ANNUAL REPORT 2018

Aega ASA

Organization number 997410440

BOARD OF DIRECTORS' REPORT FOR 2018

Aega ASA is a Norwegian public limited liability company.

About Aega

Aega ASA is a solar utility company listed on Oslo Axess stock exchange. Aega ASA acquires and operates solar power plants, benefitting from government solar incentives – so called Feed-in-Tariffs. The company currently owns a portfolio of eight solar parks located in Italy, with a combined production capacity of approximately (as per 30 April 2019) 8MWp or around 10 GWh/year. Aega ASA mainly invests in small operating solar parks (below 5MWp capacity), meeting the company's strict investment criteria. Management has identified numerous potential investments that meet the company's investment criteria and thus look opportunistic on further acquisitions. The headquarters are in Oslo (NO) and Trento (IT).

Activities

Investments:

Acquisition of new solar park:

On 15 February 2018 Aega signed a contract to acquire all shares in Solar Park Luino S.r.l , which owns a 0,8 MW solar plant in Luino, Lombardy, Italy, from a group of Italian investors.

The acquisition is completed and settlement for the acquisition was made in cash. Aega's funding of the project has been through the loan mentioned below.

The 0,8 MW solar park in Luino is fixed ground mounted, has a second conto energia feed in tariff and is seven years into its 20-year concession period, and delivers an internal rate of return (IRR) in line with Aega's current assets and the group's overall investment target.

After the acquisition the Chairman of the group Mr. Halldor Tjoflaat has been appointed CEO and constitute the Board of Directors in Solar Park Luino S.r.l. There are no employees in the acquired company.

Shareholder loan:

To secure financing for Solar Park Luino, Aega entered into a loan agreement where 23 shareholders committed to lend a total of NOK 4 million to the Company, at an interest rate of eight percent per annum. In addition the subscriber was entitled to one warrant per NOK 10 invested. The warrant gave the right to subscribe for an additional share at NOK 1 for the period until 14 days after the 2019 AGM. Three primary insiders were participating in the shareholder loan, either in person or through their limited companies, including chairman Halldor Christen Tjoflaat (NOK 100,000), board members Nils Petter Skaset (NOK 350,000) and Kathrine Breistøl (NOK 250,000).

The shareholder loan is secured against the shares of Aega Yieldco AS, a wholly owned subsidiary of Aega ASA.

The loan has been arranged by the company and no commission will be paid to any external third party facilitator.

Share capital increase registered:

At the annual general assembly (AGM) it was approved that the shareholder loan, including interest rate of eight percent per annum, was converted to shares in Aega at a conversion rate of NOK 1 per share.

In total it was issued 4 093 808 new shares with a face value of NOK 1. The new share capital is 47 975 949.

Dividends:

The company paid no dividends in 2018.

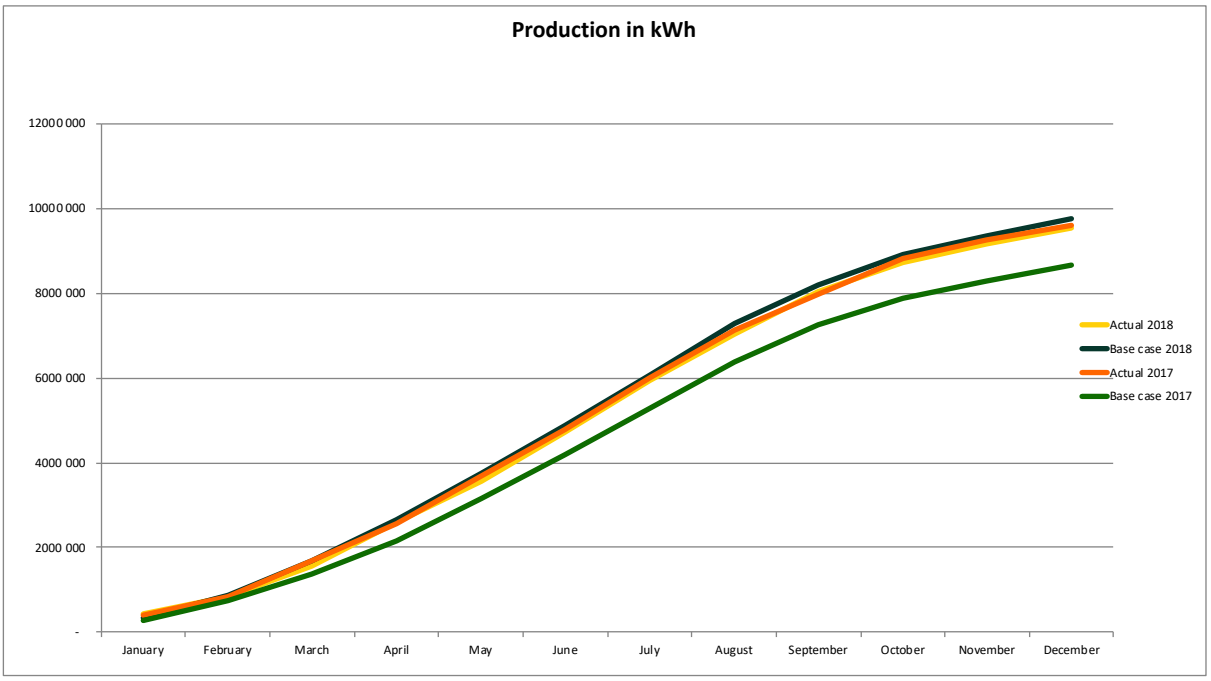
Merger of subsidiaries:

To simplify the corporate structure Aega Energy Prima, Seconda and Terza has been merged into Aega Yieldco AS.

Private placements:

No private placements have been conducted in 2018.

Operations



In 2018 Aega had 7,5MWp on average installed capacity, compared to 6,5MWp the year previous. Production in 2018 was 2,2% below the base case scenario for the year. The lower production is a result of the lowest irradiation in Italy since the parks were built. Except for some downtime do to upgrades of the Casale parks and inverter issued on the newest acquired parks there was no significant downtime.

Aega has a standard setup that it implements on each new plant, this include the operations and maintenance, monitoring, security etc. Aega's aim is to maximize the cash flow from the solar parks looking at the kWh production versus cost.

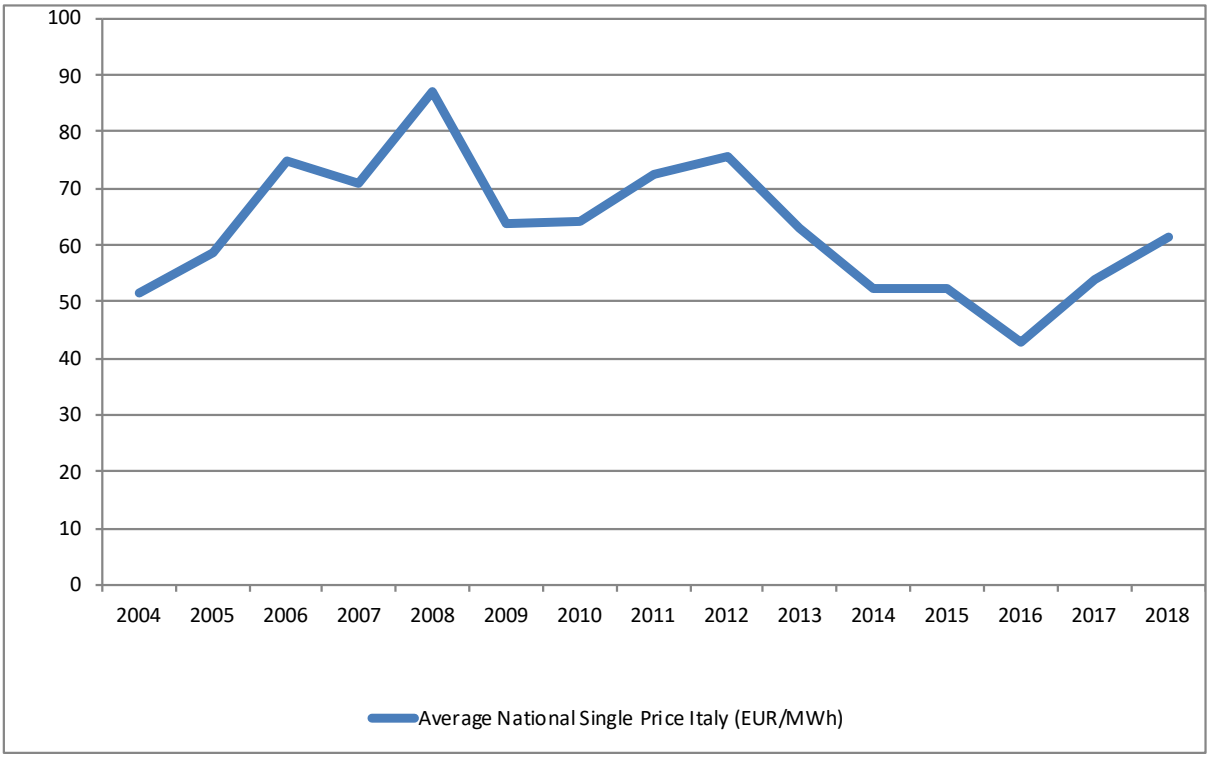
Performance and Base Case:

Power generation kWh	Q4 2018	Q3 2018	Q2 2018	Q1 2018	YTD 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	YTD 2017
Photo-Volt One S.r.l	216 743	363 569	418 322	247 651	**1 246 284**	236 126	462 742	465 450	284 699	**1 449 017**
DT S.r.l	226 957	434 028	408 750	228 824	**1 298 558**	240 376	446 577	451 307	289 792	**1 428 052**
Collesanto S.r.l	442 454	899 205	830 621	419 672	**2 591 952**	490 266	932 985	942 200	596 726	**2 962 177**
JER-12 S.r.l	175 196	459 157	455 358	208 667	**1 298 378**	205 020	465 538	464 401	268 165	**1 403 124**
Piano Mulino S.r.l	200 046	458 520	423 378	228 574	**1 310 518**	244 274	469 790	467 523	261 544	**1 443 131**
Casale S.r.l	163 997	411 960	395 760	150 168	**1 121 885**	197 051	412 515	303 579	0	**913 145**
Solar Park Luino S.r.l	81 114	281 699	245 807	67 184	**675 804**					
Total	**1 506 508**	**3 308 138**	**3 177 995**	**1 550 739**	**9 543 379**	**1 613 113**	**3 190 147**	**3 094 460**	**1 700 927**	**9 598 647**

Base Case Power generation kWh*	Q4 2018	Q3 2018	Q2 2018	Q1 2018	YTD 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	YTD 2017
Photo-Volt One S.r.l	172 622	448 245	393 004	176 731	**1 190 602**	172 622	448 245	393 679	177 619	**1 192 165**
DT S.r.l	221 333	425 039	411 310	254 039	**1 311 720**	221 332	425 038	411 942	255 317	**1 313 629**
Collesanto S.r.l	463 750	897 600	853 366	555 826	**2 770 542**	463 751	897 600	854 632	558 620	**2 774 603**
JER-12 S.r.l	160 485	427 351	425 098	148 788	**1 161 723**	160 486	427 351	425 701	149 536	**1 163 074**
Piano Mulino S.r.l	219 635	436 266	437 446	242 469	**1 335 815**	219 635	436 266	438 125	243 688	**1 337 714**
Casale S.r.l	180 493	398 597	417 731	223 588	**1 220 409**	181 400	400 600	293 900	0	**875 900**
Solar Park Luino S.r.l	140 988	280 047	280 805	70 393	**772 233**					
Total	**1 559 305**	**3 313 145**	**3 218 759**	**1 671 834**	**9 763 043**	**1 419 226**	**3 035 100**	**2 817 979**	**1 384 780**	**8 657 085**

* The base case AEGA uses is the case put as a basis for our valuation and purchases of power plants. Every year we estimate that the production is reduced by 0,5% due to degradation.

The wholesale power price in Italy has historically been fairly volatile. From 2014 until 2017, the price has been in the range between 40-55 EUR/MWh. The average price in 2018 was 61,31 compared to 52,95 EUR/MWh in 2017. The price in 2019 has so far also been above 55 EUR/MWh on average.



Financial summary

The financial statement for 2018 showed a loss of EUR 156 832 after tax, compared to a loss of EUR 2 561 118 for 2017. The loss in 2018 is mainly due to low solar irradiation for the year. Revenues was EUR 3 279 849 in 2018, compared to EUR 3 193 466 for 2017. On average the MWp installed in 2017 was 7,5MWp vs 6,5MWp a year previous. Cost of operation was EUR 355 463 in 2018 and EUR 297 083 in 2017. The cost is in line with previous year adjusted for installed capacity. Sales, general and administration expenses was EUR 748 514 in 2018 compared to 1 403 530 one year prior. The main reason of decrease is that the Aega ASA in 2018 has tailored the organization to the operation.

At the end of the year the company had solar parks valued at EUR 17 548 323 compared to EUR 16 731 740 in 2017.

The company had non-current debt of EUR 11 945 268 outstanding to financial institutions either as leasing or project finance at the end of 2018, at the end of 2017 the amount was 11 207 758. Cash and cash equivalents was EUR 975 971 at the end of 2018, compared to EUR 717 030 one year prior. The company's liquidity is deemed sufficient.

Total equity was EUR 7 101 189 at year end 2018, compared to EUR 6 229 582 one year earlier. There was not paid dividends in 2018.

Events after year-end

None to report

Outlook

The Company is looking opportunistic on new possibilities within the Italian solar market.

