

CONSOLIDATED AND ENTITY FINANCIAL REPORTS

1. Selected financial results

1.1. Selected financial results for Photon Energy Group, for the period of 1 July to 30 September 2015

in Thousands	EUR		PLN	
	2014 Q3	2015 Q3	2014 Q3	2015 Q3
Total revenues	3,903	4,302	16,292	17,981
Gross profit	3,653	3,590	15,249	15,003
EBITDA	2,297	2,672	9,588	11,153
EBIT	757	905	3,159	3,773
Profit / loss before taxation	-238	-120	-991	-493
Profit / loss from continuing operations	-244	-260	-1,019	-1,076
Total comprehensive income	-1,210	-218	-5,050	-892
Non-current assets	77,223	78,538	322,643	333,332
Current assets	11,098	12,250	46,369	51,981
Cash and cash equivalents	5,593	5,546	23,369	23,540
Total assets	88,321	90,785	369,012	385,313
Total equity	22,826	28,891	95,367	122,618
Current liabilities	10,234	8,038	42,759	34,113
Non-current liabilities	55,261	53,857	230,886	228,583
Operating cash flow	1,345	2,253	2,777	9,625
Investment cash flow	0	56	0	263
Financial cash flow	-566	-872	-2,349	-3,571
Net change in cash	779	1,436	427	6,317
EUR exchange rate - low	-	-	4.129	4.106
EUR exchange rate - average	-	-	4.175	4.187
EUR exchange rate - end of period	-	-	4.178	4.244
EUR exchange rate - high	-	-	4.217	4.244

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- ▶ In 2015 Q3 revenues increased to EUR 4.302 million, up by 10.2% YOY; YTD revenues increased by 4.8% to EUR 10.768 million.
- ▶ In 2015 Q3 the company managed to grow its EBITDA from EUR 2.297 million to EUR 2.672 million, up by 16.3% YOY; YTD EBITDA grew by 15.3% to EUR 5.841 million.
- ▶ In 2015 Q3 EBIT increased from EUR 0.757 million to EUR 0.905 million, up by 19.7% YOY; YTD EBIT increased by 16.3% to EUR 1.53 million.
- ▶ In 2015 Q3 the Company could reduce the loss before taxation to EUR 0.120 million, compared to EUR 0.238 million for the same period last year; YTD the company swung from a loss before taxation of EUR 2.645 million for 2014 Q1-3 to a profit before taxation of EUR 0.207 million (representing a EUR 2.852 million improvement YOY).
- ▶ In 2015 Q3 total comprehensive loss could be reduced to EUR 0.218 million compared to a loss of EUR 1.210 million in 2014 Q3; YTD the company swung from a total comprehensive loss before taxation of EUR 3.893 million for 2014 Q1-3 to a total comprehensive profit of EUR 0.696 million (representing a EUR 4.789 million improvement YOY).
- ▶ Equity increased from EUR 22.826 million in 2014 Q3 to EUR 28.891 million in 2015 Q3;
- ▶ YOY the equity ratio increased from 29% to 36%¹.

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

Other highlights:

- ▶ The proprietary portfolio of PV plants generated approximately 9.8 GWh of electricity; 4.6% above the energy audits, up by 14.1% compared to 2014 Q3 (+3.7% YOY Year-to-date);
- ▶ The total portfolio of Photon Energy Operations grew to 151 MWp as of the end of 2015 Q3 compared to 113 MWp a year ago;
- ▶ Photon Energy Australia has begun work on a 348 kWp roof mounted solar power plant in Canberra in August 2015;
- ▶ The group sold its two German power plants in August 2015.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2015

in Thousands	EUR		PLN	
	2014 Q3	2015 Q3	2014 Q3	2015 Q3
Revenues	0	0	0	0
Gross profit	-81	-140	-339	-581
EBITDA	53	-992	221	-4,127
EBIT	49	-999	204	-4,160
Profit / loss before taxation	-10	-1,226	-42	-5,094
Total comprehensive income	-10	-1,225	-42	-5,089
Non-current assets	31,062	31,501	129,777	133,698
Current assets	14,336	8,348	59,897	35,431
Cash and cash equivalents	48	83	201	352
Total assets	45,398	39,849	189,674	169,129
Total equity	30,933	27,510	129,239	116,760
Current liabilities	7,187	4,279	30,027	18,160
Non-current liabilities	7,278	8,060	30,408	34,208
EUR exchange rate – low			4.129	4.106
EUR exchange rate – high			4.175	4.187
EUR exchange rate – average			4.178	4.244
EUR exchange rate - end of period			4.217	4.244

