

PHOTON ENERGY N.V. CONSOLIDATED FINANCIAL REPORT

Q3 2013

for the period from 1 July to 30 September 2013

14 November 2013 | Amsterdam | Netherlands

CONSOLIDATED FINANCIAL REPORT

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1. Selected financial results

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

in Thousands	EUR		PLN	
	2012 Q3	2013 Q3	2012 Q3	2013 Q3
Revenues	6,375	5,131	26,560	21,701
Gross profit	4,378	3,653	18,294	15,457
EBITDA	-1,793	1,299	-7,612	5,479
EBIT	-3,236	-415	-13,596	-1,781
Profit / loss before taxation	-12,029	-1,044	-50,473	-4,459
Total comprehensive income	-12,506	-5,050	-52,831	-21,303
Non-current assets	96,203	84,873	398,679	358,949
Current assets	11,678	13,815	48,396	58,426
Cash and cash equivalents	3,428	5,529	14,206	23,384
Total assets	107,881	98,688	447,075	417,375
Total equity	10,455	29,797	43,327	126,019
Current liabilities	21,817	15,728	90,413	66,517
Non-current liabilities	75,609	53,163	313,334	224,840
Operating cash flow	-7,630	-223	-32,548	-2,017
Investment cash flow	7,980	0	33,702	-1
Financial cash flow	-828	819	-3,538	3,711
Net change in cash	-478	596	-2,384	1,693
EUR exchange rate - low	-	-	4.034	4.180
EUR exchange rate - average	-	-	4.135	4.247
EUR exchange rate - end of period	-	-	4.144	4.229
EUR exchange rate - high	-	-	4.233	4.337

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Revenues declined by 19.6% YOY to EUR 5.131 million;
- EBITDA increased by 172% YOY to EUR 1.299 million (EUR 2.063 million without 26% levy);
- EBIT jumped by 87.3% YOY to EUR -0.415 million (+EUR 349 million without 26% levy)
- Before taxation almost break-even with a loss of EUR 1.044 million compared to loss of EUR 12.029 million in Q3 2012 (without 26% levy a profit before tax of -EUR 280 thousand in Q3 2013);
- Total comprehensive income of - EUR 5.05 million (-EUR 4.286 million without 26% levy) compared to EUR - 12.506 million in Q3 2012;
- Equity increased from EUR 10.455 million in Q3 2012 to EUR 29.797 million in Q3 2013;
- Equity ratio reached a solid 35%¹;

Other highlights:

- Performance of the Czech and Slovak portfolios in July 2013 was the best in their entire history,
- Photon Energy has been accepted into the WIG-CEE index of the Warsaw Stock Exchange
- The retroactive Solar Levy on PV plants in the Czech Republic was extended, but decreased from 26% to 10%
- Photon Energy Operations took over the service of 9 MWp Satcon Inverters in Italy and France
- Photon Energy Australia has been chosen to install a 290 KWp PV system on a major Sydney office building
- 27,000,000 newly-issued shares were introduced to trading on NewConnect and registered in the Polish National Depository for Securities (KDPW)

¹ Equity ratio is defined as total equity divided by total capital. As total capital the sum of interest-bearing debt capital and equity capital is

used.

Notes:

- *All data quoted in this report refer to the current reporting period i.e. from 1 July until 30 September 2013, unless specified otherwise;*
- *The 26% levy is a retroactively introduced levy charged on the revenues generated by PV power plants in the Czech Republic connected to the grid in 2009 and 2010, payable in the years 2011 to 2013;*
- *All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period;*
- *Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI) according to IAS 16. Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.*
- *EPC stands for Engineering, Procurement and Construction and refers to services related to project design and securing documentation, engineering, procurement and construction of solar power plants*
- *Throughout this report Photon Energy Group is referred to as the "Group", the "Company" and/or the "Photon Energy".*
- *Solar Age Investments B.V. is a company incorporated under the Dutch law, with its registered office at Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 56233701.*

CONSOLIDATED FINANCIAL REPORT

2. Management discussion and analysis

2.1. A note from the Management Board

Following the listing of the Company's shares on the NewConnect market of the Warsaw Stock exchange in the second quarter, in Q3 2013 our Company embarked on the implementation of its strategy. As previously announced Photon Energy has initiated the process of preparing for an IPO and listing on the main market of the Warsaw Stock Exchange in 2014. Simultaneously, the management is evaluating multiple options for raising equity via private placement and corporate debt.

In September 2013 Photon Energy was accepted into the WIG-CEE index of the Warsaw Stock Exchange with a 0.1% weighting. WIG-CEE is a total return index and thus when it is calculated it accounts for both prices of underlying shares and dividend and subscription rights income. The index portfolio may include companies from Central and Eastern Europe with shares listed on the regulated market or in the alternative trading system NewConnect operated by the Warsaw Stock Exchange.

At the end of June 2013 the Company executed a capital increase and issued 27 million ordinary shares with a nominal price of EUR 0.01, which were introduced to trading on NewConnect shortly after the reporting period in October 2013 and registered in the Polish National Depository for Securities (KDPW) at the beginning of November 2013.

Furthermore, on 12 September 2013 our fully-owned subsidiary Photon Energy Investments N.V. paid the second quarterly coupon for its 5-year corporate bond. Since its introduction to trading in March the price of the bond remained stable around its face value with the September closing price at 99.75.

In the Czech Republic, the Company's core market as far as its portfolio is concerned, negative developments regarding the Solar Levy and retroactive legislative measures continued. Photon Energy had to write down the value of 14.2 MWp of PV plants in the Czech Republic in the portfolio of its fully-owned subsidiary Photon Energy Investments by 4.517 million. On 17 September the Czech president Miloš Zeman signed a Bill extending the controversial retroactive Levy for the remainder of the applicable Feed-in-Tariff period for PV plants connected in 2010 (about 1,400 MWp affected) at the level of 10% of revenues. The Bill had previously been passed by the Czech Senate on 13 September.

Photon Energy N.V. has been successful in riding out the storm in the industry and is on the right track towards becoming a leading force in the upcoming solar age where competitive solar energy will rapidly become the key energy source globally. Until now PV plants under Feed-in-Tariffs or similar government support systems before were mere financial investments. In the solar age the motivation to build PV plants will be to serve the needs of real-world energy users ranging from industrial and commercial clients to households. This fundamental paradigm shift requires a comprehensively holistic approach, starting with each customer's energy demand profile. For that reason Photon Energy has initiated a strategy review with particular focus on activities providing recurring uncorrelated revenue streams such as Operations & Maintenance, Energy Management, Standardised Financing Solutions and Independent Power Production from the Company's proprietary portfolio.

After an extended period of poor weather conditions in Europe from the beginning of the year, Q3 2013 saw a substantial improvement on the previous quarters with record temperatures and sun irradiation. This led to greatly improved production results of Photon Energy's proprietary portfolio with the accumulated average performance amounting to nearly 10.7 GWh, exceeding energy forecasts by an average of nearly 6%. In July the major part of the Company's proprietary even recorded the best generation results in their history (for more information, please refer to the monthly report for July 2013). Following record breaking results in July the power plants in the Company's proprietary continued outperforming generation estimates in August and September.

Financially, Q3 2013 can be considered a success despite the 19.6% decline in consolidated revenues to EUR 5.131 million, most of which were realised through the sale of 10.7 GWh of PV-generated electricity. The decline was solely due to exceptionally bad weather conditions in Central Europe since the beginning of the year, resulting in energy production coming in at 9% below plan. Without the 26% levy on the revenues of our Czech PV plants we would have reached the pre-tax level with a loss of EUR 280 thousand, while due to the levy we recorded a loss of EUR 1,044 thousand. Total comprehensive income resulted in a negative amount of EUR -5,050 thousand and would have been EUR -4,286 thousand without the levy. EBITDA improved by 172% YOY to EUR 1.299 million (EUR 2.063 million without the levy) and EBIT jumped by 87.3% to EUR -415 thousand (EUR 349 thousand without the levy).

The most important non-operational events in Q3 2013 that should be highlighted were: a) result of the reverse auction for a 20-year FIT in the Australian Capital Territory, b) Photon Energy Operations took over the service of 9 MWP of Satcon Inverters in Italy and France and c) Photon Energy Australia was chosen to install a 290 kWp PV in Sydney .

a) Result of the reverse auction for a 20-year FIT in the Australian Capital Territory

At the end of August the results of the reverse auction for a 20-year FIT in the Australian Capital Territory (ACT) were announced.

While Photon Energy successfully passed the pre-selection and qualified for the final auction together with a very limited number of companies, the Company was not part of the final selection chosen for the FIT.

The auction was Photon Energy's first attempt of securing a FIT in Australia and given the Company's short presence "Down Under", having qualified for the final round is an astonishing result.

