PHOENIX ENERGY a.s.

# PHOENIX ENERGY a.s. CONSOLIDATED FINANCIAL REPORT

## 2013 / Q3

For the period from 1 July until 30 September 2013

**14 November 2013** | Prague | Czech Republic

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## 1. Selected financial results

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

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 |
| **Revenues** | **43,834** | **803** | **1,753** | **31** | **7,093** | **133** |
| Gross profit | -37,373 | 75,117 | -1,484 | 2,917 | -6,325 | 12,255 |
| **EBITDA** | **-37,671** | **74,960** | **-1,497** | **2,911** | **-6,337** | **12,229** |
| EBIT | -255,323 | 75,723 | -10,169 | 2,941 | -42,439 | 12,350 |
| Profit / loss before taxation | -252,585 | 68,061 | -10,062 | 2,644 | -41,909 | 11,099 |
| **Total comprehensive income** | **-251,147** | **68,159** | **-10,006** | **2,647** | **-41,664** | **11,115** |
| Non-current assets | 4,481 | 2,314 | 180 | 90 | 747 | 380 |
| Current assets | 878,245 | 49,332 | 35,321 | 1,917 | 146,374 | 8,107 |
| Cash and cash equivalents | 411 | 176 | 17 | 7 | 69 | 29 |
| Total assets | 882,726 | 51,646 | 35,501 | 2,007 | 147,121 | 8,487 |
| Total equity | -97,389 | -7,229 | -3,917 | -261 | -16,232 | -1,609 |
| Current liabilities | 964,414 | 58,875 | 38,786 | 2,268 | 160,736 | 10,096 |
| Non-current liabilities | 15,701 | 0 | 631 | 0 | 2,618 | 0 |
| Operating cash flow | 83,227 | -697 | 3,310 | -20 | 14,331 | -113 |
| Investment cash flow | -86,960 | 0 | -3,460 | 0 | -14,557 | 0 |
| Financial cash flow | 0 | 0 | -4 | 0 | -385 | 0 |
| Net change in cash | -3,733 | -697 | -154 | -19 | -611 | -113 |
| *CZK exchange rate - low* | - | - | 24.435 | 25.625 | 5.536 | 5.979 |
| *CZK exchange rate - average* | - | - | 25.052 | 25.852 | 6.048 | 6.088 |
| *CZK exchange rate - end of period* | - | - | 24.755 | 25.735 | 5.617 | 6.085 |
| *CZK exchange rate - high* | - | - | 25.585 | 26.050 | 6.240 | 6.190 |

*Note: Exchange rates provided by the Czech National Bank*

**Financial highlights:**

- Revenues decreased from CZK 43.834 million in Q3 2012 to CZK 0.803 million in the current quarter, mainly as the effect of restructuring; sale of the business operations out of the Group and subsequent minimizing of the Group activities;
- EBITDA amounted to positive result of CZK 74.960 million compared to negative value in Q3 2012 of CZK 37.671 million mainly caused by high other income as described in more detail in Financial statements analysis chapter.
- Profit before taxation was positive and amounted to CZK 68.061 million compared to a loss of CZK 252.585 million for the same period of the prior year.
- Operating cashflow decreased by CZK 0.697 million and ended up in cash and cash equivalents of CZK 0.176 million.

***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;*
- *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 Phoenix Energy Group is referred to as the "Group", the "Company" and/or the "Phoenix Energy".*
- *Solar Age Investments B.V. is a company incorporated under the Dutch law, with its registered office at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 56233701.*

## 2. Management discussion and analysis

### 2.1. A note from the Management Board

The financial statements for 2013 Q3 reflect the current Company strategy to minimise its operating activities. On the balance sheet, the main driver of revenue contraction was a materially lower volume of business, which results from the completed restructuring of the Group and the sale of its 100% ownership interests both in Czech and Slovak companies. The Management Board of the Company does not intend to further expand its business.

The majority shareholder has announced his intention to squeeze-out the remaining minority shareholders of the Company i.e. owning 3.37% of the share capital. Based on the last received information the squeeze-out is expected to be initiated in Q4 2013. The date of the General Meeting will be announced at least 30 days in advance via an EBI current report and published on the Company's website

### 2.2. Strategy and its execution

The operating activities of Phoenix Energy a.s. as the holding company after the completion of the restructuring process were gradually minimised and the Company was sold out of the Photon Energy Group.

In the light of the termination of the support for renewable energies in the Czech Republic and Slovakia as well as a high level of regulatory uncertainty for the photovoltaic sector in these countries, the Company does not intend to further expand its business on these markets.

### 2.3. Investment action plan and its implementation

The Company did not publish any investment action plan and no implementation plan has been defined.

## 2.4. Financial statement analysis

### Profit and Loss statement

The Group's revenues in 2013 Q3 amounted to CZK 803 thousands and significantly decreased on y-o-y basis. The main driver of the revenue contraction was firstly the finalization of the restructuring finished in second quarter 2013; secondly transfer of all significant assets representing the original source of income and finally; the subsequent minimizing of the Group activities.

Other income significantly increased from CZK 1.739 million in Q3 2012 to CZK 76.480 million in the current period as a result of waivers of payables owed originally to Photon Energy Investments SK (CZK 19.796 million) and to Adria Faraone Limited (CZK 56.152 million) signed in Q3 2013.

The Company recorded a net profit of CZK 68.061 million versus a net loss of CZK 252.585 million a year ago. The main driver was significantly higher other income as described in the paragraph above.

**Chart 1. Revenues and gross profit**

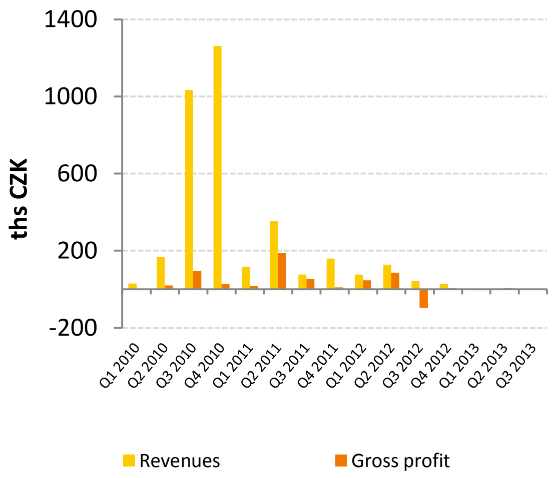
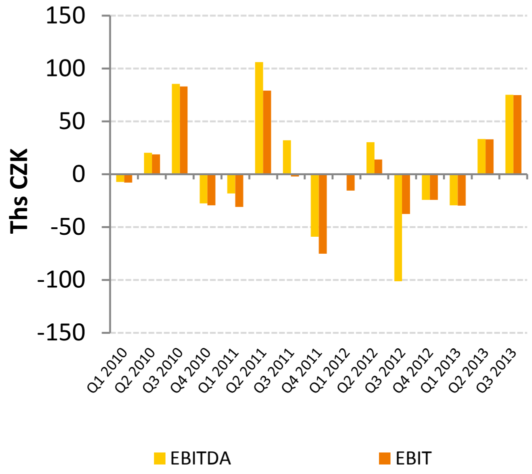



**Chart 2. EBITDA and EBIT development**




### Balance Sheet

Total assets amounted to CZK 882.726 million at the end of Q3 2012 and decreased to CZK 51.646 million as of the end of the current quarter. The main reason of this significant decrease was set- off of receivables coming from the restructuring together with the other long term liability owned to the originally owned subsidiary. This set off was performed in June 2013. Subsequently the outstanding liabilities coming from this transaction were waived in Q3 of 2013 and resulted in high other income as described in detail in Profit and Loss statement above.