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 July until 30 September 2015, 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

We are pleased to report that our team delivered another strong quarter of progress against our project and operational milestones. The combination of more diversified sources of revenues, along with strong execution, as well as targeted actions to streamline portions of our business as a part of aligning our cost structure with our revenue profile, enabled us to deliver improving results.

As well as successfully executing our growth projects in Australia, we signed new O&M contracts and stabilised the performance of our assets base, while the production of our proprietary portfolio was ahead of expectations during the quarter.

We are committed to improving costs and efficiency, and are confirming today our full year expectations, consisting in presenting operating profitability in 2015.

Proprietary portfolio ahead of production expectations

Generation results for our proprietary portfolio were above energy audits during the quarter. The average performance of all power plants in Photon Energy's portfolio came in approximately 4.6% above expectations and 3.6% on a year-to-date basis (+14.5% YoY). As of the date of this report, the Group has already exceeded its 25,617 MWh full-year production estimates. At the same time, Photon Energy NV continued to improve its geographical focus by selling its remaining two German power plants. The overall impact on the portfolio is negligible – the German power plants made up only 0.2 MWp of the entire 25.6 MWp and Photon Energy will continue providing O&M services to the plants.

Photon Energy Australia has begun work on a 348 KWp project in Australia

Turning our attention to the other side of the globe, in Australia Photon Energy continues to expand in the larger end of the commercial solar market with its experience, in-house design and engineering capabilities. In August, the company started work on a 348 kW roof mounted power plant in Canberra which is implemented as part of a complex building renovation project. The power plant, eligible for a 20-year Feed-in-Tariff and Large Generation Certificates (LGCs) for a period of 15 years, is expected to be commissioned at the end of 2015. Photon Energy will also be providing the long-term Operations & Maintenance for the PV plant. Once operational, this project will take the total installed base of Photon Energy in Australia beyond the 1 MWp mark.

New O&M services contracts

While pushing forward with new projects in Australia, Photon Energy also remained focused on further expanding its Operations and Maintenance business in Europe. During this quarter, our subsidiary Photon Energy Operations (PEO) expanded its O&M services to a new market, adding 11 MWp in Romania, taking over the full monitoring, operations and maintenance for three power plants based in Oradea, in the North-West of the country. PEO also signed an additional 0.6 MWp plant in the Czech Republic. As of the end of 2015 Q3, full O&M services contracts amounted to approximately 89.8 MWp, up by 30.9 MWp from the end of 2014 Q3, and can be broken down geographically into 54.9 MWp operated in the Czech Republic, 15.6 MWp in Slovakia, 11.0 MWp in Romania, 7.7 MWp in Germany and 0.6 MWp in Australia. The O&M portfolio divides into 25.6 MWp of PV capacities from the proprietary portfolio and 64.2 MWp serviced for external clients. After the reporting period, a full service contract for a total capacity of 2.0 MWp was signed in the Czech Republic and started effectively on 1 October. This additional capacity was not included in the figures reported above.

Financial results

The operational results show real momentum and reflect the growing stability and de-risking of our business. The key highlight this quarter is an increase in all indicators: Consolidated revenues increased in 2015 Q3 compared to the same period last year, consolidated EBITDA increased by 16.3% from EUR 2.297 million in 2014 Q3 to EUR 2.672 million in the reporting period, EBIT increased by 19.7% from a profit of EUR 0.757 million to EUR 0.905 million. The Company recorded a loss before taxation of EUR 0.120 million, compared to a EUR 0.238 million loss for the same period last year. Total comprehensive income improved to a loss of EUR 0.218 million in 2015 Q3 (vs. a loss of EUR 1.210 million a year ago). Reflecting changes in the financing structure, improved operating margins across business lines, the improvement in margins experienced during the first half of 2015 was therefore confirmed in 2015 Q3.

