PROSPECTUS

EAM Solar ASA

Org. number: 996 411 265
www.eamsolar.no

LISTING ON OSLO AXESS OF 2,750,000 NEW SHARES IN EAM SOLAR ASA ISSUED IN CONNECTION WITH A PRIVATE PLACEMENT COMPLETED ON 17 JANUARY 2014 AT A SUBSCRIPTION PRICE PER SHARE OF NOK 80.00.

THE NEW SHARES ARE ISSUED IN CONNECTION WITH THE ACQUISITION OF A PORTFOLIO OF 31 SOLAR POWER PLANTS IN SOUTHERN ITALY

MANAGERS

ABG SUNDAL COLLIER

24 JANUARY 2014

IMPORTANT INFORMATION

Please refer to Section 19 for definitions, which also apply to the preceding pages.

On 17 January 2014, EAM Solar ASA (the "**Company**", the "**Issuer**" or "**EAM Solar**") raised NOK 220 million (approximately EUR 26.3 million) in gross proceeds through a private placement of 2,750,000 new shares (the "**New Shares**"), each with a par value of NOK 10 and a subscription price of NOK 80.00 per New Share (the "**Private Placement**"). This prospectus (the "**Prospectus**") has been prepared in connection with the listing (the "**Listing**") on Oslo Axess of the New Shares.

ABG Sundal Collier Norge ASA ("**ABGSC**"), Arctic Securities ASA ("**Arctic Securities**") and Carnegie AS ("**Carnegie**") have acted as the Company's Managers for the Private Placement.

The Company has furnished the information in this Prospectus. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the EC Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the **"Prospectus Directive"**) as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereafter **"EC Regulation 809/2004"**). The Prospectus has been prepared solely in the English language. The Prospectus has been reviewed and approved by the Norwegian FSA in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Company's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in, or otherwise covered by, this Prospectus.

The information contained herein is as of the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, every significant new factor, material mistake, or inaccuracy relating to the information included in the Prospectus, which is capable of affecting the assessment of the Shares between the time when the Prospectus is approved and the Listing will be included in a supplement to the Prospectus. Publication of this Prospectus shall not create any implication that there has been no change of the Company's affairs or that the information herein is correct as of any date subsequent to the date of the Prospectus.

This Prospectus is subject to Norwegian law. Any dispute arising in respect of or in connection with this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Company requires persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute an offer to subscribe for shares in the Company.

An investment in the Company involves inherent risks. Potential investors should carefully consider the risk factors set out in section 2 "Risk Factors" in addition to the other information contained herein before making an investment decision. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The securities described herein have not been and will not be registered under the US Securities Act of 1933 as amended (the "US Securities Act"), or with any securities authority of any state of the United States. Accordingly, the securities described herein may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the US Securities Act and in compliance with any applicable state securities laws.

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APPENDICES

1. EXECUTIVE SUMMARY

*Summaries are made up of disclosure requirements known as "**Elements**". These elements are numbered in Sections A – E (A.1 – E.7).*

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS

A.1	**Warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Company's shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Use of this Prospectus**	The Company does not consent to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.

SECTION B – ISSUER

B.1	**Name**	EAM Solar ASA
B.2	**Registered office, legal form and country of incorporation**	The Company's registered office is: EAM Solar ASA Dronningen 1 0287 Oslo Norway The Company is organized as a public limited liability company pursuant to the Norwegian Public Limited Liability Companies Act, incorporated under the laws of Norway, with registration number 996 411 265.
B.3	**Business description**	EAM Solar's business is to own solar power plants operating under long-term sales contracts for the generated electricity, for the duration of the lifetime of the solar power plants. The Company aims to purchase, maintain and operate solar power plants in Europe, with a current focus on solar power plants located in Italy. EAM Solar aims to differentiate its operational strategy from module producers, project developers and EPC contractors by taking an active ownership role. The Company will not take project development or construction risk, but will buy solar power plants that are grid connected. The Company has a strong focus on active

		ownership and optimal operation of the power plants. Through active ownership of solar power plants, EAM Solar and its management company SPM will focus on maximizing value for the Company's shareholders through best-practice operations. The Company will make every effort to pay its equity investors as high dividend as achievable within the limits of the Company's financial covenants and cash position. The Company currently owns and operates four solar power plants located in Northern Italy. The four plants have a combined installed capacity of 6.6 MWp and an annual electricity production of approximately 10 GWh, depending on the annual solar irradiation. On 31 December 2013, the Company signed a sale and purchase agreement to acquire a portfolio of 31 solar power plants with a combined installed capacity of 30 MWp and an annual electricity production of approximately 44.2 GWh. Based on the satisfaction of all conditions precedents, the Company expects the closing of the Acquisition to occur during the first quarter 2014. All of the Company's current solar power plants, as well as the new portfolio, benefit from 20-year Feed-in Tariff contracts with GSE, the Italian renewable energy executive authority.
B.4a	**Trend information**	For both the Company's current portfolio and the Target SPPs, the fixed Feed-in Tariff received from GSE represents approximately 80-85% of the solar power plant revenues. In addition, the Company sells its power production in the power market based on the market price for electricity. The Company is currently selling most of its power production through a RiD contract with GSE. The Company's future dependency on the market price will primarily depend on the level of the fixed FiT relative to the variable RiD. The market price for electricity in the whole of Italy has been under pressure since mid-2012. In Northern Italy the prices have decreased from around EUR 80 per MWh in the first part of 2012 to an annual average of around EUR 60 per MWh in 2013. Similar price trends and levels are seen in most of mainland Italy, including the south where the Target Companies are located. Based on the current market price for electricity in Italy and the outlook for 2014, the Company expects the average market price for electricity in Italy to be approximately EUR 60 per MWh in 2014. For power plants below 1MW, the minimum price under the RiD contract is fixed for one year ahead at a guaranteed level. The minimum price for 2013 was EUR 80 per MWh, and has been reduced to EUR 38.5 per MWh from 1 January 2014, in order to reflect the lower market price for electricity observed in the power market. However, as stated above, the Company expects the average market price to be higher than EUR 38.5 per MWh in 2014. For the avoidance of doubt, if the average market price is higher than the minimum price guaranteed from GSE, the Company will receive the market price. Italian energy companies with revenues and taxable income over a certain threshold have an increased tax rate, the Robin Tax. The general corporate tax rate in Italy is 27.5%, but for those companies subject to the Robin Tax, the corporate tax rate is 34%. Previously, renewable energy companies were originally exempt from the Robin Tax, but a new decree expected to be implemented in 2014, will expand the Robin Tax to also include these companies, as well as lower the threshold to companies with revenue over EUR 3 million and taxable income over EUR 300 thousand. The Company's existing SPVs are all below the thresholds and are thus not subject to the Robin Tax. However, the largest of the SPVs among the Target Companies may be subject to such tax increase since it is above the threshold. In the coming years, the Company expects the Robin Tax to be implemented for all Italian assets relevant

to the Company and its screening process.

The financial crisis in the Eurozone has made it more difficult to obtain project financing from commercial banks. This has also created opportunities for market participants with good access to capital.

B.5 Organisational structure

Prior to the Acquisition of the Target Companies, the Company had three wholly-owned Italian subsidiaries organized as single purpose vehicles. These three subsidiaries own the Company's current portfolio of solar power plants.

As part of the Acquisition, the Company has established an Italian holding company, EAM Solar Italy Holding S.r.l., a fully-owned subsidiary of EAM Solar ASA. This Italian holding company will acquire the Target Companies, and the Company will also transfer the ownership of its existing three Italian subsidiaries to this new legal entity.

B.6 Major shareholders

The Company has only one share class, and all Shares carry the same voting rights.

After the Private Placement, as far as the Company is aware of, there is no other natural or legal person other than Sundt AS (16.57%), Canica AS (14.30%), Bjørgvin AS (6.16%) and Ludvig Lorentzen (5.08%, including the affiliated company Extellus AS), which indirectly or directly has a shareholding in the Company above 5% which is noticeable under Norwegian law.

The Company is not aware of any agreements that could later result in any parties taking over control of the Company.

B.7 Summary financial information

The following consolidated financial information has been derived from the Company's audited consolidated financial statements as of 31 December 2011 and 2012 and from the unaudited consolidated financial statements for the nine month period ended 30 September 2013. The consolidated financial information, both audited and unaudited, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

On 31 December 2013, the Company signed the SPA to purchase the Target Companies. Based on the satisfaction of all conditions precedents, the Company expects the closing of the Acquisition to occur during the first quarter 2014.

On 17 January 2014, the Company raised NOK 220 million (EUR 26.3 million) in gross proceeds through the Private Placement. In addition, the Company entered into an agreement with its largest shareholder, Sundt AS, for a Committed Credit Facility of NOK 50 million (at 6% interest p.a., if drawn) secured by existing solar power plants. Together with available cash resources, the Company has the necessary funding required to complete the Acquisition.

Except for the abovementioned, there has been no significant change in the financial or trading position of the Company since 30 September 2013.

Consolidated statement of comprehensive income *Figures in EUR*	**9M 2013** **Unaudited**	**9M 2012** **Unaudited**	**2012** **Audited**	**2011 (5.1-31.12)** **Audited**
Revenue	**2 612 443**	**2 632 526**	**3 106 472**	**340 075**
Cost of operations	-232 274	-198 693	-259 260	-25 230
Sales, general and administrative expenses	-688 981	-654 170	-1 133 138	-342 639
Acquisition and transaction costs	-517 427	-931 030	-907 671	-1 122 832
EBITDA	**1 173 761**	**848 633**	**806 403**	**-1 150 626**
Depreciation, amortizations and write downs	-881 861	-743 373	-1 036 269	-148 012
Gain on bargain purchase	2 430 332	2 668 237	2 668 237	0
Operating profit (EBIT)	**2 722 233**	**2 773 497**	**2 438 371**	**-1 298 638**
Finance income	1 998 192	4 016	4 711	86 740
Finance costs	-209 131	-1 356 807	-1 853 042	-128 021

Profit before tax	**4 511 293**	**1 420 706**	**590 040**	**-1 339 919**
Income tax gain/(expense)	-105 650	-60 451	-61 171	355 330
Profit after tax	**4 405 643**	**1 360 255**	**528 869**	**-984 589**

Consolidated condensed statement of financial position *Figures in EUR*	**30.09.2013** **Unaudited**	**31.12.2012** **Audited**	**31.12.2011** **Audited**
ASSETS			
Property, plant and equipment	24 115 653	19 533 095	6 563 352
Other long-term assets	350 311	338 210	355 330
Non-current assets	**24 465 965**	**19 871 305**	**6 918 682**
Receivables	1 942 242	950 882	429 266
Other current assets	180 582	598 551	209 770
Cash and short term deposits	4 102 078	713 730	8 000 351
Current assets	**6 224 902**	**2 263 163**	**8 639 387**
TOTAL ASSETS	**30 690 867**	**22 134 468**	**15 558 069**
EQUITY			
Issued capital	2 859 256	1 523 423	1 523 423
Share premium	0	13 400 695	13 400 695
Paid-in capital	**2 859 256**	**14 924 118**	**14 924 118**
Translation differences	350 311	1 048 158	236 114
Other equity	26 494 729	-455 720	-984 589
Total other equity	**29 704 296**	**592 438**	**-748 475**
Total equity	**29 704 296**	**15 516 556**	**14 175 643**
LIABILITIES			
Trade payables	814 273	1 004 610	590 729
Income tax payable	172 298	164 106	175 591
Short term loan – interest bearing	0	5 420 265	0
Other current liabilities	0	28 931	616 106
Total current liabilities	**986 571**	**6 617 912**	**1 382 426**
Total liabilities	**986 571**	**6 617 912**	**1 382 426**
TOTAL EQUITY AND LIABILITIES	**30 690 867**	**22 134 468**	**15 558 069**

Consolidated condensed cash flow statement *Figures in EUR*	**9M 2013** **Unaudited**	**9M 2012** **Unaudited**	**2012** **Audited**	**2011** **(5.1-31.12)** **Audited**
Ordinary profit before tax	**4 511 293**	**1 420 706**	**590 040**	**-1 339 919**
Paid income taxes	-130 672	0	-727 658	0
Depreciation	881 861	743 373	1 036 269	148 012
Gain on bargain purchase	-2 430 332	-2 668 237	-2 668 237	0
Change in trade receivables and trade payable	-1 181 697	-1 355 241	130 944	861 238
Changes in other accruals	397 230	-642 314	-390 824	188 526
Cash flow from operations	**2 047 683**	**-2 501 713**	**-2 029 466**	**-142 143**
Purchase of property, plant and equipment	-66 240	0	-73 685	0
Acquisition of subsidiary, net of cash acquired	-3 518 720	-10 985 916	-11 696 898	-6 933 426
Net cash flow used in investing activities	**-3 584 960**	**-10 985 916**	**-11 770 583**	**-6 933 426**
Proceeds from issue of share capital	13 770 205	0	0	14 924 118
Dividends or shareholder distributions	-1 484 705	0	0	0
Proceeds from new loans	0	6 106 249	6 106 249	0

Repayment of loans	-5 512 476	0	-685 984	0
Net cash flow from financing activities	**6 773 024**	**6 106 249**	**5 420 265**	**14 924 118**
Cash and cash equivalents at beginning of period	**713 730**	**8 000 351**	**8 000 351**	**0**
Net currency translation effect	-1 847 399	756 957	1 093 163	151 802
Net increase/(decrease) in cash and cash equivalents	5 235 747	-6 624 423	-7 286 621	8 000 351
Cash and cash equivalents at end of period	**4 102 078**	**1 375 928**	**713 730**	**8 000 351**

B.8 Pro forma financial information

The acquisition of Sistema Solar 1 GmbH (Codroipo) in February 2012, the acquisition of M&T Solare S.r.l. (Momo and Caltignaga) in September 2013, and the Acquisition of the Target Companies all trigger pro-forma information.

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Proforma Triggering Acquisitions might have affected the Company's consolidated condensed statement of comprehensive income for 2012 and the nine months ended 30 September 2013 if the acquisitions had occurred on 1 January 2012 and 1 January 2013, respectively. In addition, a pro forma consolidated condensed statement of financial position as of 30 September 2013 is presented for the Acquisition of the Target Companies. The two other acquisitions are already fully reflected in the interim consolidated condensed statement of financial position as of 30 September 2013, thus no pro forma adjustments are required in the financial position for these acquisitions.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The unaudited pro forma condensed financial information has been compiled to comply with the Norwegian Securities Trading Act and the applicable EU-regulations pursuant to section 7-7 of the Norwegian Securities Trading Act. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma financial information, including the report by the auditor, would have been amended and / or removed from the offering document.

Unaudited pro forma condensed statement of comprehensive income *All figures in EUR thousand*	**EAM Solar** **9M 2013** **IFRS** **Unaudited**	**Pro forma information** **9M 2013** **IFRS** **Unaudited**	**EAM Solar ASA** **2012** **IFRS** **Audited**	**Pro forma information** **2012** **IFRS** **Unaudited**
Total revenue	**2 612**	**16 493**	**3 106**	**20 648**
Cost of operations	-232	-1 838	-259	-1 095
Sales, general and administration expenses	-689	-1 864	-1 133	-3 115
Acquisition and financing costs	-517	-2 020	-908	-2 928
EBITDA	**1 174**	**10 771**	**806**	**13 510**
Depreciation, amortizations and write downs	-882	-6 186	-1 036	-8 285
Gain on bargain purchase	2 430	2 430	2 668	5 099
EBIT	**2 722**	**7 015**	**2 438**	**10 323**
Finance income	1 998	2 002	5	13
Finance costs	-209	-3 579	-1 853	-6 571
Profit before tax	4 511	5 438	590	3 766
Income tax gain/(expense)	-106	-1 228	-61	-1 512
Profit after tax	**4 406**	**4 209**	**529**	**2 254**

Unaudited pro forma condensed financial position *All figures in EUR thousand*	**EAM Solar** **30.09.2013** **IFRS** **Unaudited**	**Pro forma information** **30.09.2013** **IFRS** **Unaudited**
ASSETS		
Deferred taxes	0	0

Land rights	0	5 574
Other intangible assets	0	1 623
Intangible assets	**0**	**7 197**
Property, plant and equipment	24 116	135 931
Other long-term assets	350	350
Tangible non-current assets	**24 466**	**136 281**
Receivables	1 942	21 976
Other current assets	181	5 278
Cash and short-term deposits	4 102	265
Current assets	**6 225**	**27 519**
TOTAL ASSETS	**30 691**	**170 997**
EQUITY		
Issued capital	2 859	6 248
Share premium	0	22 640
Paid-in capital	**2 859**	**28 888**
Translation differences	350	350
Other equity	26 495	24 992
Total other equity	**26 845**	**25 342**
Total equity	**29 704**	**54 230**
LIABILITIES		
Long-term loans and borrowings	0	69 981
Derivative financial instruments	0	4 608
Deferred tax liability	0	7 597
Other non-current liabilities	0	533
Total non-current liabilities	**0**	**82 719**
Trade payables	814	12 081
Income tax payable	172	1 670
Short-term loan – interest bearing	0	13 513
Other current liabilities	0	6 784
Total current liabilities	**987**	**34 048**
Total liabilities	**987**	**116 767**
TOTAL EQUITY AND LIABILITIES	**30 691**	**170 997**

B.9	**Profit forecast or estimate**	Not applicable.
B.10	**Qualifications in the audit report**	Not applicable. No qualifications have been issued with respect to the historical financial information included in this Prospectus.
B.11	**Working capital**	In the opinion of the Company, the Group's working capital is sufficient to cover the Group's present requirements, that is, for a period of at least 12 months from the date of this Prospectus.

SECTION C – SECURITIES

C.1	**Type of securities and ISIN number**	The Company's Shares are listed on Oslo Axess and registered with VPS under ISIN NO 0010607781. The Company will request that the New Shares are admitted to trading on Oslo Axess. Except for unanticipated circumstances, the Company believes that the New Shares will be admitted to such trading as of the publication of this Prospectus.
C.2	**Currency**	NOK
C.3	**The number of shares issued and fully paid, including the par value per share**	Prior to the Private Placement, the Company's share capital was NOK 23,200,000 divided into 2,320,000 Shares, each with a par value of NOK 10. The Shares are issued and fully paid. Upon registration of the capital increase related to the Private Placement in the Norwegian Register of Business Enterprises, the Company's share capital will be NOK 50,700,000 divided into 5,070,000 Shares, each with a par value of NOK 10.
C.4	**Rights attached to the New Shares**	The Company has only one class of shares and all shareholders have equal rights according to Norwegian law. Each Share carries one vote at general meetings of the Company's shareholders.
C.5	**Restrictions on free transferability**	Not applicable. According to the Company's Articles of Association, there are no general limitations on transfer of the Company's Shares. There are no provisions in the Articles which would have an effect of delaying, deferring or preventing a change of control of the Company, or which require disclosure of ownership above any thresholds.
C.6	**Listing and admission to trading**	All New Shares issued in the Private Placement will upon payment and registration in the Norwegian Register for Business Enterprises be fully paid ordinary shares of the Company and will in all respects be equal to the existing shares of the Company. The Private Placement will be registered in the Norwegian Register of Business Enterprises on or about 24 January 2014, and registered with VPS under ISIN NO 0010607781.
C.7	**Dividends**	To the extent permitted by applicable law the company shall distribute its entire annual surplus as a dividend to its shareholders. Changes to or exemptions from this article requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting.

SECTION D – RISKS

D.1	**Risks related to the Group**	The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. <u>Risks related to the Company and its business:</u> - The Company is dependent on government subsidies, incentives and supportive regulatory framework - The Company may not be able to acquire additional solar power plants at commercially attractive terms - If the Company is not able to obtain financing, or obtain such financing on acceptable terms, it may not be able to implement its growth strategy - Increasing interest rates could have a significant negative impact on the profitability of investing in solar power plants

- Increasing inflation could have a significant negative impact on the profitability of investing in solar power plants
- The Company is exposed to exchange rate risks
- Weather variations could have an adverse effect on the Company
- Falling power prices may reduce the Company's income and profitability
- Participation in the intraday imbalance power market adds uncertainty in the resulting power price
- Increasing operating expenses could have a negative effect on the Company's profit and cash-flow
- The Company may suffer losses due to insufficient quality of equipment and technical breakdowns
- The Company may suffer production losses due to natural phenomena
- The Company may suffer losses due to bureaucratic or executive errors and inefficiencies
- The Company may suffer losses due to theft and vandalism
- The Company may be negatively affected by corruption and unethical practices
- The Company's insurance policies may not cover all losses which the Company may suffer
- The Company is dependent on key members of the management team in SPM
- The Company may be subject to changes in laws and regulations in respect of its operations
- Changes in, or interpretation of, tax laws create uncertainty with regard to taxation of the Company
- The Company may be negatively affected by late payments of invoices
- The Company may be negatively affected by disputes

Risks related to the Acquisition:

- The conditions precedents to closing may not be fulfilled for all Target Companies
- The information and the documentation received from the Seller may not be correct and complete
- Potential issues identified during the preliminary due diligence may not be fully covered in the SPA
- Further potential issues may be identified following completion of a full and comprehensive due diligence
- The due diligence might not identify all potential risks related to the Target SPPs and the Target Companies
- The assumptions on which the Purchase Price is calculated can only be verified after closing of the Acquisition
- The Target Companies have in the past executed EPC and O&M agreements with Aion Renewables S.p.A., a company that has been declared bankrupt
- The current O&M operator of the Target Companies is insolvent
- The Seller may in the future go through extraordinary operations, such as a wind up
- Several criminal proceedings exist involving photovoltaic plants constructed in some of the Italian regions and, in particular, in the Puglia Regions

D.3	**Risks related to the Company's Shares**	Investing in the Company involves inherent risks. The following information should, in conjunction with other information contained in this Prospectus, be carefully considered prior to making any investment decision with respect to the Shares. - The price of the Shares may fluctuate significantly - Future issuances of Shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares - Investors may not be able to exercise their voting rights for Shares registered in a nominee account - Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway

		- The transfer of the Shares may be subject to restrictions on transferability and resale in certain jurisdictions - Shareholders outside of Norway are subject to exchange rate risk

SECTION E – THE PRIVATE PLACEMENT

E.1	**Net proceeds and aggregate costs**	Through the Private Placement, the Company raised NOK 220 million (EUR 26.3 million) in gross proceeds. The costs attributable to the Private Placement will be borne by the Company and will amount to approximately EUR 1.1 million. Thus, the net proceeds to the Company from the Private Placement will be approximately (approximately EUR 25.2 million).
E.2a	**Use of proceeds**	The net proceeds from the Offering will be used to finance the Acquisition of the Target Companies. In addition to the EUR 25.2 million net proceeds from the Private Placement, the cash payment of EUR 40.9 million to acquire the equity component of the Acquisition will be financed with a combination of available cash resources and the Committed Credit Facility.
E.3	**Terms and conditions of the Private Placement**	On 17 January 2014, the Company raised NOK 220 million (EUR 26.3 million) in gross proceeds through the Private Placement of 2,750,000 New Shares, each with a par value of NOK 10 and a subscription price of NOK 80.00 per New Share. The Private Placement was directed to certain existing shareholders of the Company as well as certain new institutional and professional investors. The Private Placement was approved by the Board of Directors on 17 January 2014, pursuant to the resolution by the Extraordinary General Meeting held on 17 December 2013. The subscription price of NOK 80.00 was determined by the Company having consulted the Managers after initial discussion with prospective subscribers in the Private Placement, and determined after an accelerated bookbuilding process. The subscription price represented a discount of 11.1% to the last traded share price of NOK 90.00 on the Oslo Stock Exchange on 13 January 2014. The subscription price was announced through Oslo Børs' information system on 20 January 2014. All New Shares issued in the Private Placement will upon payment and registration in the Norwegian Register for Business Enterprises be fully paid ordinary Shares of the Company and will in all respects be equal to the existing Shares of the Company. The Private Placement will be registered in the Norwegian Register of Business Enterprises on or about 24 January 2014, and registered with VPS under ISIN NO 0010607781. Completion of the Private Placement on the terms set forth in this Prospectus is conditional upon the following being satisfied; (i) signing of the SPA to acquire the Target Companies, (ii) all necessary corporate resolutions being validly made, including without limitation the approval given by the EGM on 17 December 2013, (iii) payment being received for the shares to be issued in the Private Placement, and (iv) registration of the share capital increase in the Company pursuant to the Private Placement in the Norwegian Register of Business Enterprises. All these conditions have been satisfied as of the date of this Prospectus. The New Shares issued in the Private Placement are expected to be listed as of the date of this Prospectus.
E.4	**Material interest in the offer**	ABG Sundal Collier Norge ASA, Arctic Securities ASA and Carnegie AS or their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions.

		The Managers will receive a success-based fee in percentage of the gross proceeds from the Private Placement. As of the date of this Prospectus, Carnegie AS owned 14,655 Shares in the Company as part of its duties as market maker. In addition, as of the date of this Prospectus, Arctic Securities ASA owned 32,297 Shares in the Company. ABG Sundal Collier ASA did not own any Shares as of the date of this Prospectus. As of the date of this Prospectus, employees of ABG Sundal Collier ASA and Carnegie AS owned 105 and 320 Shares, respectively. No employees of Arctic Securities owned any Shares as of the date of this Prospectus.
E.5	**Selling Shareholders and lock-up**	Not applicable.
E.6	**Dilution**	The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders not participating in the Private Placement will be 54.2%.
E.7	**Estimated expenses**	The costs attributable to the Private Placement will be borne by the Company and will amount to approximately EUR 1.1 million. Thus, the net proceeds to the Company from the Private Placement will be approximately EUR 25.2 million.

2. RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should consider carefully all of the information set forth in this Prospectus, and in particular, the specific risk factors set out below. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares.

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

2.1 Risks related to the Company and its business

2.1.1 The Company is dependent on government subsidies, incentives and supportive regulatory framework

The Company depends substantially on government incentives. Without government incentives, the costs of electricity generated by solar power plants currently would not be competitive with conventional energy sources (e.g., nuclear power, oil, coal and gas) in most current markets, and the availability of profitable investment opportunities to the Company would be significantly lower.

Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, the incentives for solar power plants. It is also possible that government financial support for solar power plants will be subject to judicial review and determined to be in violation of applicable constitutional or legal requirements, or be significantly reduced or discontinued for other reasons. A reduction of government support and financial incentives for the installation of solar power plants in any of the markets in which the Company currently operates or intends to operate in the future could result in a material decline in the availability of investment opportunities, which would have a material adverse effect on the business prospects, financial condition and results of operations of the Company. In this context, it should especially be noted that the Company's current investments are located in Italy, and that they are hence subject to the same incentive scheme regime; i.e. there is limited or no risk diversification with respect to this specific risk.

2.1.2 The Company may not be able to acquire additional solar power plants at commercially attractive terms

The Company's growth strategy is dependent on acquiring additional power plants. There can be no assurance that the Company will be able to acquire additional solar power plants at commercially attractive terms. There are a number of market players that consider investment in projects or solar power plants in operation. It is thus a risk that few projects are available for the Company, or that the prices for each project increases due to competition. In addition, many projects may not fulfil the Company's investment criteria. The Company will not take any financial exposure in projects under development or construction, unless secured against a bank guarantee or corporate guarantee of the same amount and sufficient security, but the consequence can be that the portfolio of the Company builds up slower than planned, and that the cost of analysing and negotiating unsuccessful projects increases. Furthermore, the acquisition process is costly and lengthy.

2.1.3 If the Company is not able to obtain financing, or obtain such financing on acceptable terms, it may not be able to implement its growth strategy

The financial crisis has reduced the availability of project and debt financing, as well as equity financing. The Company's business plan is dependent on the availability of short- and long-term funding of small- and large-scale PV projects. A continued scarcity of financing could limit the Company's ability to fund its acquisitions, and also reduce the availability of power plants for the Company to acquire.

2.1.4 Increasing interest rates could have a significant negative impact on the profitability of investing in solar power plants

The Company plans to fund the acquisition of solar power plans with up to 60-75% debt. Increasing interest rates could significantly reduce the profitability of investing in solar power plants, which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

2.1.5 Increasing inflation could have a significant negative impact on the profitability of investing in solar power plants

As the major part of the income generated by solar power plants is fixed in nominal terms and operational expenses are subject to inflation there is a risk that increasing inflation will have an adverse effect on the profitability of the Company.

2.1.6 The Company is exposed to exchange rate risks

The Company is located in Norway, but has the main share of its operations through Italian subsidiaries. All revenues are denominated in EUR, while costs occur in both EUR and NOK. The Company's reporting currency is EUR, and the Company will thus be exposed to currency risk, primarily to fluctuations in EUR and NOK.

2.1.7 Weather variations could have an adverse effect on the Company

Even in a stable climate, the weather varies from year to year, and hence the production of energy from the solar power plants. This will influence the periodic revenues, and hence the results of operation and cash-flows of the Company. Over time the irradiation and production will likely approach the expected average, but still with the risk of less production than anticipated. However, due to climate changes it is also possible that the expected annual irradiation changes over long periods of time. It is possible that this may influence the expected performance of the plant during its technical lifetime of 20-40 years.

2.1.8 Falling power prices may reduce the Company's income and profitability

The market price for electricity changes according to market conditions. In Italy, the total revenue from power sales is composed of a fixed Feed-in Tariff plus the market price for electricity. The market price component currently represents 15-20% of revenues for both the Company's current portfolio and the Target SPPs, and in certain projects even more of the power sale revenues. If local power market prices fall, the Company's revenues, results of operation and cash flow may be adversely affected. Power prices may be affected by a number of factors, including the level of installed PV capacity and changes in the prices of hydrocarbons (oil, gas, carbon).

2.1.9 Participation in the intraday imbalance power market adds uncertainty in the resulting power price

SPPs operating under Conto Energia 1-4, including the Company's current SPPs, are obliged to participate in the intraday imbalance power market, which adds an additional uncertainty in the resulting power price. This means that for each power plant the planned production for each hour of the next market day must be submitted to the Italian Power Exchange ("**IPEX**"). An exact power production figure must be submitted for each of the 24 hours of the market day. If the real production in any particular hour deviates from the submitted production figure by more than 10 % for solar power plants in Italy, a penalty will be calculated based on the actual market balance. The penalty may be positive or negative, depending on the actual market balance. Capping the power price and / or the imbalance market risk by entering into commercial bilateral power purchase agreements is possible, but at a certain cost that may vary over time. For more information about the imbalance power market, see section 7.13.1.

2.1.10 Increasing operating expenses could have a negative effect on the Company's profit and cash-flow

The Company plans to operate and maintain the power plants according to best practice and continuous improvements in a cost efficient manner. However, increased costs related to the amount of consumables or the manpower cost may change over time. Replacement of main or auxiliary systems may come at more frequent intervals than planned. Financing, insurance and regulatory requirements may also lead to increased operating cost. This may have an adverse effect on the Company's operating results and cash-flows.

2.1.11 The Company may suffer losses due to insufficient quality of equipment and technical breakdowns

Revenues may be reduced due to insufficient quality of installed solar modules and other equipment resulting in faster than estimated degradation, and consequently lower revenues and higher maintenance costs, particularly if the product guarantees have expired or the supplier is unable or unwilling to respect its obligations.

Even well-maintained high-quality solar power plants may from time to time experience technical break downs. These failures may have many different causes. Depending on the component that fails and the design of the plant, parts of or the entire capacity can be out of production for some time. There is a risk that the appropriate spare parts are not available for various reasons, causing a prolonged production stop.

The grid operator may, from time to time, disconnect the solar power plant in periods of high grid loads. The power plants are typically designed to automatically reconnect, but experience shows that this is not always the case. There is also a risk of discrepancies between power meter readings and actual power production due to system or human failure. In such cases, it is upon the operator to justify claims for the correct revenue collection.

2.1.12 The Company may suffer production losses due to natural phenomena

Severe weather phenomena such as strong wind, hail storms, snow and lightening or other weather phenomena may disrupt the functionality of components or even cause damage. Other phenomena that may occur are rodent damage and fires. The risk of floods, landslides, earthquakes and volcanic eruptions, and other geo hazards must be taken into account when evaluating the risk of solar power plant operations. Weather and other natural phenomena may increase operating costs as well as reduce revenues.

2.1.13 The Company may suffer losses due to bureaucratic or executive errors and inefficiencies

The operation of the power plants includes from time to time exchange of information with relevant authorities and counterparties. Such exchange and verification of documents may take some time. This may influence the Company's ability to execute its business without delays.

It may further happen that administrative procedures in the management of the Company are subject to inefficiencies or errors which may generate costs or losses, due to improper planning or execution of work flows.

2.1.14 The Company may suffer losses due to theft and vandalism

Theft of photovoltaic modules and other equipment parts have occurred in Italy and elsewhere, particularly in Southern Italy. Thefts and vandalism may cause loss or damage of the Company's equipment and could result in disruption of production at the Company's power plants and thereby have an adverse effect on the Company's operating results.

2.1.15 The Company may be negatively affected by corruption and unethical practices

Infrastructure projects are generally developed in close interaction with local and regional authorities. This poses a risk of corruption or other non-compliant processes with the effect that competitors have a non-compliant, but easier access to projects. It may also be a risk that projects acquired by the Company have been developed in non-transparent or non-compliant manners prior to the acquisition.

Up until the award of license, the risk of non-compliant behaviour of a stakeholder is higher than when in production. This is a risk that is carried forward and which ultimately may under particular circumstances result in the revocation of one or several of the relevant licenses.

2.1.16 The Company's insurance policies may not cover all losses which the Company may suffer

The power plants will have insurance against damage and revenue loss due to incidents such as technical breakdown, natural phenomena and criminal actions as described above. Liability insurance is also available and applicable to all power plant operations. However, the insurance policy may not cover all foreseeable and unforeseeable events, and the Company may be exposed to losses and cost of repairs that exceed normal O&M budgets and are outside the insurance agreements.

Further, under special circumstances, it could be that the amount of damages received from the insurance company is reduced due to curtailments or other reasons due to, e.g. the magnitude of the total damages to be covered. The policies and policy prices may vary over time depending on the insurance products in the market and estimated risk for the relevant operation. Any increase in insurance premiums could have an adverse effect on the Company's results of operation and cash-flows. It might further happen that the insurance company cancels the policy.

2.1.17 The Company is dependent on key members of the management team in SPM

The Company's success depends, to a significant extent, on the continued services of the individual members of SPM, who have substantial experience in the industry. The Company's ability to continue to identify and develop opportunities depends on management's knowledge of, and expertise in the industry, and on their external business relationships. There can be no assurance that any management team member will remain with the Company.

The management of EAM Solar AS is performed by EAM Solar Park Management AS under relevant agreements. If EAM Solar Park Management AS for any reason became unable or unwilling to perform management services for the Company, this could have material negative impact on the Company.

2.1.18 The Company may be subject to changes in laws and regulations in respect of its operations

The Company is subject to an extensive range of laws and regulations, including, but not limited to, rules and regulations related to land utilization, development and zoning plans, property tax and HSE (health, safety and environmental), power market and grid operation rules and regulations. If the Company fails to comply with any such laws and regulations, permits or conditions, or to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms its current permits or registrations, then the Company may be subject to, among other things, civil and criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of its operations. Furthermore, changes in the legislative and regulatory framework governing the activities of the Company may have a material adverse impact on the Company's business activities, cost and profitability.

2.1.19 Changes in, or interpretation of, tax laws create uncertainty with regard to taxation of the Company

Changes in taxation law or the interpretation of taxation law may impact the business, results of operations and financial condition of the Company. To the extent tax rules change, this could have both a prospective and retrospective impact on the Company, both of which could have a material adverse effect on the Company's operations and financial condition.

2.1.20 The Company may be negatively affected by late payments of invoices

There is a risk that payments of invoices for revenues are delayed due to bureaucratic procedures. This is particularly the case in the initial period of operation, since registering changes of directors and management of an SPV after an acquisition takes time. The relevant authorities cannot execute their obligations towards the power plant before the formalities are notarised and registered in official records, and after this it may still take several weeks before the changes are acknowledged with business partners and authorities. The risk of this occurring is significantly reduced about 3-9 months after completed transaction activities, but delayed receivables may nonetheless have an adverse effect on the Company's liquidity and cash-flows.

2.1.21 The Company may be negatively affected by disputes

The Company will from time to time be involved in disputes in the ordinary course of its business activities. Such disputes may disrupt business operations and adversely affect the results of operations and the Company's financial condition.

2.2 Risks related to the Acquisition

2.2.1 The conditions precedents to closing may not be fulfilled for all Target Companies

The acquisition of each Target Company may be closed separately in accordance with the SPA, provided that the first set of closings shall result in an indirect acquisition of no less than 20 of the 31 Target SPPs. The Company expects the closing of the Acquisition to occur during the first quarter 2014, however, the due diligence will not be considered completed by the Company before all conditions precedents have been satisfied or deliberately waived by the Company. If all conditions precedents to closing are not satisfied for one or more of the Target Companies by 30 April 2014, the Company may not be able to employ the entire proceeds from the Private Placement. This could have a temporary negative impact on the Company's return on equity.

2.2.2 The information and the documentation received from the Seller may not be correct and complete

As of the date of execution of the SPA, some of the questions raised by the advisors have not been answered and parts of the documents requested have not yet been provided by the Seller.

The Company will prior to the closing date of the Acquisition complete a full and comprehensive due diligence on both the Target Companies and the Target SPPs also based on the further information and documentation received by the Seller. However, the risk that the information provided by the Seller is incomplete and / or inaccurate cannot be excluded.

Such lack of accurate and complete information may put the Company at risk of acquiring SPPs which are not compliant with technical specifications, legal and administrative requirements.

The Company may experience additional expenses (due to sanctions and/or penalties or due to the need to conform the SPPs to the necessary standards) or, in the worst case scenario, to the (temporally or permanent) disconnection of the SPPs from the grid and/or revenue losses (*e.g.* deriving from the temporally or permanent loss of the revenue components described in paragraph 10.1.4).

2.2.3 Potential issues identified during the preliminary due diligence may not be fully covered in the SPA

Although, in principle, all the issues which has been identified during the due diligence as of the signing of the SPA may be regulated through different mechanisms in the SPA, such as representation and warranties and conditions precedent to closing, the risk that said mechanisms would not adequately protect the Company with respect to all losses which may be incurred by the latter following violation of the relevant SPA provision, may not be excluded. E.g. the obligation of the Seller to indemnify the Company with respect to the suffered losses arising from breaches of the representation and warranties is subject to all the limitations included in the SPA (such as, *de minimis*, liability cap and liability limitations specifically included), as well as the Seller's financial solvability.

2.2.4 Further potential issues may be identified following completion of a full and comprehensive due diligence

The due diligence activity performed so far by the advisors was only aimed at drafting a red flag report, which exclusively sets forth a summary of the main issues encountered on the most important documents relating to the SPPs and the Target Companies. Further potential issues may be identified following completion of a full and comprehensive due diligence. E.g. the obligation of the seller to assign the connection facilities serving the SPPs to the relevant grid operator (i.e. Enel Distribuzione S.p.A.) is subject to the correctness and completeness of the authorization procedure thereof (including the acquisition of the titles over all the interested lands) and to the compliance of the realized works to the authorized projects, which will be verified during the course of the full and comprehensive due diligence.

2.2.5 The due diligence might not identify all potential risks related to the Target SPPs and the Target Companies

There is a risk that the due diligence might not identify all the potential risks and/or underestimate possible negative impacts on the Company's operating results and financial position.

2.2.6 The assumptions on which the Purchase Price is calculated can only be verified after closing of the Acquisition

The Purchase Price is calculated based on certain assumptions that can only be verified after the closing of the Acquisition. In particular, the Purchase Price is calculated based on a particular annual energy production at the GSE meter for 2014, an estimated RiD price for the same year and on certain tax reimbursements under the so called "Tremonti Ambientale" which the Target Companies might receive.

The SPA provides for positive or negative price adjustments in the event that one or more of the aforementioned assumptions are met. The SPA also provides that, at closing, the Company shall pay a portion of the Purchase Price, equal to EUR 3.375 million to be held in an escrow account which shall serve as a payment fund for price adjustments relevant to the RiD price. There is a risk that the 2014 energy production losses and changes in the market price for electricity are more significant than the parties anticipated, and the price adjustment mechanism might not cover the real losses.

The Production Adjustment derived from the normalized annual production in 2014 being lower than 44.2 GWh is guaranteed by the Seller's shareholders, or by an alternative substantially equivalent security. If the production is lower than promised by the Seller in 2014, and the Seller is not able to fulfil its financial obligations, the Company's financial condition may be adversely affected.

2.2.7 The Target Companies have in the past executed EPC and O&M agreements with Aion Renewables S.p.A., a company that was been declared bankrupt in March 2013

The Target Companies have in the past executed EPC and O&M agreements with Aion Renewables S.p.A. ("**Aion**"). According to the information available to the Company, the O&M agreements have been replaced by further O&M agreements executed by the Target Companies with the current O&M contractor. Aion was declared bankrupted in March 2013.

The majority of the Target Companies have filed an application to be admitted to the relevant bankruptcy proceeding with reference to certain alleged credits. Since all of said applications were assessed to be in delay with respect to the terms set forth by the law, the reimbursement of the relevant credits would take place only subject to satisfaction of the creditors who have timely filed the relevant application (unless the Target Companies provide evidence that the delay in filing the application was not attributable to their fault).

2.2.8 The current O&M operator of the Target Companies is insolvent

The current O&M operator of the Target Companies is insolvent and there is a risk that in 2014 or subsequent years it might be declared bankrupt. In the event the O&M operator is declared bankrupted the Company might incur additional costs. The SPA includes that in the event of a bankruptcy for the O&M operator in 2014, the Company and the Seller shall in good faith discuss with a view to agreeing upon a reasonable adjustment to the Purchase Price. There is a risk that the damage the Company might suffer is higher than the related indemnification.

2.2.9 The Seller may in the future go through extraordinary operations, such as a wind up

According to the information provided, the Seller may during the years following the transaction go through extraordinary operations, such as wind up. The potential financial incapability of the Seller to satisfy its obligations under the SPA may require the starting of several long-lastly and costly proceedings in order to collect the indemnities which the Target Companies might be entitled to.

2.2.10 Several criminal proceedings exist involving photovoltaic plants constructed in some of the Italian regions and, in particular, in the Puglia regions

Many criminal investigations and proceedings have been commenced within some of the Italian regions against companies owning photovoltaic plants as well as original developers. Such proceedings in many cases led to the seizures of the relevant plants.

In particular, with reference to the Puglia region, the main charges brought by the relevant public prosecutors within the relevant criminal proceedings concerns the fact that the simplified DIA procedure (the "**DIA**") would be illegitimate since several adjoining plants would (allegedly) hide one single "big" plant whose total nominal capacity would exceed the maximum capacity that in the Puglia region could (at that time) be authorized through the DIA procedure *(i.e.* 1 MWp). Therefore according to the relevant public prosecutors view the correct authorization procedure would have been the more complex sole regional authorization (AU) and the relevant DIAs would be invalid and void.

As per the existence of additional solar fields that can be considered as joint or close to the SPPs, the Company's advisors was not in a position to express any legal advice in relation to the risk that the nominal capacity of such additional plants (if any) be cumulated with the nominal power of the SPPs (with consequent effects on the theoretical validity of the authorizations at hand).

Furthermore, in some of the mentioned criminal proceedings, the public prosecutors objected that the relevant DIAs could not be considered as perfected due to the fact that further necessary authorizations required in order to realise a photovoltaic plant in a restricted area (*e.g.* landscape authorizations) had not been issued by the competent entities.

In this respect, the continued due diligence prior to the closing of the Acquisition might not identify all possible violations of construction, landscape and environmental law provisions.

2.3 Risks related to the Shares

2.3.1 The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the same industry. Those changes may occur without regard to the operating performance of these companies. The price of the Company's Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

2.3.2 Future issuances of Shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

2.3.3 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either affect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

2.3.4 Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway

The Company is incorporated under the laws of the Kingdom of Norway, and all of its current directors and executive officers reside outside the United States. Furthermore, most of the Company's assets and most of the assets of the Company's directors and executive officers are located outside the United States. As a result, investors in the United States may be unable to effect service of process on the Company or its directors and executive officers or enforce judgements obtained in the United States courts against the Company or such persons in the United States, including judgements predicated upon the civil liability provisions of the federal securities laws of the United States. The Company has been advised by its Norwegian legal counsel that the United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

2.3.5 The transfer of the Shares may be subject to restrictions on transferability and resale in certain jurisdictions

The Shares have not been registered under the Securities Act or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

2.3.6 Shareholders outside of Norway are subject to exchange rate risk

The Shares are priced in NOK, and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially adversely affected.

3. STATEMENT OF RESPONSIBILITY

The Board of Directors of EAM Solar ASA accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 24 January 2014

The Board of Directors of EAM Solar ASA

Paal E. Johnsen
Chairman

Marthe Hoff	Viktor E. Jakobsen	Ragnhild Wiborg
Board member	Board member	Board member

4. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Company's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. The Company expressly disclaims any obligation or undertaking to release any updates or revisions of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless such update or revision is prescribed by law.

When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "may", "plan" and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company and its subsidiaries are operating or will operate. Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, those described in Section 2 "Risk Factors" and elsewhere in the Prospectus.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

5. THE ACQUISITION

5.1 Overview of the Transaction

On 26 November 2013, the Company signed a binding term sheet (the "**Binding Term Sheet**") with Aveleos S.A. (the "**Seller**") in order to acquire the entire share capital of eight companies (the "**Target Companies**") owning a portfolio of 31 solar power plants in Southern Italy (the "**Target SPPs**"), with a combined installed capacity of 30 MWp and an annual electricity production capacity of approximately 44 GWh (the "**Acquisition**").

