



NORSK RENEWABLES

Q2 2024 Financial Report




Rudi

Background: I come from a banking background, but in my last years there I felt more and more compelled to be part of the energy transition and support building a sustainable future. I was extremely excited when I got the opportunity to join Norsk Renewables as the Head of Asset Management. I have now been part of the team for over 2 years and haven't regretted the change for one second.

Collaborative Environment: The renewable energy industry is known for its collaborative and mission-driven culture. I get a lot of energy from working closely with diverse teams, including engineers, project developers, and even other asset managers, across a wide geographical area. This collaborative environment enhances job satisfaction and a sense of teamwork, which is something I have always enjoyed.

Resilience and Future-proofing: The global shift towards renewable energy is a critical component of building a resilient and sustainable future. Norsk Renewables is part of a forward-looking industry that is not only addressing current energy needs but also future-proofing against environmental and economic challenges. Being part of a company that is actively working towards these goals makes coming to work everyday a very positive experience.

South Africa: I am born and raised in Johannesburg. This was another key driver in joining the company due to the strategic focus on this market. In South Africa, I will get the chance help drive energy security and economic growth, which will help reduce the high unemployment rates we are experiencing. Focussing on broad-based black economic empowerment and making sure we have a positive impact on the local communities is something I'm passionate about and hope to contribute to for a long time to come.



Daisy Thononda

Commitment - I have a passion for renewable energy and clean technology. I have always wanted to be part of a company that is making a difference in the world by ensuring a transition society away from fossil fuels and towards renewable energy sources. I am impressed with Norsk Renewables' commitment to environmental sustainability. The company has set aggressive goals for reducing its carbon footprint, and I admire its efforts to lead the way in the fight against climate change.

It is exciting to be part of this dynamic and forward-thinking organization and contribute to its continued success. The organization is committed to and has demonstrated leadership in responsible renewable energy investment across the globe and in Africa, harnessing opportunities for long-term transformational impact in the communities and countries in which we operate and setting an example for the effective management of our environmental and social impact.

Open & Imaginative - I believe that Norsk Renewables is a great place to work. The company has a strong culture of innovation and creativity, which I enjoy being part of. The company culture is very welcoming. Norsk Renewables is not only capitalized in Norway, but they have an expanded footprint in other countries, which has led to diversity and inclusion in the company. This also includes gender diversity. There is a strong representation of women in leadership positions, and surely as the organization continues to grow, we can see more of that and a significant diversity representation in such roles. I also love the flexibility in the company as a mom. I can balance being there for my children and work in a job that I love."



Muhib

Sustainability is crucial to me both personally and professionally, especially since I come from Pakistan, a country severely affected by climate change. Witnessing firsthand the devastating effects of environmental degradation, like floods and droughts, has driven my passion for a sustainable future. Working at Norsk, enables me to be part of the solution and make a meaningful impact.

What I appreciate most about working at Norsk is the exceptional work-life balance and flexible working conditions the company offers. This flexibility allows me to manage my professional responsibilities efficiently, while also dedicating time to personal pursuits and family. Norsk's understanding of the importance of a healthy work-life balance not only enhances my productivity but also contributes to my overall well-being.

Dear Shareholders,

In Q2, the company continued its efforts to secure future growth and sustainability, with focus on expanding our project pipeline. Our efforts have been concentrated in South Africa and Brazil. The development of a robust project pipeline in South Africa and the completion of our solar PV plants in Brazil are integral to our growth strategy.

The development of our significant project pipeline in South Africa is a key pillar of our growth strategy, with several high-potential projects identified that are poised to deliver substantial long-term value for our shareholders. As these projects advance to maturity, securing additional capital will be essential to move forward with construction and completion, aligning with the Company's strategic objectives.

Our business model and the potential of our South African projects have captured strong interest from the capital market which will be explored further in the coming period.


In Brazil, we are on the verge of completing our key projects. The successful completion of these projects will unlock essential cash flow, which will fuel and support our broader growth initiatives across the company.

To navigate the current market landscape and position the company for sustained growth, we are implementing several strategic changes. These include the reallocation of capital towards high-priority projects, the initiative of raising capital for the South African projects and the adjustment of our operational strategies to better align with market demands. The reallocation of capital is being done with a focus on maximizing returns and ensuring that our resources are deployed where they can have the most significant impact.

In August 2024, Norsk Renewables received approval for a new grant from Norad for up to NOK 15 million for development work in Africa.

As we look ahead, our primary objective is to strengthen our company for future growth. By securing our project pipeline in South Africa, completing key assets in Brazil, and making strategic adjustments to our operations, we are confident in our ability to deliver long-term value to our shareholders and stakeholders. The strategic steps we are taking today are laying the foundation for sustained success, ensuring that our company remains resilient and competitive in the years to come.

