

PHOTON ENERGY N.V. ENTITY FINANCIAL REPORT

Q2 2013

for the period from 1 April to 30 June 2013

14 August 2013 | Amsterdam | Netherlands

UNCONSOLIDATED FINANCIAL REPORT

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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 June 2013 and the corresponding period of the previous year.

Selected financial results for the period of 1 April to 30 June 2013

| <i>in Thousands</i> | EUR | | PLN | |
|--|---------|---------|---------|---------|
| | 2012 Q2 | 2013 Q2 | 2012 Q2 | 2013 Q2 |
| Revenues | 559 | 0 | 132 | 0 |
| EBITDA | -950 | -149 | 112 | 652 |
| EBIT | -950 | -149 | 112 | 652 |
| Pre-tax profit | 311 | -407 | 586 | 1 830 |
| Net profit | 308 | -407 | 585 | 1 830 |
| Non-current assets | 1 356 | 40 119 | 319 | 9 251 |
| Current assets | 34 033 | 7 500 | 8 011 | 1 730 |
| Cash and cash equivalents | 76 | 177 | 18 | 41 |
| Total assets | 35 389 | 47 619 | 8 330 | 10 981 |
| Total equity | 232 | 37 490 | 55 | 8 645 |
| Current liabilities | 35 157 | 10 130 | 8 275 | 2 336 |
| <i>EUR exchange rate - low</i> | - | - | 4,136 | 4,100 |
| <i>EUR exchange rate - average</i> | - | - | 4,259 | 4,199 |
| <i>EUR exchange rate - end of period</i> | - | - | 4,249 | 4,337 |
| <i>EUR exchange rate - high</i> | - | - | 4,413 | 4,349 |

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. Majority of operating activities are conducted by its operating subsidiaries. Therefore, management will provide detailed comments on the Company's financial results in the report of 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. 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 June 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 | - | - | <u>50,000,000</u> | <u>500,000</u> | cash |
| Total number of shares | | | | 50,000,000 | | |
| Total share capital | | | | | 500,000 | |
| Nominal value per share = EUR 0.01 | | | | | | |

In the reporting period, on 30 June 2013 the Company executed a capital increase which raised the total number of common shares outstanding to 50,000,000 substantially strengthening its balance sheet and laying the foundation for further capital increases, including a planned public offering and listing on the main market of the Warsaw Stock Exchange.

Solar Age Investments B.V. (SAI), formerly Minority Shareholders Photon Energy B.V., subscribed for 27,000,000 newly-issued shares (par value EUR 0.01 each) at an issue price of EUR 0.89 (PLN 3.85) per share, for a total investment of EUR 24.03 million (PLN 104.031 million). The subscription price represented a 177% premium over the Friday, 28 June 2013 closing price of PLN 1.39 (EUR 0.32) on New Connect. SAI realised its investment by offsetting its corresponding receivable against Photon Energy N.V. This receivable relates to the Group restructuring completed in 2012 and thus Photon Energy N.V. has no further liabilities related to the restructuring.

On a pro-forma basis applied to Photon Energy's balance sheet as per 31 March 2013, this capital increase raised the Company's consolidated equity from EUR 10.638 million (PLN 46.054 million) to EUR 34.668 million (PLN 150.085 million) and its equity ratio from 9.6% to 31.2%. Book value per share (BVPS) grew by nearly 49% from EUR 0.468 (PLN 2.03) to EUR 0.696 (PLN 3.01).

5. 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. Solar Future Cooperatief U.A. | 28,263,074 | 56.53% | 28,263,074 | 56.53% |
| Solar Power to the People Cooperatief U.A. | 8,590,739 | 17.18% | 8,590,739 | 17.18% |
| Free float | 8,036,573 | 16.07% | 8,036,573 | 16.07% |
| Total | 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, on 12 April 2013 Minority Shareholders Photon Energy B.V., a Dutch company, owned by two Dutch cooperatives: Solar Future Coöperatief U.A. controlled by Michael Gartner and Solar Power to the People Coöperatief U.A. controlled by Georg Hotar, initiated a public offering of 5,895,408 ordinary registered shares of the nominal value of EUR 0.01 each, issued by Photon Energy N.V. and representing in total 25.63% of the share capital of the Company and registered under ISIN no: NL0010391108, for the price of EUR 0.01 per share, and the total value of the offer calculated on the basis of the selling price that amounting to EUR 58,954.08 ("Public Offering"), in relation to the announcement of a tender offer to buy 5,895,408 shares of Phoenix Energy a.s., a company incorporated under Czech law, with its registered office at Prague 2 – Vinohrady, U Zvoňáčky 448/16, Postal Code 120 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file no. 13779 ("Tender Offer").

The intention of the share swap was to enable the minority shareholders who had owned shares in Phoenix Energy a.s. for shares in Photon Energy N.V. and to introduce the Company's shares to trading on the NewConnect market of the Warsaw Stock Exchange.