The Target SPPs are owned by the Target Companies as follows:

Target Companies	SPPs	Installed power	Power production
ENS Solar Four S.r.l. ("**ENS 4**")	10	9.9 MWp	14.7 GWH
Energetic Source Green Power S.r.l. ("**ESGP**")	7	6.9 MWp	9.9 GWH
Energetic Source Green Investment S.r.l. ("**ESGI**")	3	3.0 MWp	4.2 GWH
Energetic Source Solar Production S.r.l. ("**ESSP**")	5	4.7 MWp	6.7 GWH
ENS Solar One S.r.l. ("**ENS 1**")	3	3.0 MWp	4.4 GWH
Aveleos Green Investments S.r.l. ("**AGI**")	1	1.0 MWp	1.5 GWH
Energia Fotovoltaica 14' Societa Agricola A.r.l. ("**ENFO 14**")	1	1.0 MWp	1.4 GWH
Energia Fotovoltaica 25' Societa Agricola A.r.l. ("**ENFO 25**")	1	1.0 MWp	1.5 GWH

Since ENS 1 owns the entire share capital of ENFO 14 and ENFO 25, the acquisition of these two entities is conducted through the agreement to acquire ENS 1.

After the signing of the Binding Term Sheet, the Company and its external advisors have conducted a significant part of the confirmatory tax, insurance, legal, fiscal, compliance, commercial, administrative and technical due diligence of the Target Companies and the Target SPPs.

On 31 December 2013, the Company signed the sale and purchase agreement (the "**SPA**") to purchase from the Seller the entire corporate capital of all Target Companies. Based on the satisfaction of all conditions precedents, further described in section 5.3, the Company expects the closing of the Acquisition to occur during the first quarter 2014.

The Acquisition will be financed with a combination of the net proceeds from the Private Placement, available cash resources and the Committed Credit Facility. For more information about the Private Placement and the Committed Credit Facility, see section 6 and 16.3.2, respectively.

5.2 Purchase price

The enterprise value and consequent purchase price for each and all of the Target Companies was calculated by using the Company's financial model and dividend yield requirements based on the information provided by the Seller and verified and adjusted throughout the due diligence process. The financial take-over date for the Acquisition has been set to 1 January 2013.

The Acquisition price is based on an enterprise value (the "**EV**") in the base case scenario of EUR 114.3 million, of which EUR 73.4 million is financed by the continuation of existing debt facilities of the Target Companies, and EUR 40.9 million is paid in cash (the "**Purchase Price**"). The Purchase Price includes EUR 3.375 million held in an escrow account to cover the outcome of certain future events, as better described below.

The EV is based on the assumption that the net working capital of the Target Companies as of 31 December 2012 is equal to zero, and any adjustments to the Purchase Price in positive or in negative, shall be done after the signature of the SPA, based on the 2013 financial statements for the Target Companies and the mutually agreed calculation of the Net Working Capital as of 31 December 2012 (since the financial take-over date is 1 January 2013). Based on the information received from the Seller as of the date of this Prospectus, the Company expects to pay approximately EUR 5.5 million for the net working capital in the Target Companies as of 31 December 2012, bringing the total cash outlay to EUR 46.4 million.

For more information about the existing debt facilities of the Target Companies, see section 8.3 of this Prospectus.

As mentioned above, the Company has agreed to pay an initial Purchase Price of EUR 40.9 million in cash for 100% of the shares in the Target Company. However, the Company and the Seller have agreed to deposit EUR 3.375 million (the "**Earn-out**") of the Purchase Price in an escrow account, in order to mitigate certain risks that

could occur in 2014 related to the Target Companies. If the highest of the minimum GSE-guaranteed RiD price in 2014 and the actual market price for electricity in 2014 is lower than EUR 80 per MWh, or the minimum guaranteed RiD price during 2014 is determined to be lower than EUR 80 per MWh in subsequent years, a maximum of EUR 3.375 million shall be deducted from the Purchase Price. The Earn-out amount shall be released from the escrow account in 2015 if the aforementioned risks do not occur in 2014.

In December 2013, as expected by the Company during the negotiations with the Seller, the Italian National Authority ("**AEEG**") resolved to reduce the minimum guaranteed RiD price in 2014 to EUR 38.5 per MWh. In addition, based on the current market price for electricity in Italy and the outlook for 2014, the Company expects the average market price for electricity to be approximately EUR 60 per MWh in 2014. The Company thus expects the entire Earn-out amount to be released to the Company in 2015.

In addition to the amount held in the aforementioned escrow account, the Company and the Seller have agreed to adjust the Purchase Price based on achieved production in 2014 (the "**Production Adjustment**"). If the total normalized production achieved in 2014 is lower than the 44.2 GWh promised by the Seller, the Company will be entitled to a downward adjustment of the Purchase Price up to EUR 4.0 million. If the total normalized production in 2014 exceeds 44.2 GWh, the Company will pay an additional amount up to EUR 4.0 million in addition to the Purchase Price. The Production Adjustment shall be paid or received in 2015, when the relevant figures are available for 2014.

5.3 Conditions for completion of the Acquisition

According to the SPA, each SPV transaction may be closed separately provided however that the first set of closings shall result in an indirect acquisition by the Company of no less than 20 of the 31 SPPs. The relevant closing shall occur after all conditions precedent to closing set forth in the SPA have been satisfied or waived. The Company and the Seller shall use their commercially best efforts to cause the relevant closing to be consummated as soon as possible.

Prior to closing, the Acquisition is inter alia subject to:

- All third-party consents required to consummate the transaction, including relevant consents to continue the existing financing agreements for the Target SPVs
- The Company having completed its due diligence review of the Target Companies and the respective Target SPPs, including receiving all necessary documentation to ensure that all necessary permits and land rights are in place
- No material adverse changes having occurred in the Target SPVs prior to closing

Based on the satisfaction of all conditions precedents, the Company expects the closing of the Acquisition to occur during the first quarter 2014.

5.4 Advisors

5.4.1 Financial advisor

Carnegie AS acts as the Company's financial advisor in connection with the Acquisition.

5.4.2 Legal due diligence advisor

Orrick, Herrington & Sutcliffe acts as the Company's legal due diligence advisor in connection with the Acquisition.

5.4.3 Technical due diligence advisor

WiseEnergy - Smart Renewables Services acts as the Company's technical due diligence advisor in connection with the Acquisition.

5.4.4 Compliance due diligence advisor

Kroll Associate S.r.l. acts as the Company's compliance due diligence advisor in connection with the Acquisition.

5.4.5 Tax due diligence advisor

Torresi Studio Associati acts as the Company´s financial, tax and accounting due diligence advisor in connection with the Acquisition.

5.5 Expenses related to the Acquisition

Transaction costs and all other directly attributable costs in connection with the Transaction will be borne by the Company and are estimated to approximately EUR 1.5 million. Including the Private Placement, the total costs are estimated to EUR 2.6 million.

6. THE PRIVATE PLACEMENT

6.1 Purpose and use of proceeds

The net proceeds from the Offering will be used in its entirety to finance the Acquisition. For more information about the Acquisition, see section 5.

In addition to the EUR 25.2 million net proceeds from the Private Placement, the cash payment of EUR 40.9 million to acquire the equity component of the Acquisition will be financed with a combination of available cash resources and the Committed Credit Facility. For more information about the Committed Credit Facility, see section 16.3.2.

6.2 The Private Placement

On 17 January 2014, the Company raised NOK 220 million (approximately EUR 26.3 million) in gross proceeds through a private placement of 2,750,000 New Shares, each with a par value of NOK 10 and a subscription price of NOK 80.00 per New Share (the "**Private Placement**").

The Private Placement, which represents approximately 118.5% of the current outstanding share capital, was directed to certain existing shareholders of the Company as well as certain new institutional and professional investors. The final terms of the Private Placement was approved by the Board of Directors on 17 January 2014, pursuant to the resolution by the Extraordinary General Meeting held on 17 December 2013 (the "**EGM**") to increase the Company's share capital.

Prior to the Private Placement, the Company's share capital was NOK 23,200,000, divided into 2,320,000 ordinary shares each with a par value of NOK 10. Upon registration of the share capital increase in connection with the Private Placement, the Company's share capital will be NOK 50,700,000 divided into 5,070,000 shares, each with a par value of NOK 10.

Sundt AS was allocated a total of 375,000 Shares in the Private Placement, corresponding to 13.64% of the Shares allocated in the Private Placement. Canica AS was allocated a total of 375,000 Shares in the Private Placement, corresponding to 13.64% of the Shares allocated in the Private Placement. Bjørgvin AS was allocated a total of 62,500 Shares in the Private Placement, corresponding to 2.27% of the Shares allocated in the Private Placement.

Hades Capital AS, a company controlled by Paal E. Johnsen, Chairman of the Company, was allocated 7,500 shares in the Private Placement, corresponding to 0.27% of the Shares allocated in the Private Placement. In addition, Alden AS, a company associated with Paal E. Johnsen, was allocated 56,875 Shares in the Private Placement, corresponding to 2.07% of the Shares allocated in the Private Placement.

Naben AS, a company controlled by Audun W. Iversen, CEO of EAM Solar Park Management AS, was allocated 6,250 Shares in the Private Placement, corresponding to 0.23% of the Shares allocated in the Private Placement. AS Brdr Michaelsen, a company controlled by Christian Hagemann, Technical Manager in EAM Solar Park Management AS, was allocated 3,125 Shares in the Private Placement, corresponding to 0.11% of the Shares allocated in the Private Placement.

The subscription price of NOK 80.00 was determined by the Company having consulted the Managers after initial discussion with prospective subscribers in the Private Placement, and determined after an accelerated bookbuilding process. The subscription price represented a discount of 11.1% to the last traded share price of NOK 90.00 on the Oslo Stock Exchange on 13 January 2014. The subscription price was announced through Oslo Børs' information system on 20 January 2014.

The pre-emptive rights for subscription of shares for the existing shareholders pursuant to the Norwegian Public Limited Companies Act Section 10-4 were set aside as the Private Placement was directed to certain existing shareholders of the Company as well as certain new institutional and professional investors. The pre-emptive rights for subscription of shares for the existing shareholders pursuant to the Norwegian Public Limited Companies Act Section 10-4 were set aside as the Private Placement aimed at broadening the Company's shareholder base, increase the liquidity of the Shares and to secure the funding of the Company in an efficient manner. Hence, the Private Placement was directed at investors subject to applicable exemptions from relevant prospectus requirement. The chosen transaction structure, including the waiver of the pre-emption rights of the existing shareholders, was evaluated to be the most efficient way of securing the required capital to complete the Acquisition. In order to ensure the purposes of the Private Placement the shareholders' pre-emptive rights to subscribe for new shares were set aside for the benefit of the investors in the Private Placement.

All New Shares issued in the Private Placement will upon payment and registration in the Norwegian Register for Business Enterprises be fully paid ordinary shares of the Company and will in all respects be equal to the existing Shares of the Company. Please see Section 14 for a description of the ordinary shares of the Company. Shares issued in the Private Placement will be entitled to dividends resolved after registration of the share capital increase in the Norwegian Register of Business Enterprises. The Private Placement will be registered in the Norwegian Register of Business Enterprises on or about 24 January 2014, and registered with VPS under ISIN NO 0010607781. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Registrars Department, 0021 Oslo, Norway.

The Company will request that the New Shares are admitted to trading on Oslo Axess. Except for unanticipated circumstances, the Company believes that the New Shares will be admitted to such trading as of the publication of this Prospectus.

6.3 Conditions

Completion of the Private Placement on the terms set forth in this Prospectus is conditional upon the following being satisfied; (i) signing of the SPA to acquire the Target Companies, (ii) all necessary corporate resolutions being validly made, including without limitation the approval given by the EGM on 17 December 2013, (iii) payment being received for the shares to be issued in the Private Placement, and (iv) registration of the share capital increase in the Company pursuant to the Private Placement in the Norwegian Register of Business Enterprises.

All these conditions have been satisfied as of the date of this Prospectus. The New Shares issued in the Private Placement are expected to be listed as of the date of this Prospectus.

6.4 Dilution

The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders not participating in the Private Placement will be 54.2%.

6.5 Expenses

The costs attributable to the Private Placement will be borne by the Company and will amount to approximately EUR 1.1 million. Thus, the net proceeds to the Company from the Private Placement will be approximately EUR 25.2 million.

6.6 Interests of natural and legal persons involved in the Private Placement

ABG Sundal Collier Norge ASA, Arctic Securities ASA and Carnegie AS or their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions.

The Managers will receive a success-based fee in percentage of the gross proceeds from the Private Placement.

As of the date of this Prospectus, Carnegie AS owned 14,655 Shares in the Company as part of its duties as market maker. In addition, as of the date of this Prospectus, Arctic Securities ASA owned 32,297 Shares in the Company. ABG Sundal Collier ASA did not own any Shares as of the date of this Prospectus. As of the date of this Prospectus, employees of ABG Sundal Collier ASA and Carnegie AS owned 105 and 320 Shares, respectively. No employees of Arctic Securities owned any Shares as of the date of this Prospectus.

6.7 Managers

The Managers for the Private Placement are:

ABG Sundal Collier Norge ASA	Arctic Securities ASA	Carnegie AS
Munkedamsveien 45	Haakon VII's gt. 5	Stranden 1, Aker Brygge
PO Box 1444 Vika	PO Box 1833 Vika	PO Box 684 Sentrum
0115 Oslo	0123 Oslo	0106 Oslo
Norway	Norway	Norway
Phone: +47 22 01 60 00	Phone: +47 21 01 30 40	Phone: +47 22 00 93 00
Fax: +47 22 01 60 62	Fax: +47 21 01 31 36	Fax: +47 22 00 99 60
www.abgsc.com	www.arcticsec.no	www.carnegie.no

6.8 Jurisdiction

This Prospectus is subject to Norwegian law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue.

The Company and its shares (including the New Shares) are pursuant to the Norwegian Public Limited Liability Companies Act.

7. PRESENTATION OF EAM SOLAR

7.1 Incorporation, registered office and registration number

EAM Solar ASA is a Norwegian public limited liability company pursuant to the Norwegian Public Limited Liability Companies Act, incorporated under the laws of Norway, with registration number 996 411 265. The Company was established on 5 January 2011 and incorporated on 12 January 2011. The Company's registered head office is:

EAM Solar ASA
Dronningen 1
0287 Oslo
Norway
Telephone: +47 24 11 57 96
Website: www.eamsolar.no

7.2 Business objectives and strategy

EAM Solar's business is to own solar power plants ("**SPPs**") operating under long-term sales contracts for the generated electricity, for the duration of the lifetime of the SPPs.

EAM Solar aims to purchase, maintain and operate SPPs in Europe, with a current focus on SPPs located in Italy.

The ownership strategy is to own the SPPs through fully owned single-purpose vehicles, normally incorporated in the country where the power plants are located. The SPV structure is chosen to give a high degree of flexibility in potential restructurings of the assets, as well as for the purpose of isolating operational and financial risks in the SPVs. Distributable profits generated in the SPVs will be transferred to EAM Solar as dividends or group contributions.

EAM Solar aims to differentiate its operational strategy from module producers, project developers and EPC contractors by taking an active ownership role. EAM Solar will not take project development or construction risk, but will buy the solar power plants when they are commissioned and grid connected. EAM Solar has a strong focus on active ownership and optimal operation of the power plants.

Through active ownership of solar power plants, EAM Solar and SPM will focus on maximizing value for EAM Solar's shareholders through best-practice operations. EAM Solar will make every effort to pay its equity investors as high dividend as achievable within the limits of the Company's financial covenants and cash position.

7.3 History and development

The Company was incorporated in 2011. During March/April 2011 a total of 1,200,000 shares were issued at NOK 100 per share in a private placement, for a total consideration of NOK 120 million.

The two first SPPs, Varmo and Codroipo, were acquired during winter 2011/2012, with a combined installed capacity of 4.6 MWp. The Varmo acquisition was completed 27 September 2011, while the Codroipo acquisition was completed 29 February 2012. For more information about Varmo and Codroipo, see section 7.6.1 and 7.6.2.

The Company completed a successful initial public offering in March 2013, and was listed on Oslo Axess under the symbol EAM. A total of 1,120,000 shares were issued at NOK 100 per share, for a total consideration of NOK 112 million.

In August 2013, based on the cash flow from operations of the Varmo and Codroipo SPPs, the Company paid its first dividend to shareholders, NOK 5 per share.

In September 2013, the Company completed the acquisition of two additional SPPs, Momo and Caltignaga, with a combined installed capacity of 1.9 MWp. For more information about Momo and Caltignaga, see section 7.6.3 and 7.6.4.

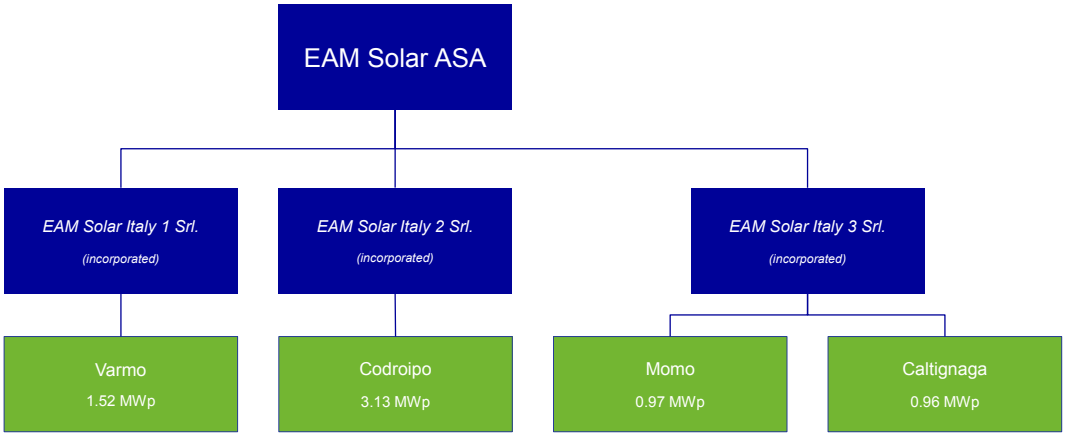
On 31 December 2013, the Company signed the SPA to acquire the Target Companies, with a combined installed capacity of 30 MWp. For more information about the Acquisition and the Target Companies, see chapter 5 and 8.

On 17 January 2014, the Company raised NOK 220 million (approximately EUR 26.3 million) in gross proceeds through the Private Placement. For more information about the Private Placement, see chapter 6. In addition, the Company entered into an agreement with its largest shareholder, Sundt AS, for a Committed Credit Facility of NOK 50 million (at 6% interest p.a., if drawn) secured by existing solar power plants. For more information about the Committed Credit Facility, see section 16.3.2.

7.4 Corporate structure

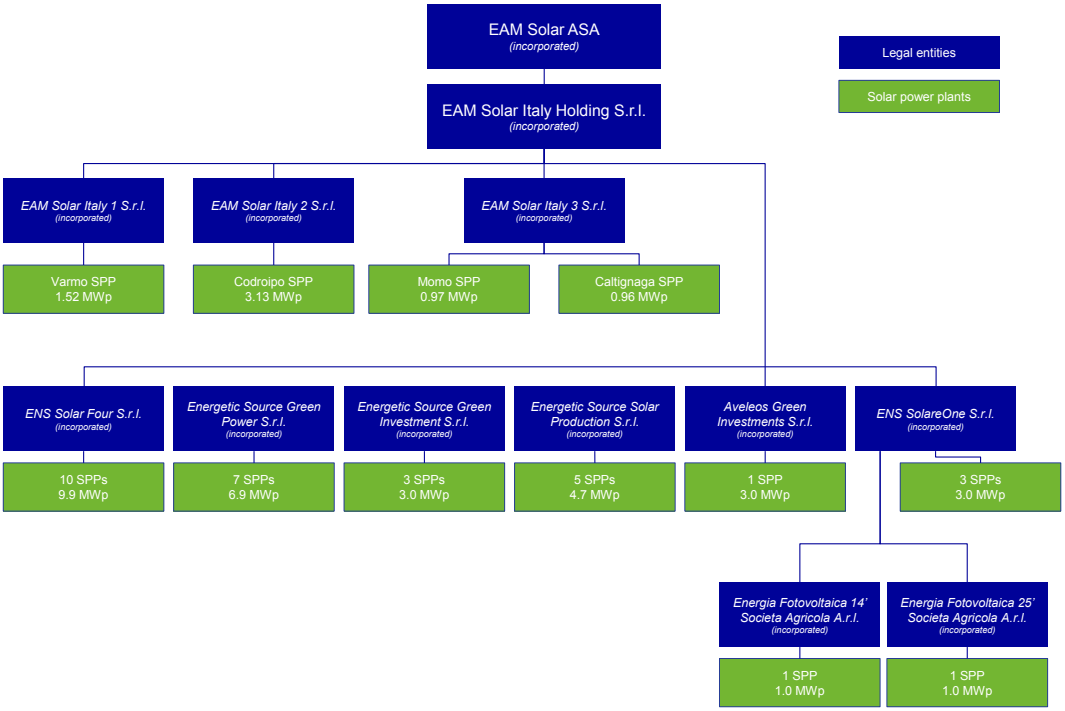
The chart below sets forth the Company's legal corporate structure prior to the Acquisition. Prior to the Acquisition, the Company had three wholly-owned Italian subsidiaries organized as SPVs.

Figure 1: Corporate structure prior to the Acquisition



As part of the Acquisition, the Company has established an Italian holding company, EAM Solar Italy Holding S.r.l., a fully-owned subsidiary of EAM Solar ASA. The Company will also transfer the ownership of its existing three Italian subsidiaries to this new holding company. The figure below illustrates the planned legal structure of the Company after the closing of the Acquisition.

Figure 2: Corporate structure after the Acquisition



EAM Solar is structured as a holding company for the solar power plant SPVs, with no employees. All administrative, technical and commercial services are conducted by EAM Solar Park Management AS ("**SPM**") pursuant to the Management Agreement further described in section 7.7 below.

See below for a description of the Company's subsidiaries prior to the Acquisition. For more information about the legal entities of the Target Companies, see section 8.2.

7.4.1 EAM Solar Italy 1 S.r.l.

EAM Solar Italy 1 S.r.l. is organized as a wholly-owned SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant close to Comune di Varmo in the Friuli-Venezia Giulia region in Northern Italy. The subsidiary has no employees and is managed through the management agreement between EAM Solar and SPM.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 1 S.r.l.
C/o Wise Energy
Corso Vittorio Emanuele II 30
Milano 20122
Italy

For more information about the Varmo SPP, see section 7.6.1.

7.4.2 EAM Solar Italy 2 S.r.l.

EAM Solar Italy 2 S.r.l. is organized as a wholly-owned SPV incorporated in Italy. The Company owns the assets and licenses of a solar power plant close to Città di Codroipo in the Friuli-Venezia Giulia region in Northern Italy. The subsidiary has no employees and is managed through the management agreement between EAM Solar and SPM.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 2 S.r.l.
C/o Wise Energy
Corso Vittorio Emanuele II 30
Milano 20122
Italy

For more information about the Codroipo SPP, see section 7.6.2.

7.4.3 EAM Solar Italy 3 S.r.l.

The subsidiary EAM Solar Italy 3 S.r.l. is a wholly-owned SPV incorporated in Italy. The Company owns the assets and licenses of two solar power plants in the Novara province in Northern Italy.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 3 S.r.l.
C/o Studio Torresi
Via Jacopo da Ponte 49
Rome 00197
Italy

For more information about the Momo and Caltignaga SPPs, see section 7.6.3 and 7.6.4, respectively.

7.5 Business overview

EAM Solar's business activities can be separated into two phases; i) the investment phase and ii) the operational phase.

<u>Investment phase</u>

- Searching and screening for relevant power plants available for acquisition
- Valuation, due diligence and risk assessment of SPPs

- Investment decisions and transaction execution

Operational phase

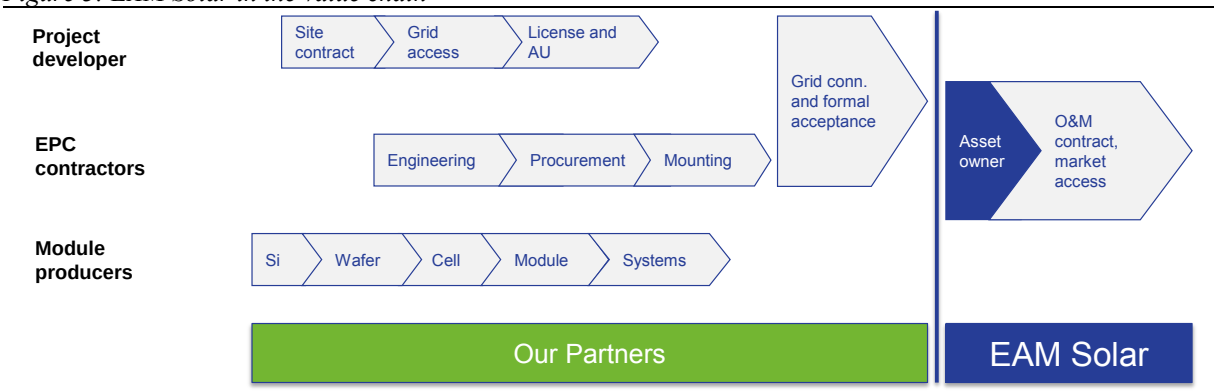
- Optimize financing structure to maximize risk-adjusted returns
- Active commercial and technical management of SPPs to improve long-term profits

7.5.1 EAM Solar in the value chain

The Company either buys (i) commissioned SPPs already connected to the grid and producing power, or (ii) commits to acquire licensed projects to be transferred and paid only when constructed, grid connected and secured revenues. This strategy eliminates development, construction and commissioning risk.

The figure below illustrates the Company's position in the value chain.

Figure 3: EAM Solar in the value chain



7.5.2 Investment phase

Screening process for new plants

Solar power plants are part of a young and undeveloped industry, and many projects have characteristics that make them unattractive acquisition targets for the Company. To avoid spending scarce resources on projects that will not materialize, SPM has developed standardized routines to filter out unattractive projects before spending time with the seller. Standardization will be important to continue to develop scale advantages in the transaction routines.

Investment criteria

SPM has developed a set of investment criteria related to SPPs with long-term fixed-price contracts under the Feed-in Tariff system, mainly in Italy. Potential assets must fit with the overall strategy of the Company, and be based on credible technology and partners.

The investment criteria are described in the table below.

Item	Investment criteria
Capital return	Project IRR: 7-12% Equity cash IRR: 10-15% Average dividend yield: 12-15% Return criteria based on guaranteed Performance Ratio according to EPC and O&M contract. Total capital return depends on country, regional differences, electricity sales contract structure and historical performance data of solar power plant.
Insurance	The Company seeks full insurance packages with long durations, including: 1. Equipment insurance 2. Ordinary disruption insurance 3. Yield insurance (where available)
EPC contract	**No construction risk and no FIT contract risk.** 2 year EPC warranty, 2 year EPC warranty bond minimum of 5% of EPC contract
O&M contract	

	O&M warranty and possibly attached warranty bond equal to one year O&M contract cost, or similar security for running O&M cost exposure.
Land	Land purchase or lease contracts that cover the term of the FIT contract. Increased focus on opportunity to prolong contract or secure ownership of land.
Production enhancement	Opportunities to increase yield of asset through good operations and future incremental investments in additional capacity.

7.5.3 Operational phase

Active ownership

The Company takes an active ownership role in the SPPs, in order to protect and increase yields. This strategy differs from the purely financial owners with a "buy-and-hold" ownership strategy with complete reliance on the O&M operator.

As the Company's portfolio increases in size through further acquisitions, SPM aims to take more services in-house to reduce and eliminate some of the operational costs. These costs will be replaced by direct costs from an Italian office and the Oslo office.

Typically, at the time of acquisition of the SPPs, the Company will enter into EPC and O&M contracts warranties and guarantees for 2-5 years. After the expiry of these agreements, the Company will try to renegotiate these agreements or replace these contractors and service providers with SPM's own staff and/or direct agreements with other providers.

Residual management

The Company aims to increase the value of the SPPs during the initial lifetime of 20 years (assumed in the investment phase), and extend the value of the asset beyond 20 years.

Administrative residual management includes contract negotiations to extend the lease contract or to buy the land, as well as expanding land nearby to build non-subsidized power plants that benefit from existing agreements and relations.

Financial residual management includes agreements with other power producers to negotiate better power purchase agreements, etc.

Technical residual management includes activities that increase the revenue from minor upgrades on the SPPs. This includes GSE metering, tracking adjustments and more efficient inverters. Replacing modules with more efficient ones will be a theme within the next 5-10 years.

7.6 Existing portfolio

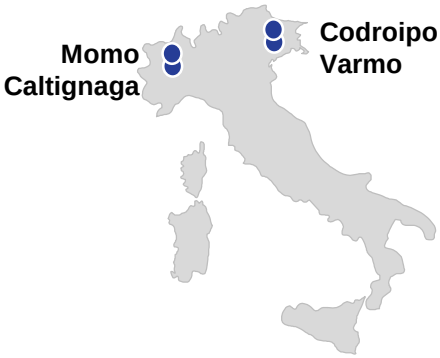
Prior to the Acquisition, the Company owns and operates four SPPs located in Northern Italy. The four plants have a combined installed capacity of 6.6 MWp and an annual electricity production of approximately 10 GWh, depending on the annual solar irradiation.

The Company has conducted an extensive technical, operational and legal due diligence for all plants, and all plants have extensive insurance coverage.

All plants currently operate under O&M agreements managed by SPM according to the Management Agreement. For more information about the Management Agreement, see Section 7.8.

The location of the four SPPs can be seen in the figure below.

Figure 4: SPP locations (Italy)



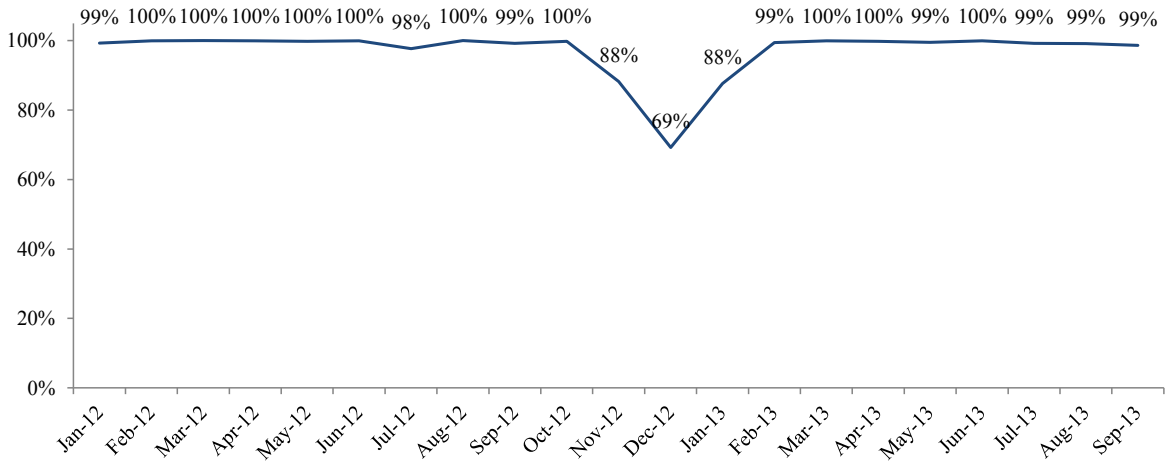
7.6.1 Varmo

The Varmo SPP covers 8 hectares of land and has a dual-axis tracker design. The plant has a contract according to the 2010 Conto Energia 2 Feed-in Tariff in Italy and commenced commercial production 28 December 2010.

With an installed capacity of 1.5 MWp and an initial annual electricity production capacity of approximately 2.5 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.9 million and EUR 0.7 million, respectively.

The graph below illustrates the development in commercial availability for the Varmo SPP in the period January 2012 to September 2013. 2012 production figures are influenced by the takeover process and the clean up after the previous owner.

Figure 5: Varmo production 2012 and first nine months 2013



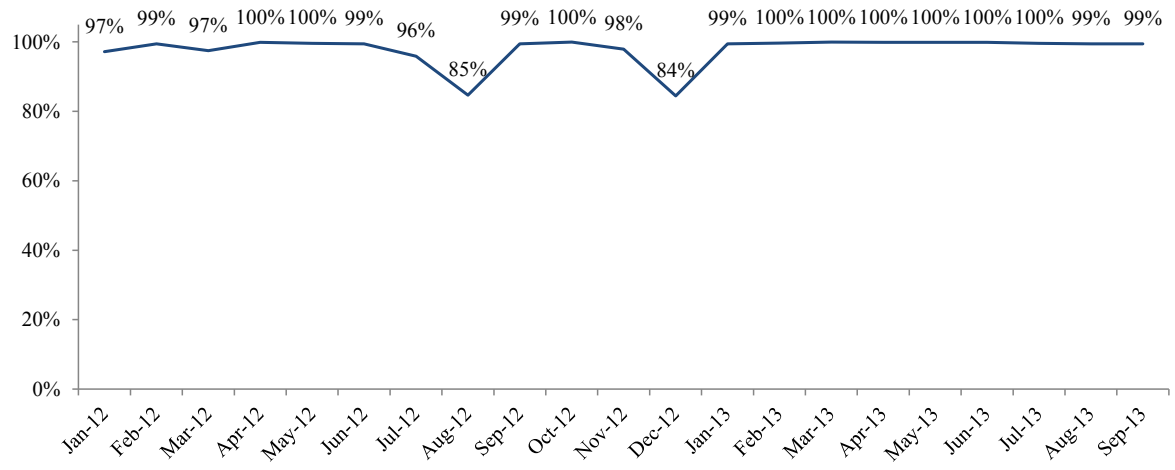
7.6.2 Codroipo

The Codroipo SPV covers 16.85 hectares of land and has a dual-axis tracker design. The plant has a contract according to the 2010 Conto Energia 2 Feed-in Tariff in Italy and commenced commercial production 11 May 2011.

With an installed capacity of 3.13 MWp and an initial annual electricity production capacity of approximately 5.2 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 1.9 million and EUR 1.4 million, respectively.

The graph below illustrates the development in commercial availability for the Codroipo SPP in the period January 2012 to September 2013. 2012 production figures are influenced by the takeover process and the clean up after the previous owner.

Figure 6: Codroipo production 2012 and first nine months 2013



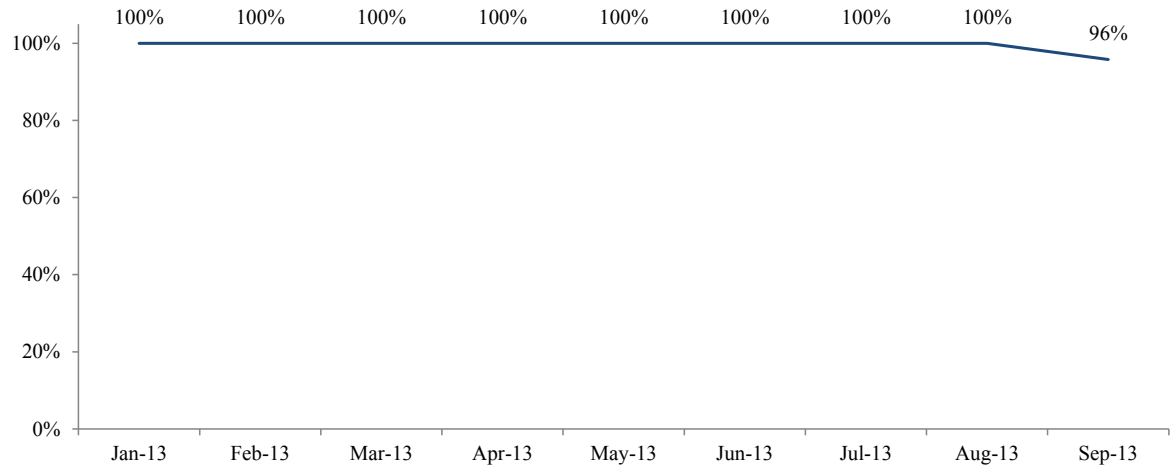
7.6.3 Momo

The Momo SPP covers 3.8 hectares of land and has a fixed tilt design. The plant has a contract according to the 2011 Conto Energia 4 Feed-in Tariff in Italy and commenced commercial production in September 2011.

With an installed capacity of 1.0 MWp and an initial annual electricity production capacity of approximately 1.2 GWh, depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.4 million and EUR 0.25 million, respectively.

The graph below illustrates the development in commercial availability for the Momo SPP in the period January 2013 to September 2013.

Figure 7: Momo production first nine months 2013



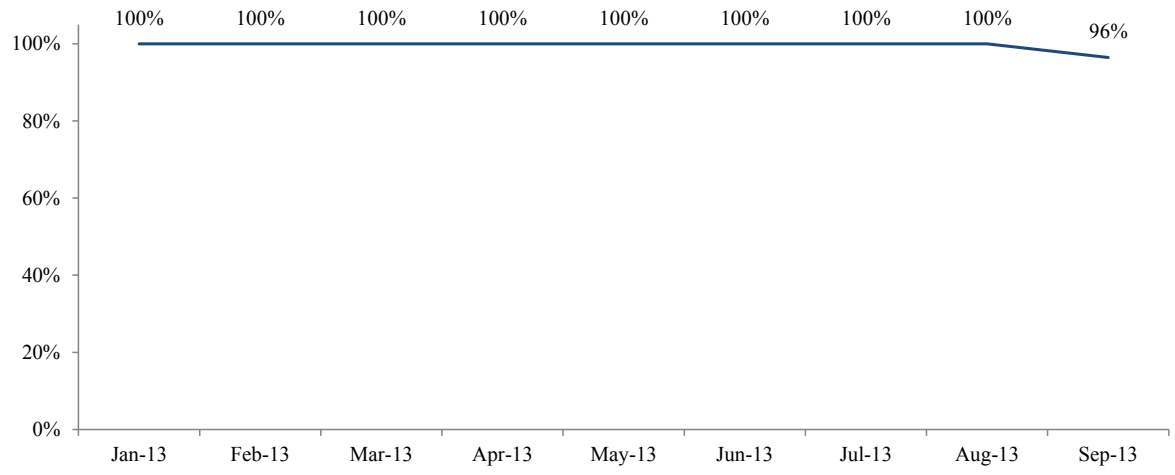
7.6.4 Caltignaga

The Caltignaga SPP covers 3.9 hectares of land and has a fixed tilt design. The plant has a contract according to the 2011 Conto Energia 4 Feed-in Tariff in Italy and commenced commercial production in September 2011.

With an installed capacity of 1.0 MWp and an initial annual electricity production capacity of approximately 1.2 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.4 million and EUR 0.25 million, respectively.

The graph below illustrates the development in commercial availability for the Caltignaga SPP in the period January 2013 to September 2013.

Figure 8: Caltignaga production first nine months 2013



For more information about the Target Companies, see section 8 of this Prospectus.

7.7 Management company

Management services for the Company and the plants are provided by SPM, a Norwegian private limited liability company, under an Administrative, Technical and Operational Management Agreement (the "**Management Agreement**").

The Management Agreement's structure is designed to align the interests of SPM with the interests of the shareholders in EAM Solar.

Ownership of SPM
SPM is owned 100% of Energeia Asset Management AS. Energeia Asset Management AS has the following owners:

Company/owner	Indirect ownership	Function
Jakobsen Energeia AS (Viktor E. Jakobsen)	28.334 %	Executive Director of EAM Solar ASA
Naben AS (Audun W. Iversen)	28.334 %	CEO of EAM Solar ASA
Sundt AS	28.33 %	Shareholder of EAM Solar ASA
Canica AS	7.51 %	Shareholder of EAM Solar ASA
Bjørgvin AS	7.51 %	Shareholder of EAM Solar ASA

7.8 Relationship between EAM Solar and SPM

7.8.1 Management Agreement

EAM Solar has entered into a Management Agreement with SPM who will provide all administrative, technical, and operational services to the Company. The Company has no employees. The Management Agreement contains provisions for the obligations of SPM to execute all necessary business activities such as, but not limited to:

Administrative:

- Corporate governance and administration services
- Budgets, accounting, auditing and financial reporting
- Company records
- Stock exchange and investor relations
- Government relations and taxes
- Corporate finance and treasury functions
- Legal functions
- Project identification and evaluation of investment opportunities
- Mergers and acquisitions, divestments and investments

Technical:

- Day-to-day operation of solar power plants
- Maintain adequate technical capability for contingency plans in

case of operational disruptions
- Plant maintenance and improvement programs

Operations:

- Sales and other commercial activities
- Insurance
- HSE plans
- Business and project development
- Contract management and dispute resolutions
- Office expenses and use of office facilities
- General purchasing authority

SPM has the right to sub-contract parts of these services to third parties on commercial terms. SPM may also provide similar management services to other companies or entities in the future.

The Board of Directors shall, at all times, be allowed full access to the accounts and records of SPM that are related to the services provided to the Company in accordance with the Management Agreement.

SPM is entitled to revenue equal to its directly attributable costs for providing the services to the Company, without margin. See Section 7.8.2 for details.

In addition, SPM is entitled to a royalty of 12.5% of the pre-tax profits of the Company. The annual pre-tax profit that shall form basis for calculating the royalty is defined as net result for the fiscal year after operational costs, depreciation and amortization and net financial items. As further described in an annex to the Management Agreement, certain adjustments shall be made to the pre-tax profit in order to reflect; (i) non-cash accounting items (e.g. asset write downs and revaluation); and (ii) acquisition and transaction costs which otherwise would have been expensed in the year the costs have been incurred (such costs shall be activated and depreciated during the assets operating lifetime). The royalty shall be based on the audited annual accounts, and paid out quarterly on the basis of quarterly accounts.

The royalty structure aligns the interests of SPM with the interests of the shareholders in the Company.

The Management Agreement is entered into for an initial term of 10 years. After the initial term, both parties can terminate the Management Agreement by giving 12 months' notice, at the earliest with effect from 2021. Termination by the Company triggers a termination fee of 5 times the average royalty for the preceding two fiscal years (the "**Termination Fee**").

In the instance whereby a single investor or group of investors (as defined by VPHL § 2-5) have acquired or control at least 90% of the shares in the Company (e.g. corporate take-over), the Management Agreement may be terminated by SPM on 12 months' notice. Such termination will trigger the Termination Fee.

SPM has the right under the articles of the Company to propose up to two directors of the Board of Directors of the Company.

SPM has granted the Company a right of first refusal to investment projects in Europe identified by SPM.

The Management Agreement is attached to this Prospectus as Appendix 4.

7.8.2 Cost reimbursement by EAM Solar under the Management Agreement

The Company will cover the costs of activities directly attributable to the operations and maintenance of EAM Solar's solar power plants and the other services as set out in the Management Agreement. Such costs include salary costs, social benefits, office costs and out-of-pocket expenses.

The Company will compensate SPM for all direct operational costs without margin. As required through the Management Agreement, SPM shall each year, and no later than the 30 November, prepare a cost budget for the following year and present it to the board of EAM Solar for approval.

The costs for 2011, 2012 and nine months 2013 were EUR 485 thousand, EUR 671 thousand and EUR 492 thousand, respectively. In the coming years the cost of active ownership are expected to decline (on a NOK per MWh basis) and the cost composition will change. The costs related to selection will be replaced by costs

related to operations. By replacing outsourced contracts with in-house resources in SPM, the total costs (on a NOK per MWh basis) should come down over time.

For more information regarding related party transactions, see Section 16.3.

7.8.3 Investment committee

The Board of Directors also functions as the Company's investment committee, and must sanction all major investment decisions, hereunder investments in, or acquisitions of, solar power plants. SPM will be responsible for analysing, developing and preparing investment proposals and recommendations, as well as the execution and implementation of sanctioned investments.

7.9 Quality, health, safety and environment (QHSE)

Before a construction license for a SPP is awarded, competent environmental and HSE authorities evaluate all applications. The environmental impact is evaluated and must be accepted by the authorities before construction starts. Some environmental requirements may be specified for the construction and operations phases, typically restoration of landscape after construction and maintaining of a green area at the site. HSE plans must be submitted to the authorities both for the construction and the operations periods.

The Company considers solar panels to have an expected lifetime of 30-50 years, with gradually lower efficiency. Waste management will be done within current regulations, and there is no danger of emissions from SPPs. Material recycling value is expected to exceed the dismantling and recycling cost.

7.10 Dependency on patents, licenses and other material agreements

The Company does not have any patents.

The Company depends substantially on government incentives. Without government incentives, the costs of electricity generated by PV systems currently would not be competitive with conventional energy sources (e.g., nuclear power, oil, coal and gas) in most current markets, and the availability of profitable investment opportunities to the Company would be significantly lower.

The financial crisis has reduced the availability of project and debt financing as well as equity financing. In order to yield an attractive return on investment, the Company is dependent on the availability of debt financing for the acquisitions of SPPs.

In the markets where the Company considers investing in solar power plants, including Italy, the application process for construction permits as well as grid connection and operation licenses are relatively transparent and foreseeable. All relevant licenses are awarded during the development phase or during the construction, so that the licenses are established before the Company acquires the power plant. The licenses normally have duration of 20 years or more. In general, one is entitled to apply for extension of the licenses, except the Feed-in Tariff. Normally, such extensions may be granted, assuming that commercial criteria such as land-rent contracts and good technical status of the plant are maintained, and no breach of the original license criteria has occurred during the initial license period. The relevant authorities must approve the extension.

The Company invests in already grid-connected SPPs, after the completion of the regulatory process. In Italy this means that the SPPs already have a license called Autorizzazione Unica ("**AU**"). In addition to this the purchased SPPs include agreements with the local power distributor, coordinated with the AU-process. The AU-license has a formal duration of 20-25 years.

The AU-process also includes environmental requirements, further explained in Section 7.9.

EAM Solar has entered into a Management Agreement with SPM who will provide all administrative, technical, and operational services to the Company. For more information, see Section 7.8.1.

The operating revenue from a solar power plant is a function of produced volume (electricity) and the achieved selling price per kWh. The selling price for the electricity produced by the Company's current SPPs consists of two components; (i) the Feed-in Tariff, and (ii) the market price. The FiT is managed by a governmental agency, e.g. GSE in Italy, and is a fixed, nominal fee per kWh for all energy produced over the 20 years contract period. The Company is currently selling most of the produced electricity through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader. For more information about the Company's revenue components, see section 10.1.4.