Yours sincerely



Torbjørn Elliot Kirkeby-Garstad
CEO, Norsk Renewables AS

Financial summary Q2 2024

– Norsk Renewables Q2 Financial Report

Consolidated statement of profit & loss

Group profit in Q2 shows a loss of NOK 23,0 million. The loss was NOK 15,5 million higher than the same period in 2023, which derives mainly from higher salaries and operating expenses, in addition to unrealized currency loss.

EBITDA for Q2 was minus NOK 11,9 million compared to minus NOK 5,0 million in the same period last year.

Year to date, the Group incurred a loss of NOK 31,5 million compared to a loss of NOK 24,8 million the same time last year and 71,2 million last year.

Revenue

The company derives its income from sale of solar power under long-term power purchase agreements, as well as management and development services. During Q2 of 2024, revenue consisted mainly of the sale of power derived from the Semypolky plant in Ukraine, as well as management fees.

The plant in Ukraine is fully operational, but the situation remains challenging. The plant is affected by lower receipts on invoiced revenues. As a precaution therefore, Norsk Renewables has chosen to continuously

write off the outstanding accounts receivable from the Ukrainian plant.

Operating expenses

Total operating expenses in Norsk Renewables consists mainly of personnel expenses and other operating expenses, including certain project development expenses in South Africa.

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

Total operating expenses was NOK 19,8 million, an increase of NOK 6,5 million from Q2 2023.

Financial items

Net financial loss amount to NOK 9,1 million in Q2 2024 compared to an income of NOK 0,1 million the same period last year.

Consolidated statement of financial position

– Norsk Renewables Q2 Financial Report

Fixed assets

Reduction of fixed assets in 2024 is mainly related to the sale of Origo 2 to Nordic impact group AS and depreciations. The changes in PP&E includes currency translation changes.

Subsequent events

In August 2024, Norsk Renewables received approval for a new grant from Norad for up to NOK 15 million for development work in Africa.

Total current assets

Increase in current assets reflects increased cash balance as a result of the capital increase in Q2 2024.

Total shareholder equity

Net equity has increased by the capital increase in Q2 and reduced by loss in 2024 and translation effects.

Total liabilities

Current liabilities have increased by drawdowns of 30 million from the NOK 100 million credit facility at Sparebank1 SR-Bank

Condensed interim financial information

– Norsk Renewables Q2 Financial Report

Norsk Renewables AS Consolidated financial statement Profit and loss statement

NOK 1000	Note	Q2 2024 Unaudited	Q2 2023 Unaudited	YTD 2024 Unaudited	YTD 2023 Unaudited	FY 2023 Audited
Operating revenue and operating expenses						
Revenue	3	5 930	5 711	14 578	7 731	15 541
Other operating income		0	1	0	1	56
Total operating revenue		5 930	5 712	14 578	7 732	15 598
Cost of goods and services						
Cost of goods and services	3	0	0	0	0	0
Salaries and adm. expenses		5 572	3 785	14 208	13 863	38 669
Depreciation	4	1 985	2 470	4 292	4 764	9 653
Impairment	5	0	0	0	0	0
Other operating expenses	5	12 231	7 016	20 804	16 727	27 994
Total operating expenses		19 787	13 271	39 304	35 353	76 315
Operating profit/(loss)		-13 857	-7 558	-24 726	-27 621	-60 718
Financial income and financial expenses						
Interest received		156	8	308	1 721	2 500
Other financial income		-920	780	1 384	2 847	275
Income/Loss from associates	8	-5 674	482	-3 160	1 218	-5 735
Interest expenses		-2 676	-1 113	-5 220	-2 381	-5 787
Other financial expenses		-24	-86	-75	-623	-1 707
Net financials		-9 138	71	-6 763	2 782	-10 454
Profit/(loss) before taxation		-22 995	-7 487	-31 488	-24 839	-71 172
Income tax expense		1	2	5	5	56
Profit/(loss) for the financial year		-22 996	-7 489	-31 493	-24 844	-71 228
Net profit/(loss) for the year attributable to:						
Owners of the parent company	11	-23 027	-6 263	-29 124	-22 179	-68 400
Non-controlling interests	11	31	-1 226	-2 369	-2 665	-2 828
		-22 996	-7 489	-31 493	-24 844	-71 228

Interim consolidated balance sheet

– Norsk Renewables Q2 Financial Report

Norsk Renewables AS Consolidated financial statement Balance sheet

<i>NOK 1000</i>		30 June 2024	30 June 2023	31 Dec 2023
	Note	Unaudited	Unaudited	Audited
Assets				
Non-current assets				
Property, plant and equipment	4	5 618	15 763	44 944
Intangible assets		467	232	393
Investments in subsidiary companies	7	0	0	0
Investments in associated companies	8	67 693	52 839	46 141
Investments in shares		14 667	14 667	14 667
Total non-current assets		88 444	83 502	106 145
Current assets				
Inventories		147	163	150
Trade receivables		3 252	1 804	5 212
Other receivables		15 620	18 897	9 183
Loan to associated company		0	0	0
Cash and bank balances	9	55 830	25 538	18 072
Total current assets		74 849	46 402	32 617
Total assets		163 293	129 904	138 762