The Shareholder Structure after completion of the share swap was as follows:

| Shareholder | No. of shares | % of capital | No. of votes at the Shareholders Meeting | % of votes at the Shareholders Meeting |
|--|---------------|--------------|--|--|
| Solar Future Cooperatief U.A. | 8,590,739 | 37.35% | 8,590,739 | 37.35% |
| Solar Power to the People Cooperatief U.A. | 8,036,573 | 34.94% | 8,036,573 | 34.94% |
| Minority Shareholders Photon Energy B.V. | 1,263,074 | 5.49% | 1,263,074 | 5.49% |
| Free float | 5,109,614 | 22.22% | 5,109,614 | 22.22% |
| Total | 23,000,000 | 100.00% | 23,000,000 | 100.00% |

After the reporting period the main shareholder changed its name from Minority Shareholders Photon Energy B.V. to Solar Age Investments B.V.

On 30 June 2013 the Company executed a capital increase. Solar Age Investments B.V. (SAI), formerly Minority Shareholder Photon Energy B.V., subscribed for 27,000,000 newly-issued shares (par value EUR 0.01 each). SAI realised its investment by offsetting its corresponding receivable against Photon Energy N.V. This receivable relates to the Group restructuring completed in 2012 and thus Photon Energy N.V. has no further liabilities related to the restructuring.

SAI is jointly-controlled by Solar Future Cooperatief U.A. (SF Coop) and Solar Power to the People Cooperatief U.A. (SPP Coop), the investment vehicles controlled by the Company's controlling shareholders and directors Michal Gartner (SF Coop) and Georg Hotar (SPP Coop).

This capital increase raises the total number of common shares outstanding to 50,000,000. With a total holding of 28,263,074 shares, SAI became the Company's majority shareholder with a 56.53% stake. Through SF Coop, SPP Coop and SAI, Michal Gartner and Georg Hotar own 44,890,386 shares, representing a combined 89.78% equity stake in Photon Energy N.V. Correspondingly, the Company's free float post-transaction is 10.22%.

6. STATUTORY BODIES OF THE ISSUER

Board of Directors

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

Board of Directors as of 30 June 2013

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

Supervisory Board

Under the 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 an intention to appoint an independent Supervisory Board in the future.

7. 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,

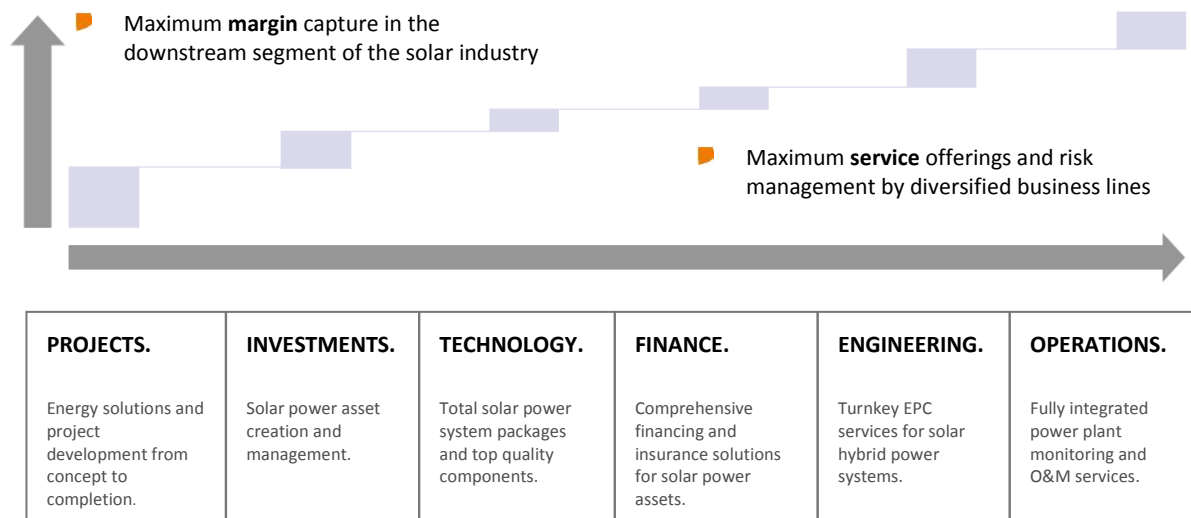
investment management, project financing and insurance, technology solutions, turnkey contracting) as well as operations and maintenance.

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 and builds 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

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.

Image 1. The Company’s business model



Applying its business model the Group commissioned nearly 50 MWp of PV power plants in five countries and services about 60 MWp of PV power plants in its Operations & Maintenance division.

The total portfolio can be broken down geographically into 30.8 MWp operated in the Czech Republic, 10.8 MWp in Slovakia, 5.7 MWp in Germany, 9.3 MWp in Italy, 3.0 MWp in Belgium and 0.3 MWp in Australia. The O&M portfolio included 27.2 MWp of PV capacities managed for the proprietary portfolio and 32.8 MWp for external clients.