Current assets have decreased from CZK 878.245 million as of the end of Q3 2012 to CZK 49.332 million as of the end of the current quarter, most of it are represented by the receivables coming from the restructuring (see above).

Total equity attributable to equity shareholders was negative, amounted to CZK 7.229 million and increased by CZK 90.160 million compared to the previous quarter, which is mainly attributable to the profit gained in the third quarter 2013 as described in profit and loss section.

**Chart 3. Net current assets**

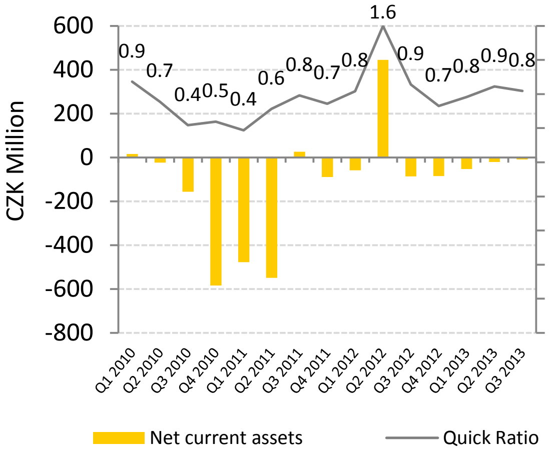
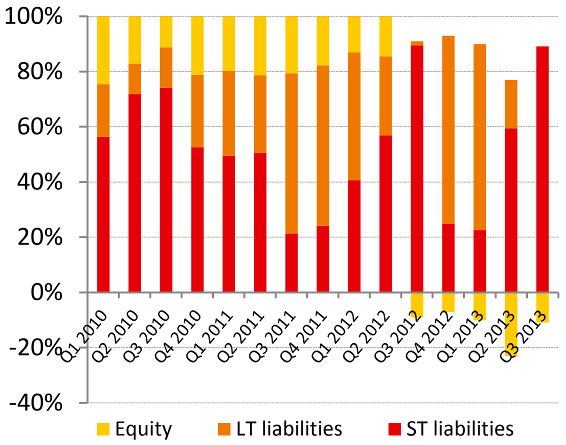



**Chart 4. Break down of liabilities and equity**




The total liabilities amounted to CZK 51.646 million. The main changes on the balance sheet in the liabilities include significant decrease of other loans (by CZK 824.470 million) and decrease of trade and other payables (by CZK 88.345 million). The main reason of this significant decrease was set- off of receivables coming from the restructuring together with the other liability owned to the originally owned subsidiary and repayment of significant portion of trade payables of the Group companies. This set off was performed in June 2013. The outstanding liabilities were waived as described in detail in P&L section above.

### Cash Flow

The Group posted a negative operating cash flow in 2013 Q3, which amounted to CZK 697 thousand. The cash position at the end of the period amounted to CZK 176 thousand.

**Chart 5. Operating, investment and financing cash flow**

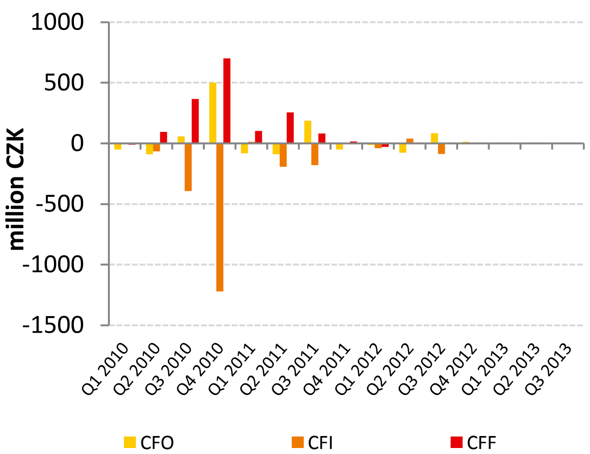
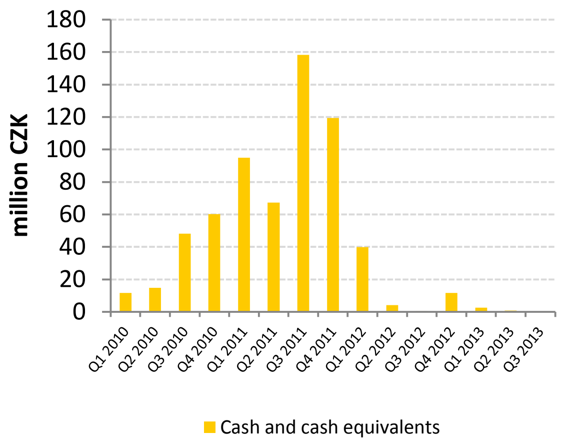



**Chart 6. Cash position at the end of the period**




### Changes in equity

Total equity attributable to equity shareholders was negative, amounted to CZK 7.229 million and increased by CZK 90.160 million compared to the previous quarter, which is mainly attributable to the profit gained in the third quarter 2013 as described in profit and loss section.

### 3. Financial forecasts

The Company did not publish any financial forecasts.

## 4. General information about the Issuer

The below table presents general information about Phoenix Energy a.s., hereinafter referred to as the "Issuer" and/or the "Company".

| | |
|---|---|
| Company name: | Phoenix Energy a.s. |
| Registered office: | U Zvonařky 448/16, 120 00 Praha 2, Czech Republic |
| Registration: | Municipal Court in Prague, section B, file 13779 |
| Company number: | 28223250 |
| Tax-ID: | CZ28223250 |
| Ticker: | PHO |
| Web: | www.phoenixenergy.as |

## 5. Share capital of the Issuer

The Company's share capital is CZK 2,300,000 divided into 23,000,000 shares with a nominal value of CZK 0.10 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 (CZK) | Capital covered with |
|---|---|---|---|---|---|---|
| A | bearer | - | - | 23,000,000 | 2,300,000 | cash |
| **Total number of shares** | | | | **23,000,000** | | |
| **Total share capital** | | | | | **2,300,000** | |
| **Nominal value per share = CZK 0,1** | | | | | | |

In the reporting period there were no changes to the registered capital.

