

The logo for EAM, consisting of the lowercase letters 'eam' in white on a dark blue square background.

eam

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# EAM Solar AS Q3 REPORT 2024

Interim condensed consolidated financial statements for the nine months and quarter ended 30 September 2024

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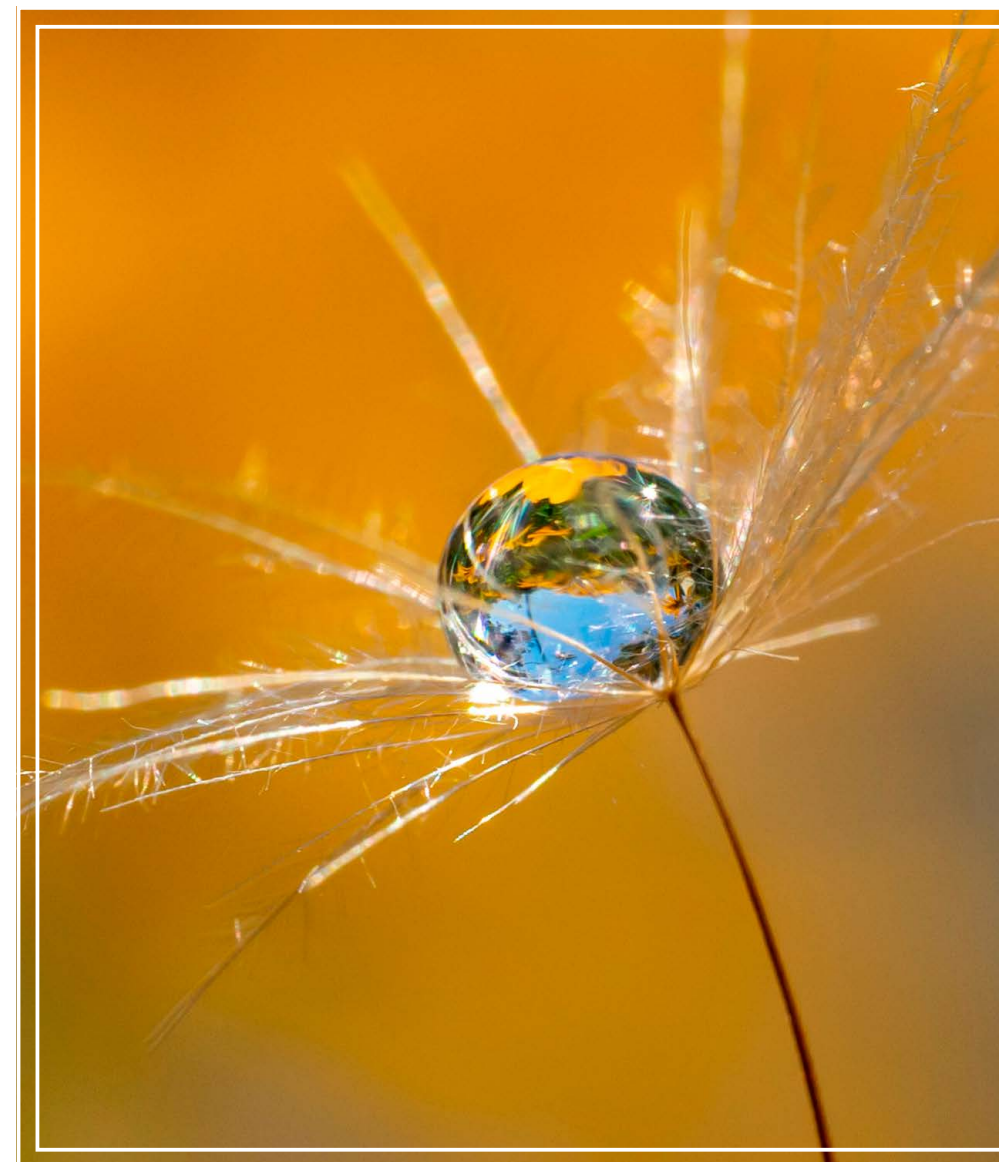


# HIGHLIGHTS Q3 2024

- The financial report includes all material events and information up to the reporting date 24 October 2024.
- The company is currently conducting an equity issue of between 100 000 000 and 250 000 000 new shares at a subscription prices of NOK 0.10 per share. The subscription period started 17 October and ends on 31 October. Subscription for new shares are reserved to shareholders of the company as of 30 October 2024. A successful conclusion of the equity issue is necessary to secure going concern.
- GSE reinstated the FIT subsidy for the ENFO25 power plant in October. This affects the full year 2024 financial reporting through recognition of FIT revenues to ENFO 25.
- The most important event in the third quarter was the court decision by the Milan Court of Appeal of 4 July. The decision was appealed to the Supreme Court of Cassation by the Company on 10 October.
- EBITDA for the quarter was EUR 31 thousand and minus EUR 89 thousand year-to-date. EBITDA adjusted for litigation costs was EUR 185 thousand in the quarter and EUR 160 thousand year-to-date.