The only contractor the Company depends on is the grid operator, often ENEL Distribuzione S.p.A. or Terna S.p.A. However, as a power transmission system operator and distributor, they are under regulatory obligation to provide grid access to power plant owners.

7.11 Research and development

The Group has not undertaken any research and development activities in the period covered by the historical financial information.

7.12 Competitors

There has for some years been an interest among some large international institutional financial investors to invest in solar power plants. Some investors already have portfolios of several hundred MWp in Italy, Germany and France, as well as other markets. It is not clear how these will manage their portfolios in the time forward, and whether they are looking to expand their portfolios.

In the Nordic region there are a few players who offer power plant investments to the retail and, partly, to the institutional market. E.g. Etrion Corporation, an initiative from the Lundin Petroleum Group, is relatively well known in the Nordic region, but has a different business model than EAM Solar since it also entails project development.

It is the Company's opinion that there will be a large number of financial investors, with a range of different business models, in the solar power market.

7.13 Customers and suppliers

7.13.1 Customers

The Company's plants benefit from the Feed-in Tariffs granted by the Italian government to plants that meet the requirements defined in the decree of Ministry for Economic Development, also known as Conto Energia. In the Italian Feed-in Tariff regime, GSE, the Italian renewable energy executive authority is the only counterparty for the Feed-in Tariff production subsidy. For more information about Conto Energia, see section 10.3.2.

In addition to the Feed-in Tariff received for all energy produced, every power producer under this regime is free to sell the produced power to GSE or another power off-taker operating in the Italian power market in addition to receiving the FiT. GSE offers dispatch and production plan submission services for their clients, including the Company. The Company is currently selling most of its power production through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader.

For more information about the revenue components of an Italian SPP, the FiT and the RiD in particular, see section 10.1.4.

7.13.2 Suppliers

The Company is not dependent on any specific supplier. Basically all contractors and service providers may in principle be exchanged and substituted on relatively short notice, although at some cost. The counterparty the Company depends the most on is the grid operator, often ENEL Distribuzione S.p.A. or Terna S.p.A. However, as a power transmission system operator and distributor, they are under regulatory obligation to provide grid access to power plant owners. GSE is also an important counterparty as the administrator of the regulatory regime and incentive program. The capacity and efficiency of GSE may influence the business execution of the Company, however, the incentive program itself is well founded and funded, and is considered to be robust.

7.14 Assets necessary for production not owned by the issuer

Most power plants are located on land areas leased on long-term contracts, at least 20 years. These lease contracts are often extendable and renegotiable. In some cases it is possible to buy the land.

The Company's currently rents the land on which the Varmo and Codroipo SPPs are built. The contract durations for the two sites are 20 and 25 years, respectively. The rental contracts for SPP properties are generally at least as long as the duration of the FiT contract.

The land areas for Varmo and Codroipo are leased under the Italian "dirrito superfice" agreements which is an officially registered lease agreement. These agreements are applied when the municipalities determine their property taxes, and are considered to involve limited risk to the Company.

For Momo and Caltignaga, the SPV owns the land.

7.15 Key individuals

The management of the Company is carried out by SPM pursuant to the Management Agreement. For more information about the Management Agreement, see Section 7.8.

The SPM team members have complementary roles, skills and know-how. Key activities (SPV management) are partly executed in cooperation with local teams skilled in technical and commercial activities, as well as reporting and accounting at SPV level.

7.16 External factors and trend information

The market price for electricity

For both the Company's current assets and the Target Companies, the FiT received represents approximately 80-85% of the solar power plant revenues. In addition, the Company sells its power production in the power market based on the market price for electricity. The Company is currently selling most of its power production through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader. For the four SPPs the Company currently owns, this currently represents approximately 15-20% of the plant revenues. The Company's future dependency on the market price will primarily depend on the level of the fixed FiT relative to the variable market price.

The market price will be influenced by local supply and demand, energy policies and infrastructure development, as well as the price and availability of other energy sources such as oil, gas and coal. The Italian Power Exchange, IPEX, is operated by the state-owned electricity market operator ("**GME**") and can be followed at www.mercatoelettrico.org.

The market price for electricity in the whole of Italy has been under pressure since mid-2012. In Northern Italy the prices have decreased from around EUR 80 per MWh in the first part of 2012 to an annual average of around EUR 60 per MWh in 2013. Similar price trends and levels are seen in most of mainland Italy, including the south where the Target Companies are located. Based on the current market price for electricity in Italy and the outlook for 2014, the Company expects the average market price for electricity in Italy to be approximately EUR 60 per MWh in 2014.

For power plants below 1MW, including Momo, Caltignaga and all the Target SPPs, the minimum price under the RiD contract is fixed for one year ahead at a guaranteed level. This is not meant to be a subsidy, but an administrative mechanism due to the large number of small SPPs in Italy. The minimum price for 2013 was EUR 80 per MWh, and has been reduced to EUR 38.5 per MWh from 1 January 2014, in order to reflect the lower market price for electricity observed in the power market. However, as stated above, the Company expects the average market price to be higher than EUR 38.5 per MWh in 2014. For the avoidance of doubt, if the average market price is higher than the minimum price guaranteed from GSE, the Company will receive the market price.

For more information about the revenue components of an Italian SPP, the FiT and the RiD in particular, see section 10.1.4.

Inflation

The Company's costs will be influenced by the level of inflation experienced in the areas in which the SPPs are located. More specific the Company's results will be dependent on the general price level for O&M services and SG&A activities.

Taxes

Changes in accounting rules, both in Norway, Italy and any other country the Company may operate in, will affect the Company's post-tax profits.

Italian energy companies with revenues and taxable income over a certain threshold have an increased tax rate, the so-called "Robin Hood Tax" (the "**Robin Tax**"). The general corporate tax rate in Italy ("**IRES**") is 27.5%, but for those companies subject to the Robin Tax, the corporate tax rate is 34%. Previously, renewable energy companies were originally exempt from the Robin Tax, but a new decree expected to be implemented in 2014, will expand the Robin Tax to also include these companies, as well as lower the threshold to companies with revenue over EUR 3 million and taxable income over EUR 300 thousand.

The Company's existing SPVs are all below the thresholds and are thus not subject to the Robin Tax. The Company is of the opinion that the Robin Tax will not be imposed on holding companies with several SPVs just below the threshold, since this is a tax that is due on the operating company level. However, the largest of the SPVs among the Target Companies may be subject to such tax increase since it is above the threshold. In theory it is possible to split the companies so that they will have fewer operating assets and therefore be below the threshold, however the tax authorities may not accept such retroactive splitting of SPVs. In the coming years, the Company expects the Robin Tax to be implemented for all Italian assets relevant to the Company and its screening process.

General economic conditions

The financial crisis in the Eurozone has made it more difficult to obtain project financing from commercial banks. This has also created opportunities for market participants with good access to capital.

If the economic climate deteriorates and the availability of both debt and equity decreases, it could slow down the growth of the Company. However, since the Company invests in SPPs with Feed-in Tariffs financed through the utility invoice of the end user, the current budget cuts observed in the Eurozone are not considered to influence the future revenues of the Company's existing assets.

Exchange rates

The Company is located in Norway, but has the main share of its operations through Italian subsidiaries. All revenues are denominated in EUR, while costs occur in both EUR and NOK. The Company's reporting currency is EUR, and the Company will thus be exposed to currency risk, primarily to fluctuations in EUR and NOK.

Solar irradiation

Even in a stable climate the weather varies from year to year, and hence the production of energy from the SPPs. This will influence the periodic revenues, and the results of operation and cash-flows of the Company. Over time the irradiation and production will likely approach the expected average, but still with the risk of less production than anticipated.

Cost of solar power equipment

The cost of solar power equipment has been dropping rapidly over the past 5 years. This is mainly driven by improved technology, economy of scale in the production as well as significant build-up of production capacity. Prices for newly installed photovoltaic power plants (on a per MWp basis) have fallen in the order of 50-70% since 2009, depending on project specific conditions like irradiation and subsidy level. It is generally assumed in the market that the installation cost will continue to fall, but at a slower rate towards 2014.

Subsidies for new solar power plants

Subsidies for new solar power plants have decreased at a similar rate as the installation cost and are expected to continue to fall in the coming years. Italy, in particular, has reached the cap for power plants eligible for subsidies, and will not issue any new subsidies under the Conto Energia scheme. Consequently, the solar power industry is increasingly in progress with the development of none-subsidized power plants. The first commercially viable projects without subsidies are coming to the market in 2013. The need for governments to subsidize new power plants in order to reach their renewable energy obligations should therefore be reduced in the coming years.

8. PRESENTATION OF THE TARGET COMPANIES

8.1 Description

The Target Companies own 31 solar power plants in the Puglia region in Southern Italy, with a combined installed capacity of approximately 30 MWp and an initial annual electricity production capacity of approximately 44 GWh depending on the annual solar irradiation. The Target SPPs all benefit from 20 year Feed-in Tariff contracts under Conto Energia II, Conto Energia III or Conto Energia IV. The Target SPPs were all constructed in 2011 and have been in operation since.

The Target Companies have no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar ASA and SPM. All Target SPPs currently operate under O&M contracts with a third-party service provider. As regulated by the SPA and the Production Adjustment mechanism, these O&M contracts cannot be terminated by EAM before 31 March 2015. After this date, SPM will review historical performance and seek to improve operations.

In 2014, the portfolio is expected to produce approximately 44 GWh, generating revenue in the range EUR 16 million to 17 million, with an EBITDA in the range EUR 13 million to 14 million.

Gross interest bearing debt at the financial take-over date 1 January 2013 is approximately EUR 73.4 million with a 17-year remaining instalment period. The debt financing is a mixture between financial lease and project financing with total debt service payments, including instalments and interest payments, between EUR 6.7 million and 7.3 million.

For more information about each individual solar power plant, see the table below.

Name	Installed capacity MWp	Power production GWh	Conto Energia regime	Feed-in Tariff EUR/MWh
Canone	1.0	1.4	CE III	303
Lombardi	1.0	1.4	CE III	303
Covelli	1.0	1.4	CE IV	320
Di Stasi	1.0	1.4	CE IV	291
Pastore	1.0	1.4	CE III	303
Taranto	1.0	1.5	CE III	303
Taranto 2	1.0	1.5	CE III	303
Taranto 3	1.0	1.5	CE III	303
Taranto 4	1.0	1.5	CE III	303
Taranto 5	1.0	1.5	CE III	303
Selvaggi	1.0	1.4	CE II	346
Di Mauro	1.0	1.4	CE II	346
SCN	1.0	1.4	CE II	346
Lomurno	1.0	1.4	CE II	346
Giordano	1.0	1.4	CE II	346
Gagnazzi	1.0	1.4	CE II	346
Gentile	1.0	1.4	CE II	346
Lorusso	1.0	1.4	CE II	346
Cirasole	1.0	1.4	CE II	346
Scaltrito	1.0	1.4	CE II	346
Pasculli	1.0	1.5	CE II	346
Pisicoli N	1.0	1.4	CE II	346
Pisicoli T	1.0	1.4	CE II	346
Marulli	0.7	1.1	CE II	346
Antonacci	1.0	1.4	CE II	346
Lorusso	1.0	1.5	CE IV	208
Brundesini	1.0	1.5	CE IV	208
Scaredino	1.0	1.5	CE IV	208
Piangevino	1.0	1.5	CE III	303
ENFO14	1.0	1.4	CE IV	231
ENFO25	1.0	1.5	CE IV	231

8.2 Legal entities

The Target Companies consist of eight legal entities, described in more detail below. The Target Companies have no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM. Each Target Company has entered into O&M contracts with a third-party service provider for the operation and maintenance of the Target SPPs.

8.2.1 ENS Solar Four S.r.l.

ENS Solar Four S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of ten solar power plants in the Puglia region in Southern Italy, with a combined capacity of 9.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

8.2.2 Energetic Source Green Power S.r.l.

Energetic Source Green Power S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of seven solar power plants in the Puglia region in Southern Italy, with a combined capacity of 6.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

8.2.3 Energetic Source Green Investment S.r.l.

Energetic Source Green Investment S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 2.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

8.2.4 Energetic Source Solar Production S.r.l.

Energetic Source Solar Production S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 4.7 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

8.2.5 ENS SolareOne S.r.l.

ENS SolareOne S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 2.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

ENS SolareOne S.r.l. owns the entire share capital of Energia Fotovoltaica 14' Societa Agricola A.r.l. and Energia Fotovoltaica 25' Societa Agricola A.r.l.

8.2.6 Aveleos Green Investments S.r.l.

Aveleos Green Investments S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The subsidiary has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

8.2.7 Energia Fotovoltaica 14' Societa Agricola A.r.l.

Energia Fotovoltaica 14' Societa Agricola A.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

Energia Fotovoltaica 14' Societa Agricola A.r.l. is a fully-owned subsidiary of ENS Solare One S.r.l.

8.2.8 Energia Fotovoltaica 25' Societa Agricola A.r.l.

Energia Fotovoltaica 25' Societa Agricola A.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

Energia Fotovoltaica 25' Societa Agricola A.r.l. is a fully-owned subsidiary of ENS Solare One S.r.l.

8.3 Existing financing agreements

As of the financial take-over date for the Acquisition, 1 January 2013, the gross interest bearing debt of the Target Companies was EUR 73.4 million.

As of 30 September 2013, gross interest bearing debt of the Target Companies was approximately EUR 70.0 million with an approximately 17-year remaining instalment period based on an annuity payment profile. The debt financing is a mixture between financial lease (approximately 83%) and project financing (approximately 17%) with total annual debt service payments between EUR 6.7 million and 7.3 million. The debt service payments are paid monthly and semi-annually for the leasing debt and the project financing, respectively. Based on the information received from the Seller as of the date of this Prospectus, the total debt carries an average interest rate of approximately 5.9%, based on a floating-rate interest rate combined with an interest-rate swap.
The gross interest bearing debt is secured by pledges on the shares of the respective Target Companies, not on the single SPPs. As of the date of this Prospectus, the Company has not received the complete documentation related to the final interest rate and the interest-rate swap.

Based on the information received from the Seller, the leasing debt of the Target Companies does not have any financial covenants restricting the use of capital.

According to the information provided to the Company by the Seller, the project financing has the following financial covenants:

- Minimum debt service coverage ratio ("**DSCR**") of 1.3x
- Minimum average debt service coverage ratio ("**ADSCR**") of 1.3x
- Minimum loan life coverage ratio ("**LLCR**") of 1.35x

For more information about the leasing debt of the Target Companies, see section 12.6.

8.4 Legal and arbitration proceedings

Two of the Target Companies, namely ENFO 14 and ENFO 25, are involved in two different legal proceedings as they both failed to pay (i) the compensations provided under the land agreements according to which the relevant landowners gave to said Target Companies the right to construct the respective SPPs and (ii) the compensation for the performance of certain services relevant to the development of the respective SPPs to the relevant developer. The claims filed against the respective companies by the relevant developer are each relevant to approximately EUR 50 thousand.

Among others, ENFO 14 and ENFO 25, the Seller, have recently entered into an agreement, settling, inter alia, the legal claims above mentioned, subject to the fulfilment by the Target Companies and by the Seller of the provisions contained in said agreement (no evidence of the fulfilment of aid obligations was provided so far). From said agreement, it also emerges that the Seller did not entirely pay the price for the acquisition of the corporate capital of ENFO 14 and ENFO 25.

According to the information provided the Company is not aware of any other litigation or potential litigation other than those disclosed. In this regards the Company is waiting to receive from the Seller the certificates from the chamber of commerce and from the relevant tax authorities demonstrating the inexistence of bankruptcy proceedings and tax liabilities.

8.5 The Group following the Acquisition of the Target Companies

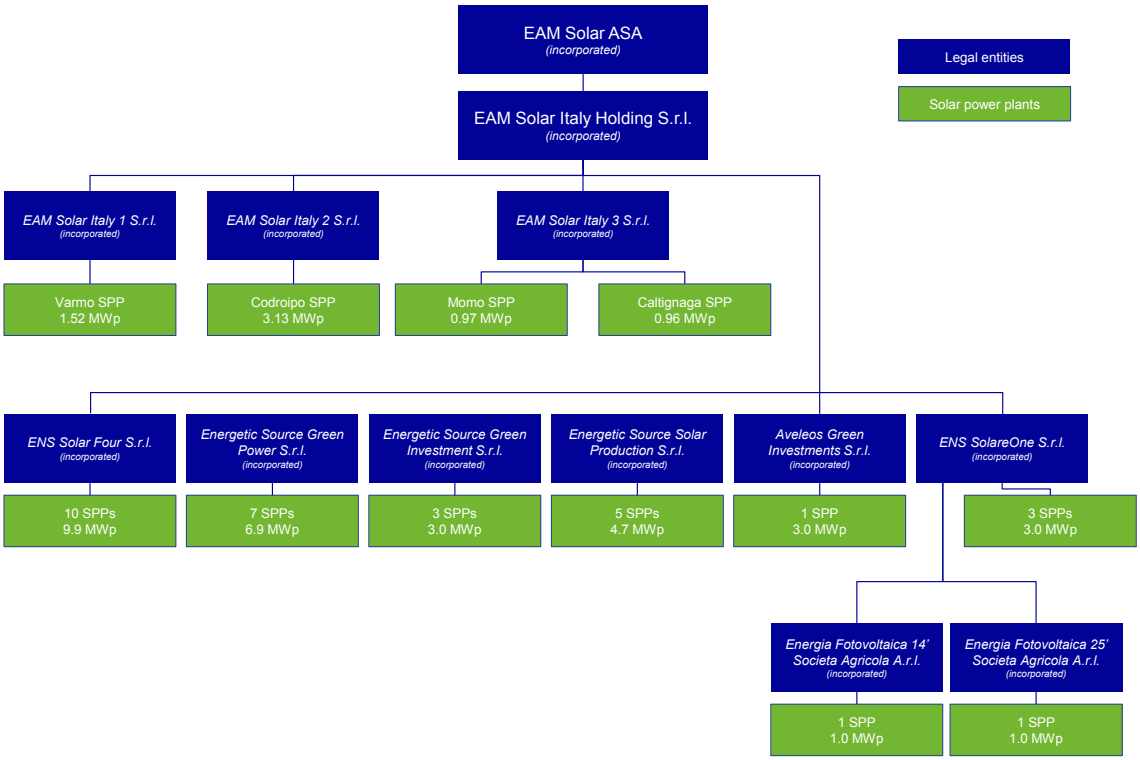
8.5.1 Description

EAM Solar currently operates four SPPs with a combined installed capacity of 6.6 MWp and an annual electricity production capacity of 10 GWh. Subsequent to the Acquisition, the Company will operate 35 SPPs and have a total installed capacity of approximately 37.0 MWp and an annual electricity production capacity of 54 GWh. As a result of the Acquisition, the Company's expected annual revenues will increase from approximately EUR 3.6 million to approximately EUR 20.7 million, depending on annual solar irradiation. The acquisition thus represents a step change towards realising the company's communicated growth strategy.

8.5.2 New legal structure

In relation to the Acquisition of the Target Companies, the Company has established a new Italian holding company, EAM Solar Italy Holding S.r.l, a fully-owned subsidiary of EAM Solar ASA. The Company will also transfer the ownership of its existing three Italian subsidiaries to this new holding company. The figure below illustrates the planned legal structure of the Company after the closing of the Acquisition.

Figure 9: Legal structure after the Acquisition



8.5.3 Organization

In conjunction with the closing of the Acquisition and the subsequent increased scope of the Company's business in Italy, SPM will during the first half 2014 establish an operational office in Italy that will manage the day-to-day operation of the Company's solar power plants in Italy.

9. PRO FORMA FINANCIAL INFORMATION

9.1 Purpose of the unaudited pro forma condensed financial information

The acquisition of Sistema Solar 1 GmbH (Codroipo) in February 2012, the acquisition of M&T Solare S.r.l. (Momo and Caltignaga) in September 2013, and the Acquisition of the Target Companies all trigger pro-forma information (together the "**Pro Forma Triggering Acquisitions**").

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Proforma Triggering Acquisitions might have affected the Company's consolidated condensed statement of comprehensive income for 2012 and the nine months ended 30 September 2013 if the acquisitions had occurred on 1 January 2012 and 1 January 2013, respectively. In addition, a pro forma consolidated condensed statement of financial position as of 30 September 2013 is presented for the Acquisition of the Target Companies. The two other acquisitions are already fully reflected in the interim consolidated condensed statement of financial position as of 30 September 2013, thus no pro forma adjustments are required in the financial position for these acquisitions.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The unaudited pro forma condensed financial information has been compiled to comply with the Norwegian Securities Trading Act and the applicable EU-regulations pursuant to section 7-7 of the Norwegian Securities Trading Act. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma financial information, including the report by the auditor, would have been amended and / or removed from the offering document.

9.2 Basis for preparation

The financial pro forma information is compiled based on the following historical financial information:

EAM Solar ASA

- Audited financial statements of EAM Solar ASA for 2012
    - Incorporated by reference
- Unaudited interim financial report of EAM Solar ASA for the third quarter 2013
    - Incorporated by reference

Please see section 18.3 for documents incorporated by reference.

Sistema Solar 1 GmbH

- Unaudited IFRS data pack for January and February 2012
    - Received from the seller in the form of spreadsheet figures, not publicly available

M&T Solare S.r.l.

- Unaudited data pack prepared in accordance with Italian GAAP for the year ended 31 December 2012 and the nine months ended 30 September 2013
    - Received from the seller in the form of spreadsheet figures, not publicly available
    - Audited figures neither available nor required in Italy for this company

Target Companies

- Unaudited IFRS data pack for each of the entities for the year ended 31 December 2012 and the nine months ended 30 September 2013 (see per company in section 9.5)
    - Received from the Seller in the form of spreadsheet figures, not publicly available
    - Audited figures neither available nor required in Italy for the Target Companies

The unaudited pro forma condensed statements of comprehensive income are prepared in a manner consistent with the accounting policies of the Company (IFRS as adopted by EU) applied in 2012 and 2013. Please refer to the 2012 financial statements and the unaudited interim financial report for the third quarter 2013 for description of the accounting policies for the respective periods.

The unaudited pro forma condensed financial information for the Company does not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical information of the Company.

The unaudited pro forma financial information is presented in EUR, which is the presentation currency of EAM Solar. Transactions and monetary items in a foreign currency are translated into the functional currency using the exchange rate applicable for the balance sheet date or reporting period. The following exchange rates have been used to translate transactions and monetary items from NOK to EUR.

- 30 September 2013: NOK/EUR of 8.114
- Average during 2012: NOK/EUR of 7.476
- Average during the first nine months 2013: NOK/EUR of 7.656

9.3 Unaudited pro forma financial information

9.3.1 Unaudited pro forma condensed statements of comprehensive income

The nine months ended 30 September 2013

All figures in EUR thousand	EAM Solar 9M 2013 IFRS Unaudited	M&T Solare S.r.l. 1.1-27.09.2013 ITA-GAAP Unaudited	Target Companies 9M 2013 IFRS Unaudited (see 9.5)	IFRS adjustments Unaudited	Pro forma adjustments Unaudited	Notes	Pro forma information 9M 2013 IFRS Unaudited
Revenue	2 612	670	13 211	0	0		16 493
Total revenue	**2 612**	**670**	**13 211**	**0**	**0**		**16 493**
Cost of operations	-232	-66	-1 539	0	0		-1 838
Sales, general and administration expenses	-689	-101	-735	0	-339	1A	-1 864
Acquisition and financing costs	-517	0	0	0	-1 503	4A	-2 020
EBITDA	**1 174**	**502**	**10 937**	**0**	**-1 842**		**10 771**
Depreciation, amortizations and write downs	-882	-209	-3 746	-70	-1 279	1C, 3C, 4B.3	-6 186
Gain on bargain purchase	2 430	0	0	0	0		2 430
EBIT	**2 722**	**293**	**7 190**	**-70**	**-3 121**		**7 015**
Finance income	1 998	0	72	0	-69	3B	2 002
Finance costs	-209	-376	-3 081	0	87	3B, 4E.2	-3 579
Profit before tax	4 511	-83	4 181	-70	-3 102		5 438
Income tax gain/(expense)	-106	-93	-1 554	22	502	1B	-1 228
Profit after tax	**4 406**	**-176**	**2 628**	**-48**	**-2 600**		**4 209**
Other comprehensive income							
Movements on cash flow hedges	0	0	0	0	0	4G	0
Deferred tax impact	0	0	0	0	0		0
Translation differences	-1 960	0	0	0	0		-1 960
Other comprehensive income for the year, net of tax	**-1 960**	**0**	**0**	**0**	**0**		**-1 960**
Total comprehensive income for the year	**2 445**	**-176**	**2 628**	**-48**	**-2 600**		**2 249**

2012

All figures in EUR thousand	EAM Solar ASA 2012 IFRS Audited	Sistema Solar 1 GmbH 1.1-29.2.2012 IFRS Unaudited	M&T Solare S.r.l. 2012 ITA-GAAP Unaudited	Target Companies 2012 IFRS Unaudited	IFRS adjustments Unaudited	Pro forma adjustments Unaudited	Notes	Pro forma information 2012 IFRS Unaudited
Revenue	3 106	281	759	16 500	0	0		20 648
Total revenue	**3 106**	**281**	**759**	**16 500**	**0**	**0**		**20 648**
Cost of operations	-259	-31	-67	-738	0	0		-1 095
Sales, general and administration expenses	-1 133	0	10	-1 635	0	-356	1A	-3 115
Acquisition and financing costs	-908	0	0	0	0	-2 020	3A, 4A	-2 928

EBITDA	**806**	**251**	**703**	**14 127**	**0**	**-2 377**		**13 510**
Depreciation, amortizations and write downs	-1 036	-121	-281	-5 053	-80	-1 714	1C, 3C, 4B.3	-8 285
Gain on bargain purchase	2 668	0	0	0	0	2 430	3A	5 099
EBIT	**2 438**	**130**	**422**	**9 074**	**-80**	**-1 661**		**10 323**
Finance income	5	0	0	-2 504	2 512	0	4C	13
Finance costs	-1 853	-1	-527	-1 683	-2 512	5	2A, 3B, 4C, 4E.2	-6 571
Profit before tax	590	129	-105	4 888	-80	-1 656		3 766
Income tax gain/(expense)	-61	0	-101	-2 024	25	649	1B	-1 512
Profit after tax	**529**	**129**	**-206**	**2 864**	**-55**	**-1 007**		**2 254**
Other comprehensive income								
Movements on cash flow hedges	0	0	0	-713	0	0		-713
Deferred tax impact	0	0	0	196	0	0		196
Translation differences	812	0	0	0	0	0		812
Other comprehensive income for the year, net of tax	**812**	**0**	**0**	**-517**	**0**	**0**		295
Total comprehensive income for the year	**1 341**	**129**	**-206**	**2 347**	**-55**	**-1 007**		**2 549**

9.3.2 Unaudited pro forma condensed financial position

All figures in EUR thousand	**EAM Solar 30.09.2013 IFRS Unaudited**	**Target Companies 30.09.2013 IFRS Unaudited**	**IFRS adjustments Unaudited**	**Pro forma adjustments Unaudited**	**Notes**	**Pro forma information 30.09.2013 IFRS Unaudited**
ASSETS						
Deferred taxes	0	1 906	0	-1 906	4B.2	0
Land rights	0	1 034	4 540	0		5 574
Other intangible assets	0	6 163	-4 540	0		1 623
Intangible assets	**0**	**9 103**	**0**	**-1 906**		**7 197**
Property, plant and equipment	24 116	81 551	0	30 264	4B.1	135 931
Other long-term assets	350	0	0	0		350
Tangible non-current assets	**24 466**	**81 551**	**0**	**30 264**		**136 281**
Receivables	1 942	16 659	0	3 375	4D.1	21 976
Other current assets	181	5 097	0	0		5 278
Cash and short-term deposits	4 102	7 966	0	-11 803	4F	265
Current assets	**6 225**	**29 722**	**0**	**-8 428**		**27 519**
TOTAL ASSETS	**30 691**	**120 376**	**0**	**19 930**		**170 997**
EQUITY						
Issued capital	2 859	60	0	3 329	4E.1, 4B.4	6 248
Share premium	0	0	0	22 640	4E.1	22 640
Paid-in capital	**2 859**	**60**	**0**	**25 969**		**28 888**
Translation differences	350	0	0	0		350
Other equity	26 495	22 171	0	-23 674	4A, 4B.4	24 992
Total other equity	**26 845**	**22 171**	**0**	**-23 674**		**25 342**
Total equity	**29 704**	**22 231**	**0**	**2 295**		**54 230**
LIABILITIES						
Long-term loans and borrowings	0	69 981	0	0		69 981
Derivative financial instruments	0	4 608	0	0		4 608
Deferred tax liability	0	0	0	7 597	4B.1, 4B.2	7 597
Other non-current liabilities	0	533	0	0		533
Total non-current liabilities	**0**	**75 122**	**0**	**7 597**		**82 719**

Trade payables	814	11 267	0	0		12 081
Income tax payable	172	1 498	0	0		1 670
Short-term loan – interest bearing	0	7 474	0	6 039	4E.2	13 513
Other current liabilities	0	2 784	0	4 000	4D.2	6 784
Total current liabilities	**987**	**23 022**	**0**	**10 039**		**34 048**
Total liabilities	**987**	**98 144**	**0**	**17 636**		**116 767**
TOTAL EQUITY AND LIABILITIES	**30 691**	**120 376**	**0**	**19 930**		**170 997**

9.4 Notes to the unaudited pro forma financial information

9.4.1 Notes related to the condensed consolidated figures

Note 1A SPM financial participation mechanism
SPM is entitled to 12.5% of the pre-tax profit of the Company, defined as the net result for the fiscal year after operational costs, depreciation and amortization of financial items. If the Pro Forma Triggering Acquisitions had all been completed at the beginning of the respective periods, the increased management fee is estimated to EUR 356 thousand and EUR 339 thousand for 2012 and the nine months ended 30 September 2013, respectively. The adjustment will have continuing impact.

Note 1B Tax effects of pro forma adjustments
The effective tax rate for the IFRS and pro forma adjustments have been assumed to be 31.4%, based on the IRES tax rate of 27.5% and the IRAP tax rate of 3.9%. All pro forma adjustments have been assumed to have tax effect, except for the transaction costs and the gain on bargain purchase. The total pro forma adjustments related to reduced taxes have been calculated to EUR 649 thousand and EUR 502 thousand for 2012 and the nine months ended 30 September 2013, respectively. The pro forma adjustments related to tax only have continuing impact if the respective underlying pro forma adjustments have continuing impact.

Note 1C Depreciation
The Company depreciates its assets based on a component approach where certain material parts of the solar plants such as inverters and control and transmission systems are considered significant parts and depreciated separately (useful life of 11 years).

Sistema Solar 1 GmbH depreciated the solar plant as one sole asset (useful life of 20 years). Assuming that the acquisition of Sistema Solar 1 GmbH occurred on 1 January 2012, the depreciation according to the Company's depreciation method needs to be adjusted for (from sole asset to component approach) in January and February 2012. A pro forma adjustment to increase depreciation by EUR 9 thousand in 2012 is therefore included. The adjustment will have continuing impact.

Both M&T Solare S.r.l and the Target Companies depreciated the solar plant as one sole asset (useful life of 20 years). Due to the lack of available information at the time of this Prospectus, no pro-forma adjustments in this respect have been made for these two acquisitions. However, the Company expects that this would have led to a pro-forma adjustment reducing the depreciation for 2012 and the nine months ended 30 September 2013. The adjustments would have had continuing impact.

Note 2-4 IFRS and pro forma adjustments for each of the three Pro Forma Triggering Acquisitions
See section 9.4.2, 9.4.3 and 9.4.4 for details about the IFRS and pro forma adjustments for each of the three Proforma Triggering Acquisitions.

9.4.2 Notes related to the acquisition of Sistema Solar 1 GmbH (Codroipo)

On 29 February 2012, the Company acquired 100% of the voting shares in Sistema Solar 1 GmbH (Codroipo) Solon Investments GmbH for EUR 12.7 million. The acquisition was paid for in cash through the Company's fully-owned subsidiary EAM Solar Italy 2 S.r.l. Sistema Solar 1 GmbH was a German company with a permanent establishment in Italy and a solar plant in Italy, operating a solar power plant close to the city of Codroipo in the Friuli-Venezia Giulia region in Northern Italy.

The net assets acquired in the acquisition of Sistema Solar GmbH were as follows:

Figures in EUR	**Fair value on acquisition**
Cash and cash equivalents	1 464 084

Trade accounts receivable	284 648
Other receivables	70 670
Fixed assets	13 932 326
Accruals for taxes in Italy	-326 540
Other current payables	-45 969
Total identifiable net assets at fair value	**15 379 219**
Gain on bargain purchase from the acquisition	-2 668 237
Total consideration	**12 710 982**

Cash	12 450 000
Deferred payment	260 982
Total consideration	**12 710 982**

Cash paid	-12 450 000
Cash in acquired entities	1 464 084
Net cash flow on acquisition	**-10 985 916**

As part of the acquisition, the Company has identified a gain on bargain purchase of EUR 2.7 million, which has been recognized in the 2012 consolidated financial statement and therefore no pro forma adjustment is required for this.

As the acquisition is fully reflected in the unaudited consolidated statement of position as of 30 September 2013, no pro forma adjustment is required in the unaudited pro forma condensed financial position is required for this acquisition. As the acquisition is fully reflected in the unaudited consolidated statement of comprehensive income for the nine months ended 30 September 2013, no pro forma adjustment is required in the unaudited statement of comprehensive income for this acquisition.

Note 2A Finance costs
The acquisition of Sistema Solar 1 GmbH was financed by the Company with equity and a shareholder loan of NOK 45 million (EUR 5.9 million). The loan carries an annual interest rate of 13% per annum. Therefore the interest expense is increased by EUR 128 thousand for the two months not already included in the audited consolidated financial statements of the Company. The adjustment will have continuing impact.

9.4.3 Notes related to the acquisition of M&T Solare S.r.l. (Momo and Caltignaga)

On 27 September 2013, the Company acquired 100% of the voting shares in M&T Solare S.r.l. (Momo & Caltignaga) for EUR 3.5 million. The acquisition was paid for in cash through the EAM Solar ASA's fully owned subsidiary EAM Solar Italy 3 S.r.l. M & T Solare S.r.l. is an Italian company, operating two plants in the Novara province in Northern Italy. As part of the acquisition, the Company identified a gain on bargain purchase of EUR 2.4 million, which has been provisionally recognized in the unaudited third quarter report.

The net assets acquired in the acquisition of M&T Solare S.r.l. were as follows:

Figures in EUR	**Fair value on acquisition** *(preliminary analysis)*
Cash, bank & securities	149 731
Receivables	515 809
Inventories, advances to suppliers etc.	124 802
Accounts payable and accrued liabilities	-101 163
Corporate tax	-142 499
Tax withholdings, public fees, payroll tax, etc.	-6 080
Other current liabilities	-15 359
Deferred tax advantage	21 884
Land & buildings, offices etc.	555 720
Operational machinery	4 838 143
Total identifiable net assets at fair value	**5 940 989**
Gain on bargain purchase from the acquisition	-2 422 269
Total consideration	**3 518 720**
Gain on bargain purchase from the acquisition	-2 422 269
Total consideration	**3 518 720**

Cash	3 518 720
Total consideration	**3 518 720**
Cash paid	-3 518 720
Cash in acquired entities	149 731
Net cash flow on acquisition	**-3 368 989**

As the acquisition is fully reflected in the unaudited consolidated condensed statement of financial position as of 30 September 2013, no pro forma adjustment is required in the financial position for this acquisition.

Note 3A Gain on bargain purchase option and acquisition costs
The gain on bargain purchase and of EUR 2.4 million and the acquisition costs of EUR 0.5 million related to the M&T Solare S.r.l. acquisition have been recognized in the Company's unaudited consolidated interim statement of comprehensive income for the nine months ended 30 September 2013. Pro forma adjustments have been made to also reflect these items in the pro forma statement of comprehensive income for 2012. The adjustments will not have continuing impact.

Note 3B Funding
M&T Solare S.r.l. had a loan of approximately EUR 6 million prior to the acquisition by EAM Solar ASA. The loan was repaid in connection with the acquisition. Since the assets are financed by equity after the acquisition, the pro forma statements of comprehensive income has been reduced by the identifiable interest expenses related to this loan. This amounts to EUR 526 thousand and EUR 375 thousand for 2012 and the nine months ended 30 September 2013, respectively.

If the acquisition had been completed on 1 January 2013, the Company's bank deposits would have been EUR 3.5 million lower and the historical finance income has been reduced by EUR 69 thousand for the nine months ended 30 September 2013 (no finance income in 2012). The adjustments to the finance income and costs will have continuing impact.

Note 3C IFRS adjustment - Capitalized start-up costs
Under Italian GAAP, as of 31 December 2012 and 30 September 2013, EUR 80 thousand and EUR 70 thousand have been capitalized as start-up costs, respectively. These figures have been written off in the adjustment to IFRS. The adjustments will have continuing impact.

9.4.4 Notes related to the Acquisition of the Target Companies

On 31 December 2013, the Company signed the SPA to purchase from Aveleos S.A. the entire share capital of the Target Companies owning a portfolio of 31 solar power plants in Southern Italy, with a combined installed capacity of 30 MWp and an annual electricity production capacity of approximately 44 GWh. The Target Companies are Italian companies, combined operating 31 solar power plants in the Puglia region in Southern Italy.

On 17 January 2014, the Company raised NOK 220 million in gross proceeds through the Private Placement of 2,750,000 New Shares, each with a par value of NOK 10 and a subscription price of NOK 80.00 per New Share. For more information about the Private Placement, see section 6.

In connection with the Private Placement, the Company has entered into an agreement with its largest shareholder, Sundt AS, for a Committed Credit Facility of NOK 50 million secured by existing solar power plants. For more information about the Committed Credit Facility, see section 16.3.2. Together with available cash resources, the Company thus has the necessary funding required to complete the Acquisition.

ENS 1 owns the entire share capital of ENFO 14 and ENFO 25. In the unaudited pro forma figures the consolidated financial figures for these three companies are presented.

The acquisition of the Target Companies has in the unaudited pro forma financial information been recorded in accordance with IFRS 3 Business Combination that requires the acquirer's identifiable assets, liabilities and contingent liabilities to be recognized at their fair values in the opening balance of the combined company. A preliminary purchase price allocation (PPA) has been performed in which the identifiable assets, liabilities and contingent liabilities of the acquired companies have been identified. A final PPA has not been prepared as of to date as only limited information and time have been available in preparation of the PPA. The PPA in the unaudited pro forma financial information is based on the 30 September 2013 balance sheet of the Target

Companies. It should be noted that further and more complete information regarding the assets and liabilities acquired may change the values allocated to the identifiable tangible and intangible assets and liabilities in the final PPA. The Company expects to complete a final PPA in connection with the closing of the Acquisition.

The net assets acquired in the acquisition of the Target Companies were as follows as of 30 September 2013:

Figures in EUR	**Fair value on acquisition**
Adjusted tax	401 535
Intangible assets	8 764 318
Other long-term assets	338 979
Cash and cash equivalents	7 965 611
Trade accounts receivable	5 355 443
Other receivables	21 563 971
Fixed assets	81 550 629
Addition to fixed assets	30 264 316
Accruals for taxes in Italy	-4 281 629
Other current payables	-23 904 077
Long-term debt	-70 382 414
Long-term liabilities	-5 140 909
Change in deferred tax liability	-9 502 995
Total identifiable net assets at fair value	**42 992 777**
Goodwill	0
Total net assets at fair value	**42 992 777**
Cash	42 367 777
Deferred payment (assumption to reflect that the Acquisition occurred on 30 September 2013)	4 000 000
Contingent consideration, electricity price adjustment	-3 375 000
Total consideration	**42 992 777**
Cash paid	-42 367 777
Cash in acquired entities	7 965 611
Net cash flow on acquisition	**-34 402 166**

Note 4A Acquisition costs
The Company estimates that direct expenses related to the Acquisition will be approximately EUR 1.5 million and has been expensed in the pro forma income statements and reduced cash and other equity in the pro forma balance sheet. In the calculation of the SPM financial participation mechanism, these costs are added back to pre-tax profit and allocated over the 20 year lifespan of the acquired assets in accordance with the Management Agreement.
Note 4B Purchase price allocation
4B.1: The total consideration for the Acquisition of the Target Companies have been set at EUR 43.0 million based on the Company's best estimate for the adjustments of the purchase price according to the price adjustment mechanisms in the SPA, to be measured based on the 2014 figures of the Target Companies. In addition to the total consideration EAM will pay the Earn-out amount of EUR 3.375 million to an escrow agent. Based on the current market price for electricity in Italy, the Earn-out amount is expected to be repaid in full in 2015. The combined book value of equity in the Target Companies as of 30 September 2013 was EUR 22.3 million, resulting in an excess value of EUR 20.8 million.

The excess value has been allocated according to a preliminary purchase price allocation. The preliminary purchase price allocation has allocated EUR 30.3 million to fixed assets, since the solar power plants are the main sources of value for the Target Companies. The deferred tax liability associated with the excess value allocated to other intangible assets equals EUR 9.5 million, based on a nominal Italian corporate tax rate of 31.4% of the total allocated amount. This adjustment will have continuing impact.

4B.2: The deferred tax assets of EUR 1.9 million have been netted against the deferred tax liabilities, as it is expected that taxes can be offset between the Italian companies. This adjustment will have continuing impact.

4B.3: Excess value allocated to other intangible assets is amortized linear over the remaining life of the assets, estimated to be seventeen years and nine months. The full-year amortization effect in 2012 is estimated to EUR

1,705 thousand, and the nine month effect in 2013 is estimated to be EUR 1,279 thousand. Pro-forma adjustments have been made accordingly for the line item depreciation, amortization and write downs in the unaudited pro forma condensed statements of comprehensive income for 2012 and the nine months ended 2013. This adjustment will have continuing impact.

4B.4: The equity of the acquired companies has been nulled as part of the acquisition, reducing the issued capital by 60 thousand and other equity by EUR 22.2 million. Including the expenses related to the Acquisition of EUR 1.5 million, as explained in Note 4A, other equity is reduced by EUR 23.7 million in the pro-forma adjustments. This adjustment will not have continuing impact.

Note 4C IFRS adjustment - Negative financial income reclassified to financial costs
For two of the Target SPVs, ESN 4 and ESSP, the IFRS data pack received from the Seller, interest expenses have been erroneously classified as financial income in 2012. An adjustment has been made to correct this. This adjustment will not have continuing impact.

Note 4D Earn-out adjustment and deferred payment
4D.1: As described in section 5.2 of this Prospectus, EUR 3.375 million of the Purchase Price will be deposited in an escrow account. Based on the current market price in Italy and its estimates for 2014, the Company expects the entire Earn-out amount to be repaid to the Company in 2015. The Earn-out amount of EUR 3.375 million will be paid in cash in relation to the closing of the Acquisition, but has been recognized as a receivable in the pro-forma figures. Thus, as described in note 4B, the initial cash is expected to be approximately 46.4 million, but the actual purchase price based on the Company's current best estimates will be EUR 43.0 million. This adjustment will have continuing impact.

4D.2: The Acquisition is partly financed by the positive cash-flow from operations in the fourth quarter 2013 and first quarter 2014. If the Acquisition had occurred on 30 September 2013, the Company would not have had the necessary cash to pay the entire cash outlay upfront. An estimated amount of EUR 4.0 million has thus been assumed as a deferred payment to the Seller.

Note 4E Financing of the Acquisition
4E.1: By the issuance of 2,750,000 New Shares in the Private Placement, each with a par value of NOK 10 and a subscription price of NOK 80.00, the share capital is increased by EUR 3.4 million and the share premium by EUR 22.6 million (after deduction of the EUR 1.1 million in expenses related to the Private Placement), based on the exchange rate as of 30 September 2013. The proceeds from the equity offering have been translated from NOK to EUR based on a NOK/EUR foreign exchange rate as of 30 September 2013 of 8.114.

4E.2: The Committed Credit Facility of NOK 50 million obtained in connection with the final results of the Private Placement, increases short-term loans by EUR 6.0 million, based on a NOK/EUR foreign exchange rate as of 30 September 2013 of 8.114 and the guaranteed commission of 2.0%. Based on the interest rate of 6%, interest expenses has been increased by EUR 393 thousand and EUR 288 thousand for 2012 and the nine months ended 30 September 2013, respectively. The estimated interest expenses has been calculated based on average NOK/EUR foreign exchange rates of 7.476 and 7.656 for the same two periods, respectively. For more information about the Committed Credit Facility, see section 16.3.2.

4F: The net pro-forma effect on cash and cash equivalent is EUR 11.8 million, based on the following items:
- Net proceeds from the Private Placement of EUR 26.0 million
- Net proceeds from the Committed Credit Facility of EUR 6.0 million
- Initial cash outlay to Seller of EUR 42.4 million (based on EUR 4.0 million deferred payment)
- Acquisition costs of EUR 1.5 million

4G: Due to lack of available information from the Seller as of the date of this prospectus, the Company has not been able to estimate the movements on cash flow hedges related to interest-rate swaps as of 30 September 2013. However, based on the information received as of the date of this Prospectus, the Company expects that the liabilities related to these hedging derivatives have been reduced during the first nine months 2013. For more information about the interest-rate swaps of the Target Companies, see section 12.7.

