

# PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

Q4 2014

for the period from 1 October to 31 December 2014

MATERIAL	200					X
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# CONSOLIDATED AND ENTITY FINANCIAL REPORTS

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# CONSOLIDATED AND ENTITY FINANCIAL REPORTS

## 1. Selected financial results

### 1.1. Selected financial results for Photon Energy Group, for the period of 1 October to 31 December 2014

in Thousands	EUR		PLN	
	2013 Q4	2014 Q4	2013 Q4	2014 Q4
Total revenues	2 678	1 490	11 199	6 318
Gross profit	1 047	1 112	4 364	4 727
EBITDA	1 120	-462	4 693	-1 892
EBIT	460	-1 132	1 938	-4 724
Profit / loss before taxation	-599	-1 372	-2 385	-5 761
<b>Total comprehensive income</b>	<b>-3 178</b>	<b>7 943</b>	<b>-13 193</b>	<b>33 198</b>
Non-current assets	80 837	86 967	335 751	371 411
Current assets	9 823	8 834	40 798	37 726
Cash and cash equivalents	4 682	4 657	19 446	19 886
Total assets	90 660	95 801	376 549	409 137
<b>Total equity</b>	<b>26 719</b>	<b>30 729</b>	<b>110 977</b>	<b>131 236</b>
Current liabilities	13 431	8 406	55 784	35 899
Non-current liabilities	50 510	56 666	209 789	242 002
Operating cash flow	-644	-12	-2 971	411
Investment cash flow	0	0	0	0
Financial cash flow	-12	-925	-139	-3 895
<b>Net change in cash</b>	<b>-656</b>	<b>-936</b>	<b>-3 109</b>	<b>-3 484</b>
EUR exchange rate - low	-	-	4,149	4,160
EUR exchange rate - average	-	-	4,186	4,209
EUR exchange rate - end of period	-	-	4,153	4,271
EUR exchange rate - high	-	-	4231	4310

Note: Exchange rates provided by the European Central Bank

#### Financial highlights:

- Revenues decreased to EUR 1.490 million, down by 44% YOY;
- EBITDA fell from a positive EUR 1.120 million to a loss of EUR 0.462 million;
- EBIT turned from a positive EUR 0.460 million to a loss of EUR 1.132 million;
- Loss before taxation was increased to EUR 1.372 million compared to a loss of EUR 0.599 million in Q4 2013;
- A total comprehensive income of EUR 7.943 million was booked compared to a loss of EUR 3.178 million in Q4 2013;
- Equity increased from EUR 26.719 million in Q4 2013 to EUR 30.729 million in Q4 2014, up by 15% YOY;
- The equity ratio still remained a solid 35%<sup>1</sup>;
- During full-year 2014 Photon Energy's revenues fell by 15.2% YOY to EUR 11.76 million;
- The company managed to grow its EBITDA in 2014 by 39% YOY to EUR 4.6 million. and to reach profitability at the EBIT level, with a positive EUR 183,000 after an EBIT loss of EUR 1.524 million in 2013;
- The Group reduced its net loss by 18.9% YOY to EUR 4.051 million, however, its bottom-line was strongly impacted by a EUR 2.227 million (non-cash) loss on the revaluation of derivatives linked to the strong decline in market interest rates.

<sup>1</sup>Equity ratio is defined as total equity divided by total capital, being the sum of interest-bearing debt capital and equity capital.

#### Other highlights:

- The total portfolio of Photon Energy Operations amounted to 122.5 MWp as of the end of Q4 2014 compared to 63.6 MWp a year ago;
- The proprietary portfolio of PV plants generated approximately 2.8 GWh of electricity; 1.7% below the energy audits, down by 21% compared to Q4 2013, but in line with 2013 year-to-date;
- A pioneering PV project was commissioned in Australia, combining 39 kWp of solar power with a 216 kWh battery storage system;
- Photon Energy signed an EPC project for a 99 kWp roof mounted photovoltaic installation in Sydney, Australia.

## 1.2. Standalone financial results for Photon Energy N.V., for the period of 1 October to 31 December 2014

in Thousands	EUR		PLN	
	2013 Q4	2014 Q4	2013 Q4	2014 Q4
Revenues	0	0	0	0
Gross profit	-1 244	-649	-5 220	-2 725
EBITDA	-1 244	-783	-5 220	-3 283
EBIT	-1 244	-779	-5 220	-3 266
Profit / loss before taxation	-1 251	-837	-5 245	-3 514
<b>Total comprehensive income</b>	<b>-1 251</b>	<b>-838</b>	<b>-5 245</b>	<b>-3 514</b>
Non-current assets	42 299	31 911	172 297	132 543
Current assets	5 761	11 940	23 927	50 991
Cash and cash equivalents	2	94	8	402
Total assets	48 060	43 851	196 224	183 535
<b>Total equity</b>	<b>35 694</b>	<b>30 385</b>	<b>148 252</b>	<b>129 767</b>
Current liabilities	12 366	5 940	47 971	21 978
Non-current liabilities	0	7 525	0	31 790
EUR exchange rate - low			4,149	4,160
EUR exchange rate - high			4,186	4,209
EUR exchange rate - average			4,153	4,271
EUR exchange rate - end of period			4231	4310

**Notes:**

Exchange rates are provided by the European Central Bank.

All data quoted in this report refer to the current reporting period i.e. from 1 October until 31 December 2014, 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, engineering, procurement and construction of solar power plants.

Throughout this report Photon Energy Group is referred to as the "Group", the "Company", the "Issuer" and/or "Photon Energy".

## 2. Management discussion and analysis

### 2.1. A note from the Management Board

In 2014 Q4 Photon Energy continued in its strategy of geographical diversification with new projects in Australia and a simultaneous expansion of our Operations and Maintenance (O&M) portfolio in Europe. We were able to commission a ground breaking solar offgrid project in Australia and secure a new medium-scale power plant contract, while at the same time our O&M portfolio significantly grew.

#### Construction of a ground breaking solar offgrid project in Australia

On 7 November 2014 Photon Energy Australia launched a pioneer solar project combining a 39 kWp PV power plant with a 216 kWh battery storage system, generating electricity for a radio broadcasting tower in Muswellbrook, New South Wales. The tower, operated by internationally renowned telcom group BAI will run on locally produced and stored energy, thanks to the advanced battery storage technology 24 hours a day. This ground-breaking and innovative project demonstrates that renewable energy can provide unique solutions and economical savings for consumers of energy, either commercial or individual, in remote locations world-wide. The project was designed and delivered in association with the German Energy Agency, Deutsche Energie-Agentur GmbH (dena), using predominantly German technology. The project is part of the worldwide dena Renewable Energy Solutions and co-financed by the German Federal Ministry for Economic Affairs and Energy (BMWi) within the initiative “renewables – Made in Germany“. The radio transmission tower will be powered by mostly ‘Made in Germany’ components; a 39 kWp solar power installation is using 216 kWh of batteries and a 8 kVA diesel back-up system for emergencies. Photon Energy has set up a special website dedicated to this innovative project and the topic of solar storage solutions at [www.solaroffgrid.info](http://www.solaroffgrid.info)

We are proud to be part of this innovative venture, which not only provides off-grid power solutions and thereby removes grid reliance in the areas where the grid costs the most, but it does this cost-effectively and without fossil fuel emissions.

#### Photon Energy signed a new EPC project for 99 kWp in Australia

On 4 December 2014, Photon Energy signed an EPC project for a 99 kWp roof mounted photovoltaic installation in Sydney. The ultimate goal of the project is to increase the building’s NABERS rating, which is a national rating system measuring the environmental performance of Australian buildings, including among other things their energy efficiency and impact on the environment, reaping financial benefits for its tenants, the building owner and the community. The design and engineering work started immediately upon signing the agreement while the construction of the power plant commenced in mid February 2015. The project is expected to be finalised and commissioned in April 2015 and will be eligible for the Small Scale Technology Certificate scheme (STC), which provides rebates for solar PV systems below 100 kWp. Upon completion of the project, Photon Energy will also provide operations and maintenance services combined with a monitoring and control system. The above project will be the fifth solar power plant built and operated by Photon Energy in Australia bringing the total installed base to more than 700 kWp of solar PV.

#### New central inverter service contracts

At the same time we remained focused on the further development of our Operations and Maintenance business in Europe. Since the end of 2014 Q3, our O&M team signed new contracts for 7.05 MWp for our “Inverter Cardio” services of preventive maintenance. The name is based on the idea that a central inverter is the heart of a PV power plant and should be treated as carefully as a human heart. Our approach assumes keeping costs as low as possible, by using remote support, repairing components instead of fast-cash spare-part-deals, and by applying our revolutionary predictive maintenance service. As this approach, and the services provided, are not only of top quality but also unique, we expect more O&M contracts to be won.

As of the date of this report, we provide our „Inverter Cardio“ services to 61.25 MWp in seven countries and we supply vital services and spare parts to a further 100 MWp of central inverters. Based on our success with Satcon clients we are working on branching out to provide services for other central inverter brands, which will multiply our addressable market in this promising segment of the value chain.

#### Discontinuation of our O&M activities in Italy

In contrast, following the outrageous retroactive cuts to the support mechanism for PV plants by the Italian government in 2014, the already highly competitive O&M market for PV plants lost momentum while PV plant owners are increasingly anxious to recover a part of their losses by pushing down operating costs, of which O&M is the most significant. With little visibility to build a profitable business in Italy, the Company had to decide to discontinue its activities aiming at providing full-service O&M services in Italy. Photon Energy’s Inverter Cardio team will, however, continue servicing its client base in Italy and other European markets from its base in Prague.

## Financial results

Financially, 2014 Q4 results reflect a challenging year with past issues weighing down on us, and during which a number of initiatives were implemented to generate recurring revenue streams and take further costs out of our business. We are glad to announce that, despite a decrease in consolidated revenues, a more accurate revaluation of our power plants led us to record a total comprehensive income amounting to EUR 7.9 million, compared to a negative EUR 3.2 million for the same period last year.

Starting with the top line, the Group recorded a decrease in consolidated revenues from EUR 2.768 million to EUR 1.490 million, down by 44% YOY. The decrease in revenues in 2014 Q4, is primarily connected to the generation of the power plants and to lower revenues in the operations and energy solution divisions. At the same time the negative impact of the CZK depreciation against the EUR eroded a significant part of those revenues which, being denominated in CZK, declined in euro-terms.

Consolidated EBIT turned negative from a profit of EUR 0.460 million to a loss of EUR 1.132 million, mainly in connection with lower revenues. On the other hand, thanks to significant cost savings, the Company managed to decrease all cost categories (administrative costs, costs of sales and salaries).