## Key figures

EUR 000'	Unaudited Q3 2024	Unaudited Q3 2023	Unaudited 9M 2024	Unaudited 9M 2023	Audited 2023
Revenues	415	333	1046	787	993
Cost of operations	(56)	(50)	(174)	(150)	(237)
Sales, general and administration expenses	(173)	(121)	(712)	(728)	(743)
Legal costs	(155)	(128)	(250)	(707)	(983)
EBITDA	31	34	(89)	(798)	(971)
Depreciation, amortizations and write downs	(141)	(141)	(423)	(424)	(564)
EBIT	(110)	(107)	(513)	(1222)	(1 535)
Net financial items	322	(590)	364	620	584
Profit before tax	211	(698)	(148)	(602)	(951)
Income tax gain/(expense)	(12)	(130)	(39)	(139)	(260)
Net income	199	(827)	(187)	(740)	(1 211)
<b>Earnings per share (fully diluted):</b>	<b>0.03</b>	<b>(0.12)</b>	<b>(0.03)</b>	<b>(0.11)</b>	<b>(0.18)</b>
Million no. of shares (fully diluted)	6.85	6.85	6.85	6.85	6.85
EBITDA adjusted	185	161	160	(91)	12



# INTERIM REPORT

**EAM Solar AS (“EAM”, “EAM AS”, or “the Company”) is a company listed on the Oslo Stock Exchange under the ticker “EAM”. The Company’s primary business is to own solar power plants and sell electricity under long-term fixed price sales contracts, and to pursue legal proceedings to restore company values. The Company owns four power plants in Italy, in the Puglia and Basilicata regions.**

The interim report should be read in combination with the Annual report 2023, the first and second quarter 2024 reports, the October 2024 equity issue prospectus, and stock exchange notices in the reporting period.

This financial report includes all relevant information up to the reporting date 24 October 2024.

## October 2024 equity issue

The extraordinary general meeting of the Company decided on 16 October to conduct an equity issue through the issuance of between 100 000 000 and 250 000 000 new shares at a subscription price of NOK 0.10 per share. The subscription period started 17 October and ends on 31 October at 08:00 CET.

The general meeting decided that the subscription for shares is reserved to shareholders of the Company as of 30 October 2024.

In accordance with the assessment of the financial position of the mother company, as reported through 2024, the conclusion of the equity issue will determine the organization of EAM going forward.

## Change in corporate legal registration

Following the decision by the Company’s general meeting in June, EAM’s legal registration is no longer a public limited company (ASA or allmennaksjeselskap), but a limited liability company (AS or aksjeselskap) under Norwegian law.

The change in legal form has consequence for the listing of the Company’s shares on the Oslo Stock Exchange Euronext Expand, since it no longer complies with the requirement to be an ASA’ company. The Company’s shares are therefore on a so-called “penalty bench”, which implies a notification to the stock market of non-compliance with listing requirements. The notification has no consequence for the trading in the Company’s shares.

The general meeting in June mandated the Board of Directors to apply for a listing of the Company’s shares on the Oslo Stock Exchange Euronext Growth list. The Board intends to apply for such

listing following a conclusion of the equity issue currently underway in the Company.

## Reinstatement of ENFO25 FIT subsidy

In September 2019, GSE made a termination decision of the feed-in-tariff subsidy contract for ENFO25. Basis for GSE’s termination decision was an alleged breach of a technical administrative regulation related to 73 out of the 4 300 solar PV panels installed on the power plant.

GSE’s termination decision was appealed to the Administrative Court in Lazio, Rome (TAR). In 2021 TAR ruled that the termination decision was invalid and consequently should be cancelled.

Based on inactivity by GSE to reinstate the ENFO25 FIT contract following the court decision by TAR, the Company conducted a write-down of the net receivables against GSE in 2022, and stopped recognizing FIT revenues in the accounts for ENFO25 from 2023.

In July 2024, EAM formally applied to GSE for reinstatement of ENFO 25’s Feed in-Tariff under an amnesty procedure. On 10 October, EAM was informed by GSE that the application for amnesty was accepted and that the FIT-contract would be restored at a lower FIT-tariff than the original subsidy price.

The new FIT contract price for electricity delivered has been reduced from EUR 0.231 per kWh to EUR 0.189 per kWh. The adjustment of the FIT-contract price is conducted from the original start of the contract in 2011.

Since start of production, ENFO 25 has delivered 16 706 MWh under the FIT contract, of which GSE has recognized and paid for 9 931

MWh. ENFO25 has received a total payment of EUR 2.35 million from GSE, while total revenues according to the new FIT-tariff should be approximately EUR 3.15 million up until Q3 2024. EAM expect that GSE will reimburse the differential during the fourth quarter 2024.

The financial effect of the reinstatement of the FIT contract for ENFO25 will be an estimated increase in gross revenues for 2024 of approximately EUR 230 000. A net reimbursement of previous years FIT will come in addition and is estimated to be in the range EUR 0.5 to 0.7 million. The amount will be recognized in the financial accounts when the final calculation is received from GSE.

### Litigation activity review

The P31 Acquisition fraud transformed EAM from an operational Solar PV YieldCo to a company where most activity and value depends on the outcome of various litigation processes.

The most important event in the third quarter 2024 was the decision made by the Criminal Appeal Court of Milan, announced 4 July, in the criminal proceedings whereby EAM was a civil party. EAM received the Court's full grounds for the decision in August.

The complete ruling by the Court is published on the EAM webpage with the following link:

<https://eamsolar.no/investors/p31-acquisition-legal-information>.