While Photon Energy wants to pursue mainly grid-parity projects aimed directly at customers, the possibility of applying for similar FITs is still on the table.

b) Photon Energy Operations took over the service of 9 MWP of Satcon Inverters

Photon Energy Operations CZ s.r.o. (PEO) signed contracts for a wide range of maintenance services for 9 MWP of Satcon central inverters in Italy and France.

With this step the company is fortifying its position as a leading force in the service of Satcon-built inverters, which it established by taking on key personnel from the failed manufacturer. PEO will provide regular preventive checks, service interventions, remote support and technical training for local staff allowing for minor issues to be fixed locally.

c) Photon Energy Australia was chosen to install a 290 kWp PV system for a major Sydney office building

Photon Energy Engineering Australia Pty. Ltd., a fully-owned subsidiary in Australia, has been selected to build and operate a 290 kWp roof mounted PV system on a large office building in Sydney in Australia.

As one of the largest ever installed in the inner city environment in Australia the solar PV system will be used to cover daytime loads with the possibility to export surpluses to the grid, thus generating additional revenue.

Moreover, the PV system will assist in achieving a 5-Star Greenstar and 5 Star-NABERS rating, two rating systems evaluating the environmental design and construction of buildings. The system is designed to cover a certain amount of electricity to the building per annum in order to meet the NABERS rating and utilise

the available roof surface to maximise the output per square meter at the lowest cost per kWh.

2.2. Strategy and its execution

The objective of the Photon Energy Group is the geographic expansion and diversification of its activities and portfolio, in order to use its global presence to minimise regional risk associated with fluctuations. The Group continuously monitors international developments in the area of solar technology and on financial markets. It pays close attention to the development of regulations regarding the solar energy sector in individual countries. The expansion to countries such as Australia, Canada, and Turkey is crucial in the light of current developments, as the Group believes these countries could provide a suitable environment for photovoltaic power plants on the basis of climatic conditions (especially solar radiation), existing infrastructure, possible project financing and legal framework conditions. Other markets are being analyzed on an ongoing basis.

In order to reduce the dependence on government subsidies in the future, the Group's strategy mainly focuses on the expansion to markets which have already reached Grid Parity, i.e. the cost of PV-generated electricity is competitive with grid-supplied electricity.

Apart from geographical diversification the Group intends to specialize in energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy intends to focus on industries such as mining, retail, agriculture, telecommunications and others. In the case of remote off-grid locations, where usually irradiation levels are constantly high throughout the year, such energy solutions allow customers to reduce fuel consumption by up to 100%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills. There is no one single solution since every customer has different needs, where the finance and the engineering world need to blend perfectly to deliver the solution our customers need. Photon Energy wants to position itself at the cutting edge of the industry, creating PV-based power solutions with the integration of energy storage and/or diesel generators. The Group has developed different accurate models for off-grid and on-grid systems with sufficient flexibility to adapt to a wide range of situations.

The Group also intends to become a leading global provider of operations and maintenance (O&M) services for photovoltaic plants, particularly in well-established markets with significant installed photovoltaic capacities such as Germany, Italy, the Czech Republic and Slovakia as well as Spain. Further expansion of O&M services is foreseen in countries where the Group currently develops and installs new PV power plants.

In order to facilitate market penetration, the Group will selectively cooperate with local partners, if necessary or value-adding.

2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan was implemented.

2.4. Proprietary portfolio, generation results and O&M service

Photon Energy N.V. has undergone a restructuring process which included concentrating the entire photovoltaic power portfolios in the Czech Republic, Slovakia, Italy and Australia with one of its six subsidiaries, Photon Energy Investments N.V.

The table below presents the portfolio of power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 September 2013, consisted of 29 power plants in the Czech Republic, Slovakia, Italy, Australia and Germany with a total installed capacity of 27.1 MWp. More information on the Group structure and the restructuring processes can be found in chapter 8. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 September 2013

Nr	Proprietary portfolio	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	CZ	2 354	100%	2 354	Dec 2010
2	Zvíkov I	CZ	2 031	100%	2 031	Nov 2010
3	Dolní Dvořiště	CZ	1 640	100%	1 640	Dec 2010
4	Svatoslav	CZ	1 231	100%	1 231	Dec 2010
5	Slavkov	CZ	1 159	100%	1 159	Dec 2010
6	Mostkovice SPV 1	CZ	209	100%	209	Dec 2010
7	Mostkovice SPV 3	CZ	795	100%	795	Dec 2009
8	Mostkovice SPV3R	CZ	131	100%	131	Dec 2010
9	Zdice I	CZ	1 498	100%	1 498	Dec 2010
10	Zdice II	CZ	1 498	100%	1 498	Dec 2010
11	Radvanice	CZ	2 305	100%	2 305	Dec 2010
12	Břeclav rooftop	CZ	137	100%	137	Dec 2010
13	Babiná II	SK	999	100%	999	Dec 2010
14	Babina III	SK	999	100%	999	Dec 2010
15	Prša I.	SK	999	60%	599	Dec 2010
16	Blatná	SK	700	70%	490	Dec 2010
17	Mokra Luka 1	SK	963	100%	990	Jun 2011
18	Mokra Luka 2	SK	963	100%	990	Jun 2011
19	Jovice 1	SK	979	100%	990	Jun 2011
20	Jovice 2	SK	979	100%	990	Jun 2011
21	Brestovec	SK	850	50%	425	Jun 2011
22	Polianka	SK	999	50%	500	Jun 2011
23	Myjava	SK	999	50%	500	Jun 2011
24	Verderio	IT	261	100%	261	Nov 2011
25	Biella, Verrone	IT	993	100%	993	Jun 2012
26	Symonston	AUS	144	100%	144	Feb 2013
27	Ückermünde Kindergarten	DE	25	100%	25	Dec 2011
28	Brandenburg	DE	75	200%	150	Apr 2012
29	Altentreptow	DE	156	100%	156	Dec 2011
Total		-	27 071	-	27 146	-

In the reporting period there were no major events, which resulted in the material changes of the proprietary portfolio of Photon Energy N.V.

Thanks to exceptionally favourable weather conditions in Q3 2013 the majority of the power plants in the portfolio were performing above expectations. The accumulated average performance of the proprietary power plants connected and feeding electricity to the grid in Q3 2013 amounted to nearly 10.7 GWh and was above the energy forecasts by an average of nearly 6%. On a year-to-date basis it recorded an underperformance of 1% against generation estimates (down by 9% YOY), which is due to exceptionally bad weather conditions in the first two quarters of 2013. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

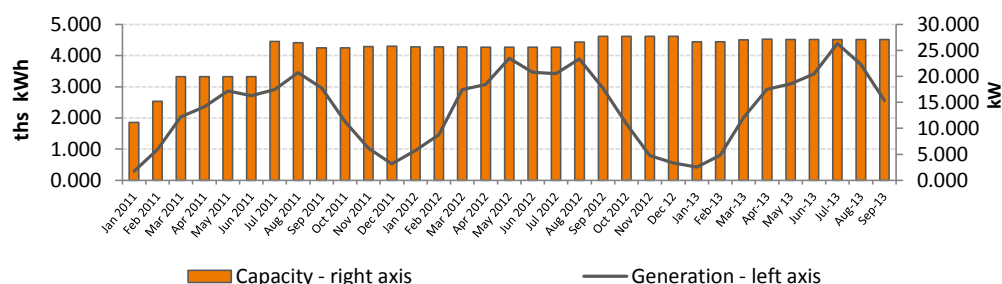
Table 2. Generation results versus projections between 1 July and 30 September 2013

