

Financial report

**eam**

**Q1**  
**2015**

**EAM Solar ASA**

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## Highlights in the first quarter 2015

- The reported Q1 power production was 7,0 GWh, 4.8% below the seasonal average for the period.
- Reported EBITDA in the quarter was EUR 1,0m, adjusted for acquisition and transaction costs, EBITDA was EUR 1,3m.
- 24 April 2015 the company received the documents related to the criminal investigation conducted by the court of Milan. In the received documentation the prosecutor of the court of Milan has identified EAM Solar ASA as well as the manager, EAM Solar Park Management AS, as civil victims of criminal contractual fraud.
- Hearing in the criminal proceedings has been set for 3 June 2015.
- Claim filed to get the suspended tariffs reinstated. The company appealed the unfavourable decision of the administrative court in December to a higher court, and received a ruling in its favour by the Council of State in January 2015. The Council of State has accepted the appeal as it deems that the claim filed with the administrative court appears to be grounded.
- The new hearing dates for the administrative court has been set for 9 July 2015 and 11 November 2015 where GSE must provide evidence of criminal activity to support their actions and the administrative court must resolve on the merits of the case, taking into consideration the ruling in the Council of State.
- In the beginning of May, the GSE conducted inspections on the 17 power plants affected by the suspension of tariffs. At the release of this report the inspection had not yet been concluded.

## Key figures

<i>(EUR 000')</i>	Unaudited <b>Q1 2015</b>	Unaudited <b>Q1 2014</b>	Audited <b>2014</b>
<b>Revenues</b>	<b>2 383</b>	<b>592</b>	<b>8 715</b>
Cost of operations	-379	-116	-1 158
Sales, general and administration expenses	-676	-260	-2 356
Acquisition and transaction costs	-311	-558	-2 989
<b>EBITDA</b>	<b>1 017</b>	<b>-342</b>	<b>2 213</b>
Depreciation, amortizations and write downs	-1 313	-360	-3 365
<b>EBIT</b>	<b>-296</b>	<b>-702</b>	<b>-1 152</b>
Net financial items	-2 158	-215	561
<b>Profit before tax</b>	<b>-2 454</b>	<b>-917</b>	<b>-591</b>
Income tax gain/(expense )	-52	277	-1 034
<b>Net income</b>	<b>-2 506</b>	<b>-640</b>	<b>-1 625</b>
<b>Earnings per share</b> (fully diluted):	<b>-0,49</b>	<b>-0,13</b>	<b>-0,32</b>
Distribution to shareholders per share	0,36	0,00	0,36
Dividend yield	3,6 %	0,0 %	3,6 %
Million no. of shares (fully diluted)	5,07	5,07	5,07
<b>EBITDA adjusted</b>	<b>1 328</b>	<b>216</b>	<b>5 202</b>
EBIT adjusted	15	-145	1 837
Net income adjusted	-840	-290	1 363

*Adjusted EBITDA, EBIT and Net income are adjusted for non-recurring items such as cost of acquisition and financing, gains from bargain purchase and non-cash currency movements.*

# Interim report first quarter 2015

*EAM Solar ASA is an investment company listed on the Oslo Stock Exchange under the ticker EAM. The Company's business is to own solar photovoltaic power plants and sell produced electricity under long-term fixed price sales contracts. The initial geographical focus is Italy, where the company owns twenty-five power plants of which four power plants are located in the Friuli and Piemonte regions in Northern Italy, and twenty-one power plants are located in the Puglia region in Southern Italy. Energeia Asset Management AS manages EAM Solar ASA under a long-term management agreement.*

## Operational review and outlook

The quarterly power production of 7.0 GWh was 4.8% below normal level due to poor solar irradiation in the south of Italy in the quarter.

### Market price development

14.6% of the total revenue in the first quarter of 2015 came from variable market price contracts (PPA/RiD).

In the first quarter, the price has reached an average of EUR 50 per MWh. The market price in 2014 was on average EUR 52 per MWh, in 2013 it was between EUR 55 to 65 per MWh. In 2011 and 2012, the wholesale market price of electricity in Italy was between EUR 75 to 85 per MWh,

### P31 portfolio

On 15 July 2014 EAM Solar ASA executed the transfer of the shares of 7 out of a total of 8 companies that comprise the P31 portfolio. On 25 July 2014 EAM discovered that 17 of the 21 purchased solar power plants changed its status in the GSE portal from active to suspended. The suspension notice from GSE refers to a preliminary investigation conducted by the prosecutor's office in Milan.

#### **Standstill agreement**

EAM Solar ASA entered into a standstill agreement on 11 October 2014, with Aveleos SA.

EAM and the seller have agreed to jointly clarify all relevant facts related to the power plants and the viability of the FIT contracts that have been affected by the preliminary investigations conducted by the public

prosecutor in Milan. Furthermore, EAM received cash supporting liquidity for operation of the affected power plants and the SPVs in a normal manner. Based on the standstill agreement EAM has lifted the injunction as described in the stock exchange notice of 4 September 2014.

The standstill agreement does not construe that either party waive any rights as regulated by the share purchase agreement, and all actions regulated by the share purchase agreement is suspended until the end of the standstill agreement period.

#### **Several on-going legal processes**

EAM received the documents related to the criminal investigation conducted by the court of Milan 24 April 2015. In the received documentation the prosecutor of the court of Milan has identified EAM Solar ASA as well as the manager, EAM Solar Park Management AS, as civil victims of criminal contractual fraud. At the date of release of these financial statements the company has not yet concluded its evaluation of the material received. The hearing dates for the criminal proceedings have been set to 3 June 2015.

EAM has so far not been provided any documentation that can justify the suspension of the RID and FIT payments by GSE. Accordingly, EAM started a legal process against GSE to get the tariffs reinstated. In the petition EAM claimed that the process followed by the GSE was not in line with administrative law and that the suspensions should be lifted awaiting the final outcome of the preliminary investigation conducted by the prosecutor's office of Milan and any criminal trial following thereafter. The Council of State in Italy agreed with EAM that the procedure followed by GSE was unlawful. Therefore, a new hearing will be held in the administrative court where GSE has to present evidence for their suspension, and the court shall rule on the merits of the presented documentation. The hearing dates have been set for 9 July 2015 and 11 November 2015.