### Criminal proceedings in Milan

On 4 July 2024 the Milan Criminal Court of Appeal announced its judgement. The first instance decision of 2019, with associated civil liability, were upheld in relation to the Indictment of fraud against the state of Italy for solar power plants that illegally had received

state subsidies under Conto Energia II and IV. However, Marco Giorgi and Igor Akhmerov were acquitted of the allegations contained in Indictment Point F) related to fraud against EAM.

Based on the advice of EAM's criminal attorneys in Italy, EAM submitted an appeal of the Appeal Court decision to the Court of Cassation on 11 October 2024. The appeal is based on the information described in the Q2 2024 financial report.

The criminal proceedings in Milan started in January 2015 when the prosecutor's Office of Milan filed a request for trial to the Criminal Court of Milan against 9 individuals for fraud against the State of Italy in conjunction with subsidized electricity sales contracts.

The criminal proceedings commenced in June 2016, and in April 2019 the Criminal Court of Milan published its decision, where the indicted Aveleos directors, Mr Giorgi, and Mr Akhmerov, was found guilty of criminal contractual fraud against EAM Solar ASA in conjunction with the sale of the P31 portfolio and sentenced them to prison terms and provisional damages of EUR 5 million. Aveleos S.A., as civil liable party, was condemned to be financially responsible for the same provisional damage.

The 2019 ruling by the Criminal Court of Milan was appealed by several parties, and the appeal procedure in the Criminal Court of Appeal of Milan commenced with one hearing in October 2020 and two hearings in December 2020, and on 20 January 2021, the Criminal Appeal Court of Milan revoked the first instance judgement of the Criminal Court of Milan.

EAM Solar ASA joined with the Prosecutor's Office in Milan in appealing the Criminal Appeal Court of Milan decision to the Italian Supreme Court of Cassation in 2021.

On 7 October 2021 the Supreme Court of Italy decided to annul the acquittal decision of by the Criminal Appeal Court of Milan in its entirety.

The Supreme Court issued its full grounds for the annulment decision of the acquittal ruling in November 2021. The Supreme Court found that the Criminal Appeal Court of Milan did not fulfil its obligation to conduct a correct and comprehensive review of the factual evidence in the criminal case, resulting in an erroneous evaluation of the evidence with the effect that the acquittal decision was based on inconsistent and illogical arguments.

The Supreme Court sent the criminal proceedings back to a different chamber of the Criminal Appeal Court of Milan for new appeal proceedings to be conducted, with the requirement that the new court proceedings must be based on a complete review of the evidence, making correct application of the principles of law and the rules of logic as formulated in the Supreme Court decision.

On the fraud of EAM, the Supreme Court concluded that the evidenced withholding of essential information during the contractual negotiations constitutes a contractual fraud.

In July 2023, Section V of the Court of Appeal in Milan notified the parties that the appeal proceedings would continue, and the first hearing took place on 30 November 2023. The final hearing was conducted 16 May 2024. The Court of Appeal rendered its judgement on 4 July 2024 and found that Akhmerov and Giorgi, while still liable

for the Indictment Points B) and D) against the Italian State, were not guilty nor liable towards EAM in relation to Indictment Point F).

The court has reasoned that the 2014 notification (that the prosecutor's office of Milan was conducting conformity checks on 5 plants under Conto Energia IV) was sufficient for EAM to have known that 17 plants, under Conto Energia II, III, and IV, had been constructed fraudulently and that EAM took a commercial risk in purchasing the plants with this knowledge.

EAM submitted an appeal to the Court of Cassation on 11 October 2024. This is because the appeal court judgement contains blatant factual errors, omission of witness statements and documents which, if corrected, would undermine the reasoning for the judgement.

Further, the court of appeal has derogated from the reasoning and interpretations of the Supreme Court of Cassation in 2021 and has mistakenly assumed that the arbitration proceedings which concluded in 2019 had already examined the conduct of Giorgi and Akhmerov.

If accepted, the process is estimated to take between 9–12 months before a full ruling is received. EAM's legal counsel in Italy advises that there are four possible scenarios:

1. The Supreme Court of Cassation refuses to hear the case and the case is dismissed. This would end the criminal proceeding saga and the latest Appeal Court ruling will be final.
2. The Court of Cassation accepts the case but EAM is unsuccessful or otherwise fails to overturn the decision of the Court of Appeal. This outcome will also see the Appeal Court ruling become final.

Should the Court of Cassation accept the case and EAM is successful in overturning the Appeal Court decision, the Court then must decide whether to send the matter back to the Court of Appeal again, or to make a conclusive and final decision themselves.

3. Should the Cassation Court send the matter back to the Court of Appeal, a new series of hearings will be held in the Court of Appeal, before a new set of judges. This will include rigid instructions from the Court of Cassation. This process would be estimated to last at least one year from the decision in the Court of Cassation.
4. Should the Court of Cassation elect to decide for themselves, the proceedings will conclusively end and the ruling of the Court of Cassation will become the permanent, decisive ruling.

#### **Arbitration proceedings in Milan of 2016**

Following the final legal ruling by the Administrative Court of Lazio (TAR) in June 2016 that the 17 terminated FIT contracts were invalid, the Company summoned Aveleos S.A. to the Milan Chamber of Arbitration requesting the Share Purchase Agreement between the parties to be declared null and void based on fundamental breach of contract.