9.5 Unaudited financial information for the Acquisition of the Target Companies

9.5.1 Statements of comprehensive income information for the Target Companies

<u>The nine months ended 30 September 2013</u>

All figures in EUR thousand	ESN 4 9M 2013 IFRS Unaudited	ESGP 9M 2013 IFRS Unaudited	ESGI 9M 2013 IFRS Unaudited	ESSP 9M 2013 IFRS Unaudited	ENS 1 9M 2013 IFRS Unaudited	AGI 9M 2013 IFRS Unaudited	Target Companies 9M 2013 IFRS Unaudited
Revenue	4 211	3 248	1 390	2 300	1 677	385	13 211
Total revenue	**4 211**	**3 248**	**1 390**	**2 300**	**1 677**	**385**	**13 211**
Cost of operations	-623	-186	-108	-259	-315	-50	-1 539
Sales, general and administration expenses	-242	-152	-81	-160	-79	-21	-735
Acquisition and financing costs	0	0	0	0	0	0	0
EBITDA	**3 346**	**2 910**	**1 202**	**1 881**	**1 283**	**314**	**10 937**
Depreciation, amortizations and write downs	-1 254	-765	-397	-651	-570	-110	-3 746
Gain on bargain purchase	0	0	0	0	0	0	0
EBIT	**2 092**	**2 145**	**805**	**1 231**	**713**	**204**	**7 190**
Finance income	0	31	18	21	2	0	72
Finance costs	-1 290	-574	-318	-625	-244	-31	-3 081
Profit before tax	802	1 603	506	626	471	173	4 181
Income tax gain/(expense)	-302	-551	-192	-237	-188	-83	-1 554
Profit after tax	**500**	**1 052**	**313**	**389**	**284**	**90**	**2 628**
Other comprehensive income							
Movement on cash flow hedges	0	0	0	0	0	0	0
Deferred tax impact	0	0	0	0	0	0	0
Other comprehensive income for the year, net of tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the year	**500**	**1 052**	**313**	**389**	**284**	**90**	**2 628**

2012

All figures in EUR thousand	ESN 4 2012 IFRS Unaudited	ESGP 2012 IFRS Unaudited	ESGI 2012 IFRS Unaudited	ESSP 2012 IFRS Unaudited	ENS 1 2012 IFRS Unaudited	AGI 2012 IFRS Unaudited	Target Companies 2012 IFRS Unaudited
Revenue	5 279	4 498	1 818	2 564	2 145	196	16 500
Total revenue	**5 279**	**4 498**	**1 818**	**2 564**	**2 145**	**196**	**16 500**
Cost of operations	-99	-128	-59	-308	-136	-8	-738
Sales, general and administration expenses	-655	-356	-176	-187	-255	-6	-1 635
Acquisition and financing costs	0	0	0	0	0	0	0
EBITDA	**4 524**	**4 013**	**1 584**	**2 069**	**1 754**	**182**	**14 127**
Depreciation, amortizations and write downs	-1 659	-1 162	-523	-845	-753	-111	-5 053
Gain on bargain purchase	0	0	0	0	0	0	0
EBIT	**2 866**	**2 851**	**1 060**	**1 224**	**1 001**	**72**	**9 074**
Finance income	-1 640	2	5	-873	2	0	-2 504
Finance costs	0	-847	-395	1	-419	-22	-1 683
Profit before tax	1 226	2 006	669	353	584	49	4 888
Income tax gain/(expense)	-606	-773	-233	-177	-219	-16	-2 024
Profit after tax	**621**	**1 232**	**436**	**176**	**365**	**33**	**2 864**
Other comprehensive income							
Movements on cash flow hedges	0	0	0	-713	0	0	-713
Deferred tax impact	0	0	0	196	0	0	196
Other comprehensive income for the year, net of tax	**0**	**0**	**0**	**-517**	**0**	**0**	**-517**
Total comprehensive income for the year	**621**	**1 232**	**436**	**-341**	**365**	**33**	**2 347**

9.5.2 Balance sheet information for the Target Companies

As of 30 September 2013

All figures in EUR thousand	ESN 4 30.09.2013 IFRS Unaudited	ESGP 30.09.201 IFRS Unaudited	ESGI 30.09.2013 IFRS Unaudited	ESSP 30.09.2013 IFRS Unaudited	ENS 1 30.09.2013 IFRS Unaudited	AGI 30.09.2013 IFRS Unaudited	Target Companies 30.09.2013 IFRS Unaudited
ASSETS							
Deferred taxes	1 906	0	0	0	0	0	1 906
Land rights	319	264	132	0	318	0	1 034
Other intangible assets	4 540	82	0	-17	1 558	0	6 163
Intangible assets	**6 765**	**346**	**132**	**-17**	**1 876**	**0**	**9 103**
Property, plant and equipment	25 634	17 972	9 216	15 041	11 198	2 490	81 551
Other long-term assets	0	0	0	0	0	0	0
Tangible non-current assets	**25 634**	**17 972**	**9 216**	**15 041**	**11 198**	**2 490**	**81 551**
Receivables	7 616	2 953	1 169	2 073	2 339	508	16 659
Other current assets	557	2 211	1 457	569	294	9	5 097
Cash and short-term deposits	363	1 341	400	4 845	968	48	7 966
Current assets	**8 537**	**6 506**	**3 027**	**7 487**	**3 601**	**564**	**29 722**
TOTAL ASSETS	**40 936**	**24 825**	**12 375**	**22 512**	**16 675**	**3 054**	**120 376**
EQUITY							
Issued capital	10	10	10	10	10	10	60
Share premium	0	0	0	0	0	0	0
Paid-in capital	**10**	**10**	**10**	**10**	**10**	**10**	**60**
Translation differences	0	0	0	0	0	0	0
Other equity	6 490	5 640	2 729	3 148	3 460	704	22 171
Total other equity	**6 490**	**5 640**	**2 729**	**3 148**	**3 460**	**704**	**22 171**
Total equity	**6 500**	**5 650**	**2 739**	**3 178**	**3 470**	**714**	**22 231**
LIABILITIES							
Long-term loans and borrowings	26 429	15 801	8 140	13 080	6 530	0	69 981
Derivative financial instruments	2 485	0	0	1 763	360	0	4 608
Deferred tax liability	0	0	0	0	0	0	0
Other non-current liabilities	86	94	83	27	237	6	533
Total non-current liabilities	**28 999**	**15 895**	**8 223**	**14 870**	**7 128**	**6**	**75 122**
Trade payables	590	1 882	798	3 530	3 080	1 386	11 267
Income tax payable	281	598	183	250	129	55	1 498
Short-term loan – interest bearing	3 492	0	0	702	2 415	865	7 474
Other current liabilities	1 073	799	432	0	452	28	2 784
Total current liabilities	**5 436**	**3 280**	**1 413**	**4 483**	**6 076**	**2 334**	**23 022**
Total liabilities	**34 436**	**19 175**	**9 636**	**19 353**	**13 204**	**2 340**	**98 144**
TOTAL EQUITY AND LIABILITIES	**40 936**	**24 825**	**12 375**	**22 532**	**16 675**	**3 054**	**120 376**

10. MARKET OVERVIEW

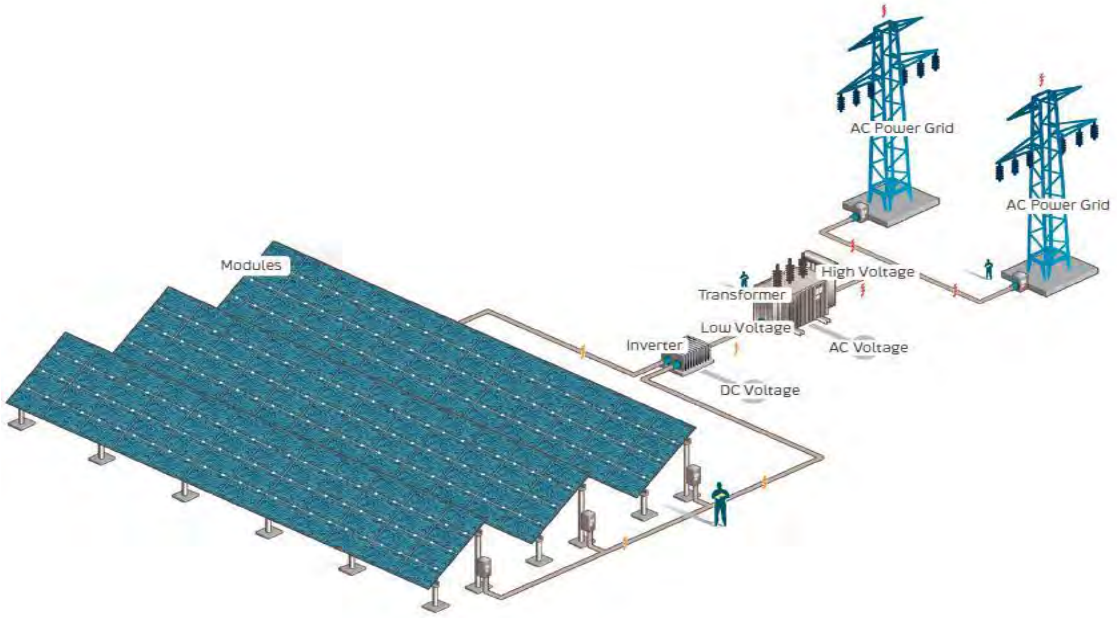
The information in this Section includes information from third-party sources. The information has been accurately reproduced as far as the Company is aware of and no facts have been omitted which would render the reproduced information inaccurate or misleading.

10.1 Investing in a photovoltaic power plant

10.1.1 Characteristics of photovoltaic power plants

The following figure illustrates the main components of a photovoltaic (**"PV"**) power plant, commonly referred to as a solar power plant.

Figure 10: Main components of a PV power plant (rights reserved).



Source: The Company

A solar power plant consists of PV modules, which are connected in parallel and/or series into "strings". Several strings are combined and connected to an inverter that maximises the power production at any given time, and converts the DC power from the modules to AC power. Each power plant will a have a specific inverter configuration, but inverters with a capacity of about 1 MWp are common. To reach the necessary voltage and power quality, the power from the inverters goes through a transformer station before the grid connection.

Solar power plants contain few moving parts, except for secondary systems such as cooling fans and mechanical switches. Solar tracking mechanisms, where the modules follow the sun across the sky are mechanically more complex than fixed PV modules, but the modest increase in O&M cost is well compensated by higher power production (yield).

The solar power plant itself comprises a monitoring system that observes the performance of all main components, and an integrated remote operating system where components and subsystems can be controlled according to the status of the plant.

A solar power plant also comprises a perimeter fence, admission gates, internal roads and various site-specific civil works, as well as a security surveillance system including sensors, alarms and close circuit TV (CCTV) cameras.

10.1.2 PV power plant development, construction and operation

The development of a PV power plant project consists of two integrated processes; the legal authorisation process, and the technical planning and construction process. After these two processes are completed, the PV power plant enters into the operational phase of its life cycle.

10.1.3 Regulatory framework and support systems in Europe

The regulatory framework in Europe consists of a wide range of laws, decrees and provisions, on both national and regional levels, driven by the countries response to the renewable energy obligation within the European Union. Each country has defined a target installed capacity.

Country specific programmes define the criteria each PV power plant must meet in order to be eligible for a particular Feed-in Tariff rate. As targets are being met sooner than expected, tariffs are reduced or withdrawn for new projects; forcing the PV industry to find solutions based on commercial and not subsidised business models.

10.1.4 Revenue components

The operating revenue from a solar power plant is a function of produced volume (electricity) and the achieved selling price per kWh.

Selling Price

The selling price for the electricity produced by an Italian PV plant normally consists of two components; (i) the Feed-in Tariff ("**FiT**"), and (ii) the market price.

(i) Feed-in Tariff

The FiT is managed by a governmental agency, e.g. Gestore Servizi Energetici ("**GSE**") in Italy or Bundesnetzagentyr in Germany, and is a fixed, nominal fee per kWh for all energy produced over the 20 years contract period.

(ii) Market price

In Italy PV plant owners can sell the electricity produced to GSE through the standard contract "Ritiro Dedicato" ("**RiD**", dedicated off-take regime) at a guaranteed price. For power plants below 1 MWp installed power, the RiD contract has a minimum price guarantee. The minimum price is defined by the authorities in the beginning of each year. Every hour the market price is below the minimum price, the minimum price prevails. The minimum price is not considered to be a subsidy, but a risk levelling mechanism. The minimum price should therefore follow the projected average market price. For power plants larger than 1 MWp there is no minimum price guarantee. In addition to the GSE standard contracts, the SPP owner can sell its power production volume in the marketplace.

In 2012, AEEG provided new requirements to be met by renewable energy producers in order to promote better forecasting of the electricity injected into the grid, and to avoid the cost of missing forecasts to be paid only by the consumers. Due to the regulatory change, all power producers are required to participate in the Energy Imbalance Market from 1 January 2013. This means that for each power plant the planned production for each hour of the next market day must be submitted to the power exchange (IPEX).

As an illustration for a solar power plant, when the weather forecast for the relevant day "is partly cloudy" one would typically submit a slightly reduced production plan for each solar irradiation hour. However, in reality when the day appears, some hours will have clear skies and full production, while other hours will be cloudy with significantly reduced production. It may happen that the power plant therefore produces a different volume in each hour than it submitted to the market place (the power exchange). Depending on the physical power balance (over/under production) in the market, the power plant will receive an increase / decrease in the power price if the power plant produces less/more, respectively, than submitted.

The new rules came into force on 1st January 2013 and where revised in Q3 2013. Generally, any deviation larger than 20% of the nominated energy dispatch will be subject to imbalance fees.

As a consequence of the above mentioned legislative change, the GSE has determined that any revenue/expense resulting from the new imbalance regime, shall be allocated to the PV plants which benefit from the dedicated off-take regime. In addition, the GSE shall charge administrative costs for managing the imbalances.

Market experience per November 2013 indicates that the actual imbalance risk is relatively minor. The cost is predominantly due to administration. Imbalance fees seem to have a minor impact.

In addition to the Feed-in Tariff received for all energy produced, the Company is currently selling most of its power production through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader.

Production volume
The volume of power production in a solar power plant is a function of

1. Solar irradiation (W/m2)
2. Installed capacity of the plant (MWp)
3. The Performance Ratio ("**PR**") of the plant (Efficiency of the power plant in %)

Estimates for the *solar irradiation* figures can be found using dedicated databases, such as PV-GIS, on-site measurements or triangulations of various sources. In some cases, a time series of on-site measurement data exists. Various solar irradiation estimates, even from high quality sources, may differ significantly and the Company follows the industry practice to use selections of meteorological data close to the average of existing data sets.

The *installed capacity* is derived from the number of and types of modules and other equipment installed in the solar power plant. These figures are again adjusted for various efficiency losses to give an approximation of the true capacity of the power plant over time:

1. Degradation of the modules
2. Performance Ratio i.e. inherent system losses
3. Availability rate – the proportion of time the power plant is available to deliver electricity on the grid

The Performance Ratio describes the efficiency of the power plant, i.e. how much of the power production capacity in the solar cell which is delivered at the grid, after accounting for shadows, cell and module inefficiencies, cable losses, inverter and transformer losses, and some other loss phenomena. An average annual PR in the range of 75-85% is typical, depending on the definition of PR that is applied, and the design and location of the power plant.

Risk & hedge
The risk elements of the revenue side are mainly related to

- Production (and efficiency) loss
- Administrative problems

Production loss will result in revenue loss. This may occur if the solar power plant remains disconnected from the grid longer than necessary, for example when temporarily disconnected by the grid operator in periods of high system loads. Alternatively, production loss may occur as a result of system failure or accident, for example due to lightning, fire, equipment failure or other incidents.

Administrative problems such as bureaucratic lags and delays, discrepancy in communication and requirement between the different public offices resulting in e.g. missing stamps/approvals, notarised versions, or other, will in most cases not incur revenue loss, but more likely in a delayed cash flow which again leads to indirect costs.

Revenue loss resulting from production loss can be, wholly or partially, compensated for by insurance and guarantees from the contractors, as well as mitigated by comprehensive risk management systems and excellence in operations.

Fluctuation and uncertainty in future power prices can be offset by entering into long-term power purchase agreements with fixed prices. The Company will consider such power sales alternatives if it is deemed beneficial for reducing the revenue risk.

10.1.5 Costs

The following list comprises the main operating cost elements for a solar power plant:

- General maintenance
- Land rent
- Insurance premium
- Security and surveillance
- Auxiliary power and data communication
- Administrative cost
- Depreciation
- Tax

These elements are described in more details below.

Maintenance
According to the EAM Solar business plan, third party technical O&M partners will be contracted for the technical maintenance and operation. This service is currently available at an annual cost of EUR 20,000-35,000 per MWp of installed capacity.

These costs are likely to be reduced in the future based on the following cost reduction drivers:
1. Increased degree of in-sourcing of operations and maintenance activities
2. Increased volume and economies of scale
3. Increased competition
4. Higher quality of service

EAM Solar has observed a growth in the number of suppliers of O&M services, as well as an increased focus on the quality of service, driven by the demands of more professional PV power plant owners.

Land rent
There are three different titles to holding land; ownership, rent/lease, and "surface rights" (Diritto Superficie).

Should the Company purchase land, the expenditure will be capitalised and not expensed.

Lease agreements may entail an upfront payment, which will be accrued over the lease period, and may also entail a yearly fee that is either fixed in nominal terms or inflation adjusted. There are large variations in pricing levels and price structures in Italy. The duration of lease agreements are typically 20-25 years, frequently with an option to extend.

Insurance
Various types of insurance coverage are available:
- Property damage
- Business interruption
- Product warranty

Property insurance for solar power plants is typically priced at 1.5-2.5 ‰ of insurance value (replacement cost).

Typical coverage is:
- Fire
- Theft
- Weather or nature forces, such as wind, hail, lightning, frost, snow load etc.

Property Damage and Business interruption coverage is typically priced at 1.5-2.5‰ of total insurance sum, i.e. replacement values for assets plus gross profit and fixed cost, business interruption value depending on the chosen indemnity period for this coverage. Insurance premiums also depend on level of deductible and waiting period for business interruption (normally 7-14 days).

Other coverage is possible and will be evaluated, such as supplier guarantees and performance bonds.

The Company intends to insure its PV power plants in accordance with what is required by lending institutions and what the Company deems to yield an optimal balance between risks and costs.

Security and surveillance costs
All equipment and installations are capital expenditure. Operation of continuous surveillance of the installations is expected to cost approximately EUR 5,000 per MWp installed.

Administrative costs
The Company plans to initially outsource administrative and accounting services for the Italian solar power plant SPVs until critical mass is reached. The outsourcing of administrative services such as accounting and financial reporting (internally and externally), board secretarial work, etc. (excluding audit services) is expected to cost approximately EUR 25,000 per year per solar power plant SPV. In addition, commercial management (Authority and third party relations, contract management, production planning and reporting, GSE follow-up, technical management of plant improvements etc.) is approximately 25 000 EUR per SPV.

Auditing services are expected to cost around EUR 5,000 per solar power plant SPV.

Overall, EAM Solar expects operating expenditure to be relatively stable and predictable.

Other operating costs
Reclaiming VAT for the initial capital goods outlay (mainly construction capital expenditures) may be done according to two different approaches, and the SPV must choose which approach to use.

Due to the time consuming process of reclaiming VAT, the Company expects higher working capital requirements during the first years of operation.

The Company expects VAT refund on initial capital expenditure to take between two to four years to be recovered. In addition, there will be costs incurred for providing a five-year bank guarantee required by Italian tax authorities in case of misreporting. The Italian tax authorities require the bank guarantee as an insurance against fraud or misreporting (e.g. reporting inflated figures for VAT refund).

Depreciation
The power plant and most capital goods/production equipment are depreciated linearly over 20 years. This is within the requirements for tax depreciation (maximum 9% p.a.).

Other system equipment, such as inverters, will have a shorter expected life time and will be depreciated linearly over 8 years or according to expected economic life at the time of purchase.

10.1.6 Solar plant cash-flow and IRR profile

As described in the sections above the high degree of predictability in revenue and operating cost make the variations in the cash flow from these power plants from year to year over their 20 years life-cycle low. The single most important variable in terms of IRR sensitivity is the electricity volume, under the assumption that interest rates are fixed. If the Company should be unable to fix the interest rate for future projects, changes in the interest rate will also have significant impact.

10.2 The photovoltaic energy market

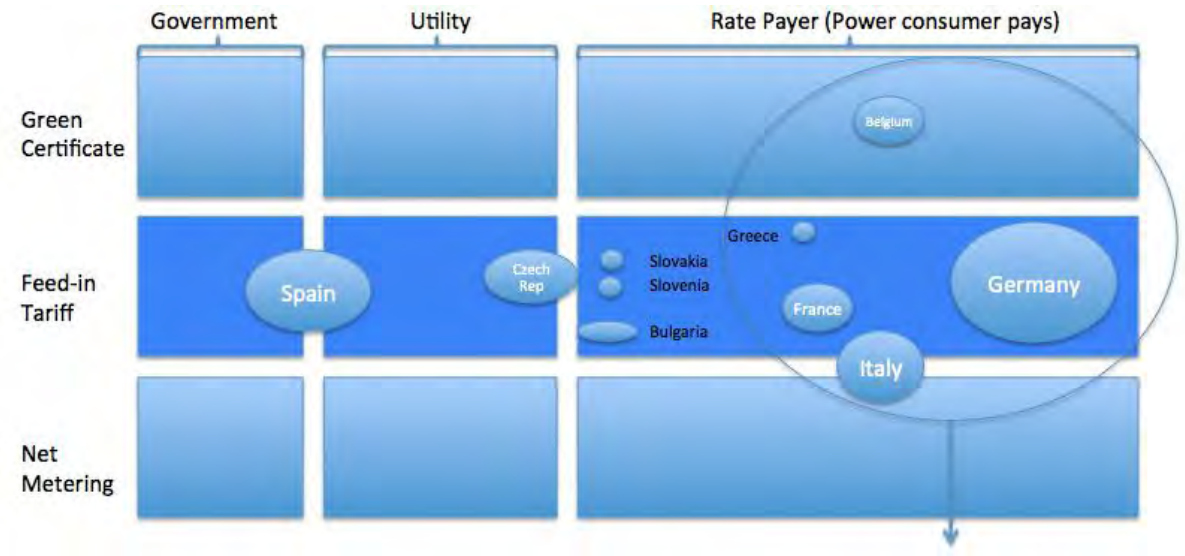
*The main source of this section is the European Photovoltaic Industry Association ("**EPIA**") and its report "Global Market Outlook for Photovoltaics 2013-2017" if not otherwise indicated in the text. The report was published in May 2013. The information has been accurately reproduced as far as EAM Solar is aware and is able to ascertain from information published by EPIA, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

10.2.1 Policy drivers and incentives

The political motivation for promoting new renewable power technologies with different types of incentives is quite strong in many developed economies. The objective is a combination of improving long-term security of supply, support independent power producers to challenge the incumbent monopolist/oligopolists, create technology-based industry clusters, and finally reduce the climate and environmental impact of energy production.

Solar power policies are most frequently based on Feed-in Tariff regimes. This is a power purchase agreement between the power plant owner and an official state/federal agency. The FiT is a state-guaranteed fixed-price power off-take agreement with typical duration 20-25 years. As the figure below shows, governments have chosen different ways to fund the subsidy schemes. Policy regimes where the power consumer fund the subsidies over the utility invoice (right side of table) have proven to be more robust against political risks, particularly against retroactive subsidy cuts and tax changes for power plants in operation.

Figure 11: Overview of European FiT schemes for PV power plants



Source: The Company

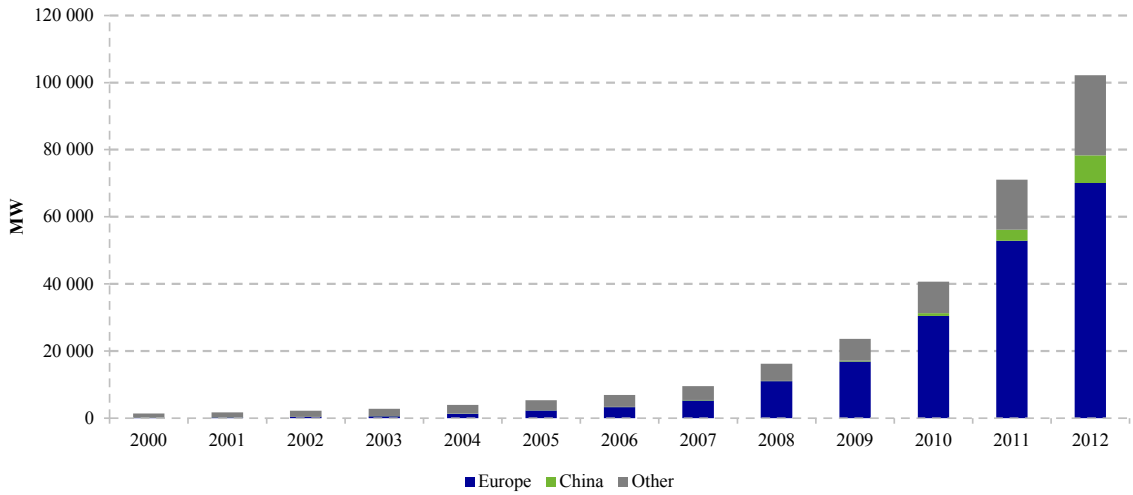
Solar power subsidies are not meant to be permanent, but are designed to support the industry in an interim period until PV power becomes cost competitive on a stand-alone basis. The entire industry, upstream and downstream, is focused on cost cutting and improved competitiveness.

Steadily decreasing subsidies, coupled with a rapid capacity expansion among PV equipment companies have led to a fierce competition to drive down the cost of PV modules, and in some markets solar PV electricity is now getting close to "grid parity", i.e. when solar power is cost competitive with power from the utility grid for household and business customers.

10.2.2 Historical development

Solar power from photovoltaic technology is a relatively new commercial technology, but has already established itself as the third largest renewable power source (in terms of global installed capacity) – after hydro and wind power. According to EPIA, PV currently produces 2.6% of the demand in the EU.

Figure 12: Global cumulative PV capacity by MWp

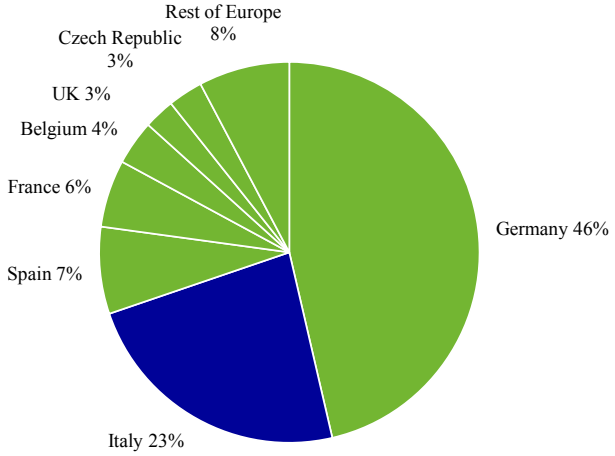


Source: EPIA

Historically, the global growth has been driven by the incentive schemes in a few countries. Germany and Italy are the largest solar energy markets in the world, accounting together for more than half of installed global capacity. Other markets in Europe, Asia and Oceania have over the past few years also established subsidies to

incentivise the implementation of solar power plants, and the market is developing to be more diversified and less dependent on Germany and Italy to drive the growth.

Figure 13: European market split as of 2012 by cumulative installed capacity (MWp)



Source: EPIA

The strong growth rate of PV installations is a result of cost reductions through economies of scale, and the international solar power industry rapidly adapting to changes in national policies. Compared to other energy technologies, PV power has a very short time-to-market in terms of equipment manufacturing, project development, installation and commissioning. The result is strong competition, steady cost reductions, and fast market penetrations.

Forward estimates of the market growth vary widely, but on average indicate a continued strong growth rate.

10.3 The Italian PV market

10.3.1 Policy targets and incentives

The growth and size of the Italian market was relatively slow until several administrative and legal issues were solved in the period from 2007 to 2009, leading to a significant increase in the capacity of project development and EPC suppliers.

In their National Renewable Energy Action Plan ("**NREAP**") of 2009, Italy targeted 8 GW of total installed PV capacity by 2020. According to EPIA, added 9.2 GW installed capacity in 2011 alone – reaching nearly 13 GW of total installed capacity. As per November 2013, the total installed capacity is 17.5 GW according to GSE. The rapid growth in installations and the cost of PV modules have led to an accelerated reduction in new Feed-in Tariffs.

10.3.2 Regulatory framework

The regulatory framework consists of a wide range of laws, decrees, and provisions on both national and regional levels. The national legal framework is based on article 12 of Legislative Decree 387 of 29 December 2003 and on Legislative Decree 28/2011, both adopted on the basis of EU Directive 2009/28/EU.

<u>Conto Energia</u>
The criteria each PV power plant must meet in order to be eligible for a particular Feed-in Tariff rate are defined by the following decrees issued by the Minister for Economic, commonly known as Conto Energia ("**CE**").

- CE 1 (DM 28/07/2005 and DM 06/02/2006)
- CE 2 (DM 19/02/2007)
- CE 3 (DM 06/08/2010)
- CE 4 (DM 05/05/2011)
- CE 5 (DM 05/07/2012)

CE 5 is expected to be the last CE approved in Italy.

Revenue structure Conto Energia 1-4	Revenue structure Conto Energia 5	Comments
Feed-in tariff: FiT fixed nominal compensation per produced kWh for 20 years from the day of start-up. Depending on the size of the power plant, date of start-up and various qualitative parameters (i.e. roof or ground mounted, technology variations, production location for modules Europe/non-Europe), the FiT varies from power plant to power plant. The nominal FiT tariff cannot change during the 20 year period it applies to the power plant.	Feed-in tariff: FiT fixed nominal compensation per produced kWh for 20 years from the day of start-up. Depending of the size of the power plant, date of start-up and various qualitative parameters (i.e. roof or ground mounted, technology variations, production location for modules Europe/non-Europe) the FiT varies from power plant to power plant. The nominal FiT tariff cannot change during the 20 year period it applies to the power plant.	The level of the FiT compensation has generally decreased from the older CE to the latest CE. The decrease in FiT from CE to CE does not affect the FiT tariff given to any particular power plant. The tariff is not subject to subsequent tariff changes.
Market exposure: In addition to the FiT, the power plants under CE 1-4 are allowed to sell the power produced freely in the market. However, the majority of power plants sell the power on standard Ritiro Dedicato dispatch and spot price contracts offered by the GSE. From 1 January 2013 the GSE also offers imbalance market administration services (sub-mission of production plans).	Market exposure: The power plants under CE 5 will not be allowed to sell the power freely in the market GSE takes full responsibility for the power dispatch and market risk. The CE 5 power plants are not exposed to market price or imbalance market risk.	After the end of the FiT contract (20 years) the power plant will be able to continue to sell its power production in the market, if it fulfils the license requirements for continued operation.

Italy will remain the key market for the Company, independent of these changes as the Company mainly targets PV plants already grid connected (i.e. without connection and construction risk). Reducing the attractiveness of new PV plants will have little impact for module manufacturers, banks and PE funds that own large scale PV plants and seek new owners for their assets.

10.3.3 Acquisition targets in Italy

It is the opinion of the Company that opportunities in Italy will remain significant for institutional investors seeking PV exposure. Existing owners of PV plants seeking divesture could come from the following categories:

PV Module manufacturers

- Many PV manufacturers have vertically integrated downstream into developers and EPCs in order to secure sales channels for their modules. As this is highly capital intensive and upstream players both need to invest upstream and manage working capital they seek to release capital tied up in PV plants.

PE Funds

- PE funds have invested in PV plants with the objective of exiting after 3-5 years

Banks

- In some cases banks seek to sell off assets where equity is held by their clients when the client is in distress from other business areas.

Industrial players (such as EPCs)

- Similar to module manufacturers, many EPC companies have invested downstream (i.e. outside their scope) and have developed projects on their own balance sheet to gain market position in a growing market with the intent of exiting to a financial investor. In this category distressed assets are found with industry players that have been hit hard by fluctuating module prices and changing regulatory conditions.

11. CONSOLIDATED FINANCIAL INFORMATION

The Company's audited annual report for 2011 is included as Appendix 2 in this Prospectus. The Company's audited annual report for 2012 and the financial report for the nine months ended 30 September 2013 have been incorporated by reference, and may be found on the Company's website, www.eamsolar.no. For documents incorporated by reference, see section 18.3.

11.1 Statutory Auditor

Ernst & Young AS ("**EY**") has been the Company's statutory auditor since 2011. EY's address is Dronning Eufemias gate 6, Oslo Atrium, P.O. Box 20, 0051 Oslo, Norway. EY is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). The financial statements as of 31 December 2011 and 2012 were audited by EY in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway, including International Standards on Auditing, as stated in their report appearing therein. The auditor's reports were issued without qualifications. The auditor's report related to the 2011 financial statements may be found in Appendix 2 in this Prospectus, while the auditor's report related to the 2012 financial statements may be found in the annual reports published on the Company's website, www.eamsolar.no. EY has also issued a report an independent assurance report on the unaudited pro forma condensed financial information as included in Appendix 3. Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

The Company has changed its auditor twice since its incorporation. The Company was originally incorporated as a shelf company, with Kjelstrup & Wiggen AS being its registered auditors. Kjelstrup & Wiggen AS' address is Henrik Ibsens gate 20, 0255 Oslo, Norway. When the shelf company was acquired in February 2011, Bakke Hjelmaas Larsen DA was elected as the Company's auditor. Bakke Hjelmaas Larsen DA's address is Billingstasletta 19A, 1396 Billingstad. In light of the planned listing on Oslo Axess the Company subsequently came to the conclusion that it was appropriate to appoint one of the major auditing firms as auditors, following which Ernst & Young AS were elected as auditors in August 2011.

11.2 Historical financial information

The following consolidated financial information has been derived from the Company's audited consolidated financial statements as of 31 December 2011 and 2012 and from the unaudited consolidated financial statements for the nine month period ended 30 September 2013. The consolidated financial information, both audited and unaudited, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The selected financial information set forth below should be read in conjunction with the Company's published financial statements and its accompanying notes.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

11.2.1 Condensed statement of comprehensive income

The tables below sets forth the Company's audited condensed statement of comprehensive income for the years ended 31 December 2011 and 2012 and the Company's interim condensed statement of comprehensive income for the nine months ended 30 September 2013.

Figures in EUR	Q3 2013 Unaudited	Q3 2012 Unaudited	9M 2013 Unaudited	9M 2012 Unaudited	2012 Audited	2011 (5.1-31.12) Audited
Revenue	**1 130 527**	**1 084 995**	**2 612 443**	**2 632 526**	**3 106 472**	**340 075**
Cost of operations	-67 655	-63 983	-232 274	-198 693	-259 260	-25 230
Sales, general and administrative expenses	-234 473	-255 197	-688 981	-654 170	-1 133 138	-342 639
Acquisition and transaction costs	-128 765	-128 976	-517 427	-931 030	-907 671	-1 122 832
EBITDA	**699 634**	**636 839**	**1 173 761**	**848 633**	**806 403**	**-1 150 626**
Depreciation, amortizations and write downs	-295 446	-291 837	-881 861	-743 373	-1 036 269	-148 012
Gain on bargain purchase	2 422 269	0	2 430 332	2 668 237	2 668 237	0

Operating profit (EBIT)	**2 826 457**	**345 002**	**2 722 233**	**2 773 497**	**2 438 371**	**-1 298 638**
Finance income	666 321	2 927	1 998 192	4 016	4 711	86 740
Finance costs	-48 861	-657 943	-209 131	-1 356 807	-1 853 042	-128 021
Profit before tax	**3 443 917**	**-310 014**	**4 511 293**	**1 420 706**	**590 040**	**-1 339 919**
Income tax gain/(expense)	-64 450	26 888	-105 650	-60 451	-61 171	355 330
Profit after tax	**3 379 466**	**-283 126**	**4 405 643**	**1 360 255**	**528 869**	**-984 589**
Other comprehensive income						
Translation differences	-553 648	322 468	-1 960 454	756 957	812 044	236 114
Other comprehensive income for the year, net of tax	**-553 648**	**322 468**	**-1 960 454**	**756 957**	**812 044**	**236 114**
Total comprehensive income for the year	**2 825 819**	**39 342**	**2 445 189**	**2 117 212**	**1 340 913**	**-748 475**
Profit for the year attributable to:						
Equity holders of the parent company	3 379 466	-283 126	4 405 643	1 360 255	528 869	-984 589
Non-controlling interests	0	0	0	0	0	0
Equity holders of the parent company	**3 379 466**	**-283 126**	**4 405 643**	**1 360 255**	**528 869**	**-984 589**
Total comprehensive income attributable to:						
Equity holders of the parent company	2 825 819	39 342	2 445 189	2 117 212	1 340 913	-748 475
Non-controlling interests	0	0	0	0	0	0
Equity holders of the parent company	**2 825 819**	**39 342**	**2 445 189**	**2 117 212**	**1 340 913**	**-748 475**
Earnings per share						
- Basic	1.46	-0.24	2.26	1.13	0.44	-1.15
- Diluted	1.46	-0.24	2.26	1.13	0.44	-1.15

Source: Annual report 2011 and 2012 and Q3 2013 report.

11.2.2 Consolidated condensed statement of financial position

The table below sets forth the Company's consolidated condensed statement of financial position as of 31 December 2011, 31 December 2012 and 30 September 2013.

Figures in EUR	**30.09.2013 Unaudited**	**31.12.2012 Audited**	**31.12.2011 Audited**
ASSETS			
Property, plant and equipment	24 115 653	19 533 095	6 563 352
Other long-term assets	350 311	338 210	355 330
Non-current assets	**24 465 965**	**19 871 305**	**6 918 682**
Receivables	1 942 242	950 882	429 266
Other current assets	180 582	598 551	209 770
Cash and short term deposits	4 102 078	713 730	8 000 351
Current assets	**6 224 902**	**2 263 163**	**8 639 387**
TOTAL ASSETS	**30 690 867**	**22 134 468**	**15 558 069**
EQUITY			
Issued capital	2 859 256	1 523 423	1 523 423
Share premium	0	13 400 695	13 400 695
Paid-in capital	**2 859 256**	**14 924 118**	**14 924 118**
Translation differences	350 311	1 048 158	236 114
Other equity	26 494 729	-455 720	-984 589
Total other equity	**29 704 296**	**592 438**	**-748 475**
Total equity	**29 704 296**	**15 516 556**	**14 175 643**

LIABILITIES			
Trade payables	814 273	1 004 610	590 729
Income tax payable	172 298	164 106	175 591
Short term loan – interest bearing	0	5 420 265	0
Other current liabilities	0	28 931	616 106
Total current liabilities	**986 571**	**6 617 912**	**1 382 426**
Total liabilities	**986 571**	**6 617 912**	**1 382 426**
TOTAL EQUITY AND LIABILITIES	**30 690 867**	**22 134 468**	**15 558 069**
Equity ratio	96.8%	70.1%	91.1%

Source: Annual report 2011 and 2012 and Q3-2013 report.

11.2.3 Consolidated condensed cash flow statement

The table below sets forth the Company's audited consolidated cash flow statement for the year ended 31 December 2011 and 2012 and the Company's consolidated condensed cash flow statement for the nine months ended 30 September 2013.

Figures in EUR	**Q3 2013 Unaudited**	**Q3 2012 Unaudited**	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Ordinary profit before tax	**3 443 917**	**-310 014**	**4 511 293**	**1 420 706**	**590 040**	**-1 339 919**
Paid income taxes	-16 078	0	-130 672	0	-727 658	0
Depreciation	295 446	291 837	881 861	743 373	1 036 269	148 012
Gain on bargain purchase	-2 422 269	0	-2 430 332	-2 668 237	-2 668 237	0
Change in trade receivables and trade payable	-600 556	242 440	-1 181 697	-1 355 241	130 944	861 238
Changes in other accruals	542 245	-324 523	397 230	-642 314	-390 824	188 526
Cash flow from operations	**1 242 706**	**-100 260**	**2 047 683**	**-2 501 713**	**-2 029 466**	**-142 143**
Purchase of property, plant and equipment	0	0	-66 240	0	-73 685	0
Acquisition of subsidiary, net of cash acquired	-3 518 720	0	-3 518 720	-10 985 916	-11 696 898	-6 933 426
Net cash flow used in investing activities	**-3 518 720**	**0**	**-3 584 960**	**-10 985 916**	**-11 770 583**	**-6 933 426**
Proceeds from issue of share capital	0	0	13 770 205	0	0	14 924 118
Dividends or shareholder distributions	-1 484 705	0	-1 484 705	0	0	0
Proceeds from new loans	0	132 533	0	6 106 249	6 106 249	0
Repayment of loans	0	0	-5 512 476	0	-685 984	0
Net cash flow from financing activities	**-1 484 705**	**132 533**	**6 773 024**	**6 106 249**	**5 420 265**	**14 924 118**
Cash and cash equivalents at beginning of period	**8 416 445**	**1 021 187**	**713 730**	**8 000 351**	**8 000 351**	**0**
Net currency translation effect	-553 648	322 468	-1 847 399	756 957	1 093 163	151 802
Net increase/(decrease) in cash and cash equivalents	-3 760 719	354 741	5 235 747	-6 624 423	-7 286 621	8 000 351
Cash and cash equivalents at end of period	**4 102 078**	**1 375 928**	**4 102 078**	**1 375 928**	**713 730**	**8 000 351**

Source: Annual report 2011 and 2012 and Q3 2013 report.

11.2.4 Consolidated condensed statement of changes in equity

The tables below set forth the Company's audited consolidated condensed statement of changes in equity for the year ended 31 December 2011.

Figures in EUR	Attributable to the equity holders of the company				
	Share capital	**Share premium fund**	**Retained earnings**	**Currency translation reserve**	**Total equity**
Equity as at 05.01.2011 (date of incorporation)	**12 838**	**0**	**0**	**0**	**12 838**
Capital decrease 14.04.2011	-12 838	0	0	0	-12 838
Capital increase 14.04.2011	1 523 423	13 710 804	0	0	15 234 227
Costs related to capital increase	0	-310 109	0	0	-310 109
Profit (loss) after tax	0	0	-984 589	0	-984 589
Other comprehensive income	0	0	0	236 114	236 114
Equity as at 31.12.2011	**1 523 422**	**13 400 695**	**-984 589**	**236 114**	**14 175 643**

Source: Annual report 2011.

The tables below set forth the Company's audited consolidated condensed statement of changes in equity for the year ended 31 December 2012.

Figures in EUR	Attributable to the equity holders of the company				
	Share capital	**Share premium fund**	**Retained earnings**	**Currency translation reserve**	**Total equity**
Equity as at 01.01.2012	**1 523 423**	**13 400 695**	**-984 589**	**236 114**	**14 175 643**
Profit (loss) after tax	0	0	528 869	0	528 869
Other comprehensive income	0	0	0	812 044	812 044
Equity as at 31.12.2012	**1 523 423**	**13 400 695**	**-455 720**	**1 048 158**	**15 516 556**

Source: Annual report 2012.

The tables below set forth the Company's unaudited consolidated condensed statement of changes in equity for the nine months ended 30 September 2013.

Figures in EUR	Attributable to the equity holders of the company				
	Share capital	**Share premium fund**	**Retained earnings**	**Currency translation reserve**	**Total equity**
Equity as at 01.01.2013	**1 523 423**	**13 400 695**	**-455 720**	**1 048 158**	**15 516 556**
Capital increase 25.03.2013	1 485 510	13 369 587	0	0	14 855 096
Costs related to capital increase	0	-1 026 588	0	0	-1 026 588
Dividends or distribution to shareholders	0	-1 484 705	0	0	-1 484 705
Profit (loss) after tax	0	0	3 379 466	0	3 379 466
Other comprehensive income	0	0	0	-487 372	-487 372
Equity as at 30.09.2013	**3 008 933**	**24 258 989**	**2 923 746**	**560 786**	**29 704 296**

Source: Q3 2013 report.

11.3 Segment information

The Company owns, through three 100% owned Italian subsidiaries, four solar power plants in Italy. The business is investing in and operating solar power plants, which have similar economic characteristics. The Company sells one uniform product, electricity. The Company monitors the business based on each individual power plant.

EAM Italy 1 S.r.l. owns the Varmo power plant, EAM Italy 2 S.r.l. the Codroipo power plant, and EAM Solar Italy 3 S.r.l. owns, through the 100% acquired company M&T Solare S.r.l., the Momo and Caltignaga power plants. EAM Solar Italy 3 S.r.l. was not reported as a separate operating segment in 2011 and 2012.

<u>EAM Solar Italy 1 S.r.l.</u>

Figures in EUR	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Revenue from external customers	824 947	972 228	1 091 419	340 075

EBITDA*	567 865	532 656	495 376	-666 867
EBIT	278 318	329 749	111 723	-814 880
Investments	48 080	739 205	30 850	6 711 364
Non-current assets	6 213 218	6 579 699	6 511 069	6 870 221

EAM Solar Italy 2 S.r.l.

Figures in EUR	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Revenue from external customers	1 777 101	1 671 910	2 015 052	0
EBITDA*	1 298 102	719 307	769 240	0
EBIT	708 028	2 847 077	2 784 861	0
Investments	44 160	11 634 542	13 975 162	0
Non-current assets	12 799 880	13 508 976	13 708 756	0

EAM Solar Italy 3 S.r.l.

Figures in EUR	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Revenue from external customers	10 395	0	n.a.	n.a.
EBITDA*	-150 931	-18 498	n.a.	n.a.
EBIT	2 277 161	0	n.a.	n.a.
Investments	3 518 720	0	n.a.	n.a.
Non-current assets	5 452 867	0	n.a.	n.a.

Other & eliminations

Figures in EUR	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Revenue from external customers	0	-11 612	1	0
EBITDA*	-541 274	-384 832	-458 213	-483 759
EBIT	-541 274	-384 832	-458 213	-483 759
Investments	10 676	-1 387 831	0	0
Non-current assets	0	-1 969	-348 520	132 764

Total

Figures in EUR	**9M 2013 Unaudited**	**9M 2012 Unaudited**	**2012 Audited**	**2011 (5.1-31.12) Audited**
Revenue from external customers	2 612 443	2 632 526	3 106 472	340 075
EBITDA*	1 173 761	848 633	806 403	-1 150 626
EBIT	2 722 233	2 773 497	2 438 371	-1 298 638
Investments	3 621 636	10 985 916	14 006 011	6 711 364
Non-current assets	24 465 965	20 089 869	19 871 305	7 002 985

*EBITDA equals EBIT (operating profit) plus depreciation, amortization and write downs less gain on bargain purchase.

