management. We are developing a roadmap for reducing carbon emission.

Business ethics and anti- corruption

Norsk Solar group has a zero-tolerance approach to all forms of corruption and is committed to acting professionally and with high integrity in all our relationships and business dealings. Our business ethics and values are incorporated in all our processes and the company is continuously working to educate and train employees in anti-corruption. Our finance partners including Finnfund and Norfund, are widely acknowledged for having high ethical standards and rigorous due diligence requirements. Together we ensure that our projects and operations are conducted with integrity.

The Board of Directors, along with the Management and the company's employees, review and sign the Norsk Solar Code of Conduct at least annually.

Corporate governance

Norsk Solar has a corporate governance model that aims at delivering strong business results within a sound risk profile. The company has a competent and experienced Board of Directors and established a formal leadership team in January 2021 to ensure that the daily activities of its operations are managed in a structured and controlled way and that the company's resources are managed in an optimal manner. The company complies with the Norwegian Code of Practice for Corporate Governance.

Norsk Solar has purchased and maintain a Director and Officers Liability insurance on behalf of the members of the Board of Directors, the CEO and other employees acting in a managerial capacity. It includes Norsk Solar AS and Nordic Impact Cooperation AS. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

Risk factors and risk management

Norsk Solar has policies and procedures in place to manage risks related to the various parts of the company's operations. The company is exposed to a variety of operational, compliance, political and financial risks through its business activities. The main business is related to projects and most of the risks are identified, reported, and actively managed through all phases of the projects.

Operational and market risk

The main operational risks are related to the transition of projects in pipeline through financial close and to construction, completion of construction of solar plants on time and within budget and the performance of the operating plants.

There is limited exposure to the power market risk as the group has entered into long- term fixed price contracts for sale of electricity from plants in operation, and the entry into such contracts is a prerequisite for financing and construction of projects.

The group is subject to political risk in the countries in which it operates.

Market risk mainly relates to the attractiveness of renewable project in the various markets as derived from development in power prices relative to prices of key components such as solar modules. Norsk Solar manages the risk through balancing the commitments on sourcing of projects with the commitments on the off take and financing and pursuing a diversified portfolio of opportunities in attractive markets. The company has developed a solid project pipeline, but further growth will depend on factors including project availability, access to competitive financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

Norsk Solar operates in several regions of the world with complex risk environments. This relates to political, compliance, integrity, and security risk. The company mitigates these risks by conducting comprehensive due diligence processes whereby country risk, permits, project agreements, partners, execution plans, security and all other relevant aspects of the project are assessed.

Political risk

The company operates in many jurisdictions subject to various laws and regulations. Practices and legal framework differ materially. It may be difficult to ensure compliance with all changes in regulatory requirements in all geographies at any time, which could have an adverse effect on the groups business.

The company mitigates political risk in emerging markets through partnerships with multilateral development banks as project finance lenders and/or through establishing project risk insurance cover.

Risk of war and civil unrest

Norsk Solar is generally not making investments in regions with high risk of war or civil unrest. This risk is assessed before starting development of new projects. The risk has unfortunately materialised in Ukraine where Russia has stated a military invasion in February 2022.

Financial risk

Through its activities Norsk Solar is exposed to financial risk, including currency risk, credit risk, liquidity risk and interest rate risk. Our objective in managing financial risk is to reduce negative cash flow effects. The parent company is located in Norway. The group operates in various jurisdictions and is exposed to currency risk both in NOK towards local currency and NOK versus USD/EUR. The company aims to the extent possible to create natural hedges with achieving revenue and debt financing in same currency and the same also for operating cost. The solar plants are funded with a combination of debt and equity.

The company evaluates the possibility of hedging interest rates on a case- by- case basis. Increasing interest rates will reduce profitability of building and operating solar plants which could have a material adverse effect on the group's business. The company is exposed to credit risk through cash and receivables. The customers are either utility or large corporate off-takers, so this risk is fairly low. The company is taking liquidity risk as a large portion of

its capital is deployed in the business but seeks to manage its cash flow to ensure an appropriate level of liquidity.

Outlook

Renewable energy is expected to see continued strong growth in 2022. The growth is driven by continued need for renewable energy and focus from commercial and businesses to reduce their energy cost and their carbon footprint. The installed capacity of the solar market is expected to have an annual generation growth of 24% between 2020 and 2030 according to the International Energy Agency. The commercial and industrial market (C&I) is the fastest growing segment within the solar market and a key strategic focus area for Norsk Solar. The company has a strong pipeline and expects to bring around 200MW of projects to investment decision in 2022. The group is targeting a doubling of number of the employees from 2021.

Subsequent events

In March 2022, Norfund joined Norsk Solar and FinnFund as an investor in our portfolio of 10 solar plants in Vietnam. We are looking forward to expanding our collaboration with both FinnFund and Norfund going forward.

Included in these financials is a solar plant located in Semypolky, Ukraine. Due to the ongoing war in Ukraine, there can be consequences for the plant's ability to produce power and therefore generate revenue in 2022. There is also a risk that the plant could sustain damage. We are monitoring the situation and working closely with our local partner and the non-recourse lender in the project (NEFCO) to continuously assess the situation. At the time of this report's publication, the plant is unharmed and producing, and we have so far been paid for power generated. However, we along with all other power producers in Ukraine have received a notification from the Ministry of Energy about reduced settlement of feed-in tariff for the military period. If this is to continue for an extended period of time it will have a consequence for the financial performance of the plant. The lender has received all due payments and we are in compliance with the agreed terms with lenders. We are monitoring the asset continuously together with our local operation partner. There is uncertainty in the current situation. We refer to note 23 for further details.

Ukraine is not a strategic focus market for the group. We have no business development activities or plans for future projects there.