On 31 October 2014 GSE unilaterally notified that they would cancel the RID agreements from 1 January 2015, for all plants where the RID was formerly suspended. EAM has therefore entered into PPAs (power purchase agreement) with a new third party from 1 January 2015.

Payments under the new contracts have arrived as scheduled.

EAM has not paid interest or instalments on the leasing and project financing related to the SPVs ESGI, ESGP and ESSP. Instead, EAM has used the free cash flow to maintain the assets by covering costs for O&M (Operation and Maintenance), security and utilities. Since the absence of payment on the financing can be seen as a breach of the payment terms, the relevant financing was reclassified to current debt in the fourth quarter last year, and still remains classified in the same way this quarter.

## Dividends

EAM will pay no dividend in conjunction with the first quarter.

## Debt financing and restructuring

The company is still pursuing external debt financing for the fully equity financed and not affected assets purchased in 2011 and 2013 (EAM1, EAM2, EAM3). As a step in this procedure, the group has done certain restructurings in order to separate the healthy and contaminated assets. Such restructuring was concluded in the second quarter.

In the first quarter, the company came to an agreement with Sundt AS to convert the short-term facility to a longer-term facility. The new facility has 15 years to maturity and carries an all-inclusive interest of 10%.

In Italy, EAM targets a gearing level of approximately 60% to 65%.

## Revenue recognition and asset values

Because of the investigation towards the employees of the seller and the negative impact this has had on EAM, there are considerable risk and uncertainties with regards to revenues, receivables and asset values reported in the financial statements. EAM has suffered suspension of FIT and RID payments and seized bank accounts.

## Impairment

An impairment test of all power plants owned by EAM has been made, and the conclusion has been not to do any impairment in the official accounts. This is due to the fact that the company has not been given any evidence to support that criminal activities have been exercised on the plants acquired by EAM. It's important to note that all alleged crimes happened prior to EAM's acquisition. This does not exclude that such evidence can be provided in the near future. There is considerable uncertainty regarding the valuation of the plants. See note 4 for more details.

## Going concern

The financial statements and figures presented in the director's report have been prepared under the assumption of going concern. However, due to the investigation of the P31 power plants (now only consisting of 21 power plants), there are uncertainties regarding the recognition of revenue, the value of receivables and the value of property plant and equipment. New information that may be made available in the near future can make it necessary to change the assumption of going concern. In the current situation, with a strained liquidity situation, the group has prioritised to keep the assets running and producing electricity, but has suspended certain payments such as interest and leasing payments, land rent and tax for the affected subsidiaries.

The reason for preparing the financial statements as going concern is due to the board's opinion that the group has sufficient liquidity for the next twelve months subject to a de facto standstill with the financing banks. Given all the uncertainties, the board and the manager are putting all their effort into finding a solution, and find it realistic that such a solution can be reached. It is in the interest of the shareholders, the financing banks, the employees of the manager and suppliers, the landowners and other stakeholders that the assets are intact.

Upon keeping the assets running, the group receives monthly payments for the market price contracts. The first payment under the new market price contracts was received in late March. In order to improve the situation, the group continues to seek financing on the fully equity financed and not affected assets purchased in 2011 and 2013 (EAM1, EAM2, EAM3). In addition, the company pursues its legal rights in the administrative court to get the FIT re-instated. Should the situation not be resolved, the cash flow generated will only be sufficient to cover the direct costs of the power plants as described above.

## Subsequent Events

### ***Criminal proceedings***

24 April 2015 the company received the documents related to the criminal investigation conducted by the court of Milan. In the received documentation, the prosecutor of the court of Milan has identified EAM Solar ASA as well as the manager, EAM Solar Park Management AS, as civil victims of criminal contractual fraud.

The hearing in the criminal proceedings has been set for 3 June 2015.

### ***Administrative court***

The company appealed the unfavourable decision of the administrative court in December to a higher court, and

received a ruling in its favour by the Council of State in January 2015. The Council of State has accepted the appeal as it deems that the claim filed with the administrative court appears to be grounded.

The new hearing dates for the administrative court has been set for 9 July 2015 and 11 November 2015 where GSE must provide evidence of criminal activity to support their actions and the administrative court must resolve on the merits of the case, taking into consideration the ruling from the Council of State.

### ***Site inspection***

In the beginning of May, the GSE conducted inspections on the 17 power plants affected by the suspension of tariffs. At the release of this report the result of this inspection had not yet been concluded.

# Financial review

## Income Statement

### *Revenues*

First quarter revenues came in at EUR 2,4m

Achieved average electricity price for the quarter was EUR 339 per MWh against EUR 389 per MWh in the fourth quarter last year.

### *Operational cost*

Cost of operations for the full year came in at EUR 0,4m for the quarter.

SG&A costs came in at EUR 0.7m for the quarter.

Acquisition and financing costs in the period amounted to EUR 0,3m.

### *Operational earnings*

The first quarter EBITDA came in at EUR 1,0m, adjusted EBITDA from operations came in at EUR 1,3m.

### *Net financial items*

Net finance is mainly affected by the fluctuations in the NOK/EUR currency exchange rate. The drop in the value of the EURO against the NOK in the first quarter resulted in a preliminary net currency effect of approximately EUR -1.3m for the quarter.

### *Profit before tax and net income after tax*

The result for the first quarter was a loss of EUR 2,5m and adjusted for acquisition costs and non-cash currency gain a gain of EUR -2,2m in the quarter.

## Cash Flow and Balance Sheet Statements

### *Cash Flow*

Cash flow from operations for the quarter came in at negative EUR 1.6m.

Cash flow from investing activities was EUR 0.0m.

Cash flow from financing activities was in total EUR -0,1m.

Restricted and unrestricted cash by the end of the quarter was EUR 8,0m.

### *Balance Sheet*

Total assets at the end of the period are EUR 112,82m, with an equity ratio of 42%. Net working capital (excluding non serviced interest bearing debt) was EUR 10.5m at end of March.