On 2 April 2019 a final award was made by the Arbitral Tribunal of the Milan Chamber of Arbitration. The Arbitration decision was not unanimous, with one of three arbitrators dissenting to dismissing the claims brought by EAM Solar ASA. The dissenting opinion was published together as an integrated part of the of the arbitration ruling.

On 4 July 2019 EAM Solar ASA filed an appeal against the Arbitration Tribunal decision in the civil Court of Appeal of Milan asking the court to annul the arbitration award of 2 April 2019 based on 12 different accounts of breach of Italian law in its conclusions and the basis for the arbitration award. On 23 June 2021 the Civil Court of Appeal of Milan decided to dismiss the request for the annulment of the Arbitration award. However, The Arbitration decision of 2019 is not yet final since EAM decided to appeal the dismissal by the Civil Appeal Court in Milan to the Supreme Court in Italy within the deadline on 22 September 2021. The matter is still pending before the Court of Cassation.

#### **New arbitration in Milan of 2020**

On 5 October 2020, the Arbitration Chamber of Milan notified EAM Solar ASA and its subsidiary EAM Solar Italy Holding Srl that Aveleos SA had filed for two new arbitration proceedings in relation to the P31 SPA with reference to shareholder loans and corporate guarantees. The two proceedings have later been merged into one proceeding.

The Milan Chamber of Arbitration's final decision in the arbitration between EAM Solar ASA and Aveleos SA was received 29 February 2024. The arbitration court conclusion was a net amount in favour of EAM of between EUR 2 616 810 and EUR 2 939 814 after interest is applied.

A range is stated above due to a possible clerical error made in the Final Award. Aveleos has requested the Arbitration Chamber to correct the error and revise the stated interests. Aveleos has further challenged the application of other interest rates. The Tribunal resolved the issue by ruling dated 16 May 2024 determining the new amount in favour of EAM to be EUR 2 729 796 after interest as of 22 May 2024.

Aveleos has appealed the award. EAM has until 27 November 2024 to respond. The first hearing in this appeal matter will be held on 5 February 2025. It is not yet known which elements of the award will be stayed pending the appeal.

### Civil Court Italy; UBI

In November 2018 EAM Solar ASA was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. A decision was expected on 12 September 2024 but the matter has been postponed for a further hearing on 3 December 2024.

No provisions are made in the accounts on this matter.

### Civil Court Luxembourg

EAM Solar ASA filed a civil lawsuit in Luxembourg in July 2019 against the Aveleos shareholder, Enovos, along with the four Enovos-employed directors of Aveleos. This civil claim is subordinate to the original criminal complaint with civil action filed in 2016, which itself remains pending before the investigating judge in Luxembourg.

### Standstill agreement proceedings against Aveleos in Luxembourg

In a ruling communicated in March 2017 the court decided that the Luxembourg civil proceedings regarding the standstill agreement shall be put to a halt until the award before the Arbitration Court of Milan is finalized.

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

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

### Financial review

#### Solar PV power plant production

EAM ASA owns 4 solar power plants with a combined installed capacity of 4.0 MW, and an average annual power production of 5.4 GWh (P50 production).

9 months 2024 power production was 3 656 MWh, 16 per cent below budget production, mainly due to lower capacity of the power plants due to thefts of solar PV panels. Third quarter power production was 1 353 MWh, 19.7 per cent below budget.

#### Revenues

Revenues in the quarter were EUR 414 thousand, of which FIT revenues were EUR 257 thousand, EUR 147 thousand were from market sales of electricity and EUR 9 thousand were other revenues.

9 months 2024 revenues were EUR 1 045 million, of which FIT revenues were EUR 696 thousand, EUR 330 thousand were from market sales of electricity and EUR 19 thousand were other revenues. Year-to-date FIT revenues 2024 for ENFO25 is recognized in the accounts following the reinstatement of the FIT contract.

#### Cost of operations

Cost of operations in the quarter was EUR 55 thousand and accumulated for the year cost of operations was EUR 174 thousand.

#### SG&A costs

SG&A costs in the quarter were EUR 173 thousand and accumulated for the year SG&A costs were EUR 711 thousand.

#### Legal costs

In the quarter legal costs stemming from the P31 Acquisition were EUR 154 thousand and accumulated for the year EUR 250 thousand.

#### EBITDA

EBITDA in the quarter was EUR 31 thousand, representing an EBITDA margin of 7.5 per cent. 9 months EBITDA was minus EUR 89 thousand, representing an EBITDA margin of minus 8.5 per cent.

#### EBIT

Depreciation and amortization in the quarter were EUR 141 thousand, resulting in an operating loss of EUR 110 thousand. 9 months depreciation and amortization were EUR 423 thousand, resulting in an operating loss of EUR 512 thousand for the period.

#### Net financial items

Net financial items in the quarter were positive with EUR 322



thousand. 9 months net financial items were positive with EUR 365 thousand.

### Pre-tax profit, taxes, and net profit

Pre-tax profit in the quarter was EUR 212 thousand, and 9 months pre-tax loss was EUR 146 thousand.

Taxes in the quarter were 11 thousand, and 9 months tax cost was EUR 39 thousand.

Reported net profit in the quarter was EUR 201 thousand, and 9 months net loss was EUR 185 thousand.