Non-current assets consist of the solar park in Italy, and deferred tax asset in Italy.

11.4 Management discussion and analysis of financial condition and results of operations

11.4.1 The three and nine months ended 30 September 2013 and 2012

Revenue and production

Revenues in Q3 2013 were EUR 1.1 million, 4% above Q3 2012. Production was 4.6% higher at 2 692MWh, and sales price 0.4% higher with an average sales price of EUR 420 per MWh versus EUR 421 per MWh in Q3 2012.

Year to date revenues are 0.8% lower than last year, however, the Codroipo power plant was first included in the 2012 accounts 1 March 2012. Consequently, production in 2012 was particularly strong in the spring. Actual production the nine months ended 30 September 2013 was 12% lower than in 2012, but the achieved price so far in 2013 is approximately 1.5% higher than last year at EUR 428 per MWh resulting in revenue of EUR 2.6 million the first nine months of 2013.

Operational cost

Total operating costs the first 9 months became EUR 1.4 million, however, EUR 517 thousand was related to the IPO (EUR 386 thousand) and the M&T Solare acquisition (EUR 108 thousand).

Operational earnings

Adjusted EBITDA in Q3 2013 came in at EUR 828 thousand, an 8% improvement from last year, partly due to higher production, but also due to a slightly lower operating cost.

Net financial items

EAM Solar ASA has no debt financing in the quarter, subsequently all financial income and costs stems mainly from currency exchange rate movements between NOK and EUR. The NOK has weakened significantly from the start of the year and consequently EAM has booked net non-cash currency gain of EUR 1.9 million for the nine months ended 30 September 2013.

Gain on bargain purchase

Due to the positive difference in the book value of the assets in M&T Solare S.r.l. and the acquisition amount, EAM Solar Italy 3 S.r.l. booked a positive gain on bargain purchase of EUR 2.4 million in the third quarter. This gain was recognized in the group profit and loss statement in the quarter. The identified gain on bargain purchase is provisional and subject to revision in conjunction with the full year results for EAM Solar ASA. The Company will both review the current accounting practise of recognizing such gains and losses, as well as conduct an annual valuation that may impact the preliminary accounting valuation of the assets. The seller of M&T Solare was a German company in insolvency proceeding, thus enabling EAM Solar ASA to acquire the assets for a lower value than what normally would be the case with a willing and not forced seller.

Profit before tax and net income after tax

Reported net profit is EUR 3.4 million in the 3rd quarter. EUR 2.4 million stems from the gain on bargain purchase, i.e. the positive difference between the book value and the acquisition price of M&T Solare. Adjusted net profit in the 3rd quarter came in at EUR 488 thousand, an improvement of EUR 191 thousand or 64% year-on-year. This is mainly due to the reduction in debt and interest expense booked in 2012 on the debt financing.

Financial position

Total operating assets increased at the end of the month from EUR 19.3 million to EUR 24.1 million due to the acquisition of M&T Solare S.r.l.

The company's capacity to assume debt financing is significant and the company is actively seeking to explore this opportunity.

Cash flow

The cash flow from operations was strong in the 3rd quarter with a positive cash flow of EUR 1.2 million. With an investment of EUR 3.5 million and cash distribution to shareholders of EUR 1.48 million, net cash flow in the period was negative with EUR 4.3 million.

11.4.2 The year ended 31 December 2012

Only limited comments are provided in respect of 2011 figures, as the operations where limited.

Revenue and production

Revenue for the full year 2012 amounted to EUR 3.1 million, reflecting a reported production and external sales of 7,165 MWh of electrical power generated at the company's two solar plants in Varmo (2,571 MWh) and

Codroipo (4,595 MWh). Revenue and production from the Codroipo plant was consolidated in the Income Statement with effect from 29 February 2012 following the financial close of the Codroipo acquisition.

The acquisitions of Varmo and Codroipo power plants where conducted under a joint share purchase agreement where the cut-off date for the financial ownership for both power plants where set at the 1 September 2011. Although the acquisitions were part of one transaction, the accounting revenues from the acquired power plants are not recognized in the accounts before after the actual financial close of the acquisitions according to IFRS account regulation. The financial close for the acquisition of the Varmo SPP was 1 September 2011, while the financial close for the acquisition of the Codroipo SPP was 29 February 2012, due to a longer due diligence process than for the Varmo SPP.

Operational cost

Cost of (technical) operations amounted to EUR 259 thousand in 2012, mainly comprising operations and maintenance cost, land rent, security services and insurance. SG&A expenses amounted to EUR 1.1 million, mainly reflecting management costs and financial fees, and accounting, audit and tax advisory services.

Cost reduction measures on technical and administrative operations resulted in an estimated 25% cost reduction from the first half to the second half of 2012. Workshops have been held with contractors and subcontractors to optimise technical operation and reduce cost and operational risk, and the operations & maintenance contract and commercial service agreement have been renegotiated. At same service level prices in the contracts have been lowered by 18% and 16%, respectively. The Company has also changed accountancy service provider to reduce costs.

Cost related to acquisition and financing amounted to EUR 908 thousand for the full year 2012, of which merger and repatriation cost accounted for roughly half.

Operational earnings

EBITDA amounted to EUR 806 thousand for the full year 2012, and EUR 1.7 million adjusted for non-recurring items related to acquisition and transaction costs.

Depreciation amounted to EUR 1.0 million for the full year, whereas amortisation amounted to a positive EUR 2.6 million, including a gain related to the acquisition of the Codroipo SPP.

Both the Varmo and Codroipo plants was purchased at a lower price than the fair value of the plant assets in the acquired companies, and the difference is accounted for as a positive item under amortisation.

EBIT for the full year 2012 was thus EUR 2.4 million, including the gain related to the Codroipo acquisition.

Net financial items

Net financial items amounted to negative EUR 1.8 million for the full year 2012, primarily interest of EUR 742 thousand related to a bridge loan from the shareholders, and currency costs of EUR 1.1 million, of which EUR 1.1 million is unrealized losses.

Financial position

Total assets amounted to EUR 22.1 million per 31 December 2012. This was an increase of EUR 6.5 million during the year, mainly relating to the increase in fixed assets as a result of the consolidation of the Codroipo power plant in the first quarter 2012.

Total equity amounted to EUR 15.5 million at the end of 2012, an increase of EUR 1.3 million during the year. The equity ratio was 70.0% at the end of the year, with the decline from 91.2% at the end of 2011 explained by the part financing of investments through a bridge loan from shareholders.

Net working capital amounted to EUR 351 thousand at the end of 2012, excluding repayment of the bridge loan and the cash balance. The increase from a working capital of negative EUR 1.1 million at the end of 2011 is explained by higher activity level.

Total interest bearing short-term loan were EUR 5.4 million at the end of 2012, reflecting a bridge loan from shareholders. The bridge loan initially amounted to EUR 5.9 million with an annual interest of 13%, and was primarily taken up to finance the Codroipo acquisition. The Company has advanced the repayment of the bridge loan compared with the original repayment schedule.

Cash flow

Net cash flow from operating activities was negative EUR 2 million in 2012, primarily reflecting EBITDA adjusted for non-cash items, income tax payment of EUR 727 thousand and changes in other accruals of negative EUR 390 thousand.

Net cash flow from operating activities in 2011 and 2012 are significantly impacted by the expensing of costs related to the acquisitions of Varmo and Codroipo. In 2012 cash costs related to expensed acquisition costs and financing (bridge loan and IPO preparation) of the Company amounted to a total of EUR 1,955 million, of which EUR 907 thousand were acquisition costs, EUR 502 thousand were taxes payable in the acquired companies, and EUR 546 thousand interest costs on the Shareholder loan.

When excluding non-recurring items like acquisition costs, IPO preparations, and also interest paid on shareholder loans, the Company had a positive cash flow from operations before tax of approximately EUR 2 million in 2012. Net cash flow from investing activities was negative EUR 11.7 million in 2012, mainly relating to the acquisition of the Codroipo power plant. Net cash flow from financing activities amounted to EUR 5.4 million, which mainly reflects borrowings in the form of a bridge loan from shareholders. Cash and cash equivalents stood at EUR 714 thousand at the end of 2012, compared to EUR 8.0 million at the end of 2011.

11.4.3 The year ended 31 December 2011

Only limited comments are provided regarding the 2011 figures, as this was a start-up year for the Company, without any significant operations until the financial close of the Varmo acquisition in September 2011. The main activity of the Company prior to the financial close, was the negotiations and due diligence activities conducted in conjunction with the acquisitions of the Varmo and Codroipo SPPs. The due diligence and final negotiation phase for the Varmo and Codroipo acquisition commenced in early June 2011, and lasted until the financial close of the Codroipo SPP in February 2012.

The Group's revenues amounted to EUR 340 thousand in 2011, and represent the power production and sales of electricity from the Varmo SPP in the period from 1 September 2011 until 31 December 2011. Total comprehensive income amounted to negative EUR 748 thousand for the year including adjustments for currency movements.

Total cash flow from operating activities was negative EUR 142 thousand in 2011, and was heavily impacted by the expensing of the acquisition and transaction costs relating to the due diligence and legal cost of the Varmo and Codroipo acquisitions. Total acquisition and transaction costs amounted to EUR 1.1 million. Operating profit constituted negative EUR 1.2 million, also significantly impacted by the expensed transaction costs.

The Group's capital investments during 2011 amounted to EUR 6.9 million of which all was related to the acquisition of Cosecha Solar GmbH in Italy, however, the earlier mentioned expensed acquisition and transaction costs also included the costs related to the Codroipo acquisition (financial close in 2012) since both power plants where purchased under a joint share purchase agreement and subject to the same due diligence processes.

The Group's liquidity reserve as of 31 December 2011 amounted to EUR 8.0 million.

The Group's financial position as of 31 December 2011 was sound and adequate enough to settle short-term debt as of 31 December 2011 with the Group's most liquid assets.

Total assets at year-end amounted to EUR 15.6 million. The equity ratio was 95.9% as of 31 December 2011.

11.5 Investments

11.5.1 Historical investments

2013

On 27 September 2013, EAM Solar ASA finalized the acquisition of the Italian company M&T Solare S.r.l. for EUR 3.5 million. The purchase price was slightly below initially agreed, since findings during the due diligence gave reason for adjustments to the purchase price.

M&T Solar owns two power plants, Momo and Caltignaga, located about 5 kilometers apart in the Novara province in Northern Italy. The two power plants have similar design and size, with fixed tilt design and installed capacity of 994 kW and 992 kW, respectively.

The power plants have 20-year fixed-price contracts with GSE with a FIT of EUR 245 per MWh. In addition the electricity is sold on one-year guaranteed minimum price contracts to GSE.

EAM Solar ASA's daughter company EAM Solar Italy 3 S.r.l. has acquired 100% of the capital of M&T Solare. Assets include the power plants and the land the power plants are constructed on. The long-term assets of the company have a book value of EUR 5.4 million as of 30 September 2013.

The net assets acquired in the acquisition of M&T Solare S.r.l. were as follows:

Figures in EUR	**Fair value on acquisition**
Cash, bank & securities	149 731
Receivables	515 809
Inventories, advances to suppliers etc.	124 802
Accounts payable and accrued liabilities	-101 163
Corporate tax	-142 499
Tax withholdings, public fees, payroll tax, etc.	-6 080
Other current liabilities	**-15 359**
Deferred tax advantage	21 884
Land & buildings, offices etc.	555 720
Operational machinery	4 838 143
Total identifiable net assets at fair value	**5 940 989**
Gain on bargain purchase from the acquisition	-2 422 269
Total consideration	**3 518 720**

As part of the acquisition, the Company has identified a gain on bargain purchase of EUR 2.4, which has been recognized as a gain accounted for under amortizations in the Company's unaudited financial statements for the nine months ended 30 September 2013. The seller of M&T Solare was a German company in insolvency proceeding, thus enabling the Company to acquire the assets for a lower value than what normally would be the case with a willing and not forced seller. The identified gain on bargain purchase is provisional and subject to revision in conjunction with the full year results for the Company.

2012

On 29 February 2012, EAM Solar ASA acquired 100% of the voting shares in Sistema Solar 1 GmbH from Solon Investments GmbH for EUR 12.7 million. The acquisition was paid for in cash through the EAM Solar ASA's fully owned subsidiary EAM Solar Italy 2 S.r.l. Sistema Solar 1 GmbH was a German company with a permanent establishment in Italy and a solar plant in Italy, operating a solar power plant close to the city of Codroipo in the Friuli-Venezia Giulia region in Northern Italy.

The parties had previously entered a share purchase agreement 27 September 2011 (effective date 31 August 2011) for the same power plant, but the agreement was cancelled and renegotiated following the insolvency proceedings of Solon Investments GmbH. The total obtained discount from the original purchase price was approximately EUR 2.7 million. EAM Solar ASA has received official confirmation from the Insolvency Court in Charlottenburg, Germany, that the sale cannot be revoked by the Insolvency Administrator (Mr. Rüdiger Wienberg, Berlin - vorlaufiger insolvenzverwalter).

The Codroipo SPP covers 16.85 hectares of land and consists of 368 dual-axis tracker structures and 4,416 modules, and has an installed capacity of 3.1 MWp and an initial annual electricity production capacity of 5.2 GWh. The plant benefits from the Feed-in Tariffs granted by the Italian government to plants that meet the requirements defined in the decree of Ministry for Economic Development dated 19 February 2007, also known as Conto Energia 2. The Codroipo SPP commenced commercial production on, and has been in normal operation since, 11 May 2011.

The net assets acquired in the acquisition of Sistema Solar GmbH are as follows:

Figures in EUR	**Fair value on acquisition**
Cash and cash equivalents	1 464 084
Trade accounts receivable	284 648
Other receivables	70 670
Fixed assets	13 932 326
Accruals for taxes in Italy	-326 540
Other current payables	-45 969
Total identifiable net assets at fair value	**15 379 219**
Gain on bargain purchase from the acquisition	-2 668 237
Total consideration	**12 710 982**
Cash	12 450 000
Deferred payment	260 982
Total consideration	**12 710 982**
Cash paid	-12 450 000
Cash in acquired entities	1 464 084
Net cash flow on acquisition	**-10 985 916**

Source: Annual report 2012.

As part of the acquisition, the Company has identified a gain on bargain purchase of EUR 2.7 million for Varmo and Codroipo combined, which has been recognized as a gain accounted for under amortizations in the 2012 financial statements of the Company. The reason why the transaction resulted in a gain was the financial situation of the seller.

2011

On 31 August 2011, EAM Solar ASA acquired 100% of the voting shares in Cosecha Solar GmbH for EUR 7.5 million through its fully owned subsidiary EAM Solar Italy 1 S.r.l. The acquisition was acquired in cash. Cosecha Solar GmbH was a German company with a permanent establishment in Italy and a solar plant in Italy. Cosecha Solar GmbH has merged with EAM Solar Italy 1 S.r.l. with effective date 27 December 2011. The company runs and operates a solar plant close to the city of Varmo in the Friuli-Venezia Giulia region in Northern Italy.

The Varmo SPP covers 8 hectares of land and consists of 184 dual-axis tracker structures and 2,208 modules, and has an installed capacity of 1.5 MWp and an initial annual electricity production capacity of 2.5 GWh. The plant benefits from the Feed-in Tariffs granted by the Italian government to plants that meet the requirements defined in the decree of Ministry for Economic Development dated 19 February 2007, also known as Conto Energia 2. The Varmo SPP commenced commercial production on, and has been in normal operation since, 28 December 2010.

The purchase price allocation has been performed by the company.

The net assets acquired in the acquisition of Cosecha Solar GmbH are as follows:

Figures in EUR	**Fair value on acquisition**
Cash and cash equivalents	107 687
Trade accounts receivable	699 885
Other receivables	154 527
Fixed assets	6 711 364
Accruals for taxes in Italy	-175 591
Other current payables	-6 759
Total identifiable net assets at fair value	**7 491 113**

Cash	7 041 113
Deferred payment	450 000
Total consideration	**7 491 113**
Cash paid	-7 041 113
Cash in acquired entities*	107 687
Net cash flow on acquisition	**-6 933 426**

Source: Annual report 2011.
*) Of the EUR 107,700 in cash received, EUR 90,000 is restricted cash.

A total of EUR 464 thousand has been expensed as transaction costs as part of the acquisition.

11.5.2 Investments in progress and future investments

See Chapter 5 and 8 for more information about the Acquisition.

As of the date of this Prospectus, the Company has not committed to any other investments than the Acquisition.

11.6 Property, plant and equipment

All property, plant and equipment (including solar plants) are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognized and any gain or loss is recognized in the statement of comprehensive income.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the statement of comprehensive income as incurred, while other costs that are expected to provide future financial benefits are capitalized.

Depreciation is calculated using the straight-line method over the following useful life:

Movers, modules and cable connectors	20 years
Inverters	11 years
Control and transmission system	11 years
Other installations	20 years

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Figures in EUR	**Power plants**
2013	
Carrying value 1 January 2013	19 533 095
Additions	5 325 931
Depreciation	-743 373
Carrying value 30 September 2013	**24 115 653**
2012	
Carrying value 1 January 2012	6 563 352
Additions	14 006 012
Depreciation	-1 036 269
Carrying value 31 December 2012	**19 533 095**
2011	
Additions	6 711 364
Depreciation	-148 012
Carrying value 31 December 2011	**6 563 352**
5 January 2011 – 30 September 2013	
Carrying value 5 January 2011	0
Additions	26 043 307

Accumulated depreciations and write downs	-1 927 654
Carrying value 30 September 2013	**24 115 653**

Economic life	11-20 years
Depreciation method	Linear

The power plants have full availability to power grid and the power market. All the production from the plants is therefore sold on power purchase contracts and transported over the grid connection point into the national power market. The local grid operator is authorized to disconnect a power plant if the safe and stable operation of the grid requires adjustment of the load. The frequency of such disconnections varies from region to region, and is a check point in a technical due diligence. An estimate for grid availability can therefore be included in the investment analysis. The internal availability for the power plants is normally in the range from 98-99%.

For the four power plants, the Company has not experienced any grid disconnections, and the frequency of disconnection is estimated to be relatively low. The internal average availability of the Company's current power plants has been above 99% since takeover from the EPC contractor.

EAM Solar considers all four existing power plants to be fully utilized as of the date of this Prospectus. Based on information received from the Seller, all Target SPPs are also considered fully utilized as of the date of this Prospectus. For information about the production capacity (measured in MWp) and ownership of the solar power plants, both before and after the Acquisition, see section 7.4. All solar power plants, both the existing SPPs and the Target SPPs, will be held 100% by the Company.

Based on the information received from the Seller, none of the Target Companies have any pledges on its property, plants and equipment. The EUR 70.0 million in secured loans in the Target Companies as of 30 September 2013 is secured by pledges on the shares of the respective Target Companies, not on the single SPPs.

11.7 Significant changes in the company's financial or trading position since 30 September 2013

On 31 December 2013, the Company signed the SPA to acquire the Target Companies. For more information about the Acquisition, the Target Companies, and the Group following the Transaction, see section 5, 8 and 9.

On 17 January 2014, the Company raised NOK 220 million (approximately EUR 26.3 million) in gross proceeds through the Private Placement. For more information about the Private Placement, see chapter 6. In addition, the Company entered into an agreement with its largest shareholder, Sundt AS, for a Committed Credit Facility of NOK 50 million (at 6% interest p.a., if drawn) secured by existing solar power plants. For more information about the Committed Credit Facility, see section 16.3.2. Together with available cash resources, the Company thus has the necessary funding required to complete the Acquisition.

Except for the abovementioned, there has been no significant change in the financial or trading position of the Company since 30 September 2013.

12. CAPITAL RESOURCES

As of 30 September 2013, the Company had cash and cash equivalents of EUR 4.1 million compared to EUR 0.7 million at year-end 2012. As of 30 September 2013, the Company's cash and cash equivalents consisted solely of deposits with banks. As of 30 September 2013, the Company had no interest bearing debt, compared to a total interest bearing debt of EUR 5.4 million at year-end 2012.

On 31 December 2013, the Company signed the SPA to purchase from the Seller the entire corporate capital of all Target Companies. The Acquisition price is based on an EV of EUR 114.3 million, of which EUR 73.4 million is financed by the continuation of the Target Companies' existing debt facilities, and EUR 40.9 million is paid in cash. The cash payment of EUR 40.9 million will be financed with a combination of proceeds from the Private Placement, available cash resources and the Committed Credit Facility.

The EV is based on the assumption that the net working capital of the Target Companies as of 31 December 2012 (the financial take-over date) is equal to zero, and any adjustment in positive or in negative, shall be done after the signature of the SPA, based on the 2013 financial statements for the Target Companies and the mutually agreed calculation of the Net Working Capital as of 31 December 2012. Based on the information received from the Seller as of the date of this Prospectus, the Company expects to pay approximately EUR 5.5 million for the net working capital in the Target Companies as of 31 December 2012, bringing the total cash outlay to EUR 46.4 million including the expenses related to the Acquisition estimated to approximately EUR 1.5 million. The final cash outlay paid to the Seller has not been determined as of the date of this Prospectus. In addition, the SPA allows for partial and sequential closing of the Acquisition. For the avoidance of doubt, although the Company as of the date of this Prospectus has the financing in place to finance the Acquisition of all 31 solar power plants in the Target Companies, equity financing being in place is a closing condition for the Acquisition, and the Company will in any case not be forced to acquire the entire portfolio if financing is not in place as of the closing date or closing dates.

On 17 January 2014, the Company raised NOK 220 million in gross proceeds through the Private Placement of 2,750,000 New Shares, each with a par value of NOK 10 and a subscription price of NOK 80.00 per New Share. For more information about the Private Placement, see section 6.

In connection with the Private Placement, the Company also entered into an agreement with its largest shareholder, Sundt AS, for a Committed Credit Facility of NOK 50 million secured by existing solar power plants. Together with available cash resources, the Company thus has the necessary funding required to complete the Acquisition. For more information about the Committed Credit Facility, see section 16.3.2.

Gross interest bearing debt of the Target Companies at the financial take-over date 1 January 2013 was approximately EUR 73.4 million with an approximately 17-year remaining instalment period based on an annuity payment profile. The debt financing is a mixture between financial lease (approximately 83%) and non-recourse project financing (approximately 17%). Based on the information received from the Seller as of the date of this Prospectus, the total debt carries an average interest rate of approximately 5.9%, based on a floating rate interest rate combined with an interest-rate swap. As of the date of this Prospectus, the Company has not received the complete documentation related to the final interest rate and the interest-rate swap. Total debt service payments related to the gross interest bearing debt, including instalments and interest payments, is estimated to between EUR 6.7 million and 7.3 million throughout the term of the debt facilities. Total debt service payments will be covered by cash flow from operations in the Target Companies.

For more information about the Acquisition, see section 5. For more information about the Group after the Acquisition and pro forma financial information, see section 9.

Going forward, the Company intends to fund its investments and operations through 25% to 40% equity and 60% to 75% debt.

EAM Solar or any of the SPV's may also issue bonds or other financial instruments at a later stage, provided that such issues are deemed appropriate and favourable from a shareholder value perspective.

On a going concern basis the cash flow from operations is positive. All acquisitions conducted is based on acquiring assets that already are in production and therefore produces a positive cash flow from operations from the point of acquisition.

The Company may incur a period of negative cash flow from operations and investments in conjunction with the acquisition of SPPs. In an acquisition period, parts of the costs related to the acquisitions are expensed and not

capitalized as part of the acquisition. The company will not enter into any acquisition activities without having secured the adequate financing to carry the cost and liquidity of such activity. Thus, the running liquidity management of the Company is in general not an issue, since the going operations carry a positive liquidity contribution on a running basis.

12.1 The primary short-term and long-term sources of cash flow

After the financial close for the Momo and Caltignaga acquisitions in September 2013, and the completion of the Acquisition, the Company will have 35 SPPs as sources of operational cash flow.

The Company's cash flow is influenced by variability in the energy production due to fluctuations in solar irradiation. Over the life of a solar plant this variability should be fairly stable. The 35 SPPs operate under guaranteed 20-year Feed-in Tariffs and insurance to reduce downside risk.

Other key factors in analysing the operational sources for cash flow will be operational and administrative costs. All the Company's administrative, technical and commercial services are provided by SPM. The Company covers direct costs and pays 12.5% of pre-tax profit to SPM. The Management Agreement's fee structure is designed to align the interest of SPM with the interests of the shareholders in the Company, thus providing incentives for SPM to reduce costs.

12.2 Working capital statement

In the opinion of the Company, the Group's working capital is sufficient to cover the Group's present requirements, that is, for a period of at least 12 months from the date of this Prospectus.

12.3 Debt overview

12.3.1 Debt structure prior to the Acquisition

As of 30 September 2013, the Company had total liabilities of EUR 1.0 million split by EUR 0.0 million and EUR 1.0 million in non-current and current liabilities respectively.

As of 30 September 2013, the Company had no non-current liabilities.

The Company had total current liabilities of EUR 986 571 million as of 30 September 2013. The table below provides an overview of the Company's total current liabilities per 30 September 2013 split by interest bearing and non-interest bearing liabilities (all figures in EUR).

Figures in EUR	**30 September 2013 Unaudited**
Total non-current liabilities	**0**
Trade payables	814 273
Income tax payable	172 298
Other current liabilities	0
Total current liabilities	**986 571**
Total liabilities per 30 September 2013	**986 571**

As of 30 September 2013, the Group does not have any indirect or contingent liabilities.

12.3.2 Pro forma debt structure after the Acquisition

The table below presents the combined Group's pro forma balance sheet as of 30 September 2013, following the Acquisition. The information is derived from the consolidated unaudited pro forma balance sheet as set out in section 9.3.2 in this Prospectus.

Figures in EUR	**30 September 2013 Unaudited**
Interest-bearing loans and borrowings	69 981
Derivative financial instruments	4 608
Deferred tax liability	7 597
Other non-current liabilities	533
Total non-current liabilities	**82 719**

Trade payables	12 081
Income tax payable	1 670
Short-term loan – interest bearing	13 513
Other current liabilities	6 784
Total current liabilities	**34 048**
Total liabilities per 30 September 2013	**116 767**

In relation to the Acquisition, the Company will pay the Seller an amount up to EUR 4 million in 2015 if the performance of the Target SPPs is above a certain threshold during 2014, as described further in section 5.2. The Company expects the performance of the Target SPPs to be lower than this threshold during 2014.

12.4 Capitalization and indebtedness

The following table sets forth the Group's capitalisation as of 30 September 2013, and the estimated pro forma changes following the Private Placement, the Committed Credit Facility and the Acquisition.

Figures in EUR	**30 September 2013[1]** **Unaudited**	**Changes resulting from the Private Placement[2]**	**Changes resulting from the Acquisition[3]**	**After the Private Placement and the Acquisition Unaudited**
Shareholders' equity				
Share Capital	2 859 256	3 389 204	0	6 248 459
Share Premium	0	22 639 882	0	22 639 882
Translation differences	350 311	0	0	350 311
Other equity	26 494 729	0	-1 503 000	24 991 729
Total shareholders' equity (A)	**29 704 296**	**26 029 086**	**-1 503 000**	**54 230 381**
Indebtedness				
Current debt				
Guaranteed loans	0	0	0	0
Secured loans	0	0	0	0
Unguaranteed/unsecured	986 571	0	33 061 373	34 047 944
Total current debt	**986 571**	**0**	**33 061 373**	**34 047 944**
Non-current debt				
Guaranteed loans	0	0	0	0
Secured loans	0	0	69 980 879	69 980 879
Unguaranteed/unsecured	0	0	12 737 693	12 737 693
Total non-current debt	**0**	**0**	**82 718 571**	**82 718 571**
Total indebtedness (B)	986 571	0	115 779 945	116 766 516
Total capitalisation (A+B)	**30 690 867**	**26 029 086**	**114 276 945**	**170 996 897**

The following table sets forth the Group's net financial indebtedness as of 30 September 2013, and the changes following the Private Placement and the Acquisition.

Figures in EUR	**30 September 2013[1]** **Unaudited**	**Changes resulting from the Private Placement[2]**	**Changes resulting from the Acquisition[3]**	**After the Private Placement and the Acquisition Unaudited**
A. Cash	4 102 078	26 029 086	-29 866 221	264 943
B. Cash equivalents	0	0	0	0
C. Trading securities	0	0	0	0
D. Liquidity (A+B+C)	**4 102 320**	**26 029 086**	**-29 866 221**	**264 943**

E. Current financial receivables	0	0	3 375 000	3 375 000
F. Current bank debt	0	0	547 221	547 221
G. Current portion of non-current debt	0	0	2 595 613	2 595 613
H. Other current financial debt	0	0	10 038 945	10 038 945
I. Current financial debt (F+G+H)	**0**	**0**	**13 181 779**	**13 181 779**
J. Net current financial indebtedness (I-E-D)	**-4 102 078**	**-26 029 086**	**39 673 000**	**9 541 836**
K. Non-current bank loans	0	0	12 532 780	12 532 780
L. Bonds issued	0	0	0	0
M. Other non-current loans	0	0	59 446 174	59 446 174
N. Non-current financial indebtedness (K+L+M)	**0**	**0**	**71 978 954**	**71 978 954**
O. Net financial indebtedness (J+N)	**-4 102 078**	**-26 029 086**	**111 651 954**	**81 520 790**

1) Source of financial information prior to the Private Placement and the Acquisition
The financial information for the Company prior to the Private Placement and the Acquisition has been extracted from the Company's unaudited consolidated financial statements for Q3 2013, and prepared using policies which are consistent with those used in preparing the financial information relating to the Company.

2) Source of changes resulting from the Private Placement
For more information about the Private Placement, see section 6.

3) Source of changes resulting from the Acquisition
These columns are derived from the unaudited pro forma financial position for the Target Companies as set out in section 9.3.2 in this Prospectus. Below is an explanation of each change to the capitalization and indebtedness, based on the information received by the Seller and necessary estimates made by the Company:

- EUR 115.8 million increase in total indebtedness includes:
  - EUR 33.0 million increase in unguaranteed/unsecured loans
    - Unguaranteed/unsecured current loans of EUR 23.0 million in the Target Companies as of 30 September 2013, including trade payables, income tax payable, short-term group loans and other current liabilities. All these items are considered part of the working capital calculations in the SPA
    - The Committed Credit Facility of NOK 50 million (EUR 6.0 million) obtained in connection with the Private Placement
    - The assumed EUR 4.0 million deferred payment if the Acquisition had occurred on 30 September 2013, for more information see note 4D.2 in section 9.4.4.
  - Secured non-current loans of EUR 70.0 million in the Target Companies as of 30 September 2013
  - Unguaranteed/unsecured non-current loans of EUR 12.7 million
    - EUR 5.1 million in the Target Companies as of 30 September 2013
    - EUR 7.6 million associated with the deferred tax liability from the PPA
- EUR 29.9 million reduction in cash and cash equivalents includes:
  - Initial cash outlay of EUR 42.4 million in relation to the Acquisition, assuming a deferred payment of EUR 4.0 million if the Acquisition had occurred on 30 September 2013
  - Expenses related to the Acquisition of EUR 1.5 million
  - EUR 8.0 million cash and cash equivalents in the Target Companies as of 30 September 2013
  - EUR 6.0 million increase in cash and cash equivalents from the drawdown of the Committed Credit Facility obtained to part-finance the Acquisition
- EUR 111.7 million increase in net financial indebtedness includes:
  - Reduction in cash and cash equivalents of EUR 29.9 million as explained above
  - Current financial receivables of EUR 3.4 million (escrow account in relation to the Earn-out)
  - Other current financial debt increased by EUR 10.0 million from the Committed Credit Facility and the assumed deferred payment if the Acquisition had occurred on 30 September 2013

- Total bank debt of EUR 13.1 million split between current (EUR 0.5 million) and non-current (EUR 12.5 million) in the Target Companies as of 30 September 2013
- Total other financial debt (leasing) of EUR 62.0 million split between current (EUR 59.4 million) and non-current (EUR 2.6 million) in the Target Companies as of 30 September 2013

Current bank debt and the current portion of non-current debt have not been presented in the IFRS data pack received from the seller. An adjustment has therefore been made to show instalments falling due within one year from 30 September 2013. These adjustments are made by the Company using an estimated average remaining duration of 17.5 years and a fixed interest rate of 5.9%. Actual instalments due within one year from 30 December 2013 may differ from this estimate.

As of 30 September 2013, the pro forma total current liabilities of the Company including the Target Companies were EUR 34 million, while the pro forma total current assets were EUR 27.5 million. The Company expects this difference to be significantly lower as of the actual closing date of the Acquisition, due to inter alia cash flow from operations in the period until closing, and the final adjustments based on the outcome of the final due diligence of the Target Companies prior to closing. If this should not be the case, in the opinion of the Company, cash flow from operations from the 35 SPPs after the completion of the Acquisition will be sufficient to cover both this difference and total debt service the next twelve months, at the expense of potential dividend payments.

The EUR 70.0 million in secured loans in the Target Companies as of 30 September 2013 is secured by pledges on the shares of the respective Target Companies, not on the single SPPs.

12.5 Financial covenants

Prior to the Acquisition, the Company does not have any financial debt.

12.5.1 Committed Credit Facility

The Committed Credit Facility does not have any financial covenants restricting the use of capital.

12.5.2 Existing debt of the Target Companies

Based on the information received from the Seller, the leasing debt of the Target Companies does not have any financial covenants restricting the use of capital.

According to the information provided to the Company by the Seller, the project financing has the following financial covenants:

- Minimum debt service coverage ratio ("**DSCR**") of 1.3x
- Minimum average debt service coverage ratio ("**ADSCR**") of 1.3x
- Minimum loan life coverage ratio ("**LLCR**") of 1.35x

12.6 Leasing

As of 30 September 2013, the Company does not have any contracts defined as financial leasing, thus no leasing contracts are capitalized on the balance sheet.

As of 30 September 2013, based on the information received from the Seller, approximately 83% of the financial debt of the Target Companies was financial leasing. The actual amount will be confirmed prior to the closing of the Acquisition.

The leasing debt is structured through a financial lease related to the status of work at the time of construction. The solar power plants are being made available to the SPV through a financial lease, which essentially allows the use of the plant to the SPV and reserves the ownership of the plant to the leasing company. The solar power plants are secured by pledges on the shares of the respective Target Companies, not on the single SPPs. As of 30 September 2013, the leasing debt of the Target Companies had an average remaining term of approximately 17 years. At the maturity of the leasing debt, the leased assets can be bought back by the Target Companies for 1% of the initial leasing amount. Based on the information provided by the Seller, the initial leasing amount was approximately EUR 73.8 million for the entire leasing debt of the Target Companies, thus the final purchase value will be approximately EUR 738 thousand.

Based on information received from the Seller and estimates made by the Company, the gross financial lease liabilities are as follows:

- No later than 1 year: EUR 3.7 million
- Later than 1 year and no later than 5 years EUR 14.7 million
- Later than 5 years EUR 51.0 million

Similarly, the present value of the financial lease liabilities is as follows:

- No later than 1 year: EUR 3.5 million
- Later than 1 year and no later than 5 years EUR 12.8 million
- Later than 5 years EUR 24.5 million

For more information about the existing financing agreements of the Target Companies, see section 8.3.

12.7 Interest-rate swaps

Based on the information received from the Seller as of the date of this Prospectus, the interest-bearing debt of the Target Companies carries an average interest rate of approximately 5.9%, based on a floating rate interest rate combined with an interest-rate swap. According to the Seller, the interest-rate swap is for hedging purposes only, but as of the date of this Prospectus, the Company has not received the complete documentation related to the final interest rate and the interest-rate swap.

12.8 Foreign exchange hedging strategies

Neither the Company nor the Target Companies has any foreign exchange hedging strategies in place.

13. BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

13.1 Board of Directors

In accordance with Norwegian law, the Board of Directors is responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner. The Board shall supervise the administration of the Company; thereunder supervise the Chief Executive Officer.

The general meeting of shareholders elects the members of the Board. The Company's Articles of Association provide that the Board of Directors shall have no fewer than 3 members and no more than 7 members. In accordance with Norwegian law, the CEO and at least half of the members of the Board must either be resident in Norway, or be citizens of and resident in an EU/EEA country.

As of the date of this Prospectus, the Board consists of the following:

Name of director	Director since	Current term expires	Business address:
Paal E. Johnsen (Chairman)	2011	No expiration	Co/Alden AS, Haakon VIIs gate 6, 0161 Oslo, Norway
Viktor E. Jakobsen	2011	No expiration	Dronningen 1, 0287 Oslo, Norway
Ragnhild Marta Wiborg	2013	2015	Fridtjof Nansens vei 15, 1366 Lysaker, Norway
Marthe Hoff	2013	2015	Co/Statoil ASA, Forusbeen 50, 4035 Stavanger, Norway

Paal E. Johnsen (Chairman)
Paal E. Johnsen is the CFO of the investment company Alden AS and its subsidiary Trekka AS, as well as the Chairman of Hades Capital AS. He is currently a board member of several companies, including Elliptic Labs AS, NEF Kapitalforvaltning AS and Numo Solutions AS. In addition, he is the Chairman of the Nomination Committee in ThinFilm ASA. Previously he has held positions as Partner, Director and Senior Financial Analyst in Carnegie ASA, and Analyst in Handelsbanken Capital Markets.

Viktor E. Jakobsen (Board member)
Viktor E. Jakobsen has 20 years of experience from the PV industry within academia, investment banking and in operational positions in the PV industry. Previous positions have been as Director, SVP & CFO REC ScanWafer, Co-Head of Equities & Head of Equity Research DnB NOR, Partner SEB Enskilda, Chairman and Senior advisor Bellona Environmental Foundation. Founder of Energeia Asset Management AS.

Ragnhild Marta Wiborg (Board member)
Ragnhild Marta Wiborg has 28 years of experience from the financial markets and an extensive network both within the international and Nordic business communities. Previous positions include CIO and portfolio manager at Odin Fund Management and Wiborg Kapitalförvaltning AB, and several positions within investment banks in the UK and Nordic region. In addition to EAM Solar, she is currently a board member of the three Norwegian listed companies REC Silicon, Borregaard and IM Skaugen, as well as three family offices. In addition, she currently serves as the chairman of the audit committee of REC Silicon and a member of the audit committee of Borregaard. She has also served as a shareholder-elected nomination committee member of several listed companies, including SAS, Kværner, Kongsberg Gruppen, Prosafe, Nera, Cermaq and several metal and mining companies.

Marthe Hoff (Board member)
Marthe Hoff is presently the Vice President Analysis at Statoil ASA where she has held various positions with executive responsibilities since 1990. Previously positions include chairman of Gasnor AS and board member of Statoil Fuel and Retail ASA, Norwegian Business Association Singapore, International Methanol Producer and Customer Association Belgium, European Chemical Industry Council Belgium, Statoil Methanol ANS, Statoil AS Norway, Statoil AB Sweden and Meganor AS Norway.

Independence of the Board of Directors
Marthe Hoff, Paal E. Johnsen and Ragnhild Marte Wiborg are independent of the Company's executive management, material business contacts and the Company's larger shareholders. Paal E. Johnsen represents Alden AS, which holds 2.90% of the Company's shares subsequent to the Private Placement and is thus not defined as one of the Company's larger shareholders. At least 50% of the Board members are independent of the executive management and large shareholders.

Viktor E Jakobsen has been nominated as a board member by SPM, which under the Company's Articles of Association has the right to propose up to two board members. As of the date of this Prospectus, SPM has not exercised its right to propose a second board member.

13.2 Executive Management

EAM Solar does not have any employees. The management of the Company is carried out by SPM pursuant to the Management Agreement.

The following are the key individuals involved in SPM's performance of management services for the Company under the Management Agreement.

Name	Position	Business address:
Viktor E. Jakobsen	Executive Director	Dronningen 1, 0287 Oslo, Norway
Audun W. Iversen	CEO	Dronningen 1, 0287 Oslo, Norway
Alessandra Gori	Head of Legal	Dronningen 1, 0287 Oslo, Norway
Christian Hagemann	Technical Manager	Dronningen 1, 0287 Oslo, Norway
Markus H. Enge	Project Leader	Dronningen 1, 0287 Oslo, Norway

Viktor E. Jakobsen (Executive Director)
See Section 13.1.

Audun W. Iversen (Chief Executive Officer)
Mr. Iversen has extensive experience as a financial analyst and portfolio manager for 12 years from DnB Markets and DnB Asset Management. He has received several awards for his work. He has been working with renewables since 2005. He currently is a board member of Opera Software ASA, and has previously been a board member of Mamut ASA.

Alessandra Gori (Head of Legal)
Ms. Gori is a lawyer qualified as a solicitor in both Italy and the UK with twelve years PQE in general commercial/contract law, EU law and IP law within B2B and B2C business. She has comprehensive international career in Europe & Australasia as a C-Level in-house lawyer. Prior working experience includes GE Oil&Gas, Cargill, NetApp and several other industries (Technology, Commodities & Luxury Goods).

Christian Hagemann (Technical Manager)
Mr. Hagemann has run a business within thermal power equipment for more than 20 years. He has also held various management positions within trade and aviation businesses, with main focus on business development. He is educated as an airline transport pilot on large commercial aircrafts, technical education within aviation and larger thermal industrial boilers. He has previously held positions as accountable manager, quality manager and chief pilot, as well as examiner for the Danish aviation authority. In addition, he has held the position as chairman and managing director in various companies. He has previously developed several businesses worldwide, both in Europe, Asia and the US.

Markus H. Enge (Project Leader)
Mr. Enge has worked as a senior associate at KPMG from 2011 to 2013. He holds an MSc of Accounting and Auditing and an MSc in Economics and Business Administration, both from the Norwegian School of Economics (NHH).

13.3 Founders

The Company was founded in 2011 by Energeia Asset Management through SPM. For more information about SPM, see section 7.7.

13.4 Directorship, partnerships and management positions

The tables below set forth the directorships, partnerships and/or management positions (apart from any such position of responsibility in the Company), the members of the Board and the Executive Management of the Company presently hold, and have held within the last five years preceding the date of this Prospectus. Please note that any directorships or partnerships held in any of the Company's subsidiaries are not included in the overview below.

Name	Current	Previous five years
Board		
Paal E. Johnsen	Alden AS, Trekka AS, Elliptic Labs AS, Numo Solutions AS, Hades Capital AS, NEF Kapitalforvaltning AS, ThinFilm ASA	Agasti Holding ASA, Marine Accurate Well ASA, Frydaze AS, Armada Seismic ASA, Mamut ASA, Carnegie ASA, Carnegie Group
Viktor E. Jakobsen	Jakobsen Energeia AS, Energeia Asset Management AS, TSC Solar BV, EAM Solar Park Management AS, Bellona Environmental Foundation	SEB Enskilda
Ragnhild Marte Wiborg	Wiborg Kapitalförvaltning AB, REC Silicon ASA, Borregaard ASA, IM Skaugen ASA, Brunsbica AS, Jesem AS	REC Solar ASA, SAS AB, Kongsberg Gruppen ASA, Prosafe SE, Nera ASA, Cermaq ASA, The European Investor Working Group
Marthe Hoff	Statoil ASA	Gasnor AS, Statoil Fuel and Retail ASA, Norwegian Business Association Singapore
Executive Management		
Audun W. Iversen	EAM Solar Park Management AS, Opera Software ASA, Naben AS	Mamut ASA, Bellit AS, Nordic Windpower
Alessandra Gori	EAM Solar Park Management AS	
Christian Hagemann	EAM Solar Park Management, Bio8 AS, Coronet Norge AS, Brdr. Michaelsen AS	
Markus H. Enge		

13.5 Shares owned by the board of directors and executive management

13.5.1 Board of Directors

As of the date of this Prospectus, subsequent to the Private Placement, the following members of the Board hold shares in the Company.

Name	Position	No. of shares
Paal E. Johnsen	Chairman	7,500*
Viktor E. Jakobsen	Board member	0
Ragnhild Marte Wiborg	Board member	0
Marthe Hoff	Board member	0

*Paal E. Johnsen is the CFO of, and a representative for, Alden AS which owns 146,875 shares in EAM Solar ASA subsequent to the Private Placement. In addition, Alden AS holds 8,000 warrants to subscribe for shares in EAM Solar at an exercise price of NOK 100 (adjusted for any paid out dividend).

13.5.2 Executive Management

As of the date of this Prospectus, the following members of the Executive Management hold shares in the Company.

Name	Position	No. of shares
Audun W. Iversen	CEO	16,250*
Alessandra Gori	Head of Legal	0
Christian Hagemann	Technical Manager	3,125
Markus Huseby Enge	Project Leader	0

* In addition, Audun W. Iversen holds 2,000 warrants to subscribe for shares in EAM Solar at an exercise price of NOK 100 (adjusted for any paid out dividend).

13.6 Details of any convictions for fraudulent offences, bankruptcy etc.

During the last five years preceding the date of this Prospectus no member of the Board or the executive management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company

13.7 Share incentive schemes

The Company has no employees as of the date of this Prospectus, thus the Company has no share option program.

13.8 Remuneration, benefits, pensions etc.

13.8.1 Board of Directors

The table below sets out the remuneration of the Board for the year 2012.