## 6. Shareholder structure

As of the date of this report, to the knowledge of the Management Board of Phoenix Energy a.s., the shareholder structure was 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. | 22,224,206 | 96.63% | 22,224,206 | 96.63% |
| Free float | 775,794 | 3.37% | 775,794 | 3.37% |
| Total | 23,000,000 | 100.00% | 23,000,000 | 100.00% |

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

## 7. Statutory bodies of the Issuer

**Management Board Members as of 30 September 2013**

| Name | Position | Date of birth | Member since |
|---|---|---|---|
| Pavel Kolrus | Chairman | 14.06.1984 | 8.10.2012 |
| Vlastimil Matula | Vice-chairman | 12.04.1979 | 8.10.2012 |
| Eduard Kirchner | Member | 19.04.1949 | 10.12.2012 |

In the reporting period there were no changes to the Management Board.

**Supervisory Board Members as of 30 September 2013**

| Name | Position | Date of birth | Member since |
|---|---|---|---|
| Daniel Goris | Chairperson | 13.02.1977 | 08.10.2012 |
| Dennis de Rijk | Member | 14.07.1977 | 08.10.2012 |
| Mirko d'Alberto | Member | 31.08.1973 | 10.12.2012 |

In the reporting period there were no changes to the Supervisory Board.

## 8. Description of the Issuer's business

The operating activities of Phoenix Energy a.s. as the holding company of Photon Energy Group after the completion of the restructuring process were significantly reduced and the Company was sold out of the Photon Energy Group. More information can be found in chapter 2.2. Strategy and its execution.

## 9. Implementation of innovative activities

No initiatives about the implementation of innovative activities have been undertaken.

## 10. 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 | % of votes | Country of registr. | Consolid. method | Legal Owner |
|---|---|---|---|---|---|---|
| 1 | Phoenix Energy a.s. | Holding Company | | CZ | Full Cons. | MSBV |
| 2 | Photon Energy Italia s.r.l. | 100% | 100% | IT | Full Cons. | Phoenix Energy |
| 3 | Photon Engineering Italia s.r.l. | 100% | 100% | IT | Full Cons. | Phoenix Energy |
| 4 | Alpensolar Einkauf GmbH | 5.90% | 5.90% | DE | Not Cons. | Phoenix Energy |

*Notes*:
Phoenix Energy – Phoenix Energy a.s., previously called Photon Energy a.s.

**Country of registration**
CZ – Czech Republic
IT – Italy
DE – Germany

**Consolidation method:**
Full Cons. - Full Consolidation
Not Cons. - Not Consolidated

In the reporting period there were no changes in the Group structure.

## 11. Employees

As of 30 september 2013 Phoenix Energy a.s. had no employees.

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

### 12.1. 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 April until 30 June 2013 and which were reported in the EBI system:

No. 11/2013 published on 1 July 2013: Annual report for the year 2012

No. 12/2013 published on 14 August 2013: Quarterly report for the year Q2 2013

### 12.2. 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. 13/2013 published on 24 October 2013: Agreement on the set-off of financial receivables followed by waiver

## 13. Detailed consolidated financial results for 2013 Q3

The tables below present the **consolidated** and **un-audited** financial statements of Phoenix Energy a.s. 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* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 |
| **Revenues from the sale of products, goods and services** | **43,834** | **803** | **1,753** | **31** | **7,093** | **133** |
| Cost of sales | -75,806 | -89 | -3,019 | -3 | -12,604 | -16 |
| **Gross profit** | **-31,972** | **714** | **-1,266** | **28** | **-5,511** | **117** |
| Salaries and compensation - administration expenses | -3,305 | -1,820 | -133 | -70 | -507 | -299 |
| Other administrative expenses | -4,879 | -79 | -196 | -3 | -776 | -16 |
| Other income | 1,739 | 76,480 | 69 | 2,968 | 286 | 12,484 |
| Other expenses | 1,044 | -178 | 42 | -7 | 183 | -31 |
| **EBITDA** | **-37,373** | **75,117** | **-1,484** | **2,917** | **-6,325** | **12,255** |
| Depreciation | -298 | -157 | -13 | -6 | -12 | -26 |
| **EBIT** | **-37,671** | **74,960** | **-1,497** | **2,911** | **-6,337** | **12,229** |
| Financial income | 0 | 1 | 0 | 0 | 0 | 0 |
| Interest income | 7,041 | 224 | 280 | 8 | 1,176 | 42 |
| Financial expenses | -221,205 | -129 | -8,809 | -5 | -36,808 | -21 |
| Interest cost | -3,454 | 667 | -141 | 27 | -497 | 99 |
| **Net finance expenses** | **-217,618** | **763** | **-8,670** | **30** | **-36,129** | **119** |
| Share of profit from associates / J-Vs | 0 | 0 | 0 | 0 | 1 | 0 |
| **Profit / loss before taxation** | **-255,323** | **75,723** | **-10,169** | **2,941** | **-42,439** | **12,350** |
| Income tax – current | 2,738 | -7,662 | 108 | -297 | 465 | -1,250 |
| Income tax – deferred | 0 | 0 | -2 | 0 | 65 | 0 |
| **Profit/loss from continuing operations** | **-252,585** | **68,061** | **-10,062** | **2,644** | **-41,909** | **11,099** |
| **Other comprehensive income for the period** | **1,438** | **98** | **57** | **4** | **245** | **16** |
| **Total comprehensive income for the period** | **-251,147** | **68,159** | **-10,006** | **2,647** | **-41,664** | **11,115** |
| **Profit/loss from continuing operations** | **-252,585** | **68,061** | **-10,062** | **2,644** | **-41,909** | **11,099** |
| Attributable to the equity holders | -252,585 | 68,061 | -10,062 | 2,644 | -41,909 | 11,099 |
| Attributable to minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total comprehensive income for the year** | **-251,147** | **68,159** | **-10,006** | **2,647** | **-41,664** | **11,115** |
| Attributable to the equity holders | -251,147 | 68,159 | -10,006 | 2,647 | -41,664 | 11,115 |
| Attributable to minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Average no. of shares in million | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 |
| Earnings per share | -10.982 | 2.959 | -0.437 | 0.115 | -1.822 | 0.483 |
| Comprehensive income per share | -10.919 | 2.963 | -0.435 | 0.115 | -1.811 | 0.483 |
| CZK exchange rate - low | - | - | 24.435 | 25.625 | 5.536 | 5.979 |
| CZK exchange rate - average | - | - | 25.052 | 25.852 | 6.048 | 6.088 |