2.2. Strategy and its execution

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 our strategy is to generate recurring revenue streams while maximising customer value. Photon Energy's focus is 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^{max} (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 offering structuring advisory services so that investors exposed to the threat of retroactive government measures against their assets qualify for Investor State Dispute Settlement (ISDS) and succeed in winning their case.

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. where the cost of PV-generated electricity is competitive with grid-supplied electricity.

The Group also intends to focus on energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy's target industries include 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 multiple suitable 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 30 September 2015, consisted of 23 power plants in the Czech Republic, Slovakia, and Australia with a total installed capacity of 25.6 MWp.

More information on the Group structure and the restructuring processes can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 September 2015

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 ¹	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	Symonston	AUS	144	100%	144	Feb.13
Total			25,569		23,535	

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

There were the following changes to the proprietary portfolio of Photon Energy N.V. in the reporting period:

As the Group sold its two German plants as of 31 August 2015, the corresponding figures are not presented in the table above.

Generation results

The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2015 Q3 amounted to 9.8 GWh, which was 4.6% above the energy forecasts and up by 3.6% YTD YoY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

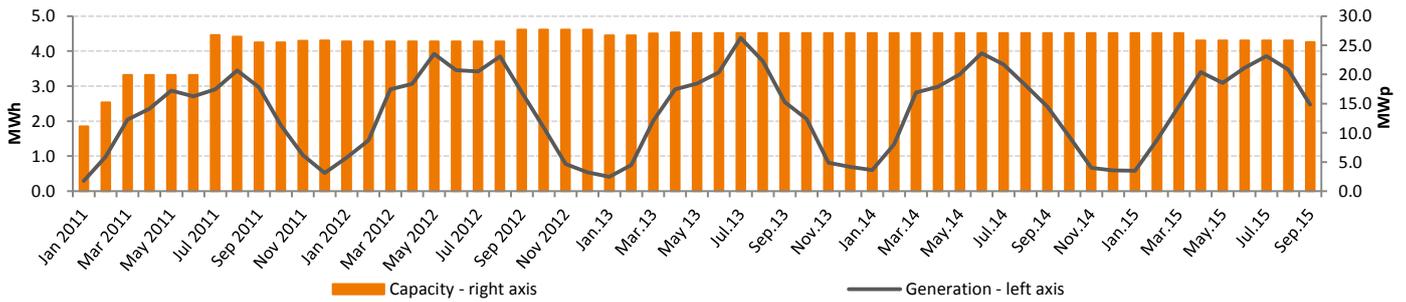
Table 2. Generation results versus projections between 1 July and 30 September 2015