Oslo 11 May 2015

Marthe Hoff  
Director

Ragnhild Wiborg  
Chair

Pål Hvammen  
Director

Viktor E Jakobsen  
Executive Director

Audun Wickstrand Iversen  
CEO

## Condensed consolidated interim financial information

### Interim condensed statement of comprehensive income

<i>(EUR)</i>	Note	Unaudited Q1 2015	Unaudited Q1 2014	Audited 2014
<b>Revenues</b>	1,8,13	<b>2 382 904</b>	<b>592 109</b>	<b>8 715 437</b>
Cost of operations	11	-378 507	-116 450	-1 157 952
Sales, general and administration expenses	11	-676 369	-259 964	-2 355 590
Acquisition and transaction costs	11	-311 007	-557 583	-2 988 966
<b>EBITDA</b>		<b>1 017 020</b>	<b>-341 888</b>	<b>2 212 929</b>
Depreciation, amortizations and write downs	9	-1 312 993	-360 399	-3 365 187
<b>EBIT</b>		<b>-295 973</b>	<b>-702 287</b>	<b>-1 152 258</b>
Finance income		42 395	42 841	4 869 785
Finance costs		-2 200 856	-258 042	-4 308 783
<b>Profit before tax</b>		<b>-2 454 434</b>	<b>-917 488</b>	<b>-591 256</b>
Income tax gain/(expense)		-51 900	277 214	-1 034 211
<b>Profit after tax</b>		<b>-2 506 335</b>	<b>-640 274</b>	<b>-1 625 467</b>
<b>Other comprehensive income</b>				
Translation differences		1 842 549	1 284 843	-2 216 185
Cash flow hedges		162 911	0	-597 840
<b>Other comprehensive income net of tax</b>		<b>2 005 460</b>	<b>1 284 843</b>	<b>-2 814 025</b>
<b>Total comprehensive income</b>		<b>-500 874</b>	<b>644 569</b>	<b>-4 439 492</b>
<b>Profit for the year attributable to:</b>				
Equity holders of the parent company		-2 506 335	-640 274	-1 625 467
<b>Equity holders of the parent company</b>		<b>-2 506 335</b>	<b>-640 274</b>	<b>-1 625 467</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent company		-500 874	644 569	-4 439 492
<b>Equity holders of the parent company</b>		<b>-500 874</b>	<b>644 569</b>	<b>-4 439 492</b>
<b>Earnings per share:</b>				
Continued operation				
- Basic		<b>-0,49</b>	<b>0,13</b>	<b>-0,33</b>
- Diluted		<b>-0,49</b>	<b>0,14</b>	<b>-0,33</b>

The interim financial statement information has not been subject to audit or review. Diluted number of shares at the end of the fourth quarter 2014 is 5,070,000.



## Consolidated condensed statement of financial position

(EUR)	Note	Unaudited Q1 2015	Audited 2014
<b>ASSETS</b>			
Property, plant and equipment	4,9	84 307 885	85 620 879
Deferred tax asset		1 034 820	1 034 820
Intangible assets		962 427	962 427
Other long term assets		788 457	788 457
<b>Non-current assets</b>		<b>87 093 589</b>	<b>88 406 583</b>
Receivables		17 225 776	13 735 899
Other current assets		544 651	452 703
Cash and short term deposits	10	8 018 799	8 326 068
<b>Current assets</b>		<b>25 789 226</b>	<b>22 514 670</b>
<b>TOTAL ASSETS</b>		<b>112 882 815</b>	<b>110 921 253</b>
<b>EQUITY AND LIABILITIES</b>			
Issued capital		6 214 380	6 214 380
Share premium		24 606 370	24 606 370
<b>Paid in capital</b>		<b>30 820 750</b>	<b>30 820 750</b>
Other components of equity			-4 306 182
Other equity		16 898 747	21 705 804
<b>Other equity</b>		<b>16 898 747</b>	<b>17 399 622</b>
<b>Total equity</b>		<b>47 719 497</b>	<b>48 220 372</b>
Project finance		10 564 383	0
Leasing		6 348 164	6 417 275
<b>Total non-current liabilities</b>		<b>16 912 547</b>	<b>6 417 275</b>
Trade payables		7 684 072	4 755 495
Tax liabilities		605 493	1 109 122
Short term financing - interest bearing		33 035 778	43 115 581
Other current liabilities		6 925 427	7 303 408
<b>Total current liabilities</b>		<b>48 250 771</b>	<b>56 283 606</b>
<b>Total liabilities</b>		<b>65 163 318</b>	<b>62 700 881</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>112 882 815</b>	<b>110 921 253</b>

Oslo, 25 February 2015

Board of Directors

## Consolidated condensed statement of changes in equity

<i>(EUR)</i>	Share capital	Share premium fund	Other equity	Foreign Currency translation reserve	Cash flow hedge reserve	Total equity
<b>Equity as at 1 January 2013</b>	<b>1 523 423</b>	<b>13 400 695</b>	<b>-455 720</b>	<b>1 048 158</b>		<b>15 516 556</b>
Capital increase 25 March 2013	1 409 138	13 519 263				14 928 401
Costs related to capital increase		-1 026 588				-1 026 588
Conversion of share premium fund		-23 209 549	23 209 549			
Dividends or distribution to shareholders			-1 607 797			-1 607 797
Profit (loss) After tax			4 651 744			4 651 744
Other comprehensive income				-3 138 155		-3 138 155
<b>Equity as at 31 December 2013</b>	<b>2 932 561</b>	<b>2 683 821</b>	<b>25 797 776</b>	<b>-2 089 997</b>	<b>0</b>	<b>29 324 161</b>
<b>Equity as at 1 January 2014</b>	<b>2 932 561</b>	<b>2 683 821</b>	<b>25 797 776</b>	<b>-2 089 997</b>	<b>0</b>	<b>29 324 161</b>
Capital increase 17 January 2014	3 281 819	22 972 731				26 254 550
Costs related to capital increase		-1 050 182				-1 050 182
Dividends or distribution to shareholders			-1 868 665			-1 868 665
Profit (loss) After tax			-1 625 467			-1 625 467
Other comprehensive income				-597 840	-2 216 185	-2 814 025
<b>Equity as at 31 December 2014</b>	<b>6 214 380</b>	<b>24 606 370</b>	<b>22 303 644</b>	<b>-2 687 837</b>	<b>-2 216 185</b>	<b>48 220 372</b>
<b>Equity as at 1 January 2015</b>	<b>6 214 380</b>	<b>24 606 370</b>	<b>22 303 644</b>	<b>-2 687 837</b>	<b>-2 216 185</b>	<b>48 220 372</b>
Profit (loss) After tax			-2 506 335			-2 506 335
Other comprehensive income				1 842 549	162 911	2 005 460
<b>Equity as at 31 March 2015</b>	<b>6 214 380</b>	<b>24 606 370</b>	<b>19 797 309</b>	<b>-845 288</b>	<b>-2 053 274</b>	<b>47 719 498</b>