Name	Position	Director's fee
Viktor E. Jakobsen	Chairman	0
Ingelise Arntsen	Board member	NOK 50,000 (approximately EUR 7 000)
Paal E. Johnsen	Board member	NOK 50,000 (approximately EUR 7 000)
Total remuneration to the Board		**NOK 100,000 (approximately EUR 14 000)**

At the annual general meeting 14 May 2013, the following resolution was passed:
"For the period from the Annual General Meeting in 2013 until the Annual General Meeting in 2014 the following remuneration shall be paid to the members of the Board of Directors:

- Chairman of the Board of Directors: NOK 250,000
- Members of the Board of Directors: NOK 150,000

The proposed remuneration does not apply to the members of the Board of Directors appointed based on the proposal of SPM, as stated in the Company's articles of association. This exception applies to Viktor E. Jakobsen for the coming period."

13.8.2 Executive management

The management of the Company is carried out by SPM pursuant to the Management Agreement. The executive management is employed by SPM, and receive its remuneration from SPM. For more information about the Management Agreement with EAM Solar Park Management AS, see Section 7.8.

Remuneration to the executive management for the year 2012 is set out in the table below. All figures are stated in EUR.

Name	Position	Salary including social costs
Audun W. Iversen	CEO	112,500
Roar Alme	CFO	96,000
Rolf Jarle Aaberg	COO	96,000
Øystein H. Kvarme	Head of Acquisitions	96,000
Alessandra Gori	Head of Legal	27,400
Total		427,900

Both the Management of SPM and board member Viktor E. Jakobsen of EAM Solar ASA directly or indirectly hold shares in EAM Solar Park Management AS. For more information see Section 7.7.

In 2012, the Group paid EUR 671 thousand to SPM for management services. In addition to the remuneration to the executive management as described above, this includes costs relating to the administrative, technical and commercial activities of the Company, conducted by SPM, such travel costs, office equipment, telecommunication, IT etc. Costs related to other services covered by the Management Agreement are invoiced directly to the Company.

No member of the Company's management has received remuneration or economic benefits from other companies in the Group.

No member of the Company's Board of Directors, executive management, or other administrative or supervisory bodies has service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

No loans or guarantees have been given to any members of the Company's Management, the Board of Directors or other corporate bodies.

13.9 Employees

EAM Solar ASA and its subsidiaries have no employees. To satisfy these legal requirements, the Company has appointed Audun W. Iversen as CEO, but Mr. Iversen is only employed through SPM. In addition, all administrative, technical and commercial services will be conducted by SPM. For more information about the Management Agreement, see Section 7.8.

As a result of the Company not having any employees, the Company does not have any pension liabilities.

13.10 Nomination committee

The Company shall have a nomination committee consisting of three members. Leiv Askvig and Paal Hvammen elected for two years on 14 May 2012, while Nils Foldal was elected for two years on 14 May 2013. These three individuals represent three of the Company's largest shareholders Sundt AS, Canica AS and Ludvig Lorentzen AS, respectively.

The members of the nomination committee shall be shareholders or representatives of shareholders.

The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee's period of service shall be two years unless the general meeting decides otherwise. The period of service commences from the time of being elected unless otherwise decided. It terminates at the end of the annual general meeting of the year in which the period of service expires. Even if the period of service has expired, the member must remain in his or her position until a new member has been elected.

The remuneration to the members of the nomination committee shall be determined by the general meeting.
The nomination committee shall have the following responsibilities:

i. To give the general meeting its recommendations regarding the election of board members to be elected by the shareholders, provided however that EAM Solar Park Management AS shall have the right to give its recommendation for two of the board members;
ii. To give the general meeting its recommendations regarding the remuneration to the board members;
iii. To give the general meeting its recommendations regarding the election of members of the nomination committee; and
iv. To give the general meeting its recommendations regarding the remuneration to the members of the nomination committee.

The general meeting may issue further guidelines for the nomination committee's work.

13.11 Audit committee

The Company is exempted from the obligation to have an audit company as it satisfies the criteria in section 2.3.3 (3) no. 4 of the Listing Rules and section 6-41 (2) of the Norwegian Public Limited Liability Companies Act.

The Company has nevertheless established an audit committee. Currently, the full Board serves as the audit committee of the Company. The Company believes that the audit committee satisfies the requirements in section 6-42 of the Norwegian Public Limited Liability Companies Act. None of the members of the committee are employees of the Company, and Paal E Johnsen is independent of the Company and has qualifications in relation to accounting matters.

13.12 Corporate governance

Good corporate governance and management is important to EAM Solar. The Company's corporate governance principles aim at contributing to value creation and profitability over time, benefiting shareholders as well as other stakeholders.

The Company has established corporate governance guidelines based on the Norwegian Corporate Governance Code dated 23 October 2012 and rectified on 21 December 2012 (the "**Corporate Governance Code**").

Viktor E. Jakobsen, who is a board member of EAM Solar Park Management AS, is a member of the board of directors. This is not in accordance with the recommendation of the Corporate Governance Code that the board of directors should not include executive personnel. The reason for this deviation is that the Company believes that Jacobsen's position on the board is important as a means of ensuring efficient communication with EAM

Solar Park Management AS. Furthermore Jakobsen is one of the co-founders of the Company and has extensive experience from the solar industry, and it is therefore considered as important that he is a member of the board.

SPM has a right under the Company's articles of association to propose two members to the Board of Directors. This does not comply with the recommendation in the Corporate Governance Code that the nomination committee should propose all members of the Board of Directors. The reason for this deviation is that the Company believes that it is important for the communication between the Company and SPM that SPM can make such proposals.

Except as set out above, the Company believes that it is in compliance with the Corporate Governance Code.

13.13 Conflicts of interests

There are no potential conflicts of interests between any duties to the issuer, of the persons referred to in Sections 13.1 and 13.2 above, and their private interests and or other duties.

The Management Agreement between the Company and SPM, as described in Section 7.8, is constructed to align the interests of SPM's stakeholders with those of the Company.

There are no family relations between any of the Company's board members or executive management.

14. SHARES AND SHARE CAPITAL

14.1 Share capital

The Company's share capital is NOK 23,200,000 divided into 2,320,000 Shares, each with a par value of NOK 10. The shares are issued and fully paid. Upon registration of the capital increase related to the Private Placement in the Norwegian Register of Business Enterprises, the Company's share capital will be NOK 50,700,700 divided into 5,070,000 shares, each with a par value of NOK 10. The Company is listed on the Oslo Axess with ticker "EAM". The Company will request that the New Shares are admitted to trading on Oslo Axess. Except for unanticipated circumstances, the Company believes that the New Shares will be admitted to such trading as of the publication of this Prospectus.

The Company's shares are registered electronically with the Norwegian Central Securities Depository (VPS).

The Company has only one class of shares and all shareholders have equal rights according to Norwegian law. Each share carries one vote at general meetings of the Company's shareholders.

14.2 Share capital development

The following table sets out the development of the Company's share capital since 5 January 2011 and until the date of this Prospectus.

NOK	No. of shares	Nominal value	Share capital
Incorporation (05.01.2011)	1 000	100	100 000
Reduction of share capital (14.04.2011)	-1 000	100	-100 000
Issued new share capital (14.04.2011)	1 200 000	10	12 000 000
31 December 2011	**1 200 000**	**10**	**12 000 000**
Changes to shares in 2012	0	10	0
31 December 2012	**1 200 000**	**10**	**12 000 000**
Issued new share capital (25.03.2013)	1 120 000	10	11 200 000
30 September 2013	**2 320 000**	**10**	**23 200 000**
Issued new share capital (24.01.2014)	2 750 000	10	27 500 000
Date of this Prospectus	**5 070 000**	**10**	**50 700 000**

The share capital reduction on 14 April 2011, as listed above, was carried out for practical reasons, in connection with the NOK 120 million share issue in April 2011. The new share capital was issued with a nominal value of NOK 10.

The new shares issued in March 2013 were issued in connection with the initial public offering.

The new shares issued in January 2014 were issued in connection with the Private Placement to finance the Acquisition. For more information about the Private Placement, see section 6.

All of the Company's share capital increases have been settled in cash.

14.3 Resolution to issue shares

The EGM held on 17 December 2013 passed the following resolution:

1. The share capital of the Company shall be increased by a minimum of NOK 23,333,330 and a maximum of NOK 80,000,000 through the issuance of a minimum of 2,333,333 million and a maximum of 8,000,000 million new shares, each with a nominal value of NOK 10.
2. The new shares shall be issued at a subscription price of a minimum NOK 50 and a maximum of NOK 150 per share.
3. The new shares shall be subscribed for by the managers of the private placement on behalf of, and pursuant to authorizations granted by, investors who have applied for and been allocated shares in the private placement. The allocation of the new shares shall be decided by the Company's Board of Directors. The pre-emptive rights of the existing shareholders under § 10-4 of the Public Limited Companies Act are set aside.
4. Subscription for the new shares shall be made no later than 30 January 2014 on a separate subscription form.

5. Payment of the subscription amount shall be made no later than three business days after the date of the general meeting to a special share issue account, provided, however, that if the subscription of the shares takes place after the date of the general meeting, payment shall be made no later than three business days after the date of subscription, but in no event later than 5 February 2014.
6. The new shares shall carry rights to dividends from the date on which the capital increase is registered with the Register of Business Enterprises.
7. The Company's estimated costs in connection with the capital increase are NOK 15 million.
8. Section 4 of the articles of association shall be amended so as to reflect the share capital and number of shares after the share capital increase.

In addition, the EGM held on 17 December 2013 passed the following resolution:

1. The board of directors is authorized pursuant to the Public Limited Companies Act § 10-14 (1) to increase the Company's share capital by up to NOK 4 000 000.
2. The authority may only be used to issue shares in a subsequent offering directed at existing shareholders of the Company who are not given the opportunity to participate in the private placement of new shares carried out in December 2013.
3. The authority shall be valid until 31 March 2014.
4. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Companies Act may be set aside.
5. The authority may also be used in take-over situations, ref. § 6-17 (2) of the Securities Trading Act.

14.4 Treasury shares

At of the date of this Prospectus, neither the Company nor any of its subsidiaries hold any treasury shares.

14.5 Shareholder structure

As of 13 January 2014, the Company had 94 shareholders. 4 shareholders registered with address outside Norway owned a total of 6.34 %. The table below shows the 10 largest shareholders in the Company as registered in VPS as of 13 January 2014.

	Name	Number of Shares	Percentage (%)
1	Sundt AS	440,000	18.97%
2	Canica AS	350,000	15.09%
3	Bjørgvin AS	250,000	10.78%
4	DnB Livsforsikring ASA	220,000	9.48%
5	Holberg Norge Verdipapirfondet	119,000	5.13%
6	Ludvig Lorentzen AS	90,195	3.89%
7	Alden AS	90,000	3.88%
8	Extellus AS	80,000	3.45%
9	Skandinaviska Enskilda Banken AB (nominee)	71,100	3.06%
10	MP Pensjon PK	60,000	2.59%
	Top 10 shareholders	**1 710 295**	**76.31%**
	Other shareholders	549 705	23.69%
	Total	**2 320 000**	**100.00%**

All the shares in the Company and shareholders have equal rights, including voting rights. Each share carries the right to one vote at the Company's general meetings.

As shown in the table above, the following shareholders owned more than 5% of the issued share capital in the Company on 13 January 2013: Sundt AS, Canica AS, Bjørgvin AS, DnB Livsforsikring ASA, Holberg Norge Verdipapirfondet and Ludvig Lorentzen (including the associated company Extellus AS).

The shareholder overview above does not include the New Shares resulting from the Private Placement. Upon registration of the Private Placement with the Norwegian Register of Business Enterprises, the Company's share capital will be NOK 50,700,000 compromising of 5,070,000 Shares.

Subsequent to the Private Placement, further described in Chapter 6, the following shareholders will have a shareholding in the Company above 5% which is noticeable under Norwegian law: Sundt AS (16.57%), Canica AS (14.30%), Bjørgvin AS (6.16%) and Ludvig Lorentzen (5.08% including the associated company Extellus AS).

As far as the Company is aware of, there is no other natural or legal person other than the abovementioned, which indirectly or directly has a shareholding in the Company above 5 per cent which is notifiable under

Norwegian law. For a more detailed description regarding disclosure obligations under the Norwegian Securities Trading Act please see Section 15.9.

In the instance whereby a single investor or group of investors (as defined by VPHL § 2-5) have acquired or control at least 90% of the shares in EAM Solar (e.g. corporate take-over), the Management Agreement may be terminated by SPM on 12 months' notice. Such termination will trigger the Termination Fee, equal to 5 times the average royalty for the preceding two fiscal years. For more information about the Management Agreement see Section 7.8.

The Company is not aware of any arrangements that may result in a change in control of the Company. All shares in the Company are vested with one vote and accordingly, the major shareholders of the Company do not have different voting rights than other shareholders.

The Company is not directly or indirectly controlled by any party. Except from having an independent Board of Directors, the Company has no measures in place to ensure that any control that major shareholders may have is not abused.

14.6 Information on options, convertibles, warrants etc.

The investors that signed pre-commitment agreements prior to the initial public offering in March 2013, received one warrant for every five shares subscribed in the pre-commitment agreement. As of the date of this Prospectus, the Company has 179,000 warrants outstanding at the following terms:

i. The warrants may be exercised at any time during the period ending on 26 March 2015.
ii. The exercise price for the warrants is NOK 100 (adjusted for any paid out dividend)

Other than the warrants described above, the Company has not issued options, convertible loans, warrants or similar instruments that give the holder a right to require the Company to issue shares.

14.7 Dividends and dividend policy

To the extent permitted by applicable law the company shall distribute its entire annual surplus as a dividend to its shareholders. Changes to or exemptions from this article requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting. Please refer to Section 15.3 for further information.

The Company paid its first dividends 14 October 2013, paying out NOK 5 per share.

The Company is committed to distribute its entire annual surplus by way of dividend payments. An amendment of the Norwegian Public Limited Liability Companies Act which came into effect on 1 July 2013 makes it possible to grant the Board of Directors an authorization to distribute quarterly dividends, and the EGM held on 17 December 2013 passed the following resolution:

1. The board of directors is authorized pursuant to the Public Limited Companies Act § 8-2(2) to approve the distribution of dividends based on the Company annual accounts for 2012.
2. The authority shall remain in force until the annual general meeting in 2014.

14.8 Shareholder agreements

The Company is not aware of any other shareholder agreements regarding the Company's shares, or shareholder resolutions or decisions etc. that may have a bearing on the suitability of the Company's shares for stock exchange listing.

SPM has the right under the articles of association of EAM Solar to propose up to two directors of the Board of Directors of EAM Solar. Pursuant to the Management Agreement, SPM has the right to propose the general manager for EAM Solar. For more information about the Management Agreement with SPM, see Section 7.8.

Viktor E Jakobsen has been nominated as a board member by SPM. As of the date of this Prospectus, SPM has not exercised its right to propose a second board member.

14.9 Market-making agreement

EAM Solar ASA has a market making agreement with Carnegie AS for the company's shares. The purpose of the agreement is to increase the liquidity of the shares of the company. The Agreement is in accordance with the standard requirements of the Oslo Stock Exchange.

15. SHAREHOLDER MATTERS AND NORWEGIAN SECURITIES LAW

15.1 General meetings

Through the general meeting, the Company's shareholders exercise the supreme authority in the Company, subject to the limitations provided by Norwegian law. All shareholders in the Company are entitled to attend and vote at general meetings, either in person or by proxy. See "Voting rights" with regard to certain restrictions on voting right applying for nominee registered shares, etc.

General meetings are conveyed by the Company's Board of Directors. A notice of a general meeting shall be sent at the latest 21 days before the date of the meeting, and shall include a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the Board of Directors no less than seven days before the deadline for the sending of the notice of the meeting. The Company's Articles of Association do not contain any notice requirements for attending a general meeting.

The ordinary general meeting shall be held within six months from the end of each financial year. The ordinary general meeting shall deal with and decide on the approval of the annual financial statement and directors' report, including the distribution of any dividend, and such other matters as may be set out in the notice of the meeting.

Extraordinary general meetings can be called by the Board of Directors. In addition, the Board of Directors shall call an extraordinary general meeting whenever so demanded in writing by the auditor or shareholders representing at least 5% of the share capital, in order to deal with a specific subject.

15.2 Voting rights

Each share in the Company carries one vote.

As a general rule, resolutions that shareholders are entitled to make pursuant to the Norwegian Public Limited Liabilities Companies' Act or the Company's Articles of Association require a simple majority of the votes cast. In the case of elections, the persons who obtain the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorize an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association. Changes to or exemptions from the article of the articles of association of the Company regarding the distribution of the maximum allowed dividend requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee registered shares. For example, Oslo Børs has held that in its opinion "nominee-shareholders" may vote in general meetings if they actually prove their shareholding prior to the general meeting.

15.3 Dividends

Dividends may be paid in cash or in some instances in kind. Pursuant to the Norwegian Public Limited Companies Act, a public company may only distribute dividends to the extent it will have net assets covering the company's share capital and other restricted equity after the distribution has been made. The calculation shall be made on the basis of the balance sheet in the company's last approved financial statements, provided, however that it is the registered share capital on the time of decision that applies.

In the amount that may be distributed according to the first paragraph, a deduction shall be made for (i) the aggregate nominal value of treasury shares held by the company, (ii) credit and collateral pursuant to sections 8-7 and 8-10 of the Norwegian Public Limited Companies Act, with the exception of credit and collateral repaid or settled prior to the time of decision or credit which is settled by a netting in the dividend and (iii) other dispositions after the balance day which pursuant to the law shall lie within the scope of the funds that the company may use to distribute dividend. Even if all other requirements are fulfilled, the company may only distribute dividend to the extent that it after the distribution has a sound equity and liquidity.

Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, there are no dividend restrictions or specific procedures for non-Norwegian resident shareholders in the Act.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 17 "Taxation".

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank.

The articles of association of EAM Solar state that the Company, to the extent permitted by applicable law, shall distribute its entire annual surplus as a dividend to its shareholders.

15.4 Transfer of shares and change of control

According to the Company's Articles of Association, there are no general limitations on transfer of the Company's Shares.

There are no provisions in the Articles which would have an effect of delaying, deferring or preventing a change of control of the Company, or which require disclosure of ownership above any thresholds.

15.5 Amendments to the Company's articles of association

In accordance with the Norwegian Public Limited Companies Act, the affirmative vote of two-thirds of the votes cast as well as at least two-thirds of the share capital represented at the general meeting is required to amend the Company's Articles of Association.

It also follows from the Norwegian Public Limited Companies Act that certain types of changes in the rights of the Company's shareholders require the consent of all shareholders or 90% of the votes cast at the general meeting.

Additionally, changes to or exemptions from the article of the articles of association of the Company regarding the distribution of the maximum allowed dividend requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting, which is a stricter voting requirement than the normal voting requirement for changing the Articles of Association.

15.6 Additional issuances and preferential rights

All issuances of Shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for issues of new shares by the Company in consideration for cash. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote required to approve amendments to the Articles of Association.

A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be affected either by issuing shares or by increasing the par value of the shares outstanding.

For reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of shares or other securities and may face dilution as a result.

The actions necessary to change the rights of the holders of the shares of EAM Solar are not more significant than required by law.

15.7 Mandatory offer rules

Pursuant to the Securities Trading Act, any person, entity or group acting in concert that becomes the owner of more than 1/3 (with a repeated obligation at 40% and at 50%) of the voting rights of a Norwegian company whose shares are listed on Oslo Axess is obliged to make an unconditional general offer for the purchase of the remaining shares in the company within four weeks or, within the same period, dispose of a number of voting shares which brings the percentage of voting rights down to or below 1/3. The shareholder must, immediately upon reaching any of the said thresholds, notify the company and Oslo Axess accordingly and of whether it will make a mandatory offer or perform a sell-down.

A notice informing about a disposal can be altered to a notice of making an offer within the four week period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. An offer is subject to approval by Oslo Børs before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offerer in the six-month period prior to the date the offer threshold was exceeded, but equal to the market price if it is clear that the market price was higher when the offer threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price.

A mandatory offer must be unconditional and in cash (NOK) or contain a cash alternative at least equivalent to any other consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the offer threshold apart from the right to receive dividends and pre-emption rights in the event of a share capital increase.

A shareholder or consolidated group which has exceeded the 1/3, 40% or 50% threshold, and which has not made an offer for the purchase of the remaining shares in the company in accordance with the exemptions concerning mandatory offers, is as a main rule obliged to make a mandatory offer in the case of each subsequent acquisition.

15.8 Compulsory acquisition

If a shareholder, directly or via subsidiaries, acquires Shares representing more than 90% of the total number of issued Shares as well as more than 90% of the total voting rights attached to such Shares, then such majority shareholder would have the right (and each remaining minority shareholder of the Company would have the right to require such majority shareholder) to effect a compulsory acquisition for cash of any Shares (minority shareholder requests only relates to its own shares) not already owned by such majority shareholder. Such compulsory acquisition decision by the majority shareholder leads to that the majority shareholder becomes the owner of the thus acquired shares with immediate effect subject to following certain procedures. Upon effecting the compulsory acquisition the majority shareholder would have to offer the minority shareholders a specific price per share, the determination of which price would be at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the Shares as per the effectuation of the compulsory acquisition within the scope of the real value of the Shares.

In the event a shareholder, directly or via subsidiaries, exceeds the 90% threshold by way of a mandatory tender offer, and a compulsory acquisition is resolved within three months, then the share price in the compulsory

acquisition shall equal the price in the mandatory offer, if no special circumstances call for a different price. Further, if the 90% threshold is exceeded pursuant to a voluntary tender offer, and a compulsory acquisition is resolved within 4 weeks, the shareholder can avoid to issue a mandatory tender offer provided that (i) the compulsory acquisition price is at least the same as it would have been in a mandatory tender offer, and (ii) the acquirer posts security according to the rules for mandatory tender offers.

If a company makes an offer to all shareholders whose shareholdings have an aggregate value of no more than NOK 500 to acquire their shares, the company may apply to the Ministry of Trade and Industry for permission to carry out a compulsory acquisition of the shares of all such shareholders who have not accepted the offer from the company.

15.9 Disclosure obligations

According to Chapter 4 of the Norwegian Securities Trading Act, an acquisition or other event that causes the acquirer's proportion of shares and/or rights to shares to reach or exceed 1/20, 1/10, 3/20 1/5, 1/4, 1/3, 1/2, 2/3 or 9/10 of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on Oslo Børs or Oslo Axess, the acquirer shall immediately notify such acquisition to Oslo Børs. This applies correspondingly to anyone who through disposal or another event changes his or her proportion of shares so that the proportion is reduced to or below the same thresholds. The non-participation in a share issue may cause the holdings to fall below a notification threshold and trigger the disclosure obligation. Furthermore, a share capital reduction may cause the holdings to reach, exceed or fall below a disclosure threshold and trigger the disclosure obligation.

15.10 Rights of redemption and conversion rights

There are no redemption rights or conversion rights attached to the Company's Shares.

15.11 Rights on liquidation

Under Norwegian law, the Company may be liquidated by a resolution in a general meeting of the Company passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The Shares rank pari passu in the event of a return on capital by the Company upon a liquidation or otherwise.

15.12 Reports to shareholders

The Company publishes annual and interim reports that include financial statements. The consolidated financial statements are published in accordance with the International Financial Reporting Standards, IFRS, as issued by the International Accounting Standards Board and adopted by the EU.

15.13 Notification and publication requirements

The Company will provide its shareholders, Oslo Børs and the market as a whole with timely and accurate information. Notices will be published through Oslo Børs' information system and on the Company's internet site.

15.14 Articles of association

A translation of the Articles of Association of the Company is set out in Appendix 1 to the Prospectus. The following is a summary of provisions of the Articles, some of which have not been addressed in the preceding discussions. The object of the Company as set out below can be found in section 3 in the Articles of Association.

15.14.1 Objective of the Company

The Company's business activities include identification, analysis, financing, operating, purchase and sale of solar power plants outside Norway, and naturally related activities, such as ownership in similar companies.

15.14.2 Registered office

The Company's registered office is in the municipality of Oslo.

15.14.3 Board of Directors

The Company's Board of Directors consists of three to seven members. The chairman of the Board of Directors is elected by the general meeting. The right of signature lies with two board members jointly or with one director and the chief executive officer jointly.

15.14.4 Audit committee

The full board may serve as the company's audit company for as long as the board satisfies the requirements relating to audit committees under applicable laws and stock exchange rules.

15.14.5 Restrictions on transfer of Shares

Transfer of Shares in the Company does not require consent from the board. Transfer of Shares does not trigger any pre-emptive rights for other shareholders.

15.14.6 Dividends

The articles of association contains a provision stating that the Company, to the extent permitted by applicable law, shall distribute its entire annual surplus as a dividend to its shareholders.

Changes to or exemptions from the article regarding the distribution of the maximum allowed dividend requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting.

16. LEGAL MATTERS

16.1 Legal proceedings

Neither the Company nor the Group are, and have not been since their incorporation, party to, or the subject to, any governmental, legal or arbitration proceedings which may have, or have had, significant effects on the Company's and/or the Group's financial position or profitability. The Company is not aware of any such governmental, legal or arbitration proceedings which are pending or threatened.

16.2 Material contracts

16.2.1 The Management Agreement with SPM

EAM Solar has entered into a Management Agreement with SPM who will provide all administrative, technical, and operational services to EAM Solar. EAM Solar has no employees. All administrative, technical and commercial services will be conducted by SPM.

For more information about the Management Agreement with SPM, see section 7.8.

16.2.2 Other material contracts

Except for the Management Agreement described in Section 7.8, the Company has not entered into any material contracts outside of its ordinary business or other contracts (other than contracts entered into in the ordinary course of business) which contains any provision under which any member of the Company has any obligation or entitlement which is material to the Company as at the date of the Prospectus.

16.3 Related party transactions

16.3.1 Management Agreement

SPM is a related third party carrying out management and consulting services for the Company on a continuous basis under a Management Agreement. Please refer to Section 14.2.1 and Section 7.8, for more information about the Management Agreement. SPM is entitled to revenue equal to its directly attributable costs for providing the services to EAM Solar, without margin.

SPM is owned 100% of Energeia Asset Management AS. Energeia Asset Management AS has the following owners:

Company/owner	Indirect ownership	Function
Jakobsen Energeia AS (Viktor E. Jakobsen)	28.334%	Executive Director of EAM Solar ASA
Naben AS (Audun W. Iversen)	28.334%	CEO of EAM Solar ASA
Sundt AS	28.33%	Shareholder of EAM Solar ASA
Canica AS	7.51%	Shareholder of EAM Solar ASA
Bjørgvin AS	7.51%	Shareholder of EAM Solar ASA

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

In 2011, 2012 and the first nine months in 2013, the Company paid EUR 485 thousand, EUR 671 thousand and EUR 492 thousand, respectively, to SPM for management services. Costs related to other services covered by the Management Agreement are invoiced directly to the Company, and is thus not considered related party transactions. The Company has not yet paid any royalty to SPM.

The table below shows the calculation of SPM's financial participation in 2011 and 2012. The financial participation mechanism is calculated based on the annual audited figures. No royalty has been charged so far in 2013.

Calculation of SPM financial participation (figures in EUR)	2011	2012
Reported pre-tax profit before SPM financial participation mechanism	**-1 339 919**	**590 040**
Adjustments to pre-tax profit		
Annual administrative & technical cost	1 122 832	907 671
Annual administrative & technical cost adjustment to pre-tax profit	-56 142	-101 525
Acquisition & transaction cost adjustments	**1 066 690**	**806 146**
Gain on bargain purchase	0	-2 668 237
Non-realized currency gain / (loss)	120 882	1 100 508
Other non-cash items in pre-tax profit	0	0
Annual non-cash items in pre-tax profit	**120 882**	**-1 567 729**
Adjusted pre-tax profit	**-152 347**	**-171 543**
Calculated pre-tax profit basis for SPM financial participation mechanism	-152 347	-171 543
Financial participation – 12.5% of pre-tax adjusted profit	0	0
Annual EAM SPM financial participation	**0**	**0**

Account of annual administrative & technical cost adjustment base (figures in EUR)	2011	2012	Accumulated
Opening balance activated administrative & technical costs	0	1 066 690	0
Administrative & technical cost of the year (addition)	1 122 832	907 671	2 030 503
Used administrative & technical costs (annualized cost)	-56 142	-101 525	-157 667
Closing balance for administrative & technical cost for use in consecutive years	**1 066 690**	**1 872 836**	**1 872 836**

The calculation of the annual Financial Participation is based on calculating the adjusted pre-tax profit of EAM Solar ASA and then determines the amount eligible for the 12.5% royalty to be received by EAM SPM.

The main principles behind the annual adjustments are:

1. Acquisition and transaction costs expensed in the year shall be capitalized and adjusted for during the lifetime of the project (in 2011 and 2012 over 20 years).
2. Non-cash items in the accounts shall be adjusted for. Examples of such costs items may be asset write-ups/ write-downs, non-realized currency exchange gains or losses etc.
3. In the case of asset sales with capital gains, the remaining capitalized acquisition and transaction costs relating to the asset shall be expensed in the year of asset sale.

16.3.2 Committed Credit Facility from Sundt AS

In connection with the Private Placement and the financing of the Acquisition, the Company entered into a NOK 50 million (approximately EUR 6.0 million) committed credit facility (the "**Committed Credit Facility**") with its main shareholder, Sundt AS, with maturity date in July 2014. The loan will be secured by the Company's shares in the three subsidiaries owning the Varmo, Codroipo, Momo and Caltignaga SPPs. The Company shall pay an interest at an annual rate of 6% of the drawn amount. Both interest expenses and repayment of the drawn amount will be paid at the maturity date. The Company will pay a guaranteed commission of 2.0%, approximately EUR 119 thousand to Sundt AS.

17. TAXATION

17.1 Introduction

This subsection presents a brief outline of certain tax aspects under Norwegian law related to holding and disposal of shares in the Company. The presentation is based on Norwegian tax regulations in force as of the date of this Prospectus and describes the tax situation for Norwegian shareholders (shareholders with Norwegian tax residence) and withholding tax for non-Norwegian shareholders (shareholders not having Norwegian tax residence). The presentation does not concern tax issues for the Company.

The presentation does not include any information with respect to taxation in any other jurisdiction than Norway, and the presentation only focuses on the shareholder categories explicitly mentioned below. Hence, the presentation does inter alia not exhaustively cover the tax situation for non-Norwegian shareholders holding or disposing of shares in the Company through a Norwegian permanent establishment. Further, special rules, which are not mentioned below, may apply to shareholders that are transparent entities for tax purposes and for shareholders that have moved or will move out of Norway (exit taxation).

The presentation is of general nature and is not intended to be an exhaustive analysis of all possible tax aspects relating to shares in the Company or dividends paid from the Company. Accordingly, prospective holders of shares in the Company should consult their tax advisors as to the consequences under the tax regulations of Norway and elsewhere.

The presentation is subject to any amendments to tax laws and regulations that may occur after the date of this Prospectus, including any retroactive enforcement.

17.2 Norwegian Shareholders

17.2.1 Taxation of dividends - Norwegian personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxable on the shareholder's hand as ordinary income at a current rate of 27 per cent to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated annually on share-by-share basis and pertains to the owner of the share at the end of the year. The allowance is calculated on the basis of the shareholder's cost price on the share multiplied with a statutory interest rate. The interest rate is determined on the basis of the average observed interest rate on 3-months Treasury bills, as published by the Central Bank of Norway (Norwegian: Norges Bank), adjusted downwards by 27 per cent (i.e. after tax interest rate). The interest rate is calculated and announced by the Norwegian Tax Directorate in January in the year after the income year; i.e. the interest rate for 2013 will not be decided before January 2014. For the income year 2012, the interest rate is fixed at 1.1 per cent.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Furthermore, any excess allowance will be included in the basis for calculating the allowance on the same share for subsequent years.

17.2.2 Taxation of dividends - Norwegian corporate shareholders

Dividends distributed from the Company to Norwegian limited liability companies and similar entities ("**corporate shareholders**") are tax exempt. However, 3 per cent of such dividends will be included in the tax base and taxable at a rate of 27 per cent, implying a 0.81 per cent effective tax rate for Norwegian corporate shareholders on dividends from the Company.

17.2.3 Taxation of capital gains - Norwegian personal shareholders

Sale, redemption or other disposal of shares is considered as a realization for Norwegian tax purposes.

A capital gain or loss generated by a Norwegian personal shareholder through a realization of shares in the Company is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of realization. Ordinary income is taxable at a rate of 27 per cent. Gains are taxable and losses are deductible irrespective of the duration of the ownership and the number of shares owned and/or disposed of.

The gain or loss is calculated as net consideration for the share less the cost price on the share and any unused allowance on the share at the time of disposal (as a result of non-utilization of the calculated annual allowance). However, any unused allowance may only be deducted in order to reduce a capital gain, and not to produce or

increase a loss. Further, any unused allowance on one share cannot be set-off against gains on another share. Expenses and broker's commission at both the purchase (subscription) and the sale are deductible when calculating the capital gain or loss.

A First In First Out principle applies if shares are not acquired simultaneously.

Special rules apply for taxation of any potential gain of NOK 500.000 or more on the shares held by a Norwegian personal shareholder who moves abroad and ceases to be tax resident in Norway as a result of this.

17.2.4 Taxation of capital gains - Norwegian corporate shareholders

Capital gains generated by Norwegian corporate shareholders through a realization of shares in the Company are tax exempt. Net losses from realization of shares are not tax deductible for Norwegian corporate shareholders.

17.2.5 Net wealth tax

Norwegian corporate shareholders are exempt from net wealth taxation.

Norwegian personal shareholders are subject to net wealth tax. The marginal net wealth tax rate is currently 1.1 per cent. When calculating the net wealth tax base, shares and other listed instruments in listed companies are valued to the quoted value as of 1st of January in the assessment year.

17.3 Foreign Shareholders – Norwegian taxation

17.3.1 Withholding tax on distributions

Dividends distributed from the Company to non-Norwegian shareholders (persons and corporations) are generally subject to Norwegian withholding tax. The general withholding tax rate on dividends is 25 per cent, but is normally reduced to 15 per cent (or lower) if a tax treaty applies.

Further, and regardless of the withholding tax rate according to any applicable tax treaty, according to internal Norwegian tax law, dividends from the Company to non-Norwegian corporate shareholders are exempt from Norwegian withholding tax if the shareholder (i) is a corporation that corresponds to a Norwegian corporate shareholder and (ii) is tax resident and has an actual establishment and carries on genuine economic activities in an European Economic Area ("**EEA**") member state.

Furthermore, personal shareholders resident in an EEA member state may claim that a tax-free allowance is calculated and applied in the same way as for Norwegian personal shareholders, cf. above. However, the deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower actual taxation of the dividends than the general withholding tax rate of 25 per cent less the tax-free allowance. Any tax-free allowance is only available upon application, and any refund is given after the end of the income year.

Nominee registered shares will be subject to 25 per cent withholding tax unless the nominee has obtained an approval from the Norwegian Tax Directorate that a lower tax rate shall apply. To obtain such approval the nominee must file an application to the Norwegian tax authorities, which includes a survey of all beneficial owners that are exempt from withholding tax or subject to withholding tax at a reduced rate.

Non-Norwegian shareholders that have been subject to a higher withholding tax than set out in an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax.

If shares in the Company are held in respect of a business (permanent establishment) liable to taxation in Norway, dividends distributed from the Company will in general be subject to the same taxation as for Norwegian shareholders, cf. above.

17.3.2 The Company's responsibility for the withholding of taxes

Non-Norwegian shareholders subject to withholding tax on dividends from the Company are subject to advance tax payment. The Company is responsible for the withholding of all tax that is levied on dividends to foreign shareholders and to report and pay in the withholding tax.

17.3.3 Capital gains

Non-Norwegian shareholders (persons and corporations) are not subject to Norwegian tax on capital gains generated through realization of shares in the Company.

A tax liability in Norway may arise if shares are held in respect of a business (permanent establishment) liable to taxation in Norway, or if a person has previously been tax domiciled in Norway.

17.4 Duties on transfer of shares

No stamp duty or similar duties are currently imposed in Norway on the transfer, acquisition or disposal of shares.

18. ADDITIONAL INFORMATION

18.1 Appendix

For the life of this Prospectus the following documents will be available as Appendices to the Prospectus:

Appendix 1: Articles of Association for EAM Solar ASA

Appendix 2: EAM Solar Group 2011 Annual Report

Appendix 3: Independent assurance report on the unaudited pro forma condensed financial information

Appendix 4: The Management Agreement between EAM Solar ASA and EAM Solar Park Management AS

18.2 Documents on display

Copies of the following documents will during the life of this Prospectus be available for inspection at any time during normal business hours on any business day free of charge at the Company's registered office:

EAM Solar ASA
Dronningen 1
0287 Oslo
Norway

Tel: +47 24 11 57 96

- The Company's Articles of Association
- Memorandum of Incorporation
- Independent assurance report on the unaudited pro forma condensed financial information
- The Management Agreement between EAM Solar ASA and EAM Solar Park Management AS

18.3 Documents incorporated by reference

The information incorporated by reference to this Prospectus should be read in conjunction with the cross reference list as set out below. The following documents have been incorporated by reference:

Section in prospectus	Incorporated by reference	Reference document and link
11, 12	Consolidated financial figures for the three and nine months ended 30 September 2013, and comparable statements for the same period in 2012	http://hugin.info/157134/R/1737890/582874.pdf
11, 12	Consolidated annual report, accounting principles, notes and auditor's report for the financial years 2012	http://hugin.info/157134/R/1708996/566332.pdf

18.4 Statement regarding sources

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

ABGSC	ABG Sundal Collier Norge ASA
Acquisition	The acquisition of the Target Companies
ADSCR	Average debt service coverage ratio, generally calculated as the average net operating income divided by the average total debt service
AEEG	Italian Authority of Electrical Energy and Gas
AGI	The SPV named Aveleos Green Investments S.r.l., one of the Target Companies
Aion	Aion Renewables S.p.A.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009
Arctic	Arctic Securities ASA
AU	Autorizzazione Unica, Italian license for PV plants
Binding Term Sheet	The binding term sheet signed on 26 November 2013 with Aveleos S.A. in order to acquire the Target Companies
Board of Directors or Board	The Company's Board of Directors
Carnegie	Carnegie AS
CE	Conto Energia, the Italian incentive program for the production of electricity from solar energy through photovoltaic power plants
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Company	EAM Solar ASA
DIA	Simple "start of works" declaration for SPPs
DSCR	Debt service coverage ratio, generally calculated as net operating income divided by total debt service
EAM Solar	EAM Solar ASA
Earn-out	The EUR 3.375 million to be deposited in escrow in relation to the Acquisition to mitigate certain risks that could occur in 2014 in relation to the Target Companies
Energy Imbalance Market	Regional economic dispatch tool that supplies imbalance energy within transmission and reliability constraints
EGM	The Company's Extraordinary General Meeting held on 17 December 2013
ENFO 14	The SPV named Energia Fotovoltaica 14' Societa Agricola A.r.l., one of the Target Companies
ENFO 25	The SPV named Energia Fotovoltaica 25' Societa Agricola A.r.l., one of the Target Companies
ENS 1	The SPV named ENS Solar One S.r.l., one of the Target Companies
ENS 4	The SPV named ENS Solar Four S.r.l., one of the Target Companies
EPC	Engineering, Procurement and Construction

EPIA	European Photovoltaic Industry Association
ESGI	The SPV named Energetic Source Green Investment S.r.l., one of the Target Companies
ESGP	The SPV named Energetic Source Green Power S.r.l., one of the Target Companies
ESSP	The SPV named Energetic Source Solar Production S.r.l., one of the Target Companies
EY	Ernst & Young AS, the Company's statutory auditor
EV	The enterprise value of EUR 114.3 million for the Acquisition of the Target Companies
FiT	Feed-in Tariff, policy mechanism designed to accelerate investment in renewable energy technologies
Group	EAM Solar ASA and its subsidiaries
GME	Gestore dei Mercati Energetici, the Italian state-owned electricity market operator
GSE	Gestore Servizi Energetici, the Italian renewable energy executive authority
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IPEX	Gestore del Mercato Elettrico, the Italian Power Exchange
IRAP	Regional tax on productive activities (currently 3.9% in the regions the Company operates in)
IRES	The general corporate tax in Italy (currently 27.5%)
kWh, MWh, GWh, TWh	1 kWh = 1,000 watt hours, 1MWh = 1,000 kWh, 1 GWh = 1,000 MWh, 1TWh = 1,000 GWh. Watt hours is a billing unit for energy delivered to consumers by electric utilities.
kWp, MWp, GWp	1 kWp = 1,000 Watt-peak (Wp), 1 MWp = 1,000 kWp, 1 GWp = 1,000 MWp. See definition of Watt-peak.
LCOE	The levelised cost of energy
Listing	The listing on Oslo Axess of the New Shares
LLCR	Loan life coverage ratio, calculated by dividing the net present value of the money available for debt repayment by the amount of senior debt owed by the company
Management Agreement	Management services for EAM Solar and the plants are provided by EAM Solar Park Management AS, a Norwegian private limited liability company, under an Administrative, Technical and Operational Management Agreement
Managers	ABG Sundal Collier Norge ASA, Arctic Securities ASA and Carnegie AS
New Shares	The 2,750,000 new shares issued in the Private Placement
NOK	Norwegian kroner, the lawful currency of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007, no. 876
NREAP	National Renewable Energy Action Plan
O&M	Operations and maintenance

Performance Ratio (PR)	% of the installed nominal production capacity that is actually delivered at the grid connection point.
PPA	Power Purchase Agreement
Private Placement	The Private Placement of 2,750,000 New Shares issued at a subscription price of NOK 10 completed on 17 January 2014
Production Adjustment	The agreement with the Seller to adjust the Purchase Price based on achieved production in 2014
Pro Forma Triggering Acquisitions	The acquisition of Sistema Solar 1 GmbH (Codroipo) in February 2012, the acquisition of M&T Solare S.r.l. (Momo and Caltignaga) in September 2013, and the Acquisition of the Target Companies in December 2013
Prospectus	This Prospectus dated 24 December 2013, prepared in connection with the Private Placement
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC
Purchase Price	The EUR 41.6 million purchase price to acquire the entire share capital of the Target Companies
PV	Photovoltaic
QIB	Qualified Institutional Buyer, as defined in Rule 144A under the U.S. Securities Act
RiD	In Italy PV plant owners can sell the electricity produced to GSE through the standard contract "Ritiro Dedicato" at a guaranteed price, the RiD price
Robin Tax	The increased tax rate for Italian energy companies with revenues and taxable income over a certain threshold
Seller	Aveleos S.A.
SG&A	Selling, general and administrative expense
Shares	All issued shares in EAM Solar, each with a par value of NOK 10
SPA	The sale and purchase agreement signed on 31 December 2013 to acquire the Target Companies from the Seller
SPM	EAM Solar Park Management AS, company registration number 896 525 212
SPP	Solar power plant
SPV	Single Purpose Vehicle
Target Companies	Eight companies owning a portfolio of 31 solar power plants in Southern Italy, with a combined installed capacity of 30 MWp and an annual electricity production capacity of approximately 44 Gwh.
Target SPPs	31 solar power plants owned by the Target Companies
Termination Fee	Termination of the Management Agreement by the Company triggers a termination fee of 5 times the average royalty for the preceding two fiscal years.
VPHL	The Norwegian Securities Trading Act of 29 June 2007, no. 876
VPS	The Norwegian Central Securities Depository (Verdipapirsentralen or VPS)
Watt-peak (Wp)	Measure of nominal power of a SPP under laboratory illumination conditions

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EAM SOLAR ASA

VEDTEKTER

(sist endret 20. januar 2014)

§ 1

Selskapets foretaksnavn er EAM Solar ASA. Selskapet er et allmennaksjeselskap.

§ 2

Selskapet har sitt forretningskontor i Oslo kommune.

§ 3

Selskapets virksomhet består i å identifisere, analysere, finansiere, drifte, kjøpe og selge solparker utenfor Norge, og virksomhet som står i naturlig sammenheng med dette, herunder eierskap i tilsvarende selskaper.

§ 4

Selskapets aksjekapital er NOK 50 700 000 fordelt på 5 070 000 aksjer, hver pålydende NOK 10.

Selskapets aksjer skal registreres i verdipapirregister.

§ 5

Selskapets styre består av tre til syv medlemmer. Generalforsamlingen velger styrets leder. Signatur ligger hos to styremedlemmer i fellesskap eller ett styremedlem og daglig leder i fellesskap.

Det samlede styret skal kunne fungere

ARTICLES OF ASSOCIATION

(last amended 20 January 2014)

Article 1

The company's name is EAM Solar ASA. The company is a public limited company.

Article 2

The company's registered office is in the municipality of Oslo

Article 3

The company's business activities include identification, analysis, financing, operating, purchase and sale of sun parks outside Norway, and naturally related activities, such as ownership in similar companies.

Article 4

The company's share capital is NOK 50,700,000 divided into 5,070,000 shares, each with a nominal value of NOK 10.

The company's shares are registered in the securities register.

§ 5

The company’s board’s consists of three to seven members. The chairman of the board of directors is elected by the general meeting. The right of signature lies with two board members jointly or with one director and the chief executive officer jointly

som selskapets revisjonsutvalg dersom styret oppfyller kravene til revisjonsutvalg i gjeldende lovgivning og børsregler.

The full board may serve as the company's audit company for as long as the board satisfies the requirements relating to audit committees under applicable laws and stock exchange rules.

§ 6

Den ordinære generalforsamlingen avholdes hvert år innen utgangen av juni måned. For dokumenter som gjelder saker som skal behandles på generalforsamlingen og som er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

Det gis anledning til å utsende meldinger, varsler, informasjon, dokumenter, underretninger og liknende via e-post til selskapets aksjonærer

§ 6

The ordinary general meeting is held each year within the end of June. For documents concerning issues to be addressed at the general meeting that are made available to the shareholders on the company's website, the statutory requirement that the documents must be sent to the shareholders does not apply. This also applies to documents that pursuant to law must be included in or attached to the notice convening the general meeting.

Access is given to communicate messages, warnings, information, documents, notifications and similar by e-mail to the company’s shareholders.