Interim consolidated balance sheet

– Norsk Renewables Q2 Financial Report

Norsk Renewables AS Consolidated financial statement Balance sheet

<i>NOK 1000</i>	<i>Note</i>	30 Jun 2024 Unaudited	30 Jun 2023 Unaudited	31 Dec 2023 Audited
Shareholders equity and liabilities				
Capital and reserves				
Paid-in equity				
Share capital	10	2 091	758	758
Share capital - not registered	11	0	0	0
Share premium reserves	11	115 078	117 021	76 426
Total paid-in capital		77 185	117 779	77 185
Retained earnings				
Retained earnings	11	-86 274	-52 043	-55 403
Total retained earnings		-86 274	-52 043	-55 403
Equity attributable to owners of the parent company				
		36 913	69 543	25 432
Non-controlling interests	11	-6 019	-3 807	-3 650
Total shareholders equity		30 894	65 736	21 781
Non-current liabilities				
Non-current liabilities	6	41 431	48 305	44 474
Total non-current liabilities		41 431	48 305	44 474
Current liabilities				
Debt to financial institutions	6	79 933	6 749	49 893
Trade liabilities		4 880	3 945	11 162
Social security, VAT and similar public debt		1 838	2 765	4 492
Tax payable		21	39	32
Other current liabilities		4 297	2 366	6 928
Total current liabilities		90 968	15 864	72 507
Total liabilities		132 399	64 168	116 980
Total shareholders equity and liabilities		163 293	129 904	138 762

Interim consolidated cash flow statement

– Norsk Renewables Q2 Financial Report

Norsk Renewables AS Consolidated statement of cash flows

<i>NOK 1000</i>	<i>Note</i>	YTD 2024 Unaudited	FY 2023 Audited
Cash flows from operating activities:			
Net profit (- loss) for the period		-31 488	-71 172
Adjustments for:			
Depreciation and amortization changes	4	4 292	9 653
Impairment charges		0	0
Income / Loss from associates	8	3 160	5 735
Change in inventories		3	0
Change in trade and other receivables		-4 478	49 415
Change in trade and other payables		-8 936	7 791
Change in accrued expenses, other current liabilities and currency		-1 592	8 067
Cash from operating activities		-39 039	9 490
Taxes paid		0	-59
Net cash from operating activities		-39 039	9 431
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment	4	-74	-36 223
Net payments for purchase of shares	8	-25 909	-15 579
Cash from sale of property, plant and equipment		35 301	0
Cash from long term receivables		0	0
Net cash from investing activities		9 319	-51 803
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt conversion			
Capital increase	11	39 984	4
Cash from transaction with non-controlling interests		0	0
Proceeds / repayment short term loans		30 000	5 284
Proceeds / repayment of long-term loans		-2 506	10 720
Net cash from financing activities		67 478	16 008
Net change in cash and cash equivalents		37 758	-26 364
Cash and cash equivalents at beginning of the year		18 072	44 436
Cash and cash equivalents at end of period	12	55 830	18 072

Notes to the consolidated financial statements

Note 1 – Corporate information

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

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

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

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

Note 2 – Accounting principles

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

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

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

Note 3 – Revenue

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

NOK 1000

Per area of operation:	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Solar Energy	5 743	5 478	7 535	7 268	14 621
Government grant	0	0	0	0	0
Other	188	234	7 044	463	976
Total	5 930	5 712	14 578	7 732	15 598

Per geographic market:	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Norway	188	234	7 044	464	920
Europe	5 743	5 478	7 535	7 268	14 678
Asia	0	0	0	0	0
Total	5 930	5 712	14 578	7 732	15 598

Note 4 – Property, plant and equipment

The changes in PP&E in 2024 are mainly due to the sale of Origo 2 to NIC AS which reduces PP&E with NOK 35,3 million. Up until 30 June 2024, Property, Plant and Equipment (PP&E) have been affected by depreciation expenses of NOK 4,3 million, and it also includes currency translation changes.

Note 5 – Impairment

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

The Group has considered the Trade Receivables related to the off-taker of the solar plant in Semypolky. The payment received from the Ukrainian off-taker has increased to 76% of the revenues generated on the defined Feed-in-Tariff for the asset in 2023. For the time being, Norsk Renewables continues its cautious approach and recognizes a credit loss provision for the full amount of unpaid invoices. These are reversed upon payments received. This results in an additional impairment of NOK 3.7 million being booked as Other operating expenses in 2024.