EBITDA decreased from EUR 1.120 million in Q4 2013 to a loss of EUR 0.462 million in the reporting period.

The bottom line, remained logically in red with a net loss of EUR 1.318 million in Q4 2014 compared to a loss of EUR 0.755 million a year ago.

As mentioned earlier, the total comprehensive profit amounted to EUR 7.943 million in Q4 2014 compared to a loss of EUR 3.178 million in Q4 2013, as a result of a revaluation of power plants performed at the year-end of 2014. Reflecting changes in the financing structure and the decrease in interest levels in combination with a more stable regulatory environment in the Czech Republic, the fair value calculation of the Group's portfolio led to an increase in their value by EUR 8.252 million.

## 2.2. Strategy and its execution

Until now PV plants under Feed-in-Tariffs or similar government support systems 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 we have initiated a fundamental review and re-think of our strategy in order to position Photon Energy as the leading **Experts for the Solar Age** globally and create higher value for all the Company's stakeholders.

Over the past six years the Company's experience provided **several valuable lessons**:

- ▶ No more bets on government-driven support schemes for PV electricity
- ▶ PV plants are no longer merely financial assets but will be mostly built to cover on-site consumption
- ▶ Customers require sophisticated energy solutions with a PV system being ideally the main supply source
- ▶ Financing is by far the largest bottleneck for the global roll-out of PV – the solution are standardised financing solutions similar to mortgages or car leasing
- ▶ Operations & Maintenance including performance guarantees in combination with insurance solutions are the key to standardised financing
- ▶ Diversification along the value chain and by geography are crucial for risk mitigation
- ▶ Sustainable shareholder value is only created by activities generating recurring revenue streams

**The goal of the new strategy** is to generate recurring revenue streams while maximising customer value. Photon Energy's revised focus is now on:

- ▶ Customised Energy Solutions
- ▶ Decentralised Energy Production and Solar Storage Solutions
- ▶ Operations & Maintenance
- ▶ Asset Management
- ▶ Investment Protection

**Our next steps** are:

- ▶ Our current services & products are being realigned in order to best serve our business lines
- ▶ The NPV<sup>max</sup> (Net Present Value) concept is being implemented into all our services & products
- ▶ The Photon Energy Operations offering will be expanded by advisory and other new services
- ▶ Photon Energy's power plant monitoring solutions will be offered as a standalone product
- ▶ The Australian market is our focus for the expansion of PV generation capacity
- ▶ Our Swiss subsidiary Global Investment Protection AG will continue to offer services in the area of arbitration advise, legal advise and restructuring for investors whose assets might be under threat from retroactive government measures.

Moreover, 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.

The Group also intends to specialise 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 over 50%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills.

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. 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

#### Proprietary portfolio

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 31 December 2014, consisted of 27 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 31 December 2014**

Nr	Proprietary portfolio	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	CZ	2 354	100%	2 354	Dec-10
2	Zvíkov I	CZ	2 031	100%	2 031	Nov-10
3	Dolní Dvořiště	CZ	1 645	100%	1 645	Dec-10
4	Svatoslav	CZ	1 231	100%	1 231	Dec-10
5	Slavkov	CZ	1 159	100%	1 159	Dec-10
6	Mostkovice SPV 1	CZ	210	100%	210	Dec-10
7	Mostkovice SPV 3 <sup>1</sup>	CZ	926	100%	926	Dec-09
8	Zdice I	CZ	1 499	100%	1 499	Dec-10
9	Zdice II	CZ	1 499	100%	1 499	Dec-10
10	Radvanice	CZ	2 305	100%	2 305	Dec-10
11	Břeclav rooftop	CZ	137	100%	137	Dec-10
12	Babiná II	SK	999	100%	999	Dec-10
13	Babina III	SK	999	100%	999	Dec-10
14	Prša I.	SK	999	60%	599	Dec-10
15	Blatna	SK	700	70%	490	Dec-10
16	Mokra Luka 1	SK	963	100%	963	Jun-11
17	Mokra Luka 2	SK	963	100%	963	Jun-11
18	Jovice 1	SK	979	100%	979	Jun-11
19	Jovice 2	SK	979	100%	979	Jun-11
20	Brestovec	SK	850	50%	425	Jun-11
21	Polianka	SK	999	50%	500	Jun-11
22	Myjava	SK	999	50%	500	Jun-11
23	Verderio	IT	261	100%	261	Nov-11
24	Biella, Verrone	IT	993	100%	993	Jun-12
25	Symonston	AUS	144	100%	144	Feb-13
26	Brandenburg	DE	75	100%	75	Apr-12
27	Altentreptow	DE	156	100%	156	Dec-11
<b>Total</b>	-	-	<b>27 054</b>	-	<b>25 021</b>	-

<sup>1</sup>Mostkovice SPV 3 combines of two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp)

In the reporting period, there were no changes to the proprietary portfolio of Photon Energy N.V.

### Generation results

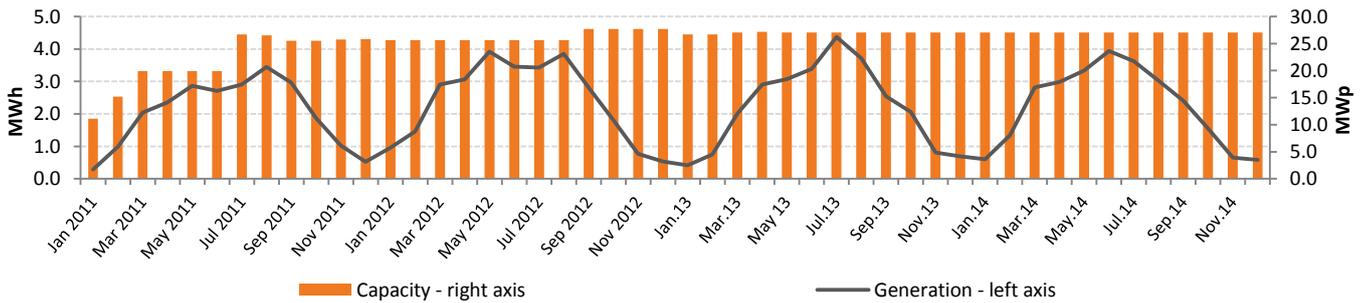
While October and November proved to be less favourable months in terms of weather conditions, positive weather conditions in December, characterised by low snowfall, resulted in an average quarterly performance of the proprietary power plants coming in slightly below expectations. The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in Q4 2014 amounted to 2.8 GWh, which was 1.7% below the energy forecasts, down by 19.9% YOY. However, on a year-to-date basis, the electricity output of our proprietary portfolio was equal to the 2013 results. The performance almost fully recovered and remained slightly short of generation estimates by 1.4%. 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 October and 31 December 2014**

Project name Unit	Capacity kWp	Prod. Q4 (kWh)	Proj. Q4 (kWh)	Perf. %	YTD Prod. (kWh)	YTD Proj. (kWh)	Perf. %	YoY %
Komorovice	2,354	196,154	213,252	-8.0%	2,286,996	2,330,403	-1.9%	1.2%
Zvíkov I	2,031	206,011	186,842	10.3%	2,041,608	2,042,486	0.0%	7.3%
Dolní Dvořiště	1,645	203,742	155,491	31.0%	1,635,111	1,699,180	-3.8%	2.7%
Svatoslav	1,231	76,408	115,484	-33.8%	1,071,271	1,261,981	-15.1%	-3.5%
Slavkov	1,159	130,275	109,973	18.5%	1,234,822	1,201,760	2.8%	0.8%
Mostkovice SPV 1	210	18,060	25,766	-29.9%	205,157	194,991	5.2%	-2.0%
Mostkovice SPV 3	926	73,655	87,858	-16.2%	906,411	906,665	0.0%	-1.5%
Zdice I	1,499	143,519	137,084	4.7%	1,560,827	1,486,228	5.0%	4.3%
Zdice II	1,499	140,790	137,084	2.7%	1,544,068	1,486,228	3.9%	3.8%
Radvanice	2,305	245,650	211,085	16.4%	2,366,663	2,306,695	2.6%	3.9%
Břeclav rooftop	137	18,117	18,157	-0.2%	149,127	134,841	10.6%	2.4%
<b>Total Czech PP</b>	<b>14,996</b>	<b>1,452,381</b>	<b>1,398,074</b>	<b>3.9%</b>	<b>15,002,061</b>	<b>15,051,460</b>	<b>-0.3%</b>	<b>2.6%</b>
Babiná II	999	97,518	121,659	-19.8%	885,843	995,431	-11.0%	-2.5%
Babina III	999	97,407	121,659	-19.9%	884,301	995,431	-11.2%	-1.6%
Prša I.	999	108,417	112,190	-3.4%	1,004,574	990,200	1.5%	-5.5%
Blatna	700	75,798	85,353	-11.2%	697,842	728,251	-4.2%	-1.4%
Mokra Luka 1	963	138,143	140,611	-1.8%	1,062,557	1,037,487	2.4%	-2.0%
Mokra Luka 2	963	140,753	140,611	0.1%	1,073,384	1,037,487	3.5%	-3.5%
Jovice 1	979	81,848	87,384	-6.3%	845,223	956,083	-11.6%	-8.2%
Jovice 2	979	77,926	87,384	-10.8%	818,900	956,083	-14.3%	-9.7%
Brestovec	850	101,148	110,248	-8.3%	946,437	870,649	8.7%	0.1%
Polianka	999	100,647	89,168	12.9%	941,718	978,622	-3.8%	2.6%
Myjava	999	124,140	124,290	-0.1%	1,066,830	1,038,314	2.7%	3.7%
<b>Total Slovak PP</b>	<b>10,429</b>	<b>1,143,745</b>	<b>1,220,556</b>	<b>-6.3%</b>	<b>10,227,610</b>	<b>10,584,037</b>	<b>-3.4%</b>	<b>-2.5%</b>
Verderio	261	25,651	30,007	-14.5%	251,304	243,443	3.2%	-0.1%
Biella	993	108,411	128,894	-15.9%	1,018,508	1,004,285	1.4%	-15.4%
<b>Total Italian PP</b>	<b>1,254</b>	<b>134,062</b>	<b>158,901</b>	<b>-15.6%</b>	<b>1,269,812</b>	<b>1,247,728</b>	<b>1.8%</b>	<b>0.0%</b>
Symonston	144	69,310	66,450	4.3%	200,450	191,700	4.6%	NA
<b>Total Australian PP</b>	<b>144</b>	<b>69,310</b>	<b>66,450</b>	<b>4.3%</b>	<b>200,450</b>	<b>191,700</b>	<b>4.6%</b>	<b>NA</b>
Brandenburg	75	4,811	5,127	-6.2%	61,494	60,978	0.8%	NA
Altentreptow	156	8,091	11,307	-28.4%	125,066	130,943	-4.5%	-3.4%
<b>Total German PP</b>	<b>231</b>	<b>12,902</b>	<b>16,434</b>	<b>-21.5%</b>	<b>186,560</b>	<b>191,921</b>	<b>-2.8%</b>	<b>7.0%</b>
<b>Total</b>	<b>27,054</b>	<b>2,812,399</b>	<b>2,860,415</b>	<b>-1.7%</b>	<b>26,886,493</b>	<b>27,266,846</b>	<b>-1.4%</b>	<b>0.0%</b>

