



EAM Solar ASA

# EAM SOLAR ASA INVESTOR PRESENTATION

21 August 2019

1. Sale of EAM Solar Norway Holding AS – valuation and process
2. Litigation status and processes going forward
3. Q&A

# THE TRANSACTION



EAM Solar ASA has sold the shares in EAM Solar Norway Holding AS to Energeia AS on the 15<sup>th</sup> of August 2019.

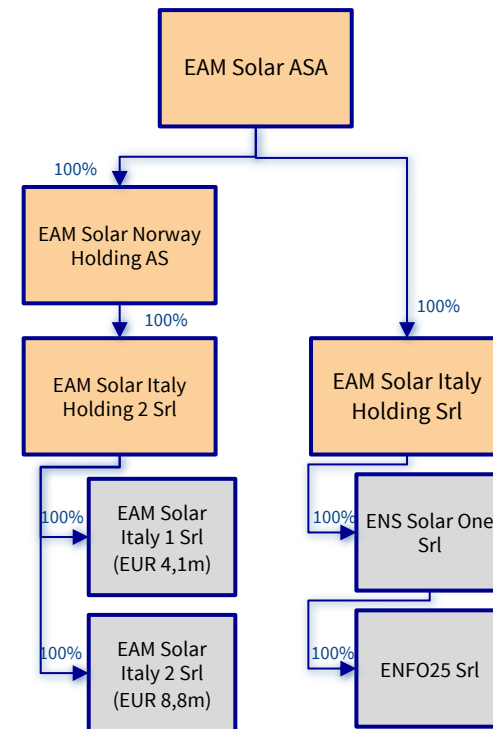
The sale was conducted in order to protect and secure the financial integrity of EAM Solar ASA.

The transaction is subject to 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”, since Energeia AS is a shareholder and shareholders in Energeia AS also are direct shareholders in EAM Solar ASA (total of 40,1%).

The Extraordinary General Meeting will be held on the 6<sup>th</sup> of September 2019.

The main transaction points are:

- The shares are sold at a valuation of NOK 134 (enterprise valuation of NOK 210 million).
- NOK 76 million in debt follows the Company in the transaction.
- EAM Solar Norway Holding AS has a net receivable position against EAM Solar ASA of NOK 44 million. Consequently net cash proceeds 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 1st of August 2019.
- The sales price is subject to post-closing adjustments to the valuation based on an audit of the net working capital position.
- The cash payment is subject to a sellers credit issued 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 under the sellers credit.
- Energeia has the right to conduct partial payments of the cash consideration until the due date of the sellers credit.



## Italy transaction market

The secondary transaction market for Solar PV power plants in Italy is active.

According to discussion and initial feedback received from first tier transaction firms in EAM's network, current M&A transactions assets are valued based on an unlevered IRR requirements after tax in accordance with the following price/valuation matrix :

- |   |             |
|---|-------------|
| • Very large portfolios and power plants above 50MW         | IRR 5 – 7%  |
| • Large portfolios and power plants in the range 20 – 50 MW | IRR 7 – 8%  |
| • Portfolios and power plants in the range 2 – 20MW         | IRR 8 – 10% |
| • Small power plants in the range (from 1MW and below)      | IRR > 10%   |

EAM has received signals of interest for Varmo & Codroipo in the range 8 to 10%.

Normal M&A transaction in Italy has an execution timeline between 6 to 9 months due to extensive DD requirements.

## Valuation basis

The acquisition valuation of the Varmo and Codroipo power plants on the following valuation metrics:

- DCF valuation of cash flow to total capital after tax discounted with a 9% return requirement
- Corporate tax rate assumed to be 24%
- Cash consideration of shares in EAM Solar Norway Holding AS =  $A + B + C - D - E$

Where:

- A. DCF value of power plants in FIT contract period (August 2019 – 2031)
- B. DCF value of power plants for a residual period of 13 years (2032 to 2044) under a market price scenario, discounted to today's value (11,5 years)
- C. Value of net working capital (NWC) defined as current assets less current liabilities
- D. Subtracting the NPV of the debt to Sundt AS as of the 1<sup>st</sup> of August 2019
- E. Adjusted net debt position between EAM Solar ASA group and EAM Solar Norway Holding AS group (currently assessed to be approximately EUR 4,4 million)

## Post closing adjustments of acquisition price

We propose that a post closing adjustment mechanism for establishment of final cash consideration is incorporated in the purchase agreement. The post closing price adjustment should be based on conducting a limited audit of the accounts of the EAM Solar Norway Holding AS group. This to ensure that the tax position, NWC and net debt position between EAM Solar ASA group and EAM Solar Norway Holding Group is calculated correctly. Post closing adjustments to be finalized before the end of 2019.

# VARMO & CODROIPO TECHNICAL DESCRIPTION



The Varmo & Codroipo power plants were developed and constructed by the German Solar PV company Solon GmbH.

Solon entered bankruptcy in 2012 and is no longer an existing company.

Both power plants are built over the same technical design, which includes a dual-axis tracking solution resulting in a 25% higher annual power production than a fixed-tilt structure.

Enegeia is conducting all technical and administrative tasks in conjunction with the power plants operations.