Note 6 – Financing

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

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

Non-current liabilities also consist of loans to Innovasjon Norge. As at end Q2 2024, the company was in breach of a covenant in relation to this facility and is in dialogue with Innovasjon Norge to remedy or waive this for a certain period.

Debt to financial institutions classified as current liabilities per 30 June, consists of loan repayments to NEFCO and Innovasjon Norge that are due within one year, and also loan from Sparebank1 SR-Bank.

Note 7 – List of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Subsidiary	Country of incorporation	Jun 30, 2024 Interest/voting power	Dec 31, 2023 Interest/voting power
Norsk Solar Nicaragua	Nicaragua	99,0%	99,0%
Semypolky Solar Ltd	UK	64,3%	64,3%
Semypolky Solar LLC	Ukraine	45,0%	45,0%
Semypolky Solar 2 LLC	Ukraine	45,0%	45,0%
Norsk Solar EPC AS	Norway	100,0%	100,0%
Norsk Solar Hungary kFT	Hungary	0,0%	51,0%
Norsk Solar Brasil Ltda.	Brasil	100,0%	100,0%
Norsk Solar Ukraine LLC	Ukraine	0,0%	0,0%
Norsk Solar Maldives PVT Ltd	Maldives	0,0%	0,0%
Norsk Solar South Africa (PYT) Ltd.	South Africa	100,0%	100,0%
Norsk Solar AS Vietnam Ltd Company	Vietnam	100,0%	100,0%
Norsk Solar Spain S.L.	Spain	100,0%	100,0%

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

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

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

Note 8 – Interest in associated companies

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

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

Associated company	Country of incorporation	Jun 30, 2024 Interest/voting power	Dec 31, 2023 Interest/voting power
Nordic Impact Cooperation AS	Norway	33.92%	33.92%

Associated company, YTD 2024 100%	EBIT	Net loss	Total Assets	Total Equity
Nordic Impact Cooperation Group	6 983	9 374	434 970	201 676

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

Note 9 – Cash and cash equivalents

	Jun 30, 2024	Dec 31, 2023
Short-term bank deposits	55 830	18 072
Cash and cash equivalents in the cash flow statement	55 830	18 072
Bank deposits for employee tax withholding	684	883

Note 10 – Share capital and shareholders information

	Number of shares authorised	Number of shares issued and fully paid	Nominal value per share	Carrying amount
2023	75 825 262	75 825 262	0,0100	758 253
June 30, 2024	209 105 704	209 105 704	0,0100	2 091 057

Top 10 largest shareholders in %:

	30 June, 2024		31 December, 2023	
	Number of shares	Owner interest	Number of shares	Owner interest
Valinor AS	140 253 821	67,1 %	40 253 821	53,1 %
Helgø Forvaltning AS.	10 000 000	4,8 %	0	0 %
Helgø Invest AS	7 666 666	3,7 %	1 000 000	1,3 %
Røros Kobblerverk AS	5 676 753	2,7 %	2 448 120	3,2 %
CACEIS Bank	5 145 982	2,5 %	1 590 536	2,1 %
Pictet & Cie (Europe) S.A.	4 978 194	2,4 %	4 978 194	6,6 %
Austavind AS	4 435 964	2,1 %	1 102 631	1,5 %
AEGA Investments ASA	3 989 170	1,9 %	3 989 170	5,3 %
Fremt AS	3 757 146	1,8 %	4 027 145	5,3 %
Berker Group AS	3 500 000	1,7 %	4 035 000	5,3 %
Other top-20 holdings	9 972 074	4,8 %	3 844 175	5,1 %
Total	199 375 770	95,3 %	67 268 792	88,8 %
Total other	9 729 934	4,7 %	8 556 470	11,3 %
Total number of shares	209 105 704	100 %	75 825 262	100 %

Røros Kobblerverk AS is owned by Chairman of the Board.

Note 11 – Equity

	Share capital	Share capital unregistered	Share premium	Retained earnings	Equity attributable to parent	Minority Interest	Sum
Balance December 31, 2023	758	0	76 426	-55 403	25 432	-3 650	21 781
Profit (Loss) for the period	0	0	0	-31 493	-31 524	31	-31 493
Translation differences	0	0	0	622	3 022	-2 400	622
Registration of previous capital increase	0	0	0	0	0	0	0
Capital increase	1 333	0	38 651	0	39 984	0	39 984
Total	2 091	0	115 078	-86 274	36 913	-6 019	30 894

Note 12 – Subsequent events

In August 2024, Norsk Renewables received approval for a new grant from Norad for up to NOK 15 million for development work in Africa.



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Executive Management team

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

Extended Management team

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

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

Financial Calendar 2024

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