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

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

8.1. Summary of the key events from 1 April until 30 June 2013

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

No. 1/2013 published on 29 May 2013: Obtaining access to the EBI system

No. 2/2013 published on 31 May 2013: Approval of Application for Introduction to trading

No. 3/2013 published on 31 May 2013: Application submission to determine the date of first trading on NewConnect

No. 4/2013 published on 3 June 2013: Designation of First Trading Day on NewConnect

No. 5/2013 published on 7 June 2013: Dates of publishing periodic reports in 2013

No. 6/2013 published on 11 June 2013: Statement on the use of the Company's corporate governance rules

No. 7/2013 published on 14 June 2013: Correction of notes to the consolidated financial statements for the year 2012

No. 8/2013 published on 14 June 2013: Monthly report for May 2013

8.2. Summary of the key events after 30 June 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. 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

9. DETAILED UNCONSOLIDATED FINANCIAL RESULTS FOR Q2 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 April 2013 and ending on 30 June 2013 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards** (IFRS).

Income Statement

| <i>in Thousands (except EPS)</i> | EUR | | PLN | |
|---|-------------|-------------|------------|--------------|
| | 2012Q2 | 2013Q2 | 2012Q2 | 2013Q2 |
| Revenues from the sale of products, goods and services | 559 | 0 | 132 | 0 |
| Cost of sales | -1 445 | -148 | -5 | 653 |
| Other administrative expenses | 0 | -1 | 0 | 0 |
| Other income | 17 017 | 0 | 4 008 | 0 |
| Other expenses | -17 081 | 0 | -4 023 | 0 |
| EBITDA | -950 | -149 | 112 | 652 |
| Amortization&depreciation | 0 | 0 | 0 | 0 |
| EBIT | -950 | -149 | 112 | 652 |
| Financial income | 27 385 | 33 | 5 962 | -227 |
| Financial costs | -26 124 | -291 | -5 488 | 1 406 |
| Profit / loss before taxation | 311 | -407 | 586 | 1 830 |
| Income tax | -3 | 0 | -1 | 0 |
| Profit/loss for the period (net income) | 308 | -407 | 585 | 1 830 |

Balance Sheet

| <i>in Thousands</i> | EUR | | PLN | |
|-------------------------------------|---------------|---------------|--------------|---------------|
| | 30/06/2012 | 30/06/2013 | 30/06/2012 | 30/06/2013 |
| Non-current assets | 1 356 | 40 119 | 319 | 9 251 |
| PPE – Lands | 15 | 0 | 3 | 0 |
| PPE – Other equipment | 21 | 0 | 5 | 0 |
| PPE – Assets in progress | 0 | 0 | 0 | 0 |
| Intangible assets | 0 | 31 | 0 | 7 |
| Goodwill | 0 | 0 | 0 | 0 |
| Investments in associates | 1 310 | 40 088 | 308 | 9 244 |
| Other investments | 10 | 0 | 2 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 |
| Current assets | 34 033 | 7 500 | 8 011 | 1 730 |
| Cash and cash equivalents | 76 | 177 | 18 | 41 |
| Inventories | 0 | 2 | 0 | 0 |
| Trade and other receivables | 33 958 | 7 322 | 7 993 | 1 688 |
| Prepaid expenses | 0 | 0 | 0 | 0 |
| TOTAL ASSETS | 35 389 | 47 619 | 8 330 | 10 981 |
| Issued share capital | 89 | 500 | 21 | 115 |
| Share premium | 592 | 36 871 | 139 | 8 502 |
| Legal Reserve fund | 9 | 0 | 2 | 0 |
| Retained earnings | -663 | 1 013 | -156 | 234 |
| Reserves | 25 | 0 | 6 | 0 |
| Profit/loss for the current period | 180 | -894 | 42 | -206 |
| Total equity | 232 | 37 490 | 55 | 8 645 |
| 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 | 35 157 | 10 130 | 8 275 | 2 336 |
| Trade and other payables | 34 384 | 10 130 | 8 093 | 2 336 |
| Bank loan | 0 | 0 | 0 | 0 |
| Tax payables | 773 | 0 | 182 | 0 |
| TOTAL EQUITY AND LIABILITIES | 35 389 | 47 619 | 8 330 | 10 981 |

10. NOTES TO FINANCIAL STATEMENT

10.1. 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.

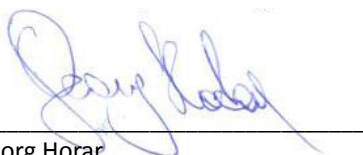
10.2. Approximation

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

11. 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 August 2013



Georg Horar
Member of the Board of Directors



Michael Gartner
Member of the Board of Directors

12. INVESTOR RELATIONS CONTACT

Photon Energy N.V.
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1083 HN Amsterdam
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Web: www.photonenergy.com



MATERIAL THINFILM

INSPECTION 100  ISO 

TOLERANCE NORM ISO 8015: YES

PRECISION ISO...

CONCEPT DESIGN NORM.REF. EXAMINED

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