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

**Chart 1. Generation results and capacity growth between Jan 2011 and Dec 2014**



**O&M service**

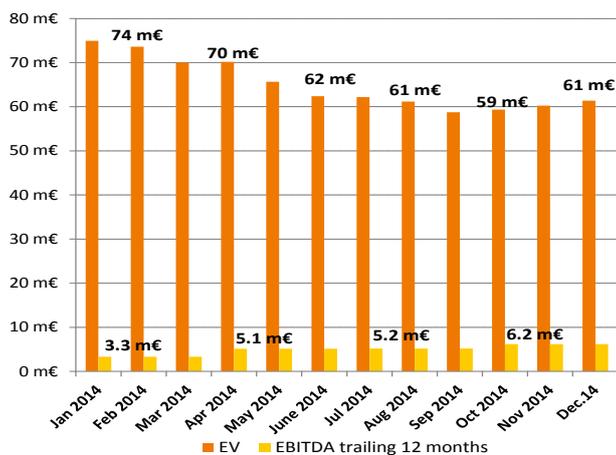
Photon Energy is continuously expanding its operations and maintenance portfolio and adding new geographical locations to the list of countries, in which it now provides its services. In particular, the “Inverter Cardio” services (see the detailed explanation in chapter 2.1) grow at an impressive pace and currently the Group is servicing more than 61.25 MWp of central inverters, compared to 54.2 MWp at the end of 2014 Q3 (up by 7.05 MWp), and to 9.0 MWp at the end of 2013 Q4 (up by 52.2 MWp). In some countries like France or Germany the Group is holding a leading market position while in Belgium in particular, the Group is servicing all of the Satcon inverters ever installed.

In detail, at the end of 2014 Q4, the total cumulative capacity of central inverters amounted to 61.25 MWp, dividing regionally into France (21.3 MWp), Italy (15.0 MWp), Belgium (9.2 MWp), Germany (1.75 MWp), Slovakia (5.5 MWp), Czech Republic (7.5MWp) and Bulgaria (1.0MWp).

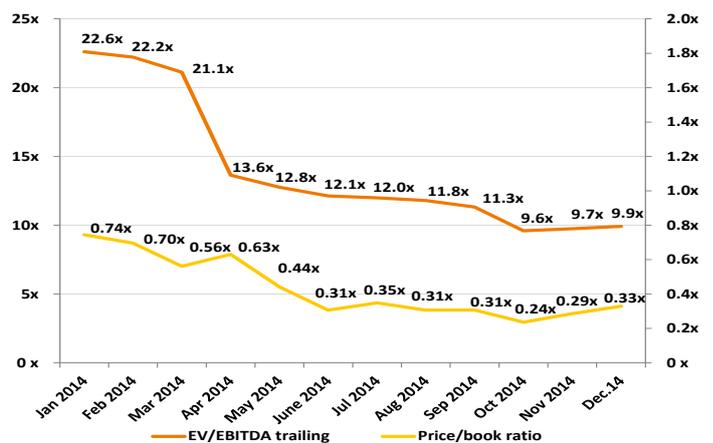
The full operations & maintenance services of Photon Energy grow at a somewhat slower pace but still the Group is gradually marking an ever larger footprint on this ground. As of the end of Q4, the full O&M services amounted to approximately 61.3 MWp, up by 2.4 MWp from 2014 Q3, and up by 6.7 MWp from 2013 Q4, and can be broken down geographically into 38.0 MWp operated in the Czech Republic, 10.8 MWp in Slovakia, 7.7 MWp in Germany, 1.3 MWp in Italy, 0.6 MWp in Australia and 3 MWp in Belgium. The O&M portfolio divides into 27.1 MWp of PV capacities from the proprietary portfolio and 34.2 MWp serviced for external clients. After the reporting period PEO started a new O&M contract in Czech Republic (2.7 MWp) late in January and on 13 February signed an additional 13.5 MWp capacity with another external client in Czech Republic. None of these contracts were included in the figures reported above.

**2.5. Enterprise value & Share price performance**

**Chart 2. Enterprise value vs. trailing 12 months (TTM) EBITDA**



**Chart 3. Enterprise value / trailing 12 months EBITDA & price to book ratio**



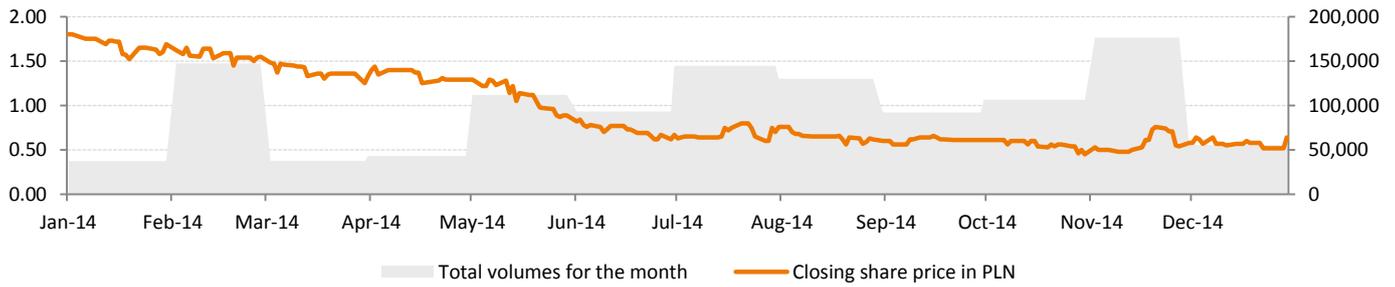
**Notes:**

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; e.g. in November, the sum of EBITDA reported in Q1, Q2, Q3 2014 and Q4 2013.

Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the latest quarterly report.

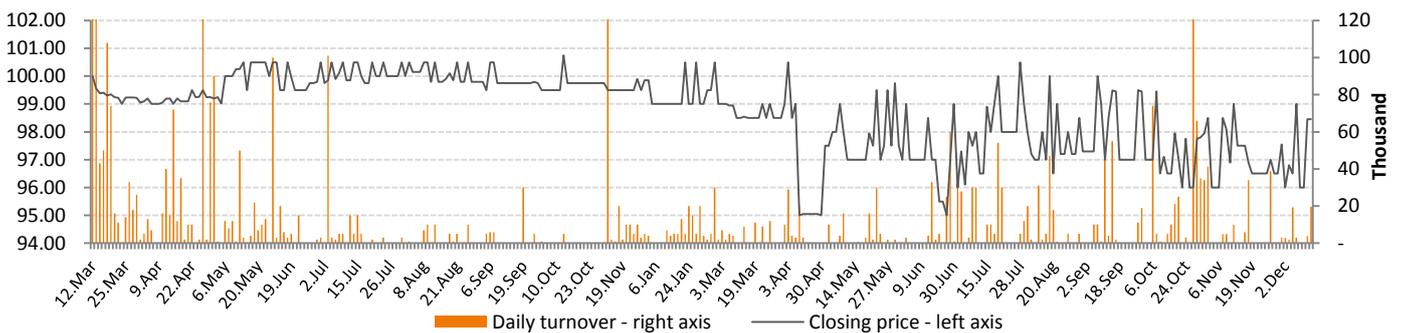
**Chart 4. Total monthly volumes vs. daily closing stock prices**



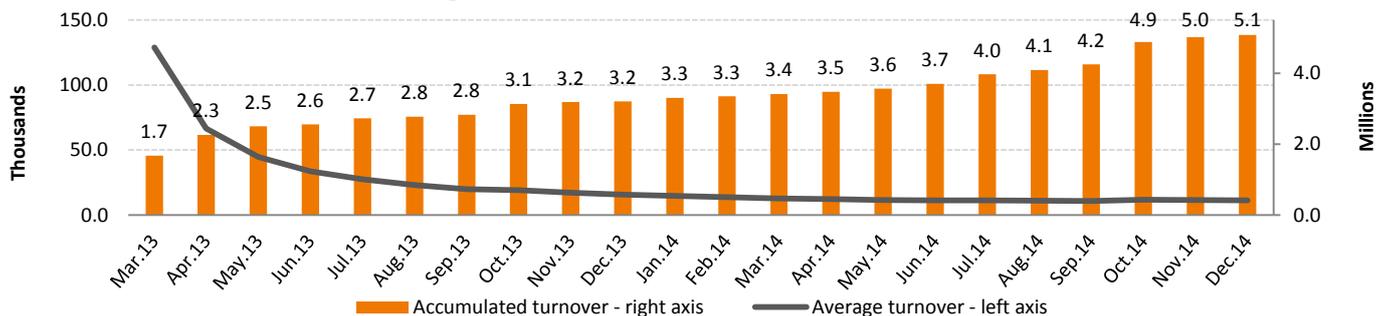
**2.6. Bond trading performance**

In March 2013 Photon Energy Investments N.V., at that time a fully-owned subsidiary of Photon Energy N.V., placed a 5-year corporate bond with an 8% annual coupon and quarterly coupon payments in Germany, Austria, the Czech Republic, Slovakia and Poland. Upon completion of the merger of Photon Energy N.V. and Photon Energy Investments N.V., Photon Energy N.V. became the legal successor and assumed all obligations towards the bondholders of Photon Energy Investments NV. The bond is listed on the stock exchanges in Frankfurt, Berlin, Hamburg, Hannover and Vienna. Since listing the bond has been trading between 95% and 100.75%.