*Note: Exchange rates provided by the Czech National Bank*

**Statement of Financial Position**

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 |
| PPE – Lands | 374 | 0 | 15 | 0 | 62 | 0 |
| PPE – Photovoltaic power plants | 0 | 0 | 0 | 0 | 0 | 0 |
| PPE – Other equipment | 3,295 | 1,806 | 133 | 70 | 549 | 297 |
| PPE – Assets in progress | 0 | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | 547 | 243 | 22 | 9 | 91 | 40 |
| Investments in associates | 265 | 265 | 11 | 10 | 44 | 44 |
| Other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 |
| Long term loans and other receivables | 0 | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 0 |
| **Non-current assets** | **4,481** | **2,314** | **180** | **90** | **747** | **380** |
| | | | | | | |
| Cash and cash equivalents | 411 | 176 | 17 | 7 | 69 | 29 |
| Trade and other receivables | 877,828 | 49,112 | 35,304 | 1,908 | 146,305 | 8,071 |
| Gross amount due from customers for contract work | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories – Goods | 0 | 44 | 0 | 2 | 0 | 7 |
| Prepaid expenses | 6 | 0 | 0 | 0 | 1 | 0 |
| **Current assets** | **878,245** | **49,332** | **35,321** | **1,917** | **146,374** | **8,107** |
| | | | | | | |
| **TOTAL ASSETS** | **882,726** | **51,646** | **35,501** | **2,007** | **147,121** | **8,487** |
| | | | | | | |
| Issued share capital | 2,300 | 2,300 | 89 | 89 | 320 | 320 |
| Share premium | 14,700 | 14,700 | 592 | 592 | 2,056 | 2,056 |
| Legal Reserve fund | 236 | 236 | 9 | 9 | 36 | 36 |
| Retained earnings | 451,918 | -87,818 | 18,175 | -3,412 | 75,320 | -14,432 |
| Fund for currency conversions | 381 | -573 | 18 | -22 | 64 | -94 |
| Other comprehensive income from previous periods | 0 | 0 | 0 | 0 | 0 | 0 |
| *Other comprehensive income* | 0 | 0 | 0 | 0 | 0 | 0 |
| *Profit/loss-current year* | -566,924 | 63,926 | -22,800 | 2,484 | -94,027 | 10,506 |
| Equity in associates, joint ventures | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity attributable to equity holders | -97,389 | -7,229 | -3,917 | -261 | -16,232 | -1,609 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total equity** | **-97,389** | **-7,229** | **-3,917** | **-261** | **-16,232** | **-1,609** |
| | | | | | | |
| **Non-current liabilities** | **15,701** | **0** | **631** | **0** | **2,618** | **0** |
| Bank loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 15,697 | 0 | 631 | 0 | 2,616 | 0 |
| Deferred tax liabilities | 4 | 0 | 0 | 0 | 1 | 0 |

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 |
| **Current liabilities** | **964,414** | **58,875** | **38,787** | **2,268** | **160,736** | **10,096** |
| Trade and other payables | 125,190 | 36,845 | 5,035 | 1,412 | 20,865 | 6,475 |
| Bank loan | 2,651 | 0 | 107 | 0 | 442 | 0 |
| Other Loans | 826,255 | 1,785 | 33,230 | 69 | 137,709 | 293 |
| Other short-term liabilities | 8,195 | 14,810 | 330 | 575 | 1,366 | 2,434 |
| Tax liabilities (CIT) | 2,123 | 5,435 | 85 | 211 | 354 | 893 |
| **Total Liabilities** | **980,115** | **58,875** | **39,417** | **2,268** | **163,354** | **10,096** |
| **TOTAL EQUITY AND LIABILITIES** | **882,726** | **51,646** | **35,501** | **2,007** | **147,121** | **8,488** |
| *No. of shares in million* | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 |
| Book value per share | -4.234 | -0.314 | -0.170 | -0.011 | -0.706 | -0.070 |

**Cash Flow Statement**

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 |
| Profit for the year | -252,585 | 68,061 | -10,063 | 2,643 | -41,909 | 11,100 |
| Adjustments for: | | | | | | |
| Depreciation | 298 | 157 | 13 | 6 | 12 | 26 |
| Net finance costs | 217,618 | -763 | 8,669 | -30 | 36,129 | -120 |
| Share of profit of equity accounted investees | 0 | 0 | 0 | 0 | -1 | 0 |
| Profit /Loss on sale of property, plant and equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables write-off | 0 | 27 | 0 | 1 | -3 | 5 |
| Income tax expense | -2,738 | 7,662 | -106 | 298 | -530 | 1,250 |
| Changes in: | | | | | | |
| Trade and other receivables | 162,705 | 123,093 | 6,336 | 4,728 | 28,359 | 20,462 |
| Gross amount due from customers for contract work | 134,079 | 0 | 5,336 | 0 | 22,404 | 0 |
| Prepaid expenses | 34,194 | -808 | 1,360 | -31 | 5,723 | -131 |
| Inventories | -21,263 | 865 | -845 | 34 | -3,586 | 141 |
| Trade and other payables | 46,553 | 661,251 | 1,852 | 25,731 | 7,788 | 107,468 |
| Other assets | -224,199 | -871,645 | -8,797 | -33,842 | -38,159 | -142,172 |
| Other liabilities | -11,435 | 11,403 | -445 | 443 | -1,914 | 1,860 |
| Interests paid | 0 | 0 | -1 | 0 | 16 | 0 |
| Income tax paid | 0 | 0 | 0 | 0 | 0 | -1 |
| **Operating cash flow** | **83,227** | **-697** | **3,310** | **-20** | **14,331** | **-113** |
| Acquisition of property,plant and equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of subsidiary (net of cash acquired), associates, joint ventures | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from sale of investments | -87,582 | 0 | -3,484 | 0 | -14,662 | 0 |
| Proceeds from sale of property, plant and equipment, other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest received | 622 | 0 | 25 | 0 | 104 | 0 |
| **Investment cash flow** | **-86,960** | **0** | **-3,460** | **0** | **-14,557** | **0** |
| Proceeds from borrowings | 0 | 0 | -3 | 0 | -413 | 0 |
| Repayment of borrowings | 0 | 0 | -1 | 0 | 28 | 0 |
| **Financial cash flow** | **0** | **0** | **-4** | **0** | **-385** | **0** |
| **Net change in cash** | **-3,733** | **-697** | **-154** | **-19** | **-611** | **-113** |
| Cash at the beginning of the period | 4,144 | 873 | 170 | 34 | 679 | 146 |
| Cash at the end of the period | 411 | 176 | 17 | 7 | 69 | 29 |
| *CZK exchange rate - low* | - | - | *24.435* | *25.625* | *5.536* | *5.979* |
| *CZK exchange rate - average* | - | - | *25.052* | *25.852* | *6.048* | *6.088* |
| *CZK exchange rate - high* | - | - | *25.585* | *26.050* | *6.240* | *6.190* |