31 December 2021

28 April 2022



Pål Selboe Valseth
Chairman



Kristin Skofteland

Kristin Skofteland
Board member



Joakim Brønner Johnsen
Board Member



Nils Petter Skaseth
Board member



Øyvind L. Vesterdal



Kari Campos Johansen
De Fremme
Board member

CEO

Consolidated Financial Statements Group



Consolidated financial statements

– Norsk Solar Group

Norsk Solar AS
Consolidated financial statements
Profit and loss statement

	Note	2021	2020
NOK 1000			
OPERATING REVENUE AND OPERATING EXPENSES			
Revenue	5	13,514	9,114
Other operating income	5	80	2,542
Total operating revenue		13,593	11,655
Cost of goods and services		8,296	5,292
Salaries and administrative expenses	6	22,798	7,846
Depreciation	7,8	10,398	7,041
Other operating expenses	6,9	10,610	3,926
Total operating expenses		52,102	24,105
Operating profit/(loss)		-38,509	-12,449
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from associates	10	2,748	0
Other interest received	10	708	663
Other financial income	10	6,803	1,042
Financial income		10,259	1,705
Other interest expenses	10	4,002	3,078
Other financial expenses	10	1,600	12,536
Financial expense		5,601	15,614
Net financial expense		4,658	-13,909
Profit/(loss)before taxation		-33,851	-26,358
Income tax expense	11	436	1
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		-34,287	-26,360
Net profit / (-loss) for the year attributable to:			
Owners of the parent company	18	-34,697	-20,385
Non-controlling interests	18,19	410	-5,975
		-34,287	-26,360

Consolidated balance sheet

– Norsk Solar Group

Norsk Solar AS
Consolidated financial statements
Balance sheet at December 31

	NOK 1000	Note	12/31/2021	12/31/2020
ASSETS				
Non-current assets				
Property, plant and equipment	8,20		94,371	52,565
Intangible assets	7		386	386
Other investments	12		14,667	14,667
Other non-current receivables	14		0	5,927
Total non-current assets			109,424	67,618
Current assets				
Inventories	15,20		179	3,480
Trade receivables	20		3,093	2,638
Other receivables	16,22		15,728	2,579
Cash and bank balances	13		86,801	27,032
Total current assets			105,801	35,729
TOTAL ASSETS			215,225	103,347

2021

Consolidated balance sheet

– Norsk Solar Group

Norsk Solar AS Consolidated financial statements Balance sheet at December 31			
	NOK 1000	12/31/2021	12/31/2020
SHAREHOLDERS EQUITY AND LIABILITIES	Note		
Capital and reserves			
Paid-in equity			
Share capital	17	748	556
Share premium reserves	18	168,410	52,585
Total paid-in capital		169,158	53,141
Retained earnings			
Retained earnings	18	(8,775)	1,518
Total retained earnings		(8,775)	1,518
Equity attributable to owners of the parent company			
Non-controlling interests	19	24,589	19,253
Total shareholders equity		160,383	54,659
Non-current liabilities			
Non-current liabilities	20,22	35,999	44,328
Total non-current liabilities		35,999	44,328
Current liabilities			
Debt to financial institutions	20	4,828	5,176
Trade liabilities	21	8,654	2,645
Social security, VAT and similar public debt		1,702	560
Tax payable	11	3	198
Other current liabilities	21	3,657	1,708
Total current liabilities		18,844	10,288
Total liabilities		54,843	54,616
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		215,225	109,274

31 December 2021

28 April 2022

Pål Selboe Valseth

Chairman of the board

Nils Petter Skasest

Member of the board

Kristin Skofteland

Member of the board

Kar Mercedes Campos
Johansen De Fremme

Member of the board

Joakim Brønner Johnsen

Member of the board

Øyvind L. Vesterdal

General Manager

Consolidated statement of cash flows

– Norsk Solar Group

Norsk Solar AS Consolidated statement of cash flows for the year 2021 and 2020

	NOK 1000	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit (- loss) for the period			-34,287	-26,360
Adjustments for:				
Depreciation, amortization and impairment charges	7,8	10,398	5,755	
Change in inventories	15	3,300	-3,476	
Change in trade and other receivables	21	-7,676	32,088	
Change in trade and other payables		7,152	-2,396	
Change in accrued expenses and other current liabilities	21	1,949	-4,728	
Cash from operating activities			-19,164	883
Taxes paid	11	198	-7	
Net cash from operating activities			-18,966	876
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for purchase of property, plant and equipment	8	-50,262	-18,992	
Net cash receipts (-payment) related to other investments		0	-60	
Net cash from investing activities			-50,262	-19,052
CASH FLOWS FROM FINANCING ACTIVITIES:				
Debt conversion		0	26,500	
Capital increase	18	131,128	18,500	
Capital contribution from non controlling interests	18	6,547	12,777	
Change in long-term and short-term borrowings	20	-8,678	-32,324	
Net cash from financing activities			128,997	25,453
Net change in cash and cash equivalents			59,769	7,277
Cash and cash equivalents at beginning of the year			27,032	19,755
Cash and cash equivalents at end of year			86,801	27,032

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 VIIIs 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 full year 2021 were authorised for issue in accordance with a resolution by the Board of Directors on 28 April 2022.

Note 2 – Accounting principles

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway for small companies, except for the exception of consolidated financial statements.

Consolidation principles

The consolidated financial statements consist of Norsk Solar AS and its subsidiaries, where Norsk Solar AS has a controlling interest through legal or actual control. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. All material transactions and group inter-company balances are eliminated. Investments in companies where the group has significant influence (associate companies) are treated in accordance with the equity method in the consolidated financial statements. Significant influence normally exists when the group owns between 20 and 50 percent of the voting capital.

Shares in subsidiaries are eliminated in accordance with the acquisition method. This involves the acquired company's assets and liabilities being assessed at fair value on the date of acquisition, and any value added is classified as goodwill. For partially owned subsidiaries, only Norsk Solar AS's share of the goodwill is included in the balance sheet.

Revenue recognition

The sale of goods and service is recognized as revenue at the time of delivery of the goods and services.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / non-current liabilities.

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

Fixed assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at nominal value.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on individual assessments of the different receivables.

Foreign currency translation

Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date.

Short term investments

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognised as other

financial income.

Subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution 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 for the parent company.

Property, plant and equipment

Property, plant and equipment are capitalised and depreciated over the assets estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Intangible assets

Intangible assets are amortized linearly over its useful life. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount.