## Codroipo

Capacity: 3.13 MW  
Production: 4.6 GWh  
Start-up: 2011  
Acquired: 2011

### Technical description

Items	EAM Solar Italy 2 Srl	
Geographical location	45°58' N, 12°56' E	
Area size	ha	16,850
System		Ground
Tilt		Dual-axis trackers

### Solar irradiation

Horizontal irradiation	kWh/m2	
Module plane irradiation	kWh/m2	2 051
System performance ratio	%	80,90%
System rated power	kWh/m2	1 660
Annual power production	kWh/year	5 191 503
System degradation	%	0,20%

EPC supplier	Solon GmbH
Inverter	

### Modules & system performance

Module manufacturer		Solon
System effect (measured)	Wp	3 128 354
Module type	Wp	Black 625 & 800
Module effect	Wp	708
Module efficiency	%	17,71%
Modules	no.	4 416



## Varmo

Capacity: 1.52 MW  
Production: 2.4 GWh  
Start-up: 2010  
Acquired: 2012

### Technical description

Items	EAM Solar Italy 1 Srl	
Geographical location	45°53' N, 12°59' E	
Area size	ha	8,028
System		Ground
Tilt		Dual-axis trackers

### Solar irradiation

Horizontal irradiation	kWh/m2	
Module plane irradiation	kWh/m2	2 051
System performance ratio	%	80,90%
System rated power	kWh/m2	1 660
Annual power production	kWh/year	2 524 937
System degradation	%	0,20%

EPC supplier	Solon GmbH
Inverter	

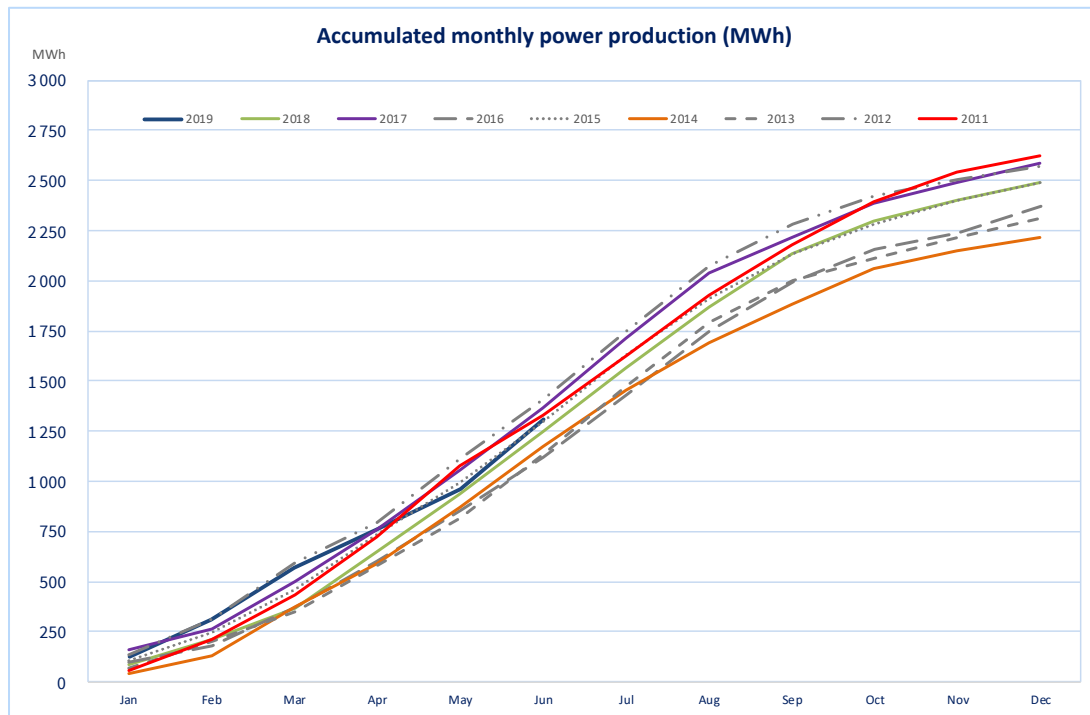
### Modules & system performance

Module manufacturer		Solon
System effect (measured)	Wp	1 521 504
Module type	Wp	Black 625 & 800
Module effect	Wp	689
Module efficiency	%	17,23%
Modules	no.	2 208

# VARMO HISTORICAL POWER PRODUCTION & FINANCIALS



- Historical average annual EBITDA before internal fees is just below EUR 800k
- Varmo was purchased in 2011 for a net cash payment of EUR 6,933 million
- Total cash received in the period 2012 – 2018 is EUR 5,2 million, leaving a net cash outlay YE'2018 of EUR 1,7 million since acquisition (before internal fees).
- Remaining cash contribution in FIT contract period is estimated to EUR 8,5 million.