*Note: Exchange rates provided by the Czech National Bank*

## Statement of Changes in Equity

| *In CZK Thousands* | Share capital | Share premium | Legal reserve Fund | Currency translation reserve | Revaluation reserve | Retained earnings | TOTAL | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|
| **BALANCE at 1.1.2009** | **2,300** | **14,700** | | **0** | **0** | **-7,526** | **9,474** | | **9,474** |
| Profit | | | | | | 33,402 | **33,402** | | **33,402** |
| Currency translation reserve | | | | 200 | | | **200** | | **200** |
| Revaluation of PPE | | | | | 25,865 | | **25,865** | | **25,865** |
| **Total comprehensive income for the year** | **0** | **0** | **0** | **200** | **25,865** | **33,402** | **59,467** | **0** | **59,467** |
| **BALANCE at 31.12.2009** | **2,300** | **14,700** | **0** | **200** | **25,865** | **25,876** | **68,941** | **0** | **68,941** |
| **BALANCE at 1.1.2010** | **2,300** | **14,700** | **0** | **200** | **25,865** | **25,876** | **68,941** | **0** | **68,941** |
| Profit | | | | | | 42,274 | **42,274** | 314 | **42,588** |
| Foreign currency translation differences | | | | -259 | | | **-259** | | **-259** |
| Revaluation of PPE | | | | | 393,987 | | **393,987** | | **393,987** |
| **Total comprehensive income for the year** | **0** | **0** | **0** | **-259** | **393,987** | **42,274** | **436,002** | **314** | **436,316** |
| Legal reserve fund | | | 230 | | | -230 | **0** | | **0** |
| Acquisitions (non-controlling interests) | | | | | | | | 32 | **32** |
| **BALANCE at 31.12.2010** | **2,300** | **14,700** | **230** | **-59** | **419,852** | **67,920** | **504,943** | **346** | **505,289** |
| Profit | | | | | | -151,640 | **-151,640** | 0 | **-151,640** |
| Foreign currency translation differences | | | | 5,321 | | | **5,321** | | **5,321** |
| Revaluation of PPE | | | | | 86,919 | | **86,919** | 2,359 | **89,278** |
| Share on revaluation of PPE of associates, JV | | | | | 16,863 | | **16,863** | | **16,863** |
| Share on currency translation diff. of associates, JV | | | | 1,276 | | | **1,276** | | **1,276** |
| **Total comprehensive income for the year** | **0** | **0** | **0** | **6,597** | **103,782** | **-151,640** | **-41,261** | **2,359** | **-38,902** |
| Legal reserve fund | | | 6 | | | -6 | **0** | | **0** |
| Deferred tax related to FA revaluation decrease | | | | | 5,455 | | **5,455** | | **5,455** |
| Move from revaluation reserve to retained earnings | | | | | -28,752 | 28,752 | **0** | | **0** |
| **BALANCE at 31.12.2011** | **2,300** | **14,700** | **236** | **6,538** | **500,337** | **-54,974** | **469,137** | **2,705** | **471,842** |
| Profit | | | | | | -539,736 | **-539,736** | | **-539,736** |
| Foreign currency translation differences | | | | -3,017 | | | **-3,017** | | **-3,017** |
| Revaluation of PPE | | | | | | | **0** | | **0** |
| Share on revaluation of PPE of associates, JV | | | | | | | **0** | | **0** |
| Share on currency translation diff. of associates, JV | | | | | | | **0** | | **0** |
| **Total comprehensive income for the year** | **0** | **0** | **0** | **-3,017** | **0** | **-539,736** | **-542,753** | **0** | **-542,753** |
| Move from revaluation reserve to retained earnings | | | | -3,936 | -502,956 | 506,892 | **0** | | **0** |
| Deferred tax related to FA revaluation decrease | | | | | 2,619 | | **2,619** | | **2,619** |
| NCI – shares sales | | | | | | | | -2,705 | **-2,705** |
| **BALANCE at 31.12.2012** | **2,300** | **14,700** | **236** | **-415** | **0** | **-87,818** | **-70,997** | **0** | **-70,997** |
| Profit | | | | | | 63,926 | **63,926** | | **63,926** |
| Foreign currency translation differences | | | | -158 | | | **-158** | | **-158** |
| Revaluation of PPE | | | | | | | **0** | | **0** |
| Share on revaluation of PPE of associates, JV | | | | | | | **0** | | **0** |
| Share on currency translation diff. of associates, JV | | | | | | | **0** | | **0** |

| *In CZK Thousands* | Share capital | Share premium | Legal reserve Fund | Currency translation reserve | Revaluation reserve | Retained earnings | **TOTAL** | Non-controlling interests | **TOTAL EQUITY** |
|---|---|---|---|---|---|---|---|---|---|
| **Total comprehensive income for the year** | **0** | **0** | **0** | **-158** | **0** | **63,926** | **63,768** | **0** | **63,768** |
| Legal reserve fund | | | | | | | **0** | | **0** |
| Move from revaluation reserve to retained earnings | | | | | | | **0** | | **0** |
| Deferred tax related to FA revaluation decrease | | | | | | | **0** | | **0** |
| NCI – shares sales | | | | | | | **0** | | **0** |
| **BALANCE at 30.9.2013** | **2,300** | **14,700** | **236** | **-573** | **0** | **-23,892** | **-7,229** | **0** | **-7,229** |