### Cash flow

Cash flow from operations in the reporting period was positive with EUR 279 thousand. Investment activities were zero in the period and financing activities were negative with EUR 585 thousand in the period.

Restricted and unrestricted cash at the end of the quarter was EUR 86 thousand, of which EUR 36 thousand is restricted and EUR 62 thousand remains seized by the Prosecutors Office in Milan in companies not included in the criminal proceedings.

### Balance sheet

On a group level total assets at the end of the quarter were EUR 7.9 million with book equity of EUR 0.9 million representing an equity ratio of 11.4 per cent.

### Shares and share capital

The Company's registered share capital at the end of the quarter was NOK 6 852 210 divided into 6 852 210 shares, each with a nominal value of NOK 1.00.

The general meeting passed a resolution on 16 October 2024 to reduce the nominal value of the Company's shares from NOK 1.00 per share to NOK 0.10 per share. This was conducted to be able to execute an issue of new shares with an issue price of NOK 0.10. The reduction in the nominal value will reduce the registered share capital to NOK 658 221.

### Subsequent events

The financial report includes all material information up to the date of publication.

### Going concern

The third quarter 2024 report are prepared under the assumption of going concern.

However, although the Group's asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group's liquidity is strained due to the significant legal costs relating to the litigation activities.

In the final award of 29 February 2024 in the Milan arbitration, EAM was awarded an estimated net compensation payable by Aveleos SA of EUR 2 729 796 after interest is applied as of 22 May 2024. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the Company. However, such sale may take between 9 and 18 months to conclude.

It is necessary for EAM to successfully conclude the equity issue currently underway to be able to continue as a going concern in the Company's current form. If the equity issue is not conducted, the Company will either undergo reconstruction or may face bankruptcy.

Oslo, 23 October 2024

Pål Hvammen  
Non-executive director

Erik Alexander  
Non-executive director

Viktor Erik Jakobsen  
Chair

Christian Hagemann  
CEO

# CONSOLIDATED INTERIM FINANCIAL INFORMATION

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	Unaudited Q3 2024	Unaudited Q3 2023	Unaudited 9M 2024	Unaudited 9M 2023	Audited 2023
Revenues	<a href="#">5, 12</a>	414 562	332 701	1 045 941	786 864	992 716
Cost of operations	<a href="#">12</a>	(55 763)	(50 450)	(173 589)	(149 507)	(237 408)
Sales, general and administration expenses	<a href="#">12</a>	(173 323)	(120 859)	(712 120)	(728 288)	(743 296)
Legal costs	<a href="#">12</a>	(154 760)	(127 809)	(249 544)	(707 132)	(982 772)
EBITDA	<a href="#">5</a>	30 716	33 584	(89 313)	(798 062)	(970 760)
Depreciation, amortizations and write downs	<a href="#">9</a>	(141 196)	(141 027)	(423 432)	(423 621)	(564 108)
EBIT	<a href="#">5</a>	(110 480)	(107 443)	(512 745)	(1 221 684)	(1 534 869)
Finance income	<a href="#">6</a>	398 648	4 209	890 266	1 352 492	1 404 806
Finance costs	<a href="#">6</a>	(77 079)	(594 374)	(525 823)	(732 349)	(820 867)
Profit before tax		211 089	(697 608)	(148 302)	(601 541)	(950 929)
Income tax gain/(expense)		(11 618)	(129 601)	(38 559)	(138 758)	(260 378)
Profit after tax		199 470	(827 209)	(186 860)	(740 299)	(1 211 308)

EUR	Note	Unaudited Q3 2024	Unaudited Q3 2023	Unaudited 9M 2024	Unaudited 9M 2023	Audited 2023
<b>Other comprehensive income</b>						
Translation differences		(221 057)	537 243	(665 287)	(853 037)	(896 286)
Other comprehensive income net of tax		(221 057)	537 243	(665 287)	(853 037)	(896 286)
Total comprehensive income		(21 587)	(289 966)	(852 147)	(1 593 336)	(2 107 594)
<b>Profit for the year attributable to:</b>						
Equity holders of the parent company		199 470	(827 209)	(186 860)	(740 299)	(1 211 308)
Equity holders of the parent company		199 470	(827 209)	(186 860)	(740 299)	(1 211 308)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent company		(21 587)	(289 966)	(852 147)	(1 593 336)	(2 107 594)
Equity holders of the parent company		(21 587)	(289 966)	(852 147)	(1 593 336)	(2 107 594)
<b>Earnings per share:</b>						
Continued operation						
- Basic		0.03	(0.12)	(0.03)	(0.11)	(0.18)
- Diluted		0.03	(0.12)	(0.03)	(0.11)	(0.18)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	Note	Unaudited 9M 2024	Audited 2023	Audited 2022
<b>ASSETS</b>				
Property, plant and equipment	<a href="#">9</a>	5 010 288	5 429 870	5 987 981
Intangible assets		7 876	8 401	9 101
Other long term assets		171 466	200 290	324 297
Deferred tax assets		40 002	40 002	64 018
Non-current assets		5 229 632	5 678 563	6 385 396
<b>Current assets</b>				
Trade and other receivables	<a href="#">8</a>	1 895 907	1 733 201	2 174 744
Other current assets		691 429	649 876	634 662
Cash and cash equivalents	<a href="#">7</a>	86 028	391 720	1 464 397
Current assets		2 673 365	2 774 798	4 273 803
<b>TOTAL ASSETS</b>		<b>7 902 996</b>	<b>8 453 361</b>	<b>10 659 199</b>

