



EAM Solar ASA

EAM SOLAR ASA Q1 2019

14 May 2019

AGENDA

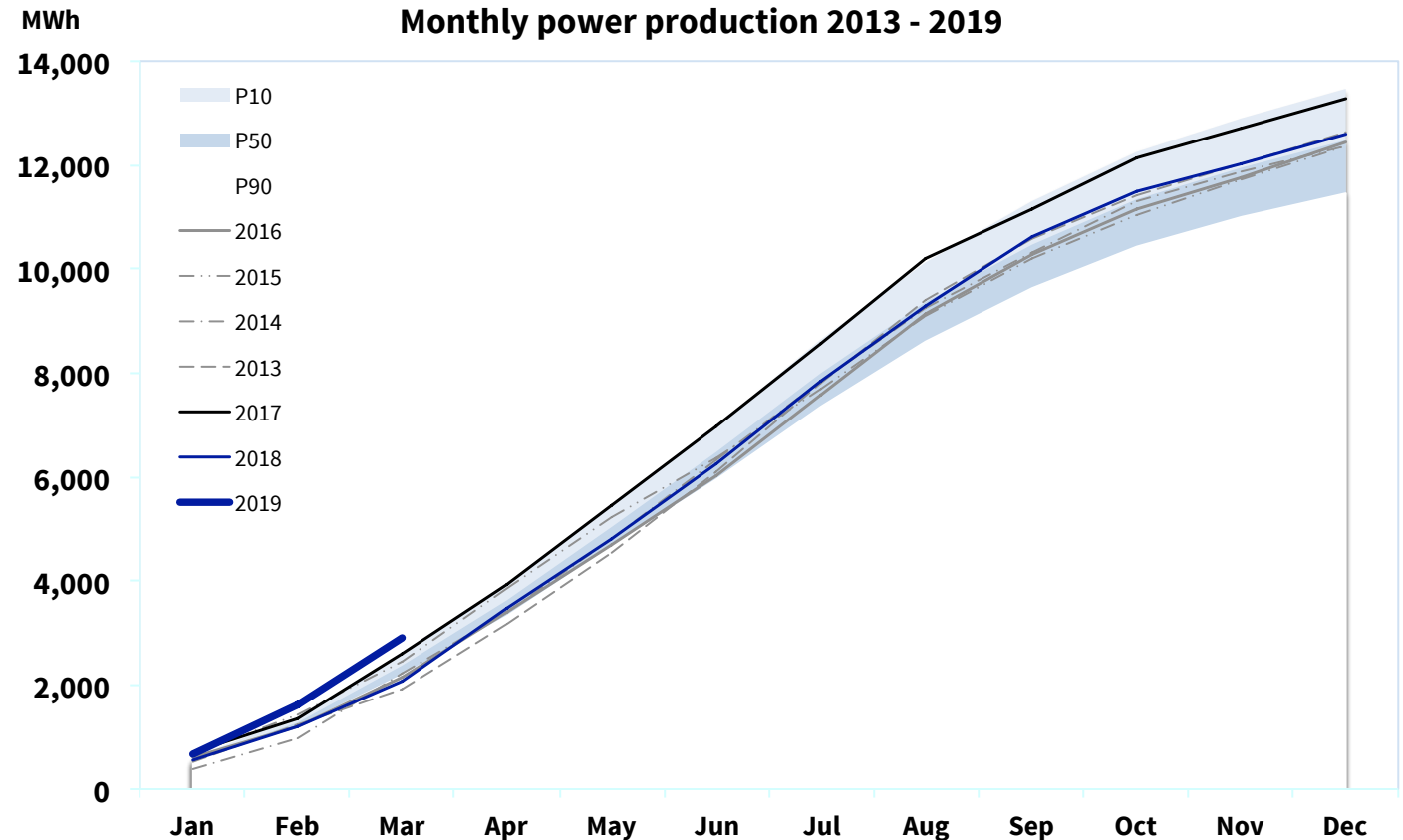


1. Power production Q1 2019
2. Q1 2019 P&L
3. Legal summary
4. Q&A



POWER PRODUCTION Q1 2019

- Best 1st quarter power production level since 2012.
- Production of 2,922 MWh, 15.7 % higher than budget.
- Electricity sales revenue Q1 2019 of EUR 947k, 14% above budget.
- Average market price of electricity of EUR 54.1 per MWh, 14% below Q1 2019 budget of EUR 62.9 per MWh.