## 14. Detailed consolidated financial results for 2013 Q1-Q3

The tables below present the **consolidated** and **un-audited** financial statements of Phoenix Energy a.s. 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* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 2012 Q1-3 | 2013 Q1-3 | 2012 Q1-3 | 2013 Q1-3 | 2012 Q1-3 | 2013 Q1-3 |
| **Revenues from the sale of products, goods and services** | **248,975** | **3,745** | **9,905** | **145** | **41,679** | **611** |
| Cost of sales | -148,373 | -1,895 | -5,903 | -74 | -24,838 | -309 |
| Tax levy | -28,582 | 0 | -1,137 | 0 | -4,785 | 0 |
| **Gross profit** | **72,020** | **1,850** | **2,865** | **72** | **12,056** | **302** |
| Salaries and compensation - administration expenses | -41,351 | -5,944 | -1,645 | -231 | -6,922 | -970 |
| Other administrative expenses | -39,031 | -5,568 | -1,553 | -216 | -6,534 | -908 |
| Other income | 6,299 | 91,604 | 251 | 3,557 | 1,054 | 14,942 |
| Other expenses | -5,162 | -3,109 | -205 | -121 | -864 | -507 |
| **EBITDA** | **-7,225** | **78,833** | **-287** | **3,061** | **-1,210** | **12,859** |
| Depreciation | -31,889 | -351 | -1,269 | -14 | -5,338 | -57 |
| **EBIT** | **-39,114** | **78,482** | **-1,556** | **3,048** | **-6,548** | **12,802** |
| Financial income | 0 | 11 | 0 | 0 | 0 | 2 |
| Interest income | 9,203 | 9,643 | 366 | 374 | 1,541 | 1,573 |
| Financial expenses | -407,588 | -259 | -16,215 | -10 | -68,232 | -42 |
| Interest cost | -71,539 | -16,289 | -2,846 | -633 | -11,976 | -2,657 |
| **Net finance expenses** | **-469,924** | **-6,894** | **-18,695** | **-268** | **-78,667** | **-1,125** |
| Share of profit from associates / J-Vs | -551 | 0 | -22 | 0 | -92 | 0 |
| **Profit / loss before taxation** | **-509,589** | **71,588** | **-20,273** | **2,780** | **-85,307** | **11,677** |
| Income tax – current | -2,457 | -7,662 | -98 | -298 | -411 | -1,250 |
| Income tax – deferred | -54,878 | 0 | -2,183 | 0 | -9,187 | 0 |
| **Profit/loss from continuing operations** | **-566,924** | **63,926** | **-22,554** | **2,482** | **-94,905** | **10,427** |
| **Other comprehensive income for the period** | -2,221 | -158 | -88 | -6 | -372 | -26 |
| **Total comprehensive income for the period** | **-569,145** | **63,768** | **-22,642** | **2,476** | **-95,277** | **10,402** |
| **Profit/loss from continuing operations** | **-566,924** | **63,926** | **-22,554** | **2,482** | **-94,905** | **10,427** |
| Attributable to the equity holders | -566,924 | 63,926 | -22,554 | 2,482 | -94,905 | 10,427 |
| Attributable to minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total comprehensive income for the year** | **-569,145** | **63,768** | **-22,642** | **2,476** | **-95,277** | **10,402** |
| Attributable to the equity holders | -569,145 | 63,768 | -22,642 | 2,476 | -95,277 | 10,402 |
| Attributable to minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Average no. of shares in million | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 |
| Earnings per share | -24.649 | 2.779 | -0.981 | 0.108 | -4.126 | 0.453 |
| Comprehensive income per share | -24.745 | 2.773 | -0.984 | 0.108 | -4.142 | 0.452 |
| CZK exchange rate - low | - | - | 24.435 | 25.225 | 5.700 | 5.939 |
| CZK exchange rate - average | - | - | 25.136 | 25.751 | 5.974 | 6.131 |

*Note: Exchange rates provided by the Czech National Bank*

**Statement of Financial Position**

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 |
| PPE – Lands | 374 | 0 | 15 | 0 | 62 | 0 |
| PPE – Photovoltaic power plants | 0 | 0 | 0 | 0 | 0 | 0 |
| PPE – Other equipment | 3,295 | 1,806 | 133 | 70 | 549 | 297 |
| PPE – Assets in progress | 0 | 0 | 0 | 0 | 0 | 0 |
| Intangible assets | 547 | 243 | 22 | 9 | 91 | 40 |
| Investments in associates | 265 | 265 | 11 | 10 | 44 | 44 |
| Other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 |
| Long term loans and other receivables | 0 | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 0 |
| **Non-current assets** | **4,481** | **2,314** | **180** | **90** | **747** | **380** |
| | | | | | | |
| Cash and cash equivalents | 411 | 176 | 17 | 7 | 69 | 29 |
| Trade and other receivables | 877,828 | 49,112 | 35,304 | 1,908 | 146,305 | 8,071 |
| Gross amount due from customers for contract work | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories – Goods | 0 | 44 | 0 | 2 | 0 | 7 |
| Prepaid expenses | 6 | 0 | 0 | 0 | 1 | 0 |
| **Current assets** | **878,245** | **49,332** | **35,321** | **1,917** | **146,374** | **8,107** |
| | | | | | | |
| **TOTAL ASSETS** | **882,726** | **51,646** | **35,501** | **2,007** | **147,121** | **8,487** |
| | | | | | | |
| Issued share capital | 2,300 | 2,300 | 89 | 89 | 320 | 320 |
| Share premium | 14,700 | 14,700 | 592 | 592 | 2,056 | 2,056 |
| Legal Reserve fund | 236 | 236 | 9 | 9 | 36 | 36 |
| Retained earnings | 451,918 | -87,818 | 18,175 | -3,412 | 75,320 | -14,432 |
| Fund for currency conversions | 381 | -573 | 18 | -22 | 64 | -94 |
| Other comprehensive income from previous periods | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit/loss-current year | -566,924 | 63,926 | -22,800 | 2,484 | -94,027 | 10,506 |
| Equity in associates, joint ventures | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity attributable to equity holders | -97,389 | -7,229 | -3,917 | -261 | -16,232 | -1,609 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total equity** | **-97,389** | **-7,229** | **-3,917** | **-261** | **-16,232** | **-1,609** |
| | | | | | | |
| **Non-current liabilities** | **15,701** | **0** | **631** | **0** | **2,618** | **0** |
| Bank loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 15,697 | 0 | 631 | 0 | 2,616 | 0 |
| Deferred tax liabilities | 4 | 0 | 0 | 0 | 1 | 0 |

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 | 30/09/2013 |
| **Current liabilities** | **964,414** | **58,875** | **38,787** | **2,268** | **160,736** | **10,096** |
| Trade and other payables | 125,190 | 36,845 | 5,035 | 1,412 | 20,865 | 6,475 |
| Bank loan | 2,651 | 0 | 107 | 0 | 442 | 0 |
| Other Loans | 826,255 | 1,785 | 33,230 | 69 | 137,709 | 293 |
| Other short-term liabilities | 8,195 | 14,810 | 330 | 575 | 1,366 | 2,434 |
| Tax liabilities (CIT) | 2,123 | 5,435 | 85 | 211 | 354 | 893 |
| **Total Liabilities** | **980,115** | **58,875** | **39,417** | **2,268** | **163,354** | **10,096** |
| **TOTAL EQUITY AND LIABILITIES** | **882,726** | **51,646** | **35,501** | **2,007** | **147,121** | **8,488** |
| *No. of shares in million* | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 | 23.000 |
| Book value per share | -4.234 | -0.314 | -0.170 | -0.011 | -0.706 | -0.070 |