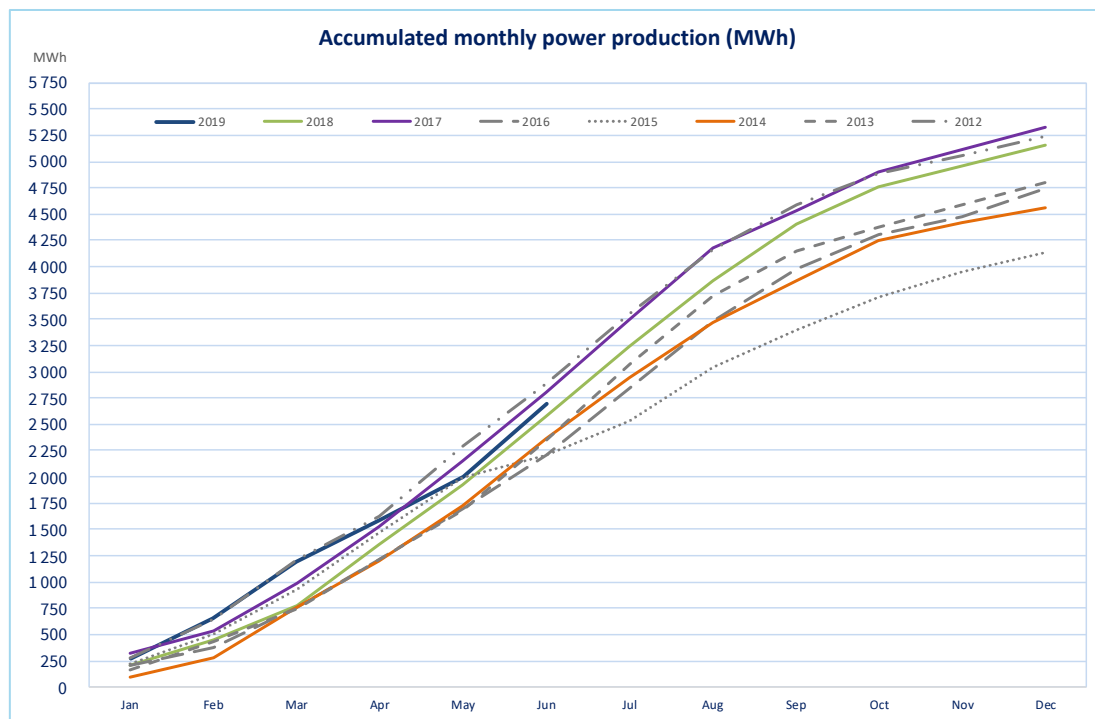


P&L	2012	2013	2014	2015	2016	2017	2018
<b>Power production (kWh)</b>	2 570 949	2 315 077	2 218 550	2 487 218	2 369 393	2 586 108	2 493 022
<b>Sales</b>	<b>1 091 419</b>	<b>957 440</b>	<b>899 201</b>	<b>1 006 449</b>	<b>858 084</b>	<b>958 215</b>	<b>950 345</b>
FIT revenues	889 793	809 574	767 620	790 937	753 467	822 382	792 781
Market revenues	201 626	137 861	131 581	138 512	104 617	135 832	154 696
Other revenues	0	10 004	0	77 000	0	0	2 869
FIT tariff	0,3461	0,3497	0,3460	0,3180	0,3180	0,3180	0,3180
Market price	0,0784	0,0595	0,0593	0,0557	0,0442	0,0525	0,0621
<b>Cost of operations</b>	<b>-112 567</b>	<b>-103 994</b>	<b>-124 495</b>	<b>-106 667</b>	<b>-119 725</b>	<b>-143 290</b>	<b>-106 564</b>
Land Rent	-34 695	-35 305	-35 623	-35 462	-35 394	-35 824	-36 531
Operation & Maintenance	-54 301	-45 461	-64 148	-46 788	-59 839	-81 462	-41 155
Insurance	-17 946	-15 403	-17 594	-17 561	-17 625	-17 595	-17 594
Utilities	-5 625	-6 492	-7 129	-6 431	-6 785	-6 140	-7 176
Other operations costs	0	-1 334	0	-426	-82	-2 269	-4 107
<b>EBITDA operations</b>	<b>978 852</b>	<b>853 446</b>	<b>774 706</b>	<b>899 782</b>	<b>738 359</b>	<b>814 925</b>	<b>843 781</b>
% EBITDA margin	89,69%	89,14%	86,15%	89,40%	86,05%	85,05%	88,79%
<b>SG&amp;A</b>	<b>-483 716</b>	<b>-272 152</b>	<b>-174 491</b>	<b>-163 081</b>	<b>-174 679</b>	<b>-206 649</b>	<b>-183 590</b>
IMU (Property tax)	-60 042	-51 392	-35 876	-35 763	-2 769	-12 228	-9 449
External fees	-97 372	-71 763	-59 613	-23 318	-33 410	-20 424	-3 233
Internal fees	-208 743	-141 972	-81 273	-104 000	-138 500	-173 997	-170 909
Transaction costs	-117 560	-7 026	2 271	0	0	0	0
Other SG&A costs	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>495 136</b>	<b>581 294</b>	<b>600 215</b>	<b>736 701</b>	<b>563 680</b>	<b>608 276</b>	<b>660 191</b>
% EBITDA margin	45,37%	60,71%	66,75%	73,20%	65,69%	63,48%	69,47%
<b>Valuation cash flows</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Owner NOPLAT</b>	<b>694 057</b>	<b>721 142</b>	<b>671 666</b>	<b>824 750</b>	<b>683 657</b>	<b>767 405</b>	<b>810 673</b>
Reported EBITDA	495 136	581 294	600 215	736 701	563 680	608 276	660 191
Internal fees	208 743	141 972	81 273	104 000	138 500	173 997	170 909
<b>Adjusted EBITDA</b>	<b>703 879</b>	<b>723 266</b>	<b>681 488</b>	<b>840 701</b>	<b>702 180</b>	<b>782 273</b>	<b>831 099</b>
Payable taxes	-9 822	-2 124	-9 822	-15 951	-18 523	-14 868	-20 426

# CODROIPO HISTORICAL POWER PRODUCTION & FINANCIALS



- Historical average annual EBITDA before internal fees is just below EUR 1,6 million
- Codroipo was purchased in 2012 for a net cash payment of EUR 10,985 million
- Total cash received in the period 2012 – 2018 is EUR 10,6 million, leaving a net cash outlay YE'2018 of EUR 353k since acquisition (before internal fees).
- Remaining cash contribution in FIT contract period is estimated to EUR 17,8 million.