**Chart 5. The Company's bond trading on the Frankfurt Stock Exchange in Germany between 12 March 2013 and 31 December 2014, on a daily basis**



**Chart 6. Cumulative turnover and average turnover**

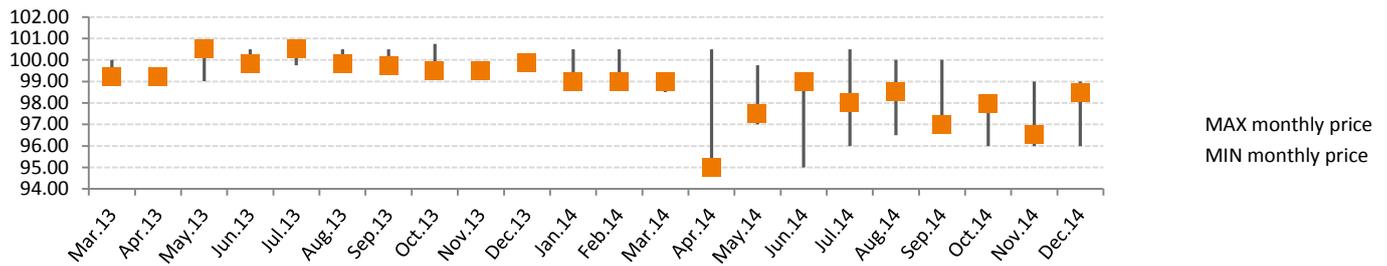


In the trading period from 12 March 2013 until 31 December 2014 the trading volume amounted to EUR 5.075 Mio (nominal value) with an opening price of 100.00 and a closing price of 98.45. During this period the average daily turnover amounted to EUR 11,129.

**Bond trading performance in 2014 Q4**

In 2014 Q4 the trading volume amounted to EUR 823,680 with an opening price of 97.00 and a closing price of 98.45. The average daily turnover amounted to EUR 13,503.

**Chart 7. MIN, MAX and closing monthly prices**



**2.7. Financial statement analysis**

**Profit and Loss statement**

Consolidated revenues decreased in 2014 Q4 compared to the same period of the previous year, from EUR 2.768 million to EUR 1.490 million, down by 44% YOY. The decrease in revenues in 2014 Q4 is primarily connected to the generation of the power plants and lower revenues in the operations and energy solution divisions. On top of that, a negative impact of the CZK depreciation against the EUR eroded a significant part of those revenues due to an intervention by the Czech National Bank on the CZK. A significant part of revenues from electricity production is quoted and paid in CZK and hence any depreciation of the CZK compared to EUR has a negative impact on the revenues and the Group's profitability.

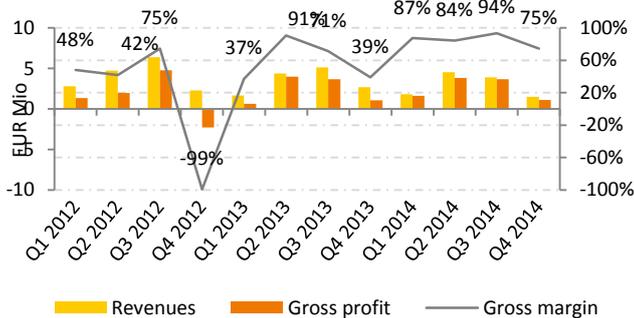
Consolidated EBIT turned negative a profit of EUR 0.460 million to a loss of EUR 1.132 million. The decrease in operating profitability can be attributed mainly to lower revenues. However, the Company managed to decrease all of cost categories (administrative costs, costs of sales and salaries) by significant cost saving measures. Additionally, the lower levy on the revenues of our Czech PV plants (due to decrease of the levy from 26% in 2013 to 10% in 2014) contributed positively as it decreased from EUR 0.260 million to EUR 0.66 million.

EBITDA decreased from EUR 1.120 million in Q4 2013 to a loss of EUR 0.462 million in the reporting period.

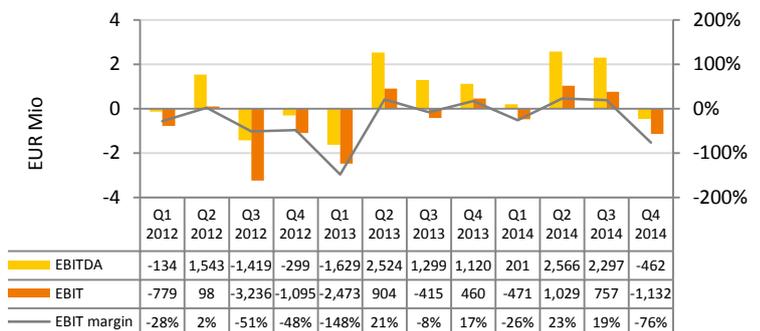
The bottom line remained in red with a net loss of EUR 1.318 million in 2014 Q4 compared to a loss of EUR 0.755 million in the corresponding period of 2013. The net loss was primarily driven by lower revenues as described above.

Total comprehensive profit amounted to EUR 7.943 million in 2014 Q4 compared to a loss of EUR 3.178 million a year ago. This significant increase in total comprehensive income was influenced by the revaluation of power plants (see balance sheet).

**Chart 8. Revenues, gross profit and gross margin**



**Chart 9. EBITDA, EBIT and EBIT margin development**

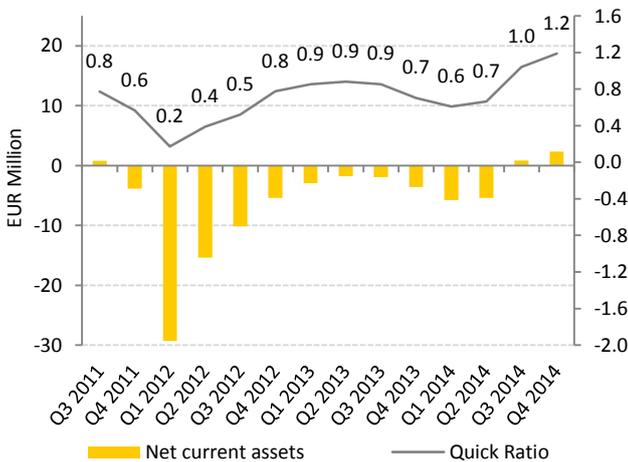


**Balance Sheet**

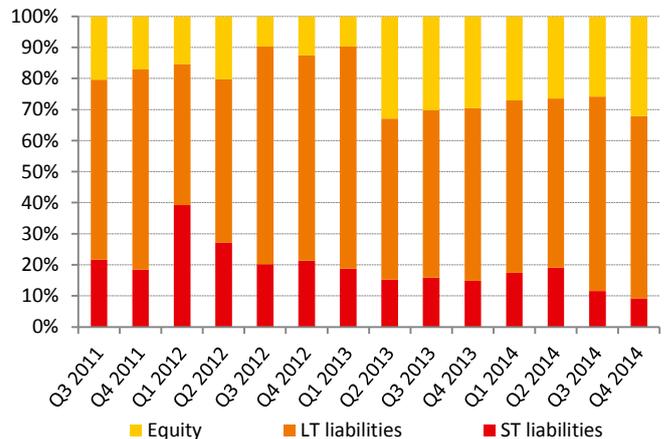
Total assets amounted to EUR 86.967 million at the end of 2014 Q4 and increased by EUR 6.130 million compared to 2013 Q4. The main reason for the increase in assets is the revaluation of power plants performed per year-end 2014. Reflecting changes in the financing structure and the decrease in interest levels in combination with a more stable regulatory environment in the Czech Republic, the fair value calculation of the Group’s portfolio led to an increase in their value by EUR 8.252 million. Current assets decreased from EUR 9.823 million as of 31 December 2013 to EUR 8.834 million as of 31 December 2014 mainly due to a decline in other receivables (lower by EUR 1.4 million).

Total liabilities amounted to EUR 65.073 million as of the end of the reporting period compared to EUR 63.941 million as of the end of 2013 Q4. While short term liabilities decreased by EUR 5.025 million (down from EUR 13.431 million in 2013 Q4 to EUR 8.406 million in 2014 Q4) long term liabilities increased by EUR 6.1 million from EUR 50.510 million in 2013 Q4 to EUR 56.666 million in 2014 Q4. The main drivers of the decrease in short term liabilities was the partial repayment and restructuring of a short-term loan in the amount of EUR 6 million, out of which EUR 2 million was converted into the Group’s corporate bond, approximately EUR 3.1 million was repaid in cash, while the remaining amount was converted into an amortising loan with a final maturity in March 2018 (see more details in EBI report 27/2014). The above mentioned credit restructuring was also the main reason for the increase in long term liabilities together to the higher other long-term liabilities containing the bond. The total outstanding balance of liabilities has also been positively influenced by the change of the CZK/EUR exchange rate as the major part of bank loans is denominated in CZK.

**Chart 10. Net current assets**



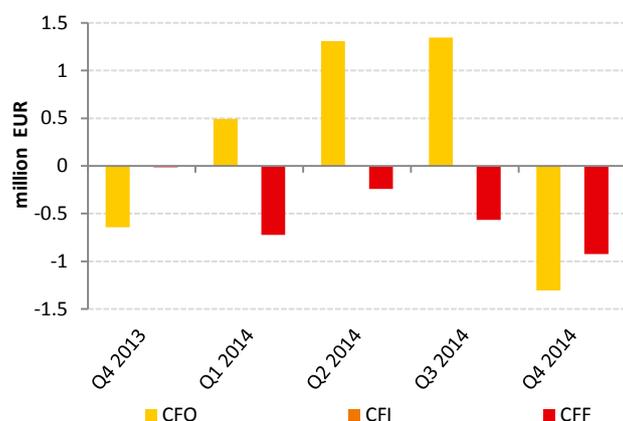
**Chart 11. Break down of liabilities and equity**



**Cash Flow**

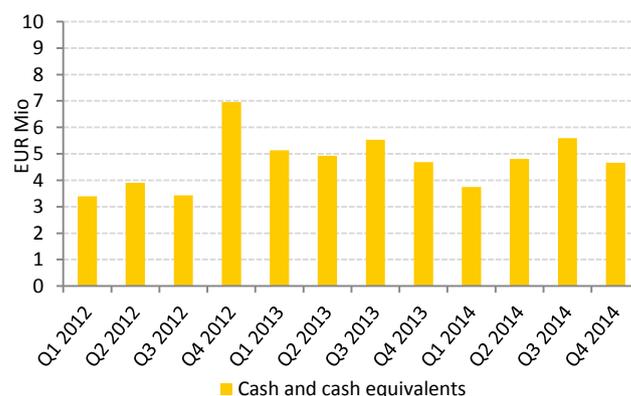
The Group posted an almost balanced operating cash flow in 2014 Q4, which amounted to a negative EUR 0.012 million. Financial cash flow was negative and amounted to EUR 0.925 million driven primarily by the repayment of borrowings and the payment of the Photon Energy bond coupon, compensated by proceeds from new bank loans and the issuance of new bonds. There was no investment cash outflow. Overall, the net change in cash resulted in a decrease of EUR 0.025 million of the cash position to a total of EUR 4.657 million at the end of the reporting period.

Chart 12. Operating, investment and financing cash flow



There were no investment cash flows during the period.