## Cash Flow Statement

| *in Thousands* | CZK | | EUR | | PLN | |
|---|---|---|---|---|---|---|
| | 2012 Q1-Q3 | 2013 Q1-Q3 | 2012 Q1-Q3 | 2013 Q1-Q3 | 2012 Q1-Q3 | 2013 Q1-Q3 |
| Profit for the year | -566,924 | 63,926 | -22,554 | 2,482 | -94,905 | 10,427 |
| Adjustments for: | | | | 0 | | |
| Depreciation | 31,889 | 351 | 1,269 | 14 | 5,338 | 57 |
| Net finance costs | 469,924 | 6,894 | 18,695 | 268 | 78,667 | 1,125 |
| Share of profit of equity accounted investees | 551 | 0 | 22 | 0 | 92 | 0 |
| Profit /Loss on sale of property, plant and equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables write-off | 2,293 | 458 | 91 | 18 | 384 | 75 |
| Income tax expense | 57,335 | 7,662 | 2,281 | 298 | 9,598 | 1,250 |
| Changes in: | | | | | | |
| Trade and other receivables | 0 | 773,280 | 0 | 30,029 | 0 | 126,136 |
| Gross amount due from customers for contract work | 169,050 | 0 | 6,725 | 0 | 28,300 | 0 |
| Prepaid expenses | 34,971 | 0 | 1,391 | 0 | 5,854 | 0 |
| Inventories | 790 | 815 | 31 | 32 | 132 | 133 |
| Trade and other payables | 51,270 | -44 | 2,040 | -2 | 8,583 | -7 |
| Other assets | -233,512 | -867,725 | -9,176 | -33,689 | -39,727 | -141,534 |
| Other liabilities | -11,435 | 11,403 | -445 | 443 | -1,914 | 1,860 |
| Interests paid | -13,722 | 0 | -546 | 0 | -2,297 | 0 |
| Income tax paid | 0 | -1,866 | 0 | -72 | 0 | -304 |
| **Operating cash flow** | **-7,520** | **-4,846** | **-176** | **-181** | **-1,895** | **-783** |
| Acquisition of property,plant and equipment | -200 | -217 | -8 | -8 | -33 | -35 |
| Acquisition of subsidiary (net of cash acquired), associates, joint ventures | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of other investments | -398 | 0 | -16 | 0 | -67 | 0 |
| Proceeds from sale of investments | -87,582 | -516 | -3,484 | -20 | -14,662 | -84 |
| Proceeds from sale of property, plant and equipment, other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest received | 622 | 0 | 25 | 0 | 104 | 0 |
| **Investment cash flow** | **-87,558** | **-733** | **-3,483** | **-28** | **-14,658** | **-120** |
| Proceeds from borrowings | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayment of borrowings | -23,898 | -5,973 | -951 | -232 | -4,001 | -974 |
| **Financial cash flow** | **-23,898** | **-5,973** | **-951** | **-232** | **-4,001** | **-974** |
| **Net change in cash** | **-118,976** | **-11,552** | **-4,610** | **-442** | **-20,554** | **-1,877** |
| Cash at the beginning of the period | 119,387 | 11,728 | 4,627 | 459 | 20,623 | 1,906 |
| Cash at the end of the period | 411 | 176 | 17 | 7 | 69 | 29 |
| *CZK exchange rate - low* | - | - | 24.435 | 25.225 | 5.700 | 5.939 |
| *CZK exchange rate - average* | - | - | 25.136 | 25.751 | 5.974 | 6.131 |
| *CZK exchange rate - high* | - | - | 25.960 | 26.120 | 6.240 | 6.312 |

*Note: Exchange rates provided by the Czech National Bank*

## 15. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Phoenix Energy a.s. 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 CZK | 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 | 0 | 0 | 0 | 0 | 0 | 3,745 | 3,745 | 0 | 3,745 |
| Revenues within segments from the sale of products, goods and services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cost of sale | 0 | -73 | 0 | 0 | 0 | -2,173 | -2,246 | 0 | -2,246 |
| Out of that depreciation | 0 | -18 | 0 | 0 | 0 | -333 | -351 | 0 | -351 |
| **Gross profit** | **0** | **-73** | **0** | **0** | **0** | **1,572** | **1,499** | **0** | **1,499** |
| Other external income | 0 | 7 | 0 | 0 | 0 | 91,597 | 91,604 | 0 | 91,604 |
| Administrative and other expenses | 0 | -1,729 | 0 | 0 | 0 | -12,892 | -14,621 | 0 | -14,621 |
| Out of that depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Out of that energy tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Operating income** | **0** | **-1,795** | **0** | **0** | **0** | **80,277** | **78,482** | **0** | **78,482** |
| Interest income | 0 | 0 | 0 | 0 | 0 | 9,686 | 9,686 | -43 | 9,643 |
| Interest expenses | 0 | -15 | 0 | 0 | 0 | -16,317 | -16,332 | 43 | -16,289 |
| Other financial revenues | 0 | 0 | 0 | 0 | 0 | 11 | 11 | 0 | 11 |
| Other financial expenses | 0 | -20 | 0 | 0 | 0 | -239 | -259 | 0 | -259 |
| Profit/loss share in entities in equivalency | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income tax | 0 | 0 | 0 | 0 | 0 | -7,662 | -7,662 | 0 | -7,662 |
| **Profit/loss after taxation** | **0** | **-1,830** | **0** | **0** | **0** | **65,756** | **63,926** | **0** | **63,926** |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign currency translation diff. - foreign operations | 0 | 0 | 0 | 0 | 0 | -158 | -158 | 0 | -158 |
| **Total comprehensive income** | **0** | **-1,830** | **0** | **0** | **0** | **65,598** | **63,768** | **0** | **63,768** |
| **Assets, of which** | **0** | **15,723** | **0** | **0** | **0** | **37,033** | **52,756** | **-1,110** | **51,646** |
| PPE – Lands | 0 | 0 | 0 | 0 | 0 | 374 | 374 | 0 | 374 |
| PPE – Photovoltaic power plants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PPE - Equipment | 0 | 0 | 0 | 0 | 0 | 621 | 621 | 0 | 621 |
| PPE – Assets in progress | 0 | 0 | 0 | 0 | 0 | 811 | 811 | 0 | 811 |
| Intangibles | 0 | 0 | 0 | 0 | 0 | 243 | 243 | 0 | 243 |
| Trade and other receivables | 0 | 15,638 | 0 | 0 | 0 | 34,584 | 50,222 | -1,110 | 49,112 |
| Gross amount due from customers for contract work | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories – Goods | 0 | 0 | 0 | 0 | 0 | 44 | 44 | 0 | 44 |
| Investments in associates, JV, other | 0 | 0 | 0 | 0 | 0 | 265 | 265 | 0 | 265 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 0 | 85 | 0 | 0 | 0 | 91 | 176 | 0 | 176 |
| **Liabilities, of which** | **0** | **20,328** | **0** | **0** | **0** | **39,657** | **59,985** | **-1,110** | **58,875** |
| Trade and other payables | 0 | 18,357 | 0 | 0 | 0 | 18,488 | 36,845 | 0 | 36,845 |
| Bank Loans and other loans | 0 | 1,196 | 0 | 0 | 0 | 1,699 | 2,895 | -1,110 | 1,785 |
| Other long term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| in Thousands CZK | 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 |
|---|---|---|---|---|---|---|---|---|---|
| Other short term liabilities | 0 | 775 | 0 | 0 | 0 | 14,035 | 14,810 | 0 | 14,810 |
| Current tax liabilities (income tax) | 0 | 0 | 0 | 0 | 0 | 5,435 | 5,435 | 0 | 5,435 |
| Deferred tax liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