EUR	Note	Unaudited 9M 2024	Audited 2023	Audited 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Paid in capital</b>				
Issued capital		8 126 110	8 126 110	8 126 110
Share premium		27 603 876	27 603 876	27 603 876
Paid in capital		35 729 986	35 729 986	35 729 986
<b>Other equity</b>				
Translation differences		(9 376 468)	(8 711 181)	(7 814 895)
Other equity		(25 447 260)	(25 260 400)	(24 049 092)
Other equity		(34 823 728)	(33 971 581)	(31 863 987)
<b>Total equity</b>		<b>906 258</b>	<b>1 758 405</b>	<b>3 865 999</b>
<b>Non-current liabilities</b>				
Leasing		2 524 223	2 886 601	3 340 536
Deferred tax liabilities		930 969	974 368	804 250
Other non current liabilities		343 887	343 887	343 887
Total non-current liabilities	<a href="#">10</a>	3 799 079	4 204 856	4 488 674
<b>Current liabilities</b>				
Leasing		477 842	453 731	430 836
Trade and other payables		2 700 455	2 035 127	1 873 690
Tax payables		19 362	1 242	
Total current liabilities	<a href="#">10</a>	3 197 659	2 490 100	2 304 526
<b>Total liabilities</b>		<b>6 996 738</b>	<b>6 694 956</b>	<b>6 793 200</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7 902 996</b>	<b>8 453 361</b>	<b>10 659 199</b>

Oslo, 23 October 2024

Pål Hvammen  
Non-executive directorErik Alexander  
Non-executive directorViktor Erik Jakobsen  
ChairChristian Hagemann  
CEO

## CONSOLIDATED CASH FLOW STATEMENT

EUR	Note	9M 2024	2023
<b>Cash flow from operations</b>			
Profit before income taxes		(148 302)	(950 930)
Depreciation	<a href="#">9</a>	423 432	564 109
Change in trade debtors	<a href="#">8</a>	(87 217)	86 181
Change in trade creditors	<a href="#">10</a>	478 979	517 169
Effect of exchange fluctuations		(705 293)	(961 289)
Change in other provisions		318 156	257 583
Net cash flow from operations		279 756	(487 178)

EUR	Note	9M 2024	2023
<b>Cash flow from investments</b>			
Purchase of fixed assets	<a href="#">9</a>	-	(5 300)
Payment of short term loan /receivables		-	185 000
Net cash flow from investments		-	179 700
<b>Cash flow from financing</b>			
Repayment of long term loans		(338 267)	(431 041)
Interest paid		(247 180)	(334 158)
Net cash flow from financing		(585 447)	(765 199)
<b>Exchange gains / (losses) on cash and cash equivalents</b>			
Net change in cash and cash equivalents		(305 691)	(1 072 677)
Cash and cash equivalents at the beginning of the period		391 720	1 464 397
Cash and cash equivalents at the end of the period	<a href="#">7</a>	86 029	391 720

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	Share capital	Share premium fund	Other equity	Currency translation reserve	Total equity
Equity as at 1 January 2023	8 126 110	27 603 876	(24 049 092)	(7 814 895)	3 865 999
Profit (loss) After tax			(1 211 308)		(1 211 308)
Other comprehensive income				(896 286)	(896 286)
Equity as at 31 December 2023	8 126 110	27 603 876	(25 260 400)	(8 711 181)	1 758 405
Equity as at 1 January 2024	8 126 110	27 603 876	(25 260 400)	(8 711 181)	1 758 405
Profit (loss) After tax			(186 860)		(186 860)
Other comprehensive income				(665 287)	(665 287)
Equity as at 30 September 2024	8 126 110	27 603 876	(25 447 260)	(9 376 468)	906 258

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 01 BASIS FOR PREPARATION

### General accounting principles

EAM is a public limited liability company, incorporated and domiciled in Norway, with registered office at Cort Adelers gate 33, 0254 Oslo, Norway. The Company was founded on 5 January 2011 and listed on the Oslo Stock Exchange under the ticker “EAM” in 2013.

The primary business activity of EAM is both to own solar photovoltaic power plants and sell electricity under long-term fixed price sales contracts, and to pursue legal proceedings to restore company values. EAM was structured to create a steady long-term dividend yield for its shareholders. Following the P31 Acquisition, the main value of EAM is dependent on the future outcome of litigation activities.

EAM currently owns 4 photovoltaic power plants and 2 subsidiaries in Italy. The Company has no employees.

Energeia AS manages the Company under a long-term management agreement. Energeia AS conducts the day-to-day operational tasks with own employees and using subcontractors. On 21 May 2024 Energeia issued a notice of termination of the management agreement. The termination period is 12 months. During this period Energeia AS will conduct the management tasks as defined by the management agreement and assist the Board of EAM Solar AS in the establishment of a self-sufficient organisation.

These interim condensed consolidated financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. The quarterly report should therefore be read in conjunction with the Group’s Annual Report 2023 that was published on 30 April 2024 and the stock exchange notices in the reporting period.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

### Financial risk

The external leasing contracts has a floating interest rate.