Income tax

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

Cash Flow Statement

Cash Flow Statement is presented in accordance with the indirect method.

Note 3 – Financial risk management

Norsk Solar is exposed through its business activities to the following financial risks:

- 1) Market risk
- 2) Liquidity risk
- 3) Credit risk

1) Market risk

Market risk represents among other fluctuations in commodity prices, foreign currency rates and interest rates which may affect both the revenue- and the cost side of our business.

Commodity price risk

Sale of electricity represents all of Norsk Solar's revenue and consequently the Group's financial performance and business to a certain extent are affected by changes in the electricity price. However the contract are long term with fixed elements, inflation adjustments and floor pricing hence large movement due to short term movement in electricity prices are avoided.

Norsk Solar is also exposed to the risk of volatility in the commodity prices affecting the purchased products such as modules and inverters. By having a wide range of suppliers, which meet our procurement criteria's, and including the volatility in the agreed contract prices in the PPAs, Norsk Solar is mitigating the risk effectively.

Currency risk

Norsk Solar operates internationally and is subject to currency risk arising from foreign currency transaction and exposures. Norsk Solar has not during FY21 used any currency hedge derivatives, but aim to create natural hedges to the extent possible via i.e. matching currency on revenue and cost

Interest rate risk

Norsk Solar is exposed to volatility in interest rates through the non-recourse lending. The interest risk

management objective is to minimise borrowing costs and to keep the volatility for future interest payment within acceptable limits. hedging is evaluated on a case-to-case basis.

2) Liquidity risk

A substantial portion of the group's capital is deployed in the business so continue cash flow management is key to ensure appropriate level of liquidity.

3) Credit risk

Norsk Solar is exposed to credit risk through our receivables. Our customers are either large corporate off takes or utility companies so the risk is considered to be well managed.

Note 4 - List of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Subsidiary	Country of incorporation	Dec 31,2021 Interest/voting power	Dec 31,2020 Interest/voting power
Norsk Solar Nicaragua	Nicaragua	99.0%	99.0%
Semypolky Solar Ltd	UK	64.3%	42.9%
Semypolky Solar LLC	Ukraine	45.0%	30.0%
Semypolky Solar 2 LLC	Ukraine	45.0%	100.0%
Norsk Solar EPC AS	Norway	100.0%	100.0%
Nordic Impact Cooperation AS	Norway	50.67%	100.0%
Norsk Solar Vietnam Ltd.	UK	72.9%	0.0%
Norsk Solar Vietnam LLC	Vietnam	72.9%	0.0%
NV Capital Management	Luxemburg	0.0%	100.0%
Norsk Solar Hungary kFT	Hungary	51.0%	0.0%
Norsk Solar Brasil Ltda.	Brasil	100.0%	0.0%
Norsk Solar Ukraine LLC	Ukraine	100.0%	100.0%
Norsk Solar Maldives PVT Ltd	Maldives	100.0%	0.0%

Norsk Solar EPC AS and Nordic impact Cooperation AS were all new subsidiaries in the Group in 2020. Norsk Solar EPC AS was not consolidated in 2020, the company has had no activity in 2021. Nordic Impact Cooperation AS (previously Norsk Solar 1 AS) had no activity during 2020 and hence not consolidated in the Group's consolidated financial statements in 2020. During 2021 however, Nordic Impact Cooperation AS is consolidated into the Group's financial statement. NV Capital Management has not had any activity, has not been consolidated and is now liquidated. Norsk Solar Hungary and Norsk Solar Maldives have been set up in 2021 and have not had any activity.

Details of the non-controlling interests are disclosed in note 19.

Note 5 - Revenue

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

NOK 1000

Per area of operation:	2021	2020
Solar Energy	13,140	9,031
Government grant	0	1,750
Other	454	874
Total	13,593	11,655

Per geographic market:	2021	2020
Norway	454	2,330
Europe	13,140	9,325
Total	13,593	11,655

Note 6 - Employee benefits expense

	2021	2020
NOK 1000		
Salaries and wages	16,089	6,562
Social security tax	2,332	891
Pensions	274	115
Other benefits	4,103	278
Total salaries and personnel expense from continuing operations	22,798	7,846

Number of full-time equivalents end of year from continued operations 25 8

Key Management personnel compensation

NOK 1000

Management	Salary	Post-employment benefits	Other benefits
Øyvind Laugen Vesterdal, CEO	1,884	25	9
Total remuneration	1,884	25	9

Remuneration to the members of the Board:

No remuneration has been paid to the BoD in 2021 as payment is made annually after the shareholder meeting

Remuneration to independent auditor (ex. VAT) in NOK:

NOK 1000

	2021	2020
Audit fee	432	123
Audit related services	547	125
Total	979	248

Note 7 – Intangible assets

NOK 1000	Other intangibles	Research and development	Total
Acquisition cost			
Acquisition cost as at January 1, 2020	0	1,376	1,376
Addition in the year	423	0	423
Disposal in the year	0	0	0
Net foreign currency exchange differences	0	0	0
Acquisition cost as at December 31, 2020	423	1,376	1,799
Addition in the year	0	0	0
Disposal in the year	0	0	0
Net foreign currency exchange differences	0.0	0	0
Acquisition cost as at December 31, 2021	423	1,376	1,799
Accumulated amortization as at January 1, 2020			
Amortization expenses from continued operations in the year	37	1	38
Disposal in the year	0	0	0
Impairment loss	0	1,287	1,287
Net foreign currency exchange differences	0	1	1
Accumulated amortization as at December 31, 2020	37	1,376	1,412
Amortization expenses from continued operations in the year	0	1	1
Disposal in the year	0	0	0
Impairment loss	0	0	0
Net foreign currency exchange differences	0	0	0
Accumulated amortization as at December 31, 2021	37	1,376	1,413
Net carrying amount as at December 31, 2020	386	0	386
Net carrying amount as at December 31, 2021	386	0	386

Estimated useful life

25 years

All capitalized development costs, licenses and patents are amortized over their estimated useful life on a straight-line basis.