§ 7

Overdragelse av aksjer i selskapet krever ikke samtykke fra styret. Overdragelse av aksjer i selskapet utløser ikke forkjøpsrett for øvrige aksjeeiere i selskapet.

§ 7

A transfer of shares in the company does not require the board's consent. A transfer of shares in the company does not trigger any pre-emptive right to the other shareholders in the company.

§ 8

Årsberetningen og årsregnskapet i revidert stand skal være stilet til hver enkelt aksjonær samtidig med innkalling til ordinær generalforsamling.

Article 8

The revised annual report and annual accounts must be sent to each shareholder simultaneously with the notice convening the ordinary general meeting.

§ 9

På den ordinære generalforsamlingen skal følgende spørsmål behandles og

Article 9

The ordinary general meeting shall address the following issues:

avgjøres:

1. Godkjennelse av årsberetningen og årsregnskapet, herunder utdeling av utbytte.
2. Valg av styre og revisor samt forretningsfører, hvis forretningsfører ønskes av generalforsamlingen *(jf. § 6-6 om styremedlemmenes tjenestetid).*
3. Vedtektsendringer
4. Andre saker som ligger til generalforsamlingen å behandle

1. Approval of the annual report and annual accounts, including distribution of dividends.
2. Election of board, auditor and, if desired by the general meeting, accounts keeper (cf. section 6-6 regarding the board members' period of service).
3. Amendments to the Articles of Association.
4. Other issues falling within the scope of the general meeting.

§ 10

Selskapet skal ha en valgkomité bestående av tre medlemmer.

Valgkomiteens medlemmer skal være aksjeeiere eller representanter for aksjeeiere.

Valgkomiteens medlemmer, herunder dens leder, velges av generalforsamlingen. Tjenestetiden for valgkomitéens medlemmer skal være to år med mindre generalforsamlingen beslutter noe annet. Tjenestetiden regnes fra valget når noe annet ikke er bestemt. Den opphører ved avslutningen av den ordinære generalforsamling i det året tjenestetiden utløper. Selv om tjenestetiden er utløpt, skal medlemmet bli stående i vervet inntil nytt medlem er valgt.

Honorar for valgkomiteens medlemmer skal fastsettes av generalforsamlingen.

Valgkomiteen skal ha følgende oppgaver:

Article 10

The company shall have a nomination committee consisting of three members.

The members of the nomination committee shall be shareholders or representatives of shareholders.

The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee’s period of service shall be two years unless the general meeting decides otherwise. The period of service commences from the time of being elected unless otherwise decided. It terminates at the end of the annual general meeting of the year in which the period of service expires. Even if the period of service has expired, the member must remain in his or her position until a new member has been elected.

The remuneration to the members of the nomination committee shall be determined by the general meeting.

The nomination committee shall have the following responsibilities:

(i) å avgi innstilling til generalforsamlingen om valg av aksjonærvalgte styremedlemmer, dog slik at EAM Solar Park Management AS skal ha rett til å avgi innstilling om valg av to aksjonærvalgte styre-medlemmer;

(ii) å avgi innstilling til generalforsamlingen om honorar for styrets medlemmer;

(iii) å avgi innstilling til generalforsamlingen om valg av medlemmer av valgkomiteen; og

(iv) å avgi innstilling til generalforsamlingen om honorar for valgkomitéens medlemmer.

Generalforsamlingen kan fastsette nærmere retningslinjer for valgkomitéens arbeid.

§ 11

I den utstrekning det er tillatt etter gjeldende lovgivning skal selskapet utbetale hele årsoverskuddet som utbytte til aksjeeierne. Endring i, eller unntak fra, denne bestemmelsen krever tilslutning fra minst ni tideler så vel av de avgitte stemmer som av den aksjekapital som er representert på generalforsamlingen.

(i) To give the general meeting its recommendations regarding the election of board members to be elected by the shareholders, provided however that EAM Solar Park Management AS shall have the right to give its recommendation for two of the board members

(ii) To give the general meeting its recommendations regarding the remuneration to the board members

(iii) To give the general meeting its recommendations regarding the election of members of the nomination committee; and

(iv) To give the general meeting its recommendations regarding the remuneration to the members of the nomination committee.

The general meeting may issue further guidelines for the nomination committee's work.

Article 11

To the extent permitted by applicable law the company shall distribute its entire annual surplus as a dividend to its shareholders. Changes to or exemptions from this article requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting.

THE BOARD OF DIRECTORS' REPORT 2011
EAM Solar ASA

Operations and locations

EAM Solar ASA was established in 2011 as an investment company investing in solar power plants. The main activity of EAM Solar is to finance, acquire and operate solar power plants for the long term, with the purpose of creating good dividend yield for its shareholders.

The main geographical focus of operations in 2011 has been the Italian market, although power plants in other European countries like Germany and France also has been assessed.

EAM Solar ASA has no employees and manages its operations through a management agreement with EAM Solar Park Management AS (SPM). SPM conducts the daily operations of EAM Solar. SPM is appointed as the exclusive manager of all EAM Solar ASA´s (and subsidiaries) administrative, technical and commercial activities. SPM's main office is located in Oslo.

Following the initial equity capital issue of NOK 120 million in April 2011, EAM SPM has on behalf of EAM Solar screened more than 150 power plant projects for possible acquisition during 2011.

Since the acquisition of a power plant involves a considerable amount of work and time, hence significant transaction costs, it is of great importance in the initial screening process to select projects that are likely to end with a successful acquisition securing the required return on investment. During May and June 2011, EAM Solar entered into negotiation phase for three power plant projects, all in Italy.

Following a positive conclusion from the extensive due diligence process and price negotiations conducted with the German solar PV company Solon Investments GmbH, EAM Solar signed a share purchase agreement for the acquisition of two solar power plants located in the North Italian province of Friuli. The two plants were the Varmo plant of 1,52MW and the Codroipo plant of 3,13MW. The combined electricity production from the power plants is approximately 7GWh annually, representing annual revenue of approximately EUR 3 million. The Varmo power plant commenced commercial operations on the 28th of December 2010, and Codroipo on the 11th of May 2011.

Both plants were finished constructed and on 20 year electricity sales contracts prior to EAM Solar's acquisition. Of the long term contracts approximately 75% of future revenues are on a fixed tariff basis and approximately 25% is sold in the wholesale Italian electricity market. Both contracts are against the Italian company GSE, owned by the Ministry of Economy and Finance, however, all electricity sales and revenues are cleared in the Italian electricity market through a "green tax mechanism".

The initial share purchase agreement where signed in September 2011, and the financial close for the first power plant, Varmo, was conducted on the 27th of September. Both plants where acquired based on assuming financial ownership from the 1st of September 2011. The Codroipo plant will be incorporated in the financial accounts from March 2012.

Due to the financial instability in Europe, and the current imbalances in supply and demand in the Solar PV industry, Solon Investments went into insolvency proceedings in Germany prior to the financial close for the Codroipo plant. As a result of this event, EAM Solar cancelled the original share purchase agreement and renegotiated the terms and conditions for the Codroipo acquisition. SPM reached a negotiated agreement with the Insolvency manager of Solon on the 28th of December, whereby the parties agreed to a reduction in the initial acquisition prices as a result of the insolvency. The financial close for the Codroipo power plant where concluded in February 2012.

The Varmo and Codroipo power plant purchase where financed by EAM Solar's equity and a bridge financing facility of NOK 45 million provided by the company's three largest shareholders. EAM Solar's debt financing policy is to fund investments with debt corresponding to 60 % to 75 % of the total capital employed. EAM Solar is currently negotiating terms with major Norwegian and European banks for a debt facility for existing and planned investments.

2011 marked a dramatic change for the European Solar PV industry. The main negative effect for the sellers of solar power plant projects where due to the European financial crisis affecting European banks in such a way that they where unable to secure adequate funding to provide long term project finance to lenders. This effectively stopped financing solar power plants in the European market for the second half 2011 from August and onwards. The project financing market has during 2012 reopened in Europe, mainly due the liquidity stabilization measures conducted by ECB.

The European financial crisis created uncertainty of the future of the solar power industry in many European countries and has resulted in massive price reductions of construction costs with resulting financial distress of many equipment manufacturers and project developers.

This has also affected EAM Solar, but the final overall outcome is positive with the acquisition of two power plants of high quality and with a total acquisition cost significantly below market terms. The negative side is that progress has not been as far ahead as hoped for in the beginning of 2011.

The current market imbalance in the PV industry has resulted in a drop in EPC prices from approximately EUR 4 per MW to EUR 1,2 per MW – a reduction of 70% from 2010 to 2012. The effect of this is that certain projects are already possible at grid parity in 2012 and one expects to see several grid parity projects come to market in 2012 and 2013. With this, the industry will be independent of government subsidies earlier than expected.

Due to the resignation of the SPM's Italian country manager because of health issues, and due to the general market turmoil, a decision was made to enter an agreement with Wise Energy for the commercial operations of its power plants. Accounting and tax services are already handled by PwC Italy. This has provided a flexible and robust base to support operations in a start-up phase.

In 2012, the focus from an operational perspective will be on streamlining operations and minimizing operational costs.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2012/13 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future challenges

The market expectations for 2012 and 2013 vary according to outlook and focus. The European economy faces significant challenges although the general outlook seems to have improved the last 6 months. With the weakening European economies, incentive schemes for the solar industry is reduced more and earlier than previously thought. This causes some uncertainty for the volume of new solar power plants that will be built during the next couple of years. However, the financial challenging times has also created more opportunities in the 2nd hand market for solar power plants. EAM Solar is currently experiencing that the supply of both individual power plants as well as portfolios of power plants in the 2nd hand market is marketed to acquisition prices that will secure adequate returns.

With the increased financial pressure on the up-stream side of the industry, equipment warranties is considered to be of less value in the future as most equipment manufacturers will disappear in the coming year. EAM Solar's strategy towards this development is to back these warranties with appropriate insurance policies, as has been implemented on the power plants owned and operated by EAM Solar.

As EAM Solar is building scale, there will be a continuous focus in maintaining flexibility with partner agreements to be able to fully exploit the potential economies.

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.

Comments related to the financial statements

The Group's revenues amounted to EUR 340 075 in 2011. Total comprehensive income amounted to EUR -748 475for the year.

Total cash flow from operating activities was EUR -142 143 in 2011 and the operating profit constituted EUR -1 214 335. The difference mainly relates to changes in accruals and ordinary depreciation.

The Group's capital investments during 2011 amounted to EUR 6.9 mill. of which all was related to the acquisition of Cosecha Solar GmbH in Italy.

The Group's liquidity reserve as of 31.12.2011 amounted to EUR 8 mill. The Group's ability to self-finance investments is good.

The Group's short-term debt as of 31.12.2011 constituted 8.8 % of the Group's total debt. The Group's financial position is sound and adequate enough to settle short-term debt as of 31.12.2011 with the Group's most liquid assets.

Total assets at year end amounted to EUR 15.6 mill. The equity ratio was 91.2 % as of 31.12.2011.

Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk on a limited basis, most significantly financing risk as on its two acquisitions bought with equity and a bridge loan from its major shareholders. The company will seek to

remove interest rate risk through fixed interest debt instruments. As most of the income is fixed in nominal terms, there is an element of inflation risk, but limited as operating costs over the budget period is on average approximately 10 % of the income.

Market risk
The Group is not significantly exposed to exchange rate risk as all income and most costs, including debt are and will be denominated in Euro.

Credit risk
The risk for losses on receivables is considered to be low, as the counterpart will be sovereign states in western Europe. Gross credit risk exposure per 31.12.2011 where EUR 0,43 mill. for the Group. The above figures do not include inter-company receivables.

The Group has not made any set-off or other derivative agreements to reduce the credit risk in EAM Solar ASA.

Liquidity risk
The Group's liquidity is satisfactory and pose no short term risks.

The working environment and the employees

EAM Solar has no employees and is managed as stated by EAM Solar Park Management AS through a management agreement between the companies.

Equal opportunities

The Group does not have any employees, and is not planned to hire any staff in the foreseeable future. All employee relations will be handled by EAM Solar Park Management AS (SPM) which though the existing management agreement will uphold the requirements to gender neutrality, non-discrimination and equal opportunities. SPM and the Group will pursue to recruit on a gender neutral policy as it (SPM) expands .

One out of three board members is female. There was no remuneration for board members in 2011.

Discrimination
The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. Through SPM the Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Group's aim is to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilise the various functions. For employees or new applicants with reduced functional ability, individual arrangements of workplace and responsibility will be made.

Environmental report

Waste from production facilities, including waste considered harmful to the environment, is considered to be non-existent.

Emphasis in 2011 has been placed on acquiring plants built with silicon based solar panels, avoiding thin-film technology that could possibly represent a significant environmental threat if Cadmium should be released to the environment through e.g. a fire.

Allocation of net income

The Board of Directors has proposed the following allocation of the net loss of EAM Solar ASA for 2011:

Other equity	NOK 772 683
Net loss	NOK 772 683

The company's distributable equity as of 31.12.2011 was 0.

Oslo, 27th April, 2012.

Roar Alme	Viktor E. Jakobsen	Ingelise Arntsen	Paal E. Johnsen
Managing Director	*Chairperson of the Board*	*Board member*	*Board member*

EAM Solar Group
Statement of comprehensive income
5 January - 31 December
(EUR)

	Note	2011
Revenue	5	**340 075**
Total revenue		**340 075**
Other operating expenses	6	**-1 490 701**
Depreciation, amortizations and write downs	12	**-148 012**
Operating profit		**-1 298 638**
Finance income	9	**86 740**
Finance costs	9	**-128 021**
Profit before tax		**-1 339 919**
Income tax income/(expense)	10	**355 330**
Profit after tax		**-984 589**
Other comprehensive income		
Translation differences		**236 114**
Other comprehensive income for the year, net of tax		**236 114**
Total comprehensive income for the year		**-748 475**
Profit for the year attributable to:		
Equity holders of the parent company		**-984 589**
Non-controlling interests		**0**
		-984 589
Total comprehensive income attributable to:		
Equity holders of the parent company		**-748 475**
Non-controlling interests		**0**
		-748 475

Earnings per share:		**2011**
- Basic	11	**-1,15**
- Diluted	11	**-1,15**

Statement of financial position
(EUR)

	Note	31.12.2011
ASSETS		
Non-current assets		
Property, plant and equipment	12	6 563 352
Deferred tax asset	10	355 330
Total non-current assets		6 918 682
Current assets		
Trade receivables	15	429 266
Other current assets	16	209 770
Cash and short term deposits	17	8 000 351
Total current assets		8 639 387
TOTAL ASSETS		15 558 069
EQUITY AND LIABILITIES		
Equity		
Paid in capital		
Issued capital	18	1 523 423
Share premium	18	13 400 695
Total paid in capital		14 924 118
Other equity		
Translation differences		236 114
Other equity		-984 589
Total other equity		-748 475
Total equity		14 175 643
Current liabilities		
Trade payables	19	590 729
Income tax payable	10	175 591
Other current liabilities	19	616 106
Total current liabilities		1 382 426
Total liabilities		1 382 426
TOTAL EQUITY AND LIABILITIES		15 558 069

Oslo, 27 April 2012

Roar Alme
Managing Director

Viktor E. Jakobsen
Chairperson

Ingelise Arntsen
Board member

Paal E. Johnsen
Board member

Statement of cash flows

(EUR)

(5 January - 31 December)	Note	2011
Cash flow from operating activities		
Ordinary profit before tax		**-1 339 919**
Income taxes paid		**0**
Depreciation	2	**148 012**
Changes in trade receivable and trade payable		**861 238**
Changes in other accruals		**188 526**
Net cash flow from operating activities		**-142 143**
Cash flows from investing activities		
Aquisition of subsidiary, net of cash aquired	2	**-6 933 426**
Net cash flow used in investing activities		**-6 933 426**
Cash flows from financing activities		
Proceeds from issue of share capital		**14 924 118**
Net cash flow from financing activities		**14 924 118**
Net currency translation effect		**151 802**
Net increase/(decrease) in cash and cash equvivalents		**8 000 351**
Cash and cash equivalents at beginning of period		**0**
Cash and cash equivalents at end of period		**8 000 351**

Statement of changes in equity

(EUR)

	Share capital	Share premium fund	Other equity	Foreign currency translation reserve	Total equity
Equity as at 05.01.2011 (date of incorporation)	12 838	0	0	0	**12 838**
Capital decrease 14.04.2011	-12 838	0	0	0	**-12 838**
Capital increase 14.04.2011	1 523 423	13 710 804	0	0	**15 234 226**
Costs related to capital increase	0	-310 109	0	0	**-310 109**
Profit (loss) after tax	0	0	-984 589	0	**-984 589**
Other comprehensive income	0	0	0	236 114	**236 114**
Equity as at 31.12.2011	**1 523 422**	**13 400 695**	**-984 589**	**236 114**	**14 175 643**

Note 1 Summary of significant accounting policies

The consolidated financial statement of EAM Solar, for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Board on 27 April 2012. EAM Solar ASA is a public limited company, incorporated and domiciled in Norway. The registered office of EAM Solar ASA is Dronningen 1, N-0287 Oslo, Norway. The Company was founded 5 January 2011 and these are the Company's first financial statements.

EAM Solar ASA owns and operates a photovoltaic power plant in Italy, and will invest in photovoltaic power plants in Europe. The company has three subsidiaries in Italy.

1.1 Basis for preparation of the financial statement

The EAM Solar Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2011 ("IFRS").

The consolidated financial statements are based on historical cost.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

1.2 Consolidation principles

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The acquisition method is applied when accounting for business combinations.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative transaction differences recorded in equity
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

1.3 The use of estimates when preparing the financial statements

The management has used estimates and assumptions that have affected assets, liabilities, revenue, expenses and information on potential liabilities. This particularly applies to the depreciation of tangible fixed assets and evaluations related to acquisitions. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is accounted for prospectively. Refer also to note 4.

1.4 Foreign currency

The Group's consolidated financial statements are presented in euro. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The parent's functional currency is NOK, which is due to the fact that the parent company has its major costs and financing in NOK.

Transactions in foreign currency
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into the functional currency using the exchange rate applicable at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchanges at the date when the fair value is determined. Changes in exchange rates are recognised in the statement of comprehensive income as they occur during the accounting period.

Foreign operations
On consolidation the assets and liabilities of operations with a functional currency other than EUR are translated to EUR at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The average exchange rates are used as an approximation of the transaction exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the accumulated translation differences relating to the subsidiary are recognised in the statement of comprehensive income.

Translation differences due to the translation of a net investment in foreign operations are specified as translation differences in the statement of equity.

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent. The group has concluded that it is acting as a principal in all of its revenue

arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of solar power
EAM Solar owns and operates a solar power plant in Varmo, Italy, which produces electrical power. Revenue from the sale of electrical power is recognised in the statement of comprehensive income once delivery has taken place and the risk and return has been transferred.

Interest income
For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the finance income in the statement of comprehensive income.

1.6 Segments

The group's activities are uniform, where the business strategy is to operate solar plants in different European countries. For management purposes, the Group is organised into geographic segments related to the location of the solar plants. The financial information relating to segments and geographical distribution is presented in Note 5.

Internal gains on sales between the various segments are eliminated in the segment reporting.

1.7 Income tax

The income tax consists of the tax payable and changes to deferred tax. Deferred tax liabilities/tax assets are calculated on all differences between the carrying and tax value of assets and liabilities, with the exception of:

- temporary differences related to investments in subsidiaries when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the deferred tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax liabilities and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax liabilities and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

1.8 Property, plant and equipment

All property, plant and equipment (including solar plants) are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income as incurred, while other costs that are expected to provide future financial benefits are capitalised.

Depreciation is calculated using the straight-line method over the following useful life:

Movers, modules and cable connectors	20 years
Inverters	11 years
Control and transmission system	11 years
Other installations	20 years

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognised as a change in an estimate.

1.9 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as profit or loss.

After initial recording, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the operation. Goodwill disposed of in this circumstance is measured based on the relative valued of the operation disposed of and the portion of the cash-generating unit retained.

1.10 Financial instruments

Financial instruments are classified in the following categories: at fair value with changes in value through profit or loss, held to maturity, loans and receivables, available for sale and other liabilities.

The Group has financial instruments in the form of trade receivable and trade payable, recognised at amortised cost.

Trade receivables are initially recognised at fair value plus any transaction costs. Trade receivables are subsequently carried at amortised cost using the effective interest method, if the amortisation effect is material. The carrying amount is subsequently reduced by any impairment losses. Provisions for impairment are made when there are objective indicators that the group will not receive their contractual payments.

The carrying amount of trade receivable and trade payable is approximately equal to fair value, as they are agreed at "normal" conditions and normally have a short period to maturity.

1.11 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

1.12 Equity

Equity and liabilities
Financial instruments are classified as liabilities or equity in accordance with the underlying economical realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Costs of equity transactions
Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

1.13 Provisions

A provision is recognised when the Group has an obligation (legal or constructive) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Restructuring provisions are recognised when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognised when the Group's estimated revenues from a contract are lower than unavoidable costs which were incurred to meet the obligations pursuant to the contract.

1.14 Contingent liabilities and assets

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

1.15 Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting

period but which will affect the company's financial position in the future are disclosed if significant. See note 20.

1.16 New accounting standards

IFRS and IFRIC issued but not adopted by the Group
Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group are listed below. Except for the amendment to IFRS 7 no one of the below items has been adopted by EU yet.

It is assessed that none of the standards, amendments and interpretation to existing standards will have material impact on the consolidated financial statements, however they may have impact in the future.

- **IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (Amendment)** The amendment becomes effective for annual periods beginning on or after 1 July 2012.

- **IAS 12 Income Taxes – Recovery of Underlying Assets (Amendment).** The amendment becomes effective for annual periods beginning on or after 1 January 2012.

- **IAS 19 Employee Benefits (Amendment).** The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 27 Separate Financial Statements (as revised in 2011).** The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 28 Investments in Associates and Joint Ventures (as revised in 2011).** The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 32 - Amendment: Offsetting Financial Assets and Financial Liabilities.** These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of other offsetting criteria in IAS 32. The amendment becomes effective for annual periods beginning on or after 1 January 2014.

- **IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements (Amendment).** The amendment becomes effective for annual periods beginning on or after 1 July 2011.

- **IFRS 7 Financial Instruments - Amendment: New disclosure requirements - Offsetting of Financial Assets and Financial Liabilities.** The IASB has introduced new disclosure requirements regarding the effect of netting arrangements. The amendment becomes effective for annual periods beginning on or after 1 July 2013.

- **IFRS 9 Financial Instruments: Classification and Measurement.** According to IASB the standard is effective for annual periods beginning on or after 1 January 2013. EU has not yet decided on effective date.

- **IFRS 10 Consolidated Financial Statements.** This standard becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRS 11 Joint Arrangements.** IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetaryContributions by Venturers*. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRS 12 Disclosure of Involvement with Other Entities.** This standard becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRS 13 Fair Value Measurement.** This standard becomes effective for annual periods beginning on or after 1 January 2013.

Note 2: Changes in the Group's structure

Business combinations:

On 31 August 2011, EAM Solar ASA acquired 100% of the voting shares in Cosecha Solar GmbH for MEUR 7.5 through its fully owned subsidiary EAM Solar Italy 1 srl. The acquisition was acquired for in cash. Cosecha Solar GmbH was a German company with a permanent establishment in Italy and a solar plant located in Italy. Cosecha Solar GmbH has merged with EAM Solar Italy 1 srl with effective date 27 December 2011. The company runs and operates a solar plant close to the city of Varmo in the Friuli region in Northern Italy.

The purchase price allocation has been performed by the company.

The net assets acquired in the acquistion of Cosecha Solar GmbH are as follows:

	Fair value on aquisition
Cash and cash equivalents	**107 687**
Trade accounts receivable	**699 885**
Other receivables	**154 527**
Fixed assets	**6 711 364**
Accruals for taxes in Italy	**-175 591**
Other current payables	**-6 759**
Total identifiable net assets at fair value	**7 491 113**
Total consideration	**7 491 113**
Cash	7 041 113
Deferred payment	450 000
Total consideration	**7 491 113**
Cash paid	**-7 041 113**
Cash in acquired entities*	**107 687**
Net cash flow on acquisition	**-6 933 426**

*Of the kEUR 107.7 in cash received, kEUR 90 are restricted cash

A total of kEUR 464 have been expensed as transaction cost as part of the acquisition.

The acquired entity has from the date of acquisition contributed to the group's revenues and profit before taxes with kEUR 340 and kEUR -817 respectively.

If the acquisition had occured at the beginning of 2011, revenues for 2011 and profit before taxes for 2011 for the Group would have been kEUR 1,177 and kEUR -284 respectively.

Acquisition after the balance sheet date

(EUR)

Name	Description	Acquisition date	Ownership	Cost price
Sistema Solar GmbH	Solar Plant	29.02.2012	100 %	12 710 982

The reason for the transaction is to increase the Groups investments in the solar plant business.

The initial accounting for the business combination is incomplete at the time of these financial statements are authorised for issue, because of the limited time from the acquisition. Hence disclosures related to purchase price allocation is not provided.

See also note 20.

Note 3: List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership interest	Voting power
EAM Solar Italy 1 Srl*	Italy	Solar plant	100 %	100 %
EAM Solar Italy 2 Srl	Italy	Solar plant	100 %	100 %
EAM Solar Italy 3 Srl	Italy	Solar plant	100 %	100 %

*Merged with Cosecha Solar GmbH in 2011, see note 2.

Note 4 : Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies in accordance with IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the managements 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 year.

The company's most important accounting estimates are the following items:

Depreciation of tangible fixed assets, see also note 12
Depreciation and amortisation expenses are based on management estimates of residual value, amortisation method and the future useful life of solar power plants. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortisation or depreciation charges. The estimated useful life of the company's solar power plants is connected with the governmental guaranteed feed in tariff for electricity produced by solar power plants. These feed in tariffs give a guaranteed revenue from the government of 20 years from the time of the license was granted. Together with the fact that the technological lifetime of the solar plant is at least 20 year we assume that the estimated useful life of these power plants are 20 years. The inverters have been assessed to have a shorter useful life of 11 years.

The fair value of assets and liabilities in business acquisitions, see also note 2
Management is required to allocate the cost of acquisition of acquired companies to the assets acquired and liabilities assumed based on their estimated fair values. Such valuations require management to make significant judgements in selecting valuation methods, estimates and assumptions. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Note 5 : Segment information

EAM Solar Group owns and operates one solar park in Varmo in Italy as of 31 December 2011, which represents of all the Group's revenue in 2011. The business is investing in and operating solar parks, which have similar economic characteristica. Management monitors the business based on geographical segments.

Geographical segment *(EUR)*	**Italy**	**Norway**	**Total**
	2011	**2011**	**2011**
Revenues from external customers	340 075	0	**340 075**
EBITDA*	-1 008 544	-57 779	**-1 066 323**
EBIT (operating profit)	-1 156 556	-57 779	**-1 214 335**
Additions of property, plant and equipment	6 795 667	0	**6 795 667**
Non-current assets	7 002 985	0	**7 002 985**

*EBITDA equals operating profit plus depreciations.
Non-current assets consist of the solar park in Italy, and deferred tax asset in Italy.

Information about major customers

All the groups revenues of 340 075 Euro in 2011 consisted of sale of electrical power from its solar park in Italy, of which all arose from sale to the Group's only customer, GSE. GSE (Gestore Servizi Energetici) is the public agency aimed at promotion and development of renewable energy sources in Italy, providing financial support for utilisation of renewable energy sources through incentive schemes. GSE's sole shareholder is the Ministry of Economy and Finance, which exercises shareholder's rights together with the Ministry of Economic Development.

Note 6 - Other Operating Expenses

(EUR)	**2011**
Rent and ancillary	8 229
Industrial services	129 418
Travel costs	12 176
External fees and personnel	141 087
Management and consultancy services	484 872
Acquisition and transaction costs	677 048
Other operating costs	35 367
Total operating costs	**1 488 197**

Specification auditor's fee (EUR)	**2011**
Statutory audit	56 174
Other assurance services	5 045
Tax consultant services	33 819
Other non-assurance services	0
Total	**95 038**

VAT is not included in the fees specified above.

Note 7: Salary and personell expense and management remuneration

The company has no employees for 2011, and has no salary or personell expenses.

Management remuneration

The Group Management consists of the group CEO. Other management services are provided by EAM Solar Park Management AS, see note 8.

The CEO and Board of directors are employed by EAM Solar Park Management AS, and receives its renumeration from this Company. See note 8 for description of the management agreement with EAM Solar Park Management AS.

Both the CEO and the chairman of the board of EAM Solar ASA holds directly or indirectly shares in EAM Solar Park Management AS.

No member of the Group Management has received remuneration or economical benefits from other companies in the Group, other than what is stated above. No additional remuneration has been provided for services outside the normal functions as a Director.

No loans or guarantees have been given to any members of the Group Management, the Board of directors or other corporate bodies.

Shares held by Group Management and board members:

Roar Alme, CEO	-
Viktor Erik Jakobsen (Chairman)	-
Paal Espen Johnsen (Board Member)*	-
Ingelise Arntsen (Board Member)	-
Sum	-

*Paal Espen Johnsen is managing director of Alden AS which owns 50,000 shares in EAM Solar ASA.

Note 8: Transactions with related parties

Related parties	**Transactions**
EAM Solar Park Management AS	Management and consulting services

Transactions with related parties

All the transactions have been carried out as part of the ordinary operations and at arms -length prices. The Group has paid 485 kEUR to Solar Park Management AS in 2011 for management services. The Group has 68 kEUR in payables towards Solar Park Management AS as of 31 December 2011. There are no special terms related to this payable.

EAM Solar Park Management AS delivers management services to EAM Solar ASA according to a management agreement between the parties. According to this agreement, EAM Solar Park Management AS can charge EAM Solar ASA for direct costs related to the management services provided. Amounts above 5 MNOK a year shall be approved by the board of directors. In addition EAM Solar Park Management AS will receive 12.5 % of the groups profit as a royalty from EAM Solar ASA. The royalty is based on the fact that EAM Solar AS is developed, created and managed by EAM Solar Park Management AS. The royalty structure aligns the interests of EAM Solar Park Management AS with the interests of the shareholders in EAM Solar ASA.

EAM Solar Park Management AS is owned with 50% by Energeia Asset Management (A-shares) and by 50% of EAM Solar Park Partners AS (B-shares).

EAM Solar Park Management has the following indirect owners:

Company/owner	Indirect ownership	Function
Jakobsen Energieia AS (Viktor Erik Jakobsen)	24 %	Partner EAM Solar Park Management AS
Naben AS (Audun Wickstrand Iversen)	24 %	Partner EAM Solar Park Management AS
Tua Invest (Rolf Jarle Aaberg)	10 %	Partner EAM Solar Park Management AS
RA 1 Invest AS (Roar Johan Alme)	10 %	Partner EAM Solar Park Management AS
North Shore AS (Øystein Hedenskou Kvarme)	10 %	Partner EAM Solar Park Management AS
Sundt AS	14,17 %	Shareholder of EAM Solar ASA
Canica AS	3,75 %	Shareholder of EAM Solar ASA
Bjørgvin AS	3,75 %	Shareholder of EAM Solar ASA

Note 9: Financial income and expenses

(EUR)

Financial income	**2011**
Interest income	86 740
Total financial income	**86 740**

Financial expenses	**2011**
Interest expense	7 138
Foreign exchange losses (net)	120 882
Total financial expenses	**128 020**

Net financial income (expenses)	**-41 280**

Note 10: Income tax

Income tax expense:

(EUR)	**2011**
Tax payable	**0**
Changes in deferred tax	**0**
Income tax gain (expense)	**0**

	2011
Tax payable for the year	**0**
Current income taxes prior to business combination	**175 591**
Total tax payable in the statement of financial position	**175 591**

A reconciliation of the effective tax rate in EAM Solar ASA's country of registration:

(EUR)	**2011**
Pre-tax profit	**0**
Expected income taxes according to income tax rate in Norway (28%)	**0**
Non deductable expenses	**13 566**
Non-taxable income	**-23 602**
Tax rate outside Norway other than 28%	**0**
Other	**0**
Income tax expense	**-10 036**

Deferred tax and deferred tax assets:

	Consolidated statement of financial position	Consolidated comprehensive income
(EUR)	2011	2011
Deferred tax assets		
Tax losses carried forward	508 588	96 029
Transaction costs capitalized for tax purposes	245 689	245 689
Other temporary differences	13 612	13 612
Deferred tax assets - gross	767 889	355 330
Deferred tax liabilities		
Property, plant and equipment	0	0
Other	0	0
Deferred tax liabilities - gross	0	0
Tax assets not recognized in the balance sheet	412 559	
Net recognised deferred tax assets	355 330	355 330

The Group has a total tax loss carried forward of kEUR 96 as at 31 December 2011, of which kEUR 96 are recognised as an asset in the balance sheet as at 31.12.2011. This is based on the forecasted results from the Italian subsidiaries, where the recognised tax assets are located.

The Group has a total tax loss carried forward of kEUR 509 as at 31 December 2011 which expires as follows:

	2011
No due date	509 588
Total tax loss carried forward	509 588

Note 11: Earnings per share

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent divided by the weighted average number of ordinary shares outstanding, 854 333.

There is no dillutive potentiale on the ordinary shares, so the earnings per share are the same for both basic and diluted basis.

EUR	2011
Profit for the year due to holders of ordinary shares	
Loss for the year	**-984 589**
Loss for the year due to the holders of ordinary shares	**-984 589**

Earnings per share (EUR):	2011
- Basic	**-1,15**
- Diluted	**-1,15**

Note 12: Property, plant and equipment

(EUR)

	Solar plant	2011 total
Accumulated cost 5 January 2011	0	**0**
Additions from acquisition of companies	6 711 364	**6 711 364**
Depreciation	-148 012	**-148 012**
Carrying value 31 December 2011	**6 563 352**	**6 563 352**
As at January 5		
Acquisition cost	0	0
Accumulated depreciation and write downs	0	0
Carrying value	**0**	**0**
As at December 31		
Acquisition cost	6 711 364	**6 711 364**
Accumulated depreciation and write downs	-148 012	**-148 012**
Carrying value	**6 563 352**	**6 563 352**

Economic life	11-20 years
Depreciation method	linear

Note 13: Contractual obligations

The Group has a lease agreement regarding land rent for the solar plant in Varmo, Italy with the following contractual obligations:

	2011	
2012	**32 900**	1)
2013	**32 900**	1)
2014	**32 900**	1)
2015	**32 900**	1)
2016	**32 900**	1)
After 2016	**460 600**	1), 2)
Total	**625 100**	

1) Annual amounts given in undiscounted values. For the years 2012 – 2016 these values are to be inflation adjusted with the Italian Consumer price index from ISTAT with reference date 19 October 2011.
2) Contractual obligations after 2016 consist of land rent for the solar plant in EAM Solar Italy srl, which has a total duration of 20 years.

In addition the Group has an Operations & Maintenance agreement for the solar plant in EAM Solar Italy 1 srl for 5 years with amounts to EUR 48 816 a year. This agreement is cancellable for the Group.

Note 14: Financial instruments

Financial risk

The Group has only financial instruments related to trade receivables, other current assets and trade payables, involving both credit risk and liquidity risk. The Group plans to have 60-75% debt financing on its investments. See section capital structure and equity for plans of future financing.

(i) Credit risk

The Group are exposed to credit risk primarily related to accounts receivable, cash and other current assets. The Group limits the exposure to credit risk through credit evaluation of its customers before credit are given

The Group has only one customer since it sells electrical power through a feed in scheme. The customer is wholly owned by the Ministry of Economy and Finance in Italy, and the Group considers the credit risk related to this customer as low.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits.

The Group regards its maximum credit risk exposure to the the carrying amount of trade receivables (see Note 15) and other current assets (see Note 16).

(ii) Interest-rate risk

The Group has no interest bearing debt, and has therefore no interest-rate risk as of 31 December 2011.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

Surplus liquidity is primarily placed on a bank deposit account.

The table below sets out the maturity profile of the Groups for financial liabilities based on contractual undiscounted payments. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay.

31.12.2011	**Period left**					
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**More than 5 years**	**Total**
Trade payable						
Total	590 729	0	0	0	0	590 729

(iv) Exchange rate risk

The Group has no significant exchange rate risk, as all major assets and revenues of the Group are in EUR.

Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholders value. The Group manages its capital structure and makes adjustment to it, in ligth of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the year 31 December 2011. The Group monitors capital using a gearing ratio, which is net debt divided by enterprise value. The Group's policy is to keep the gearing ration between 60% and 75% The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to equity holders of the parent. As of 31 December the group has no interest bearing debt. The Group is currently finalising negotiations with a Norwegian bank to secure acquisition finance for the exisiting and future power plants acquired by the Group. The acquisition finance is planned to have a term of 3 years and a gearing level of 60 % to 75 %. These are the target levels, but depending on the projects, the gearing level may vary above or below this. When a sufficient portfolio has been acquired, the plan is to replace the acquisition finance with a publicly listed bond that will be issued.

Note 15: Trade receivables

(EUR)	**2011**
Trade receivables	429 266
Trade receivables	429 266

The provision for bad debt was kEUR 0 for 2011.

Losses for bad debt is classified as other operating expenses in the income statement.

Changes in bad debt provision :

(EUR)	**2011**
Provisions as of January 5	0
Provision for bad debt during the period	0
Realized losses for the year	0
Reversed provision during the period	0
Changes due to business combinations	0
December 31	0

Credit risk and foreign exchange risk regarding accounts receivable are discussed in note 14.

Aging of trade receivable as of 31.12.2011 was as follows:

			Overdue			
(EUR)	**Total**	**Not due**	**Less than 30 days**	**30-60 days**	**60-90 days**	**More than 90 days**
2011	429 266	429 266	-	-	-	-

There is no deadline for the collection of trade receivables, and the collection depends on the cash availability of the customer.

Note 16: Other current assets

(EUR)	**2011**
Pre-paid costs	**3 921**
Unbilled revenue	**20 017**
VAT receivable	**143 239**
Other current assets	**42 588**
Total other current assets	**209 765**

Note 17: Cash and cash equivalents

(EUR)	**2011**
Cash	**8 000 353**
Cash and cash equivalents in the balance sheet	**8 000 353**
Unused credit facility	**0**
Cash and cash equivalents in the cash flow statement	**8 000 353**

The group has EUR 90 120 in restricted cash as of 31 December 2011.
The Group had unused credit facilities of kEUR 0 as at 31 December 2011.

Note 18: Share capital, shareholder information and dividend

	2011
Ordinary shares, nominal amount NOK 10	1 200 000
Total number of shares	**1 200 000**

Changes to share capital and premium:

(EUR)	No. of shares	Share capital	Share premium fund
	2011	2011	2011
Ordinary shares			
Issued and fully paid 5	1 000	12 838	0
Reduction of share capital	-1 000	-12 838	0
Issued new share capital	1 200 000	1 523 423	13 710 804
Expenses related to the	0	0	-310 109
31 December 2011	1 200 000	1 523 423	13 400 695

All issued shares have equal voting rights and the right to receive dividend.

For computation of earning pr share and diluted earning pr share see Note 11.

The company changed from a limited liability company (AS) to a public limited liability company (ASA) on 31 October 2011.

The 15 main shareholders at 31.12.11 are:

Shareholder:	Number of shares:	Ownership interest:
Bjørgvin AS	200 000	16,67 %
Canica AS	200 000	16,67 %
Sundt AS	200 000	16,67 %
Vital Forsikring ASA	120 000	10,00 %
Alden AS	50 000	4,17 %
Extellus AS	50 000	4,17 %
Fram Management AS	50 000	4,17 %
OJN Invest AS	50 000	4,17 %
DnB Markets	45 000	3,75 %
Watrium AS	40 000	3,33 %
GEC Holding AS	30 000	2,50 %
MP Pensjon PK	30 000	2,50 %
TYBL AS	30 000	2,50 %
Stiftelsen Kjell Holm	20 000	1,67 %
Karlander Invest AS	15 000	1,25 %
Other	70 000	5,83 %
Total	**1 200 000**	**100,00 %**

Dividend paid and proposed

There have been no dividends paid in 2011.

The board has not proposed any dividends to be approved at annual general meeting.

Note 19: Trade payables and other current liabilities

(EUR)	2011
Trade payables	**590 729**
Deferred payment regarding business combination	**450 000**
VAT payable	**13 826**
Other accruals	**152 280**
SUM	**1 206 835**

Note 20: Events after the balance sheet date

Acquisition of Sistema Solar 1 GmbH:

On 29 February 2012 EAM Solar ASA acquired 100 % of the shares in Sistema Solar 1 GmbH from the estate of Solon Investments GmbH thorugh its wholly owned Italian subsidiary, EAM Solar Italy 2 Srl. for EUR 12,710,982. Sistema Solar 1 is the SPV owning the Codroipo solar power plant of 3,128 MW situated in Friuli, Venice, Italy set in production 05/2011. It is a company incoporated in Germany with a permanent estbalishment in Italy.

The parties had previously entered a share purchase agreement 27th September 2011 (effective date 31.8.2011) for the same power plant, but the agreement was cancelled and renegotiated following the insolvency proceedings of Solon Investments GmbH. The total obtained discount was approx. EUR 2.8 million from the original purchase price. EAM Solar ASA has received official confirmation from the Insolvency Court in Charlottenburg, Germany, that the sale cannot be revoked by the Insolvency Administrator (Mr. Rüdiger Wienberg, Berlin - vorlaufiger insolvenzverwalter).

Financing:

The shares in Sistema Solar 1 GmbH was financed from EAM Solar ASA with equity and a shareholder loan of MNOK 45. The three major shareholders provided a loan of MNOK 15 million each, i.e.:
Canica AS
Bjørgvin AS
Sundt AS
The Lenders have agreed to make available to EAM Solar ASA a senior secured loan in the amount of NOK 45,000,000 for the purpose of financing EAM Solar's purchase of 100 % of the shares in Sistema Solar 1 GmbH from Solon Investments GmbH. The loan constitutes a temporary bridge financing loan and will be re-financed by a permanent financing facility obtained by the Borrower at, or prior to, the final maturity date, being the 31st of September 2014. The loan may be repaid earlier without extra costs.

The loan carries an annual interest rate of 13 % per annum and must be repaid before any other loan can be taken up. EAM Solar is obliged to repay the loan as fast as possible through allocating all free cash flow, above the necessary working capital in the Varmo and Codroipo companies.

EAM Solar ASA

Profit & loss statement

5 January - 31 December
(NOK)

	Note	2011
Revenue	3	**372 758**
Total revenue		**372 758**
Other operating expenses	6	**-822 855**
Operating profit		**-450 097**
Finance income	12	**675 005**
Finance costs	12	**-997 591**
Profit before tax		**-772 683**
Income tax income/(expense)	7	**0**
Profit after tax	8	**-772 683**
Attributable to		
Share premium fund		**-772 683**
		-772 683

Balance sheet
(NOK)

	Note	31.12.2011
ASSETS		
Non-current assets		
Investments in subsidiaries	2	233 882
Deferred tax asset	7	0
Total non-current assets		233 882
Current assets		
Trade receivables	9	7 827 922
Intragroup receivables	9	54 998 743
Other receivables	9	1 133 049
Cash and cash equivalents	10	56 010 494
Total current assets		119 970 208
TOTAL ASSETS		120 204 090
EQUITY AND LIABILITIES		
Equity		
Paid in capital		
Issued capital	11	12 000 000
Share premium	11	104 784 592
Total paid in capital		116 784 592
Other equity		
Other equity		0
Total other equity		0
Total equity		116 784 592
Current liabilities		
Trade payables	19	2 395 658
Other current liabilities	19	1 023 840
Total current liabilities		3 419 498
Total liabilities		3 419 498
TOTAL EQUITY AND LIABILITIES		120 204 090

Oslo, 27 April 2012

Roar Alme
Managing Director

Viktor E. Jakobsen
Chairperson

Ingelise Arntsen
Board member

Paal E. Johnsen
Board member

Cash flow statement

(NOK)

(5 January - 31 December)	Note	2011
Cash flow from operating activities		
Profit/ (loss) before income taxes		-772 683
Income taxes paid	7	0
Changes in trade receivables		-8 960 971
Changes in liabilities		3 419 498
Net cash flow from operating activities		-6 314 156
Cash flows from investing activities		
Loan to subsidiary		-54 998 743
Acquisition of subsidiaries	2	-233 882
Net cash flow used in investing activities		-55 232 625
Cash flows from financing activities		
Proceeds from issue of share capital	11	117 557 275
Net cash flow from financing activities		117 557 275
Net currency translation effect		
Net increase/(decrease) in cash and cash equvivalents		56 010 494
Cash and cash equivalents at beginning of period		0
Cash and cash equivalents at end of period		56 010 494

Note 1: Accounting Principles

The financial statement has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Company was founded 5 January 2011 and these are the Company's first financial statements.

Use of estimates
The management has used estimates and assumptions that have affected assets, liabilities incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foregin currency translation
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in foreign currency are translated into NOK using an exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non monetary items that are measured at their fair value expressed in a foregin currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as their occur during the accounting period.

Revenue recognition
The company's revenues consist of management services provided to the subsidiaries. The management services has been presented net in the profit and loss statement, and only the mark-up related to the services has been recognized as revenue. Revenue is recognised once delivery has taken place and most of the risk and return has been transferred.

Income tax
The tax expense consists of tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differrences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 28 percent of temporary differences and tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as long term assets.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Subsidiaries and investments in assosiates
Investment in subsidiaries are measured at cost in the company accounts, less any impairment losses. An impairment loss is recognised if impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disapears in a later period.

Dividends and other contributions from subsidiares are recognised in the same year as they are recognised in the finacial statement of the provider. If dividends exceed withheld profits after the acqusition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acqusition in the balance sheet.

Trade recivables and other recivables
Trade recivables and other recivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provision for doubtful accounts are based on an individual assesment of differeut receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash and cash equivalents
Cash includes cash in hand and bank deposits. Cash equivalents are short-term liquid investments that can be converted to cash within three months and at a known amount.

