

PHOTON ENERGY N.V. ENTITY FINANCIAL REPORT

Q3 2013

for the period from 1 July to 30 September 2013

14 November 2013 | Amsterdam | Netherlands

UNCONSOLIDATED FINANCIAL REPORT

CONTENTS

1.	SELECTED FINANCIAL RESULTS	3
2.	MANAGEMENT DISCUSSION AND ANALYSIS	3
3.	GENERAL INFORMATION ABOUT THE ISSUER	4
4.	FINANCIAL FORECASTS	4
5.	INVESTMENT ACTION PLAN AND ITS IMPLEMENTATION	4
6.	GROUP STRUCTURE OF THE ISSUER	4
7.	SHARE CAPITAL OF THE ISSUER	4
8.	SHAREHOLDER STRUCTURE	5
9.	STATUTORY BODIES OF THE ISSUER	5
10.	DESCRIPTION OF THE ISSUER'S BUSINESS	6
11.	IMPLEMENTATION OF INNOVATIVE ACTIVITIES	7
12.	EMPLOYEES	7
13.	REPORT ON THE KEY EVENTS MATERIAL FOR THE COMPANY'S OPERATIONS.....	8
13.1.	Summary of the key events from 1 July until 30 September 2013	8
13.2.	Summary of the key events after 30 September 2013	8
14.	DETAILED UNCONSOLIDATED FINANCIAL RESULTS FOR Q3 2013	9
15.	DETAILED UNCONSOLIDATED FINANCIAL RESULTS FOR Q1-Q3 2013	11
16.	NOTES TO FINANCIAL STATEMENT	13
16.1.	Exchange rates	13
16.2.	Approximation	13
17.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	13
18.	MANAGEMENT BOARD DECLARATION.....	13
19.	INVESTOR RELATIONS CONTACT	14

1. SELECTED FINANCIAL RESULTS

The table below provides selected key data from the unconsolidated and unaudited financial statements of Photon Energy N.V. in accordance with Dutch Accounting Standards for the quarterly period ended 30 September 2013 and the corresponding period of the previous year.

Selected financial results for the period of 1 July to 30 September 2013

<i>in Thousands</i>	EUR		PLN	
	2012 Q3	2013 Q3	2012 Q3	2013 Q3
Revenues	-559	0	-2,374	0
EBITDA	275	-421	1,194	-1,778
EBIT	275	-421	1,194	-1,778
Pre-tax profit	-1,256	-645	-5,295	-2,731
Net profit	-1,254	-645	-5,283	-2,731
Non-current assets	36,174	40,119	149,911	169,673
Current assets	13,080	7,094	54,204	30,002
Cash and cash equivalents	50	6	208	25
Total assets	49,254	47,213	204,115	199,675
Total equity	11,529	36,845	47,779	155,826
Current liabilities	37,724	10,368	156,336	43,849
<i>EUR exchange rate - low</i>	-	-	4.034	4.180
<i>EUR exchange rate - average</i>	-	-	4.135	4.247
<i>EUR exchange rate - end of period</i>	-	-	4.144	4.229
<i>EUR exchange rate - high</i>	-	-	4.233	4.337

Note: Exchange rates provided by the European Central Bank

2. MANAGEMENT DISCUSSION AND ANALYSIS

The unconsolidated financial results of Photon Energy N.V. are prepared in accordance with Dutch Accounting Standards. The majority of operating activities are conducted by its operating subsidiaries. Therefore, the Management will provide detailed comments on the Company's financial results in the report of the consolidated accounts.

3. GENERAL INFORMATION ABOUT THE ISSUER

The below table presents general information about Photon Energy N.V., hereinafter referred to as the “PENV”, “Issuer” and/or the “Company”.

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, Netherlands
Registration:	Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>)
Company number:	51447126
Tax-ID:	NL850020827B01
Ticker:	PEN
Web:	www.photonenergy.com

4. FINANCIAL FORECASTS

The Company did not publish any financial forecasts.