Project name	Capacity	Prod. Q3	Proj. Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YOY
Unit	kWp	(kWh)	(kWh)	%	(kWh)	(kWh)	%	%
Komorovice	2 354	897,753	876,417	2.4%	1,939,352	2,134,225	-9.1%	-13.1%
Zvíkov I	2 031	767,157	768,163	-0.1%	1,595,614	768,163	107.7%	-20.3%
Dolní Dvořiště	1 640	629,848	639,025	-1.4%	1,355,521	1,556,138	-12.9%	-11.0%
Svatoslav	1 231	455,874	474,605	-3.9%	970,061	1,155,744	-16.1%	-16.4%
Slavkov	1 159	482,052	451,956	6.7%	1,080,987	1,100,592	-1.8%	-10.8%
Mostkovice SPV 1	209	82,350	67,109	22.7%	183,709	170,590	7.7%	-11.7%
Mostkovice SPV 3 ¹	926	368,685	337,268	9.3%	812,055	825,411	-1.6%	-8.5%
Zdice I	1 498	596,647	563,373	5.9%	1,292,478	1,360,025	-5.0%	-15.9%
Zdice II	1 498	590,555	563,373	4.8%	1,280,298	1,360,025	-5.9%	-15.1%
Radvanice	2 305	910,270	867,499	4.9%	1,993,792	2,112,510	-5.6%	-11.5%
Břeclav rooftop	137	55,988	46,546	20.3%	125,820	117,625	7.0%	-10.5%
Total Czech PP	14 988	5,837,179	5,655,334	3.2%	12,629,687	12,661,047	-0.2%	-13.9%
Babiná II	999	378,144	351,408	7.6%	803,715	880,819	-8.8%	-16.9%
Babina III	999	368,568	351,408	4.9%	794,049	880,819	-9.9%	-18.7%
Prša I.	999	433,254	356,178	21.6%	939,024	885,091	6.1%	-13.1%
Blatná	700	278,691	249,704	11.6%	626,685	648,082	-3.3%	-10.0%
Mokra Luka 1	963	414,106	357,668	15.8%	921,912	904,109	2.0%	-15.2%
Mokra Luka 2	963	424,006	357,668	18.5%	944,379	904,109	4.5%	-14.4%
Jovice 1	979	361,420	359,118	0.6%	805,186	875,704	-8.1%	-12.8%
Jovice 2	979	356,778	359,118	-0.7%	794,051	875,704	-9.3%	-12.3%
Brestovec	850	368,634	303,818	21.3%	819,891	766,533	7.0%	-13.7%
Polianka	999	377,973	366,457	3.1%	806,391	896,627	-10.1%	-15.3%
Myjava	999	405,636	366,299	10.7%	892,983	921,396	-3.1%	-14.7%
Total Slovak PP	10,429	4,167,209	3,778,845	10.3%	9,148,265	9,438,994	-3.1%	-14.4%
Verderio	261	99,043	96,477	2.7%	225,347	243,670	-7.5%	-11.3%
Biella, Verrone	993	446,920	388,864	14.9%	1,076,030	991,664	8.5%	N/A
Total Italian PP	1 254	545,963	485,341	12.5%	1,301,377	1,235,334	5.3%	-11.3%
Symonston	144	39,120	35,850	9.1%	72,215	64,964	11.2%	N/A
Total Australia PP	144	39,120	35,850	9.1%	72,215	64,964	11.2%	N/A
Ückermünde Kindergarten	25	7,345	7,431	-1.2%	16,787	19,119	-12.2%	11.2%
Brandenburg ²	75	23,124	22,593	2.3%	40,172	41,840	-4.0%	N/A

Project name	Capacity	Prod. Q3	Proj. Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YOY
Unit	kWp	(kWh)	(kWh)	%	(kWh)	(kWh)	%	%
Altentreptow	156	47,517	48,156	-1.3%	119,804	122,987	-2.6%	N/A
Total Germany PP	256	77,985	78,180	-0.2%	176,762	183,945	-3.9%	11.2%
Total	27 071	10,667,456	10,033,550	6.3%	23,328,306	23,584,284	-1.1%	-9.0%

Total result for Mostkovic SPV 3 and Mostkovic SPV 3R, as the same company "SPV3" owns both SPVs.

Chart 1. Generation results and capacity growth between Jan 2011 - Sep 2013



Currently the total O&M 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, 15.3 MWp in Italy, 3.0 MWp in Belgium, 3 MWp in France and 0.3 MWp in Australia. The O&M portfolio includes 27.2 MWp of PV capacities from the proprietary portfolio and 41.8 MWp for external clients. The traditional PV markets with large installed bases in the European Union remain very attractive for our operations and maintenance business unit Photon Energy Operations given that the installed base across the European Union currently exceeds 70 GWp.

2.5. Financial statement analysis

Profit and Loss statement

Consolidated revenues declined in Q3 2013 compared to the same period of the previous year from EUR 6.375 million to EUR 5.131 million. The decrease was caused primarily by lower production of electricity resulting from bad weather conditions.

Despite lower revenues in the current quarter, the Group managed to arrive at a positive EBITDA of EUR 1.299 million (EUR 2.063 million without tax levy). This was mainly achieved thanks to a significant decrease of other administration expenses (by EUR 3.997 million compared to the same period of the previous year).

EBIT jumped from negative EUR -3.236 million to negative EUR -0.415 million (positive result of EUR 0.349 million without tax levy).

Net profit amounted to a loss of EUR 1.06 million (loss of EUR 0.296 million without tax levy) in Q3 2013 compared to a loss of EUR 11.898 million in Q3 2012.

Other comprehensive income was negatively influenced by the revaluation of power plants in the Czech Republic due to new tax levy of 10% for the entire useful economic life of the powerplants approved by the Czech government and coming into effect in 2014. The negative impact of this revaluation was EUR 4.517 million, slightly compensated by the positive result of hedging and currency reserves of EUR 0.527 million.

Total comprehensive income increased from negative result of EUR -12.506 million in Q3 2012 to negative result of EUR -5.05 million in Q3 2013.

Chart 2. Revenues, gross profit and gross margin

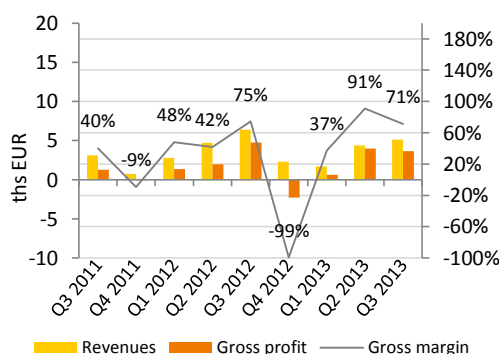
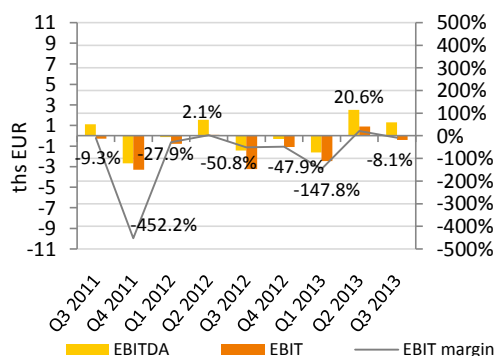


Chart 3. EBITDA, EBIT and EBIT margin development



Balance Sheet

Total assets amounted to EUR 98.688 million at the end of Q3 2013 and decreased by EUR 9.193 million compared to Q3 2012. The main reason for the decrease of the total assets was the fall in the value of the fixed assets. Most of its value is represented by the fair value of the power plants that is reviewed on a quarterly basis. Because of the approval of a 10% tax levy for the entire useful economic life of the power plants by the Czech government, coming into effect in 2014, the value of the power plants located in the Czech Republic has been recalculated. The total impact of this revaluation including the deferred tax effect was EUR 5.576 million (EUR 4.517 million without deferred tax). The rest of the decrease in the value is caused by the annual depreciation.

On the other hand, current assets increased from EUR 11.678 million as of 30 September 2012 to EUR 13.815 million as of 30 September 2013 mainly due to higher cash and cash equivalents available.

As a result of a capital increase of EUR 24 million, equity has increased in Q2 2013 to EUR 34.847 million. However, this value has been negatively impacted by the mentioned revaluation of power plants with total impact of EUR 4.517 million. The remaining difference is the result of current period profit and changes in hedging and currency reserves.

Total liabilities amounted to EUR 53.163 million as of the end of the current quarter compared to EUR 75.609 million as of the end of Q3 2012. The main drivers of this decrease were a partial repayment of other loans (EUR 6 million of the end of Q3 2013) and a decrease of other long-term liabilities resulting from a restructuring by almost EUR 24 million. Group also managed to decrease its trade and other payables compared to the previous year (from EUR 9.538 million to EUR 6.403 million).

Chart 4. Net current assets

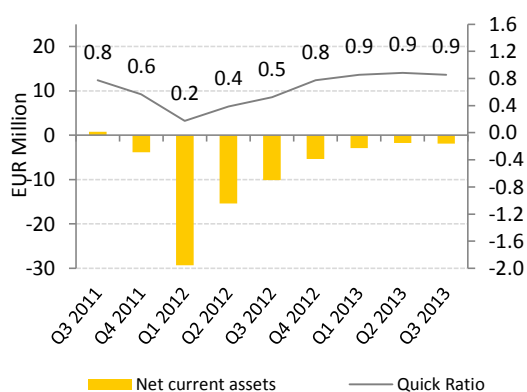
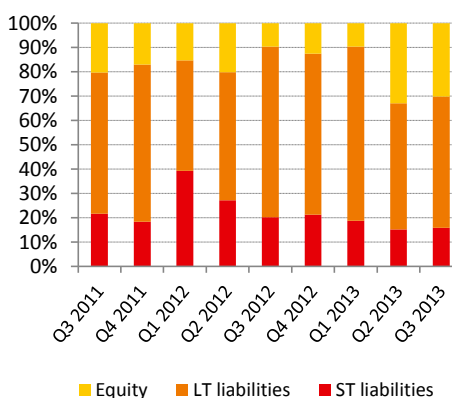


Chart 5. Break down of liabilities and equity



Cash Flow

The Group posted a positive operating cash flow in Q3 2013, which amounted to EUR 1.161 million. Financial cash flow resulted in negative EUR 0.565 million primarily due to repayment of borrowings and the payment of the subsidiary Photon Energy Investments' bond coupon, slightly compensated by proceeds from issuing the bond. Overall, net change in cash resulted in an increase by EUR 0.596 million to cash at the end of period of EUR 5.529 million.