## Consolidated condensed cash flow statement

<i>(EUR)</i>	Note	Unaudited <b>Q1 2015</b>	Unaudited <b>Q1 2014</b>	Audited <b>2014</b>
Ordinary profit before tax		-2 454 434	-640 274	-591 256
Paid income taxes		0	0	-1 007 617
Depreciation	9	1 312 993	360 399	3 365 187
Changes in trade receivables and trade payable		-561 300	-1 028 559	-8 346 130
Changes in other accruals		109 692	-278 934	2 923 511
<b>Cash flow from operations</b>		<b>-1 593 049</b>	<b>-1 587 368</b>	<b>-3 656 305</b>
Acquisition of subsidiary, net of cash acquired		0	-217 845	-24 477 899
<b>Cash flow from investments</b>		<b>0</b>	<b>-217 845</b>	<b>-24 477 899</b>
Proceeds from issue of share capital		0	25 259 554	25 204 368
Dividends or shareholder distributions		0	0	-1 868 665
Proceeds from new loans		0	0	10 291 896
Repayment of loans		-69 111	0	-2 028 732
<b>Cash flow from financing</b>		<b>-69 111</b>	<b>25 259 554</b>	<b>31 598 867</b>
<b>Free cash at beginning of period</b>		<b>1 941 384</b>	<b>4 861 406</b>	<b>4 861 406</b>
Net currency translation effect		1 354 890	1 276 218	0
Seizure of cash	10	-116 336	0	-6 384 685
Net increase/(decrease) in cash and cash equivalents		-1 662 160	23 454 341	3 464 663
<b>Free cash at end of period</b>	10	<b>1 517 778</b>	<b>29 591 965</b>	<b>1 941 384</b>

EUR 6,5m is restricted at the end of Q1 2015. See Note 10 for further detail.

## Notes to the Interim Condensed Consolidated Financial Statements

### Note 1 - Basis of preparation

#### *General accounting principles*

EAM Solar ASA (the Group) is a public limited liability company, incorporated and domiciled in Norway. The registered office of EAM Solar ASA is Dronningen 1, NO-0287 Oslo, Norway. The Company was founded the 5 January 2011.

The Company is listed on the Oslo Stock Exchange under the ticker EAM.

The main activity of EAM Solar ASA is to own solar PV power plants and sell the electricity produced under long-term contracts. EAM's main purpose is to create a steady long-term dividend yield for its shareholders. EAM Solar ASA currently owns twenty-five photovoltaic power plants and eleven subsidiaries in Italy. The company has no employees.

Energieia Asset Management AS manages EAM Solar ASA under a long-term management agreement. EAM Solar Park Management AS (EAM SPM), a subsidiary of Energieia Asset Management AS, is conducting most of the day-to-day management tasks directly or through the use of subcontractors and own employees.

This interim condensed consolidated financial statement for the first quarter 2015 has 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, and should be read in conjunction with the Group's Annual Report 2014

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 2014. Standards and interpretations as mentioned in the Group's Annual Report 2014 Note 1 and effective from the 1 January 2014 did not have a significant impact on the Group's consolidated interim financial statements.

#### *Financial risk*

For some of the external financing contracts with floating interest there are interest rate swaps for the full duration of the contract period and for the full amount; swapping the interest from floating to fixed.

Credit risk

Under normal circumstances the risk for losses is considered to be low, as the main counterparty is GSE, owned by the Ministry of Finance in Italy. The Group has not made any set-off or other derivate agreements to reduce the credit risk in EAM Solar ASA.

With the current situation for EAM in Italy where the Italian state has suspended the FIT and the RID payments as a result of an ongoing criminal investigation against persons representing the seller of the P31 portfolio, the Company has evaluated if there are grounds for writing down the value of the receivables. No such write down has been conducted based on the fact that the Company has not been given any evidence to support that criminal activities have been exercised on the plants acquired by EAM. EAM is identified as victim in the investigation process having been a buyer in good faith. That does not exclude that such evidence can be provided in the near future, or that the Company obtains information that makes a write down necessary. There is considerable uncertainty whether the Company will receive payment of the receivables presented in the balance sheet.

The Company's gross credit risk exposure at 31 December 2014 was EUR 13.7 million. EAM Solar has made no financial arrangements to limit the credit risk further.

#### *Asset value risk*

EAM Solar's cash balance was EUR 8.4 million at 31 December 2014 of which EUR 6.4 has been seized by the Italian authorities. The seized cash has limited the Company from paying its obligations under the leasing and loan agreements and the relevant financing has been reclassified as short-term debt since the lack of payment can be viewed as a breach of contract.

During the annual impairment test, EAM has identified indicators for impairment as described in IAS 36. We have therefore done a full impairment test of all solar power plants owned by EAM. We would like to point out that the assumptions in the impairment test are made to indicate scenarios that management find explanatory at the reporting date. Actual outcome might be materially different, due to, but not limited to the inherent risk in the on-going legal processes.

The impairment test has been conducted under the assumption that all FIT for the P31 plants are reinstated and paid out, also the outstanding amounts for 2014. Based on this assumption it will not necessitate any adjustments to the book value of the power plants.

The impairment test does not evidence the need to conduct write down of the assets. That does not exclude

that such evidence can be provided in the near future or that the company obtains information that makes a write down necessary. There is considerable uncertainty whether the company can maintain the asset values of the solar power plants presented in the balance sheet.

### *Market and regulatory risk*

In Italy, the main incentive program expired in 2013, which has reduced the volume of new built solar power plant. As the cost of Solar PV power plants has come down, Italian authorities expect 1 – 2 GW of new capacity to be installed annually without subsidies.

The secondary market is abundant, especially in Italy, with a steady availability of projects that have been in operation for 3 – 4 years.

During the last years, there have been changes in different taxes that impact the profitability of solar power plants. An increase in IMU (real estate taxes) and corporate tax has had a negative impact during the last years.

The Italian government made a retroactive cut of the Feed in-Tariff (FIT) during the 3<sup>rd</sup> quarter of 2014. This has resulted in a permanent 8% annual reduction in the FIT. In addition, the payments terms of the FIT have been changed; the Company receives each month 1/12 of the average production of the previous year, multiplied by 90%. The remaining 10% is received in June the following year.