Note 8 – Property, plant and equipment

NOK 1000	Land	Solar energy site	Asset under construction	Fittings and fixtures	Total
Acquisition cost					
Acquisition cost as at January 1, 2020	6,359	0	32,328	1	38,688
Additions from business combinations in the year	0	0	0	0	0
Additions purchased property, plant and equipment	0	18,914	0	77	18,992
Transferred	0	32,328	-32,328	0	0
Disposals	0	0	0	0	0
Net foreign currency exchange differences	-1,176	1,760	0	19	603
Acquisition cost as at December 31, 2020	5,182	53,002	0	98	58,283
Additions from business combinations in the year	0	0	0	0	0
Additions purchased property, plant and equipment	0	0	50,112	151	50,262
Transferred	0	0	0	0	0
Disposals	0	0	0	0	0
Change in accounting principle Sempolky LLC	0	-2,687	0	0	0
Net foreign currency exchange differences	391	4,217	0	21	4,629
Acquisition cost as at December 31, 2021	5,573	54,532	50,112	269	110,486
Accumulated amortization					
Accumulated amortization as at January 1, 2020	0	0	0	1	1
Depreciation expense from continued operations in the year	0	5,716	0	1	5,717
Disposal in the year	0	0	0	0	0
Impairment loss	0	0	0	0	0
Net foreign currency exchange differences	0	0	0	0	0
Accumulated amortization as at December 31, 2020	0	5,716	0	2	5,718
Depreciation expense from continued operations in the year	0	10,264	0	133	10,398
Disposal in the year	0	0	0	0	0
Impairment loss	0	0	0	0	0
Net foreign currency exchange differences	0	0	0	0	0
Accumulated amortization as at December 31, 2021	0	15,980	0	135	16,115
Net carrying amount as at December 31, 2020	5,182	47,287	0	96	52,565
Net carrying amount as at December 31, 2021	5,573	38,552	50,112	134	94,371

Estimated useful life

15 years

2-5 years

All property, plant and equipment are depreciated over their estimated useful life on a straight-line basis

Note 9 – Leasing**Operating leases**

All leases in the Group have 3 months termination options.

Note 10 – Financial income and expense

NOK 1000	2021	2020
Income from associates	2,748	0
Interest income bank	274	683
Other interest income	434	0
Other financial income	6,803	1,022
Total financial income from continuing operations	10,259	1,705
	2021	2020
Other interest expense	4,002	3,078
Other financial expense	1,600	12,536
Total financial expense from continuing operations	5,601	15,614
Net financial expense from continuing operations	4,658	-13,909

Note 11 – Income tax expense**Specification of income tax expense relating to continuing operations**

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

NOK 1000	2021	2020
Income tax payable	436	1
Changes in deferred tax	0	0
Effect due to changes in tax rate	0	0
Income tax expense relating to continuing operations	436	1
Income tax expense Norway from continuing operations	0	0

No income tax is charged directly to equity in 2021 and 2020.

Income tax payable (statement or financial position)	2021	2020
Income tax payable	3	198
Tax payable (statement of financial position)	3	198

Effective Tax Rate	2021	2020
Profit/(loss) before tax from continuing operations	-33,851	-26,358
Expected income tax applying nominal tax rate of 22%, Norwegian Tax Rate	-7,447	-5,799
Tax effect of the following items:		
Permanent differences	-10,403	128
Changes in not recognized deferred tax asset/reversal of not recognized deferred tax asset	-17,414	5,672
Income tax expense/income recognized in profit or loss (relating to continuing operations)	436	1
Effective tax rate	-1.29%	0.00%

Specification of the tax effect of temporary differences and losses carried forward:

	Dec.31, 2021	Dec.31, 2020		
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment and intangible assets	0	22	0	25
Tax losses carried forward	11,380	0	3,198	0
Total tax effect of temporary differences	11,380	22	3,198	25
Amounts not recognized (valuation allowance)	-11,380	-22	-3,198	-25
Deferred tax assets/liabilities	0	0	0	0
Deferred tax assets			0	
Deferred tax liability			0	
Net deferred tax assets/liabilities			0	

Note 12 – Other investmentsNOK 1000
Non-current

Entity	Ownership interest	Dec 31,2021	Dec 31,2020
Sustainable Power Generation (Pty) Ltd	3.7%	623	623
Gharo Solar	10%	14,044	14,044
Total		14,667	14,667

Both Gharo Solar and Sustainable Power Generation are accounted for using the cost method.

Current

Entity	Ownership interest	Dec 31,2021	Dec 31,2020
NV Capital Management	0%	Note 4	0
Total		0	117

Note 13 – Cash and Cash equivalents

NOK 1000	Dec 31,2021	Dec 31,2020
Short-term bank deposits	86,801	27,032
Cash and cash equivalents in the consolidated statement of financial position	86,801	27,032
Cash and cash equivalents in the cash flow statement	86,801	27,032

Bank deposits for employee tax withholding

746 299

Note 14 – Receivables – amounts due after more than one year

NOK 1000	Dec 31,2021	Dec 31,2020
Other non-current receivables	0	5,927
Total other non-current receivables	0	5,927

Note 15 – Inventories

NOK 1000	Dec 31,2021	Dec 31,2020
Finished goods:		
Goods for resale	179	170
Projects under development	0	3,310
Other goods	0	0
Total	179	3,480

Note 16 – Other current receivables

NOK 1000	Dec 31,2021	Dec 31,2020
Prepaid costs	2,941	1,734
VAT receivables	5,283	669
Other receivables	7,504	177
Total	15,728	2,579

Note 17 - Share capital and shareholder information

	Total	Face value	Entered
A-shares	74,770,387	0.01	747,704
Total	74,770,387		747,704

Year-end 31.12.2021**Ownership structure**

Top 10 largest shareholders in % at year end

	Number of shares	Owner interest	Shares of votes
Valinor AS	35,532,861	47.5%	47.5%
Pictet & Cie (Europe) S.A.	4,978,194	6.7%	6.7%
ØLV HOLDING AS	4,721,230	6.3%	6.3%
BERKER GROUP AS	4,701,230	6.3%	6.3%
FREMT AS	4,699,230	6.3%	6.3%
AEGA ASA	3,989,170	5.3%	5.3%
NORDIC ESG AND IMPACT INFRASTRUCT	2,631,578	3.5%	3.5%
RØROS KOBBERVERK AS	2,448,120	3.3%	3.3%
CACEIS Bank	1,375,000	1.8%	1.8%
AUSTAVIND AS	1,052,631	1.4%	1.4%
Total > 1.4% ownership share	66,129,244	88.4%	88.4%
Total other	8,641,143	11.6%	11.6%
Total number of shares	74,770,387	100.0%	100.0%

Shares and options owned by the Directors of the Board and the General Manager:

Name	Position
Total number of shares	

ØLV Holding AS is owned by General Manager Øyvind Laugen Vesterdal.
Røros Kobberverk AS is owned by Chairman of the Board, Pål S. Valseth.

