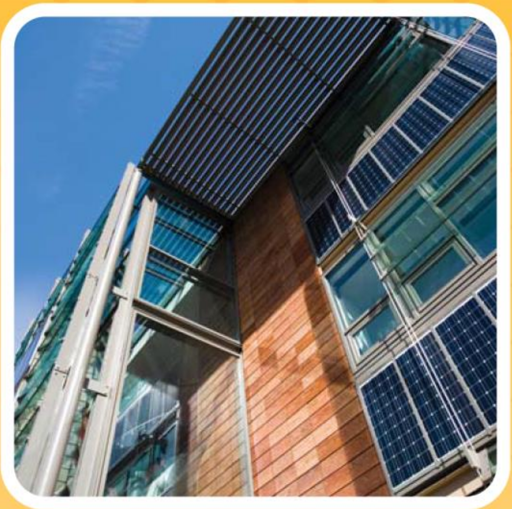
PHOENIX ENERGY a.s.



PHOENIX ENERGY a.s. ENTITY FINANCIAL REPORT

2013 / Q3

For the period from 1 July until 30 September 2013

14 November 2013 | Prague | Czech Republic

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Phoenix Energy a.s., U Zvonařky 448/16, 120 00 Praha 2, Czech Republic, Company no. 28223250, Tax-ID: CZ 282 23 250
Tel: +420 272 048 344, Fax: +420 272 048 144, info@phoenixenergy.com, www.phoenixenergy.com
Registered capital: CZK 2,300,000. The company is registered with the Municipal Court in Prague, section B, file 13779

1. Selected unconsolidated financial results

The table below provides selected key data from the **unconsolidated** and **unaudited** financial statements of Phoenix Energy a.s. in accordance with **Czech Accounting Standards** for the quarterly period ended 30 September 2013 and the corresponding period of the previous year.

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

in Thousands	CZK		EUR		PLN	
	2012Q3	2013Q3	2012Q3	2013Q3	2012Q3	2013Q3
Revenues	3 710	5	148	0	604	2
EBITDA	-37 563	75 598	-1 493	2 932	-6 244	12 370
EBIT	-29 047	75 584	-1 123	2 933	-5 642	12 368
Pre-tax profit	-51 529	71 148	-2 047	2 761	-8 618	11 636
Net profit	-51 529	63 486	-2 047	2 464	-8 617	10 385
Non-current assets	7 940	2 887	319	112	1 323	474
Current assets	770 875	27 307	31 028	1 085	128 681	4 682
Cash and cash equivalents	236	82	9	3	39	14
Total assets	778 820	30 194	31 348	1 198	130 005	5 157
Total equity	-84 750	6 111	-3 382	258	-13 924	1 198
Current liabilities	863 571	16 422	34 730	638	143 929	2 699
CZK exchange rate - low	-	-	*24,435*	*25,625*	*5,900*	*5,979*
CZK exchange rate - average	-	-	*25,065*	*25,852*	*6,063*	*6,088*
CZK exchange rate - end of period	-	-	*24,865*	*25,735*	*6,000*	*6,085*
CZK exchange rate - high	-	-	*25,585*	*26,050*	*6,240*	*6,190*

Note: Exchange rates provided by the Czech National Bank

2. The management board's discussion and analysis

The unconsolidated financial results of Phoenix Energy a.s. are prepared in accordance with Czech Accounting Standards. All operating activities are conducted by its operating subsidiaries. Therefore, the Management will provide detailed comments on the Company's financial results in the report of consolidated accounts.

3. General Information about 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:	CZ 282 23 250
Ticker:	PHO
Web:	www.phoenixenergy.as

4. Financial forecasts

The Company did not publish any financial forecasts.

5. Investment action plan and its implementation

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

6. Share capital of the Company

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.

7. Shareholder structure

As of the reporting date, 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.

8. Statutory bodies of the Company

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.

9. Description of the Company's business

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.