Key risk factors

The Group is dependent on government subsidies

The Group depends substantially (80-90% of revenue) on government incentives. A reduction of government support and financial incentives for the installation of solar power plants in Italy could result in a material decline in revenues and possibly the availability of investment opportunities, which would have a material adverse effect on the business prospects, financial condition and results of operations of the Group. Since all solar power plants owned by the company are located in Italy there is no risk diversification with respect to this specific risk.

Currency risk

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 will therefore be exposed to currency risk, primarily to fluctuations in EUR towards NOK. Such fluctuations could materially adversely affect the Company's business, financial condition or results of operations

Interest rate risk

The Group plans to fund the acquisition of solar power plants with 70-80% debt in normal cases, and with up to 100% debt in special cases. The Company has fixed about 50% of its interest rate exposure. The target leverage ratio is approximately 75% on a portfolio level. Increasing interest rates could significantly reduce the profitability of investing in solar power plants, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Credit risk

The company is exposed to credit risk through cash and cash equivalents, and receivables. The company's banks are mainly large Norwegian and Italian financial institutions. The main receivables are from GSE a subsidiary owned by the Italian Ministry of Economy and Finance. The risk of loss on cash and receivables is considered to be low.

Liquidity risk

Liquidity risk is the risk of the company not being able to meet its obligations. The company seeks to have a high portion of its capital employed in the business, therefore taking liquidity risk.

Employees, anti-discrimination and environment

The Company had two employees as of 31 December 2018, both men. The Company seeks always to employ the best qualified regardless of race, gender, or sexual persuasion.

The Board of Directors consists of 50% women and 50% men.

The company's activities have in 2018 been investment in solar power plants, the company aims to have a negative carbon footprint by increasing the production of acquired power plants.

Corporate Social responsibility

Aega observes the UN Global Compact's 10 principles in the areas of human rights, labour rights, the environment and anti-corruption, and it gives particular priority to the environmental principles.

The Corporate Strategy,Corporate Governance and the Code of Conduct Policy constitute the fundamental steering principles in the Group. Together these form the foundation of how we should act and operate in the Group as well as giving the priorities and the direction of the Group.

Work environment

The Group has a strong focus on health, safety and environment (HSE) for its employees, subcontractors and customers, embedded in our zero accident objective. We are closely monitoring the established procedures for operations, and on the solar parks. Continuous efforts involve planning, training of personnel and careful selection of subcontractors.

The objective of zero accident applies to personnel injuries, harm to the environment and material damage

Environment

The group main operation is production of renewable energy. The group has focus on getting as high production from our plants as possible and minimize downtime.

Code of conduct

The Group take a zero tolerance approach to modern slavery, bribery and corruption

and are committed to acting professionally and with integrity in all our relationship and business dealings.

The company has not implemented specific guidelines for social responsibility.

Corporate governance

Corporate governance is the Board of Directors' most important instrument for ensuring that the company's resources are managed in an optimal manner and contribute to long-term value creation for shareholders. Reference is in this regard made to the separate presentation of the company's corporate governance in this annual report.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, confirmation is hereby given that the going concern assumption is realistic. That assumption rests on the company's financial position, including events after the balance sheet date, as well as profit forecasts for 2019 and the company's long-term strategic predictions for the years to come.

Allocation of profit and loss

The net loss for 2018 was EUR 156 832, total comprehensive income was a loss of EUR 145 094 and the Board proposes that the annual general meeting resolves that the loss is allocated from Other Reserves. Following this allocation, the company will have Other equity of negative EUR 6 362 781

Oslo, 30 April 2019

Halldor Chisten Tjoflaat
Chairman

Kathrine Breistøl
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
Board member

Markus H. Enge
CEO

Responsibility statement

The Board confirms, to the best of their knowledge, that the financial statements for the company for 2018 have been prepared in accordance with the with IFRSs and IFRICs as adopted by the EU and additional disclosure requirements in the Norwegian Accounting Act, and that should be used as of December 31, 2018

the information presented in the financial statements for 2018 gives a true and fair view of the company's assets, liabilities, financial position and results for the period viewed in their entirety, and that

the Board of Directors' report gives a true and fair view of the development, performance and financial position of the company, and includes a description of the material risks that the Board of Directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

Oslo, 30 April 2019

Halldor Christen Tjoflaat
Chairman

Kathrine Breistøl
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
Board member

Markus H. Enge
CEO

Corporate governance in Aega ASA

Implementation and reporting on corporate governance

Pursuant to section 3, sub-section 3b of the Norwegian Accounting Act, Aega ASA is required to include a description of its principles for good corporate governance in the directors' report of its annual report or alternatively refer to where this information can be found. The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian code of practice for corporate governance (the code), which can be found at www.nues.no. Observance of the code is based on the "comply or explain" principle, which means that companies must explain either how they comply with each of the recommendations in the code or why they have chosen an alternative approach. The Oslo Stock Exchange requires that listed companies provide an annual explanation of their corporate governance policy in line with the applicable code. The following presentation of Aega ASA's corporate governance follows the same structure as the code.

The business

After the acquisition of Aega Yieldco AS, the company's main activity is investing in and operating solar power plants. The company owns a portfolio of seven individual solar parks in the Umbria and Lazio regions in Italy with a combined production capacity of about 7.8MW. The Company focuses on acquisitions of smaller existing solar parks (below 5MW capacity), strictly with top level concessions that are evaluated to be lower risk investments.

In Aega ASA's articles of association the company's activities and purpose is defined as "Investments in and ownership of companies within the solar energy industry and all activities related to this. The company may also invest in financial instruments, mainly in shares, equity certificates and derivatives of these, and engage in activities in relation to this.

Equity and dividends

Equity:
Total equity as of end 2018 was EUR 7 101 189, and the number of outstanding shares was 47 974 949, all with equal rights and listed on Oslo Axess.

The company's equity capital is considered appropriate for the company's objectives, strategy and risk profile.

Dividends:
The Board has announced that it plans to distribute dividends following a resolution in AGM in 2019.

Equal treatment of shareholders and transactions with associated parties

Share class:
All outstanding shares of Aega ASA are of the same share class, carry the same rights to dividends and carry one vote.

Transactions with associated parties:
Should Aega ASA be a party to a transaction with parties associated to the company or with companies in which directors or senior executives, or their close associates, have a significant interest, directly or indirectly, the parties concerned must immediately notify the board. All such transactions must be approved by the board and, where required, also the general meeting. Such transactions must also, where required, be reported to the market. In the event of any not immaterial transactions between the company and associated parties, the board will arrange for a valuation to be obtained from an independent third party.

Own share transactions:
Aega ASA has purchased 191 332 own shares in 2018, following the resolution in AGM.

Conflicts of interest:
The company has guidelines for handling of conflicts of interest. If a board member or executive has other commitments or interests that may result in a conflict of interest on a more regular basis, or in other extraordinary circumstances, additional procedures for the board's proceedings will be implemented, in order to avoid that such conflicts of interest occur.

Freely negotiable shares

The Aega ASA share is listed on the Oslo Axess exchange. All the shares are freely negotiable. The articles of association impose no restrictions on the negotiability of the shares.

General meetings

The general meeting is Aega ASA's highest authority. The board endeavors to ensure that the general meeting is an effective forum for communication between the board and the company's shareholders. As a result, the board seeks to facilitate the highest possible participation by the company's shareholders at the general meeting. The company's general meetings in 2018 were held in accordance with the Norwegian Public Companies Act.

The general meeting is normally held before 1st June. Notice of the meeting is published in a stock exchange release, and sent to all shareholders no later than 21 days before the general meeting. The notice and supporting documentation for items on the agenda are also published on the company's website not later the 21 days before the general meeting.

Provision is made to vote in advance of the company's general meeting. Shareholders who cannot attend the general meeting in person are able to appoint a proxy to vote on their behalf. In the proxy form the shareholder can also give the proxy instructions on how to vote on each agenda item.

The board determines the agenda for the general meeting. However, the most important items on the agenda are dictated by the Public Companies Act and the company's articles of association. Minutes of the meetings are published in stock exchange releases and posted to the company's website.

Nomination committee

The nomination committee submits justified recommendations to the general meeting on the election of directors and nominates candidates for the election of board members and chair. Furthermore, the committee will submit proposals for the remuneration of directors and recommend members to the nomination committee. Establishment of the committee is stipulated in the articles of association, and its work is regulated by instructions adopted by the general meeting. Nomination committee members are independent of the board and the company's executive management.

Members of the committee receive a fixed remuneration, which is not dependent on results. The general meeting decides on all recommendations made by the committee.

Corporate assembly and board of directors: composition and independence

Aega ASA does not have a corporate assembly.

The board is organized in accordance with the Public Companies Act, with two woman and two men, all elected by the shareholders.

The directors represent both industry-specific and professional expertise from national and international companies, previous board experience, and knowledge about the regulations governing the company as a listed company.

Information to illustrate the expertise of the board members and information on their record of attendance at board meetings is included on the last page of this section.

Aega ASA regards all its board members as independent of the company's executive management. The board members are also regarded as independent from all significant business partners and the Company's main shareholders.

At present, Halldor Christen Tjoflaat is a minorty shareholder in AFT Development AS which owns 2 250 152 shares in Aega ASA. In addition he controls 1 075 005 shares in Aega and 10 000 warrants.

Kathrine Breistøl contols 465 880 shares in Aega ASA and 25 000 warrants.

At present, Nils Petter Skaset controls 358 208 shares in Aega ASA and 35 000 warrants.

None of the other board members own shares directly or indirectly in Aega ASA. No director holds options to buy shares. The board members are encouraged to own shares in the company.

The board members and chair are elected by the general meeting, and are elected for two-year terms. Elections are conducted in such a way that new directors can join the board every year.

The work of the board of directors

The board is responsible for the management of the company, and the board's work is regulated by instructions. The board is responsible for the management of the company, which includes determining the company's strategy and overall goals, approving investments and ensuring an acceptable organization of the business in line with the company's articles of association. The board can also determine guidelines for the business and issue orders in specific cases. The board members must look after Aega ASA's interests as a whole, and not their individual interests.

The board shall keep itself updated on the financial position of the company, and ensure that the business, accounts and management are under assuring quality control. The board makes enquiries, if necessary, to perform its oversight responsibility. The board shall make such enquiries at the request of one or more board members. The board oversees the work of the executive management.

The board conducts an annual evaluation of its work, competence and performance.

The board of directors are the remuneration committee for the Chief executive officer.

The board has evaluated the need for an audit committee, and for the time being decided that the Board shall function collectively as the audit committee.

Instructions for the board's work:
The company has instructions for the board's work (adopted on 7 November 2011). It contains the following main points; the board's responsibilities and duties, the executive management's obligations to inform the board, and guidelines for the board's proceedings.

Division of duties between the board and the executive management:
A clear division of responsibility has been established between the board and the executive management. The chair is responsible for ensuring that the work of the board is conducted in an efficient and correct manner in accordance with relevant legislation. The chief executive is responsible for operational management of the company and reports regularly to the board.

The mandate and responsibilities of the chief executive is regulated in the management agreement. The board oversees the fulfillment of the agreement.

Financial accounting:
The accounting is outsourced to an external accounting firm. The board receives financial reporting on the company and the group quarterly. Financial and performance reports from the solar plants are received more frequently. All these reports constitute the foundation for the evaluation and potential adjustments of the company's strategic goals. The reports also forms the basis for the company's external financial reporting. External financial reports are approved by the board.

The board ensures that the auditor fulfils a satisfactory and independent control function. It presents the auditor's report to the general meeting, which also approves the remuneration of the auditor.

The audit committee's duties are fulfilled by the board.

Plan for the board's work:
The board focuses on the company's objectives and strategy, and the implementation thereof, and every year the board sets a plan for the board meetings for the coming year. In addition to the planned meetings, the board is summoned for extra meetings if needed. All board members receive background information related to the agenda points well in advance of the meeting. The board members are free to consult the administration if needed. Normally the CEO summons the board, and the agenda is set by the CEO and the chair. The administration is responsible for preparing background material for the board meetings.

Confidentiality:
The board's proceedings and minutes are confidential, unless the board decides otherwise.

Risk management and internal control

The board receives reporting from the performance of the solar plant portfolio on every quarterly board meeting, and evaluates the operational and financial performance up against the assumptions in the projections underlying the initial investment decision and the investment criteria. The board makes a yearly evaluation of company risk, risk control and internal control including in relation to the financial reporting process.

Managing investment risk:
The company's investment criteria contain strict limitations on investment risk, and each investment case must pass a rigorous due diligence before the management company makes an investment recommendation to the board. The investment process is designed to minimize the risk of an investment turning out to not meet the financial goals set for the investments.

Remuneration of the board of directors

The nomination committee recommends the directors' fees to the general meeting, and takes account of their responsibility, qualifications, time spent and the complexity of the business. Directors' fees are not profit-related or in any other way linked to the company's performance. Aega ASA has not issued any options to its directors.

The directors or companies with which they are associated have not taken on any specific assignments for the company in addition to their appointment as member of the board.

Remuneration of executive management

The Note 17 statement on the remuneration for senior executives highlights the remuneration policies adopted by the company.

Guidelines for remuneration of executive personnel:
The board has prepared guidelines for the remuneration of executive personnel which will be voted on by the annual general meeting in accordance with the Public Companies Act.