With the transition from a subsidy-based industry to grid parity, with pure commercial considerations, off-take agreements and new valuation models to factor in new risk elements will have to be developed.

### *Credit risk*

Under normal circumstances the risk for losses is considered to be low, as the counterparts will be sovereign states in Western Europe. The Group has not made any set-off or other derivative agreements to reduce the credit risk in EAM Solar ASA.

With the current situation for EAM in Italy where the state has suspended the FIT and the RID payments as a result of an on going criminal investigation against persons representing the seller of the P31 portfolio, the Company has evaluated if there are grounds for writing down the value of the receivables. No such write down has been conducted based on the fact that the company has not been given any evidence to support that criminal activities have been exercised on the plants acquired by EAM. That does not exclude that such evidence can be provided in the near future or that the Company obtains information that makes a write down necessary. There is considerable uncertainty whether the Company will receive payment of the receivables presented in the balance sheet.

### **Note 2 – Currency exposure**

Most of EAM's activity is in EUR. Some of the cost base and financing are in NOK; the functional currency for the parent company is NOK.

### **Note 3 - Tax**

Interest charged on loans from Norway to Italy is subject to a 15% withholding tax in Italy. The withholding tax is payable at the time of transfer of funds from Italy to Norway as payment for accrued interest. This tax can be offset against taxes paid in Norway. In Italy, interest payments in general are capped at 30% of EBITDA for tax purposes, meaning that the excess interest payment will not be deductible for tax purposes but can be carried forward for an indefinite period of time.

### **Note 4 – Acquisition accounting and impairment test**

EAM Solar ASA's core business is to acquire and operate solar PV power plants (SPPs). Acquisitions are either conducted by acquiring companies that owns SPPs, or by acquiring the power plant directly (asset purchase). Choice of acquisition method has tax implications, and implications for the asset value used in the Company's accounts post acquisition.

#### *Impairment test*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the remaining feed in tariff period. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in Note 19.

We would like to point out that the assumptions in the impairment test are made to indicate scenarios that management find explanatory at the reporting date. Actual outcome might be materially different, due to, but not limited to the inherent risk in the on-going legal processes.

The impairment test has been conducted under the assumption that all FIT for the P31 plants are reinstated and paid out, also the outstanding amounts for 2014. Based on this assumption it will not necessitate any adjustments to the book value of the power plants.

## Note 5 - List of subsidiaries

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

Company	Country of incorporation	Main operation	Ownership	Voting power
EAM Solar Italy Holding Srl	Italy	Holding company	100%	100%
EAM Solar Italy 1 Srl	Italy	Solar power plant	100%	100%
EAM Solar Italy 2 Srl	Italy	Solar power plant	100%	100%
EAM Solar Italy 3 Srl	Italy	Solar power plant	100%	100%
Energetic Source Green Power s.r.l.	Italy	Solar power plant	100%	100%
Energetic Source Green Investment s.r.l.	Italy	Solar power plant	100%	100%
Energetic Source Solar Production s.r.l.	Italy	Solar power plant	100%	100%
Aveleos Green Investment s.r.l.	Italy	Solar power plant	100%	100%
Ens Solar One s.r.l.	Italy	Solar power plant	100%	100%
Energia Fotovoltaica 14 Soc. Agr. A r.l.	Italy	Solar power plant	100%	100%
Energia Fotovoltaica 25 Soc. Agr. A r.l.	Italy	Solar power plant	100%	100%

## Note 6 - Segment information

<b>EAM Solar Italy 1 s.r.l.</b>	<b>Q1 2015</b>	<b>Q1 2014</b>
Revenues from external customers	171 850	144 963
EBITDA	106 098	83 858
EBIT	9 582	-12 658
Investments	0	0
Non-current assets	5 721 627	6 051 760

<b>EAM Solar Italy 2 s.r.l.</b>	<b>Q1 2015</b>	<b>Q1 2014</b>
Revenues from external customers	348 739	296 011
EBITDA	219 070	175 798
EBIT	22 379	-20 893
Investments	0	0
Non-current assets	11 825 475	12 463 129

<b>EAM Solar Italy 3 s.r.l.</b>	<b>Q1 2015</b>	<b>Q1 2014</b>
Revenues from external customers	123 471	151 135
EBITDA	61 784	67 873
EBIT	-6 467	681
Investments	0	217 845
Non-current assets	5 136 570	5 324 717

<b>P21</b>	<b>Q1 2015*</b>	<b>Q1 2014</b>
Revenues from external customers	1 738 844	0
EBITDA	1 014 174	0
EBIT	203 201	0
Investments	0	0
Non-current assets	57 030 122	0

<b>Other &amp; eliminations</b>	<b>Q1 2015</b>	<b>Q1 2014</b>
Revenues from external customers	0	0
EBITDA	-384 105	-669 418
EBIT	-524 668	-669 418
Investments	0	0
Non-current assets	7 379 796	2 568 354

<b>Total</b>	<b>Q1 2015</b>	<b>Q1 2014</b>
Revenues from external customers	2 382 904	592 109
EBITDA	1 017 020	-341 889
EBIT	-295 973	-702 288
Investments	0	217 845
Non-current assets	87 093 589	26 407 960

Non-current assets consist of the solar power plants in Italy, land, deferred tax asset and capitalized acquisition costs.

In the fourth quarter EAM Solar ASA owned, through ten 100% owned Italian subsidiaries, 25 solar power plants in Italy.