Project name	Capacity	Prod. 2015 Q3	Proj. 2015 Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YoY
Unit	kWp	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	894,516	862,450	3.7%	2,158,714	2,100,214	3%	3.2%
Zvíkov I	2,031	749,710	755,922	-0.8%	1,845,055	1,840,800	0%	0.5%
Dolní Dvořiště	1,645	627,403	628,841	-0.2%	1,437,277	1,531,340	-6%	0.4%
Svatoslav	1,231	444,730	467,041	-4.8%	1,032,685	1,137,326	-9%	3.8%
Slavkov	1,159	484,548	444,754	8.9%	1,151,805	1,083,053	6%	4.2%
Mostkovice SPV 1	210	79,507	66,040	20.4%	195,630	167,871	17%	5.5%
Mostkovice SPV 3	926	357,052	331,893	7.6%	869,982	812,257	7%	4.4%
Zdice I	1,499	595,770	554,395	7.5%	1,499,140	1,338,351	12%	5.8%
Zdice II	1,499	582,463	554,395	5.1%	1,468,499	1,338,351	10%	4.6%
Radvanice	2,305	929,890	853,674	8.9%	2,215,344	2,078,845	7%	4.4%
Břeclav rooftop	137	56,362	45,804	23.0%	140,217	115,751	21%	6.7%
Total Czech PP	14,996	5,801,950	5,565,210	4.3%	14,014,347	13,544,159	3%	3.4%
Babiná II	999	353,346	345,808	2.2%	855,903	866,782	-1%	8.6%
Babina III	999	351,300	345,808	1.6%	851,829	866,782	-2%	8.3%
Prša I.	999	404,325	350,502	15.4%	961,794	870,986	10%	7.3%
Blatna	700	271,650	245,725	10.6%	645,735	637,754	1%	3.8%
Mokra Luka 1	963	389,131	351,968	10.6%	1,019,132	889,701	15%	10.2%
Mokra Luka 2	963	389,446	351,968	10.6%	1,026,466	889,701	15%	10.1%
Jovice 1	979	318,686	353,396	-9.8%	774,720	861,749	-10%	1.5%
Jovice 2	979	305,908	353,396	-13.4%	746,244	861,749	-13%	0.7%
Brestovec	850	358,260	298,976	19.8%	891,666	754,318	18%	5.5%
Polianka	999	373,542	360,617	3.6%	878,775	882,338	0%	4.5%
Myjava	999	396,615	360,462	10.0%	990,132	906,712	9%	5.0%
Total Slovak PP	10,429	3,912,209	3,718,625	5.2%	9,642,396	9,288,574	4%	6.1%
Symonston	144	38,190	35,837	6.6%	123,710	120,448	3%	-5.7%
Total Australian PP	144	38,190	35,837	6.6%	123,710	120,448	3%	-5.7%
Brandenburg	75	18,384	17,780	3.4%	52,476	51,795	1%	-7.4%
Altentreptow	156	36,209	36,487	-0.8%	102,038	105,788	-4%	-12.8%
Total German PP	231	54,593	54,267	0.6%	154,514	157,583	-2%	-11.0%
Total	25,569	9,752,349	9,319,673	4.6%	23,780,453	22,953,181	3.6%	3.7%

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

As the Group divested its two German plants in Brandenburg & in Altentreptow (overall capacity of 0.23 MWp) as of 31 August 2015, the corresponding forecasts for September are not presented in the table above.

Chart 1. Generation results and capacity growth between Jan 2011 and September 2015



O&M services

Photon Energy is continuously expanding its operations and maintenance portfolio and added a new geographical location to the list of countries, in which it now provides its services. As of the end of 2015 Q3, full O&M services contracts amounted to approximately 89.8 MWp, up by 30.9 MWp from the end of 2014 Q3, and can be broken down geographically into 54.9 MWp operated in the Czech Republic, 15.6 MWp in Slovakia, 11.0 MWp in Romania, 7.7 MWp in Germany and 0.6 MWp in Australia. The O&M portfolio divides into 25.6 MWp of PV capacities from the proprietary portfolio and 64.2 MWp serviced for external clients. During the reporting period PEO has expanded its O&M services to a new market, adding 11 MWp in Romania, taking over the full monitoring, operations and maintenance for three power plants based in Oradea, in the North-West of the country. PEO also signed an additional 0.6 MWp plant in the Czech Republic. After the reporting period, a full service contract for a total capacity of 2.0 MWp was signed in the Czech Republic and started effectively on 1 October. This additional capacity was not included in the figures reported above.

As far as the “Inverter Cardio” services are concerned, the Group is servicing 61.25 MWp of central inverters, compared to 54.2 MWp at the end of 2014 Q3 (up by 7.0 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 Q3 2015, 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), Czech Republic (7.5MWp), Slovakia (5.5 MWp), Germany (1.75 MWp) and Bulgaria (1.0MWp).

2.5. Enterprise value & Share price performance

On 4 June 2013 Photon Energy N.V. shares commenced trading on the NewConnect market at a price of PLN 2.00, after a share swap for the minority investors in the Czech predecessor company, originally listed on New Connect in 2008.