| in Thousands CZK | 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 | 17,459 | 75,143 | 130,188 | 5,108 | 0 | 21,077 | 248,975 | 0 | 248,975 |
| Revenues within segments from the sale of products, goods and services | 13,812 | 0 | 0 | 5,128 | 0 | 73,959 | 92,899 | -92,899 | 0 |
| Cost of sale | -57,423 | -85,506 | -9,208 | -7,213 | 0 | -81,932 | -241,282 | 92,909 | -148,373 |
| **Gross profit** | **-26,152** | **-10,363** | **120,980** | **3,023** | **0** | **13,104** | **100,592** | **10** | **100,602** |
| Other external income | 2,281 | 1 | 269 | 1,049 | 0 | 2,699 | 6,299 | 0 | 6,299 |
| Administrative and other expenses | -1,519 | -5,760 | -30,072 | -4,708 | 0 | -72,057 | -114,116 | -10 | -114,126 |
| Out of that energy tax | 0 | 0 | 28,582 | 0 | 0 | 0 | 28,582 | 0 | 28,582 |
| **EBITDA** | **-25,390** | **-16,122** | **91,177** | **-636** | **0** | **-56,254** | **-7,225** | **0** | **-7,225** |
| Depreciation | -204 | -280 | -30,466 | -333 | 0 | -606 | -31,889 | 0 | -31,889 |
| **Operating income** | **-25,594** | **-16,402** | **60,711** | **-969** | **0** | **-56,860** | **-39,114** | **0** | **-39,114** |
| Interest income | 1,614 | 14,481 | 110 | 1 | 0 | 24,248 | 40,454 | -31,251 | 9,203 |
| Interest expenses | -30,052 | -5,035 | -47,201 | -2 | 0 | -20,500 | -102,790 | 31,251 | -71,539 |
| Other financial revenues | 0 | 16,700 | 0 | 0 | 0 | 0 | 16,700 | 0 | 16,700 |
| Other financial expenses | -19,956 | -107 | -4,596 | -45 | 0 | -399,584 | -424,288 | 0 | -424,288 |
| Profit/loss share in entities in equivalency | 0 | 0 | 0 | 0 | -551 | 0 | -551 | 0 | -551 |
| Income tax | 252 | -1,389 | -55,899 | -216 | 0 | -83 | -57,335 | | -57,335 |
| **Profit/loss after taxation** | **-73,736** | **8,248** | **-46,875** | **-1,231** | **-551** | **-452,779** | **-566,924** | **0** | **-566,924** |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign currency translation diff. - foreign operations | 0 | 0 | 0 | 0 | 0 | -2,221 | -2,221 | 0 | -2,221 |
| **Total comprehensive income** | **-73,736** | **8,248** | **-46,875** | **-1,231** | **-551** | **-455,000** | **-569,145** | **0** | **-569,145** |
| **Assets, of which** | **0** | **119,412** | **151** | **0** | **0** | **848,497** | **968,060** | **-85,334** | **882,726** |
| PPE – Lands | 0 | 0 | 0 | 0 | 0 | 374 | 374 | 0 | 374 |
| PPE – Photovoltaic power plants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PPE – Assets in progress | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PPE - Equipment | 0 | 0 | 0 | 0 | 0 | 3,295 | 3,295 | 0 | 3,295 |
| Intangibles | 0 | 0 | 150 | 0 | 0 | 397 | 547 | 0 | 547 |
| Trade and other receivables | 0 | 119,289 | 0 | 0 | 0 | 843,873 | 963,162 | -85,334 | 877,828 |
| Intragroup loans | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments in associates, JV, other | 0 | 0 | 0 | 0 | 0 | 265 | 265 | 0 | 265 |
| 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 | 0 | 0 | 0 | 6 | 6 | 0 | 6 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 0 | 123 | 1 | 0 | 0 | 287 | 411 | 0 | 411 |
| **Liabilities, of which** | **0** | **116,972** | **138** | **0** | **0** | **948,339** | **1,065,449** | **-85,334** | **980,115** |
| Trade and other payables | 0 | 118,435 | 181 | 0 | 0 | 91,908 | 210,524 | -85,334 | 125,190 |
| Bank Loans and other loans | 0 | 0 | 0 | 0 | 0 | 828,906 | 828,906 | 0 | 828,906 |
| Current tax liabilities (income tax) | 0 | 21 | -43 | 0 | 0 | 2,145 | 2,123 | 0 | 2,123 |
| Deferred tax liabilities | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 0 | 4 |
| Other long term liabilities | 0 | 0 | 0 | 0 | 0 | 15,697 | 15,697 | 0 | 15,697 |
| Other short term liabilities | 0 | -1,484 | 0 | 0 | 0 | 9,679 | 8,195 | 0 | 8,195 |

## 16. Summary of significant accounting policies

### Basis of preparation

Our accountings policies are based on International Financial Reporting Standards (IFRS) as adopted by EU and were authorized for issue by 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 recognized 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 recognized 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 recognized 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 method 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 Czech crown (CZK) and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organized by the Warsaw Stock Exchange - NewConnect, the balances are retranslated into EUR and PLN currencies

**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 recognized 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 recognized at cost. The cost of the investment includes transaction costs.

The group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized 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.

Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealized 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 Phoenix 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 powerplants 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 CZK, which is the company's functional and the group's presentation currency.

The consolidated financial information is presented in CZK, however, for presentation purposes; the financial information is translated into EUR and 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 Czech National 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.

| | EUR | | PLN | |
|---|---|---|---|---|
| | 2012 Q3 | 2013 Q3 | 2012 Q3 | 2013 Q3 |
| CZK exchange rate – low | 24.435 | 25.225 | 5.700 | 5.939 |
| CZK exchange rate – high | 25.136 | 25.751 | 5.974 | 6.131 |
| CZK exchange rate – average | 24.865 | 25.735 | 6.000 | 6.085 |
| CZK exchange rate – end of period | 25.960 | 26.120 | 6.240 | 6.312 |

(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 recognized in the income statement.

(c) Group companies

In case of entities, whose functional currency is EUR, the financial statements are retranslated at the consolidation into CZK 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 recognized 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 recognized 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 capitalized (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 recognized 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 recognized by the Group in case the Management anticipates the future profits will offset the current income tax asset.

## 17. Management Board declaration

We hereby confirm that according to our best knowledge the information about Phoenix Energy a.s. 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.

Prague, 14 November 2013

| | |
|---|---|
| Vlastimil Matula | Pavel Kolrus |
| Vice-chairman of the Board of Directors | Chairman of the Board of Directors |

## 18. Investors Relations contact

Investor Relations
Phoenix Energy
U Zvonařky 448/16
120 00 Praha 2
Czech Republic

Phone: +420 272 048 344
Fax: +420 272 048 144
E-mail: ir@phoenixenergy.as
Web: www.phoenixenergy.as

PHOENIX
ENERGY a.s.

Phoenix Energy a.s. | U Zvonařky 448/16, Praha 2 120 00 Czech Republic
Company no. 28223250, Tax-ID: CZ28223250
Tel: +420 272 048 344, Fax: +420 272 048 144, www.phoenixenergy.as
Registered capital: CZK 2,300,000. The company is registered with the Municipal Court in Prague, section B, file 13779