Chart 6. Operating, investment and financing cash flow

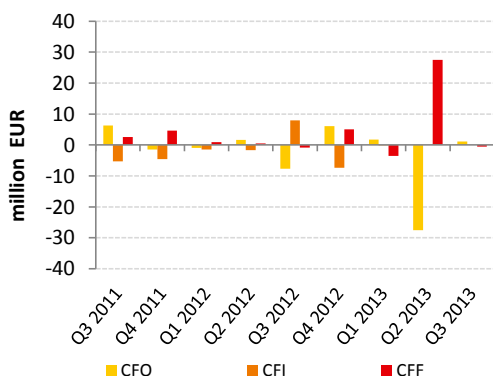
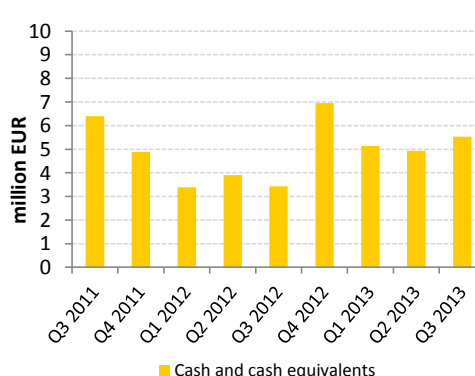


Chart 7. Cash position at the end of the period



Changes in equity

As a result of a capital increase of EUR 24 million, equity has increased in Q2 2013 up to EUR 34.847 million. However, this value has been negatively impacted by the mentioned revaluation of power plants with a total impact of EUR 4.517 million. The remaining difference is the result of actual result and changes in hedging and currency reserves.

2.6. Financial forecasts

The Company did not publish any financial forecasts.

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 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	-	-	<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, 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.

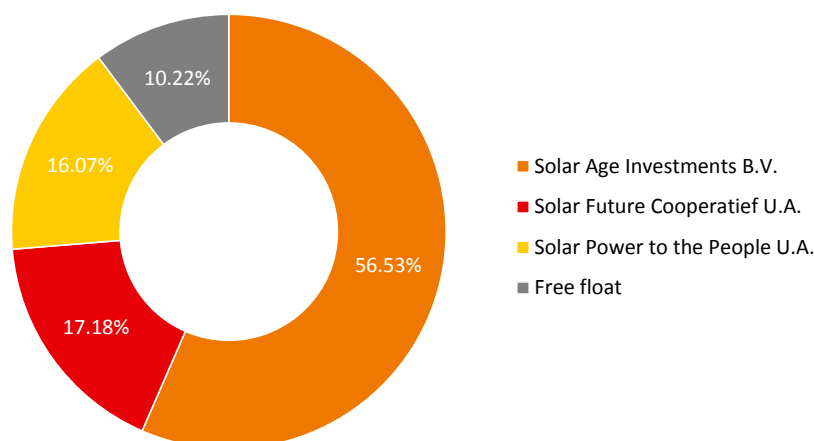
5. Shareholder structure

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.	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.

Chart 9. Graphical presentation of the Company's shareholders structure



6. 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.

7. Description of the Issuer's business

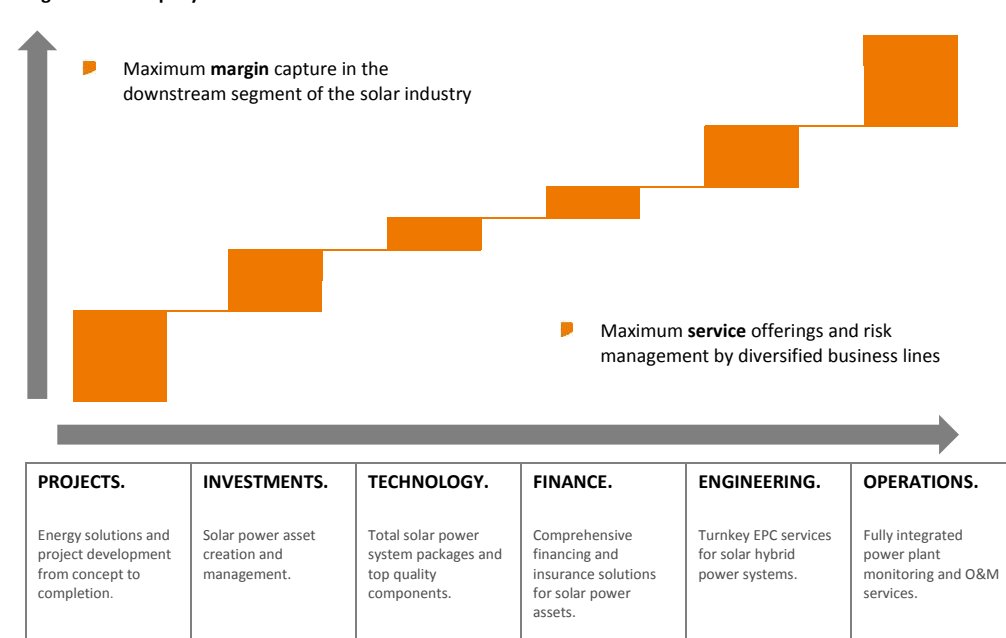
The company Photon Energy N.V. ("Photon Energy", "PENV", "Issuer" or "Company") is a holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") globally offers comprehensive solutions and maintenance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

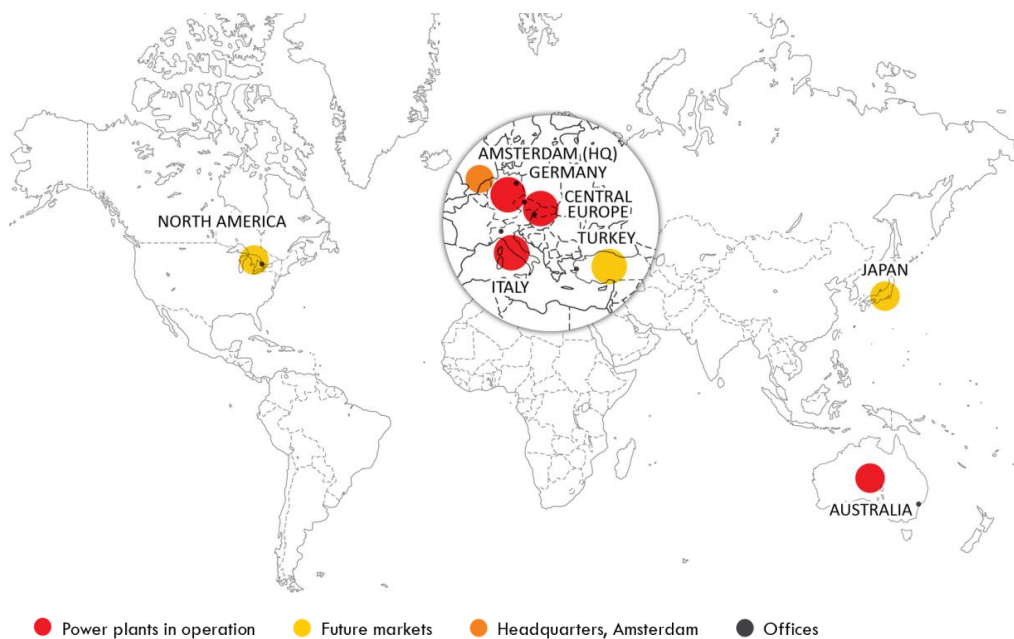
Image 1. The Company's business model



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).

Image 2. Country-specific references



8. Implementation of innovative activities in the Company

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.

9. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of 30 September 2013.