<b>Single purpose vehicle (SPV)</b>	<b>Power plant</b>	<b>MWp</b>	<b>Ownership</b>
EAM Solar Italy 1 Srl	Varmo	3,128	100%
EAM Solar Italy 2 Srl	Codroipo	1,522	100%
EAM Solar Italy 3 Srl	Momo	0,994	100%
EAM Solar Italy 3 Srl	Caltignaga	0,992	100%
Energetic Source Green Power srl (ESGP)	Selvaggi	0,989	100%
Energetic Source Green Power srl (ESGP)	Di Mauro	0,989	100%
Energetic Source Green Power srl (ESGP)	Ninivaggi	0,984	100%
Energetic Source Green Power srl (ESGP)	Lomurno	0,987	100%
Energetic Source Green Power srl (ESGP)	Giordano D.	0,989	100%
Energetic Source Green Power srl (ESGP)	Gagnazzi	0,989	100%
Energetic Source Green Power srl (ESGP)	Gentile	0,987	100%
Energetic Source Green Investments srl (ESGI)	Lorusso	0,989	100%
Energetic Source Green Investments srl (ESGI)	Cirasole	0,986	100%
Energetic Source Green Investments srl (ESGI)	Scaltrito	0,989	100%
Energetic Source Solar Production srl (ESSP)	Pasculli	0,987	100%
Energetic Source Solar Production srl (ESSP)	Pisicoli N.	0,987	100%
Energetic Source Solar Production srl (ESSP)	Pisicoli T.	0,987	100%
Energetic Source Solar Production srl (ESSP)	Marulli	0,742	100%
Energetic Source Solar Production srl (ESSP)	Antonacci	0,986	100%
Aveleos Green Investment srl (AGI)	Piangevino	0,989	100%
Ens Solar One srl (ENS1)	Lorusso	0,984	100%
Ens Solar One srl (ENS1)	Brundesini	0,994	100%
Ens Solar One srl (ENS1)	Scardino	0,993	100%
Energia Fotovoltaica 14 Soc. Agr. a r.l. (ENFO14)	Enfo 14	0,977	100%
Energia Fotovoltaica 25 Soc. Agr. a r.l. (ENFO25)	Enfo 25	0,983	100%

## Note 7 - Transactions with related parties

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

Energeia Asset Management, and its daughter company EAM SPM, delivers management services to EAM Solar ASA according to the Management Agreement. EAM SPM is 100% owned by Energeia Asset Management AS.

According to the Management Agreement, the Energeia group charges EAM Solar ASA the direct operating costs, without any profit margin, related to the management services provided. At the moment any direct operating costs above NOK 5 million a year must be approved by the board of directors in EAM Solar ASA.

Furthermore, the Energeia group receives 12.5% of the Groups pre-tax profit as royalty from EAM Solar ASA, known as the financial participation mechanism. The royalty is based on the fact that EAM Solar is developed, created and managed by Energeia Asset Management AS. The royalty structure aligns the interests of the Energeia group with the interests of the shareholders of EAM Solar ASA.

Direct cost charged by the Energeia group according to the Management Agreement amounts can be seen in note 11.

In the calculation of the royalty, any non-cash currency gain or non-cash gain on bargain purchase is subtracted from the royalty calculation base.

In the financing of the P31 acquisitions, EAM used a credit facility of EUR 8,1m provided by the largest shareholder in EAM Solar ASA, Sundt AS. For further information about the credit facility see Note – 15.

### Note 8 – Information on major customers

Of the groups' revenues of EUR 2,4m in Q1 2015, all came from the sale of electrical power.

85,6% of electricity sale is conducted through long-term electricity sales contracts (the FIT contracts), and the remainder from sales at market price.

The Company's major customer is GSE for the FIT contracts. GSE is short for Gestore dei Servizi Energetici GSE S.p.A., a company owned by the Italian Ministry of Economy and Finance. For further information about GSE visit the following web page: [www.gse.it](http://www.gse.it).

### Note 9 – Property, plant and equipment

The assets are depreciated based over an economic life of 11 to 20 years and linear depreciation.

In the fourth quarter 2013 the tax depreciation period for SPPs was changed from 20 to 25 years according to a regulatory change in Italy. This has not impacted our IFRS practise of depreciation over 20 years equivalent to the FIT electricity sales contract period.

<b>2015</b>	<b>Power plants</b>
Carrying value 1 January 2015	85 620 879
Additions	0
Depreciation	-1 312 993
<b>Carrying value 31 December 2012</b>	<b>84 307 886</b>

<b>2014</b>	<b>Power plants</b>
Carrying value 1 January 2014	23 721 735
Additions	65 264 331
Depreciation	-3 365 187
<b>Carrying value 31 December 2014</b>	<b>85 620 879</b>

<b>2013</b>	<b>Power plants</b>
Carrying value 1 January 2013	84 307 886
Additions	-59 346 131
Depreciation	-1 240 020
<b>Carrying value 31 December 2013</b>	<b>23 721 735</b>

### Note 10 - Cash and cash equivalents

(EUR)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1'2014	Q2'2014	Q3 2014	Q4 2014	Q1'2015
Unrestricted cash Norway	9 860 020	7 507 109	1 746 242	1 435 170	25 975 787	969 095	203 138	496 460	<b>44 483</b>
Unrestricted cash Italy	588 323	659 126	2 105 870	3 176 028	3 365 968	33 499 741	1 150 985	1 480 609	<b>1 473 296</b>
Restricted cash Italy	260 885	250 208	250 208	250 208	250 208	250 208	9 373 462	6 348 999	<b>6 501 021</b>
<b>Cash</b>	<b>10 709 227</b>	<b>8 416 443</b>	<b>4 102 320</b>	<b>4 876 716</b>	<b>29 591 962</b>	<b>34 719 044</b>	<b>10 727 584</b>	<b>8 326 068</b>	<b>8 018 799</b>

The group has no unused credit facilities at the end of the first quarter 2015. The restricted cash is partly tied up in debt service reserve accounts related to the debt financing of the power plants, but also funds that have been seized in conjunction with the preliminary investigations conducted by the Public Prosecutor in Milan.