Chart 13. Cash position at the end of the period



### Changes in equity

Equity increased to EUR 30.729 million in 2014 Q4 compared to EUR 26.719 million in 2013 Q4 mainly as a result of the positive impact of the revaluation as described in Balance sheet section and negatively compensated by the actual loss and negative derivatives and currency reserves.

### 2.8. Financial forecasts

The Company does not publish 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", "the Group" and/or the "Company".

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, the 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 600,000 divided into 60,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up.

## Share capital as of 31 december 2014

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	-	-	60,000,000	600,000	cash
<b>Total number of shares</b>				<b>60,000,000</b>		
<b>Total share capital</b>					<b>600,000</b>	
Nominal value per share = EUR 0.01						

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

## 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:

Shareholdership as of 31.12.2014	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,274	47.1%	28,263,274	55.9%
Solar Future Cooperatief U.A.	8,590,739	14.3%	8,590,739	17.0%
Solar Power to the People Cooperatief U.A.	8,036,573	13.4%	8,036,573	15.9%
Photon Energy N.V.	9,434,910	16.7%	0	0.0%
Free float	5,674,504	8.5%	5,674,504	11.2%
<b>Total</b>	<b>60,000,000</b>	<b>100.0%</b>	<b>50,565,090</b>	<b>100.0%</b>

In the reporting period, shares were transferred from Photon Energy NV to the Employee share purchase programm. These shares were added to the free-float.

## 6. Statutory bodies of the Issuer

### Board of Directors as of 31 December 2014

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

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.

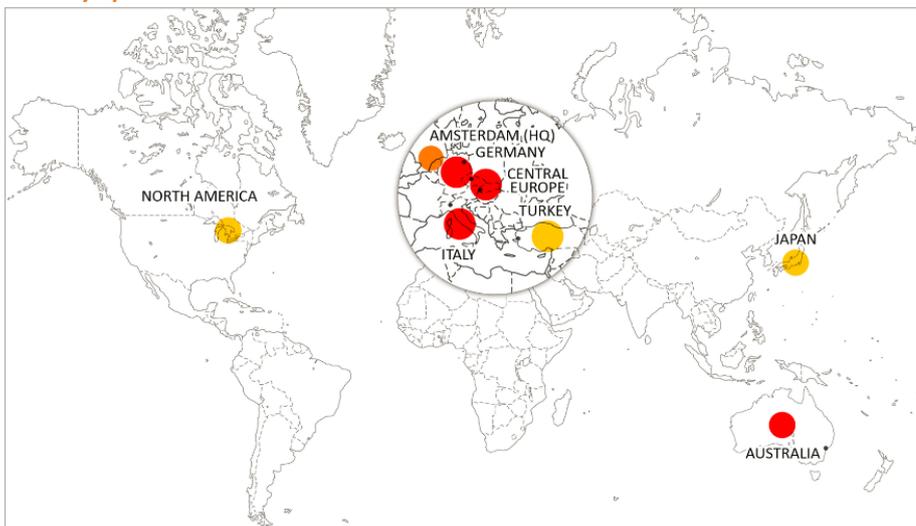
## 7. Description of the Issuer's business

The company Photon Energy N.V. ("Photon Energy", "PENV", "Issuer" or "Company") is the 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") offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

The Group is vertically integrated in the downstream segment of the photovoltaic industry. The company focuses on life-cycle services and delivers:

- ▶ **Solar Solutions:** Project development, EPC services , Financing models
- ▶ **Solar Storage Solutions:** Battery Backup Systems for off-grid solutions
- ▶ **Solar O&M:** High-end Operations & Maintenance Solutions
- ▶ **Solar Technology:** High-quality components
- ▶ **Solar Investment:** Investor in solar assets and producer of electricity
- ▶ **Investment Protection:** Services for investors to safeguard from retroactive measures

### Country-specific references



- Power plants in operation
- Future markets
- Headquarters, Amsterdam
- Offices

Currently the Photon Energy Group with approximately 70 professionals is active in eight countries across three continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and some 122.5 MWp of PV power plants under O&M management across two continents.

## 8. Implementation of innovative activities in the Company

### Construction of a ground breaking solar offgrid project in Australia

On 7 November 2014 Photon Energy Australia launched a pioneer solar project combining a 39kWp PV power plant with a 216 kWh battery storage system, generating electricity for a radio broadcasting tower in Muswellbrook, New South Wales. The tower, operated by internationally renowned telcom group BAI will run on locally produced and stored energy, thanks to the advanced battery storage technology 24 hours a day. This ground-breaking and innovative project demonstrates that renewable energy can provide unique solutions and economical savings for consumers of energy, either commercial or individual, in remote locations world-wide. The project was designed and delivered in association with the German Energy Agency, Deutsche Energie-Agentur GmbH (dena), using predominantly German technology. The project is part of the worldwide dena Renewable Energy Solutions and co-financed by the German Federal Ministry for Economic Affairs and Energy (BMWi) within the initiative "renewables – Made in Germany". The radio transmission tower will be powered by mostly 'Made in Germany' components; a 39 kWp solar power installation is using 216 kWh of batteries and a 8 kVA diesel back-up system for emergencies. Photon Energy has set up a special website dedicated to this innovative project and the topic of solar storage solutions at [www.solaroffgrid.info](http://www.solaroffgrid.info)

## Solar energy storage using hydrogen

Photon Energy is cooperating with the Institute of Nuclear Research in Řež (close to Prague) to optimise the storage of solar energy using hydrogen production. Hydrogen is generally seen as the „fuel of the future“, with Toyota and BMW (as well as other automobile companies) currently manufacturing and selling cars that run on hydrogen. Hydrogen fuel cells can also be used to power households and companies. By partnering up with CVUT Photon Energy is actively contributing to finding an economically competitive solar storage solution, which is currently considered as one of the main bottlenecks for renewable energy.

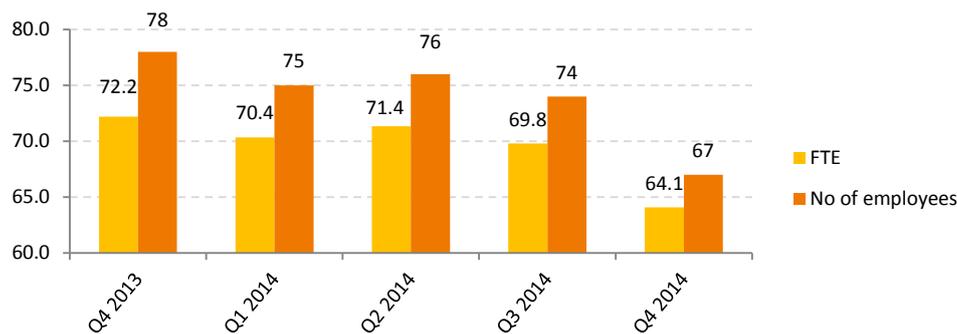
## Using monitoring data to predict failures

Photon Energy has joined up with monitoring hardware manufacturer Domat and the Czech Technical University (CVUT) to develop an analytic software, which will be used to analyse historic production data of PV power plant components. Once implemented successfully the software will help predict and prevent downtime and optimise power plant production.

## 9. Employees

As of the end of 2014 Q4 the Photon Energy Group had 67 employees (compared to 74 employees in 2014 Q3) which translates into 64.1 FTE<sup>1</sup> (compared to 69.8 FTE in Q3 2014).

**Chart 9. Total number of employees and full time equivalent employees per quarter**



<sup>1</sup> **Full-time equivalent (FTE)** is a unit that indicates the workload of an person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time.

## 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 employees equal to 10% of their gross compensation. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

## 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 31 December 2014.

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.	PET BV
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.	Photon Energy
5 Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	Photon Energy
6 Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
7 Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
8 EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
9 EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
10 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
11 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
12 Fotonika, s.r.o.	60%	50%	SK	Equity	Photon Energy
13 ATS Energy, s.r.o.	70%	70%	SK	Full Cons.	Photon Energy
14 Solarpark Myjava s.r.o.	50%	50%	SK	Equity	Photon Energy
15 Solarpark Polianka s.r.o.	50%	50%	SK	Equity	Photon Energy
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 IPVIC GbR	19%	19%	DE	Not Cons.	Photon Energy
20 Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV
21 Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
22 Photon Energy Operations DE GmbH	100%	100%	DE	Full Cons.	PEO NV
23 Photon Energy Operations Australia Pty.Ltd.	100%	100%	AUS	Full Cons.	PEO NV
24 Photon Energy Engineering Australia Pty Ltd	100%	100%	AUS	Full Cons.	PEE BV
25 Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
26 Photon DE SPV 3 GmbH	100%	100%	DE	Full Cons.	PEI DE
27 Photon IT SPV 1 s.r.l.	100%	100%	IT	Full Cons.	Photon Energy
28 Photon IT SPV 2 s.r.l.	100%	100%	IT	Full Cons.	Photon Energy
29 Photon Energy Investments DE N.V.	100%	100%	NL	Full Cons.	Photon Energy
30 Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
31 Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy
32 Photon Energy Finance Europe GmbH	100%	100%	DE	Full Cons.	Photon Energy
33 Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
34 Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	AUS	Full Cons.	PEP BV
35 Photon Energy Generation Australia Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
36 Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy
37 Photon Energy Technology B.V.	100%	100%	NL	Full Cons.	Photon Energy
38 European Solar Holdings B.V.	100%	100%	NL	Full Cons.	Photon Energy
39 Photon Energy Technology Europe Ltd	100%	100%	IR	Full Cons.	PET BV
40 Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
41 Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
42 Global Investment Protection	100%	100%	CH	Full Cons.	Photon Energy

### Notes:

#### Country of registration

NL – the Netherlands

SK – Slovakia

CZ – the Czech Republic

DE – Germany

IT – Italy

AUS – Australia

IR – Ireland

PL – Poland

#### Consolidation method:

Full Cons. - Full Consolidation

Not Cons. – Not Consolidated

Equity – Equity Method

In addition to the above subsidiaries, for the purposes of **IFRS reporting**, the Company consolidates the following entities:

	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.

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

### 11.1. Summary of the key events from 1 October until 31 December 2014

Below is a summary of the key events which were important for the Issuer's business from 1 October until 31 December 2014 and which were reported in the EBI system:

- ▶ No. 29/2014 published on 14 October 2014: Monthly report for September 2014 / Raport miesięczny za wrzesień 2014 r.
- ▶ No. 30/2014 published on 14 November 2014: Monthly report for October 2014 / Raport miesięczny za październik 2014 r.
- ▶ No. 31/2014 published on 14 November 2014: Quarterly report for Q3 2014 / Raport kwartalny za III kw 2014r.
- ▶ No. 32/2014 published on 12 December 2014: Monthly report for November 2014 / Raport miesięczny za listopad 2014r.
- ▶ No. 33/2014 published on 22 December 2014: Dates of publishing periodic reports in 2015 / Terminy przekazywania raportów okresowych w roku 2015.