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V.	Holding Company		NL	Full Cons.	
2 Photon Energy Technology CEE s.r.o.	100%	100%	CZ	Full Cons.	PEI CZ NV
3 Photon SPV 5 s.r.o.	100%	100%	CZ	Full Cons.	PEI CZ NV
4 Photon SPV 1 s.r.o.	100%	100%	CZ	Full Cons.	PEI NV
5 Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	PEI NV
6 Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
7 Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
8 EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
9 EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
10 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
11 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
12 Fotonika, s.r.o.	60%	50%	SK	Equity	PEI NV
13 ATS Energy, s.r.o.	70%	70%	SK	Full Cons.	PEI NV
14 Solarpark Myjava s.r.o.	50%	50%	SK	Equity	PEI NV
15 Solarpark Polianka s.r.o.	50%	50%	SK	Equity	PEI NV
16 Photon Energy Investments CZ N.V.	100%	100%	NL	Full Cons.	Photon Energy
17 Photon Energy Polska Sp. z o.o.	100%	100%	PL	Full Cons.	Photon Energy
18 Photon Energy Australia Pty Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
19 Photon Energy Operations IT	100%	100%	IT	Full Cons.	PEO NV
20 IPVIC GbR	18.5%	18.5%	DE	Not Cons.	PEI CZ
21 Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV
22 Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
23 Photon Energy Operations DE GmbH	100%	100%	DE	Full Cons.	PEO NV
24 Photon Energy Operations Australia Pty Ltd.	100%	100%	Aus	Full Cons.	PEO NV
25 Photon Energy Engineering Australia Pty Ltd	100%	100%	Aus	Full Cons.	PEE BV
26 Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
27 Photon DE SPV 1 GmbH	100%	100%	DE	Full Cons.	PEI DE
28 Photon DE SPV 3 GmbH	100%	100%	DE	Full Cons.	PEI DE
29 Photon Energy Operations DE SW GmbH	100%	100%	DE	Full Cons.	PEO NV
30 Photon IT SPV 1 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
31 Photon IT SPV 2 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
32 Photon Energy Projects s.r.l. (Photon IT SPV 3 s.r.l.)	100%	100%	IT	Full Cons.	PEP NV
33 Photon IT SPV 4 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
34 Photon IT SPV 5 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
35 Photon IT SPV 6 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
36 Photon IT SPV 7 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
37 Photon Energy Investments IT N.V.	100%	100%	NL	Full Cons.	Photon Energy
38 Photon Energy Investments DE N.V.	100%	100%	NL	Full Cons.	Photon Energy
39 Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
40 Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Consolid. method	Legal Owner
41 Photon Energy Finance Europe GmbH	100%	100%	NL	Full Cons.	Photon Energy
42 Photon Energy Projects B.V.	100%	100%	NL	Full Cons.	Photon Energy
43 Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	NL	Full Cons.	PEI NV
44 Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	NL	Full Cons.	PEP BV
45 Photon Energy AUS SPV 3 Pty. Ltd.	100%	100%	NL	Full Cons.	PEP BV
46 Photon Energy Investments N.V.	100%	100%	NL	Full Cons.	Photon Energy
47 Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy
48 Photon Energy Technology B.V.	100%	100%	NL	Full Cons.	Photon Energy
49 Photon Energy FinCo B.V.	100%	100%	NL	Full Cons.	Photon Energy
50 Photon Energy Technology Europe Ltd	100%	100%	IR	Full Cons.	Photon Energy
51 Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
52 Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy

Notes:**Country of registration**

NL – the Netherlands
 SK – Slovakia
 CZ – the Czech Republic

IT – Italy
 AUS – Australia
 IR – Ireland

Consolidation method:

Full Cons. - Full Consolidation
 Not Cons. – Not Consolidated
 Equity – Equity Method

In the period of the last three months Photon Energy N.V. executed the following acquisitions and disposals of shares:

Name	Structure Change	% of Sold / Acquired Ownership share	% of Remaining Ownership share	Country of registration
1 Solarpark Mikulov I s.r.o.	Sold	49%	0%	CZ
2 Solarpark Mikulov II s.r.o.	Sold	30%	0%	CZ

In the reporting period, on 10 September 2013 the ownership in two Czech entities - Solarpark Mikulov I s.r.o. and Solarpark Mikulov II s.r.o. - was transferred out of the Group for the amount of CZK 98,000 and CZK 90,000, respectively.

In addition to the above subsidiaries, for the purposes of **IFRS reporting**, the Company consolidates following entities (these companies were consolidated until their sale, the figures as of 30.09.2013 contain proportionate part of their result):

Name	% of Consolidated share	% of Ownership share	Country of registration	Consolidation method	Legal Owner
1 Photon SPV 3 s.r.o.	100%	0	CZ	Full Cons.	RLRE
2 Photon SPV 8 s.r.o.	100%	0	CZ	Full Cons.	RLRE
3 Exit 90 SPV s.r.o.	100%	0	CZ	Full Cons.	RLRE
4 Photon SPV 4 s.r.o.	100%	0	CZ	Full Cons.	RLRE
5 Photon SPV 6 s.r.o.	100%	0	CZ	Full Cons.	RLRE
6 Onyx Energy s.r.o.	100%	0	CZ	Full Cons.	RLRE
7 Onyx Energy projekt II s.r.o.	100%	0	CZ	Full Cons.	RLRE
8 Photon SPV 10 s.r.o.	100%	0	CZ	Full Cons.	RLRE
9 Photon SPV 11 s.r.o.	100%	0	CZ	Full Cons.	RLRE

Notes:

RLRE - Raiffeisen - Leasing Real Estate, s.r.o.

10. Employees

Our team has grown both in terms of size and experience. In Q3 2013 we were happy to welcome four new colleagues from various backgrounds.

By the end of Q3 2013 the Photon Energy Group had 68 full-time employees.

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it deploys an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for each employee equal to 10% of their gross wage. The disposition rights to these shares are limited and employees can dispose of these shares only after their job contract is terminated.

11. Report on the key events material for the Group's operations

11.1. 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

11.2. 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 September 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

CONSOLIDATED FINANCIAL REPORT

12. Detailed consolidated financial results for Q3 2013

The tables below present the **consolidated** 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 **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

in Thousands	EUR		PLN	
	2012 Q3	2013 Q3	2012 Q3	2013 Q3
Revenues from the sale of products, goods and services	6,375	5,131	26,560	21,701
Cost of sales	-1,246	-714	-5,149	-3,013
26% levy	-751	-764	-3,118	-3,231
Gross profit	4,378	3,653	18,294	15,457
Salaries and compensation - administration expenses	-723	-767	-2,987	-3,261
Other administrative expenses	-5,398	-1,401	-22,710	-5,934
Other income	45	10	182	42
Other expenses	-95	-196	-390	-826
EBITDA	-1,793	1,299	-7,612	5,479
Depreciation	-1,443	-1,714	-5,984	-7,259
EBIT	-3,236	-415	-13,596	-1,781
Interest income	0	123	0	517
Interest cost	-544	-554	-2,178	-2,354
Financial income	0	0	0	0
Financial expenses	-8,300	-289	-34,913	-1,238
Disposal of investment	0	1	0	17
Net finance expenses	-8,844	-719	-37,092	-3,058
Share of profit from associates / J-Vs	51	90	215	380
Profit / loss before taxation	-12,029	-1,044	-50,473	-4,459
Income tax – current	239	-29	1,017	-123
Income tax – deferred	-108	13	-447	53
Profit/loss from continuing operations	-11,898	-1,060	-49,902	-4,529
Other comprehensive income for the period	-608	-3,990	-2,929	-16,774
Total comprehensive income for the period	-12,506	-5,050	-52,831	-21,303
Profit/loss from continuing operations	-11,898	-1,060	-49,902	-4,529
Attributable to the equity holders	-9,166	-1,070	-38,433	-4,571
Attributable to minority interest	-2,732	10	-11,469	42
Total comprehensive income for the year	-12,506	-5,050	-52,831	-21,303
Attributable to the equity holders	-9,774	-5,060	-41,362	-21,345

<i>in Thousands</i>	EUR		PLN	
	2012 Q3	2013 Q3	2012 Q3	2013 Q3
Attributable to minority interest	-2,732	10	-11,469	42
Average no. of shares in thousand	4,600	23,297	4,600	23,297
Earnings per share	-2.587	-0.045	-10.848	-0.194
Comprehensive income per share	-2.719	-0.217	-11.485	-0.914
EUR exchange rate - low	-	-	4.034	4.180
EUR exchange rate - average	-	-	4.135	4.247
EUR exchange rate - high	-	-	4.233	4.337

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013
PPE – Lands	3,063	2,986	12,695	12,630
PPE – Photovoltaic power plants	89,541	78,944	371,074	333,873
PPE – Other equipment	519	134	2,150	568
PPE – Assets in progress	601	360	2,491	1,521
Intangible assets	31	0	128	0
Investments in associates	2,430	2,432	10,070	10,286
Other investments	17	17	70	72
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Long term loans and other receivables	0	0	0	0
Other assets	0	0	0	0
Non-current assets	96,203	84,873	398,679	358,949
Cash and cash equivalents	3,428	5,529	14,206	23,384
Trade and other receivables	7,867	7,811	32,602	33,034
Gross amount due from customers for contract work	0	0	0	0
Inventories – Goods	282	371	1,169	1,569
Assets held for sale	0	0	0	0
Prepaid expenses	101	104	419	440
Current assets	11,678	13,815	48,396	58,426
Total assets	107,881	98,688	447,075	417,375
Issued share capital	46	500	191	2,115
Share premium	13,295	23,760	55,097	100,487
Legal Reserve fund	16	10	66	42
Retained earnings	-3,532	-13,022	-14,637	-55,073
Fund for currency conversions	-473	-468	-1,960	-1,979
Other comprehensive income from previous periods	2,627	26,795	10,887	113,323
Other comprehensive income	10,011	-3,680	41,487	-15,564
Profit/loss-current year	-13,227	-4,240	-54,815	-17,932
Equity in associates, joint ventures	0	0	0	0
Equity attributable to equity holders	8,763	29,655	36,315	125,418
Minority interests	1,692	142	7,012	601
Total equity	10,455	29,797	43,327	126,019
Non-current liabilities	75,609	53,163	313,334	224,840
Bank loan	43,622	45,200	180,778	191,162
Other long-term liabilities	27,296	4,343	113,116	18,368
Deferred tax liabilities	4,691	3,620	19,440	15,310
Current liabilities	21,817	15,728	90,413	66,517
Trade and other payables	9,538	6,403	39,527	27,079
Bank loan	2,963	3,213	12,279	13,589
Other Loans	8,618	6,000	35,714	25,376
Other short-term liabilities	686	112	2,843	474
Tax liabilities (CIT)	12	0	50	0

in Thousands	EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Total Liabilities	97,426	68,891	403,748	291,356
TOTAL EQUITY AND LIABILITIES	107,881	98,688	447,075	417,375
No. of shares in thousand	4,600	50,000	4,600	50,000
Book value per share	1.905	0.593	7.895	2.508

