

## EAM Solar ASA: Sale of shares and power plants to Energeia AS

15 August 2019

EAM Solar ASA has today sold the shares in the subsidiary EAM Solar Norway Holding AS to Energeia AS. The Board of Directors decided to conduct this sale in order to protect and secure the financial integrity of EAM Solar ASA, ensuring EAM Solar ASA's capability to continue its litigation activities in foreseeable future without necessitating to raise additional capital.

Energeia AS is both shareholder in, and manager of EAM Solar ASA. In addition, several of the shareholders in Energeia AS are also direct shareholders in EAM Solar ASA. Although the sale is already executed, the transaction is subject to final approval by the General Meeting of EAM Solar ASA in accordance with the Norwegian Public Limited Liability Companies Act § 3-8, "transactions between the company and shareholders", and will be reversed should such approval not be obtained.

The summons to the Extraordinary General Meeting to be held on the 6<sup>th</sup> of September 2019 will be published in a separate stock exchange notice.

The Company EAM Solar Norway Holding AS owns through subsidiaries the solar PV power plants Varmo and Codroipo, located in Friuli, Italy.

The Board of Directors in EAM Solar ASA has decided to sell the shares in EAM Solar Norway Holding AS to Energeia AS for NOK 134 million based on a valuation of total assets of NOK 210 million in the Company. Subtracted from the sales price of the shares is the debt in the Company of NOK 76 million, which follows the Company in the transaction, thus reducing the gross debt position of EAM Solar ASA accordingly. The Company has a net receivable position against EAM Solar ASA of NOK 44 million. Consequently the net cash proceeds from the transaction to be received by EAM Solar ASA is NOK 90 million. The book value of the shares is NOK 83 million, the sale thus represents a preliminary capital gain of approximately NOK 51 million.

The financial take-over date is the 1<sup>st</sup> of August 2019. The final sales price is subject to post-closing adjustments to the valuation of the net working capital in the Company following an audit of the opening balance of the Company.

The cash payment of the shares is subject to a sellers credit issued by EAM Solar ASA to Energeia AS with final due date the 31<sup>st</sup> of December 2020. The seller credit yields an annual interest of 9%, equivalent to the discount rate used in the valuation of the Company. EAM Solar ASA has the right to request Energeia to conduct payment delegations on behalf of EAM Solar ASA against deduction in the sellers credit. Energeia has the right to conduct partial payments of the cash consideration until the due date of the sellers credit.

If Energeia AS sells the Company or the power plants to third parties in the period prior to the end of 2020 at a higher value than the current sales valuation, EAM Solar ASA has the right to receive 75% of the value uplift above current sales valuation.

The Board of Directors have received a statement, from the Auditor of EAM Solar ASA RSM, in accordance with the legal requirements under the Public Limited Liability Companies Act from an independent expert that the structure and valuation of the transaction is deemed to be in correspondence with arms-length market terms and conditions. This statement will be published together with the Summons to the Extraordinary General Meeting in accordance with § 3-8.

EAM Solar Norway Holding and its subsidiaries has no employees. The sole member of the board of directors is Viktor E. Jakobsen. EAM Solar Norway Holding is in its entirety managed on a daily basis by the manager Energeia AS.

## EAM SOLAR ASA

The table below sets out key figures from the audited unconsolidated financial statements of EAM Solar Norway Holding AS for 2018, 2017 and 2016 (in TNOK):

	2018	2017	2016
Revenue	96	0	0
Results of operations	-21	229	292
Profit before tax	- 1 182	3 321	-7 311
Annual result	-1 133	2 386	-6 255
Total assets	144 337	146 306	147 519
Equity	78 863	79 996	77 610
Total liabilities	65 474	66 311	69 909

Varmo and Codroipo was purchased by EAM Solar ASA in 2011 and 2012 for a total cash consideration of EUR 17,9 million. Through the period of ownership EAM Solar ASA has received EUR 16 million, that has been used for coverage of EAM Solar ASA group operations, litigation costs and debt service.

Following the sale, EAM Solar ASA will own 4 Solar PV power plants in Italy, reduce its cost base going forward significantly, and strengthen solidity and future liquidity significantly, improving EAM Solar ASA's capability of achieving restoration of values following the criminal contractual fraud conducted by the Directors of Aveleos and its shareholders.

EAM Solar ASA will revert with more information prior to the Extraordinary General Meeting.

For further information, please contact:

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About EAM Solar ASA: EAM Solar ASA is a utility company that acquires and operates solar power plants. The Company currently owns solar PV power plants in Italy. The plants are operating under long-term sales contracts. In addition, the Company's business is lawsuits in relation acquisition of solar power plants.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.