P&L	2012	2013	2014	2015	2016	2017	2018
<b>Power production (kWh)</b>	4 577 032	4 805 606	4 564 551	4 137 862	4 739 296	5 321 812	5 161 624
<b>Sales</b>	<b>2 015 052</b>	<b>2 047 522</b>	<b>1 955 843</b>	<b>1 953 380</b>	<b>1 728 923</b>	<b>1 971 505</b>	<b>1 959 977</b>
FIT revenues	1 590 469	1 687 850	1 579 335	1 315 841	1 507 097	1 692 336	1 641 396
Market revenues	349 584	287 807	219 627	226 974	209 392	279 168	318 581
Other revenues	75 000	71 865	156 881	410 565	12 435	0	0
FIT tariff	0,3475	0,3512	0,3460	0,3180	0,3180	0,3180	0,3180
Market price	0,0764	0,0599	0,0481	0,0549	0,0442	0,0525	0,0617
<b>Cost of operations</b>	<b>-146 693</b>	<b>-227 209</b>	<b>-317 817</b>	<b>-377 645</b>	<b>-238 716</b>	<b>-243 203</b>	<b>-207 691</b>
Land Rent	-70 732	-75 244	-74 845	-74 010	-74 025	-74 696	-75 967
Operation & Maintenance	-70 539	-74 252	-166 736	-228 581	-89 231	-89 450	-51 690
Insurance	0	-57 157	-60 674	-64 341	-64 557	-64 298	-64 449
Utilities	-5 422	-12 112	-12 762	-9 761	-10 255	-10 467	-11 294
Other operations costs	0	-8 445	-2 800	-952	-648	-4 292	-4 292
<b>EBITDA operations</b>	<b>1 868 359</b>	<b>1 820 313</b>	<b>1 638 026</b>	<b>1 575 735</b>	<b>1 490 207</b>	<b>1 728 302</b>	<b>1 752 286</b>
% EBITDA margin	92,72%	88,90%	83,75%	80,67%	86,19%	87,66%	89,40%
<b>SG&amp;A</b>	<b>-672 529</b>	<b>-554 757</b>	<b>-295 732</b>	<b>-265 049</b>	<b>-268 306</b>	<b>-243 150</b>	<b>-260 717</b>
IMU (Property tax)	-33 070	-65 842	-64 364	-64 364	-282	-11 405	-44 558
External fees	-150 396	-186 280	-64 148	-38 880	-51 375	-23 787	-6 563
Internal fees	-489 063	-302 635	-183 830	-232 433	-216 649	-207 958	-209 596
Transaction costs	0	0	16 610	70 628	0	0	0
Other SG&A costs	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>1 195 830</b>	<b>1 265 556</b>	<b>1 342 294</b>	<b>1 310 686</b>	<b>1 221 901</b>	<b>1 485 152</b>	<b>1 491 569</b>
% EBITDA margin	59,34%	61,81%	68,63%	67,10%	70,67%	75,33%	76,10%
<b>Valuation cash flows</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Owner NOPLAT</b>	<b>1 684 893</b>	<b>1 523 750</b>	<b>1 491 384</b>	<b>1 469 000</b>	<b>1 397 263</b>	<b>1 543 752</b>	<b>1 522 286</b>
Reported EBITDA	1 195 830	1 265 556	1 342 294	1 310 686	1 221 901	1 485 152	1 491 569
Internal fees	489 063	302 635	183 830	232 433	216 649	207 958	209 596
<b>Adjusted EBITDA</b>	<b>1 684 893</b>	<b>1 568 190</b>	<b>1 526 124</b>	<b>1 543 119</b>	<b>1 438 550</b>	<b>1 693 110</b>	<b>1 701 165</b>
Payable taxes	0	-44 440	-34 740	-74 119	-41 287	-149 358	-178 880
Adj. EBITDA margin	83,62%	76,59%	78,03%	79,00%	83,20%	85,88%	86,80%

# VARMO FINANCIAL SCENARIO 2019 - 2031



## Financial valuation scenario

- Based on expected average power production including assumed degradation.
- O&M costs includes provision for ordinary replacement of equipment.
- Internal fees kept out of the valuation P&L.
- Market price and costs adjusted with annual inflation of 1,5%.
- Average annual EBITDA used in financial scenario is approximately 8% higher than the historical average.