## Note 11 – Detailed operational cost overview

(EUR)	EAM Solar ASA Group	EAM Solar Italy 1	EAM Solar Italy 2	EAM Solar Italy 3	P21	Other & Eliminations
<b>Revenues</b>	<b>2 382 904</b>	<b>171 850</b>	<b>348 739</b>	<b>123 471</b>	<b>1 738 844</b>	<b>0</b>
<b>Cost of operations</b>	<b>-378 507</b>	<b>-24 509</b>	<b>-54 589</b>	<b>-24 373</b>	<b>-275 036</b>	<b>0</b>
Land rent	-83 855	-8 758	-18 324	0	-56 774	0
Insurance	-54 071	-4 338	-15 891	-3 258	-30 583	0
Operation & Maintenance	-169 734	-9 662	-17 655	-18 223	-124 195	0
Other operations costs	-70 846	-1 752	-2 718	-2 891	-63 485	0
<b>Sales, General &amp; Administration</b>	<b>-676 369</b>	<b>-41 243</b>	<b>-75 080</b>	<b>-37 314</b>	<b>-449 634</b>	<b>-73 098</b>
Commercial management	0	0	0	0	0	0
Accounting, audit & legal fees	-100 413	-5 000	-5 000	-7 500	-43 446	-39 467
IMU tax	-169 002	-8 941	-16 091	-13 523	-130 447	0
EAM SPM direct costs	-370 131	-26 000	-53 000	-15 500	-242 000	-33 631
EAM SPM management service contract*	0	0	0	0	0	0
Other administrative costs	-36 823	-1 303	-989	-791	-33 741	0
<b>Acquisition &amp; financing cost</b>	<b>-311 007</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-311 007</b>
Acquisition transaction costs	-311 007	0	0	0	0	-311 007
Funding & IPO costs	0	0	0	0	0	0
Other non-recurring items	0	0	0	0	0	0
<b>EBITDA</b>	<b>1 017 020</b>	<b>106 098</b>	<b>219 070</b>	<b>61 784</b>	<b>1 014 174</b>	<b>-384 105</b>

\* This amount will first become payable upon a definite solution of outstanding issues on the P31 portfolio.

The costs under other & eliminations are costs of EUR 0,3m related to the due diligence and transaction costs of the P31 acquisition by EAM Solar Italy Holding Srl.

## Note 12 – Quarterly P&L overview 2013 - 2015

(EURm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
<b>Production (GWh)</b>	<b>1,102</b>	<b>2,335</b>	<b>2,692</b>	<b>1,629</b>	<b>1,521</b>	<b>3,283</b>	<b>11,691</b>	<b>6,375</b>	<b>7,026</b>
% of annual production	14%	30%	35%	21%					
<b>Revenues</b>	<b>0,496</b>	<b>0,986</b>	<b>1,131</b>	<b>0,497</b>	<b>0,592</b>	<b>1,380</b>	<b>3,947</b>	<b>2,796</b>	<b>2,383</b>
<b>Total operating costs</b>	<b>-0,689</b>	<b>-0,318</b>	<b>-0,431</b>	<b>-0,455</b>	<b>-0,934</b>	<b>-0,912</b>	<b>-1,251</b>	<b>-3,405</b>	<b>-1,366</b>
Operations costs	-0,081	-0,083	-0,068	-0,128	-0,116	-0,204	-0,366	-0,472	-0,379
SG&A costs	-0,281	-0,173	-0,234	-0,332	-0,260	-0,315	-0,704	-1,076	-0,676
A&T costs	-0,327	-0,062	-0,129	0,005	-0,558	-0,393	-0,181	-1,857	-0,311
<b>EBITDA</b>	<b>-0,193</b>	<b>0,667</b>	<b>0,700</b>	<b>0,042</b>	<b>-0,342</b>	<b>0,468</b>	<b>2,696</b>	<b>-0,609</b>	<b>1,017</b>
EBITDA margin	-39%	68%	62%	9%	-58%	34%	68%	-22%	43%
Depreciation	-0,345	-0,241	-0,295	-0,358	-0,360	-0,360	-1,112	-1,533	-1,313
Gain on bargain purchase	0,000	0,000	2,422	-0,179	0,000	0,000	0,000	0,000	0,000
<b>EBIT</b>	<b>-0,538</b>	<b>0,426</b>	<b>2,826</b>	<b>-0,494</b>	<b>-0,702</b>	<b>0,108</b>	<b>1,584</b>	<b>-2,142</b>	<b>-0,296</b>
Financial income	0,333	0,999	0,666	0,755	0,043	1,300	0,127	3,399	0,042
Financial costs	-0,158	-0,003	-0,049	-0,006	-0,258	-1,176	-1,887	-0,988	-2,201
<b>Profit before tax</b>	<b>-0,362</b>	<b>1,422</b>	<b>3,444</b>	<b>0,254</b>	<b>-0,917</b>	<b>0,232</b>	<b>-0,176</b>	<b>0,270</b>	<b>-2,454</b>
<b>Adjusted EBITDA</b>	<b>0,134</b>	<b>0,729</b>	<b>0,828</b>	<b>0,037</b>	<b>0,216</b>	<b>0,861</b>	<b>2,877</b>	<b>1,248</b>	<b>1,328</b>

EBITDA adjusted is adjusted for acquisition, transaction and funding costs.



## Note 13 – Power production

The following power plants are included in the consolidated financial statements:

Reported power production kWh	Q1 2015	Q4 2014	Q3 2014*	Q2 2014*	Q1 2014*	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY2014	FY2013	
EAM Solar Italy 1 Srl	460	334	710	796	367	352	785	862	315	2 207	2 315	
EAM Solar Italy 2 Srl	933	693	1 502	1 605	749	750	1 550	1 798	707	4 548	4 806	
EAM Solar Italy 3 Srl	438	271	602	881	405	0	0	32	287	2 160	637	
Energetic Source Green Power srl (ESGP)	1 679	1 703	2 984	0	0	0	0	0	0	4 687	0	
Energetic Source Green Investments srl (ESGI)	731	735	1 271	0	0	0	0	0	0	2 005	0	
Energetic Source Solar Production srl (ESSP)	1 220	1 161	2 090	0	0	0	0	0	0	3 251	0	
Aveleos Green Investment srl (AGI)	255	241	417	0	0	0	0	0	0	659	0	
Ens Solar One srl (ENS1)	797	743	1 301	0	0	0	0	0	0	2 045	0	
Energia Fotovaltaica 14 s.r.l. (ENFO14)	262	248	396	0	0	0	0	0	0	645	0	
Energia Fotovaltaica 25 s.r.l. (ENFO25)	251	246	417	0	0	0	0	0	0	664	0	
<b>Total</b>	<b>7 026</b>	<b>6 375</b>	<b>11 691</b>	<b>3 283</b>	<b>1 521</b>	<b>0</b>	<b>1 102</b>	<b>2 335</b>	<b>2 692</b>	<b>1 310</b>	<b>0 22 869</b>	<b>7 758</b>

(\* ) Production is based on historical average solar irradiation.