The quarter closed at a price of PLN 0.71 on 30 September 2015 (-33% MoM & +18% vs. 31 December 2014), corresponding to a price to book ratio of 0.29x.

The Company also reports average monthly trading volume of 422,736 shares in 2015 Q3, confirming the rising trading volume observed in 2015 Q1 (867,451 shares traded monthly in average), to be compared to an average monthly volume of 98,018 shares in 2014.

Chart 2. Total monthly volumes vs. daily closing stock prices



Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA

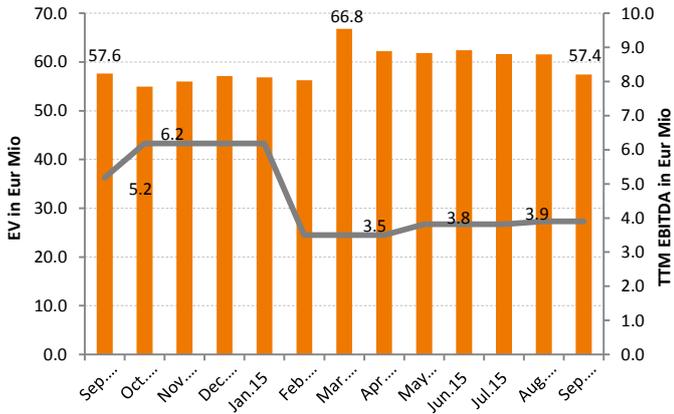
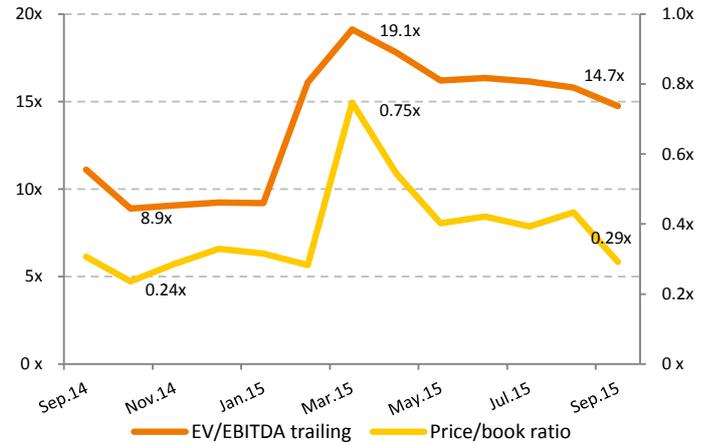


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



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 2015 Q3, the sum of EBITDA reported in 2014 Q3, Q4, 2015 Q1 and Q2.

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.

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 N.V. 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 1 July 2014 and 30 September 2015, on a daily basis