5. INVESTMENT ACTION PLAN AND ITS IMPLEMENTATION

The Company did not publish any investment action plan in the Information Document, no implementation plan has been defined.

6. GROUP STRUCTURE OF THE ISSUER

The group structure is being published in the consolidated report.

7. SHARE CAPITAL OF THE ISSUER

The Company’s share capital is EUR 500,000 divided into 50,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up. All shares represent one vote at the General Meeting of Shareholders.

Share capital as of 30 September 2013

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (EUR)	Capital covered with
A	bearer	-	-	50,000,000	500,000	cash
Total number of shares				50,000,000		
Total share capital					500,000	
Nominal value per share = EUR 0.01						

In the reporting period, there were no changes to the share capital of the Issuer.

On 16 October 2013 on the basis of Resolution 1227/2013 of the Management Board of the Warsaw Stock Exchange, 27,000,000 (twenty seven million) ordinary shares of the Company, issued on 30 June 2013, with a nominal value of EUR 0.01 each, were approved for introduction to trading on the NewConnect alternative trading system. On 24 October 2013, the application was submitted to the Polish National Depository for Securities (KDPW) to register all 27,000,000 shares. Shortly after the reporting period, on 4 November 2013, shares were registered in the Polish National Depository for Securities (KDPW). On 6 November 2013 the application was submitted to set 15 November 2013 as the first day of trading on the NewConnect market.

8. SHAREHOLDER STRUCTURE

As of the date of this report, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure is as follows:

Shareholder	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,074	56.53%	28,263,074	56.53%
Solar Future Cooperatief U.A.	8,590,739	17.18%	8,590,739	17.18%
Solar Power to the People Cooperatief U.A.	8,036,573	16.07%	8,036,573	16.07%
Free float	5,109,614	10.22%	5,109,614	10.22%
Total	50,000,000	100.00%	50,000,000	100.00%

In the reporting period, there were no changes to the shareholder structure.

9. STATUTORY BODIES OF THE ISSUER

Board of Directors

The Board of Directors is responsible for day-to-day operations of the Company. The issuer's Board of Directors has the following members:

Board of Directors as of 30 September 2013

Name	Position	Date of birth	Term of office expiry date
Georg Hotar	Director (<i>Bestuurder</i>)	21.04.1975	No term of expiry
Michael Gartner	Director (<i>Bestuurder</i>)	29.06.1968	No term of expiry

Supervisory Board

Under Dutch law a public company is required to establish a supervisory board if:

- the issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- the company or a dependent company has established a work council pursuant to a statutory obligation and
- the company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three subsequent financial years. The Issuer does not meet the above described criteria and therefore is not required to create a supervisory board.

No Supervisory Board was established, however the Issuer has the intention to appoint an independent

Supervisory Board in the future.