Information and communication

Aega ASA keeps shareholders and investors regularly informed about its commercial and financial status. The board is concerned to ensure than players in the stock market receive the same information at the same time, and all financial and commercial information is accordingly made available on the company's website. Stock exchange announcements are distributed through www.newsweb.no.

The annual financial statements for Aega ASA are made available on its website at least three weeks before the general meeting. Interim reports are published within two months of the end of each quarter. The company publishes an annual financial calendar which is available on the Oslo Stock Exchange website.

The board gives emphasis to openness and equal treatment in relation to all players in the market, and strives always to give as correct a picture as possible of the company's financial position.

The board has established guidelines for handling of inside information, such as the company's reporting of financial and other

information. These guidelines also guidance for the company's contact with shareholders other than through general meetings.

Takeovers

Aega ASA's articles of association contain no restrictions on or defense mechanisms against the acquisition of the company's shares, and the company has no internal guidelines that limits a takeover. In accordance with its general responsibility for the management of Aega ASA, the board will act in the best interests of all the company's shareholders in such an event. Unless special grounds exist, the board will not seek to prevent takeover offers for the company's business or shares. Should an offer be made for the shares of Aega ASA, the board will issue a statement, which recommends whether shareholders should accept it. If necessary, the board will also make available an independent third party assessment of the takeover offer.

Auditor

The auditor is elected by the general meeting. The annual financial statements are audited by PricewaterhouseCoopers AS. The board receives and considers the auditor's report after the financial statements for the relevant year have been audited. The auditor submits an annual plan for the conduct of audit work, and attends board meetings when the consideration of accounting matters requires its presence. In at least one of these meetings, the auditor makes a presentation to the board without the executive management being present. The auditor presents a declaration of independence and objectivity. Relations with the auditor are regularly reviewed by the board to ensure that the auditor exercises an independent and satisfactory control function. The board presents the auditor's fee to the general meeting for approval by the shareholders.

Oslo, 30 April 2019

Halldor Chisten Tjoflaat
Chairman

Kathrine Breistøl
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
Board member

Markus H. Enge
CEO

Group financials 2018

Consolidated statement of profit and loss and other comprehensive income

		1 Jaunuary through 31 December	
(EUR)	**Note**	**2018**	**2017**
Feed-In Tariff revenue	**3**	2 679 309	2 672 196
Sales of electricity	**3**	586 332	483 665
Other revenue	**3**	14 208	37 605
Revenues		**3 279 849**	**3 193 466**
Cost of operations	**4**	-355 463	-297 083
Sales, general and administration expenses	**4,5,6,7**	-748 514	-1 403 530
Acquisition and transaction costs	**4,5,6,12**	-129 868	-2 156 307
Depreciation and amortization	**12**	-1 361 009	-1 279 463
Operating profit		**684 996**	**-1 942 918**
Other gains and losses	**15,5**	68 544	145 890
Finance income	**9,15.1**	290	7 824
Finance costs	**9,15.1**	-601 257	-644 986
Net foreign exchange gain/(losses)	**9**	8 165	77 725
Profit before income tax		**160 737**	**-2 356 465**
Income tax gain/(expense)	**8**	-317 569	-204 653
Profit/(loss) for the period		**-156 832**	**-2 561 118**
Earnings per share	**10**	0,00	-0,06
Avg. no of shares	**10**	**46 090 037**	**43 533 876**
Other comprehensive income			
Items that may be reclassified to profit and loss			
Translation differences	**2.5.1.3**	301 926	-80 355
Total comprehensive income		**145 094**	**-2 641 473**
Profit for the period attributable to:			
Equity holders of the parent company		**145 094**	**-2 641 473**

Consolidated statement of financial positions

(EUR)	Note	31 December 2018	2017
ASSETS			
Property, plant and equipment	**12,14**	17 548 323	16 731 740
Deferred tax assets	**8**	0	0
Non-current assets		**17 527 615**	**16 931 740**
Receivables	**15.1**	1 226 678	1 492 902
Other current assets	**15.1**	2 038 435	1 363 420
Cash and short term deposits	**15.2**	975 971	717 030
Current assets		**4 241 084**	**3 573 352**
TOTAL ASSETS		**21 768 699**	**20 505 092**
EQUITY AND LIABILITIES			
Share capital	**11**	5 255 029	4 842 179
Share premium	**11**	8 208 942	8 208 942
Paid in capital		**13 463 970**	**13 051 121**
Accumulated profit & loss		-6 917 136	-7 073 968
Foreign Currency translation reserve		554 355	252 429
Other equity		**-6 362 781**	**-6 821 539**
Total equity		**7 101 189**	**6 229 582**
Long term loans	**15.3**	4 473 595	2 933 328
Leasing	**15.3**	7 471 673	8 274 430
Deferred tax liabilites		272 961	185 890
Total non-current liabilities		**12 218 229**	**11 393 648**
Trade payables and other payables	**15.4,16**	412 765	1 120 794
Short term financing	**15.3**	1 079 682	1 052 174
Current tax	**8**	219 059	11 259
Derivative financial instruments	**15.5**	737 776	697 635
Total current liabilities		**2 449 282**	**2 881 862**
Total liabilities		**14 667 511**	**14 275 510**
TOTAL EQUITY AND LIABILITIES		**21 768 700**	**20 505 092**

Oslo, 30 April 2019

Halldor Chisten Tjoflaat
Chairman

Kathrine Breistøl
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
Board member

Markus H. Enge
CEO

Consolidated statement of cash flow

(EUR)	Note	2018	2017
Ordinary profit before tax		160 737	-2 356 465
Paid income taxes		0	-9 675
Depreciation	**14**	1 361 009	1 279 463
Changes in trade receivables and trade payable		-441 806	102 473
Changes in other accruals		406 234	10 229
Cash flow from operations		**1 486 174**	**-973 975**
Acquisition net of cash acquired	**12,2**	-260 108	-854 640
Cash flow from investments		**-260 108**	**-854 640**
Proceeds from issue	**11**	385 049	2 732 291
Dividends or shareholder distributions		0	0
Repayment of loans	**15,3**	-1 152 174	-874 712
Cash flow from financing		**-767 125**	**1 857 579**
Cash at beginning of period		**717 030**	**688 066**
Net currency translation effect		0	0
Net increase/(decrease) in cash and cash equivalents		458 941	28 964
Locked cash		200 000	200 000
Cash at end of period		**975 971**	**717 030**

Consolidated statement of changes in equity

(EUR)	Share capital	Share premium fund	Other equity	Foreign Currency translation reserve	Total equity
Equity 2017	**4 842 179**	**8 208 942**	**-7 073 968**	**252 429**	**6 229 582**
Loan conversion	432 082				432 082
Other comprehensive income				301 926	301 926
Profit (loss) after tax			156 832		156 832
Own shares acquired	-19 233				-19 233
Equity 31.12.2018	**5 255 029**	**8 208 942**	**-6 917 136**	**554 355**	**7 101 189**

(EUR)	Share capital	Share premium fund	Other equity	Foreign Currency translation reserve	Total equity
Equity 2016	**3 950 008**	**6 524 408**	**-4 737 873**	**332 784**	**6 069 327**
Share issue 3.1.2017	554 638	1 009 466			1 564 104
Share issue asset purchase	337 534	675 068	225 023		1 237 624
Profit (loss) After tax			-2 561 118		-2 561 118
Other comprehensive income					0
Other				-80 355	-80 355
Equity 31.12.2017	**4 842 179**	**8 208 942**	**-7 073 968**	**252 429**	**6 229 582**

1 General information

Aega ASA is a public limited company, incorporated and domiciled in Norway. The registered office of Aega ASA is Thunes Vei 2, NO-0274 Oslo, Norway.

Aega Energy Prima AS was the first company in the group, and was founded on 28 April 2014. Aega Energy Prima AS bought the first solar power park in August 2014, Photo-Volt One Srl. In the end of Q1 2015 it bought the second park DT Srl. In November 2015, Aega Yieldco AS purchased Aega Prima Energy AS, Aega Seconda Energy AS and Aega Terza Energy AS, with consideration in shares, for accounting purposes. In January 2016 Aega Yieldco AS was purchased by Nordic Financials ASA with consideration in shares (now Aega ASA), the transaction was considered a reverse takeover for accounting purposes. In 2018 Aega Energy Prima, Seconda and Terza merged into Aega Yieldco AS.

Aega ASA owns and operates 8 photovoltaic power plants in Italy, and its main business activity is to invest in photovoltaic power plants in Italy.

The parent company was listed on Oslo Axess in 2011. The consolidated financial statements for Aega ASA, including disclosure requirements for the accounting period ended 31 December 2018, were approved by the Board of Directors and CEO on 30 April 2019, and will be presented for approval at the annual General Meeting on 30 May 2018.

2 Basis of preparation

The consolidated financial statements for the financial year 2018 have been prepared in accordance International Financing Reporting Standards as adopted by the European Union ("IFRS") and interpretations that are relevant to the Group, as well as the disclosure requirements in the Norwegian Accounting Act and requirements set out by Oslo Stock Exchange, which are effective for financial periods commencing 1 January 2018.

All amounts are presented Euro if not otherwise stated.

2.1 Going concern

The annual accounts have been prepared based on the going concern assumption. This is based on the group's plans, budgets and level of activity going forward.

2.2 Segment reporting

The group's business is to operate solar power plants in Italy. For management purposes, the group is only organised into one segment, the Italian solar power business. All Italian Companies in the group owns one solar power plant except for Collesanto Srl that owns two.

Since the company only has one segment it does not publish separate segment reporting.

2.3 Approved IFRSs and IFRICs with effect for the group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018. None of these is expected to have significant effect on the consolidated statements of the Group, except the following set out below:

<u>IFRS 9, 'Financial instruments'</u>

The final version of IFRS 9 Financial Instruments contains the revised regulations concerning the classification and measurement of financial instruments, accounting of impairment of financial assets and hedge accounting.
The standard has fully replaced IAS 39. The new regulations for the classification and measurement of financial instruments no longer contain the categories “available for sale”, “held to maturity” and loans and receivables from IAS 39. Apart from the measurements “at amortised cost” and at “fair value through profit or loss” it will henceforth be possible to account for financial instruments at “fair value through OCI”.

All financial instruments for which the cash flow condition (contractual cash flow characteristics test) is not met are automatically accounted for at fair value through profit or loss,. By way of exception, changes of the fair value of equity instruments not held for trading can be recognised in other comprehensive income. If the cash flow condition is deemed met and the financial instrument is held for the purpose of collecting the contractual cash flows, the financial instrument shall be accounted for at amortised cost. The standard is effective for accounting periods beginning on or after 1 January 2018.

IFRS 9 doesn’t change the basic accounting model for financial liabilities under IAS 39. Two measurement categories continue to exist: fair value through profit or loss and amortised cost. Financial liabilities held for trading are measured as fair value through profit or loss unless the fair value option is applied. Aega does not have any financial liabilities held for trading. Therefore, the measurement of financial liabilities shall continue at amortised cost as previously.

Aega only has two costumers the recipient of the electricity which is sold under a power purchasing agreement, no loss have ever been taken on these contracts and the power is sold to a solid counter part. About 80% of the sale is to GSE an entity under the Italian finance department, that has always paid Aega according to plan. Therefore Aega does not make any allowance for receivable losses.

IFRS 15, ‘Revenue from Contracts with Customers’

IFRS 15, ‘Revenue from Contracts with Customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

The core of the new IFRS 15 is the introduction of a five-step model in which the customer contract and the separate performance obligations it contains are first identified. In the third and fourth steps, the transaction price is determined and allocated to the individual performance obligations. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the
good or service.

Disclosures: IFRS 15 adds several disclosure requirements to the annual and interim reports, e.g. capitalization of contract costs and disclosures of contract balances.
The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group has assessed the impact of IFRS 15. Different revenue streams and contracts have been analysed.

The Group recognises revenues from following main sources:

Sale of electricity (see Note 3 below)
Under IFRS 15, revenue will be recognised when a customer obtains control of the electricity (point of time). Currently, the Group recognizes revenue when the electricity are delivered to the customer(point of time). The Group does not expect any significant impact on the timing of the revenue recognition from the sale of electricity.

Feed in tariff: (see Note 3 below)
Feed in tariff is government grant and recognized in line with IAS 20.

Based on its assessment, the Group does not expect the application of IFRS15 to have a significant impact on its consolidated financial statements. The scope of the disclosures will not increase.

IFRS 16, 'Leases'
IFRS 16, 'Leases' significantly changes the accounting principles for many lease contracts, including leased premises, vehicles and equipment leases, and subleases. The standard will require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding assets. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, instead of recognising the expenses as today in Other operating costs.

Effects of IFRS 16:

The company currently leases 5 of its solar parks, however, all of them are already recognized on the balance sheet.

The headquarter rent agreement is terminated as of 30.4.2019, and is therefore not recognized.

Based on its assessment, the Group does not expect the application of IFRS16 to have a significant impact on its consolidated financial statements. The scope of the disclosures will not increase.

2.4 Use of estimates and assumptions
The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that both affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and costs. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from the estimated amounts. Estimates, judgments and underlying assumptions are continuously assessed. Changes in estimates are recognised in the accounting period when the estimates are changed and in future accounting periods affected by the changes.

Key areas for judgments, assumptions and estimates at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed in the respective note marked with the icon ⚖

2.5 Significant accounting principles
The accounting principles are outlined below or in the respective note marked with the icon 📖. The accounting principles have been consistently applied in all periods for all of the group companies. Where required, the subsidiaries' financial statements have been adjusted to ensure consistent accounting principles within the Group.