Cash Flow Statement

in Thousands	EUR		PLN	
	2012 Q3	2013 Q3	2012 Q3	2013 Q3
Profit for the year	-11,898	-1,060	-49,902	-4,529
Adjustments for:				
Depreciation	1,817	1,714	7,572	7,259
Net finance costs	794	719	3,208	3,058
Share of profit of equity accounted investees	-51	-90	-215	-380
Profit /Loss on sale of property, plant and equipment	0	0	-1	0
Receivables write-off	-131	0	-570	0
Income tax expense	327	16	1,385	70
Changes in:	0	0	0	0
Trade and other receivables	-5,956	2,109	-25,397	8,334
Gross amount due from customers for contract work	0	0	0	0
Prepaid expenses	-25	-3	-106	-4
Inventories	1,034	-226	4,322	-949
Trade and other payables	21,795	-488	91,658	-2,163
Other assets	-15,272	0	-64,280	0
Other liabilities	0	-1,195	0	-5,479
Interests paid	-64	-233	-221	-988
Income tax paid	0	-102	0	-432
Operating cash flow	-7,630	1,161	-32,548	3,797
Acquisition of property, plant and equipment	-2	0	105	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Sale of investment	7,982	0	33,597	-1
Proceeds from sale of investments	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	11	0	46	0
Other investments	0	0	0	0
Interest received	-11	0	-47	0
Investment cash flow	7,980	0	33,702	-1
Proceeds from borrowings	0	0	-145	0
Proceeds from issuing bonds	0	183	0	865
Payment of bond coupons	0	-84	0	-355
Proceeds from issuing of ordinary shares	0	0	0	277
Repayment of borrowings	-828	-664	-3,394	-2,890
Financial cash flow	-828	-565	-3,538	-2,103
Net change in cash	-478	596	-2,384	1,693
Cash at the beginning of the period	3,905	4,934	16,591	21,397
Effect of exchange rate fluctuation	0	-1	0	294
Cash at the end of the period	3,428	5,529	14,206	23,383
EUR exchange rate - low	-	-	4.034	4.180
EUR exchange rate - average	-	-	4.135	4.247
EUR exchange rate - high	-	-	4.233	4.337

Note: Exchange rate provided by the European Central Bank

Statement of Changes in Equity

in thousand EUR	Combined equity	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 10.1.2008	89	0	0	0	0	0		0	89	0	89
Profit	-302								-302	0	-302
Currency translation reserve						-27			-27	0	-27
Total comprehensive income for the year	-302	0	0	0	0	-27		0	-329	0	-329
Photon Energy a.s. Share premium	592								592	0	592
BALANCE at 31.12.2008	379	0	0	0	0	-27		0	352	0	352
BALANCE at 1.1.2009	379	0	0	0	0	-27		0	352	0	352
Profit	1,263								1,263	0	1,263
Revaluation of PPE	978								978	0	978
Currency translation reserve	8					4			12	0	12
Total comprehensive income for the year	2,249	0	0	0	0	4		0	2,253	0	2,253
BALANCE at 31.12.2009	2,628	0	0	0	0	-23		0	2,605	0	2,605
BALANCE at 1.1.2010	2,628	0	0	0	0	-23		0	2,605	0	2,605
Profit	1,896								1,896	11	1,907
Profit JV investments	-60								-60		-60
Foreign currency translation differences	-9								-9		-9
Revaluation of PPE	14,084								14,084		14,084
Total comprehensive income for the year	15,911	0	0	0	0	0		0	15,911	11	15,922
Legal reserve fund	-9			9					0		0
Acquisitions (non-controlling interests)									0	1	1
BALANCE at 22.12.2010	18,530	0	0	9	0	-23		0	18,516	12	18,528
BALANCE at 23.12.2010	18,530	0	0	9	0	-23		0	18,516	12	18,528
Profit								-135	-135	-52	-187
Profit JV investments								-5	-5	-1	-6
Foreign currency translation differences							219		219	86	305
Revaluation of PPE					1,072				1,072	422	1,494
Total comprehensive income for the year	0	0	0	0	1,072	219		-140	1,151	455	1,606
Share capital		46							46		46
Contribution in kind 23.12.2010	-18,530				14,084	-9		-780	-5,235	5,235	0
BALANCE at 31.12.2010	0	46	0	9	15,156	187		-920	14,478	5,702	20,180
BALANCE at 1.1.2011	0	46	0	9	15,156	187		-920	14,478	5,702	20,180
Profit								-5,303	-5,303	-1,751	-7,054
Revaluation of PPE					2,590				2,590	1,116	3,706
Share on revaluation of PPE of associates, JV				492					492	194	686
Foreign currency translation differences							-358		-358	60	-298
Share on currency translation diff. of associates, JV						37			37	15	52
Total comprehensive income for the year	0	0	0	0	3,082	-321		-5,303	-2,542	-366	-2,908
Deferred tax related to FA revaluation decrease					159				159	63	222
Move from revaluation reserve to retained earnings					-839			839	0	0	0
BALANCE at 31.12.2011	0	46	0	9	17,558	-134		-5,384	12,095	5,399	17,494
BALANCE at 1.1.2012	0	46	0	9	17,558	-134		-5,384	12,095	5,399	17,494
Loss for the period 1.1.2012 - 04.12.2012								-7,003	-7,003	-1,960	-8,963
Loss for the period 5.12.2012 - 31.12.2012								-3,671	-3,671		-3,671

in thousand EUR	Combined equity	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Revaluation of PPE					6,820				6,820	2,701	9,521
Share on revaluation of PPE of associates, JV					457				457	180	637
Foreign currency translation differences						457			457	-168	289
Derivatives							-430		-430	-169	-599
Share on derivatives JV							-140		-140	-55	-195
Total comprehensive income for the year	0	0	0	0	7,277	457	-570	-10,674	-3,510	529	-2,981
share capital increase		184	-184						0	0	0
Move from revaluation reserve to retained earnings					-885			885	0	0	0
Legal reserve fund				9				-9	0	0	0
Dividends									0	-35	-35
Disposal of NCI - move to other components of equity			184		4,868		-224	941	5,769	-5,769	0
BALANCE at 31.12.2012	0	230	0	18	28,818	323	-794	-14,241	14,354	124	14,478
Loss for the period 1.1.2013 – 30.9.2013								-4,252	-4,252	12	-4,240
Revaluation of PPE					-4,517						
Foreign currency translation differences						-791			-791		-791
Derivatives							804		804	6	810
Share on derivatives JV							27		27		27
Total comprehensive income for the year	0	0	0	0	-4,517	-791	831	-4,252	-8,729	18	-8,711
new shares		270	23,760						24,030	0	24,030
Move from revaluation reserve to retained earnings					-1,222			1,222	0	0	0
Legal reserve fund – move to RE on entity disposal				-8				8	0	0	0
BALANCE at 30.9.2013	0	500	23,760	10	23,079	-468	37	-17,263	29,655	142	29,797

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13. Detailed consolidated financial results for Q1-Q3 2013