Annual P&L summary													
P&L	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Power production (kWh)</b>	2 514 847	2 509 817	2 504 798	2 499 788	2 494 788	2 489 799	2 484 819	2 479 850	2 474 890	2 469 940	2 465 000	2 460 070	2 455 150
<b>Sales</b>	<b>950 612</b>	<b>950 970</b>	<b>951 356</b>	<b>951 771</b>	<b>952 215</b>	<b>952 689</b>	<b>953 193</b>	<b>953 727</b>	<b>954 292</b>	<b>954 887</b>	<b>955 514</b>	<b>956 173</b>	<b>176 125</b>
FIT revenues	799 721	798 122	796 526	794 933	793 343	791 756	790 173	788 592	787 015	785 441	783 870	782 302	0
Market revenues	150 891	152 848	154 830	156 838	158 873	160 933	163 021	165 135	167 277	169 446	171 644	173 870	176 125
Other revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>FIT tariff</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,3180</i>	<i>0,0000</i>
<i>Market price</i>	<i>0,0600</i>	<i>0,0609</i>	<i>0,0618</i>	<i>0,0627</i>	<i>0,0637</i>	<i>0,0646</i>	<i>0,0656</i>	<i>0,0666</i>	<i>0,0676</i>	<i>0,0686</i>	<i>0,0696</i>	<i>0,0707</i>	<i>0,0717</i>
<b>Cost of operations</b>	<b>-107 459</b>	<b>-109 071</b>	<b>-110 707</b>	<b>-112 367</b>	<b>-114 053</b>	<b>-115 764</b>	<b>-117 500</b>	<b>-119 263</b>	<b>-121 052</b>	<b>-122 867</b>	<b>-124 710</b>	<b>-126 581</b>	<b>-40 709</b>
Land Rent	-37 079	-37 635	-38 200	-38 773	-39 355	-39 945	-40 544	-41 152	-41 769	-42 396	-43 032	-43 677	-10 000
Operation & Maintenance	-41 773	-42 399	-43 035	-43 681	-44 336	-45 001	-45 676	-46 361	-47 056	-47 762	-48 479	-49 206	-10 000
Insurance	-17 155	-17 412	-17 673	-17 938	-18 207	-18 480	-18 758	-19 039	-19 325	-19 614	-19 909	-20 207	-10 000
Utilities	-7 284	-7 393	-7 504	-7 617	-7 731	-7 847	-7 965	-8 084	-8 205	-8 329	-8 453	-8 580	-8 709
Other operations costs	-4 169	-4 231	-4 294	-4 359	-4 424	-4 491	-4 558	-4 626	-4 696	-4 766	-4 838	-4 910	-2 000
<b>EBITDA operations</b>	<b>843 153</b>	<b>841 899</b>	<b>840 649</b>	<b>839 404</b>	<b>838 162</b>	<b>836 925</b>	<b>835 693</b>	<b>834 464</b>	<b>833 240</b>	<b>832 020</b>	<b>830 804</b>	<b>829 591</b>	<b>135 416</b>
% EBITDA margin	88,70%	88,53%	88,36%	88,19%	88,02%	87,85%	87,67%	87,50%	87,32%	87,13%	86,95%	86,76%	76,89%
<b>SG&amp;A</b>	<b>-19 591</b>	<b>-19 884</b>	<b>-20 183</b>	<b>-20 486</b>	<b>-20 793</b>	<b>-21 105</b>	<b>-21 421</b>	<b>-21 743</b>	<b>-22 069</b>	<b>-22 400</b>	<b>-22 736</b>	<b>-23 077</b>	<b>-10 649</b>
IMU (Property tax)	-9 591	-9 734	-9 881	-10 029	-10 179	-10 332	-10 487	-10 644	-10 804	-10 966	-11 130	-11 297	-5 649
External fees	-10 000	-10 150	-10 302	-10 457	-10 614	-10 773	-10 934	-11 098	-11 265	-11 434	-11 605	-11 779	-5 000
Internal fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other SG&A costs	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>823 563</b>	<b>822 014</b>	<b>820 466</b>	<b>818 918</b>	<b>817 370</b>	<b>815 821</b>	<b>814 272</b>	<b>812 722</b>	<b>811 171</b>	<b>809 620</b>	<b>808 068</b>	<b>806 515</b>	<b>124 768</b>
% EBITDA margin	86,63%	86,44%	86,24%	86,04%	85,84%	85,63%	85,43%	85,22%	85,00%	84,79%	84,57%	84,35%	70,84%



# CODROIPO FINANCIAL SCENARIO 2019 - 2031



## Financial valuation scenario

- Based on expected average power production including assumed degradation.
- O&M costs includes provision for ordinary replacement of equipment.
- Internal fees kept out of the valuation P&L.
- Market price and costs adjusted with annual inflation of 1,5%.
- Average annual EBITDA used in financial scenario is approximately 6% higher than the historical average.

P&L	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Power production (kWh)</b>	5 170 758	5 160 417	5 150 096	5 139 796	5 129 516	5 119 257	5 109 019	5 098 800	5 088 603	5 078 426	5 068 269	5 058 132	5 048 016
<b>Sales</b>	<b>1 954 547</b>	<b>1 955 282</b>	<b>1 956 076</b>	<b>1 956 929</b>	<b>1 957 843</b>	<b>1 958 817</b>	<b>1 959 853</b>	<b>1 960 951</b>	<b>1 962 112</b>	<b>1 963 337</b>	<b>1 964 625</b>	<b>1 965 979</b>	<b>843 711</b>
FIT revenues	1 644 301	1 641 013	1 637 730	1 634 455	1 631 186	1 627 924	1 624 668	1 621 419	1 618 176	1 614 939	1 611 709	1 608 486	481 581
Market revenues	310 245	314 269	318 345	322 474	326 657	330 894	335 185	339 533	343 936	348 397	352 916	357 493	362 130
Other revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
FIT tariff	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,3180	0,0954
Market price	0,0600	0,0609	0,0618	0,0627	0,0637	0,0646	0,0656	0,0666	0,0676	0,0686	0,0696	0,0707	0,0717
<b>Cost of operations</b>	<b>-200 763</b>	<b>-203 775</b>	<b>-206 831</b>	<b>-209 934</b>	<b>-213 083</b>	<b>-216 279</b>	<b>-219 523</b>	<b>-222 816</b>	<b>-226 158</b>	<b>-229 551</b>	<b>-232 994</b>	<b>-236 489</b>	<b>-240 036</b>
Land Rent	-77 106	-78 263	-79 437	-80 628	-81 837	-83 065	-84 311	-85 576	-86 859	-88 162	-89 485	-90 827	-92 189
Operation & Maintenance	-45 000	-45 675	-46 360	-47 056	-47 761	-48 478	-49 205	-49 943	-50 692	-51 453	-52 224	-53 008	-53 803
Insurance	-62 837	-63 780	-64 737	-65 708	-66 693	-67 694	-68 709	-69 740	-70 786	-71 848	-72 925	-74 019	-75 130
Utilities	-11 464	-11 636	-11 810	-11 987	-12 167	-12 350	-12 535	-12 723	-12 914	-13 107	-13 304	-13 504	-13 706
Other operations costs	-4 356	-4 421	-4 488	-4 555	-4 623	-4 693	-4 763	-4 835	-4 907	-4 981	-5 055	-5 131	-5 208
<b>EBITDA operations</b>	<b>1 753 783</b>	<b>1 751 507</b>	<b>1 749 245</b>	<b>1 746 996</b>	<b>1 744 760</b>	<b>1 742 538</b>	<b>1 740 330</b>	<b>1 738 135</b>	<b>1 735 954</b>	<b>1 733 786</b>	<b>1 731 632</b>	<b>1 729 491</b>	<b>603 675</b>
% EBITDA margin	89,73%	89,58%	89,43%	89,27%	89,12%	88,96%	88,80%	88,64%	88,47%	88,31%	88,14%	87,97%	71,55%
<b>SG&amp;A</b>	<b>-55 226</b>	<b>-56 055</b>	<b>-56 895</b>	<b>-57 749</b>	<b>-58 615</b>	<b>-59 494</b>	<b>-60 387</b>	<b>-61 293</b>	<b>-62 212</b>	<b>-63 145</b>	<b>-64 092</b>	<b>-65 054</b>	<b>-66 030</b>
IMU (Property tax)	-45 226	-45 905	-46 593	-47 292	-48 002	-48 722	-49 452	-50 194	-50 947	-51 711	-52 487	-53 274	-54 073
External fees	-10 000	-10 150	-10 302	-10 457	-10 614	-10 773	-10 934	-11 098	-11 265	-11 434	-11 605	-11 779	-11 956
Internal fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other SG&A costs	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>1 698 557</b>	<b>1 695 453</b>	<b>1 692 349</b>	<b>1 689 247</b>	<b>1 686 145</b>	<b>1 683 044</b>	<b>1 679 943</b>	<b>1 676 843</b>	<b>1 673 742</b>	<b>1 670 641</b>	<b>1 667 539</b>	<b>1 664 437</b>	<b>537 645</b>
% EBITDA margin	86,90%	86,71%	86,52%	86,32%	86,12%	85,92%	85,72%	85,51%	85,30%	85,09%	84,88%	84,66%	63,72%