### 11.2. Summary of the key events after 31 December 2014

Below is a summary of the key events which were important for the Issuer's business after 31 December 2014 until the date of this report:

- ▶ No. 01/2015 published on 14 January 2015: Monthly report for December 2014
- ▶ No. 02/2015 published on 02 February 2015: Photon Energy announces the streamlining of its Operations & Maintenance division's activities in Italy.
- ▶ No. 03/2015 published on 10 February 2015: Q & A Chat to be held in collaboration with Polish retail investors association SII on Wednesday, the 18th of February 2015 at 11:00am.
- ▶ No. 04/2015 published on 13 February 2015: Monthly report for January 2015.

## 12. Detailed consolidated financial results for 2014 Q4

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 October 2014 and ending on 31 December 2014 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	
	2013 Q4	2014 Q4	2013 Q4	2014 Q4
<b>Total revenues</b>	<b>2 678</b>	<b>1 490</b>	<b>11 199</b>	<b>6 318</b>
Out of that: Revenues from electricity generation	1 339	1 026	5 583	4 367
Out of that: Other revenues	1 339	464	5 615	1 952
Cost of sales	-1 371	-312	-5 750	-1 311
Levy	-260	-66	-1 085	-281
<b>Gross profit</b>	<b>1 047</b>	<b>1 112</b>	<b>4 364</b>	<b>4 727</b>
Salaries and compensation - administration expenses	-877	-807	-3 672	-3 393
Other administrative expenses	1 038	-580	4 370	-2 441
Other income	37	5	155	24
Other expenses	-125	-193	-524	-809
<b>EBITDA</b>	<b>1 120</b>	<b>-462</b>	<b>4 693</b>	<b>-1 892</b>
Depreciation	-660	-670	-2 755	-2 831
<b>EBIT</b>	<b>460</b>	<b>-1 132</b>	<b>1 938</b>	<b>-4 724</b>
Interest income	17	66	71	276
Interest cost	-1 982	-567	-8 313	-2 393
Financial income	2 285	3	9 591	14
Financial expense	-1 356	72	-5 687	296
Revaluation of derivatives	672	-866	2 822	-3 634
<b>Net finance expenses</b>	<b>-1 572</b>	<b>-1 293</b>	<b>-4 338</b>	<b>-5 442</b>
Share of profit from associates / J-Vs	-27	1 081	-2	4 522
Disposal of investment	4	-29	17	-123
<b>Profit / loss before taxation</b>	<b>-599</b>	<b>-1 372</b>	<b>-2 385</b>	<b>-5 761</b>
Income tax – current	-167	-18	-701	-74
Income tax – deferred	11	72	46	298
Profit/loss from continuing operations	-755	-1 318	-3 039	-5 536
<b>Other comprehensive income for the period</b>	<b>-2 423</b>	<b>9 262</b>	<b>-10 154</b>	<b>38 732</b>
<b>Total comprehensive income for the period</b>	<b>-3 178</b>	<b>7 943</b>	<b>-13 193</b>	<b>33 198</b>
<b>Profit/loss from continuing operations</b>	<b>-755</b>	<b>-1 318</b>	<b>-3 040</b>	<b>-5 536</b>
Attributable to the equity holders	-759	-1 314	-3 170	-5 518
Attributable to minority interest	4	-4	17	-18
<b>Total comprehensive income for the period</b>	<b>-3 176</b>	<b>7 943</b>	<b>-13 298</b>	<b>33 196</b>
Attributable to the equity holders	-2	0	-8	0
Attributable to minority interest	-755	-1 318	-3 040	-5 536
Average no. of shares in thousand	50 000	60 000	50 000	60 000
Earnings per share	-0,014	-0,022	-0,056	-0,094
Comprehensive income per share	-0,058	0,132	-0,243	0,552
EUR exchange rate - low	-	-	4,149	4,160
EUR exchange rate - average	-	-	4,186	4,209
EUR exchange rate - high	-	-	4231	4310

Note: Exchange rate provided by the European Central Bank

## Statement of Financial Position

in Thousands	EUR		PLN	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014
<b>PPE – Lands</b>	<b>2 822</b>	<b>2 853</b>	<b>11 721</b>	<b>12 184</b>
PPE – Photovoltaic power plants	75 042	81 310	311 679	347 247
PPE – Other equipment	137	706	568	3 014
PPE – Assets in progress	320	4	1 328	15
Intangible assets	0	0	0	0
Investments in associates	2 500	2 086	10 384	8 909
Other investments	17	10	71	42
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
<b>Non-current assets</b>	<b>80 837</b>	<b>86 967</b>	<b>335 751</b>	<b>371 411</b>
Cash and cash equivalents	4 682	4 657	19 446	19 886
Trade and other receivables	4 609	2 413	19 142	10 306
Gross amount due from customers for contract work	0	262	0	1 118
Inventories – Goods	389	683	1 616	2 917
Assets held for sale	0	0	0	0
Prepaid expenses	143	819	594	3 499
<b>Current assets</b>	<b>9 823</b>	<b>8 834</b>	<b>40 798</b>	<b>37 726</b>
<b>Total assets</b>	<b>90 660</b>	<b>95 801</b>	<b>376 549</b>	<b>409 137</b>
Issued share capital	600	600	2 492	2 492
Share premium	23 760	23 760	98 685	98 685
Legal Reserve fund	10	14	42	60
Retained earnings	-12 783	-16 358	-53 093	-66 998
Fund for currency conversions	-2 390	-1 848	-9 927	-7 892
Other comprehensive income from previous periods	29 272	20 412	121 579	87 171
Other comprehensive income	-6 894	8 101	-28 632	34 595
Profit/loss-current year	-4 995	-4 051	-20 746	-17 300
Equity in associates, joint ventures	0	0	0	0
<b>Equity attributable to equity holders</b>	<b>26 580</b>	<b>30 630</b>	<b>110 400</b>	<b>130 813</b>
Minority interests	139	99	577	423
Total equity	26 719	30 729	110 977	131 236
Total equity	26 580	30 630	110 400	130 813
Non-current liabilities	50 510	56 666	209 789	242 002
Bank loan	42 500	41 889	176 520	178 892
Other long-term liabilities	4 643	7 979	19 284	34 075
Other loans	0	1 178	0	5 031
Deferred tax liabilities	3 367	5 621	13 985	24 005
Current liabilities	13 431	8 406	55 784	35 899
Trade and other payables	4 142	4 284	17 202	18 297
Bank loan	3 115	3 385	12 938	14 455
Other Loans	6 000	649	24 920	2 773
Other short-term liabilities	174	88	723	375
Tax liabilities (CIT)	0	0	0	0
Total Liabilities	63 941	65 073	265 573	277 901
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>90 660</b>	<b>95 801</b>	<b>376 550</b>	<b>409 137</b>
No. of shares in thousand	60,000,000	60,000,000	60,000,000	60,000,000
Book value per share	0,443	0,512	1,850	2,186

## Cash Flow Statement

in Thousands	EUR		PLN	
	2013 Q4	2014 Q4	2013 Q4	2014 Q4
<b>Profit for the period</b>	<b>-755</b>	<b>-1 284</b>	<b>-3 153</b>	<b>-5 396</b>
Adjustments for:				
Depreciation	660	670	2 755	2 831
Net finance costs	1 063	211	4 453	914
Share of profit of equity accounted investees	-4	29	-16	123
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	0	-88	0	-366
Income tax expense	156	34	654	141
Changes in:				
Trade and other receivables	2 464	803	10 344	3 363
Gross amount due from customers for contract work	0	-262	0	-1 095
Prepaid expenses	-39	1 061	-165	4 428
Inventories	-18	-256	-75	-1 069
Trade and other payables	-2 465	316	-10 688	1 769
Other assets	0	0	0	0
Other liabilities	362	-606	1 597	-2 552
Interests paid	-1 969	-599	-8 262	-2 510
Income tax paid	-99	-41	-415	-171
Operating cash flow	-644	-12	-2 971	412
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments		0		0
Sale of investment	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0
Other investments	0	0	0	0
Interest received	0	0	0	0
Investment cash flow	0	0	0	0
Proceeds from borrowings	0	0	0	31
Proceeds from issuing bonds	-5	247	-37	1 025
Payment of bond coupons	-76	-145	-318	-609
Proceeds from issuing of ordinary shares	-130	0	-637	0
Repayment of borrowings	199	-1 027	854	-4 341
Financial cash flow	-12	-925	-139	-3 895
Net change in cash	-656	-936	-3 109	-3 483
Cash at the beginning of the period	5 529	5 593	23 384	23 369
Effect of exchange rate fluctuation	-191	0	-827	0
Cash at the end of the period	4 682	4 657	19 447	19 886
EUR exchange rate - low	-	-	4,149	4,160
EUR exchange rate - average	-	-	4,186	4,209
EUR exchange rate - high	-	-	4231	4310