The tables below present the **consolidated** 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 **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

in Thousands	EUR		PLN	
	2012 Q1-Q3	2013 Q1-Q3	2012 Q1-Q3	2013 Q1-Q3
Revenues from the sale of products, goods and services	13,882	11,198	58,431	47,045
Cost of sales	-3,884	-1,276	-16,348	-5,361
26% levy	-1,942	-1,658	-8,174	-6,966
Gross profit	8,056	8,264	33,909	34,719
Salaries and compensation - administration expenses	-2,254	-2,381	-9,487	-10,003
Other administrative expenses	-5,693	-3,411	-23,963	-14,330
Other income	236	28	993	118
Other expenses	-355	-306	-1,494	-1,286
EBITDA	-10	2,194	-42	9,217
Depreciation	-3,907	-4,178	-16,445	-17,553
EBIT	-3,917	-1,984	-16,487	-8,335
Interest income	0	123	0	517
Interest cost	-3,609	-1,673	-15,191	-7,029
Financial income	0	0	0	0
Financial expenses	-8,917	-1,272	-37,533	-5,344
Disposal of investment	0	536		2,252
Net finance expenses	-12,526	-2,286	-52,724	-9,604
Share of profit from associates / J-Vs	37	150	156	630
Profit / loss before taxation	-16,406	-4,120	-69,055	-17,309
Income tax – current	-66	-62	-278	-260
Income tax – deferred	-319	-58	-1,343	-244
Profit/loss from continuing operations	-16,791	-4,240	-70,676	-17,813
Other comprehensive income for the period	9,538	-4,471	40,147	-18,784
Total comprehensive income for the period	-7,253	-8,711	-30,529	-36,597
Profit/loss from continuing operations	-16,791	-4,240	-70,676	-17,813
Attributable to the equity holders	-13,227	-4,252	-55,674	-17,864
Attributable to minority interest	-3,564	12	-15,001	50
Total comprehensive income for the year	-7,253	-8,711	-30,529	-36,597
Attributable to the equity holders	-3,689	-8,729	-15,528	-36,673

<i>in Thousands</i>	EUR		PLN	
	2012 Q1-Q3	2013 Q1-Q3	2012 Q1-Q3	2013 Q1-Q3
Attributable to minority interest	-3,564	18	-15,001	76
Average no. of shares in thousand	4,600	23,297	4,600	23,297
Earnings per share	-3.650	-0.182	-15.364	-0.765
Comprehensive income per share	-1.577	-0.374	-6.637	-1.571
EUR exchange rate - low	-	-	4.034	4.072
EUR exchange rate - average	-	-	4.209	4.201
EUR exchange rate - high	-	-	4.505	4.349

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013
PPE – Lands	3,063	2,986	12,695	12,630
PPE – Photovoltaic power plants	89,541	78,944	371,074	333,873
PPE – Other equipment	519	134	2,150	568
PPE – Assets in progress	601	360	2,491	1,521
Intangible assets	31	0	128	0
Investments in associates	2,430	2,432	10,070	10,286
Other investments	17	17	70	72
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Long term loans and other receivables	0	0	0	0
Other assets	0	0	0	0
Non-current assets	96,203	84,873	398,679	358,949
Cash and cash equivalents	3,428	5,529	14,206	23,384
Trade and other receivables	7,867	7,811	32,602	33,034
Gross amount due from customers for contract work	0	0	0	0
Inventories – Goods	282	371	1,169	1,569
Assets held for sale	0	0	0	0
Prepaid expenses	101	104	419	440
Current assets	11,678	13,815	48,396	58,426
Total assets	107,881	98,688	447,075	417,375
Issued share capital	46	500	191	2,115
Share premium	13,295	23,760	55,097	100,487
Legal Reserve fund	16	10	66	42
Retained earnings	-3,532	-13,022	-14,637	-55,073
Fund for currency conversions	-473	-468	-1,960	-1,979
Other comprehensive income from previous periods	2,627	26,795	10,887	113,323
Other comprehensive income	10,011	-3,680	41,487	-15,564
Profit/loss-current year	-13,227	-4,240	-54,815	-17,932
Equity in associates, joint ventures	0	0	0	0
Equity attributable to equity holders	8,763	29,655	36,315	125,418
Minority interests	1,692	142	7,012	601
Total equity	10,455	29,797	43,327	126,019
Non-current liabilities	75,609	53,163	313,334	224,840
Bank loan	43,622	45,200	180,778	191,162
Other long-term liabilities	27,296	4,343	113,116	18,368
Deferred tax liabilities	4,691	3,620	19,440	15,310
Current liabilities	21,817	15,728	90,413	66,517
Trade and other payables	9,538	6,403	39,527	27,079
Bank loan	2,963	3,213	12,279	13,589
Other Loans	8,618	6,000	35,714	25,376
Other short-term liabilities	686	112	2,843	474
Tax liabilities (CIT)	12	0	50	0

in Thousands	EUR	PLN
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	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Total Liabilities	97,426	68,891	403,748	291,356
TOTAL EQUITY AND LIABILITIES	107,881	98,688	447,075	417,375
No. of shares in thousand	4,600	50,000	4,600	50,000
Book value per share	1.905	0.593	7.895	2.508

Cash Flow Statement

in Thousands	EUR		PLN	
	2012 Q1-Q3	2013 Q1-Q3	2012 Q1-Q3	2013 Q1-Q3
Profit for the year				
Adjustments for:	-16,791	-4,240	-70,676	-17,813
Depreciation	3,907	4,178	16,445	17,553
Net finance costs	4,476	2,286	18,840	9,604
Share of profit of equity accounted investees	-37	-150	-156	-630
Profit /Loss on sale of property, plant and equipment	22	0	93	0
Receivables write-off	385	0	1,621	0
Income tax expense	101	120	425	504
Changes in:				
Trade and other receivables	-8,234	-455	-34,890	-2,542
Gross amount due from customers for contract work	0	0	0	0
Prepaid expenses	-5	354	-21	1,487
Inventories	1,870	-218	7,871	-916
Trade and other payables	24,007	-5,249	101,059	-22,052
Other assets	-15,340	0	-64,568	0
Other liabilities	0	-20,476	0	-85,239
Interests paid	-1,323	-616	-5,569	-2,588
Income tax paid	0	-267	0	-1,122
Operating cash flow	-6,962	-24,733	-29,527	-103,754
Acquisition of property, plant and equipment	-3,115	0	-13,112	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Sale of investment	7,982	-42	33,597	-176
Proceeds from sale of investments	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	11	0	46	0
Other investments	0	0	0	0
Interest received	0	0	0	0
Investment cash flow	4,878	-42	20,532	-176
Proceeds from borrowings	3,977	0	16,738	0
Proceeds from issuing bonds	0	4,218	0	17,721
Payment of bond coupons	0	-164	0	-689
Proceeds from issuing of ordinary shares	0	24,260	0	101,922
Repayment of borrowings	-3,345	-4,876	-14,078	-20,485
Financial cash flow	632	23,438	2,660	98,468
Net change in cash	-1,452	-1,337	-6,334	-5,462
Cash at the beginning of the period	4,880	6,953	20,541	29,211
Effect of exchange rate fluctuation	0	-87	0	-366
Cash at the end of the period	3,428	5,529	14,207	23,384
EUR exchange rate - low	-	-	4.034	4.072
EUR exchange rate - average	-	-	4.209	4.201
EUR exchange rate - high	-	-	4.505	4.349

Note: Exchange rate provided by the European Central Bank

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14. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Photon Energy N.V. for the 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 **International Financial and Reporting Standards (IFRS)**.

Results of the operating segments for the period from 1 January 2013 to 30 September 2013

in Thousands EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	26	706	9,810	609	0	47	11,198	-809	10,389
Revenues within segments from the sale of products, goods and services	0	313	67	348	0	81	809	0	809
Cost of sale	-11	-5	-923	-191	0	150	1,280	4	-1,276
Energy tax	0	0	-1,653	-2	0	-3	-1,658	0	-1,658
Gross profit	15	1,014	7,301	764	0	25	9,069	805	8,264
Other external income	0	0	9	3	0	16	28	0	28
Administrative and other expenses	-68	-990	-1,427	-1,531	0	-2,887	-6,903	805	-6,098
Depreciation	0	-2	-4,160	-9	0	-7	-4,178	0	-4,178
Operating income	53	22	1,723	773	0	2,903	1,984	0	1,984
Interest income	0	44	154	17	0	160	375	-252	123
Interest expenses	-1	-20	-975	-37	0	-892	-1,925	252	-1,673
Other financial revenues	0	1	0	4	0	0	5	0	5
Other financial expenses	-1	0	-1,070	0	0	-206	-1,277	0	-1,277
Disposal of investments	0	0	1	535	0	0	536	0	536
Profit/loss share in entities in equivalency	0	0	0	0	150	0	150	0	150
Income tax	0	0	-120	0	0	0	-120	0	-120
Profit/loss after taxation	55	47	287	254	150	3,841	4,240	0	4,240
Other comprehensive income	0	0	-4,517	0	0	0	-4,517	0	-4,517
Foreign currency translation diff. - foreign operations	0	0	0	0	0	-791	-791	0	-791
Derivatives (hedging)	0	0	810	0	27	0	837	0	837
Total comprehensive income	55	47	3,994	254	177	4,632	8,711	0	8,711
Assets, of which	553	2,461	99,145	1,719	2,432	8,239	114,549	15,861	98,688
PPE – Lands	0	0	2,986	0	0	0	2,986	0	2,986
PPE – Photovoltaic power plants	0	0	78,944	0	0	0	78,944	0	78,944
PPE - Equipment	0	3	0	34	0	97	134	0	134
PPE – Assets in progress	0	57	4	0	0	299	360	0	360
Intangibles	0	0	0	0	0	0	0	0	0
Trade and other receivables	301	2,398	11,710	1,587	0	7,721	23,717	-15,906	7,811
Loans	0	0	0	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	249	0	0	45	0	77	371	0	371
Investments in associates, JV, other	0	0	6	11	2,432	0	2,449	0	2,449
Deferred tax receivables	0	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	0	88	13	0	3	104	0	104
Assets held for sale	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	3	3	5,407	29	0	42	5,484	45	5,529
Liabilities, of which	648	2,657	65,559	2,493	0	13,395	84,752	15,861	68,891

in Thousands EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
Trade and other payables	645	2,654	7,322	2,462	0	7,282	20,365	-15,346	5,019
Bank Loans and other loans	0	0	49,797	0	0	6,000	55,797	0	55,797
Other long term liabilities	0	0	4,815	8	0	35	4,858	-515	4,343
Other short term liabilities	3	3	5	23	0	78	112	0	112
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	3,620	0	0	0	3,620	0	3,620