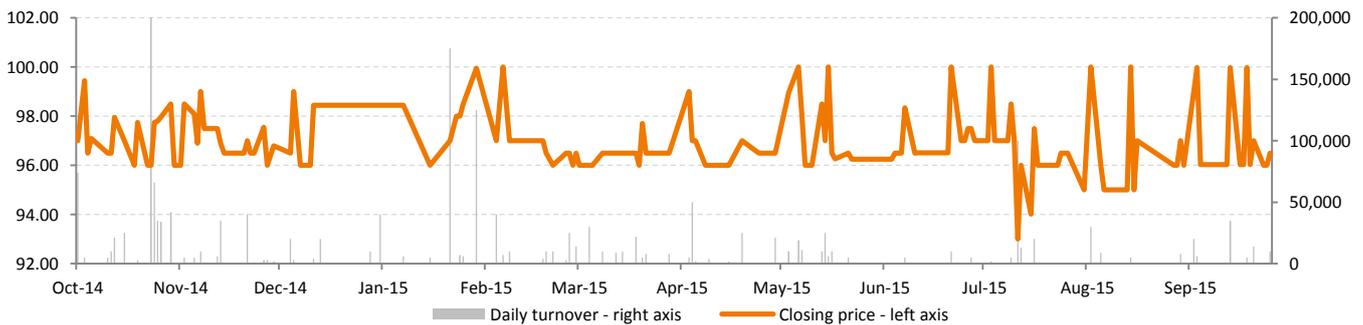


Chart 6. Cumulative turnover and average turnover

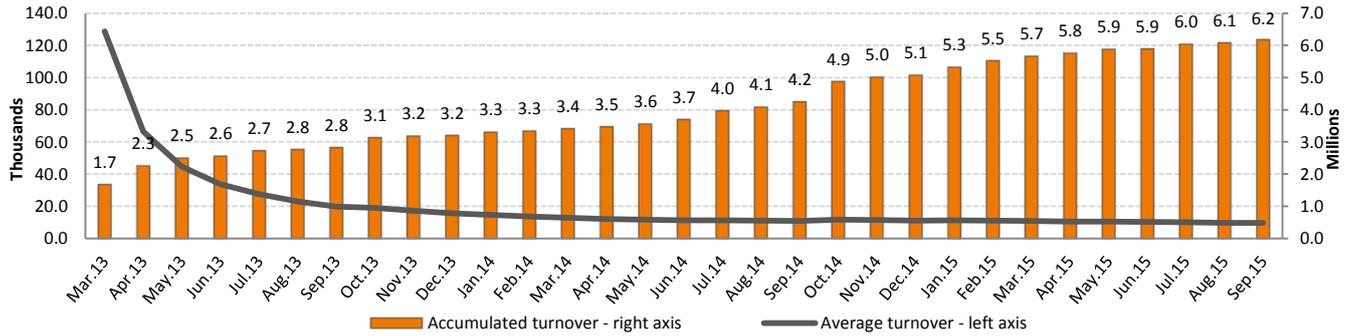
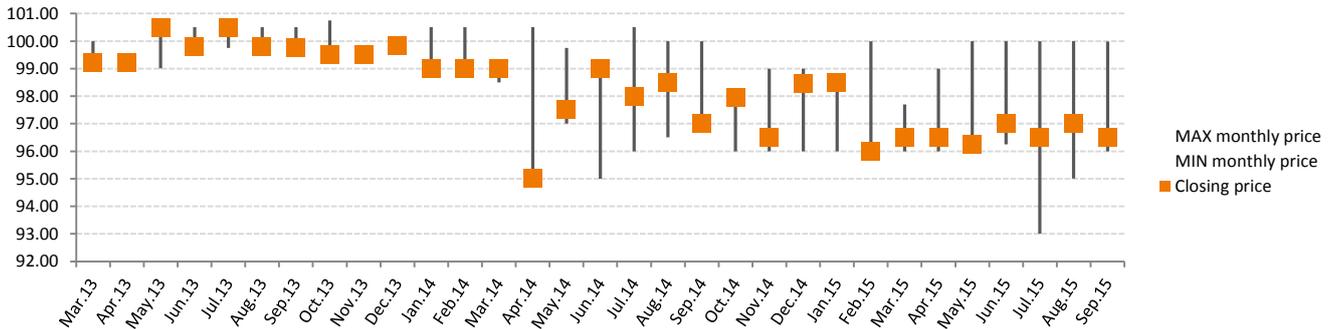


Chart 7. MIN, MAX and closing monthly prices



In the trading period from 12 March 2013 until 30 September 2015 the trading volume amounted to EUR 6.182 Mio (nominal value) with an opening price of 100.00 and a closing price of 96.50. During this period the average daily turnover amounted to EUR 9,570.

Bond trading performance in 2015 Q3

In 2015 Q3 the trading volume amounted to EUR 287,000 (228,000 in 2015 Q2) with an opening price of 97.00 and a closing price of 96.50. The average daily turnover amounted to EUR 4,348 (EUR 3,738 in 2015 Q2).