2.5.1 Foreign currency

2.5.1.1 Functional currency and presentation currency

The group's presentation currency is the Euro (EUR) and the parent company's functional currency is the Norwegian Krone (NOK). The group's activity and all its plants are located in Italy. Revenue and related expenses are in EUR. As such, the Company is of the opinion that the results for the group are best reflected using EUR as the presentation currency.

2.5.1.2 Consolidation

The accounts of any unit in the group which uses a functional currency deviating from the group's functional currency are translated to NOK as follows:

- Assets and liabilities are translated at the foreign exchange rate at the balance sheet date,
- The income statement is translated at average exchange rates for the period, and
- All exchange differences are booked to 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 arising from the translation of a net investment in foreign operations are specified as translation differences in the statement of equity.

The functional currencies of the group entities are NOK and EUR. At year end, the statement of financial position was converted from functional currency to presentation currency EUR using 9,9483 and 9,8403 for 31 December 2018 and 2017 respectively.

The group consolidates all subsidiaries at the Aega ASA level.

2.5.1.3 Transactions and balances 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 at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Change in exchange rates are recognised in the statement of comprehensive income as they occur during the accounting period. These changes are likely to be reversed in the profit and loss going forward.

3 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 of 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 has two main sources of revenue:

<u>Feed-in Tariff (FiT)</u>

The Feed-in Tariff is a fixed nominal fee that is paid to the operator of a solar power plant for each kWh of produced electricity over the 20 year contract period. Payment of FiT is managed

by Gestore dei Servizi Energetici ("GSE"), which is a governmental agency with the purpose of promoting and supporting renewable energy sources in Italy. The fixed Feed-in Tariff received from GSE typically represents approximately 80-90% of the solar power plant revenues. Since 6 July 2013, FiTs are no longer available to newly permitted Photovoltaic plants (PV)projects.

The incentive is paid in equal instalments each month based on 90% of a basis production set out by GSE. In June/July the following year the Group receives the difference between the payments received by GSE and the actual production multiplied by the Feed-in Tariff.

From an accounting perspective Aega recognises full Feed-in Tariff when the electricity is produced.

Sales of electricity

The actual wholesale price of electricity is paid to the operator of a solar power plant for each kWh of produced electricity the system feeds into the grid. The system operator can decide whether to sell the electricity on the spot market or agree on a fixed contract. The operator's dependency on the market price will primarily depend on the level of fixed FiT relative to variable wholesale price.

The wholesale power price in Italy has been fairly volatile since 2004, and the price increased from just above 30 EUR/MWh in 2004 to the peak level of 80-90 EUR/MWh in 2008. In recent years, the price has dropped to around 50 EUR/MWh.

Revenue from the sale of electricity is recognised in the statement of profit and loss once delivery has taken place and the risk and rewards of ownership have been transferred.

The group derives the following types of revenue:

	1 Jaunuary through 31 December	
(EUR)	**2018**	**2017**
Feed-In Tariff revenue	2 679 309	2 672 196
Sales of electricity	586 332	483 665
Other revenue	14 208	37 605
Revenues	**3 279 849**	**3 193 466**

3.1.1.1 The Group is dependent on government subsidies, incentives and supportive regulatory framework

The Group depends substantially on government incentives. Without government incentives, or with reduced government incentives, the cost 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 Group would be significantly lower, which could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

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 Group 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 Group. The Group's current investments are located in Italy and hence subject to the same incentive scheme regime; i.e. there is limited or no risk diversification with respect to this specific risk.

3.1.1.2 Weather variations could have a material adverse effect on the Group

Even in a stable climate, the weather, and hence the production of energy from the solar power plants, varies from year to year. This will influence the periodic revenues, and hence the results of operation and cash-flows of the Group. Over time the irradiation and production may 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 materially adversely influence the expected performance of the Group's plants during their technical lifetime.

3.1.1.3 Falling power prices may materially reduce the Group'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 approximately 20% of revenues for the Group's current portfolio, and in certain projects even more of the power sale revenues. If local power market prices fall, the Group's revenues, results of operation and cash flow may be materially adversely affected. Power prices may be affected by several factors, including the level of installed photovoltaic ("**PV**") capacity and changes in the prices of hydrocarbons (e.g. oil, gas and carbon).

4 Operating cost

Operating cost is presented by function in the statement of comprehensive income as this provides the most relevant and reliable information of the group's performance.

ANALYSIS OF THE NATURE OF OPERATION COSTS

(EUR)	FY 2018	FY 2017
Revenues	**3 279 849**	**3 193 466**
Cost of operations	**-355 463**	**-297 083**
Land rent	0	0
Insurance	-47 290	-42 860
Operation & Maintenance	-214 906	-113 772
Other operations costs	-93 267	-140 452
Sales, General & Administration	**-748 514**	**-1 403 530**
Accounting, audit & legal fees	-177 808	-149 632
IMU tax	-19 316	-10 771
AEGA Solar management fee	0	-140 000
Other administrative costs	-518 490	-1 103 127
Acquisition & financing cost	**-129 868**	**-2 156 307**
Acquisition transaction costs	-64 970	-1 958 274
Funding & IPO costs	0	-198 033
Other non-recurring items	-64 899	0
EBITDA	**2 046 005**	**-663 454**

For salary- and AEGA Solar management fee, please refer to Salary note 5 and Related party note 7 respectively.

REMUNERATION TO AUDITORS

	2018	2017
Statutory audit	87 377	104 561
Prospectus and cost related to listing	0	0
Tax consultant services	0	25 939
Other Assurance services	637	2 412
Total renumerations to auditors	**88 014**	**132 911**

OPERATING COST RISK

Increasing OPEX

The Group 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 a material adverse effect on the Group's operating results and cash-flows.

MARKET RISK

Foreign exchange risk

The Group is exposed to currency risk relating to costs, receivables and liabilities in currency other than the functional currencies for its entities, which are NOK and EUR. All revenue is denominated in EUR. Costs are in EUR and NOK. At present, the Group does not utilise financial instruments to handle this currency risk.

The Group's balance sheet is exposed to exchange rate movements between the functional currencies and the presentation currency (EUR). The Group aims to have around 3 million NOK to cover costs in the Norwegian entities, the remaining cash reserves should normally be hold in EUR. A decreasing EUR compared to NOK could limit the cash flow to investors.

Inflation

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 a material adverse effect on the profitability of the Group.

Interest rates

Increasing interest rates could have a significant negative impact on the profitability of investing in solar power plants. The Group plans to fund the acquisition of solar power plans with 70-80% debt in normal cases, and with up to 100% debt in special cases. Increasing interest rates could significantly reduce the profitability of investing in solar power plants, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations. To remedy this risk the Group has interest swap agreements related to 6 out 8 financing contracts, see note 15.3 for more details.

5 Salary and salary related

Payroll and related expenses	2018	2017
Salaries and vacation pay	138 070	235 696
Social security tax	57 021	36 382
Pension expense ("OTP")	6 238	18 376
Renumeration to the Board of Directors	36 376	58 717
Total payroll and related expenses:	**237 705**	**349 171**

In 2018 the group had 2 average work years employed compared to roughly 2,5 in 2017.

PENSION SCHEME

The Company has a defined contribution pension scheme that complies with the Norwegian occupational pension legislation (called "OTP"). The pension contributions was set to 6 % for the Company in 2017 and reduced to 2% from April 2018. The retirement age for all employees, including the management, is 70 years. The Group is obliged to have an occupational pension scheme pursuant to the Act on Occupational Pensions. The Group's pension plans meet the requirements of this Act.

The group does not any active share-based payment incentive schemes.

6 Remuneration to management and Board of Directors

MANAGEMENT

Total renumeration paid to management from the Group during the year ended 31 December is as follow:

	2018			2017		
	Salary	**Remueration**	**Pension cost**	**Salary**	**Remueration**	**Pension cost**
Rolf M. Normann (former CEO)*	-	162 479	-	107 187	1 598	6 431
Markus H. Enge (CFO & CEO)	90 468	1 304	2 714	55 022	1 401	3 301

*From 1 February 2017 until 29 September 2017, Rolf M. Normann was employed as the CEO of Aega ASA. Remuneration for him in 2018 is his severance package.

**From 1 February 2017, Markus H. Enge was employed as CFO of Aega ASA, and he has been acting CEO since 29 September 2017.

BOARD OF DIRECTORS

The remuneration to Board members for their services for the period from the Annual General Meeting held 18 May 2016 to the Annual General Meeting held in 2018 is NOK 250,000 for the Chairman of the Board and NOK 150,000 for each board member.

Remuneration to the Board of Directors:

All numbers in NOK:

			Board renumeration		Other expensed benefits and bonus	
Name	**Position**	**Periode served to/from**	**2018**	**2017**	**2018**	**2017**
Halldor Chisten Tjoflaat*	Chairman	From 28 December 2018	250 000	2 055	132 000	0
Kathrine Breistøl	Member	From 28 December 2018	150 000	1 233	0	0
Kristine Malm Larneng	Member	From 28 December 2018	150 000	1 233	0	0
Nils Petter Skaset	Member	From 28 December 2018	150 000	1 233	0	0
Knut Øversjøen	Chairman/Member	Served from 18 January 2016 to 29 September 2017 as chairman. From 29 September 2017 to 28 December 2017 as member.	0	222 603	156 250	156 250
Geir Upsaker	Member	Served from 18 December 2015. Served until 18 January 2016 and again from 29 November 2016 to 19 May 2017	0	75 616	0	0
Solveig Fagerheim Bugge	Member	Served from 22 February 2016 until 27 January 2017. Remuneration does not include fee invoiced by Advokatfirmaet Thommessen AS for legal services	0	14 795	0	0
Anne Syrrist	Member	From 27 January 2017 to 29 September 2017	0	116 028	0	0
Ketil Reed Aasgaard	Chairman	Served from 18 December 2015 Served until 18 January 2016	0			
Ingrid Elvira Leisner	Member	Served from 29 September 2017 to 28 December 2017	0	36 986	0	0
Lars-Gøran Dysterud Hansen	Member	Served from 19 May 2017 to 29 September 2017	0	54 658		
Rolf M. Normann	Chairman	Served from 29 September 2017 to 28 December 2017	0	61 644	0	0

In addition to his role as Chairman of Aega ASA, Mr.Tjoflaat is hired from his 100% owned Talk Talk AS to fill the role as sole director of all subsidiaries. For all the Italian positions he receives 2000 NOK per month per company.

No member of the Board of Directors has any service contracts providing for benefits upon termination of employment.

Shares held by the board of directors and management as of 31.12.2018

Person	Role	Ownership with control	Other
Halldor Christen Tjoflaat	Chair	Through Kolstad AS, controls 1 075 005 shares (2.2 per cent) and 10 000 warrants.	A minority shareholder in AFT Development AS, which owns 2 250 152 shares (4.69 per cent)
Kathrine Breistøl	Director	Through Vesoldo AS, controls 465 880 shares (0.97 per cent) and 25 000 warrants.	
Nils Petter Skaset	Director	Through Brezza AS, controls 358 208 shares (0.75 per cent) and 35 000 warrants.	
Markus Huseby Enge	CEO	Through E3 Consulting, controls 81 928 shares and through Klunken Blessenborg Invest AS 160 000 shares.(0.5 per cent)	
Fabio Buonsanti	COO	Owns directly 35 526 shares (0.1 per cent)	

7 Related party transactions

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

31 January 2017, Aega ASA completed the asset purchase agreement with Solex AS (former Aega Solar). From this date Aega ASA took over the management team and terminated the previous management agreements. As consideration Solex AS received 3 000 000 shares in Aega ASA, 2 000 000 warrants and took over about EUR 680k of liabilites. The Board rational at the time was to provide higher efficiency and substantial long term cost savings, and that following the transaction.

8 Tax

Income tax expense consists of current tax and changes to deferred tax. Current tax comprimises the expected tax payable on the taxable income for the year. Current tax is measured using tax rates enacted or substantively enacted at the reporting date. Deferred tax liability/tax asset is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences related to investments in subsidiaries where the group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future is not recognized. 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 company 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 liability and deferred tax asset are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax liability and deferred tax asset

are recognised at their nominal value and classified as non-current asset and liability in the balance sheet. Deferred tax asset and deferred tax liabilities are offset only if certain criteria are met. Tax payable and deferred tax are recognised directly in equity to the extent that they relate to equity transactions.

The company has changed the classification of EUR 409 497 from deferred tax asset in the 2017 annual report to Other current assets, in addition a deferred tax liability of EUR 185 890 have been taken out of Other current assets. These changes are made due to some prepaid taxes/vat etc. had been classified as deferred tax assets.

Amounts recognised in statement of profit and loss:

Income tax expense	**2018**	**2017**
Income tax payable	-219 059	-11 259
Income tax set of by deferred tax	18 603	-266 853
Other changes deferred tax	-105 674	66 020
Adjustment for previous years income tax	-11 439	7 440
Income tax expense	**-317 569**	**-204 652**

Movement in deferred tax balances:

Tax payable	**2018**	**2017**
Income tax payable	219 059	11 259
Tax payable	**219 059**	**11 259**

Tax assets recognized	**2018**	**2017**
Deferred tax asset	0	0
Total tax assets	**0**	**0**

Tax asset not recognized in the balance sheet	**1 755 467**	**1 712 526**

All recognized deferred tax is related to the Italian subsidiaries. The deferred tax in Norway is not recognized due to high uncertainty related to the usage of the position.