Results of the operating segments for the period from 1 January 2012 to 30 September 2012

in Thousands EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	956	403	11,541	2,990	0	279	16,169	0	16,169
Revenues within segments from the sale of products, goods and services	288	2,755	26	634	0	2,550	6,253	-6,253	0
Cost of sale	-2,059	-3,835	-1,619	-2,905	0	-4,085	-14,503	6,334	-8,169
Out of that depreciation	0	0	-2,213	0	0	0	-2,213	0	-2,213
Gross profit	-815	-677	7735	719	0	-1256	5,706	81	5,787
Other external income	55	396	126	19	0	362	958	-19	939
Administrative and other expenses	-850	-254	-213	-593	0	-5,106	-7,016	-19	-7,035
Out of that depreciation	0	-13	-4565	-44	0	-81	-4,703	0	-4,703
Out of that energy tax	-1,610	-548	3,083	101	0	-6,081	-5,055	43	-5,012
Operating income	64	589	306	5	0	1,560	2,524	-2,524	0
Interest income	-1,195	-210	-2,609	-7	0	-3,209	-7,230	2,524	-4,706
Interest expenses	39	279	89	13	0	255	675	-19	656
Other financial revenues	-3	-5	-211	-4	0	-274	-497	0	-497
Other financial expenses	0	0	0	0	0	-3,033	-3,033	0	-3,033
Profit/loss share in entities in equivalency	0	0	0	0	164	0	164	0	164
Income tax	10	-55	-152	-3	0	-6	-206	0	-206
Profit/loss after taxation	-2,696	51	505	105	164	-10,787	-12,658	24	-12,634
Other comprehensive income	0	0	9,521	0	637	0	10,158	0	10,158
Foreign currency translation diff. - foreign operations	0	0	0	0	0	289	289	0	289
Total comprehensive income	0	0	-599	0	-195	0	-794	0	-794
Assets, of which	-2,696	51	9,427	105	606	-10,498	-3,005	24	-2,981
PPE – Lands	275	3,548	103,556	1,646	2,426	15,374	126,825	-11,687	115,138
PPE – Photovoltaic power plants	0	0	3,047	0	0	0	3,047	0	3,047
PPE – Equipment	0	0	90,121	0	0	0	90,121	0	90,121
PPE – Assets in progress	0	5	0	75	0	23	103	0	103
Intangibles	0	254	0	0	0	0	254	0	254
Trade and other receivables	0	0	0	0	0	0	0	0	0
Gross amount due from customers for contract work	122	2,104	4,549	1,107	0	10,399	18,281	-11,663	6,618
Inventories – Goods	0	0	0	0	0	4,253	4,253	0	4,253
Investments in associates, JV, other	0	0	0	0	0	0	0	0	0
Deferred tax receivables	153	0	0	0	0	0	153	0	153
Prepaid expenses	0	0	0	0	2,426	6	2,432	0	2,432
Assets held for sale	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	0	0	0	0	0	0	0	0	0
Liabilities, of which	0	1	29	115	0	337	482	-24	458
Trade and other payables	0	746	0	0	0	0	746	0	746
Bank Loans and other loans	0	438	5,810	349	0	356	6,953	0	6,953
Other long term liabilities	99	3,180	66,231	2,142	0	40,776	112,428	-11,768	100,660
Other short term liabilities	99	3,180	9,690	2,136	0	7,834	22,939	-11,287	11,652
Current tax liabilities (income tax)	0	0	51,289	0	0	8,000	59,289	0	59,289
Deferred tax liabilities	0	0	473	0	0	24,939	25,412	-481	24,931

15. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by EU and were authorised for issue by the Board of Directors.

The following main standards are applied by Group:

- IAS 1 – Presentation of financial information
- IAS 2 – Inventories
- IAS 12 – Income Taxes
- IAS 16 – Property, plant and equipment
- IAS 18 – Revenues
- IAS 21 - The effects of changes in foreign exchange rates
- IAS 24 – Related transactions presentation
- IAS 27 – Consolidated and separate financial information
- IAS 28 - Investments in Associates
- IAS 33 - Earnings per Share
- IAS 36 - Impairment
- IAS 37 – Provisions
- IAS 38 – Intangible Assets
- IFRS 3 – Business combinations
- IFRS 5 – Non-current assets held-for-sale and discontinued operations
- IFRS 8 - Operating segments

Use of estimates and judgments

In preparing the financial information, the Company's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognised in the financial information. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial information and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Presentation of Financial information

Financial information is presented based on historical costs with exemptions when IFRS requires different evaluation methods as described below in accounting policies. The statement of comprehensive income is presented with revenues and expenses classified by purpose (function). The cash flow statement is prepared using an indirect method.

Functional currency is the EURO (EUR) and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organised by the Warsaw Stock Exchange - NewConnect, the balances are retranslated into PLN currency.

Consolidation**(a) Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of more than 20% and less than 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The cost of the investment includes transaction costs.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Company's Management has assessed the Group's business from the segment reporting perspective and decided that they financial results of Photon Energy Group to be reported per segments from the objective perspective from 1. 1. 2010.

As of 1st January 2012, Management Board has decided to decrease number of segments reported (due to the restructuring performed in 2012) to Engineering and Other.

The Management identified the following segments:

- Wholesale and import of FVE components,
- Engineering and construction services (turn-key photovoltaic systems' installations for external clients and Photon Energy),
- Production of electricity (includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity)
- FVE Investment – This segment represents OCI of the Group flowing from the revaluation of the FVE producing the electricity and it is related to project companies that generate the revenues as shown in segment Production of electricity.
- Operations, maintenance and PVPP supervision
- Other, not related to any of the above mentioned segments.

Other operations include the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2013 or 2012.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial information of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in EUR, which is the company's functional and the group's presentation currency.

The consolidated financial information is presented in EUR, however, for presentation purposes; the financial information is translated into PLN as the presentation currencies. Effect from this translation is presented in Equity - in the Fund for currency conversions.

Exchange rates as shown in table below were applied. All exchange rates were provided by the European Central Bank. Statement of financial position applicable exchange rate represents the exchange rate as of the last day of the reporting date as according to IAS 21. Statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN	
	2012 Q3	2013 Q3
EUR exchange rate – low	4.034	4.180
EUR exchange rate – high	4.233	4.337
EUR exchange rate – average	4.135	4.247
EUR exchange rate – end of period	4.144	4.229

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

In case of entities, whose functional currency is CZK, the financial statements are retranslated at the consolidation into EUR using year-end rate for balance sheet and average rate for profit/loss items.

Property, plant and equipment

Property, plant and equipment are carried at their fair values, with the exemption of fixed assets under construction which are carried at costs.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement: the revenues related to development projects (PV power stations) are measured by the percentage of completion method (refer below to Construction contracts).

Trade receivables

Trade receivables are recognised at nominal value, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable is uncollectible, it is written off.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and term bank deposits.

Share capital

Ordinary shares are classified in equity as Issued share capital. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium.

Trade payables

Trade payables are recognised at nominal value.

Loans and Borrowings

Loan and Borrowings are classified as short-term liabilities (due within 12 months after the reporting date) or long-term liabilities (due more than 12 months after the reporting date).

Financial costs related to construction period of internal non-current assets are capitalised (refer to Property, plant and equipment).

Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

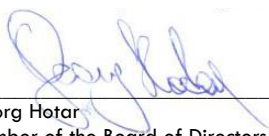
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. Deferred income tax asset is recognised by the Group in case the Management anticipates the future profits will offset the current income tax asset.

16. 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

A handwritten signature in blue ink, appearing to read 'Georg Hotar', positioned above a horizontal line.

Georg Hotar
Member of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Michael Gartner', positioned above a horizontal line.

Michael Gartner
Member of the Board of Directors

17. Investor Relations Contact

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