Table of Contents

2. Basis of preparation of the financial statements and accounting policies

The Company's interim condensed financial statements as of March 31, 2015 were first approved for issuance by the Company' Chief Executive Officer and Chief Financial Officer on April 8, 2015, and were subsequently approved by the Company's shareholders. The accompanying restated interim condensed financial statements have been prepared for use in a securities filing in connection with the acquisition of the Company as explained in Note 12. They have also been restated for the correction of certain errors as explained in Note 2.2. The Company's Chief Executive Officer and Chief Financial Officer approved these financial restated statements for issuance on June 13, 2015 and subsequent events have been considered through that later date.

2.1 Basis of preparation

The interim condensed financial statements for the three-month period ended March 31, 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, an accounting standard of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

These financial statements are condensed and accordingly do not include all disclosures required by the IFRS for a full set of financial statements. They should be read in conjunction with the Company's financial statements as of and for the year ended December 31, 2014. The results for the quarter ended March 31, 2015 are not necessarily indicative of results that should be expected for the full year ending December 31, 2015.

2.2 Restatement of interim condensed financial statements

During its preparation of the accompanying interim condensed financial statements for the purpose aforementioned described, the Company identified certain accounting errors that are being retrospectively corrected herein. They are explained as follows:

- *The Company previously accounted for restricted cash as a component of cash in its statement of cash flow. It has corrected that classification to now exclude those amounts. The Company also modified the current versus non-current classification of restricted cash to comfort with contractual terms.*
- *The Company has identified the need for a decommissioning and restoration provision in the accompanying financial statements given legal obligations that it believes exist under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.*
- *The Company has determined residual values for its wind turbines which resulted in a change in the depreciation expense.*
- *The aforementioned matters have an impact on deferred income taxes.*
- *Certain accounting disclosures have been expanded from those previously presented*