Note 18 – Equity

NOK 1000	Share capital	Share premium	Other equity	Minority interest	Attributable to parent	Equity Sum
Balance December 31, 2020	556	52,585	1,518	19,253	35,406	54,659
Change in accounting principle Semypolky LLC			-2,459	-1,721	-738	-2,459
Debt conversion		1,091			1,091	1,091
Capital increase	192	149,894			150,086	150,086
Expenditures via equity (Euronext listing process)		-7,537			-7,537	-7,537
Minority change			-2,504	3,811	-6,315	-2,504
Translation differences			1,333	2,836	-1,503	1,333
Net profit (loss) of the year			-34,286	410	-34,697	-34,286
Transferred from share premium		-27,623	27,623			
Total	748	168,410	-8,775	24,589	135,793	160,383

The change in accounting principle is due to that calculated interest cost during construction was included in the cost price of the Semypolky solar plant. This has now been adjusted in PPE and the entry made against equity. The historic numbers are not adjusted to reflect this.

Note 19 – Non-controlling interest

NOK 1000	2021			
Company	Ownership	Country	Share of profit/Loss	Share of Equity
Norsk Solar Nicaragua	1%	Nicaragua	-13	-16
Semypolky Solar Ltd	36%	UK	-4	7,229
Semypolky Solar LLC incl. subsidiary*	30%	Ukraine	998	9,792
Norsk Solar Vietnam Ltd **	27%	UK	-503	1,404
Nordic Impact Cooperation AS	49%	Norway	-67	6,181
			410	24,589

* Semypolky Solar LLC owns 100% of the shares in Semypolky Solar LLC 2 (Ukraine)

** Norsk Solar Vietnam Ltd. owns 100% of the shares in Norsk Solar Vietnam Co Ltd.

Company	Ownership	Country	Share of profit/Loss	Share of Equity
Norsk Solar Nicaragua	1.00%	Nicaragua	3	3
Semypolky Solar Ltd	57.15%	UK	0	10,996
Semypolky Solar LLC incl. subsidiary*	30.00%	Ukraine	-5,977	8,254
			-5,975	19,253

* Semypolky Solar LLC owns 100% of the shares in Semypolky Solar LLC 2 (Ukraine)

Note 20 – Interest-bearing liabilities

Non-current	Dec 31,2021	Dec 31,2020
NOK 1000		
Debt to financial institutions secured	31,386	37,832
Total non-current interest-bearing liabilities	31,386	37,832
Debt to owners of the company	0	402
Other non-current debt	4,613	6,094
Total	4,613	6,496

Current	Dec 31,2021	Dec 31,2020
NOK 1000		
Debt to financial institutions secured	4,828	5,176
Total non-current interest-bearing liabilities	4,828	5,176

Norsk Solar uses non- recourse financing to finance the solar power plants. The assets and the cash flow generated from them are the exclusive guarantee for this type of financing. This type of financing has a clearly defined and limited risk profile. The Semypolky plant in Ukraine is financed with this type of financing with a EUR loan. This means that the shares in Semypolky Solar LLC with a book value of NOK 38.7million, the property, plant and equipment in Semypolky Solar LLC with a book value of NOK 50 million, the shares in Semypolky Solar 2 with a book value of NOK 5.6 million and the land Semypolky 2 owns with a book value of NOK 5.6 million are pledged as security with 1 priority.

Semypolky Solar Ltd has given a guarantee for this loan and has pledged as security with 1 priority the shares in Semypolky LLC with a book value of NOK 32 million.

NOK 4.8 million of the non-recourse debt is due within 12 months and is presented as current. Euro 1 million matures more than 5 years ahead.

There is a covenant in the loan agreement with NEFCO in relation to a debt service coverage ratio. Norsk Solar is compliant with all covenants in this agreement 31.12.2021.

The loan matures December 31, 2029.

Norsk Solar AS was granted a loan from Innovasjon Norge AS in 2020 of MNOK 5. Machinery, inventory and factoring are each pledged as with 1 priority of NOK 5 million. Book value of the pledged assets is NOK 36.2 million as of December 31, 2021. The loan matures July 10, 2027.

SR Bank provided a letter of Credit on behalf of Norsk Solar AS in October 2021 of USD 100 000 with maturity February 15, 2022.

Norsk Solar has a bridge facility for construction financing with Sparebanken 1 SR bank for NOK 50 million. Norsk Solar has not drawn on this facility in 2021

Note 21 – Trade and other current liabilities

NOK 1000	Dec 31,2021	Dec 31,2020
Trade liabilities	8,654	2,645
Trade liabilities	8,654	2,645
Accrued holiday allowance	1,139	637
Accrued costs	2,335	411
Other	183	637
Other current liabilities	3,657	1,686
Trade and other current liabilities	12,311	4,331

Note 22 – Transactions with related parties

Balances and transactions between Norsk Solar AS and its subsidiaries as well as balances and transactions between subsidiaries, which all are related parties of Norsk Solar AS have been eliminated on consolidation and are not disclosed. Compensation related to directors and key management personnel during the year is described in note 4. All related party transactions are considered to be on an arm length basis. Other details related to transactions between the Group and related parties are disclosed below.