# VALUATION SUMMARY VARMO & CODROIPO



The valuation is based on the proposed valuation metrics as shown in previous slides, i.e. a 9% unlevered IRR after tax.

The valuation is based on the FIT contract period and the value of an assumed residual period of 13 years after the end of the FIT contract in 2031, i.e. until 2044.

Varmo valuation of operating assets of EUR 4,6 million for the FIT period (2031) and a discounted residual value of EUR 292k today.

Codroipo valuation of operating assets of EUR 9,7 million for the FIT period (2031) and a discounted residual value of EUR 686k today.

(Balance sheets on a company level based on FY'2018 audited accounts)

Valuation assessment August 2019	EUR	Varmo	Codroipo
<b>Fair value assets &amp; NWC</b>	<b>16 744 496</b>	<b>5 497 321</b>	<b>11 247 175</b>
Operating assets FV FIT (9%)	14 330 031	4 620 294	9 709 737
Operating assets FV Residual (9%)	979 356	292 753	686 602
Net working capital Aug'19	1 435 109	584 273	850 836
Current assets	1 595 601	639 727	955 874
Current liabilities	-160 491	-55 454	-105 038
<b>FV Equity &amp; shareholder loans</b>	<b>16 744 496</b>	<b>5 497 321</b>	<b>11 247 175</b>
Equity FV	4 955 677	654 765	4 300 912
Shareholder loans	11 788 819	4 842 556	6 946 263
<b>Capital gain</b>	<b>2 457 182</b>	<b>815 134</b>	<b>1 642 048</b>
<b>Book value assets &amp; NWC</b>	<b>14 287 314</b>	<b>4 682 187</b>	<b>9 605 127</b>
Operating assets BV	12 852 205	4 097 913	8 754 291
Net working capital Aug'19	1 435 109	584 273	850 836
Current assets	1 595 601	639 727	955 874
Current liabilities	-160 491	-55 454	-105 038
<b>Equity &amp; shareholder loans</b>	<b>14 287 314</b>	<b>4 682 187</b>	<b>9 605 127</b>
Equity BV	2 498 495	-160 369	2 658 865
Shareholder loans	11 788 819	4 842 556	6 946 263
<b>Cash flow operating assets YE'2018</b>			
<b>Total cash flow after tax to total assets</b>	<b>30 923 959</b>	<b>9 839 511</b>	<b>21 084 447</b>
EBITDA FIT contract period (2019 - 2031)	30 496 104	9 780 519	20 715 586
Normalized tax (2019 - 2031)	-4 280 909	-1 385 283	-2 895 626
EBITDA residual period (2031 - 12yrs)	6 187 054	1 898 215	4 288 838
Normalized tax (2031 - 12yrs)	-1 478 290	-453 939	-1 024 351

## Overview ongoing litigation proceedings:

1. Arbitration decision appeal to the Civil Appeal Court of Milan
2. Criminal Court of Milano ruling
3. Criminal and Civil complaint Luxembourg
4. UBI Leasing claim proceedings
5. New Aveleos claims under the SPA – continuation of fraud
6. Enovos claim to change EAM Solar ASA reporting
7. Additional auxiliary legal proceedings related to bankruptcy of SPVs', defamation claims from Aveleos, stand still agreement proceedings, land owners in Puglia etc.