2.7. Financial statement analysis

Profit and Loss statement

Consolidated revenues increased in 2015 Q3 compared to the same period of the previous year, from EUR 3.903 million to 4.302 million, up by 10.2% YOY. The increase in revenues in 2015 Q3 is primarily connected to the higher performance of the power plants resulting from favourable weather conditions. Thanks to the above and also successful cost saving initiatives, consolidated EBITDA increased by 16.3% from EUR 2.297 million in 2014 Q3 to EUR 2.672 million in the reporting period. EBIT increased by 19.7% from a profit of EUR 0.757 million to EUR 0.905 million. The higher profit in operating activities can be attributed to the higher revenues, lower administrative costs compensated by higher depreciation.

The Company recorded a loss before taxation of EUR 0.120 million, compared to a EUR 0.238 million loss for the same period last year.

Total comprehensive income improved to a loss of EUR 0.218 million in 2015 Q3 (vs. a loss of EUR 1.210 million a year ago).

Chart 8. Revenues, gross profit and gross margin

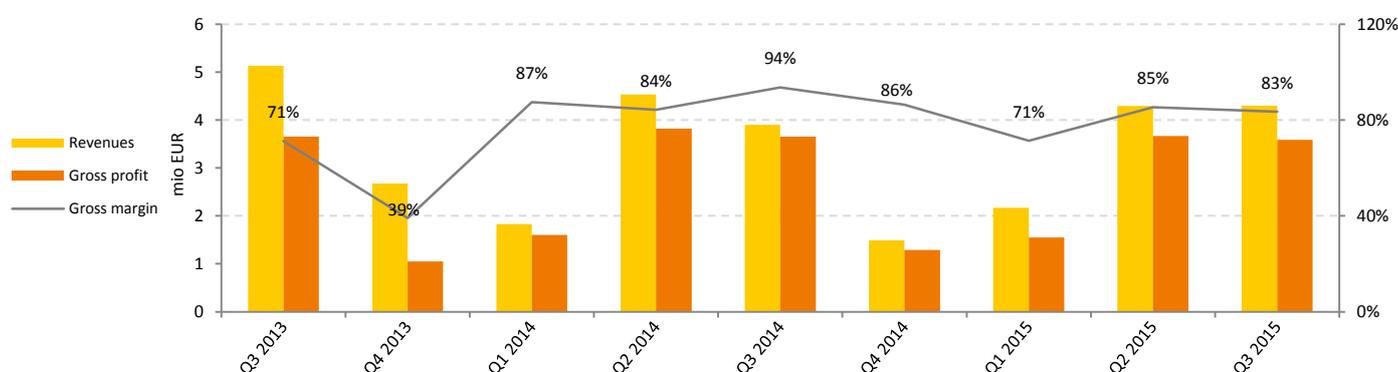
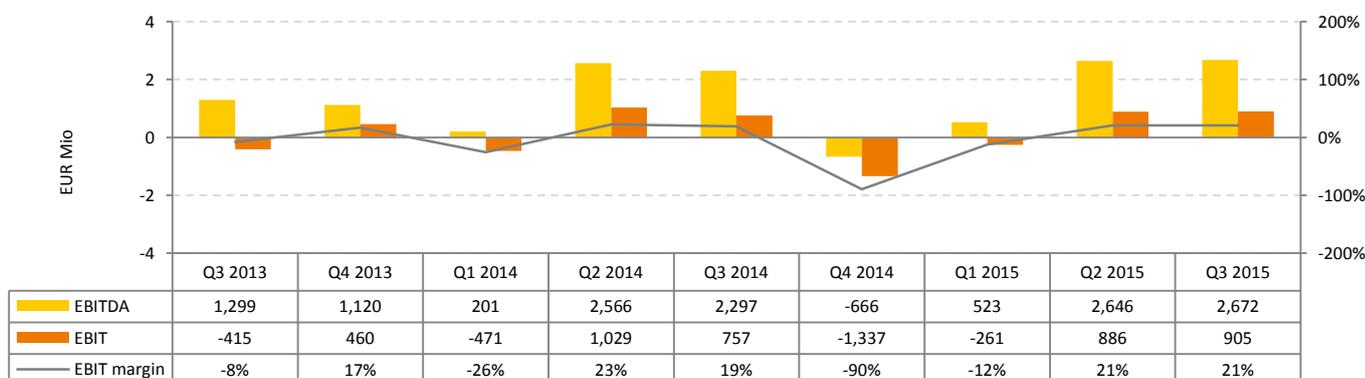


