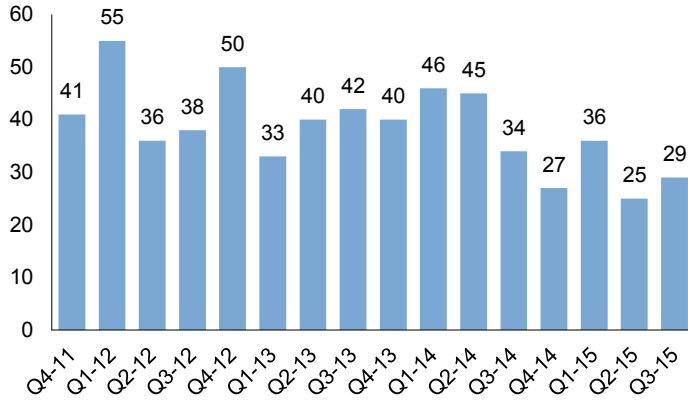
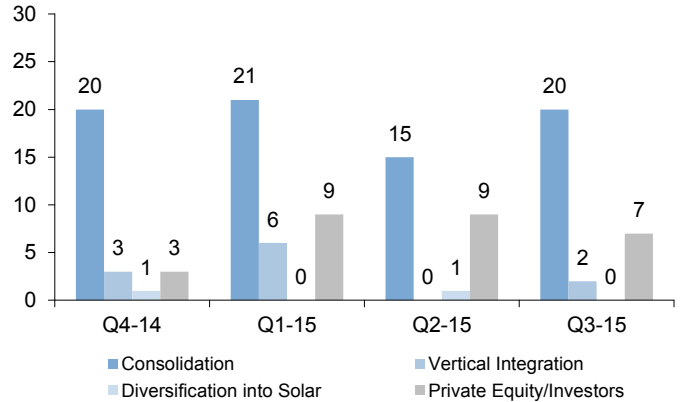


# Q3 2015 Deal Volume Comparison

**Chart A: Completed Solar Energy Transactions**

**Chart B: Quarterly Comparison - M&A by Category**


## Announcements

- Consolidated Edison Development has acquired a 335 MW solar farm in Panoche, California from Renewable Energy Trust Capital (September-15)
- PSEG Solar Source has acquired a 25 MW solar farm in California from Hanergy Thin Film Power America (August-15)
- Renewsys India Private Ltd. has acquired Solar Semiconductor Private Limited (July-15)
- SunEdison, Inc. (NYSE:SUNE) has announced the acquisition of Vivint Solar, Inc. (NYSE:VSLR) (July-15)

Sources: All information contained in this newsletter including the charts was obtained from company websites, Capital IQ and Lincoln International's internal data.

There were 29 completed solar energy transactions in Q3 2015 compared to 34 in Q3 2014. This number is an increase from the 25 transactions recorded in Q2 2015.

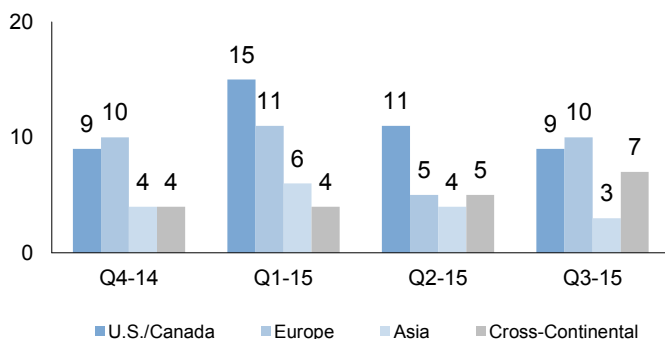
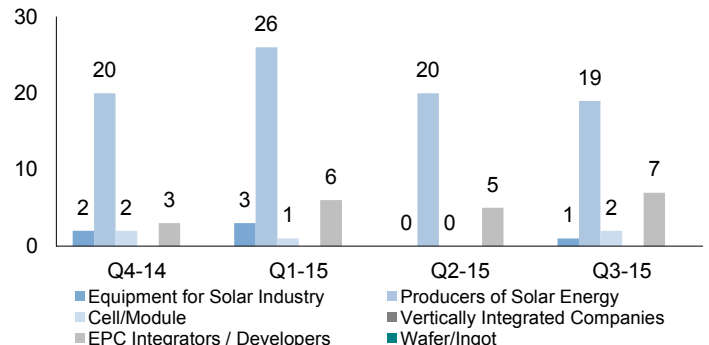
Within the solar energy transactions, consolidation represented 69% of transactions, or 20 deals in Q3 2015. The next largest category was investment by private equity/investors with 7 transactions, or 24% of the Q3 2015 total. Vertical integration accounted for two transactions, or 7% of the total transactions this quarter. There were no transactions categorized as diversification into the solar industry this quarter.

In Q3 2015, 34% or 10 of the 29 total transactions occurred in Europe. This represents a 14% increase in this geography from Q2 2015. The U.S./Canada exhibited a decrease in activity recording nine transactions or 31% of the total in Q3 2015 down from 44% of the total in the previous quarter. Cross-continental transactions accounted for seven transactions, or 24% of the total in Q3 2015, while Asia recorded three transactions, or 10% of the total in Q3 2015. South America did not record a transaction.

In addition, there were 19 acquisitions of producers of solar energy (this category includes acquisitions of solar projects), or 66% of the total. This quarter there were seven acquisitions of EPC integrators/

developers, or 24% of the total transaction volume. Acquisitions of cell/module producers accounted for two transactions, or 7% of the total if Q3 2015. Additionally, there was one acquisition of a company producing equipment for the solar energy industry. No acquisitions of companies categorized as wafer/ingot producers or vertically integrated companies were recorded during the quarter.