Related party balance items	Other receivables	
	2021	2020
NOK 1000		
Counterpart	Non-controlling interests	0 1,303
Total	0	1,303

NOK 1000	Non-current liabilities	
	2021	2020
Counterpart		
Valinor AS	Parent company	0 26,684
Total	0	26,684

Note 23 – Subsequent events

Included in these financials there is a solar plant located in Semypolky, Ukraine. Due to the ongoing war in Ukraine, there might be consequences for the plant's ability to produce power and therefore generate revenue in 2022. There is also a risk that the plant can sustain damage. We are monitoring the situation and working closely with our local partner and the non- recourse lender in the project (NEFCO) to continuously assess the situation. At the time of this report's publication, the plant is unharmed and producing, and we have so far been paid for power produced. However, we along with all other power producers in Ukraine have received a notification from the Ministry of Energy about reduced settlement of feed- in tariff for the military period. If this is to continue for an extended period of time it will have a consequence for the financial performance of the plant. The lender has received all due payments and we are in compliance with agreed terms with lenders. We are monitoring the asset continuously together with our local operation partner. There is uncertainty in the current situation.

The plant generated almost all of the group's revenue in 2021 and was therefore a material part of revenue. Profit after tax was NOK 1.8 million. The book value of the plant and land was NOK 44.1 million. The non-recourse loan in the entity that owns the plant was Euro 3.6 million.

Norsk Solar AS owns 45% of the plant. On the balance sheet of Norsk Solar AS, the investment in Ukraine is NOK 22.4 million. Receivables related to the investment is NOK 7.6 million. Proportionate revenue and profit after tax in 2021 was NOK 5.8 million/0.8 million.

Ukraine is not a strategic focus market for the group. We have no business development activities or plans for future projects there.

Parent Company financial statements



Financial statements

– Norsk Solar AS

Norsk Solar AS
Financial statements
Profit and loss statement

	NOK 1000	Note	2021	2020
Operating income and operating expenses				
Revenue			36,408	580
Other income	1		0	1,750
Total income			36,408	2,330
Raw materials and consumables used			38,101	3,294
Employee benefits expense	2		21,805	7,167
Depreciation of operating and intangible assets	3		144	38
Write-downs of tangible and intangible assets	3		0	1,287
Other expenses	2		5,992	2,723
Total expenses			66,041	14,508
Operating profit			-29,633	-12,178
Financial income and expenses				
Income from associated companies	4		2,748	0
Interest income from group companies	5		391	0
Other interest income	5		704	663
Other financial income			1,003	457
Other interest expenses			1,393	1,490
Other financial expenses	6		1,030	554
Net financial items			2,422	-924
Net profit before tax			-27,211	-13,102
Income tax expense	7		412	0
Net profit after tax			-27,623	-13,102
Net profit or loss	8		-27,623	-13,102
Attributable to				
Allocated from share premium	8		27,623	10,164
Transferred from other equity			0	2,938
Total			-27,623	-13,102

Balance sheet

– Norsk Solar AS

Norsk Solar AS
Financial statements
Balance sheet at December 31

	NOK 1000	Note	2021	2020
Assets				
Non-current assets				
Intangible assets				
Intangibles	3,9		280	386
Total intangibles assets			280	386
Property, plant and equipment				
Equipment and other movables	3,9		195	76
Total property, plant and equipment			195	76
Non-current financial assets				
Investments in subsidiaries	6		41,221	13,977
Loans to associated companies and joint ventures	5,10		14,635	1,502
Other investments	4		14,667	14,667
Other long-term receivables	5,10		0	5,927
Total non-current financial assets			76,688	36,074
Total non-current assets			77,163	36,536
Current assets				
Projects under development				0
Debtors				
Accounts receivables	9,10		36,122	486
Other short-term receivables			8,818	809
Receivables from group companies	10		23	15
Total receivables			38,798	1,311
Cash and cash equivalents	11		67,991	22,990
Total current assets			106,790	27,611
Total assets			183,952	64,146

Balance sheet

– Norsk Solar AS

Norsk Solar AS

Financial statements

Balance sheet at December 31

NOK 1000	Note	2021	2020
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	12	748	556
Share premium reserve		168,409	52,585
Total paid-up equity		169,157	53,141
Total equity	8	169,157	53,141
Liabilities			
Other non-current liabilities			
Non-current liabilities to group companies	10	0	402
Other non-current liabilities	9	5,002	6,094
Total non-current liabilities		5,002	6,496
Current liabilities			
Trade payables	10	5,570	2,612
Public duties payable		1,292	583
Other current liabilities	10	2,932	1,316
Total current liabilities		9,794	4,510
Total liabilities		14,795	11,006
Total equity and liabilities		183,952	64,146

31 December 2021

28 April 2022



Pål Selboe Valseth

Chairman of the board



Nils Petter Skaset

Member of the board



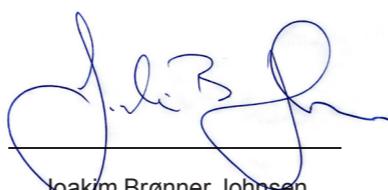
Kristin Skofteland

Member of the board



Kari Mercedes Campos
Johansen De Fremme

Member of the board



Joakim Brønner Johnsen

Member of the board



Øyvind L. Vesterdal

General Manager

Notes to the financial statements

Accounting principles

The annual accounts have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles for small businesses in Norway.

Foreign currency

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

Operating revenues

Income from the sale of goods is recognized on the date of delivery. Services are posted to income as they are delivered.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Shares in subsidiaries/shares

Subsidiaries and shares are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represent a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Group

The Groups statement is located at Haakon VII's gate 8, NO-4005 Stavanger, Norway

Note 1 – Other operating income

In 2020 a grant of NOK 1 650 000 was received by Norsk Solar AS from Innovation Norway and NOK 100 000 from Norwegian Research Council. No grants received in 2021.

Note 2 – Salary costs and benefits, remuneration to the chief executive, board and auditor

NOK 1000		
Salary costs	2021	2020
Salaries	15,762	5,955
Employment tax	2,197	827
Pension costs	274	115
Other benefits	3,572	269
Total	21,805	7,167

In 2021 the company employed 20.5 full-time equivalent employees.
in 2020 the company employed 8 full-time equivalent employees.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

NOK 1000

Remuneration to leading personnel	CEO	Board
Salaries	1,884	0
Pension costs	25	0
Other remuneration	9	0
Total	1,917	0

Auditor

Audit fees expensed for 2021 is NOK 386 050. For year 2020 the audit fee was NOK 122 500. In addition, fee for other services is NOK 546 878, of which NOK 88 007 is legal fees.