But first some points :

### 1) what is Aveleos

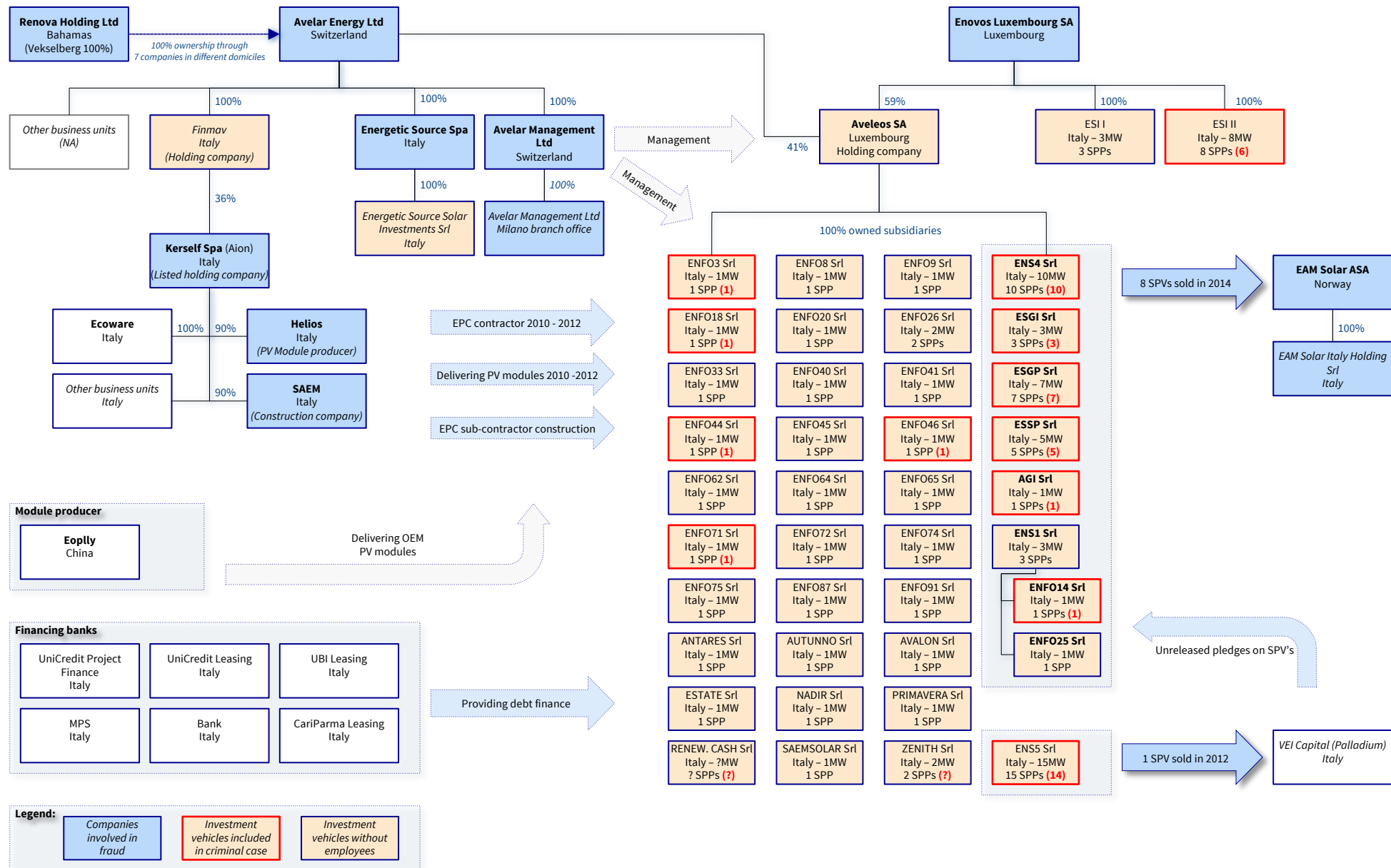
- Luxembourg limited liability company without employees – pure financial investment vehicle established as a joint venture between Enovos and Avelar in 2010 with the purpose to develop and construct for sale Solar PV power plants under FIT contracts.
- Governed by a board of directors consisting of 3 Enovos directors and 2 Avelar directors that makes all business decision.
- Daily management conducted by Avelar personnel
- Largest risk, according to directors 2010 annual report, was that the “power plants was not constructed in time to benefit from the relevant FIT contract”