Cash flow statement
The cash flow sttement is presented using the indirect method.

Note 2: Investment in subsidiaries and associates
(NOK)

Company	Location	Share ownership	Voting rights	Book value 31.12.11
EAM Solar Italy 1 slr	Italy	100 %	100 %	77 629
EAM Solar Italy 2 slr	Italy	100 %	100 %	77 758
EAM Solar Italy 3 slr	Italy	100 %	100 %	78 495
Total investments in subsidiaries				233 882

Note 3: Reveuues
(NOK)

By business area	2011
Management services provided to subsidiaries	372 758
Total	372 758

Geographical distribution	2011
Norway	0
Italy	372 758
Total	372 758

Note 4: Other Operating Expenses

(NOK)	2011
Audit and accounting fee expensed	361 709
Management services	341 424
Travel costs	94 849
Other operating costs	24 873
Total operating costs	**822 855**

Specification auditor's fees (NOK)	2011
Statutory audit fee for the year	200 000
Tax consultant services	263 450
Other assurance services	39 300
Total	**502 750**

(The amounts are excl VAT)

Note 5: Salary and personell expense

The company had no employees for 2011, and has no salary or personell expenses.

Note 6: Transactions with related parties

Related parties	**Transactions**
EAM Solar Park Management AS	Management services

All the transactions have been carried out as part of the ordinary operations and at arms -length prices. EAM Solar ASA has paid NOK 4,687,500 to Solar Park Management in 2011 for the management services provided by this company. EAM Solar Park Management AS delivers management service to EAM Solar ASA according to management agreement between the parties. According to this agreement, EAM Solar Park Management can charge EAM Solar ASA for the direct costs related to the management services provided, limited to 5 mill NOK per year.
In addition EAM Solar Park Management AS will receive 12.5% of the groups profit as a royalty from EAM Solar ASA. The royalty is based on the fact that EAM Solar ASA is developed, created and managed by EAM Solar Management AS with the interests of shareholders in EAM Solar ASA. See also note 8 in the Group financial statements.

Note 7: Income tax

Income tax expense:

	2011
Tax payable	0
Changes in deferred tax	0
Income tax expense	**0**

Tax base calculation:

	2011
Profit before income tax	**-772 683**
Permanent differences*	-2 424 647
Temporary differences	0
Basis for tax payable	**-3 197 330**

*Mainly transaction expenses related to the share issue

Tax loss carried forward:
EAM Solar ASA has a tax loss carried forward of NOK 3,197,330 as at 31 December 2011 which can be carried forward for an unlimited period.

The deferred tax asset as at 28% tax rate; NOK 895.252, is not recognized in balance sheet as it is currently not likely that the tax loss carried forward can be utilized.

Note 9: Liabilities and receivables

Receivables:

(NOK)	2011
Trade receivables	7 827 922
Other receivables	1 133 049
Loan to Group Companies*	54 998 743
Total receivables	**63 959 714**

Liabilities:

(NOK)	2011
Trade payables	2 395 658
Other current liabilities	1 023 840
Total current liabilities	**3 419 498**

*Includes a loan amounting 7 041 kEUR to EAM Solar Italy 1 srl.

Note 10: Cash and casb equivalents

(NOK)	2011
Bankdeposits NOK-account	17 240 280
Bankdeposits EUR- account	38 770 194
Cash and cash equivalents in the balance sheet	**56 010 494**

The company had unused credit facilities of NOK 0 as at 31 December 2011 and no restricted cash as of 31 December 2011.

Note 11: Equity

	2011
Ordinary shares, noinal amount NOK 10	1 200 000
Total number of shares	**1 200 000**

Changes to share capital and premium:
(NOK)

	No. of shares	Share capital	Share Premium reserve	Total equity
	2011	2011	2011	2011
Ordinary shares				
Issued and fully paid 5 January	1 000	100 000		100 000
Reduction of share capital	-1 000	-100 000		-100 000
Issued new share capital	1 200 000	12 000 000	108 000 000	120 000 000
Expenses related to the share issue			-2 442 725	-2 442 725
Net profit/(loss) in 2011			-772 683	-772 683
31 December 2011	**1 200 000**	**12 000 000**	**104 784 592**	**116 784 592**

All issued shares have equal voting rights and right to receive dividend.

The 15 main shareholders pr. 31.12.11 are:

	Number of shares:	Ownership interest:
Bjørgvin AS	200 000	16,67 %
Canica AS	200 000	16,67 %
Sundt AS	200 000	16,67 %
Vital Forsikring ASA	120 000	10,00 %
Alden AS	50 000	4,17 %
Extellus AS	50 000	4,17 %
Fram Management AS	50 000	4,17 %
OJN Invest AS	50 000	4,17 %
DnB Markets	45 000	3,75 %
Watrium AS	40 000	3,33 %
GEC Holding AS	30 000	2,50 %
MP Pensjon PK	30 000	2,50 %
TYBL AS	30 000	2,50 %
Stiftelsen Kjell Holm	20 000	1,67 %
Karlander Invest AS	15 000	1,25 %
Other	70 000	5,83 %
Total	1 200 000	100,00 %

Dividend paid and proposed

There have been no dividends paid in 2011
The board have not proposed any dividends to be approved at annual general meeting.

Note 12: Finance income and finance cost

(NOK)	2011
Interest income	674 643
Currency gain	362
Total finance income	**675 005**

(NOK)	2011
Interest cost	-55 556
Currency losses	-942 035
Total finance costs	**-997 591**

Note 13: Subsequent events

See note 20 in the Group financial statements.

ERNST & YOUNG

State Authorised Public Accountants
Ernst & Young AS

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Member of the Norwegian Institute of Public Accountants

To the Annual Shareholders' Meeting of EAM Solar ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of EAM Solar ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2011, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2011, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Managing Director's responsibility for the financial statements

The Board of Directors and Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the Group, and for such internal control as the Board of Directors and Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of EAM Solar ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards on Accounting as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Managing Director have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 9. May 2012
ERNST & YOUNG AS

Eirik Tandrevold
State Authorised Public Accountant (Norway)

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av den norske revisorforening

To the Board of Directors of EAM Solar ASA

Independent Practitioners' Assurance Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of EAM Solar ASA (the "Company"). The pro forma financial information consists of the unaudited pro forma condensed statement of financial position as at 30. September 2013, the unaudited pro forma condensed statements of comprehensive income for the year ended 31 December 2012 and the nine months ended 30. September 2013, and related description and notes as set out in section 9 of the prospectus dated 24. January 2014 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Company has compiled the pro forma financial information are specified in EU Regulation No 809/2004 and described in section 9 of the Prospectus (the "applicable criteria").

The pro forma financial information has been compiled for illustrative purposes only to provide information about how the acquisitions of:

1. Sistema Solar 1 GmbH
2. M&T Solare Srl
3. ESN Solar Four Srl, Energetic Source Green Power Srl, Energetic Source Investment Srl, Energetic Source Solar Production Srl, ENS Solare One Srl, Aveleos Green Investments Srl, Energia Fotovoltaica 14' Societa Agricola Arl and Energia Fotovoltaica 25' Societa Agricola Arl (together the "Target Companies")

set out in section 9 of the Prospectus might have affected the Company's consolidated financial position as at 30. September 2013 and the Company's consolidated financial performance for the year ended 31 December 2012 and the nine months ended 30 September 2013 as if the acquisitions of Sistema Solar 1 GmbH, M&T Solare Srl and the Target Companies had taken place at 30. September 2013 and 1 January 2012 and 2013 respectively. As part of this process, the Company has extracted financial information from the Company's and Sistema Solar 1 GmbH's, M&T Solare Srl's and the Target Companies' unaudited IFRS data packs for the period ended 31 December 2012 and the Company's and Sistema Solar 1 GmbH's, M&T Solare Srl's and the Target Companies's unaudited IFRS data packs for the nine months ended 30. September 2013. The auditor's report on the Company's financial statements for the year ended 31 December 2012 has been incorporated by reference in section 18 of the Prospectus. No audit or review reports have been issued on the unaudited condensed financial information of Sistema Solar 1 GmbH, M&T Solare Srl and the Target Companies for the year ended 31. December 2012. No audit or review reports have been issued on the unaudited condensed consolidated financial information of the Company, M&T Solare Srl or the Target Companies for the nine months ended 30. September 2013

The Board of Directors' and Management's Responsibility for the Pro Forma Financial Information
The Board of Directors and Management are responsible for compiling the pro forma financial information on the basis of the requirements of EU Regulation No 809/2004 as included in the Norwegian Securities Trading Act.

Practitioner's Responsibilities
Our responsibility is to express an opinion, as required by Annex II item 7 of EU Regulation No 809/2004 about whether the pro forma financial information has been compiled by the Company on the basis stated and that this basis is consistent with the accounting policies of the Company.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company has compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 9 of the Prospectus, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Sistema Solar 1 GmbH, M&T Solare Srl and the Target Companies to the accounting policies of the Company, or the assumptions summarized in section 9 of the prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information. The historical financial information of Sistema Solar 1 GmbH, M&T Solare Srl and the Target Companies for the year ended 31 December 2012 and the nine months ended 30. September 2013 and the historical financial information for the Company for the nine months ended 30 September is unaudited and accordingly we do not accept any responsibility for that information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate how the significant events or transactions might have impacted the unadjusted financial information of the entity if the event had occurred or the transaction had been undertaken at an earlier date. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions for the year ended 31 December 2012 and the nine months ended 30. September 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

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The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion:

a) The pro forma financial information has been properly compiled on the basis stated in section 9 of the Prospectus
b) That basis is consistent with the accounting policies of the Company.

This report is issued for the sole purpose of the public offering in Norway and the admission of shares on Oslo Axess and other regulated markets in the European Union or European Economic Area, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the issuance of shares and public offering described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the offer to the public and listing of the shares on Oslo Axess and other regulated markets in the European Union or European Economic Area, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway.

Oslo, 24. January 2014
ERNST & YOUNG AS

Thomas Embretsen

Thomas Embretsen
State Authorised Public Accountant (Norway)

AMENDMENT AND RESTATEMENT AGREEMENT

This amended and restated agreement (the "**Agreement**") is made on 3rd of March 2013 between:

(1) **EAM Solar Park Management AS**, company registration no. 896 525 212 ("**SPM**"); and

(2) **EAM Solar AS**, company registration no. 996 411 265 ("**EAM Solar**").

1. BACKGROUND

1.1 SPM and EAM Solar entered into a management agreement on March 17th 2011 (the "**Original Management Agreement**").

1.2 SPM and EAM Solar have agreed to amend certain of the terms and conditions of the Original Management Agreement.

2. AMENDMENT AND RESTATEMENT

With effect from the date hereof, the Original Management Agreement shall be amended and restated so that the rights and obligations of the parties to the Original Management Agreement shall, on and from that date, be governed by and construed in accordance with the provisions of the amended management agreement as set out in Schedule 1 hereto.

For and on behalf of EAM Solar ASA

Signature: _____

Name in block letters: Viktor E Jakobsen

Signature: _____

Name in block letters: Paal E. Johnsen

For and on behalf of EAM Solar Park Management AS

Signature: _____

Name in block letters: Leiv Askvig

Signature: _____

Name in block letters: Audun W. Iversen

Schedule 1

Form of Amended and Restated Management Agreement

AMENDED AND RESTATED ADMINISTRATIVE, TECHNICAL AND COMMERCIAL MANAGEMENT AGREEMENT

between

EAM Solar Park Management AS

and

EAM Solar AS

Wiersholm

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ADMINISTRATIVE, TECHNICAL AND COMMERCIAL MANAGEMENT AGREEMENT

This administrative, technical and commercial management agreement (the "**Agreement**") is made on March 17th, 2011 between.

(1) **EAM Solar Park Management AS**, company registration no. 896 525 212 ("**SPM**"); and
(2) **EAM Solar AS**, company registration no. 996 411 265 ("**EAM Solar**").

Whereas:

(A) SPM is a developer, purchaser, operator and administrator of companies that owns solar PV power plants.

(B) Through its operational organisation, operational competence, commercial network and industrial partnerships, SPM's business is to identify, plan, develop, purchase and operate solar power plants according to best practise principles for such activity. The business activity is conducted by SPM's own administrative and technical organisation, and through industrial partnerships.

(C) SPM structures the financial ownership of such Solar power plants, or groups of Solar power plants, by creating single purpose investment companies. The single purpose companies are structured in a way to ensure that Solar power plants becomes an investable asset for financial investors within both debt and equity.

(D) SPM's business is to continuously create and operate such single purpose investment companies in order to generate investment opportunities for financial investors to direct ownership of Solar power plants.

(E) EAM Solar is developed, created, incorporated and managed by SPM. Based on this fact, SPM has the right to participate in the value creation of EAM Solar through a financial participation mechanism that entails a share of the profit generated by the investment company, under specific limitations ("**Financial Participation Mechanism**"). In order to protect SPM' rights under the Financial Participation Mechanism the Agreement cannot, save in certain defined circumstances, be terminated by EAM Solar before 2021.

(F) EAM Solar is an investment company engaged in the investment and ownership of solar power plants. The ownership of Solar power plants is either directly or through subsidiaries (EAM Solar and its subsidiaries together "**EAM Solar**").

(G) EAM Solar's business is to own a portfolio of Solar power plants, operated under long-term sales contracts for the generated electricity, for the duration of the lifetime of the Solar power plants.

(H) EAM Solar does not intend to have any employees beyond the minimum legal requirements since all administrative, technical and commercial tasks are conducted by SPM. To the extent SPM may fulfil such legal obligations, SPM will do so under this Agreement.

(I) The sole purpose of EAM Solar is to distribute the cash generated from operations to its shareholders through the means of dividends or equivalent, within the limitations set by the EAM Solar's financial covenants and cash position.

(J) It is the intention of EAM Solar to have its shares listed on an appropriate stock

exchange in order to secure the liquidity of the shares in EAM Solar. The parties will negotiate in good faith to make such amendments to this Agreement as required or necessary for listing of the shares of EAM Solar.

1. APPOINTMENT AND DURATION

1.1 At the inception of EAM Solar, SPM is appointed as the exclusive manager (the **"Manager"**) of all of EAM Solar's, and its subsidiaries, administrative, technical and commercial activities.

1.2 The appointment of SPM to become Manager for EAM Solar is for the purpose of performing the duties and obligations set forth herein, and SPM hereby agrees to be appointed as EAM Solar's Manager for these purposes.

The appointment shall be effective from and including 17th March, 2011.

1.3 SPM and subsidiaries of EAM Solar will enter into separate administrative, technical and commercial management agreements if deemed necessary by the parties. Such agreements shall be addendums to the Agreement.

1.4 The duration of the Agreement is until terminated as described in clause 10.

2. EAM SOLAR CORPORATE GOVERNANCE AND MANAGEMENT FUNCTIONS

2.1 The final responsibility for the over-all management of EAM Solar lies with EAM Solar's board of directors (the "**Board**"), hereunder the duty to determine strategy, annual budgets, financial results, dividend policy, and sale, purchase, merger and swap of assets. Nothing in this Agreement is intended to set aside or limit the general powers of the Board under the Norwegian Public Limited Liability Act to manage EAM Solar.

2.2 Under this Agreement, SPM is appointed as EAM Solar's exclusive Manager and is as such responsible for all administrative, technical and commercial activities of EAM Solar. All material agreements relating to the operations or financing of EAM Solar shall be approved by the Board. The Board and SPM may adopt guidelines as to which agreements shall be considered "material agreements" in this respect.

2.3 In the case an individual has to be appointed as EAM Solar's General Manager, SPM will propose such individual to be approved by the Board.

2.4 Under the Agreement SPM shall provide EAM Solar with all administrative, technical and commercial services (the Services, as defined in clause 3) as shall be required by the Board in order to manage EAM Solar's business according to best practise and specific performance parameters.

2.5 SPM shall be responsible for the coordination and overall management of the Services and shall have a cost efficient and professional overall administration of the Services.

2.6 SPM may chose at its own discretion to subcontract specific tasks to third party service providers. SPM shall remain liable to EAM Solar for the performance of such tasks even if it has subcontracted them to a third party service provider.

2.7 In the event that the shareholders meeting of EAM Solar or the Board appoint

committees to carry out defined tasks (such as auditing committee, election committee or other), SPM shall provide the services under this Agreement and take instructions from such committee as instructed by the Board.

3. SERVICES

SPM shall, throughout the term of this Agreement, make such assistance and such services in relation to the management and administration of EAM Solar available to EAM Solar as the Board from time to time may specify.

Without prejudice to the generality of the foregoing, SPM shall provide the following services to EAM Solar (the "**Services**"):

3.1 Corporate Governance and Administration Services

a. SPM shall assist EAM Solar with all aspects of corporate governance and shall, in particular, assist with the conveying of shareholders meetings.

b. SPM shall be responsible for the operation of EAM Solar's shareholder register.

c. SPM shall assist the Board in conveying meetings or facilitating written resolutions as and when required and shall have a special obligation to ensure the proper documentation thereof.

d. SPM shall assist EAM Solar and all its subsidiaries in submitting all required records, accounts, reports and documents to any relevant authority.

3.2 Budget - Reports

a. SPM shall, based on the strategy of EAM Solar and the instructions of the Board, prepare a budget for EAM Solar on a consolidated basis in advance of each calendar year. Such budget shall be prepared in a form and with such supplementary material as the Board shall request and shall be submitted to the Board for approval on a date to be agreed from time to time;

b. SPM shall prepare quarterly reports on the financial and technical performance of EAM Solar and such other reports as the Board may require from time to time. Such reports shall cover such subjects and shall be prepared in such detail as the Board shall reasonably require;

3.3 Accounting

a. SPM shall be responsible for EAM Solar's accounting functions and shall, in this respect, report to the Board;

b. EAM Solar's accounting shall be based on such accounting principles as the Board from time to time shall decide;

c. SPM shall maintain all financial records and books of account of all transactions of EAM Solar in accordance with applicable laws and proper accounting practice;

d. SPM shall be responsible for EAM's quarterly and annual closing of accounts and shall prepare the quarterly and annual reports of EAM Solar and submit the same to the Board for approval within the time limits from time to time set by the Board;

3.4 Auditing

a. SPM shall assist EAM Solar's auditors in the continuous and annual audit of

EAM Solar accounts;

b. SPM shall negotiate the terms subject to which EAM Solar's auditors shall provide their services and submit the same to the Board's for approval;

3.5 Company Records

a. SPM shall establish and maintain an adequate and accessible archive either or both in electronic and physical form, over all accounting, commercial and technical documents relevant to EAM Solar operations.

3.6 Stock exchanges

a. SPM shall, on the instructions of the Board, negotiate all agreements relevant to the listing of EAM Solar's securities on stock exchanges in such jurisdictions as the Board, from time to time, shall decide;

b. SPM shall ensure compliance by EAM Solar with all contractual and legal obligations of EAM Solar in relation to such stock exchanges and similar trading systems which EAM Solar's securities from time to time are listed on;

c. SPM shall, in particular, ensure that all of EAM Solar's obligations to inform relevant stock exchanges of EAM Solar's activities and results are complied with and shall enter into such agreements or other arrangements as shall be required by relevant stock exchanges for this purpose;

3.7 Investor Relations

a. SPM shall assist the Board in all aspects relevant to investor relations, including, but not limited to:

- distribution of annual and quarterly reports and such other information as the Board from time to time shall decide shall be sent to EAM Solar's shareholders and others;
- presentations of EAM Solar to investors and financial analysts;
- communication with media and the public in general in respect of EAM Solar's performance, always provided that such activities shall take place on the Board's behalf and accordingly to the Board's instructions;

b. SPM shall provide EAM Solar with such information and analysis as EAM Solar shall require on the trading of its securities in the markets where they are regularly traded;

3.8 Government Relations - Taxes

a. SPM shall advise the Board on issues of compliance by EAM Solar with all laws, regulations and provisions applicable to EAM Solar in such jurisdictions as EAM Solar from time to time shall operate in and assist, as directed by the Board, with such compliance;

b. SPM shall assist with the preparation of tax return forms and similar filings required to be made by EAM Solar in accordance with applicable law;

3.9 Corporate Finance

a. SPM shall assist the Board in all matters relevant to the financing of EAM Solar's activities;

b. SPM shall, within such general limits and pursuant to such authorities as the Board from time to time shall decide, obtain offers for loans and other financial credits, negotiate the same and present final terms to the Board for approval and shall assist with the documentation of approved transactions;

c. SPM shall ensure that all payments are made under such loan and credit agreements as EAM Solar are party to from time to time on the due dates therefore and otherwise follow up on all reporting obligations etc. to the relevant lender;

d. SPM shall continuously review EAM Solar's debt financing and seek to improve the terms of the same. SPM shall carry out changes to the debt structure if and when such are considered an improvement on existing costs and terms as directed by and subject always to the Board's prior approval to any changes;

e. SPM shall, in accordance with specific instructions from the Board, assist the Board in relation to the issue and/or redemption and/or repurchase of EAM Solar's securities;

f. SPM shall monitor EAM Solar's exposure to financial risks and shall advise the Board with respect to the same and generally assist with currency transactions, interest rate fixtures and other derivative transactions;

g. SPM shall follow up on the relationship between EAM Solar and its financial creditors from time to time and report on all material issues arising in this context to the Board without undue delay;

3.10 Treasury Functions

a. SPM shall be authorised to operate EAM Solar's bank accounts in accordance with such principles therefore as the Board from time to time shall approve. SPM shall, in this respect, be authorised to enter into account agreements and all such other contracts or agreements as shall be required by the banks and others for this purpose;

b. SPM shall develop a cash management policy for EAM Solar, which shall be presented to and approved by the Board, and continuously review the same. SPM shall furthermore ensure that such policy is implemented in accordance with the terms approved by the Board from time to time;

c. SPM shall be authorised to collect all amounts due from third parties to EAM Solar and shall be responsible for the establishment and follow-up of efficient procedures for the purpose of collecting overdue amounts;

d. SPM shall arrange for EAM Solar's debts to third parties to be settled as such fall due, always ensuring that amounts due as consideration for goods or services which do not meet required standards of quality or quantity are retained while pursuing a satisfactory solution to any dispute in relation thereto;

e. SPM shall settle all inter-company accounts between EAM Solar and the Subsidiaries in accordance with such agreements and other fundaments for payments as shall be in existence from time to time;

3.11 Technical operations and maintenance

a. SPM shall be responsible for the day-to-day management of all assets, joint venture interests and other assets owned by EAM Solar;

b. SPM is responsible for maintaining best practise standards and policies for the technical operation of the solar power plants and other operational assets owned by EAM Solar and shall advise the Board with respect to the same;

c. SPM is responsible for all necessary tasks technical O&M tasks, including but not limited to,

Specification and execution of operations plans
Specification and execution of maintenance plans
Monitor and evaluate the performance of the assets with reference to specific KPIs
Optimise technical and commercial performance over time
Site maintenance and security
Production metering and reporting
O&M status and risk reports to the Board

3.12 Commercial activities

a. SPM is responsible for negotiating the electricity sales contracts on behalf of EAM Solar.

3.13 Insurances

a. SPM shall prepare general guidelines for cover, insurers and terms to be applied to the insurance of EAM Solar's assets and activities and submit the same to the Board for approval. SPM shall, thereafter, regularly review such policy and propose amendments or changes to the Board if and when considered relevant;

3.14 Mergers and Acquisitions, Divestments and Investments

a. SPM shall, in accordance with specific instructions from the Board assist the Board in all matters relevant to corporate mergers with, and/or acquisitions of, other companies or assets. Such assistance shall include, but shall not be limited to, arranging the financing of any acquisition, renegotiating existing financing and other contractual arrangement required by the acquisition/merger and the general completion of the transaction in question;

b. SPM shall always report on its activities in matters related to mergers and acquisitions to the Board and keep the Board continuously updated on the progress of the same;

c. SPM shall, in accordance with specific instructions from the Board, assist EAM Solar in the sale of Subsidiaries, and the sale and purchase of assets held or to be acquired directly by EAM Solar;

3.15 HSE and accident management – Contingency Plans

a. SPM shall assist EAM Solar in specifying and implementing all HSE Plans according to legal requirements. In particular, SPM shall establish an accident and crisis management procedure which shall be submitted to the Board for approval and which, thereafter, shall be updated whenever necessary;

3.16 Business and Project Development

a. SPM shall on a continuous basis work with developing EAM Solar's business through monitoring the market for suitable investments in Solar Power

plants and conduct the initial screening of such investments on behalf of EAM Solar.

b. SPM shall, always in accordance with specific instructions from the Board, assist EAM Solar in negotiating contracts for development and construction of solar power plants;

c. SPM shall, on EAM Solar's behalf, supervise the construction of solar power plants ordered by EAM Solar and, in particular, ensure compliance by the relevant contractors with the specifications agreed in the relevant contract;

d. SPM shall provide such assistance to the Board on project analysis and development as the Board shall require from time to time;

3.17 Disputes

a. SPM shall, always in accordance with specific instructions from the Board, defend, intervene in, settle, compromise or abandon any and all legal proceedings by or against EAM Solar, whether in relation to a solar power plant or otherwise, on their behalf and follow up the same in accordance with such instructions as shall be provided to SPM in this respect by the Board;

b. SPM shall not have the authority to initiate formal proceedings before a court or arbitration panel unless instructions to do so have been provided by the Board; and

c. SPM shall not have the authority to settle any legal proceedings without the approval of the Board;

3.18 Office expenses and use of office facilities

a. SPM shall at its own expense provide all office accommodation, office equipment, office stationary and office staff as the provision of the Services require.

b. SPM shall provide EAM Solar with office accommodation at its offices in Oslo.

3.19 General Purchasing Authority

a. SPM shall be generally authorised to conclude purchases of goods and services on EAM Solar's behalf within such limits as are set forth in EAM Solar's yearly budgets and which is related and/or connected to the Services. Any purchases not covered by the budget must be presented for and approved by the Board.

b. SPM shall always consult with EAM Solar prior to concluding the purchase of goods or services if the purchase of such goods or services may be considered to be outside the ordinary course of EAM Solar's business.

3.20 Failure to obtain the approval of the Board

If a matter requires the approval of the Board under this clause 3 and the Board does not approve SPM's proposal then the Board shall make the decision in that matter, and SPM shall use its best efforts to assist the Board in finalizing its decision in such matter.

4. GENERAL CONDITIONS

4.1 SPM shall, in performing its duties hereunder, effectively and faithfully serve EAM Solar. In exercising the powers and authorities hereby conferred on it and when performing the Services, SPM shall:

(i) always use its best endeavours to protect and promote EAM Solar's interests;

(ii) observe all applicable laws and regulations relevant to EAM Solar's activities, and ensure that EAM Solar always are in compliance; and

(iii) always act in accordance with good and professional management practice.

4.2 SPM shall at all times make its best efforts to ensure that conflicts of interest between SPM and EAM Solar are eliminated, and if elimination is not possible that the conflict is minimized and that all relevant information is disclosed to EAM Solar to enable EAM Solar to assess the conflict of interest. SPM shall promptly inform EAM Solar of any direct or indirect material interest which SPM, its owners or it employees may have in solar parks, projects related to the ownership or operation of solar parks and suppliers and sub-suppliers of products and services to EAM Solar. EAM Solar and SPM shall agree on measures to be taken to handle conflicts of interest that may arise.

4.3 SPM shall have the right to sub-contract parts of the Services to third parties on commercial terms. Any such sub-contracting arrangements shall be made in writing. EAM Solar shall be provided with copies of such agreements at EAM Solar's request.

4.4 SPM shall, be entitled to provide management services to other companies or entities.

4.5 All discounts, commissions and other benefits received by the SPM and/or its employees from third parties as a consequence of the performance of the Services shall be disclosed to EAM Solar and, unless otherwise agreed, placed at EAM Solar's disposal.

4.6 EAM Solar shall, at all times, be allowed full access to the accounts and records of the SPM which are relevant to the performance of its obligations vis-à-vis EAM Solar hereunder.

Such access shall be granted to any member of the Board and any such other persons as shall be specifically authorised by the Board. Representatives of EAM Solar's auditor shall, in relation to the audit of EAM Solar, always be considered as authorised.

4.7 SPM shall, upon request, provide EAM Solar with copies of all documents relevant to EAM Solar in its possession and otherwise compile such facts and records on the basis of such documents as shall, from time to time be requested by EAM Solar.

4.8 SPM shall ensure that the principles set forth in this Clause **4** shall be incorporated in any agreement made between the SPM and its sub-contractors in relation to the provision of the Services and, in particular, that EAM Solar is provided with the rights set forth in Clause 4.5 and 4.6 in relation to such sub-suppliers.

5. REMUNERATION AND DISBURSEMENTS

5.1 All aggregate costs relating to the administrative, technical and commercial activities of EAM Solar, conducted by SPM, or a third party chosen by SPM, shall be borne by EAM Solar on a continuous basis.

5.2 SPM will directly invoice all cost relating to providing the Services under the Agreement without margin. SPM shall each year, and no later than 30th November, prepare a cost budget for the following year and present it to the Board for approval. In the event that the aggregate costs (including external costs) within one budget year exceeds or is likely to exceed NOK 5 million, SPM shall promptly inform the Board of EAM Solar and present a revised budget for EAM Solar's approval. Until and unless such revised budget is approved, SPM shall not incur any costs under this agreement unless specifically accounted for in the original budget, such costs are necessary to prevent damage to the assets of EAM Solar, to prevent loss or significant damage related to contractual positions, to comply with mandatory obligations under applicable law, or if the Board has approved the costs pending the preparation of a revised budget. SPM shall in its notice to the Board inform the Board of any such necessary costs.

5.3 All external expenses such as legal fees, auditing, expert consultations, travelling expenses and related costs and expenses shall be paid by EAM Solar. SPM shall seek approval from the Board before incurring any such costs unless already accounted for in EAM's budget.

5.4 In addition to the cost coverage as set out in this clause 5, SPM shall be entitled to such fee as set out in clause 6 below.

6. FINANCIAL PARTICIPATION MECHANISM

6.1 EAM Solar is developed, created and managed by SPM. Based on this fact, SPM has the right to participate in the value creation of EAM Solar. This right to participation in the value creation is regulated through the Financial Participation Mechanism.

6.2 SPM has the right to receive 12,5% of the annual pre-tax profit in EAM Solar (the "**Royalty**"). The Royalty shall be invoiced on a quarterly basis to EAM Solar after the publication of quarterly accounts for EAM Solar each quarter. The amount shall be adjusted following the approval of the audited annual accounts each year. Any Royalty paid out in excess of a calculation based on audited annual accounts shall be set off against Royalty payable fourth quarter and, if necessary, the following quarters.

The annual pre-tax profit is defined as net result for the fiscal year after operational costs, depreciation and amortization and net financial items.

6.3 In the event that this Agreement is terminated, SPM shall retain the right to receive the Royalty for the duration of the Agreement as defined in clause 1.4.

6.4 In the event of a merger of EAM Solar with another company the Royalty shall be 12,5% of the annual pre-tax profits for the combined company.

6.5 In the event of a demerger of EAM Solar, the Royalty shall be 12,5% of the annual pre-tax profits for each company participating in the demerger and for each company multiplied by the number of shares of the participating company issued to shareholders of EAM Solar relative to the total number of shares in each participating company at the time of the demerger.

6.6 The calculation of the Royalty and SPM's right to cost coverage under clause 6.6 shall be subject to the detailed provisions of Appendix 1 to the Agreement.

7. FORCE MAJEURE

7.1 If and to the extent that a party is hindered or prevented by circumstances not reasonable foreseeable and not within its ability to control from performance any of its obligations (other than in respect of the payment of money) under this Agreement, and provided that the affected party promptly notifies the other party giving full particulars of the circumstances in question, then the party so affected shall be relived of liability to the other party for failure to perform its obligations. The affected party shall, nevertheless, use its best efforts to resume full performance without avoidable delay, and until such resumption shall permit and shall use its best efforts to facilitate any efforts that the other party may make to procure alternative supplies or services.

8. RIGHT OF FIRST REFUSAL

8.1 If SPM identifies any solar power plant in Europe, which it believes may represent an attractive investment for financial investors seeking exposure towards the solar energy sector (an "**Investment Project**") it shall notify EAM Solar in writing (an "**Investment Notice**"). The Investment Notice shall describe the Investment Project in reasonable detail.

8.2 SPM shall respond to any reasonable queries from EAM Solar for additional information regarding the Investment Project.

8.3 Upon receipt of an Investment Notice EAM Solar shall have a period of six weeks to notify SPM in writing (a "**Proceed Notice**") of its intention to:

(i) pursue the Investment Project in its own name and for its own account (a "**Direct Investment**"); or

(ii) establish a new investment vehicle to pursue the Investment Project, the shares of which will be offered to EAM Solar's shareholders in proportion to their shareholdings in EAM Solar (a "**NewCo Investment**");

in each case subject to the further provisions of this Agreement.

8.4 Any Proceed Notice shall specify whether EAM Solar's decision to pursue the Investment Project, whether by way of a Direct Investment or a NewCo Investment is subject to financing. If the decision is made subject to financing EAM Solar, or the new investment vehicle (as the case may be), must inform SPM in writing that this financing condition has been satisfied no later than three months after the date of the Investment Notice.

8.5 If EAM Solar fails to deliver a Proceed Notice within the deadline set out in clause 8.3 or fails to lift the financing condition (if any) within the deadline set out in clause 8.4, SPM shall be free to offer the Investment Project to other investors and to act as manager of any investment vehicle established by other investors.

8.6 Any decision by EAM Solar to pursue a NewCo Investment shall be subject to the new investment vehicle entering into a management agreement with SPM on terms reflecting those of the Agreement, mutatis mutandis.

9. LIABILITY

9.1 SPM shall be under no responsibility or liability for any loss or damage, whether as a loss of profits or otherwise, to EAM Solar arising out of any act or omission on the part of SPM or any of its officers or employees in connection with the performance of the Services, unless the acts or omissions leading to a loss or damage are caused by negligence or wilful misconduct on the part of SPM, its officers or employees.

9.2 SPM's liability to compensate EAM Solar for any loss shall be limited to the Royalty paid to SPM in relation to the year preceding the year in which such loss arose. No party shall be obliged to compensate the other party for any indirect or consequential damage or loss, loss of future profit or any similar indirect damages or losses whatsoever and howsoever arising.

9.3 EAM Solar agrees to indemnify and keep SPM and its officers and employees together with its subcontractors and such subcontractors' employees and officers indemnified against any and all liabilities, costs, claims, demands, proceedings, charges, actions, suits or expenses of whatsoever kind or character that may be incurred or suffered by any of them howsoever arising (other than by reason of fraud or dishonesty on their part) in connection with the provisions of the Services.

10. ASSIGNMENT

10.1 SPM shall not be entitled to assign its rights and obligations under this Agreement without the prior written consent of EAM Solar.

11. CONFIDENTIALITY

11.1 SPM undertakes, on its own behalf and on behalf of its directors and employees, not to disclose any information relating to EAM Solar to any unauthorised person or body, unless such information is necessary or desirable in connection with any contract, agreement or negotiations/discussions between such person or body and EAM Solar or if such information is generally known. This confidentiality clause shall continue in force also after the termination of this Agreement.

In this connection the term «unauthorised person» also include SPM's employees unless the information is needed in their work performance.

This confidentiality clause includes, but is not limited to, any information, know-how or data, whether technical or non-technical, information regarding customers, possible purchases (including negotiations), costs, income, market plans, marketing etc.

11.2 SPM may, however, give such information as is legally required by public authorities.

11.3 SPM shall not use confidential information to profit its own or any third parties' businesses.

12. NOTICES

12.1 All correspondence or notices required or permitted to be given under this Agreement shall be given in English and sent by first class mail, telefax or e-mail or delivered by hand to such address and contact person as the SPM and/or EAM Solar may designate to the other in writing.

13. TERMINATION

13.1 Each of the parties may terminate the Agreement with earliest effect 2021 by giving 12 months notice to the other party. In the event of termination, SPM is entitled to a termination fee as set out below:

The termination fee equals the average of the last two years Royalty received by SPM multiplied by a factor of 5. The termination fee will be immediately payable at the date of termination.

13.2 Each of the parties may terminate this Agreement with immediate effect by written notice to the other party if:

(i) any corporate action, legal proceedings or other procedure or step is taken in relation to bankruptcy or insolvency proceedings in respect of the other party or the winding up or dissolution of the other party (save for the purposes of a solvent reorganisation); or

(ii) the other party defaults in its obligations towards the other and fails to remedy such default within thirty calendar days from the receipt of notice of such default (if such default can be remedied), the non-defaulting party may terminate this Agreement with immediate effect. In the event of a termination by SPM under this clause, SPM shall be entitled to the termination fee as set out in clause 13.1 above.

13.3 EAM Solar may terminate this Agreement with immediate effect by written notice to SPM if material changes occur in SPM which materially reduces its ability to perform its obligations under this Agreement.

13.4 In the instance whereby a single investor or group of investors (as defined by VPHL § 2-5) have acquired or control at least 90 % of the shares in EAM Solar in a bona fide transaction, the Agreement may be terminated by SPM by giving 12 months notice. In the event of termination under this clause, SPM shall have the right to the termination fee set out in clause 13.1.

13.5 On the termination of the Agreement, SPM shall:

(i) ensure that all of EAM Solar's files, records, archives and documents in SPM's possession are delivered to EAM Solar;

(ii) destroy all of SPM's own notes and related documents relevant to EAM Solar, which content is not generally known, if EAM Solar so requests;

(iii) to the extent required by EAM Solar and always against an appropriate fee, provide EAM Solar with information and assistance for a period of up to 12 months following termination; and

(iv) continue to observe the obligations set forth in Clause 8 (Confidentiality).

14. ARBITRATION AND GOVERNING LAW

14.1 All matters related to the Agreement shall be subject to the laws of Norway.

14.2 If any dispute shall arise between the parties in connection with this Agreement they shall seek through resolve such dispute amicably for a period of no less than four weeks after the dispute arose. Any dispute related to the Agreement that is not settled amicably shall be subject to arbitration in Oslo in accordance with the Arbitration Act dated 14 May 2004, no. 25 as amended or replaced.

14.3 The arbitration proceedings and the arbitration judgments are subject to confidentiality. The confidentiality commitment has priority after any duty to provide information according to applicable laws, regulations and/or stock exchange rules.

This Agreement is executed in two originals, one original to the SPM and one to EAM.

Oslo, March 17th, 2011

For and on behalf of EAM Solar ASA

Signature: _____

Viktor E. Jakobsen

For and on behalf of EAM Solar Park Management AS

Signature: _____

Leiv Askvig

For and on behalf of EAM Solar AS

Signature: _____

Paal E. Johnsen

For and on behalf of EAM Solar Park Management AS

Signature: _____

Audun W. Iversen

Appendix 1

Definition of direct costs and basis for calculation of Royalty

Appendix 1 (the "**Appendix**"), is a supplement to the Administrative, Technical and Commercial Management Agreement dated 17.03.2011 between EAM Solar ASA (the "**Company**") and EAM Solar Park Management AS (the "**Manager**") (the "**Management Agreement**").

As stated in the Restated Management Agreement under clause 6.6., the Appendix is a detailed description of; 1) The definition of the direct costs to be invoiced from the Manager to the Company according to the Management Agreements clause 5.2, and 2) The description and definition calculation basis for the Royalty according to the Management Agreements clause 6.

1. DEFINITION OF DIRECT COSTS TO BE INVOICED WITHOUT MARGIN

1.1 Background and principles for invoicing direct cost without a margin

1.1.1 The direct costs, according to the Management Agreement clause 5.2, the Manager may invoice without margin for services conducted may broadly be described as the total cost of conducting all necessary services on behalf of the Company in accordance with best business practises and a prudent operation.

1.1.2 The motivation for invoicing the direct operating costs without margin is based on the Manager's part of the Company's value creation through the "Financial Participation Mechanism", thus to motivate the Manager to ensure as high a profitability in the Company as may be reasonably expected.

1.1.3 Three main principles governs for the basis for determining the Manager's directly invoiced operating costs, these are;

Transparent and negotiated: The expected direct operating costs invoiced must be based on approved budgets according to clause 5. The Company's Board of Directors has the right to review and discuss the detailed operating budget proposal for the Manager's services, as well as receiving the accounts for any given period relevant to the invoicing of services.

In the case changes in the Company's assets (e.g. acquisitions/divestments) changes the operating cost base for the services during a budget period, the Manager shall present to the Company a revised budget for the direct costs to be invoiced for approval.

Direct and relevant; All costs invoiced by the Manager must be directly related to the Management of the Company. In the case the Manager conducts management for other companies, the Manager and the Company's Board shall agree on a relative distribution of the Manager's direct operating costs that is to be attributed to the manager's conduct of the Company's services according to the Management Agreement.

Fair, prudent & competitive: The Manager may not incur any direct costs at levels deemed above what may be reviewed as normal business practise for conducting the services. This relates in particular to the level of wages, travel expenses, meeting costs, social costs etc.. However, the Company and the Manager acknowledges that the Manager must maintain a wage level for its

employees that are competitive in order to secure the employment of adequately skilled employees to the benefit of the Company.

1.2 The operating costs that may be invoiced as part of the services conducted by the Manager includes following main cost items, although the overview does not construe an exhaustive list;

- All employee costs (wages, including social costs, pension, etc.).
- Office costs (office rental, IT systems, stationary, office equipment etc.).
- Travel and meeting expenses
- Cost of external consultants and sub-suppliers (legal, accounting, financial etc.)
- Cost related to the gathering and interpretation of Industrial information, project specific information and general documentation needed to conduct the services.

2. THE CALCULATION OF THE ROYALTY

2.1 As described in the Management Agreement clause 6, the Royalty is based on 12,5% of annual pre-tax profit. In order to align the financial remuneration of the Manager with the Company, the annual pre-tax profit must be adjusted for certain accounting items that may not directly be relevant for the underlying profitability of the Company. These accounting items may be divided into three main elements; 1) non-cash accounting items, 2) acquisitions and transaction costs, and 3) treatment of gains/loss in conjunction with sale of assets.

The annual adjustment represents a continuous adjustment over the tenure of the Management Agreement.

Since the main objective of the Company, and the Manager's operation of the Company, is to create value through the distribution of the Company's free cash flow as dividends and capital contributions, the royalty attributable to the Manager is focused on the cash flow. However, since the operation of the company has two distinct stages; 1) the investment stage, and 2) the operation stage, the adjusted annual pre-tax profit that forms the basis for the annual Royalty assessment must take into accounts these two elements.

In the calculation and annual assessment of the financial participation of the Manager, there shall be made an annual final calculation based on the annual audited accounts of the consolidated group accounts of the Company. The final assessment and statement of the Manager's annual Financial Participation in the profit of the Company shall be signed by both parties in conjunction with the audit of the annual accounts of the Company.

2.2 The investment stage; Adjustments for acquisitions and transaction costs: Acquisition and transaction costs are related to creating long-term profitability for the Company. In the acquisition of assets and the financing of such assets, most of the capital outlay is capitalized and depreciated during the assets operating lifetime. However, some of the costs related to acquisitions and finance are for accounting regulation purposes not capitalized and depreciated during the lifetime but expensed in the year of the transaction.

In the adjustment of pre-tax profit, the annual expensed costs related to acquisition and transactions shall be capitalized and depreciated over the lifetime of the assets.

If the asset is sold before the lifetime, the remaining capitalized acquisition and transaction costs must be added to the adjusted pre-tax profit assessment in the year of the asset sale. It is only the capitalized acquisition and transaction costs directly related to the sold asset that will be expensed in the adjusted pre-tax profit.

2.3 In the operating stage, several cost items in the accounts may not have a cash effect and should therefore not be included in the adjusted pre-tax profit basis for the annual royalty assessment. Cost items that may entail non-cash items to be adjusted for are as examples; book value changes in assets (asset write downs and revaluation) and non-cash changes in currency items.

2.4 Example of adjustment to the pre-tax profit:

Adjustment of pre-tax profit

EAM Solar ASA 9 month 2012 example	**Reported**	*Adjustment*	**Adjusted**	*Comment*
Revenues	**2 630 000**		**2 630 000**	
Cost of operations	-200 000		-200 000	
SG&A	-650 000		-650 000	
Acquisition & transaction costs	-900 000	*855 000*	-45 000	*Acquisition costs allocated over project lifetime (20 years)*
EBITDA	**880 000**		**1 735 000**	
Depreciation	-745 000		-745 000	
Gain on bargain purchase	2 700 000	*-2 700 000*	0	*Non-cash gain from acquisition adjusted from P&L*
EBIT	**2 835 000**		**990 000**	
Net financial items	-1 350 000	*800 000*	-550 000	*Non-cash currency loss adjusted from P&L*
Profit before tax	**1 485 000**	*-1 045 000*	**440 000**	*Net adjustment to pre-tax profit of EUR 980K*
12,5% of pretax profit	**185 625**	*-130 625*	**55 000**	*Manager's Financial participation adjusted by EUR 130K*

2.5 When an asset is sold the company will realize a sales gain or loss relative to the book value of the sold asset. In case of both a sales gain and a sales loss the pre-tax profit of the year shall be adjusted accordingly (reference to point 2.2. above).

In the case of the termination of the Agreement, whereby the Agreements clause 13.1 comes into effect, the last two years royalty basis for the termination fee shall be adjusted for any extraordinary sales gain or loss accordingly. The termination fee shall only include the royalty stemming from ordinary operations. However, if the termination of the Agreement happens in a year with sales gains/sales loss, the Manager's part of that particular years extraordinary gain or loss shall form the basis for received royalty for that year.

[Signature page follows]

For and on behalf of EAM Solar ASA

Signature: _____

Name in block letters: Viktor E Jakobsen

Signature: _____

Name in block letters: Paal E. Johnsen

For and on behalf of EAM Solar Park Management AS

Signature: _____

Name in block letters: Leiv Askvig

Signature: _____

Name in block letters: Audun W. Iversen