10. Implementation of innovative activities

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

11. Employees

In Q3 2013 the Company had no employees.

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

12.1. Summary of the key events from 1 July till 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. 11/2013 published on 1 July 2013: Annual report for the year 2012

No. 12/2013 published on 14 August 2013: Quarterly report for 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 unconsolidated financial results for 2013 Q3

The tables below provide the **unconsolidated** and **unaudited** financial statements of Phoenix Energy a.s. in accordance with the **Czech Accounting Standards** for the three-month period ended 30 September 2013 and the corresponding period in the previous year.

Income Statement

in Thousands (except EPS)	**CZK**		**EUR**		**PLN**	
	2012Q3	2013Q3	2012Q3	2013Q3	2012Q3	2013Q3
Revenues from the sale of products, goods and services	**3,710**	**5**	**148**	**0**	**604**	**2**
Cost of sales	**-42,448**	**-264**	-1,687	-9	-7,046	-38
Other administrative expenses	0	0	0	0	0	0
Other income	1,694	193,033	87	7,446	-227	31,864
Other expenses	-435	-117,176	-36	-4,505	439	-19,457
EBITDA	**-37,479**	**75,598**	**-1,489**	**2,932**	**-6,230**	**12,370**
Amortization&depreciation	-84	-14	-3	0	-14	-2
EBIT	**-37,563**	**75,584**	**-1,493**	**2,933**	**-6,244**	**12,368**
Financial income	8,516	162	370	4	601	43
Financial costs	-22,482	-4,598	-924	-175	-2,975	-774
Profit / loss before taxation	-51,529	71,148	-2,047	2,761	-8,618	11,636
Income tax	0	-7,662	0	-297	0	-1,250
Profit/loss for the period (net income)	**-51,529**	**63,486**	**-2,047**	**2,464**	**-8,618**	**10,385**

Balance Sheet

in Thousands	CZK		EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Non-current assets	**7,940**	**2,887**	**319**	**112**	**1,323**	**474**
PPE – Lands	374	374	15	15	62	62
PPE – Other equipment	2,331	176	94	7	388	29
PPE – Assets in progress	0	811	0	32	0	133
Intangible assets	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0
Investments in associates	4,970	1,262	200	49	828	207
Other investments	265	265	11	10	44	43
Deferred tax assets	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
Current assets	**770,875**	**27,307**	**31,028**	**1,085**	**128,681**	**4,682**
Cash and cash equivalents	236	82	9	3	39	14
Trade and other receivables	770,639	27,181	31,019	1,082	128,642	4,669
Inventory	0	44				
Prepaid expenses	5	0	0	0	1	0
Total assets	**778,820**	**30,194**	**31,348**	**1,198**	**130,005**	**5,157**
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	10	10	36	36
Retained earnings	-54,999	-114,643	-2,211	-4,454	-8,501	-18,106
Reserves			0	0	0	0
Profit/loss for the current period	-46,987	103,518	-1,862	4,022	-7,834	16,892
Total equity	**-84,750**	**6,111**	**-3,382**	**258**	**-13,924**	**1,198**

in Thousands						
Non-current liabilities	0	7,662	0	301	0	1,259
Bank loan	0	0	0	0	0	0
Provisions	0	7,662	0	301	0	1,259
Current liabilities	863,571	16,422	34,730	638	143,929	2,699
Trade and other payables	846,807	3,123	34,056	121	141,134	513
Bank loan	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Tax payables	16,764	13,300	674	517	2,794	2,186
TOTAL EQUITY AND LIABILITIES	**778,820**	**30,194**	**31,348**	**1,197**	**130,006**	**5,157**

14. Detailed unconsolidated financial results for 2013 Q1-Q3

The tables below provide the **unconsolidated** and **unaudited** financial statements of Phoenix Energy a.s. in accordance with the **Czech Accounting Standards** for the nine-month period ended 30 September 2013 and the corresponding period in the previous year.