### Credit risk

Under normal circumstances the risk for losses is low, as the counterpart is the Italian state, but given the unpaid FIT amounts on ENFO 25, the management at year end 2022 decided to make a provision and write down the receivable against GSE, see [note 2](#) and [8](#). The Group has not made any offsets or other derivative agreements to reduce the credit risk in EAM.

### Asset value risk

EAM Group’s cash balance was EUR 86 thousand on 30 September 2024, of which EUR 36 thousand are restricted and EUR 62 thousand are seized by the Italian state. Part of the amount of the seized cash is not recorded in the Company’s books.

### Market and regulatory risk

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

### Risk associated with external factors

The Group is to a little extent affected by increased interest rates impact through the external leasing debt.

## NOTE 02 SIGNIFICANT ACCOUNTING JUDGEMENTS

In the process of applying the Group’s accounting policies according to IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the management’s best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity, and the profit for the period. The Company’s most important accounting estimates are the following:

### Revenue and receivables

The Group has receivables against various parties including the Italian state and companies involved in the criminal proceedings in Milano. It is uncertainty regarding the willingness or ability for these parties to pay. To the extent the Company or its subsidiary is aware of any doubt in the likelihood of collecting such receivable a provision has been made. Significant judgement is required in estimating the soundness of such receivable.

### Going concern

The third quarter 2024 report are prepared under the assumption of going concern.

However, although the Group’s asset base and operating revenues covers ordinary operations, administration and service of operating assets debt obligations, the Group’s liquidity is strained due to the significant legal costs relating to the litigation activities.

In the final award of 29 February 2024 in the Milan arbitration, EAM was awarded an estimated net compensation payable by Aveleos SA of EUR 2 729 796 after interest is applied as of 22 May 2024. However, the Company does not foresee to receive such amounts without further legal procedures in conjunction with international collection procedures.

The final award in the arbitration does, however, open for the possibility of releasing pledges relating to Aveleos on the SPV ENS1, thus enabling EAM to sell the four remaining power plants in Italy. Such sale will release a significant amount of liquidity for the Company. However, such sale may take between 9 and 18 months to conclude.

It is necessary for EAM to successfully conclude the equity issue currently underway to be able to continue as a going concern in the Company's current form. If the equity issue is not conducted, the Company will either undergo reconstruction or may face bankruptcy.

### NOTE 03 CURRENCY EXPOSURE

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

### NOTE 04 TRANSACTIONS WITH RELATED PARTIES

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#### Related parties

Energeia AS is the manager of EAM. Energeia AS in Norway and Italy employs most of the personnel conducting the administrative services for EAM, whereas the technical services are done by subcontractors.

On 21 May 2024 Energeia AS issued a notice of termination of the management agreement. The termination period is 12 months. During this period Energeia AS will conduct the management tasks as defined by the management agreement and assist the Board of EAM Solar AS in the establishment of a self-sufficient organisation.

#### Transactions with related parties

All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

Energeia AS invoice all billable hours at a predetermined rate for each consultant working on the assignment. Out-of-pocket expenses is billed separately at cost. The hourly rate per consultant will be adjusted yearly in conjunction with the budget process and approval in EAM.

Energeia AS' direct costs for the management of EAM was EUR 175 thousand in the third quarter of 2024, of which EUR 118 thousand was related to SG&A, and EUR 57 thousand was related to legal and litigation work in conjunction with the P31 Acquisition fraud.



**NOTE 05 SEGMENT INFORMATION**

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

9 months 2024 revenues were EUR 1 045 million, of which FIT revenues were EUR 696 thousand, EUR 330 thousand were from market sales of electricity and EUR 19 thousand were other revenues.

**NOTE 06 FINANCIAL INCOME AND EXPENSES**

EUR	9M 2024	9M 2023
<b>Financial income</b>		
Interest income	912	5 965
Foreign exchange gain	889 354	1 346 526
Total financial income	890 266	1 352 492
<b>Financial expenses</b>		
Interest expense	(190 945)	(197 722)
Foreign exchange losses	(329 544)	(532 006)
Other financial expenses	(5 334)	(2 621)
Total financial expenses	(525 823)	(732 349)
Net financial income (expenses)	364 443	620 143

The average exchange rate used for the third quarter reporting period is EUR/NOK 11.764, whereas the exchange rate used on 30 September 2024 is EUR/ NOK 11.764.

**NOTE 07 CASH AND CASH EQUIVALENTS**

The Company had no unused credit facilities at the end of the quarter.

EUR	9M 2024	2023
Cash Norway	8 713	73 255
Cash Italy	77 315	318 465
Cash and cash equivalents	86 028	391 720
Restricted cash Norway	-	16 378
Restricted cash Italy	36 973	228 804
Seized cash Italy	61 616	61 616

The restricted cash in Italy of EUR 36 thousand is the debt service reserve account of ENS Solar One Srl. The EUR 62 thousand of the seized cash is taken from companies not included in the criminal proceedings. Part of the amount of the seized cash is not recorded in the company's books.

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

EUR	9M 2024	2023
Deferred revenue towards GSE	219 157	131 940
Other receivables	1 676 750	1 601 261
Accounts receivables	1 895 907	1 733 201

Accounts receivable does not reflect the reinstatement of the ENFO25 FIT contract. The adjustment of accounts receivable against GSE will be amended based on the final reimbursement of historical FIT when received from GSE.