Specification of source of deferred tax:

Deferred tax	**2018**	**2017**
Tax losses carried forward	85 014	190 688
Deferred tax leasing	-68 159	-50 618
Deferred tax property plant and equipment	-513 114	-544 519
Deferred tax derivatives	177 298	169 246
Deferred tax depreciation adjustment	59 176	49 313
Other adjustments	-13 176	0
Deferred tax	**-272 961**	**-185 890**

9 Financial income and expense

Financial income consists of interest income on financial investments, gains related to the disposal of financial investments and changes in the fair market values of financial assets at fair value through profit and loss. Interest income is recognized by applying the effective interest rate method.

Financial expenses consist of interest expense on financial instruments, finance charges in respect of finance leases and changes in the fair market values of financial assets at fair value through profit and loss.

Currency gains and losses are reported net.

(EUR)	**2018**	**2017**
Interest income	290	7 823
Other financial income	0	0
Total finance income	**290**	**7 824**
Interest expense	-191 615	-251 411
Leasing costs	-399 069	-393 575
Other financial cost	-10 470	0
Total finance costs	**-601 153**	**-644 986**
Net foreign exchange gain/losses	**8 165**	**77 725**

10 Earnings per share

Basic earnings per share is calculated by dividing the majority shareholders' share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period.

	2018	**2017**
Weighted average of ordinary and potential shares	**46 090 037**	**43 533 876**
Profit for the year EUR	**-156 832**	**-2 561 118**
Basic earnings per share	**0,00**	**-0,06**
Diluted earnings per share	**0,00**	**-0,06**

11 Share capital and shareholder information

Ordinary shares are classified as equity. Financial instruments are classified as equity in accordance with the underlying economic realities. Amounts distributed to holders of financial instruments that is categorized as equity, will be recorded directly in equity.

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

Dividend distributions to the shareholders of the Company are classified as liability from the date on which the dividend is adopted by the general meeting.

GENERAL

As at 31 December 2018, Aega ASA had a share capital of NOK 47 975 949 comprising 47 975 949 shares with a par value of NOK 1. Aega ASA has only one share class. All shares have equal voting rights and rights to dividends from the Company. All shares are fully paid.

SHARE RECONCILIATION

	Number of shares
Shares 1 Jaunary 2015 - AEGA ASA (Nordic Financials ASA)	**2 209 020**
Registered capital increase 10 January 2016	25 151 275
Registered capital increase 16 June 2016	8 530 662
Shares as of 31 December 2016	**35 890 957**
Registered capital increase 3 January 2017	4 991 184
Registered capital increase 8 February 2017	3 000 000
Shares as of 31 December 2017	**43 882 141**
Registered capital increase 1 June 2018	4 093 808
Shares as of 31 December 2018	**47 975 949**

Aega ASA warrants 1	2 000 000
Aega ASA warrants 2	400 000

Warrants 1: the Company has 2 000 000 warrants outstanding. Each of the warrants will entitle the holder to subscribe for one share in Aega ASA at an initial exercise price of NOK 3.10 per share. The exercise price for each warrant shall at the time of exercise of such warrant be adjusted downwards on a NOK-for-NOK basis by any dividend per share paid by Aega ASA in excess of an annual dividend of 7% of NOK 3.10 in the period from the issue of the warrant until the exercise of the warrant. The warrants shall be exercisable during exercise periods lasting for four weeks from the date of publication of Aega ASA's annual financial statements for the financial years 2017, 2018, 2019 and 2020, provided, however, that the last exercise period shall end no later than 30 June 2021. Any unexercised warrants shall expire without any compensation to the holder on 30 June 2021.

Warrants 2: The 400 000 warrants are freely tradable non-listed warrants, each of which entitles the holder to subscribe for one share in Aega at an exercise price of NOK 1.00 per share. The deadline for exercising the subscription right is 14 days after the AGM in 2019

During 2017 the group issued 3 00 000 shares and 2 000 000 warrants as consideration in the asset purchase agreement with Solex AS, see note 7.

DIVIDEND

No dividends have been paid in 2018 or 2017.

The group’s objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company invest in predictable cash yielding solar assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board of Directors has announced its intention to suggest dividends by the AGM in 2019.

20 LARGEST SHAREHOLDERS

31.12.2018:

Shareholders	Shares	Percentage
BEARHILL INC AS	3 359 034	7,0%
AFT DEVELOPMENT AS	2 250 152	4,7%
HARALDSEN THORVALD MORRIS	1 627 119	3,4%
LJM AS	1 441 926	3,0%
SÆTREMYR TORE	1 277 694	2,7%
MOGER INVEST AS	1 134 890	2,4%
KOLSTAD AS	1 075 005	2,2%
JAN STEINAR NEREM	1 022 069	2,1%
MORO AS	933 667	1,9%
VESAAS OLAV	877 141	1,8%
STRØM-RASMUSSEN FINN	769 012	1,6%
PENTHOUSE MIRADORES AS	761 884	1,6%
JAN P HARTO AS	753 042	1,6%
FIN SERCK-HANSSEN	715 780	1,5%
RACCOLTA AS	698 186	1,5%
SØLAND TORSTEIN	668 890	1,4%
MAGNOLIA SYSTEM AS	655 357	1,4%
KÅRE REIDAR JOHASEN	624 722	1,3%
C - BY - C AS	558 208	1,2%
GN Power Invest AS	555 923	1,2%
Total 20 largest shareholders	21 759 701	45,4 %
Aega ASA outstanding shares	47 975 949	100,0 %

12 Business combination

Business combinations are accounted for using the acquisition method when control is transferred to the group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value as are the identifiable net assets acquired.

Acquisition costs incurred are expensed, except if related to the issue of debt or equity securities. When the group acquires a business, it assesses the fair value of financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. 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 IFRS 9 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.

12.1 Acquisition and transaction costs

(EUR)	2018	2017
Acquisition & financing cost	**-129 678**	**-2 156 307**
Acquisition transaction costs	-64 780	-1 958 274
Funding & IPO costs	0	-198 033
Other non-recurring items	-64 899	0

In 2018 the main transaction cost were related to the purchase of Solar Park Luino and cost for a law suit regarding the severance package of the former CEO.

In 2017 the main transaction cost are the write-down of values related to the Solex asset purchase agreement, see note 7.

The costs are included in the line item acquisition and transaction costs in the statement of comprehensive income.

12.2 *Purchase price allocation*

PURCHASES 2018

Acquisition of Solar Park Luino:

15 February 2018 Aega signed a contract to acquire all shares in Solar Park Luino S.r.l , which owns a 0.8MW solar plant in Luino, Lombardy, Italy, from a group of Italian investors.

The acquisition is completed and settlement for the acquisition was made in cash. Aega’s funding of the project has been through a loan from investors later converted into shares at the AGM of 2018.

The 0.8MW solar park in Luino is fixed ground mounted, has a second conto energia feed in tariff and is seven years into its 20-year concession period. It delivers an internal rate of return (IRR) in line with Aega's current assets and the group's overall investment target.

After the acquisition the Chairman of the group Mr. Halldor Tjoflaat has been appointed CEO and constitute the Board of Directors in Solar Park Luino S.r.l. There are no employees in the acquired company. Solar Park Luino S.r.l has a max cap interest swap related to the loan agreement.

There are no significant off balance assets or liabilities.

EUR (unaudited figures)	**Net PPA**
Current assets & liabilities	**145 501**
Cash and cash equivalents	100 562
Receivables	14 081
Other current assets	4 660
Trade payables and other current liabilities	-14 002
Tax and VAT outstanding	40 201
Other current liabilities	0
Long term positions	**215 169**
Deferred tax	0
Property, plant and equipment	2 302 773
Derivative agreement	-113 237
Long term financing	-1 974 367
Assets identified for acquisition	**-360 670**
Paid for shareholder loan at closing	0
Paid for corporate capital at closing	-306 569
Paid into escrow	-54 100
Consideration not allocated	**0**

The excess value of EUR 42.997 has been allocated to the solar power plant. The excess value is depreciated linear over the remaining life of the Feed-In tariff period. The deferred tax on the gross excess value has been estimated to 24%.

PURCHASES 2017

Acquisition of Casale Srl

On 21 April 2017 Aega Yieldco AS signed a purchase agreement with a group of Italian investors to buy Casale S.r.l. The Casale plant is an 1 MW solar plant in Mercato Saraceno, Emilia-Romagna, Italy. It is fixed ground mounted, holds a top level concession, is six year into its 20-year concession period, and delivers an internal rate of return in line with Aega's current assets and the group's overall investment target. The primary reason for the acquisition is that the plant satisfies the group's investment criteria to acquire high quality solar parks associated with low risk.

The purchase price was EUR 0.9 million. The payment was divided in two payments EUR 787 thousand at closing and EUR 139 thousand has been transferred to an escrow account held by an Italian notary. The escrow amount will be released on certain conditions defined in the purchase agreement between sellers and the Company.

The excess value has been allocated to the solar power plant. The excess value is depreciated linear over the remaining life of the Feed-In tariff period. The deferred tax on the gross excess value has been estimated to 24%.

Preliminary purchase price allocation:

EUR (unaudited figures)	Fair value recognised on Acquisition
Current assets & liabilities	**179 409**
Cash, bank & securities	71 494
Receivables	126 929
Inventories, advances to suppliers etc.	0
Accounts Payable and Accrued Liabilities	-78 223
Tax withholdings, public fees, payroll tax, etc.	59 209
Other current liabilities	0
Long term positions	**746 725**
Deferred tax	-124 696
Powerplant, equipment and land	2 911 979
Derivative agreement	-118 119
Long term financing	-1 922 440
Assets identified for acquisition	**-926 134**
Paid for corporate capital at closing	-787 214
Paid into escrow	-138 920
Consideration not allocated	**0**

There is certain uncertainty regarding a potential EUR 40.000 receivable at takeover. This has not been included in the PPA. The effect of this is that excess value allocated to property plant and equipment is increased with the same amount, if the receivable is later recognized this will be reversed.

13 Interests in other entities

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 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.

All intra-group balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

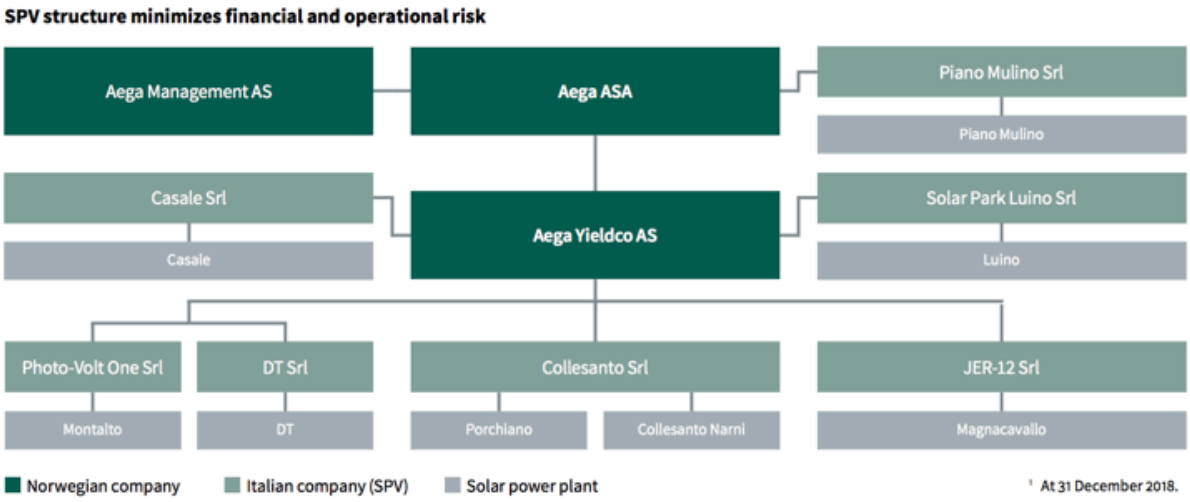
OWNERSHIP

The group's subsidiaries at 31 December 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

		Ownership interest held		Voting power held		
Name of entity	**Place of business**	**2018**	**2017**	**2018**	**2017**	**Principal activities**
Aega Yieldco AS	Norway	100	100	100	100	Holding company
Aega Energy Prima AS	Norway	100*	100	100*	100	Holding company
Aega Energy Seconda AS	Norway	100*	100	100*	100	Holding company
Aega Energy Terza AS	Norway	100*	100	100*	100	Holding company
Aega Management AS	Norway	100	0	100	0	Management Company
Photo-Volt One S.r.l	Italy	100	100	100	100	Company owning solar park
DT S.r.l	Italy	100	100	100	100	Company owning solar park
Collesanto S.r.l	Italy	100	100	100	100	Company owning solar park
JER-12 S.r.l	Italy	100	100	100	100	Company owning solar park
Piano Mulino S.r.l	Italy	100	100	100	100	Company owning solar park
Casale S.r.l	Italy	100	100	100	100	Company owning solar park
Solar Park Luino S.r.l	Italy	100	0	100	0	Company owning solar park

*Aega Energy Prima, Seconda and Terza was merged into Aega Yieldco AS during 2018.

ORGANISATIONAL CHART



14 Property, plant and equipment

All property, plant and equipment (including solar power plants) are valued at their cost, less accumulated depreciation and impairment. 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 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 expected to provide future financial benefits are capitalised.

Depreciation is calculated using the straight-line method over the useful lives. The depreciation period and method are assessed each year.