Actual power production	Q1 2015	Q4 2014	Q3 2014*	Q2 2014*	Q1 2014*	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY2014	FY2013	
Varmo	460	334	710	796	367	352	785	862	315	2 207	2 315	
Codroipo	933	693	1 502	1 605	749	750	1 550	1 798	707	4 548	4 806	
Momo	213	127	214	451	198	0	0	460	287	990	747	
Caltignaga	225	144	389	430	208	0	0	439	144	1 171	583	
Selvaggi	174	245	431	420	277	199	436	457	255	1 373	1 347	
Di Mauro	260	250	433	413	274	167	421	454	280	1 371	1 322	
Ninivaggi	243	249	427	423	274	197	405	458	252	1 373	1 312	
Lomurno	250	238	419	410	270	204	444	453	256	1 337	1 356	
Giordano D.	239	243	434	419	280	197	420	445	267	1 376	1 330	
Gagnazzi	259	242	423	412	276	201	452	458	264	1 353	1 374	
Gentile	254	236	416	411	260	192	383	438	245	1 324	1 258	
Lorusso	198	224	393	403	267	169	433	441	235	1 287	1 278	
Cirasole	271	261	452	441	292	200	438	468	260	1 445	1 367	
Scaltrito	262	250	426	405	278	199	428	459	249	1 359	1 335	
Pasculli	252	252	441	412	283	272	464	417	242	1 388	1 395	
Pisicoli N.	257	245	442	424	275	270	483	469	247	1 385	1 469	
Pisicoli T.	249	241	433	414	272	244	397	441	245	1 359	1 327	
Marulli	194	180	325	312	197	141	273	338	182	1 014	934	
Antonacci	269	246	447	430	285	101	482	472	255	1 407	1 310	
Piangevino	255	241	417	415	273	202	387	358	235	1 347	1 183	
Lorusso	250	230	429	421	274	216	472	469	251	1 354	1 407	
Brundesini	277	258	439	419	286	218	469	454	253	1 402	1 393	
Scardino	270	253	436	426	286	204	428	440	280	1 400	1 352	
Enfo 14	262	248	396	415	280	205	418	424	265	1 339	1 313	
Enfo 25	251	246	417	413	267	195	430	456	258	1 343	1 339	
<b>Total</b>	<b>7 026</b>	<b>6 375</b>	<b>11 691</b>	<b>11 940</b>	<b>7 246</b>	<b>0</b>	<b>5 296</b>	<b>11 297</b>	<b>12 829</b>	<b>6 729</b>	<b>0 37 252</b>	<b>36 150</b>

## Note 14 – Acquisitions

Based on the fact that ENS 4, the last SPV to be purchased under the share purchase agreement of P31, was not concluded; the preliminary close became a final close. A revised valuation and purchase price allocation has been calculated using the principles set forth in the share purchase agreement.

<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>EUR</b>
Property, plant and equipment	55 287 184
Addition to property, plant and equipment	10 515 234
Other non-current assets	3 518 994
Current assets	12 997 548
Change in deferred tax liability	-3 301 784
Other non current liabilities	-42 641 526
Current liabilities	-15 310 914
<b>Total identifiable net assets at fair value</b>	<b>21 064 736</b>
<b>Goodwill</b>	<b>0</b>
<b>Total net assets at fair value</b>	<b>21 064 736</b>
<b>Consideration</b>	<b>EUR</b>
Acquisition value	30 859 628
Shareholder loans	-6 569 760
Consideration FIT change in law	-3 078 000
Insurance claims	-147 132
<b>Total consideration transferred</b>	<b>21 064 736</b>

Because of the on-going legal processes, the final outcome and adjustments under the share purchase agreement are uncertain.

## Note 15– Going concern

The financial statements and figures presented in the director's report have been prepared under the assumption of going concern. However, due to the investigation of the P31 power plants (now only consisting of 21 power plants), there are uncertainties regarding the recognition of revenue, the value of receivables and the value of property plant and equipment. New information that may be made available in the near future can make it necessary to change the assumption of going concern. In the current situation, with a strained liquidity situation, the Group has prioritised to keep the assets running and producing electricity, but has suspended certain payments such as interest and leasing payments, land rent and tax for the affected subsidiaries.

The reason for preparing the financial statements as going concern is due to the Board's opinion that the Group has sufficient liquidity for the next twelve months subject to a

de facto standstill with the financing banks. Given all the uncertainties, the Board and the manager are putting all their effort into finding a solution, and find it realistic that such a solution can be reached. It is in the interest of the shareholders, the financing banks, the employees of the manager and suppliers, the landowners and other stakeholders that the assets are intact. Upon keeping the assets running the group receives monthly payments for the market price contracts. First payment under the new market price contracts was received in late March. In order to improve the situation the Group continues to seek financing on the fully equity financed and not affected assets purchased in 2011 and 2013 (EAM1, EAM2, EAM3). In addition, the Company pursues its legal rights in the administrative court to get the FIT reinstated. Should the situation not be resolved, the cash flow generated will only be sufficient to cover the direct costs of the power plants as described above.

## Note 16 – Financial liabilities

EAM has decided not to pay interest or instalments on the leasing and project financing related to the SPVs ESGI, ESGP and ESSP. Instead EAM has decided to use the free cash flow to maintain the assets by covering costs for O&M (Operation and Maintenance), security and utilities. Since the absent of payment on the financing can be seen as a breach of the payment terms, the relevant financing has been reclassified to current debt.

The financing institutions have not paid out the last tranche, in total EUR 2.6m, this amount have been netted in the fourth quarter, see Note 10 for further detail.

## Note 17 – Events after the interim period

### *Criminal proceedings*

24 April 2015 the company received the documents related to the criminal investigation conducted by the court of Milan. In the received documentation, the prosecutor of the court of Milan has identified EAM Solar ASA as well as the manager, EAM Solar Park Management AS, as civil victims of criminal contractual fraud.

The hearing in the criminal proceedings has been set for 3 June 2015.

### *Administrative court*

The company appealed the unfavourable decision of the administrative court in December to a higher court, and received a ruling in its favour by the Council of State in January 2015. The Council of State has accepted the

appeal as it deems that the claim filed with the administrative court appears to be grounded.

The new hearing dates for the administrative court has been set for 9 July 2015 and 11 November 2015 where GSE must provide evidence of criminal activity to support their actions and the administrative court must resolve on the merits of the case, taking into consideration the ruling from the Council of State.

### ***Site inspection***

In the beginning of May, the GSE conducted inspections on the 17 power plants affected by the suspension of tariffs. At the release of this report the result of the inspection had not yet been concluded.

# First quarter 2015

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