Income Statement

in Thousands (except EPS)	CZK		EUR		PLN	
	2012Q1-Q3	2013Q1-Q3	2012Q1-Q3	2013Q1-Q3	2012Q1Q3	2013Q1-Q3
Revenues from the sale of products, goods and services	**17,786**	**1,387**	**708**	**54**	**2,977**	**226**
Cost of sales	**-80,821**	**-3,892**	**-3,209**	**-151**	**-13,498**	**-628**
Other administrative expenses	0	0	0	0	0	0
Other income	430,072	831,893	17,110	32,305	71,995	135,697
Other expenses	-430,426	-698,766	-17,124	-27,135	-72,055	-113,981
EBITDA	**-63,389**	**130,621**	**-2,515**	**5,073**	**-10,580**	**21,313**
Amortization&depreciation	-188	-41	-6	-1	-31	-7
EBIT	**-63,576**	**130,581**	**-2,522**	**5,072**	**-10,611**	**21,307**
Financial income	700,950	26,809	27,887	1,041	117,341	4,373
Financial costs	-684,290	-46,210	-27,224	-1,794	-114,552	-7,538
Profit / loss before taxation	-46,917	111,181	-1,859	4,319	-7,823	18,142
Income tax	-70	-7,662	-3	-298	-12	-1,250
Profit/loss for the period (net income)	**-46,987**	**103,518**	**-1,862**	**4,022**	**-7,834**	**16,892**

Balance Sheet

in Thousands	CZK		EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Non-current assets	**7,940**	**2,887**	**319**	**112**	**1,323**	**474**
PPE – Lands	374	374	15	15	62	62
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PPE – Assets in progress	0	811	0	32	0	133
Intangible assets	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0
Investments in associates	4,970	1,262	200	49	828	207
Other investments	265	265	11	10	44	43
Deferred tax assets	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
Current assets	**770,875**	**27,307**	**31,028**	**1,085**	**128,681**	**4,682**
Cash and cash equivalents	236	82	9	3	39	14
Trade and other receivables	770,639	27,181	31,019	1,082	128,642	4,669
Inventory	0	44				
Prepaid expenses	5	0	0	0	1	0
Total assets	**778,820**	**30,194**	**31,348**	**1,198**	**130,005**	**5,157**
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	10	10	36	36
Retained earnings	-54,999	-114,643	-2,211	-4,454	-8,501	-18,106
Reserves			0	0	0	0
Profit/loss for the current period	-46,987	103,518	-1,862	4,022	-7,834	16,892
Total equity	**-84,750**	**6,111**	**-3,382**	**258**	**-13,924**	**1,198**

in Thousands	CZK		EUR		PLN	
	30/09/2012	30/09/2013	30/09/2012	30/09/2013	30/09/2012	30/09/2013
Non-current liabilities	0	7,662	0	301	0	1,259
Bank loan	0	0	0	0	0	0
Provisions	0	7,662	0	301	0	1,259
Current liabilities	863,571	16,422	34,730	638	143,929	2,699
Trade and other payables	846,807	3,123	34,056	121	141,134	513
Bank loan	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Tax payables	16,764	13,300	674	517	2,794	2,186
TOTAL EQUITY AND LIABILITIES	**778,820**	**30,194**	**31,348**	**1,197**	**130,006**	**5,157**

15. Notes to Financial Statement

15.1. Exchange rates

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

15.2. Approximation

All figures are provided in thousands of Czech crowns. Figures shown in EUR and PLN are provided for information purposes only.

16. Summary of significant accounting policies

a. Basis of Preparation of the Financial Statements

The standalone financial statements were prepared in accordance with the Accounting Act and the regulation which provides implementation guidance on the Accounting Act in the wording effective for 2013.

b. General Accounting Principles

The Company applied the following valuation methods in preparing the financial statements for actual period:

- **Tangible and Intangible Fixed Assets**

Tangible and intangible fixed assets are stated at their acquisition cost. Tangible and intangible fixed assets with a cost below CZK 40 thousand and CZK 60 thousand, respectively, are not reported on the face of the balance sheet and are charged to expenses in the year the assets are acquired.