Q1 2019 P&L

- Revenues higher due to higher power production.
- First quarter positive EBITDA including litigation costs.
- Costs of operations and SG&A in line with level seen in 2018.

EUR	Unaudited Q1 2019	Unaudited Q1 2018	Audited 2018	Audited 2017
Revenues	946 763	654 659	4 305 450	4 213 335
Cost of operations	-143 056	-141 539	-658 559	-769 196
Sales, general and administration expenses	-357 332	-345 563	-1 438 771	-1 687 671
Legal costs	-275 681	-423 027	-1 533 656	-6 648 537
EBITDA	170 694	-255 470	674 464	-4 892 069
Depreciation, amortizations and write downs	-466 145	-465 736	-1 864 499	-1 908 805
EBIT	-295 451	-721 206	-1 190 035	-6 800 873
Finance income	1 115	146 947	956 997	2 879 014
Finance costs	-676 586	-713 975	-1 572 476	-2 782 335
Profit before tax	-970 922	-1 288 234	-1 805 514	-6 704 194
Income tax gain/(expense)	-58 083	-43 955	-354 394	-464 805
Profit after tax	-1 029 004	-1 332 189	-2 159 908	-7 168 999

1. Limitation to publish information
2. Criminal Court of Milan decision
3. Arbitration proceedings in Milan
4. Proceedings against UBI Leasing

There are many questions we cannot answer now because:

- We either are bound by Court Confidentiality (mainly Milan arbitration proceedings).
 - We do not wish to convey the answer for strategic reasons.
 - We do not have the answer at this point in time.
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- However, as a listed company we are obligated by the Norwegian rules and regulation governing the requirement to report material news to the stock market.
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- EAM Solar ASA will continue to report through stock exchange notices, and in quarterly and annual reports on the material events and status of the litigation processes the company is involved in within the above limitations.

- The Criminal Court of Milan, 10 section, decided on the 18th of April 2019 that EAM Solar ASA was victim of a criminal contractual fraud in conjunction with the acquisition of the P31 portfolio in 2014.
- Furthermore, the Court decided that the indicted was found guilty in some of the criminal charges brought against them for fraud against the State of Italy.
- This means that the litigation processes of EAM Solar ASA against Enovos (Encevo) and Avelar (Renova Group) and their joint investment company Aveleos and its directors following their criminal contractual fraud has not reached its conclusion and consequently are not over.

- The decision published on the 18th of April is not the complete ruling, but only identifies the issue of guilt and immediate provisional damages. The complete written ruling may be issued 90 days after the publication of the Court decision. However, this may be prolonged at the courts discretion.
- The convicted may appeal the decision within 45 days after the publication of the final ruling. We expect the ruling to be appealed based on statement made to the Swiss press following the courts decision.
- The “Provisional Damages” granted to EAM Solar ASA of EUR 5m is immediately enforceable. Aveleos SA, Mr Akhmerov and Mr Giorgi are jointly and severally liable.

Excerpt from stock exchange notice of the 4th April:

- *“The Tribunal dismissed EAM's claims for the annulment based on the claim of fraud and for the termination of the SPA.*
- *The Tribunal declared the right of EAM to be compensated for losses suffered in connection with the breach of the Representation and Warranties under the SPA within the limits of the liability cap as defined in the SPA. The liability cap in the SPA is defined to be approximately EUR 3,7 million.*
- *The Arbitration decision was not unanimous, but with one out of three arbitrators dissenting from dismissing the claims brought by EAM Solar ASA and EAM Solar Italy Holding Srl.*
- *The dissent to the ruling was substantiated in a separate dissenting opinion published together with the arbitration ruling. The Tribunal also decided that the ascertainment of any fraudulent act or behaviour of Messrs Giorgi and Akhmerov falls outside of the scope of the Arbitral Tribunal's jurisdiction, thus concluding that the arbitration decision was without any prejudice of any additional amount that might be found due because of any fraudulent act or behaviour of Mr Giorgi or Mr Akhmerov.*
- The arbitration process is subject to strict confidentiality.
- The decision will become “res Judicata” on the 8th of July 2019.
- An arbitration decision in Milano may be appealed on formal legal grounds, and the legal venue is the Appeal Court of Milan.

PROCEEDINGS AGAINST UBI LEASING



- Hearing on 30 May 2019
- Criminal court decision received