Note: Exchange rate provided by the European Central bank

### 13. Detailed accumulated consolidated financial results for 2014 Q1-Q4

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the twelve-month period starting on 1 January 2014 and ending on 31 December 2014 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	
	2013Q1-Q4	2014 Q1-Q4	2013Q1-Q4	2014 Q1-Q4
<b>Total revenues</b>	<b>13 876</b>	<b>11 760</b>	<b>58 244</b>	<b>49 195</b>
Out of that: Revenues from electricity generation	11 149	10 159	46 797	42 498
Out of that: Other revenues	2 727	1 601	11 446	6 697
Cost of sales	-2 647	-890	-11 111	-3 724
Tax levy	-1 918	-682	-8 051	-2 852
<b>Gross profit</b>	<b>9 311</b>	<b>10 188</b>	<b>39 083</b>	<b>42 620</b>
Salaries and compensation - administration expenses	-3 258	-2 818	-13 675	-11 790
Other administrative expenses	-2 373	-2 509	-9 961	-10 496
Other income	65	27	273	115
Other expenses	-431	-286	-1 809	-1 198
<b>EBITDA</b>	<b>3 314</b>	<b>4 602</b>	<b>13 910</b>	<b>19 251</b>
Depreciation	-4 838	-4 419	-20 307	-18 484
<b>EBIT</b>	<b>-1 524</b>	<b>183</b>	<b>-6 397</b>	<b>766</b>
Interest income	140	141	588	591
Interest cost	-3 655	-3 166	-15 342	-13 243
Financial income	2 285	154	9 591	646
Financial expense	-2 895	-254	-11 031	-1 063
Revaluation of derivatives	267	-2 227	1 121	-9 316
<b>Net finance expenses</b>	<b>-3 858</b>	<b>-5 352</b>	<b>-16 194</b>	<b>-22 391</b>
Share of profit from associates / J-Vs	509	1 081	2 250	4 522
Disposal of investment	154	70	646	291
<b>Profit / loss before taxation</b>	<b>-4 719</b>	<b>-4 017</b>	<b>-19 694</b>	<b>-16 806</b>
Income tax – current	-229	-13	-961	-53
Income tax – deferred	-47	-21	-197	-88
<b>Profit/loss from continuing operations</b>	<b>-4 995</b>	<b>-4 051</b>	<b>-20 853</b>	<b>-16 946</b>
<b>Other comprehensive income for the period</b>	<b>-6 894</b>	<b>8 101</b>	<b>-28 937</b>	<b>33 887</b>
<b>Total comprehensive income for the period</b>	<b>-11 889</b>	<b>4 050</b>	<b>-49 790</b>	<b>16 943</b>
<b>Profit/loss from continuing operations</b>	<b>-4 995</b>	<b>-4 051</b>	<b>-20 853</b>	<b>-16 946</b>
Attributable to the equity holders	-5 011	-4 059	-21 033	-16 978
Attributable to minority interest	16	8	67	32
Total comprehensive income for the period	-11 889	4 050	-49 790	16 941
Attributable to the equity holders	-11 905	4 050	-49 971	16 941
Attributable to minority interest	16	0	67	0
Average no. of shares in thousand	60 000	60 000	60 000	60 000
Earnings per share	-0,083	-0,068	-0,348	-0,284
Comprehensive income per share	-0,198	0,067	-0,830	0,281
EUR exchange rate - low	-	-	4,072	4,099
EUR exchange rate - average	-	-	4,197	4,183
EUR exchange rate - high	-	-	4349	4310

Note: Exchange rate provided by the European Central Bank

## Cash Flow Statement

in Thousands	EUR		PLN	
	2013Q1- Q4	2014Q1- Q4	2013Q1- Q4	2014Q1- Q4
Profit for the year	-4 995	-4 017	-20 966	-16 806
Adjustments for:				
Depreciation	4 838	4 419	20 307	18 484
Net finance costs	3 349	4 270	14 057	17 863
Share of profit of equity accounted investees	-154	-70	-646	-291
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	0	0		0
Income tax expense	276	34	1 158	141
Changes in:				
Trade and other receivables	2 009	1 403	7 803	5 868
Gross amount due from customers for contract work	0	-262	0	-1 095
Prepaid expenses	315	137	1 322	572
Inventories	-236	-294	-991	-1 230
Trade and other payables	-7 714	672	-32 740	2 813
Other assets	0	0	0	0
Other liabilities	-20 114	-2 662	-83 643	-11 137
Interests paid	-2 585	-1 023	-10 850	-4 281
Income tax paid	-366	-176	-1 536	-734
<b>Operating cash flow</b>	<b>-25 377</b>	<b>2 431</b>	<b>-106 725</b>	<b>10 169</b>
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments	0	0	0	0
Sale of investment	-42	0	-176	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0
Other investments	0	0	0	0
Interest received	0	0	0	0
<b>Investment cash flow</b>	<b>-42</b>	<b>0</b>	<b>-176</b>	<b>0</b>
Proceeds from borrowings	0	3 604	0	15 077
Proceeds from issuing bonds	4 213	1 025	17 684	4 288
Payment of bond coupons	-240	-423	-1 007	-1 769
Proceeds from issuing of ordinary shares	24 130	0	101 285	0
Repayment of borrowings	-4 677	-6 662	-19 632	-27 869
<b>Financial cash flow</b>	<b>23 426</b>	<b>-2 456</b>	<b>98 330</b>	<b>-10 274</b>
<b>Net change in cash</b>	<b>-1 993</b>	<b>-25</b>	<b>-8 572</b>	<b>-105</b>
Cash at the beginning of the period	6 953	4 682	29 185	19 586
Effect of exchange rate fluctuation	-278	0	-1 167	0
<b>Cash at the end of the period</b>	<b>4 682</b>	<b>4 657</b>	<b>19 447</b>	<b>19 887</b>
EUR exchange rate - low	-	-	4,072	4,099
EUR exchange rate - average	-	-	4,197	4,183
EUR exchange rate - high	-	-	4,349	4,310

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
<b>BALANCE at 23.12.2010</b>	<b>18 530</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>-23</b>		<b>0</b>	<b>18 516</b>	<b>12</b>	<b>18 528</b>
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
<b>BALANCE at 31.12.2010</b>	<b>0</b>	<b>46</b>	<b>0</b>	<b>9</b>	<b>15 156</b>	<b>187</b>		<b>-920</b>	<b>14 478</b>	<b>5 702</b>	<b>20 180</b>
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
<b>BALANCE at 31.12.2011</b>	<b>0</b>	<b>46</b>	<b>0</b>	<b>9</b>	<b>17 558</b>	<b>-134</b>		<b>-5 384</b>	<b>12 095</b>	<b>5 399</b>	<b>17 494</b>
Loss for the period 1.1.2012 - 04.12.2012								-7 128	-7 128	-1 835	-8 963
Loss for the period 5.12.2012 - 31.12.2012								-3 671	-3 671		-3 671
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	-10 799	-3 635	654	-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
<b>BALANCE at 31.12.2012</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>18</b>	<b>28 818</b>	<b>323</b>	<b>-794</b>	<b>-14 366</b>	<b>14 229</b>	<b>249</b>	<b>14 478</b>
Loss for the period 1.1.2013 – 31.12.2013								-5 011	-5 011	16	-4 995
Revaluation of PPE					-4 517				-4 517		-4 517
Foreign currency translation differences						-2 713			-2 713		-2 713
Derivatives							309		309	-1	308
Share on derivatives JV							28		28		28
Total comprehensive income for the year	0	0	0	0	-4 517	-2 713	337	-5 011	-11 904	15	-11 889
new shares		370	23 760						24 130	0	24 130
Move from revaluation reserve to retained earnings					-1 466			1 466	0	0	0
Legal reserve fund – move to RE on entity disposal				-8				8	0	0	0
<b>BALANCE at 31.12.2013</b>	<b>0</b>	<b>600</b>	<b>23 760</b>	<b>10</b>	<b>22 835</b>	<b>-2 390</b>	<b>-457</b>	<b>-17 778</b>	<b>26 580</b>	<b>139</b>	<b>26 719</b>
Loss for the period 1.1.2014 – 31.12.2014								-4 051	-4 051	-7	-4 058
Revaluation of PPE					8 252				8 252		8 252
Share on revaluation of PPE of associates, JV					-568						
Foreign currency translation differences						542			542		542
Derivatives							-89		-89	0	-89
Share on derivatives JV							-36		-36		-36
Total comprehensive income for the year	0	0	0	0	7 684	542	-125	-4 051	4 050	-40	4 010

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
new shares									0	0	0
Move from revaluation reserve to retained earnings					-1 424			1 424	0	0	0
Legal reserve fund – move to RE on entity disposal				4				-4	0	0	0
<b>BALANCE at 31.12.2014</b>	<b>0</b>	<b>600</b>	<b>23 760</b>	<b>14</b>	<b>29 094</b>	<b>-1 848</b>	<b>-582</b>	<b>-20 409</b>	<b>30 630</b>	<b>99</b>	<b>30 729</b>

## 14. Detailed entity financial results for 2014 Q4

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 September 2014 and ending on 31 December 2014 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

### Income Statement

in Thousands (except EPS)

	EUR		PLN	
	2013Q4	2014Q4	2013Q4	2014Q4
<b>Revenues from the sale of products, goods and services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of sales	-1 244	-649	-5 220	-2 725
Other administrative expenses	0	1	0	4
Other income	0	-134	0	-561
Other expenses	0	0	0	0
<b>EBITDA</b>	<b>-1 244</b>	<b>-783</b>	<b>-5 220</b>	<b>-3 283</b>
Amortization&depreciation	0	4	0	17
<b>EBIT</b>	<b>-1 244</b>	<b>-779</b>	<b>-5 220</b>	<b>-3 266</b>
Financial income	68	162	283	682
Financial costs	-74	-220	-308	-930
<b>Profit / loss before taxation</b>	<b>-1 251</b>	<b>-837</b>	<b>-5 245</b>	<b>-3 514</b>
Income tax	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>-1 251</b>	<b>-838</b>	<b>-5 245</b>	<b>-3 514</b>

### Balance Sheet

in Thousands

	EUR		PLN	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014
<b>Non-current assets</b>	<b>42 299</b>	<b>31 911</b>	<b>172 297</b>	<b>132 543</b>
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	31	33	130	141
Goodwill	0	0	0	0
Investments in associates	42 268	31 878	172 167	132 402
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
<b>Current assets</b>	<b>5 761</b>	<b>11 940</b>	<b>23 927</b>	<b>50 991</b>
Cash and cash equivalents	2	94	8	402
Inventories	2	0	7	0
Trade and other receivables	5 757	11 846	23 911	50 589
Prepaid expenses	0	0	0	0
<b>TOTAL ASSETS</b>	<b>48 060</b>	<b>43 851</b>	<b>196 224</b>	<b>183 535</b>

in Thousands	EUR		PLN	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014
Issued share capital	600	600	2 492	2 562
Share premium	36 871	36 871	153 141	157 463
Legal Reserve fund	0	0	0	0
Retained earnings	-13 715	-12 564	-56 964	-53 656
Reserves	14 728	7 835	61 171	33 460
Profit/loss for the current period	-2 790	-2 356	-11 588	-10 062
<b>Total equity</b>	<b>35 694</b>	<b>30 385</b>	<b>148 252</b>	<b>129 767</b>
Non-current liabilities	0	7 525	0	31 790
Bank loan	0	0	0	0
Other long-term liabilities	0	7 525	0	31 790
Provisions	0	0	0	0
Current liabilities	12 366	5 940	47 971	21 978
Trade and other payables	12 366	5 940	47 971	21 978
Other loan	0	0	0	0
Tax payables	0	0	0	0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48 060</b>	<b>43 851</b>	<b>196 223</b>	<b>183 535</b>

## 15. Detailed accumulated entity financial results for 2014 Q1-Q4

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the twelve-month period starting on 1 January 2014 and ending on 31 December 2014 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS).

Data presented in the table below for the year 2014 represent merged data for Photon Energy N.V. and Photon Energy Investments N.V. However, the comparable data for Q4 2013 include only Photon Energy N.V. figures.