Depreciation and Amortisation

Depreciation and amortisation charges are calculated with reference to the acquisition cost and estimated useful lives of the relevant assets. The estimated useful life is determined as follows:

Asset	Method	Depreciation period
Machinery and equipment	Straight-line	5 years
Vehicles	Straight-line	5 years

- **Financial Assets**

Current financial assets are composed of cash on hand and cash at bank.

- **Non-current Financial Assets**

Non-current financial assets primarily include equity investments in controlled entities and associates, debt securities where the Company has an intention and ability to hold such debt securities until their maturity, and other long-term securities where the Company's intention is usually not known at the moment of acquisition.

Non-current financial assets are carried at their acquisition cost. The acquisition cost includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

At the balance sheet date, equity investments are stated at their acquisition cost. In the event the recoverable amount of the relevant investment declines temporarily, the Company creates a provision.

- **Receivables**

Receivables are stated at their nominal value. The value of doubtful amounts is reduced by appropriate provisions as described in the “Determining Provisions and Reserves” Note.

- **Determining Provisions and Reserves**

Receivables and Loans

The Company establishes provisions against doubtful receivables and loans on the basis of an internal analysis of the customer’s and debtor’s financial health and with reference to an aging analysis.

Reserves

A reserve for outstanding vacation days is established at the balance sheet date on the basis of an analysis of outstanding vacation days for the relevant accounting period and the average payroll costs, including social security and health insurance costs by individual employees.

The reason for the Company creating a reserve for income taxes is that the moment when the level of the tax liability is determined is preceded by the moment of preparation of the financial statements. The Company releases the income tax reserve in the next accounting period and recognises the identified tax liability.

In the balance sheet, the reserve for income taxes is reduced by any advances paid for income tax and a potential resulting receivable is reported in the “State – tax receivables” item.

- **Foreign Currency Translation**

Transactions denominated in foreign currencies are translated at the daily foreign exchange rate of the Czech National Bank.

At the balance sheet date, assets and liabilities denominated in a foreign currency are translated using the effective exchange rate promulgated by the Czech National Bank. Unrealised foreign exchange rate gains and losses are recorded in profit or loss.

- **Research and Development**

The Company records research costs directly to the relevant expense account. The register of such costs is maintained separately.

- **Leases**

When accounting for assets held under lease agreements, the Company charges lease instalments into expenses over the lease period. Upon terminating a lease contract and exercising the purchase option, the leased asset is included in the Company’s assets at the acquisition cost thereof. Instalments for other assets held under lease agreements are also expensed over the lease period.

- **Income Taxation**

Income tax for the relevant accounting period is composed of a current tax payable and a change in deferred tax.

The tax currently payable includes an estimate of tax calculated from the tax base at the tax rate applicable on the first day of the accounting period, and any additionally assessed or returned taxes for previous periods.

Deferred tax is based on any temporary differences between the tax base of an asset or a liability and its carrying amount, and/or other temporary differences (tax losses), using the income tax rate that is expected to apply in the period in which the tax liability is settled or the asset realised.

Deferred tax asset is only recognised when it is likely to be recovered in the following accounting periods.

- **Classification of Payables**

The portion of long-term payables, bank loans and financial borrowings maturing within one year from the balance sheet date is included in short-term payables, bank loans and financial borrowings.

- **Revenue and Expense Recognition**

Income and expenses are accounted for on an accruals basis, i.e. in the period to which they relate on both a timely and factual basis. The Company charges to expenses created reserves and provisions intended to cover all risks, losses and impairments that are known to the Company as at the date of the financial statements' preparation.

Sales of services are recorded at the date of the services' provision.

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 and as of this report date, fairly represents our company's financial and operational position.

Prague, 14 November 2013

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

18. Investors Relations contact

Investor Relations
U Zvonařky 448/16
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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