Aega has assessed the useful life to be 20 years from the start of the Feed-In Tariff period. Some components like the inverter have shorter guarantee periods however; the group insures the remaining risk. On leased solar power plants the group has estimated a certain

value at the end of the leasing period, the leased assets are depreciated over the shorter of the lease term and their useful lives.

Assets are tested for impairment whenever events or change in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Main assumptions for impairment test

Cost of Capital:

Risk free rate	0,40 %
Beta (levered)	1,28
Market premium	5,08 %
Country spesific premium	2,19 %
Cost of Equity	**9,09 %**
Aega Interest rate	5,00 %
Equity ratio	40,00 %
WACC net of tax	**5,92 %**

We would like to point out that the assumptions in the impairment test are made to indicate scenarios that management find explanatory at the reporting date. Actual outcome might be different. Cost of capital: Average WACC after tax used in DCF calculation of cash flow from power plant assets equals approximately 5,9%. Other main assumptions include:

- No changes in the Feed in tariff's
- No residual value beyond FIT contract period
- Cost and interest rate according to budgets
- Power production as in base cases, degradation of 0,5% each year
- Market price of electricity going for in the North of EUR 4 per kWh
- No inflation assumed on the electricity price or on OPEX. This is because OPEX on solar power plants so far have had a negative inflation and the management assumes this or a 0% inflation scenario will continue

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2018	Photo-Volt One Srl	DT Srl	Collesanto Srl	JER-12 Srl	Piano Mulino Srl	Casale Srl	Solar Park Luino Srl	Other	Total
Power plant 31 December 2017	1 715 363	2 265 556	5 751 191	1 462 838	2 592 697	2 768 025		196 696	**16 752 365**
Currency effect								-148 505	**-148 505**
Additions	0	2 700	0	0			2 302 773		**2 305 473**
Depreciation	-130 512	-173 135	-421 917	-131 596	-254 832	-216 358	-82 313	49 654	**-1 361 009**
Value at 31 December 2018	1 584 850	2 095 121	5 329 275	1 331 241	2 337 865	2 551 667	2 220 460	97 845	**17 548 324**

2017	Photo-Volt One Srl	DT Srl	Collesanto Srl	JER-12 Srl	Piano Mulino Srl	Casale Srl	Other	Total
Power plant 31 December 2016	1 845 925	2 437 778	6 198 052	1 591 168	2 847 529		248 502	**15 168 955**
Currency effect							-51 806	**-51 806**
Additions	0	2 700	0	0		2 911 979		**2 914 679**
Depreciation	-130 562	-174 922	-446 861	-128 330	-254 832	-143 955		**-1 279 463**
Value at 31 December 2017	1 715 363	2 265 556	5 751 191	1 462 838	2 592 697	2 768 025	196 696	**16 752 365**

15 Financial instruments

Classification

Financial instruments are classified in the following categories
- fair value with changes in value through profit or loss
- held to maturity financial assets
- loans and receivables
- available for sale financial assets
- financial (assets and) liabilities measured at amortized costs
- derivatives

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

At 31 December 2018 and 2017, the group has financial instruments in the following categories:
- receivables, and
- derivatives
- financial (assets and) liabilities measured at amortized costs

Reclassification

The group may choose to reclassify is financial instruments if this meets the reclassification criteria. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

The group initially recognize loans and receivables and debt securities on the date when they are originated. All other financial assets and liabilities are initially recognized on the trade date when the entity become a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

The group holds derivative financial instruments to hedge its interest rate risk exposure. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit and loss as incurred.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for 'financial assets and liabilities at fair value through profit or loss' – in profit or loss within other income or other expenses

- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Interest income and interest expense for all financial instruments are measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate which 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 finance income in the statement of comprehensive income.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit and loss. The group has not applied hedge accounting for 2018 and 2017.

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

The group has the following financial instruments:

FINANCIAL ASSETS

2018

(EUR)	Asset at FVPL	Financial asset at amortized cost	Total
Receivables		1 157 593	**1 157 593**
Other current assets; Tax and VAT		2 038 435	**2 038 435**
Cash and cash equivalents		975 971	**975 971**
	0	**4 171 999**	**4 171 999**

2017

(EUR)	Asset at FVPL	Financial asset at amortized cost	Total
Receivables		1 409 423	**1 409 423**
Other current assets; Tax and VAT		768 032	**768 032**
Cash and cash equivalents		717 030	**717 030**
	0	**2 894 485**	**2 894 485**

FINANCIAL LIABILTIES

2018

(EUR)	Derivatives at FVPL	Liabilities at amortised cost	Total
Long term borrowing		4 473 595	**4 473 595**
Leasing		7 471 673	**7 471 673**
Trade payables		368 505	**368 505**
Other payable		44 260	**44 260**
Short term borrowing and leasing		1 079 682	**1 079 682**
Derivatives finacial instruments	737 776		**737 776**
	737 776	**13 437 715**	**14 175 491**

2017

(EUR)	Derivatives at FVPL	Liabilities at amortised cost	Total
Long term borrowing		2,933,328	**2,933,328**
Leasing		8,274,430	**8,274,430**
Trade payables		671,452	**671,452**
Other payable		449,343	**449,343**
Short term borrowing and leasing		1,052,174	**1,052,174**
Derivatives finacial instruments	697,635		**697,635**
	697,635	**13,380,726**	**14,078,361**

Derivatives is valued using a marked to market approach. Fair value was determined by reference to a market price quotations in an active market (classified as level 1 in the fair value hierarchy under IFRS)

The group is exposed to various risks arising from its normal business activities. The group's risk management is carried out by the central administration under policies approved by the board of directors. The management proposes to the board hedging options if they are deemed necessary. Marked- and credit risks related to the financial statement and how these risks could effect the group's future financial performance are discussed in its associated notes.

LIQUIDITY RISK
Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The asset manager in Italy carries out monthly and yearly liquidity budgets , these are used as basis for the group cash flow.

15.1 Trade and other receivables
Trade receivables are amounts due from customers in the ordinary course of business. Other receivables are related to tax and vat. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The fixed Feed-in Tariff received from GSE typically represents approximately 80-90 per cent of the solar power plant revenues. The incentive is normally paid after 60 days in equal instalments each month based on 90 per cent of a basis production set out by GSE. In June/July the following year the Group receives the difference between the payments received by GSE and the actual production multiplied by the Feed-in Tariff. The remaining 10-20 per cent of the revenue is the market price which the Group sells to energy trading companies normally with 30 days payment notice and on one year contracts.

The group considers that there is evidence of impairment if any of the following indicators are present

- significant financial difficulties of the debtor

- probability that the debtor will enter bankruptcy or financial reorganisation, and

- default or delinquency in payments (more than 30 days overdue)

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

There are no indications of impairment at 31 December 2017 and 2016, no provision is booked.

OVERVIEW OF RECEIVABLES

(EUR)	**31-Dec-18**	**31-Dec-17**
Trade receivables	1 157 593	1 409 423
Tax Outstanding and VAT	2 038 435	768 032
Receivables financial instruments	**3 196 028**	**2 177 455**
Prepayments	69 085	83 479
Receivables	**3 265 113**	**2 260 934**

CREDIT RISK

The group's credit risk related to receivables are mainly related to the government and governmental institution as approximately 90% of total receivables, in 2018 and 2017 respectively, are related to this. GSE is not credit rated, however, GSE is 100% owned by the Italian Ministry of Economy and Finance and financed directly over the energy bills of the Italian power consumers. The Group assess the risk related to GSE as very low.

15.2 Cash and cash equivalents

Cash includes cash in hand or at the bank. Cash equivalents are short-term liquid investments which can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

(EUR)	**2018**	**2017**
Cash Norway	31 653	48 838
Cash Italy	944 318	468 192
Restricted cash Italy*	200 000	200 000
Total cash	**1 175 971**	**717 030**

*in the 2018 annual report restricted cash has been reclassified to long term financial receivable, since this is locked up until the financing in DT S.r.l and Photo-Volt One S.r.l have been paid back. And is therefore not freely available to Aega ASA.

For liquidity risk, see under General

INTEREST RATE RISK

The group is exposed to interest rate risk in relation to variation in interest rates of bank deposits.

(EUR)	**2018**	**2017**
Debt	14 208 563	14 089 620
Total equity	7 101 189	6 229 582
Equity ratio	**2,00**	**2,26**

For liquidity risk, see under General

15.3 Long term loans and Leasing

📖 The group leases certain property, plant and equipment, mainly solar power plants. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

The group leases various property, solar parks with at carrying amount of EUR 12 313 927 and EUR 13 377 469 at 31 December 2018 and 2017 respectively. These are a finance leases expiring within 2029 to 2031. A general description of the lessee's significant leasing arrangements including, but not limited to, the following: (i) basis on which contingent rent payable is determined; (ii) existence and terms of renewal or purchase options and escalation clauses; (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.
Under the terms of the leases the group has the options to acquire the leased assets for 1% of the initial financing amount.

All leasing and project financing in the group have been secured with pledge to the financing institution on the shares in the financed entity and a pledge on the financed solar park. All the financing are annuities, so the part of down payment increases as part of the total payment to the financing institutions over the course of the financing.

Overview long term loans and leases:

Plant	**Narni**	**Amelia**	**Piano Mulino**	**DT**	**Magnecavallo***	**Monte alto di Castro****	**Casale**	**Lunio**
SPV	Collesanto S.r.l	Collesanto S.r.l	Piano Mulino S.r.l	DT S.r.l	JER-12	Photo-Volt One S.r.l	Casle S.r.l	Solar Park Luino S.r.l
Bank	Leasint S.p.A	Leasint S.p.A	Ubi Leasing S.p.A	BNP Paribas Lease Group S.p.A.	Banca Polare Etica Scpa	Mediocredito Italiano S.p.A	Mediocredito Italiano S.p.A	UBI Banca S.p.A.
Financing form	Leasing	Leasing	Leasing	Leasing	Project finance	Project finance	Project finance	Project Finance
Original finance amount	4 302 650	4 078 585	3 705 927	3 215 154	1 637 000	2 177 298	3 766 492	2 580 000
Expiration date	2029	2031	2024	2029	2031	2027	2027	2029
Fixed interest rate	3,70 %	3,70 %	3,20 %	5,00 %	5,00 %	5,40 %	4,60 %	3,91 %
Covenants	N/A	N/A	N/A	N/A	DSCR higher than 1,25	N/A	Keep minimum net worth of EUR 450 000	N/A

* JER-12 (Magnecavallo) does not have a fixed interest loan, the spread of the loan is 5% + Euribor 3 month rate.
:
** Photo-Volt One Srl does no longer have a fixed interest loan, the spread of the loan is 5,4% + Euribor 3 month rate.

Commitments in relation to finance leases and project financing are payable as follows

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(EUR)	2018	2017
Cash and cash equivalents	1 175 971	717 030
Liquid investments	0	0
Borrowings - repayable within one year	-1 079 682	-1 052 174
Borrowings - repayable after one year	-11 945 268	-11 032 980
Net debt	**-11 848 979**	**-11 368 124**

	Cash and cash equivalents	Liquid investments	Financial lease due within one year	Financial lease due after one year	Borrowing due within one year	Borrowing after one year	Total
Net debt as at 31 December 2017	717 030	-	-883 280	-8 274 430	-168 894	-2 758 550	-11 368 124
Cash flows	458 941		125 193	802 758	-14 363	259 322	1 631 850
Foreign exchange adjustments							-
Other non-cash movements					-138 338	-1 974 367	-2 112 705
Net debt as at 31 December 2018	**1 175 971**	**0**	**-758 087**	**-7 471 673**	**-321 595**	**-4 473 595**	**-11 848 979**

	Cash and cash equivalents	Liquid investments	Financial lease due within one year	Financial lease due after one year	Borrowing due within one year	Borrowing after one year	Total
Net debt as at 31 December 2016	688 066	-	-806 731	-7 182 426	-156 929	-2 882 450	-10 340 470
Cash flows	28 964						28 964
Foreign exchange adjustments							-
Other non-cash movements			-76 549	-1 092 004	-11 965	123 901	-1 056 618
Net debt as at 31 December 2017	**717 030**	**0**	**-883 280**	**-8 274 430**	**-168 894**	**-2 758 550**	**-11 368 124**

15.4 Trade payable and other payables

Trade and other payable represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting date.

The carrying amount of trade receivables and trade payables is approximately equal to fair value, as they are agreed at “normal” conditions and normally have a short period to maturity.

The Group has five main trade payables, the operator of the solar power plants, the insurance of the power plants, the outstanding salaries, outstanding fees to board and fees to the asset manager.

(EUR)	2018	2017
Trade payables	368 505	671 452
Other payables	44 260	449 343
Total trade and other payables	**412 765**	**1 120 794**

All trade and other payables at 31 December 2018 and 2017 have a maturity of less than 6 months

Trade payables are unsecured and are usually paid within 30 days of recognition.

15.5 Derivative financial instruments

Derivatives are classified as held for trading unless they are designated and meet the hedging criteria.

(EUR)	2018	2017
Change in mark to market value of derivatives	68 544	145 890
Other gains and losses	0	0
Total Other gains and losses	**68 544**	**145 890**

(EUR)	2018	2017
Derivates at mark to market value	737 776	697 635
Total derivates	**737 776**	**697 635**

The group has six interest swaps, each connected to the financing agreements. Only JER-12 S.r.l and Photo-Volt One S.r.l does not have a swap. The interest swaps fixes the interest rates for the underlying financing. However, the swaps are not documented as hedge accounting nor are the duration a good enough match with financing instruments to use hedge accounting.