After a decrease in activity during the previous quarter, acquisition activity increased in Q3 2015. Consolidation for producers of solar power continued to be the primary source of deal activity, in addition to continued volume from the private equity/investors category. Additionally, there continues to be an uptick in acquisitions of EPC integrators/developers. Many companies have recognized the benefit in scaling up as the market gets closer to the current expiration of the U.S. ITC tax credit. This strategy could help companies diversify risk associated with only focusing on a specific geography or market and also help focus on reducing costs through supply chain economies of scale. There could be continued opportunities in the U.S. EPC integrator/developer sector given this dynamic.

**Chart C: Quarterly Comparison - M&A by Geography**

**Chart D: Quarterly Comparison - M&A by Sector of Target Company**


## An Analysis of Global Solar Energy Trends

Solar market growth remained strong in 2014, continuing the positive growth trajectory established in 2013. The market increased as solar is continuing to become a larger source of power generation, surpassing 175 GW of cumulative installed capacity globally in 2014.

In 2015, the market has continued to grow and could see a major increase in solar installation numbers globally. Moving forward, growth in demand is expected to be driven by price decreases for the balance of solar systems and the development of previously untapped markets. This trend is demonstrated in Chart F, where after a potential slowdown in 2017, the solar industry is expected to

return to steady expansion for the long-term.

Europe has traditionally dominated the solar market, but the rest of the world continues to catch up at a rapid pace. Growth in Europe is expected to remain robust, with total installed capacity reaching as high as 158 GW in 2019, an almost 80% increase compares to today's market. Outside of Europe, the market is well-balanced. China, Japan and the United States are leaders with great potential for future growth. In 2014, China installed 10.6 GW of PV due to strong political support and feed-in tariff based policies. Japan and the United States also benefitted from favorable government

support, with 9.7 GW and 6.5 GW installed, respectively, in 2014. These geographies were followed by developing countries that are expected to represent strong geographies for solar growth in the future.

Currently, the split between rooftop and utility-scale solar installations is slightly weighted toward the utility-scale segment. Going forward, utility-scale plants are forecasted to exhibit faster growth globally. In certain markets, such as the U.S., rooftop projects are still expected to experience faster growth as solar leasing programs and other financing structures provide more availability to residential and small commercial projects.

Chart E: Global Annual Installed Capacity, Historical

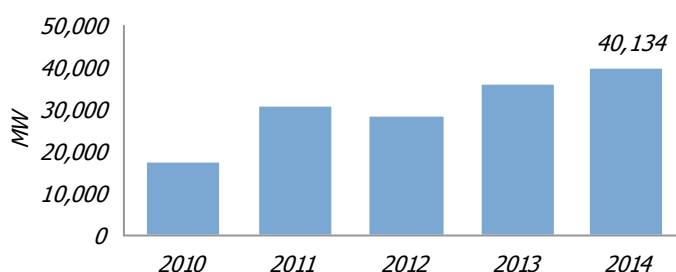


Chart F: Global Annual Installed Capacity, Forecast

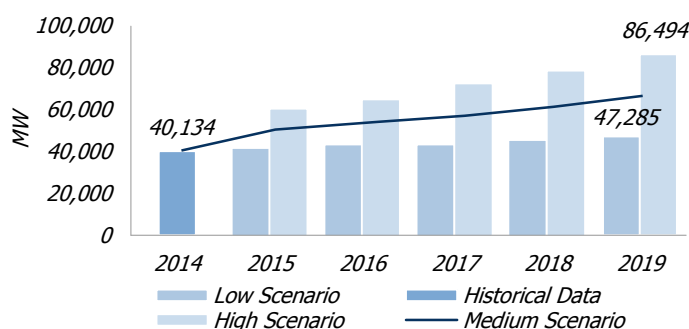


Chart G: Global Annual Installed Capacity, Rooftop Solar Market

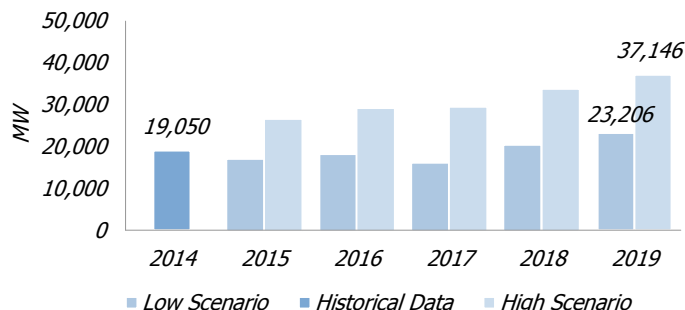
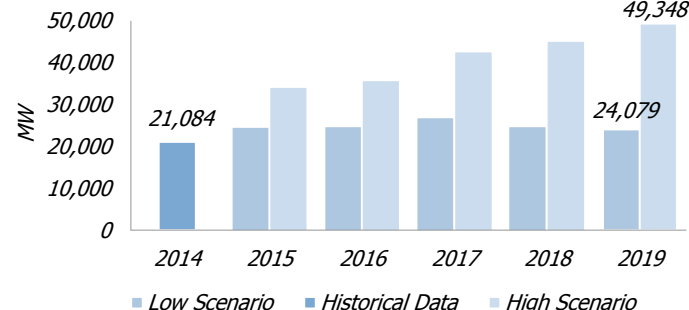


Chart H: Global Annual Installed Capacity, Utility-scale Solar Market



Source: SolarPower Europe Global Market Outlook, 2015-2019

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