10. DESCRIPTION OF THE ISSUER'S BUSINESS

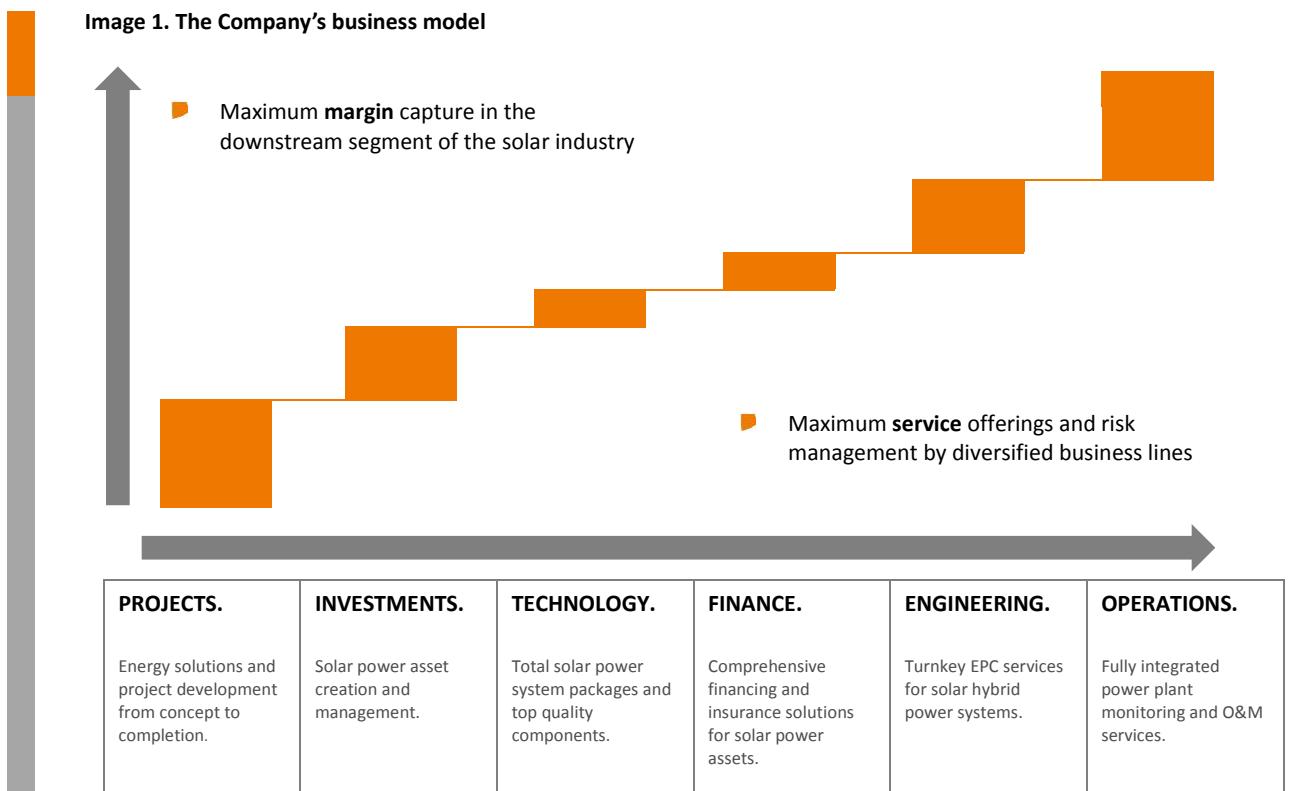
The company Photon Energy N.V. ("Photon Energy", "PENV", "Issuer" or "Company") is a holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") globally offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle.

The Group is vertically integrated in the downstream segment of the photovoltaic industry. Through its six divisions the Company serves the needs of clients with extensive know-how in project development, investment management, project financing and insurance, technology solutions, turnkey contracting as well as operations and maintenance.

The Company has vast experience and a proven track record of completing photovoltaic projects for its own portfolio as well as for the third parties. It develops, builds and operates brownfield, greenfield and rooftop installations. The Company's power solutions provide solar and solar-hybrid power for a wide-range of customers and applications:

- Commercial and residential buildings
- Municipalities and public buildings
- Remote communities
- Agricultural and industrial processes
- Remote mining operations
- Airports
- Telecom infrastructure
- Utility power grids
- Institutional and individual solar investors

Image 1. The Company's business model



Photon Energy's business model is designed to extract the most value from the downstream segment of the solar industry, which we believe to be the "sweet spot" of the photovoltaic business.

Currently Photon Energy Group is present in seven countries and two continents, i.e. the Czech Republic, Slovakia, Italy, Germany and Australia, with an additional administrative office in the Netherlands (headquartered in Amsterdam).

11. IMPLEMENTATION OF INNOVATIVE ACTIVITIES

The Issuer is an integrated downstream provider as mentioned in chapter 7 Description of the Issuer's business. Due to the Issuer's business strategy no initiatives about the implementation of innovative activities have been undertaken.

12. EMPLOYEES

Photon Energy N.V. is a holding company of the Photon Energy Group with one employee.

13. REPORT ON THE KEY EVENTS MATERIAL FOR THE COMPANY'S OPERATIONS

13.1. Summary of the key events from 1 July until 30 September 2013

Below is a summary of the key events which were important for the Issuer's business from 1 July until 30 September 2013 and which were reported in the EBI system:

No. 9/2013 published on 1 July 2013: Annual report for the year 2012

No. 10/2013 published on 2 July 2013: Capital increase and debt restructuring of Photon Energy N.V.