16 Provisions

A provision is recognised when the group has an obligation (legal or constructive) as a result of a past 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. Provisions are not recognised for future operation losses.

Provision are measured at the present value of management's best estimate of the future cash flow required to settle the present obligation at the end of the reporting period. If the effect is material, the provision is calculated by discounting estimated future cash flows using a discount rate before tax which reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. The increase in provision due to passage of time is recognised as interest expense.

<u>Tax dispute in Italy</u>

The group is currently involved in a tax dispute with the Italian tax authorities with respect to two of the group's Italian subsidiaries. The Italian tax authorities have claimed repayment from the group of about EUR 1 500 000. The group has disputed this claim in court, and won in the court of first and second instance related to the year 2012. The Italian tax authorities have appealed for the supreme court.

Should the outcome be unfavorable, the group's view is that any liability deriving from the said claims is covered by the warrants provided for in the share purchase agreements signed with the seller of the relevant plants, as the (potential) tax due dates from the period before Aega purchased the assets ,and the warrants in the purchase agreements place liability for any tax claims prior to the acquisition solely on the seller. The company has deemed it necessary to pay instalments on the tax claim until a final ruling is made. So far, the group has paid about EUR 120 000 related to this case to the tax authorities.

17 Statement on the remuneration for senior executives

The Statement on senior executives' remuneration has been prepared in accordance with the Norwegian Public Limited Companies Act, the Norwegian Accounting Act and the Norwegian Code of Practice and is adopted by the board of directors.

For the purposes of this statement, company employees referred to as senior executives are: Markus Enge (CEO & CFO).

The following guidelines are applied for 2018.

General principles for the remuneration of senior executives

The remuneration of the CEO is determined by the board of directors, whereas remuneration of other senior executives is determined administratively on the basis of a framework specified by the board of directors.

The remuneration level shall reflect the complexity and responsibilities of each role and shall take into account the company's international operations. Being headquartered in Norway, the board of directors will primarily look to other Norwegian companies operating in an international environment for comparison.

Remuneration of the senior executives shall be at a competitive level in the relevant labour market(s). It should be a tool for the board of directors to attract and retain the required leadership and motivational for the individual executive. The total remuneration package shall therefore consist of fixed remuneration (basic salary and benefits in kind) and variable, performance based remuneration (short- and long term incentives). The remuneration system should be flexible and understandable.

Market comparisons will be conducted on a regular basis to ensure that remuneration levels are competitive.

Fixed salary

The main element of the remuneration package shall be the annual base salary. This is normally evaluated once a year according to individual performance, market competitiveness and local labour market trends.

Benefits in kind

The senior executives receive benefits in kind that are common for comparable positions. These include newspapers, telecommunication, broadband, insurance and car salary

Pension scheme

A pension contribution "innskuddspensjon" of 2% of the base salary up to 12G will be provided by the Company.

Severance package scheme

The CEO has no severance payment beyond a normal three month notice period.

Statement on senior executive remuneration in the previous fiscal year:

Aega ASA had until 29 September 2017 two senior executives. See note 6 for details about the renumeration.

18 Market risk

Sensitivity currency

The group is primarily exposed to changes in EUR/NOK exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from NOK denominated HQ costs.

	Impact on post tax profits	
(EUR)	**2018**	**2017**
EUR/NOK exchange rate – increase 10%	43 936	146 387
EUR/NOK exchange rate – decrease 10%	-53 700	-178 918

The group's exposure to other foreign exchange movements is not material.

Sensitivity Interest rate

The group has fixed all its interest except for the loan agreements regarding Photo-Volt One S.r.l and Jer-12 S.r.l. A 50bps increase/decrease in the interest rate would decrease/increase the net profit by about EUR 11 thousand.

19 Subsequent events

None to report

Parent company financials 2018

Statement of profit and loss and other comprehensive income

		1 Jaunuary through 31 December	
(NOK)	**Note**	**2018**	**2017**
Managment fees	**3**	2 153 072	1 892 195
Revenues		**2 153 072**	**1 892 195**
Sales, general and administration expenses	**4,5,6**	-5 270 145	-10 752 317
Acquisition, transaction and writedown costs	**2**	-1 160 491	-21 079 762
Operating profit		**-6 430 636**	**-31 832 079**
Finance income	**9**	2 514	110 678
Finance costs	**9**	-185 579	-74 943
Net foreign exchange gain/(losses)	**9**	-9 630	-229 360
Profit before income tax		**-4 470 259**	**-30 133 509**
Income tax gain/(expense)	**7**	0	0
Profit/(loss) for the period		**-4 470 259**	**-30 133 509**
No. Of shares		**47 975 949**	**43 882 141**
Other comprehensive income			
Items that may be reclassifed to profit and loss			
Translation differences		0	0
Total comprehensive income		**-4 470 259**	**-30 133 509**
Profit for the period attributable to:			
Equity holder of the parent company		**-4 470 259**	**-30 133 509**

Statement of cash flow

(NOK)	Note	2018	2017
Ordinary profit before tax		-4 470 259	-30 133 509
Changes in trade receivables and trade payable	**8**	-497 372	493 001
Changes in other accruals		9 497	0
Cash flow from operations		**-4 958 133**	**-29 640 508**
Acquisition of subsidiary, net of cash acquired		-100 000	-6 102 702
Sale of financial investments		0	1 022 500
Writedown subsidiaries		0	18 000 000
Cash flow from investments		**-100 000**	**12 919 798**
Proceeds from issue of share capital		4 093 808	14 075 139
Dividends or shareholder distributions	**12**	0	0
Proceeds from new loans		967 986	2 615 051
Purchase of own shares		-191 332	0
Cash flow from financing		**4 870 462**	**16 690 190**
Cash at beginning of period		**384 684**	**415 205**
Net currency translation effect		0	0
Net increase/(decrease) in cash and cash equivalents		-187 672	-30 519
Cash at end of period	**10**	**197 012**	**384 686**

Statement of financial positions

(NOK)	Note	31-Dec 2018	2017
Shares in subsidiaries	2	69 191 564	69 091 564
Non-current assets		**69 191 564**	**69 091 564**
Receivables	8	3 019 531	4 371 900
Financial assets held for sale	12	0	0
Cash and short term deposits	10	197 012	384 684
Current assets		**3 216 543**	**4 756 584**
TOTAL ASSETS		**72 408 107**	**73 848 148**
EQUITY AND LIABILITIES			
Share capital	11	47 975 949	43 882 141
Share premium	11	74 360 889	74 366 689
Own shares	11	-191 332	0
Paid in capital		**122 145 506**	**118 248 830**
Accumulated profit & loss		-61 639 227	-57 184 266
Other equity		**-61 639 227**	**-57 184 266**
Total equity		**60 506 279**	**61 064 564**
Trade payables and other payables	8	3 870 060	5 719 801
Intergroup loans	8	8 031 768	7 063 782
Total current liabilities		**11 901 828**	**12 783 584**
Total liabilities		**11 901 828**	**12 783 584**
TOTAL EQUITY AND LIABILITIES		**72 408 107**	**73 848 148**

30 April 2019

Halldor Chisten Tjoflaat
Chairman

Kathrine Breistøl
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
Board member

Markus H. Enge
CEO

Statement of changes in equity

NOK	Share capital	Share premium fund	Own shares	Other equity	Total equity
Equity IB 2018	**43 882 141**	**74 366 689**	**0**	**-57 184 265**	**61 064 564**
Loan conversion	4 093 808	-5 800	0	15 297	4 103 305
Purchase own shares			-191 332	0	-191 332
Profit (loss) After tax			0	-4 470 259	-4 470 259
Equity 31.12.2018	**47 975 949**	**74 360 889**	**-191 332**	**-61 639 227**	**60 506 279**

NOK	Share capital	Share premium fund	Foreign Currency translation reserve	Other equity	Total equity
Equity IB 2017	**35 890 957**	**59 282 734**	**0**	**-11 948 053**	**83 225 638**
Share issue 3.1.2017	4 991 184	9 083 955			14 075 139
Share issue asset purchase	3 000 000	6 000 000		-15 102 703	-6 102 703
Profit (loss) After tax				-30 133 509	-30 133 509
Equity 31.12.2017	**43 882 141**	**74 366 689**	**0**	**-57 184 265**	**61 064 564**

Note 1: Accounting principals

General information
Aega ASA is a public limited company, incorporated and domiciled in Norway. The registered office of Aega ASA is Thunes vei 2, NO-0274 Oslo, Norway.

Aega ASA indirectly own and operates 8 photovoltaic power plants in Italy, and its main business activity is to invest in photovoltaic power plants in Italy.

The company was listed on Oslo Axess in 2011. The consolidated financial statements for Aega ASA, including disclosure requirements for the accounting period ended 31 December 2018, were approved by the Board of Directors and CEO on 30 April 2019, and will be presented for approval at the annual General Meeting on 30 May 2019.

Basis of preparation
The consolidated financial statements for the financial year 2018 have been prepared in accordance International Financing Reporting Standards as adopted by the European Union ("IFRS") and interpretations that are relevant to the Group, as well as the disclosure requirements in the Norwegian Accounting Act and requirements set out by Oslo Stock Exchange, which are effective for financial periods commencing 1 January 2018.

All amounts are presented NOK if not otherwise stated.

Going concern
The annual accounts have been prepared based on the going concern assumption. This is based on the group's plans, budgets and level of activity going forward.

Approved IFRSs and IFRICs with future effective dates with effect for the group
Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective, are disclosed below. Note that only relevant standards and interpretations are discussed. The group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval.

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments contains the revised regulations concerning the classification and measurement of financial instruments, accounting of impairment of financial assets and hedge accounting.
The standard has fully replaced IAS 39. The new regulations for the classification and measurement of financial instruments no longer contain the categories "available for sale", "held to maturity" and loans and receivables from IAS 39. Apart from the measurements "at amortised cost" and at "fair value through profit or loss" it will henceforth be possible to account for financial instruments at "fair value through OCI".

All financial instruments for which the cash flow condition (contractual cash flow characteristics test) is not met are automatically accounted for at fair value through profit or loss,. By way of exception, changes of the fair value of equity instruments not held for trading can be recognised in other comprehensive income. If the cash flow condition is deemed met and the financial instrument is held for the purpose of collecting the contractual cash flows, the financial instrument shall be accounted for at amortised cost. The standard is effective for accounting periods beginning on or after 1 January 2018.

IFRS 9 doesn't change the basic accounting model for financial liabilities under IAS 39. Two measurement categories continue to exist: fair value through profit or loss and amortised cost.

Financial liabilities held for trading are measured as fair value through profit or loss unless the fair value option is applied. Aega does not have any financial liabilities held for trading. Therefore, the measurement of financial liabilities shall continue at amortised cost as previously.

Aega ASA has no other costumers than group companies, without any historic losses or perceived risk of future losses. Aega has no financial instruments.

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15, 'Revenue from Contracts with Customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The core of the new IFRS 15 is the introduction of a five-step model in which the customer contract and the separate performance obligations it contains are first identified. In the third and fourth steps, the transaction price is determined and allocated to the individual performance obligations. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the
good or service.

Disclosures: IFRS 15 adds several disclosure requirements to the annual and interim reports, e.g. capitalization of contract costs and disclosures of contract balances.
The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group has assessed the impact of IFRS 15. Different revenue streams and contracts have been analysed.

The Group recognises revenues from one main sources:
Management fee
Under IFRS 15, revenue will be recognized when at the point of sales. The management fee is invoiced every quarter after delivery.

Based on its assessment, the Group does not expect the application of IFRS15 to have a significant impact on its consolidated financial statements. The scope of the disclosures will not increase.

IFRS 16, 'Leases'
IFRS 16, 'Leases' significantly changes the accounting principles for many lease contracts, including leased premises, vehicles and equipment leases, and subleases. The standard will require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding assets. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, instead of recognising the expenses as today in Other operating costs.

Effects of IFRS 16:

The headquarter rent agreement is terminated as of 30.4.2019, and is therefore not recognized.

Based on its assessment, the Group does not expect the application of IFRS16 to have a significant impact on its consolidated financial statements. The scope of the disclosures will not increase.

Note 2: Investment In subsidiaries

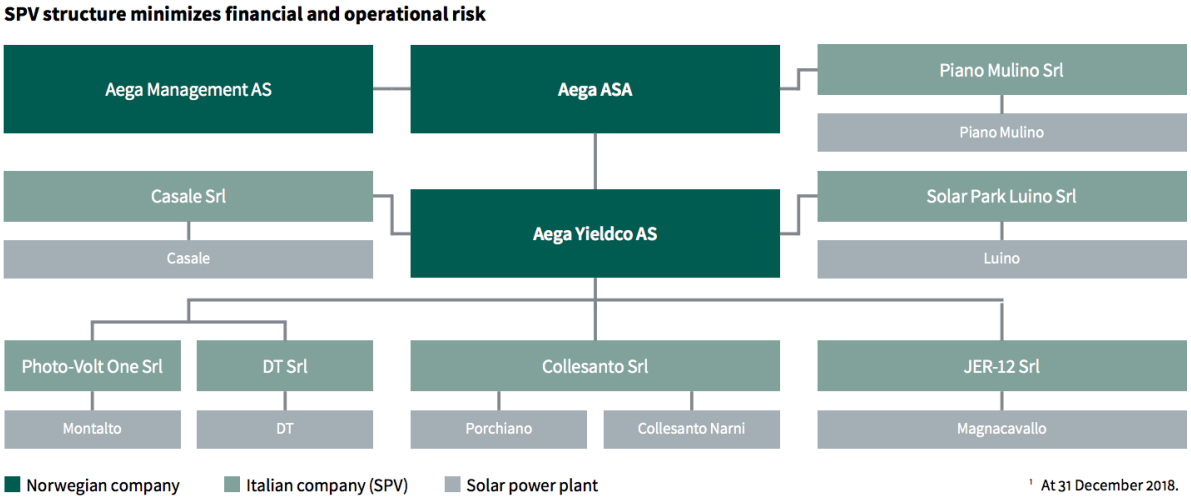
OWNERSHIP

The company subsidiaries at 31 December 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the company. The country of incorporation or registration is also their principal place of business.