For year 2020 the fee for other services was NOK 125 400.

Note 3 – Fixed assets

NOK 1000	Fittings and fixtures	Intangibles	Total
Purchase cost as 01.01.2021	77	423	500
+ inflow purchased fixed assets	157	0	157
= Acquisition cost 31.12.2021	234	423	656
Accumulated depreciation 31.12.2021	39	143	181
= Book value 31.12.2021	195	280	475
This year's ordinary depreciations	38	106	144
Economic life	3-5 years	4 years	

Note 4 – Investments in shares

NOK 1000	Purchase cost	Brought to balance val.
Fixed assets		
Gharo Solar	14,044	14,044
Sustainable Power Generation (Pty)	623	623
Total	14,667	14,667

Owner share/shares of votes in Gharo Solar is 10% and 3.7% in Sustainable Power Generation (Pty). We have received dividend from our holding in Gharo Solar in 2021, presented as income from associated companies.

Note 5 – Receivables with a maturity later than one year

NOK 1000	2021	2020
Loans to associated companies/joint ventures	2,996	1,502
Other long-term receivables	0	5,927
Total long-term receivables	2,996	7,429

Interest has been calculated according to the loan agreements, NOK 391 203 in 2021 and NOK 493 369 for 2020.

Note 6 – Investments in subsidiaries

NOK 1000	Municipality	Owner share	Share of votes	Purchase cost	Brought to balance val.
SBS/AS/JV					
Nordic Impact Cooperation AS	Stavanger	50.7%	50.7%	6,769	6,769
Nordic Solar Vietnam Ltd (UK)	UK	72.9%	72.9%	10,000	10,000
Norsk Solar Brasil Ltda.	Brazil	100.0%	100.0%	1,266	1,266
Norsk Solar EPC AS	Stavanger	100.0%	100.0%	30	30
Norsk Solar Hungary Kft.	Hungary	51.0%	51.0%	50	50
Norsk Solar Nicaragua	Nicaragua	99.0%	99.0%	639	639
Norsk Solar Ukraine - LLC	Ukraine	100.0%	100.0%	336	336
Semipolky Solar Ltd	UK	64.3%	64.3%	22,131	22,131
Total				41,221	41,221

The investment in NV Capital Luxemburg was liquidated in 2021 and the company had a loss of NOK 136 076.

Note 7 - Tax

NOK 1000

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	412	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	412	0
Taxable income:		
Ordinary result before tax	-27,211	-13,102
Permanent differences	-9,991	128
Changes in temporary differences	11	-317
Taxable income	-37,191	-13,291
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

NOK 1000

This year's tax expense	2021	2020	Difference
Tangible assets	102	112	11
Total	102	112	11
Accumulated loss to be brought forward	-51,727	-14,536	37,191
Not included in the deferred tax calculation	51,625	14,424	-37,201
Deferred tax assets (22%)	0	0	0

Deferred tax not included in the balance sheet.

Payable tax of NOK 412 153 in this year's tax expense is already paid withholding tax on dividend from Gharo Solar.

Note 8 – Equity capital

NOK 1000	Share capital	Share premium	Total equity capital
Balance at 31.12.2020	556	52,585	53,141
Equity transaction	0	0	0
Result for the year	0	-27,623	-27,623
Debt conversion	0	1,091	1,091
Capital increase	192	149,894	150,086
Expenditure via equity in connection with the listing process	0	-7,537	-7,537
Balance at 31.12.2021	748	168,409	169,157

The share capital and share premium increase was registered in Brønnøysund the 17th of March and 15th of April, 2021.

Note 9 – Other long-term liabilities

Other non-current debt:

Norsk Solar AS was granted a loan from Innovasjon Norge AS in 2020 of MNOK 5. The following is pledged as security: Machinery and plant, 1. priority of MNOK 5, Inventory, 1. priority MNOK 5, factoring 1. Priority MNOK 5. Book value of the pledged assets by 31.12.21 is NOK 36.2 million.

The loan matures July 10, 2027.

Norsk Solar AS has a bridge facility for construction financing with Sparebank 1 SR Bank for NOK 50 million. Norsk Solar has not drawn on this facility in 2021.

Guarantees

Sparebank 1 SR Bank provided a letter of Credit on behalf of Norsk Solar AS in October of USD 100 000 with maturity March 15, 2022.

Note 10 – Inter-company items between companies in the same group etc.

NOK 1000	Customer receivables		Other receivables	
	2021	2020	2021	2020
Companies in the same group	36,122	0	14,635	1,517
Associated companies	0	0	0	5,927
Total	36,122	0	14,635	7,444

NOK 1000	Debt to suppliers		Other long-term liabilities	
	2021	2020	2021	2020
Companies in the same group	0	210	0	402
Total	0	210	0	402

Note 11 – Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 746 102.

Note 12 – Share capital and shareholders information

	Total	Face value	Entered
A-shares	74,770,387	0.01	747,704
Total	74,770,387		747,704

Year-end 31.12.2021**Ownership structure**

The largest shareholders in % at year end

	Number of shares	Owner interest	Shares of votes
Valinor AS	35,532,861	47.5%	47.5%
Pictet & Cie (Europe) S.A.	4,978,194	6.7%	6.7%
ØLV HOLDING AS	4,721,230	6.3%	6.3%
BERKER GROUP AS	4,701,230	6.3%	6.3%
FREMT AS	4,699,230	6.3%	6.3%
AEGA ASA	3,989,170	5.3%	5.3%
NORDIC ESG AND IMPACT INFRASTRUCT	2,631,578	3.5%	3.5%
RØROS KOBBERVERK AS	2,448,120	3.3%	3.3%
CACEIS Bank	1,375,000	1.8%	1.8%
AUSTAVIND AS	1,052,631	1.4%	1.4%
Total > 1.4% ownership share	66,129,244	88.4%	88.4%
Total other	8,641,143	11.6%	11.6%
Total number of shares	74,770,387	100.0%	100.0%

Shares and options owned by the Directors of the Board and the General Manager:

Name	Position
Total number of shares	

ØVL Holding AS is owned by General Manager Øyvind Laugen Vesterdal.