No. 11/2013 published on 12 July 2013: Monthly report for June 2013

No. 12/2013 published on 14 August 2013: Monthly report for July 2013

No. 13/2013 published on 14 August 2013: Quarterly report for Q2 2013

No. 14/2013 published on 19 August 2013: The Parliament of the Czech Republic passes Bill extending the Solar Levy

No. 15/2013 published on 6 September 2013: Application submission to introduce 27,000,000 shares to trading on NewConnect

No. 16/2013 published on 13 September 2013: Monthly report for August 2013

No. 17/2013 published on 16 September 2013: The Czech Senate voted to pass the Bill extending a 10% Solar Levy

13.2. Summary of the key events after 30 September 2013

Below is a summary of the key events which were important for the Issuer's business after 30 June 2013 until the date of this report.

No. 18/2013 published on 14 October 2013: Monthly report for September 2013

No. 19/2013 published on 17 October 2013: Approval of Application for Introduction to Trading

No. 20/2013 published on 24 October 2013: Application submission to register 27,000,000 ordinary shares to KDPW

No. 21/2013 published on 30 October 2013: Signing of a contract for the installation of a 290 kWp rooftop PV system in Australia

No. 22/2013 published on 5 November 2013: Resolution of the Management Board of KDPW to register 27,000,000 ordinary shares

No. 23/2013 published on 6 November 2013: Application submission to set the date of first trading on NewConnect

No. 24/2013 published on 13 November 2013: Designation of first trading day on NewConnect

14. DETAILED UNCONSOLIDATED FINANCIAL RESULTS FOR Q3 2013

The tables below present the **unconsolidated** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2013 and ending on 30 September 2013 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

<i>in Thousands (except EPS)</i>	EUR		PLN	
	2012Q3	2013Q3	2012Q3	2013Q3
Revenues from the sale of products, goods and services	-559	0	-2,374	0
Cost of sales	770	-422	3,296	-1,781
Other administrative expenses	0	0	0	0
Other income	-17,017	0	-72,245	0
Other expenses	17,081	1	72,517	3
EBITDA	275	-421	1,194	-1,778
Amortization&depreciation	0	0	0	0
EBIT	275	-421	1,194	-1,778
Financial income	-27,368	64	-116,198	271
Financial costs	25,837	-287	109,710	-1,223
Profit / loss before taxation	-1,256	-645	-5,295	-2,731
Income tax	3	0	12	0
Profit/loss for the period (net income)	-1,254	-645	-5,283	-2,731

Balance Sheet

<i>in Thousands</i>	EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Non-current assets	36,174	40,119	149,911	169,673
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	0	31	0	132
Goodwill	0	0	0	0
Investments in associates	36,174	40,088	149,911	169,541
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
Current assets	13,080	7,094	54,204	30,002
Cash and cash equivalents	50	6	208	25
Inventories	2	2	7	7
Trade and other receivables	13,025	7,086	53,977	29,970
Prepaid expenses	3	0	11	0
TOTAL ASSETS	49,254	47,213	204,115	199,675
Issued share capital	46	500	191	2,115
Share premium	13,295	36,871	55,097	155,937
Legal Reserve fund	0	0	0	0
Retained earnings	-739	-2,065	-3,061	-8,735
Reserves	0	0	0	0
Profit/loss for the current period	-1,073	1,539	-4,447	6,510
Total equity	11,529	36,845	47,779	155,826
Non-current liabilities	0	0	0	0
Bank loan	0	0	0	0
Other long-term liabilities	0	0	0	0
Provisions	0	0	0	0
Current liabilities	37,724	10,368	156,336	43,849
Trade and other payables	37,714	10,368	156,293	43,849
Bank loan	0	0	0	0
Tax payables	11	0	44	0
TOTAL EQUITY AND LIABILITIES	49,254	47,213	204,115	199,675