**NOTE 09 PROPERTY, PLANT AND EQUIPMENT****2024**

EUR	Solar power plants	Solar power plants under lease	Leashold improvements	Total
Carrying value 1 January 2024	1 244 269	3 929 529	256 072	5 429 871
Additions	-	-	-	-
Depreciation	(85 809)	(309 750)	(27 874)	(423 432)
Carrying value 30 September 2024	1 158 460	3 619 780	228 199	5 006 439

**2023**

EUR	Solar power plants	Solar power plants under lease	Leashold improvements	Total
Carrying value 1 January 2023	1 356 652	4 342 529	288 800	5 987 981
Additions	1 750	-	3 550	5 300
Depreciation	(114 133)	(412 999)	(36 277)	(563 409)
Carrying value 31 December 2023	1 244 269	3 929 529	256 072	5 429 871

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

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

**NOTE 10 SHORT- AND LONG-TERM DEBT**

EUR	Q3 2024	2023
Deferred tax liabilities	930 969	974 368
Other non current liabilities	343 887	343 887
Obligations under finance leases	2 524 223	2 886 601
<b>Total non-current liabilities</b>	<b>3 799 079</b>	<b>4 204 856</b>
Trade payables	1 623 614	1 144 635
Payables to GSE	610 405	610 405
Other payables	77 383	80 674
Social security	-	1
Taxes other than income taxes	6 677	6 677
Accrued liabilities	382 376	192 736
Trade and other payables	2 700 455	2 035 127
Current leasing	477 842	453 731
Tax payable	19 362	-
<i>Related to ordinary operations</i>	<i>3 197 659</i>	<i>2 490 100</i>
<b>Total current liabilities</b>	<b>3 197 659</b>	<b>2 490 100</b>
<b>Total liabilities</b>	<b>6 996 738</b>	<b>6 694 956</b>

**Payables to GSE**

On 29 March 2022, Law no. 25 (Sostegni ter Decree) entered into force. The Decree was initially intended to apply from February 2022 to the end of the year, but it was later extended to 30 June 2023. Following the Decree, the achieved market price of electricity was limited to EUR 56 per MWh for the Company's power plants in the South of Italy for this period. Relevant provisions are made but not yet paid as the Company is awaiting final decision in the Italian judicial system on the lawfulness of the Decree.

**Equity contribution agreement and patronage letter**

In conjunction with the "P31 acquisition", EAM Solar Italy Holding Srl entered into a so-called patronage letter and an equity contribution agreement with UBI Leasing and UniCredit respectively. These agreements may under certain circumstances require EAM Solar Italy Holding Srl to inject additional equity into the debt financed SPVs to cover any shortfall or breach of the debt repayment obligations of the SPVs.

The FIT contracts of the SPVs have been terminated by GSE due to a fraud against the State of Italy.

In November 2018 EAM was served with a notice that UBI Leasing had requested the Court of Brescia for an injunction of EUR 6 million on EAM assets. The court of Brescia granted a preliminary non-enforceable injunction. EAM challenged the injunction. Court hearings in this matter has been ongoing since 2019 until this day.

EAM has requested UBI to provide both witnesses and documentation of the bank's handling of the leasing financing activities of the Solar PV power plants in 2010 and 2011 in the proceedings. On 10 November 2022 the Judge decided that UBI must submit certain documents on EAM's request. A hearing was conducted on 30 March 2023 where UBI submitted more documents.

The final hearing in this matter was heard on 4 March 2024. A decision was expected on 12 September 2024 but the matter has been postponed for a further hearing on 3 December 2024.

No provisions are made in the accounts on this matter.

**NOTE 11 LIST OF SUBSIDIARIES**

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

Company	Country	Main operation	Ownership	Vote	EBITDA	EBIT	Equity	Shareholder loans
EAM Solar Italy Holding Srl	Italy	Holding company	100%	100%	(335 253)	(335 253)	(659 105)	11 567 703
Ens Solar One Srl	Italy	Solar power plant	100%	100%	478 098	140 475	238 043	2 725 254
Energia Fotovoltaica 25 Srl	Italy	Solar power plant	100%	100%	158 686	72 877	(484 278)	1 835 211

**NOTE 12 OPERATIONAL COSTS BREAK-DOWN Q3 2024**

EUR	EAM Solar Group	ENS1 & ENFO25	Other & Eliminations
Revenues	1 045 941	1 045 941	-
Cost of operations	(173 589)	(160 810)	(12 779)
Land rent	-	-	-
Insurance	(49 238)	(29 945)	(19 293)
Operation & Maintenance	(49 908)	(49 908)	-
Other operations costs	(74 443)	(80 957)	6 514
Sales, General & Administration	(712 120)	(246 196)	(465 925)
Accounting, audit & legal fees	(144 258)	(22 924)	(121 334)
IMU tax	(9 674)	(9 674)	-
Energieia adm costs	(429 799)	(117 045)	(312 754)
Other administrative costs	(128 390)	(96 553)	(31 837)
Legal costs	(249 544)	(2 152)	(247 393)
Legal costs	(249 544)	(1 702)	(247 842)
Energieia legal costs	-	-	-
Other non-recurring items	-	(450)	450
EBITDA	(89 313)	636 784	(726 096)



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