### Income Statement

in Thousands (except EPS)	EUR		PLN	
	2013Q1-Q4	2014Q1-Q4	2013Q1-Q4	2014Q1-Q4
<b>Revenues from the sale of products, goods and services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of sales	-1 988	-1 792	-8 345	-7 496
Other administrative expenses	0	0	0	0
Other income	0	3	0	13
Other expenses	0	0	0	0
<b>EBITDA</b>	<b>-1 988</b>	<b>-1 789</b>	<b>-8 345</b>	<b>-7 483</b>
Amortization&depreciation	0	0	0	0
<b>EBIT</b>	<b>-1 988</b>	<b>-1 789</b>	<b>-8 345</b>	<b>-7 483</b>
Financial income	224	708	938	2 962
Financial costs	-1 026	-1 275	-4 305	-5 332
<b>Profit / loss before taxation</b>	<b>-2 790</b>	<b>-2 356</b>	<b>-11 711</b>	<b>-9 852</b>
Income tax	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>-2 790</b>	<b>-2 356</b>	<b>-11 711</b>	<b>-9 852</b>

## Balance Sheet

in Thousands	EUR		PLN	
	31.12.2013	31.12.2014	31.12.2013	31.12.2014
<b>Non-current assets</b>	<b>42 299</b>	<b>31 911</b>	<b>172 297</b>	<b>132 543</b>
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	31	33	130	141
Goodwill	0	0	0	0
Investments in associates	42 268	31 878	172 167	132 402
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
<b>Current assets</b>	<b>5 761</b>	<b>11 940</b>	<b>23 927</b>	<b>50 991</b>
Cash and cash equivalents	2	94	8	402
Inventories	2	0	7	0
Trade and other receivables	5 757	11 846	23 911	50 589
Prepaid expenses	0	0	0	0
<b>TOTAL ASSETS</b>	<b>48 060</b>	<b>43 851</b>	<b>196 224</b>	<b>183 535</b>
Issued share capital	600	600	2 492	2 562
Share premium	36 871	36 871	153 141	157 463
Legal Reserve fund	0	0	0	0
Retained earnings	-13 715	-12 564	-56 964	-53 656
Reserves	14 728	7 835	61 171	33 460
Profit/loss for the current period	-2 790	-2 356	-11 588	-10 062
<b>Total equity</b>	<b>35 694</b>	<b>30 385</b>	<b>148 252</b>	<b>129 767</b>
Non-current liabilities	0	7 525	0	31 790
Bank loan	0	0	0	0
Other long-term liabilities	0	7 525	0	31 790
Provisions	0	0	0	0
Current liabilities	12 366	5 940	47 971	21 978
Trade and other payables	12 366	5 940	47 971	21 978
Other loan	0	0	0	0
Tax payables	0	0	0	0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48 060</b>	<b>43 851</b>	<b>196 223</b>	<b>183 535</b>

## 16. 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 2014 and ending on 31 December 2014 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 2014 to 31 December 2014

	in Thousands EUR	Energy solutions	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		470	10 159	898	0	233	11 760	0	11 760
Revenues within segments from the sale of products, goods and services		6	0	410	0	2 051	2 467	-2 467	0
Cost of sale		-369	-161	-272	0	-561	-1 362	472	-890
Energy tax		0	-682	0	0	0	-682	0	-682
Gross profit		107	9 317	1 036	0	1 723	12 183	-1 995	10 188
Other external income		0	0	8	0	20	27	0	27
Administrative and other expenses		-200	-1 769	-1 756	0	-2 424	-6 148	535	-5 614
Depreciation		-2	-4 375	-9	0	-32	-4 419	0	-4 419
Operating income		-95	3 173	-721	0	-713	1 643	-1 460	183
Interest income		20	68	30	0	674	792	-651	141
Interest expenses		-32	-2 606	-50	0	-1 128	-3 816	651	-3 166
Other financial revenues		151	0	0	0	3	154	0	154
Other financial expenses		-16	-2 299	-12	0	-155	-2 481	0	-2 481
Disposal of investments		0	0	0	0	1 081	1 081	0	1 081
Profit/loss share in entities in equivalency		0	0	0	70	0	70	0	70
Income tax		0	-45	11	0	0	-34	0	-34
Profit/loss after taxation		29	-1 709	-742	70	-238	-2 591	-1 460	-4 051
Revaluation of property, plant and equipment		0	8 252	0	0	0	8 252	0	8 252
Foreign currency translation diff. - foreign operations		0	542	0	0	0	542	0	542
Share of revaluation of PPE of associates /joint venture		0	-568	0	0	0	-568	0	-568
Share of currency translation diff. Of associates / JV		0	0	0	0	0	0	0	0
Derivatives (hedging)		0	-125	0	0	0	-125	0	-125
<b>Total comprehensive income</b>		<b>29</b>	<b>6 392</b>	<b>-742</b>	<b>70</b>	<b>-238</b>	<b>5 510</b>	<b>-1 460</b>	<b>4 050</b>
Assets, of which		817	93 886	2 123	2 086	16 070	114 982	-19 181	95 801
PPE – Lands		0	2 853	0	0	0	2 853	0	2 853
PPE – Photovoltaic power plants		0	81 311	0	0	0	81 311	0	81 311
PPE - Equipment		106	0	329	0	269	704	0	704
PPE – Assets in progress		0	4	0	0	0	4	0	4
Intangibles		0	0	0	0	0	0	0	0
Trade and other receivables		606	4 741	1 604	0	14 642	21 594	-19 181	2 413
Loans		0	0	0	0	0	0	0	0
Gross amount due from customers for contract work		50	0	0	0	212	262	0	262
Inventories – Goods		21	394	133	0	135	683	0	683
Investments in associates, JV, other		0	0	10	2 086	0	2 096	0	2 096
Deferred tax receivables		0	0	0	0	0	0	0	0
Long term receivables		0	0	0	0	0	0	0	0
Prepaid expenses		9	93	11	0	706	819	0	819
Assets held for sale		0	0	0	0	0	0	0	0
Cash and cash equivalents		25	4 489	36	0	106	4 657	0	4 657
Liabilities, of which		-1 180	-58 697	-3 653	0	-20 363	-83 893	18 820	-65 073
Trade and other payables		-1 177	-7 253	-3 616	0	-11 058	-23 105	18 820	-4 284
Bank Loans and other loans		0	-45 823	0	0	-1 277	-47 101	0	-47 101

in Thousands EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
Other long term liabilities	0	0	0	0	-7 979	-7 979	0	-7 979
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-3	0	-37	0	-48	-88	0	-88
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-5 621	0	0	0	-5 621	0	-5 621

### Results of the operating segments for the period from 1 January 2013 to 31 December 2013

in Thousand EUR	Energy solutions	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	1 033	11 149	1 547	0	147	13 876	0	13 876
Revenues within segments from the sale of products, goods and services	369	4	611	0	2 151	3 135	-3 135	0
Cost of sale	-1 177	-977	-348	0	-272	-2 774	127	-2 647
Energy tax	0	-1 913	-2	0	-3	-1 918	0	-1 918
Gross profit	225	8 263	1 808	0	2 023	12 319	-3 008	9 311
Other external income	11	7	24	0	23	65	-65	0
Administrative and other expenses	-495	-1 622	-2 464	0	-4 499	-9 080	3 083	-5 997
Depreciation	-1	-4 815	-12	0	-10	-4 838	0	-4 838
Operating income	-260	1 768	-644	0	-2 463	-1 599	75	-1 524
Interest income	55	224	23	0	200	502	-362	140
Interest expenses	-33	-2 856	-50	0	-1 078	-4 017	362	-3 655
Other financial revenues	0	2 285	0	0	0	2 285	0	2 285
Other financial expenses	0	-2 176	0	0	-452	-2 628	0	-2 628
Disposal of investments	0	-1	546	0	-36	509	0	509
Profit/loss share in entities in equivalency	0	0	0	154	0	154	0	154
Income tax	0	-263	-12	0	-1	-276	0	-276
Profit/loss after taxation	-238	-1,019	-137	154	-3,830	-5 070	75	-4 995
Other comprehensive income	0	-4 517	0	0	0	-4 517	0	-4 517
Foreign currency translation diff. - foreign operations	0	0	0	0	-2 713	-2 713	0	-2 713
Derivatives (hedging)	0	308	0	28	0	336	0	336
<b>Total comprehensive income</b>	<b>-236</b>	<b>-5 228</b>	<b>-139</b>	<b>182</b>	<b>-6 543</b>	<b>-11 964</b>	<b>75</b>	<b>-11 889</b>
Assets, of which	1 417	93 301	2 165	2 500	8 425	107 808	-17 148	90 660
PPE – Lands	0	2 822	0	0	0	2 822	0	2 822
PPE – Photovoltaic power plants	0	75 042	0	0	0	75 042	0	75 042
PPE - Equipment	3	5	109	0	84	201	-65	136
PPE – Assets in progress	47	0	0	0	273	320	0	320
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	1 076	9 875	1 957	0	7 971	20 879	-17 083	3 796
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
Inventories – Goods	207	58	58	0	66	389	0	389
Investments in associates, JV, other	0	0	11	2 500	6	2 517	0	2 517
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	1	916	23	0	16	956	0	956
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	83	4 583	7	0	9	4 682	0	4 682
Liabilities, of which	1 916	61 448	3 401	0	14 399	81 164	-17 223	63 941
Trade and other payables	1 898	7 464	3 282	0	8 249	20 893	-16 751	4 142
Bank Loans and other loans	0	45 615	0	0	6 000	51 615	0	51 615
Other long term liabilities	0	5 002	83	0	30	5 115	-472	4 643

in Thousand EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
Other short term liabilities	18	0	36	0	120	174	0	174
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	3 367	0	0	0	3 367	0	3 367

## 17. 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 publication 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 01.01.2010.

As of 31<sup>st</sup> December 2013, the Management Board has decided to decrease the number of segments reported.

The Management identified the following segments:

- ▶ Energy Solutions (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)
- ▶ PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV 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 2014 or 2013.

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	
	2013 Q4	2014 Q4
EUR exchange rate – low	4.072	4.099
EUR exchange rate – high	4.349	4.310
EUR exchange rate – average	4.197	4.183
EUR exchange rate – end of period	4.153	4.271

#### (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 or AUD, 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.

## 18. Management Board declaration

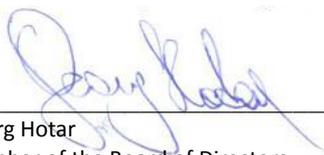
We hereby confirm that according to our best knowledge the information about Photon Energy N.V. contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

## 19. Investor Relations Contact

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Amsterdam, 16 February 2015



Georg Hotar  
Member of the Board of Directors



Michael Gartner  
Member of the Board of Directors





MATERIAL	THINFILM	INSPECTION 1000	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X