15. DETAILED UNCONSOLIDATED FINANCIAL RESULTS FOR Q1-Q3 2013

The tables below present the **unconsolidated** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2013 and ending on 30 September 2013 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

<i>in Thousands (except EPS)</i>	EUR		PLN	
	2012Q1-Q3	2013Q1-Q3	2012Q1-Q3	2013Q1-Q3
Revenues from the sale of products, goods and services	0	0	0	0
Cost of sales	-759	-744	-3,193	-3,125
Other administrative expenses	0	0	0	0
Other income	0	0	0	0
Other expenses	0	0	0	0
EBITDA	-759	-744	-3,193	-3,125
Amortization&depreciation	0	0	0	0
EBIT	-759	-744	-3,193	-3,125
Financial income	138	156	580	655
Financial costs	-452	-951	-1,903	-3,996
Profit / loss before taxation	-1,073	-1,539	-4,517	-6,467
Income tax	0	0	0	0
Profit/loss for the period (net income)	-1,073	-1,539	-4,517	-6,467

Balance Sheet

<i>in Thousands</i>	EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Non-current assets	36,174	40,119	149,911	169,673
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	0	31	0	132
Goodwill	0	0	0	0
Investments in associates	36,174	40,088	149,911	169,541
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
Current assets	13,080	7,094	54,204	30,002
Cash and cash equivalents	50	6	208	25
Inventories	2	2	7	7
Trade and other receivables	13,025	7,086	53,977	29,970
Prepaid expenses	3	0	11	0
TOTAL ASSETS	49,254	47,213	204,115	199,675
Issued share capital	46	500	191	2,115
Share premium	13,295	36,871	55,097	155,937
Legal Reserve fund	0	0	0	0
Retained earnings	-739	-2,065	-3,061	-8,735
Reserves	0	0	0	0
Profit/loss for the current period	-1,073	1,539	-4,447	6,510
Total equity	11,529	36,845	47,779	155,826
Non-current liabilities	0	0	0	0
Bank loan	0	0	0	0
Other long-term liabilities	0	0	0	0
Provisions	0	0	0	0
Current liabilities	37,724	10,368	156,336	43,849
Trade and other payables	37,714	10,368	156,293	43,849
Bank loan	0	0	0	0
Tax payables	11	0	44	0
TOTAL EQUITY AND LIABILITIES	49,254	47,213	204,115	199,675

16. NOTES TO FINANCIAL STATEMENT

16.1. Exchange rates

The exchange rates shown in section 1 were applied. All exchange rates were provided by the European Central Bank. Balance Sheet applicable exchange rate represents the exchange rate as of the last day of the reporting date. Income Statement applicable exchange rate represents the average exchange rate for a given reporting period.

16.2. Approximation

All figures are provided in Euro thousand. Figures shown in PLN are provided for information purposes only.

17. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company financial statements are prepared based on the Dutch GAAP. With reference to the income statement of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362 (8) of the Netherlands Civil Code.

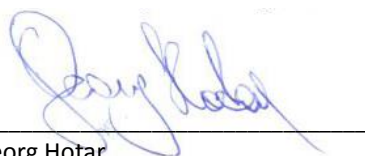
This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and endorsed by the European Union (hereinafter referred to as EU-IFRS).

Please see consolidated report for a description of these principles. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealised.

18. MANAGEMENT BOARD DECLARATION

We hereby confirm that according to our best knowledge the information about Photon Energy N.V. contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

Amsterdam, 14 November 2013



Georg Hotar
Member of the Board of Directors



Michael Gartner
Member of the Board of Directors

19. INVESTOR RELATIONS CONTACT

Photon Energy N.V.
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E-mail: ir@photonenergy.com
Web: www.photonenergy.com



MATERIAL THINFILM

INSPECTION 100  ISO 

TOLERANCE NORM ISO 8015: YES

PRECISION ISO...

CONCEPT DESIGN NORM.REF. EXAMINED

INDEX	X	AMEND.
	X	
	X	
	X	
	X	