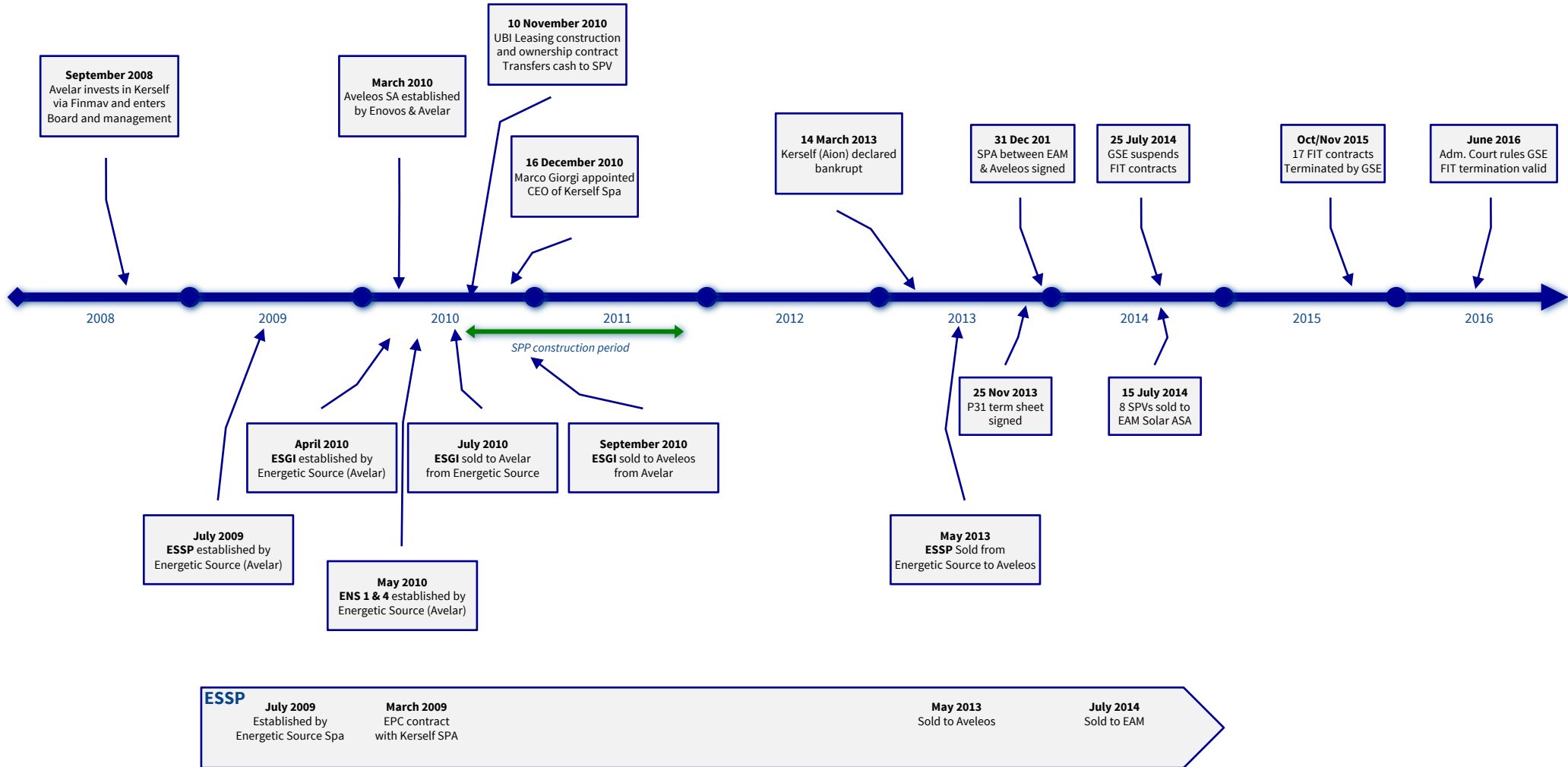
### 2) What is the crime

- Falsification of completion of work declarations (the plant was not finished in time) in order to benefit from FIT contracts
- Falsification of origin of modules (made in China not in Italy) in order to benefit from FIT contracts
- Falsification of technical certificates of PV modules
- Criminal contractual fraud against EAM Solar ASA

### 3) Criminal Court decision made on the fraud the 18<sup>th</sup> of April – final ruling expected in October

**Next slides** – overview of the Enovos/Avelar structure and timeline of frauds conducted





EAM Solar ASA delivered evidence into the proceedings of fraud.

The Arbitration tribunal accepted the evidence (which was obtained from the file of the Prosecutor of Milan) proving fraud (i.e. knowledge of criminal investigations already from end 2013 and the details of the criminal investigations)

The document evidence was contrary to witness statements made by three witnesses on behalf of Aveleos.

The majority of the arbitration Tribunal (2 of 3) concluded in their decision that “no evidence was given of knowledge of the criminal investigations”. However, they made the provision that the ruling was not considering acts conducted by the now two condemned directors in the criminal proceedings Akhmerov and Giorgi.

The dissenting opinion is completely contrary to the majority decision.

The Arbitration decision is appealed based on at least 12 different accounts of breach of Italian law.

First hearing in the appeal procedures expected to commence in January 2020.

Reference is given to the decision made by the Criminal Court on the 18<sup>th</sup> of April and published in stock exchange notice.

In a 4 page decision the following was stated by the Criminal Court of Milano in our case:

- The court found it proven that Akhmerov and Giorgi conducted criminal contractual fraud against EAM Solar ASA.
- The court decided that Akhmerov, Giorgi and Aveleos must pay EAM Solar ASA EUR 5 million immediately in preliminary provisional damage.

EUR 5 million damages decision:

- Payment has been requested but not received.
- Payment enforcement can only start when the complete ruling is published by the Criminal Court, expected no later than October.

Companies can not be subject to criminal indictment and proceedings in Italy – only individuals (contrary to Norway and Luxembourg). Companies are only held civil liable for economic damages

Aveleos states in their annual report 2018 that they believe evidence is weak and that they will appeal.

Encevo/Enovos Luxembourg states that they have no responsibility in this matter and that the Court of Milano have made such decision. This is by the way a fact that is not known before the final ruling is received.

We expect the decision to be appealed and the criminal proceedings in Milano to continue into 2020.

# CRIMINAL AND CIVIL COMPLAINT IN LUXEMBOURG

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Criminal complaint with civil action filed against Enovos and directors in February 2016.

Enovos and directors filed a counter complaint for “false complaint” in autumn 2016.

Police/Prosecution in Luxembourg has received regular additional evidence and request for action during the years, but has so far chosen not to conduct any investigation activity to our knowledge.

EAM Solar ASA filed a civil action law suit against the same parties the 12<sup>th</sup> of July 2019. This law suit is subordinated the criminal complaint filed in 2016.

Status unknown at this point. Further action to be taken following the reception of the final ruling in Milano.

No director of Enovos nor the the companies are charged in any court of law.





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