Røros Kobberverk AS is owned by Chairman of the Board, Pål S. Valseth.

Note 13 – Subsequent events

Included in these financials there is a solar plant located in Semypolky, Ukraine. Due to the ongoing war in Ukraine, there might be consequences for the plant's ability to produce power and therefore generate revenue in 2022. There is also a risk that the plant can sustain damage. We are monitoring the situation and working closely with our local partner and the non-recourse lender in the project (NEFCO) to continuously assess the situation. At the time of this report's publication, the plant is unharmed and producing, and so far been paid for power generated. However, we along with all other power producers in Ukraine have received a notification from the Ministry of Energy about reduced settlement of feed-in tariff for the military period. If this is to continue for an extended period of time it will have a consequence for the financial performance of the plant. The lender has received all due payments and we are in compliance with agreed terms with lenders. We are monitoring the asset continuously together with our local operation partner. There is uncertainty in the current situation.

Norsk Solar AS owns 45% of the plant. On the balance sheet of Norsk Solar AS, the investment in Ukraine is NOK 22.4 million. Receivables related to the investment is NOK 7.6 million.

Ukraine is not a strategic focus market for the group. We have no business development activities or plans for future projects there.

Auditor's report



Deloitte.

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NO-4032 Stavanger
Norway

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To the General Meeting of Norsk Solar AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Norsk Solar AS, which comprise:

- The financial statements of the parent company Norsk Solar AS (the Company), which comprise the balance sheet as at 31 December 2021, the income 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 Norsk Solar AS and its subsidiaries (the Group), 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.

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 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for 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 other information accompanying the financial statements.

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

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Organisasjonsnummer: 980 211 282

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Independent Auditor's Report -
Norsk Solar AS

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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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.

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.

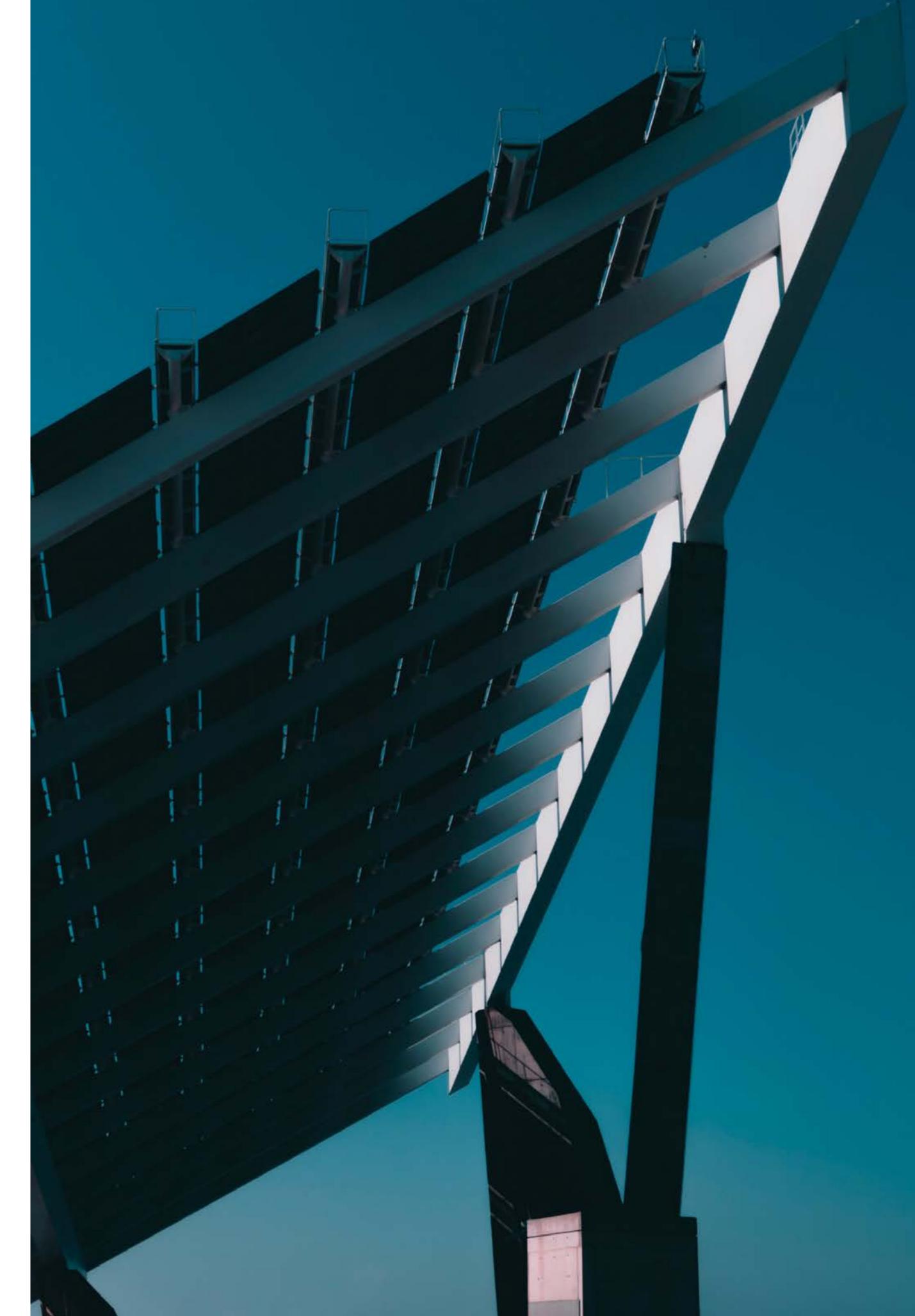
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Norsk Solar AS

Stavanger, 28 April 2022
Deloitte AS

Else Høyland Joranger

Else Høyland Joranger
State Authorised Public Accountant





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SOLAR**

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