		Ownership interest held		Voting power held		
Name of entity	**Place of business**	**2018**	**2017**	**2018**	**2017**	**Principal activities**
Aega Yieldco AS	Norway	100	100	100	100	Holding company
Aega Management AS	Norway	100	0	100	0	Management Company
Piano Mulino S.r.l	Italy	100	100	100	100	Company owning solar park

*Aega Energy Prima, Seconda and Terza was merged into Aega Yieldco AS during 2018.

ORGANISATIONAL CHART



Investments in Aega ASA	**Book value as of 31.12.2018**
Shares in Piano Mulino S.r.l	**11 577 177**
Shares in Aega Yieldco AS	**57 514 387**
Shares in Aega Management AS	**100 000**
Total investment	**69 191 564**

Note 3: Revenue

Revenue recognition

Revenues are exclusively from management services delivered to group companies.

(NOK)	**Note**	**2018**	**2017**
Managment fees		2 153 072	1 892 195
Revenues		**2 153 072**	**1 892 195**

Geographical distribution

(NOK)	**Note**	**2018**	**2017**
Norway		4 800	120 635
Italy		2 148 272	1 771 560
Revenues		**2 153 072**	**1 892 195**

Note 4: Related party

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

31 January 2017, Aega ASA completed the asset purchase agreement with Solex AS (former Aega Solar). From this date Aega ASA took over the management team and terminated the previous management agreements. As consideration Solex AS received 3 000 000 shares in Aega ASA, 2 000 000 warrants and took over about EUR 680k of liabilites. The Board rational at the time was to provide higher efficiency and substantial long term cost savings, and that following the transaction.

As of 31.12.2018 Solex owned 0 shares of Aega ASA.

NOK	**Management fee 2018**	**Management fee 2017**
Solex* managment fee	0	386 835
Total	**0**	**386 835**

NOK	**Balance 31 December 2018**	**Balance 31 December 2017**
Solex*	0	-7 412
Total	**0**	**-7 412**

* Solex was previously known as Aega Solar

Aega ASA has purchased services from Aega Management AS of 1 392 170 in 2018.

Note 5: Audit fee

(NOK)	Note	2018	2017
Statutory audit		664 500	630 000
Prospectus and cost relating to lising etc		0	0
Tax consultant services		0	242 000
Other assurance services		6 336	22 500
Auditor cost		**670 836**	**894 500**

The numbers are excluding VAT.

Note 6: Remuneration to management and Board of Directors

(all figures in EUR)

Payroll and related expenses	**2018**	**2017**
Salaries and vacation pay	138 070	235 696
Social security tax	57 021	36 382
Pension expense ("OTP")	6 238	18 376
Renumeration to the Board of Directors	36 376	58 717
Total payroll and related expenses:	**237 705**	**349 171**

In 2018 the group had 2 average work years employed compared to roughly 2,5 in 2017. In 2019 all employee cost will be allocated to Aega Management

PENSION SCHEME

The Company has a defined contribution pension scheme that complies with the Norwegian occupational pension legislation (called “OTP”). The pension contributions was set to 6 % for the Company in 2017 and reduced to 2% from April 2018. The retirement age for all employees, including the management, is 70 years. The Group is obliged to have an occupational pension scheme pursuant to the Act on Occupational Pensions. The Group's pension plans meet the requirements of this Act.

The group does not any active share-based payment incentive schemes.

MANAGEMENT

Total renumeration paid to management from the Group during the year ended 31 December is as follow:

	2018			2017		
	Salary	**Remuneration**	**Pension cost**	**Salary**	**Remuneration**	**Pension cost**
Rolf M. Normann (former CEO)*	-	1 616 388	-	1 028 585	15 336	61 715
Markus H. Enge (CFO & CEO)	900 000	12 972	27 000	528 007	13 442	31 680

*From 1 February 2017 until 29 September 2017, Rolf M. Normann was employed as the CEO of Aega ASA. Remuneration for him in 2018 is his severance package.

**From 1 February 2017, Markus H. Enge was employed as CFO of Aega ASA, and he has been acting CEO since 29 September 2017.

BOARD OF DIRECTORS

The remuneration to Board members for their services for the period from the Annual General Meeting held 2018 to the Annual General Meeting held in 2019 is NOK 250,000 for the Chairman of the Board and NOK 150,000 for each board member.

Remuneration to the Board of Directors:

All numbers in NOK:

			Board renumeration		Other expensed benefits and bonus	
Name	Position	Periode served to/from	2018	2017	2018	2017
Halldor Chisten Tjoflaat*	Chairman	From 28 December 2018	250 000	2 055	132 000	0
Kathrine Breistøl	Member	From 28 December 2018	150 000	1 233	0	0
Kristine Malm Larneng	Member	From 28 December 2018	150 000	1 233	0	0
Nils Petter Skaset	Member	From 28 December 2018	150 000	1 233	0	0
Knut Øversjøen	Chairman/Member	Served from 18 January 2016 to 29 September 2017 as chairman. From 29 September 2017 to 28 December 2017 as member.	0	222 603	156 250	156 250
Geir Upsaker	Member	Served from 18 December 2015. Served until 18 January 2016 and again from 29 November 2016 to 19 May 2017	0	75 616	0	0
Solveig Fagerheim Bugge	Member	Served from 22 February 2016 until 27 January 2017. Remuneration does not include fee invoiced by Advokatfirmaet Thommessen AS for legal services	0	14 795	0	0
Anne Syrrist	Member	From 27 January 2017 to 29 September 2017	0	116 028	0	0
Ketil Reed Aasgaard	Chairman	Served from 18 December 2015 Served until 18 January 2016	0			
Ingrid Elvira Leisner	Member	Served from 29 September 2017 to 28 December 2017	0	36 986	0	0
Lars-Gøran Dysterud Hansen	Member	Served from 19 May 2017 to 29 September 2017	0	54 658		
Rolf M. Normann	Chairman	Served from 29 September 2017 to 28 December 2017	0	61 644	0	0

In addition to his role as Chairman of Aega ASA, Mr.Tjoflaat is hired from his 100% owned Talk Talk AS to fill the role as sole director of all subsidiaries. For all the Italian positions he receives 2 000 NOK per month per company.

No member of the Board of Directors has any service contracts providing for benefits upon termination of employment.

Shares held by the board of directors and management as of 31.12.2018

Person	Role	Ownership with control	Other
Halldor Christen Tjoflaat	Chair	Through Kolstad AS, controls 1 075 005 shares (2.2 per cent) and 10 000 warrants.	A minority shareholder in AFT Development AS, which owns 2 250 152 shares (4.69 per cent)
Kathrine Breistøl	Director	Through Vesoldo AS, controls 465 880 shares (0.97 per cent) and 25 000 warrants.	
Nils Petter Skaset	Director	Through Brezza AS, controls 358 208 shares (0.75 per cent) and 35 000 warrants.	
Markus Huseby Enge	CEO	Through E3 Consulting, controls 81 928 shares and through Klunken Blessenborg Invest AS 160 000 shares.(0.5 per cent)	
Fabio Buonsanti	COO	Owns directly 35 526 shares (0.1 per cent)	

Note 7: Tax

(NOK)	**2018**	**2017**
Profit before income tax	-4 470 259	-30 133 509
Tax at current tax rate	-1 028 159	-7 232 042
Non deductible expenses	13 298	4 772 666
Adjustment tax rate	729 002	971 221
Deferred tax asset not recognized	285 860	1 488 155
Sum	**0**	**0**

Deferred tax asset	**2018**	**2017**
Loss carried forward	16 705 848	16 419 988
Net deferred tax asset	**16 705 848**	**16 419 988**
Deferred tax asset not recognized	**16 705 848**	**16 419 988**

Significant estimates:
Deferred tax asset has not been recognized as it is not probable that the loss carried forward will be recoverable. Most of the company's investments and revenue are located in Italy and taxed in Italy.

The Board of Directors are investigating whether some or all the deferred tax asset is recoverable.

Note 8: Receivable and liabilities

(NOK)	**2018**	**2017**
Trade receivable	623 661	152 313
VAT receivable	0	0
Other receivable	2 395 869	215 706
Total receivables	**3 019 531**	**368 019**

(NOK)	**2018**	**2017**
Trade payables	824 674	1 865 279
Tax, sosial contribution VAT etc.	65 982	290 178
Intergroup loans	11 011 172	7 063 782
Other current liabilities	0	3 224 486
Total liabilities	**11 901 828**	**12 443 725**

Note 9: Financial income and expenses

	2018	2017
Interest income	2 514	93 905
Profit realized financial intruments	0	0
Received dividends	0	0
Fair value adjustments	0	0
Financial income	**2 514**	**93 905**

	2018	2017
Interest cost	94 978	73 760
Fair value adjustments	0	0
Other financial expenses	90 601	1 182
Financial cost	**185 579**	**74 943**
Net foreign exchange gain/(losses)	**-9 630**	**-229 360**

Note 10: Cash and cash equivalents

NOK	2018	2017
Cash	151 441	259 425
Restricted cash	45 571	125 259
Total cash	**197 012**	**384 684**

Note 11: Shareholders and share capital

	Number of shares	Share capital	Sharepremium	Total
Total as of 31 December 2015	2 209 020	2 209 020	0	2 209 020
Total as of 31 December 2016	35 890 957	35 890 957	59 282 734	95 173 691
Total as of 31 December 2017	43 882 141	43 882 141	74 366 689	118 248 830
Total as of 31 December 2018	47 975 949	47 975 949	74 360 889	122 336 838

20 Largest shareholders:

Shareholders	Shares	Percentage
BEARHILL INC AS	3 359 034	7,0%
AFT DEVELOPMENT AS	2 250 152	4,7%
HARALDSEN THORVALD MORRIS	1 627 119	3,4%
LJM AS	1 441 926	3,0%
SÆTREMYR TORE	1 277 694	2,7%
MOGER INVEST AS	1 134 890	2,4%
KOLSTAD AS	1 075 005	2,2%
JAN STEINAR NEREM	1 022 069	2,1%
MORO AS	933 667	1,9%
VESAAS OLAV	877 141	1,8%
STRØM-RASMUSSEN FINN	769 012	1,6%
PENTHOUSE MIRADORES AS	761 884	1,6%
JAN P HARTO AS	753 042	1,6%
FIN SERCK-HANSSEN	715 780	1,5%
RACCOLTA AS	698 186	1,5%
SØLAND TORSTEIN	668 890	1,4%
MAGNOLIA SYSTEM AS	655 357	1,4%
KÅRE REIDAR JOHASEN	624 722	1,3%
C - BY - C AS	558 208	1,2%
GN Power Invest AS	555 923	1,2%
Total 20 largest shareholders	21 759 701	45,4 %
Aega ASA outstanding shares	47 975 949	100,0 %

Note 12: Subsequent events

None to report

To the General Meeting of Aega ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aega ASA, which comprise:

- The financial statements of the parent company Aega ASA (the Company), which comprise the statement of financial position as at 31 December 2018, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aega ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2018, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Group`s business activities are mainly unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters for our audit of the 2018 financial statements. Consequently, our areas of focus have been the same in 2018 as in the previous year.

Key Audit Matter	How our audit addressed the Key Audit Matter
Acquisitions of solar parks	
In 2018 the group has acquired and added another solar park to its portfolio. The solar park has installed capacity of 0,7 MWp. In total, the company is operating solar parks with installed capacity of 10 MWp at year-end 2018. Acquisitions of new solar parks have been a part of the company's regular business. The group has therefore established a process and internal controls in order ensure that only solar parks with a reasonable expectation of making a profit are acquired. The process includes among other things, due diligence work, decision rules and policies for purchase price allocations. We have focused on this process due to its importance to the business, the judgement required of management and the material amounts involved. See note 12 in the annual report where management explains about the acquisition of solar parks.	Through discussions with management, we have obtained an understanding of the group's investment process. For this year's acquisition, we tested whether due process was followed by obtaining by due diligence reports and board meeting protocols. Our testing supported that due process was followed. For the acquisition, we obtained the purchase price allocation documentation. We verified that the said policies were consistently applied and that the purchase price agreed with previous board decisions. Further, we identified and reviewed key information in the contract and compared this to the purchase price allocation and considered whether it was correctly reflected in the financial reporting. To assess management's judgement in allocation of excess value where all material amounts are allocated to the solar parks, we reviewed managements accounting memo and scrutinized the documentation available in the transaction. To satisfy ourselves about the allocation of excess values, we reviewed the equity in the purchased companies and agreed with management's assumption that there were no excess values to be identified other than the solar parks. We considered whether the disclosures in notes appropriately explained the acquisition process and allocation of cost price to solar parks.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed 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 management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 30 April 2019

PricewaterhouseCoopers AS

Jone Bauge

State Authorised Public Accountant

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