Chart 9. EBITDA, EBIT and EBIT margin development

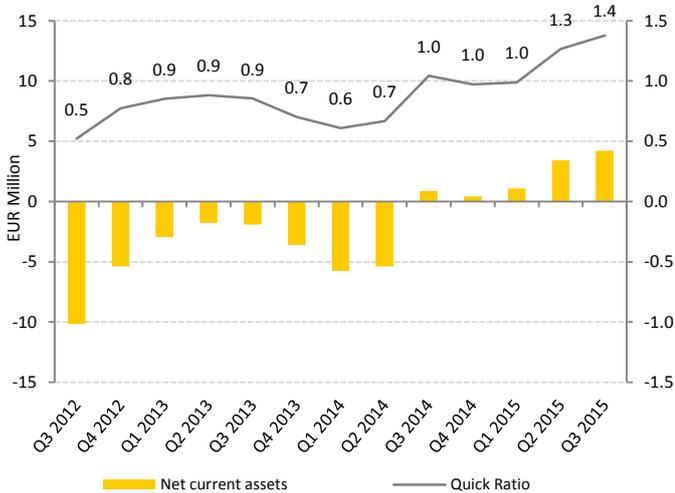
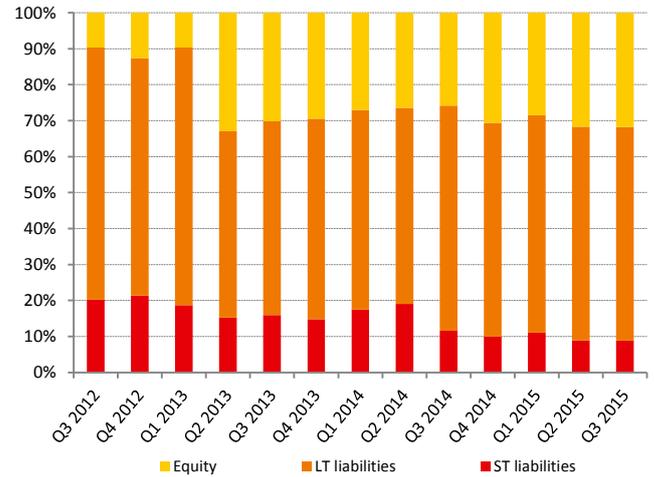


Balance Sheet

Total assets amounted to EUR 78.538 million at the end of 2015 Q3 and increased by EUR 1.315 million compared to 2014 Q3. The main reason for the increase in assets is the revaluation of power plants performed at the end of the year 2014, which led to an increase in their fair value by EUR 6.013 million. The impact of this revaluation is however partially offset by the regular depreciation and by the sale of our two Italian power plants executed at the beginning of 2015 Q2 and by the sale of our German power plant carried out at the end of August 2015. Value of Investment of associates increased from EUR 1.837 million to EUR 2.594 million, also contributing to the increase in total assets.

Current assets increased from EUR 11.098 million as of 30 September 2014 to EUR 12.250 million as of 30 September 2015 mainly due to higher trade and other receivables, and higher inventories.

Total liabilities amounted to EUR 61.895 million as of the end of the reporting period compared to EUR 65.496 million as of the end of 2014 Q3. Short term liabilities decreased by EUR 2.196 million (down from EUR 10.234 million in 2014 Q3 to EUR 8.038 million in 2015 Q3) mainly due to a reduction in trade payables and short-term portion of bank loans. Trade and other payables have decreased from EUR 5.710 million in 2014 Q3 to EUR 4.400 million in 2015 Q3. Long term liabilities decreased by EUR 1.404 million from EUR 55.261 million in 2014 Q3 to EUR 53.857 million in 2015 Q3. The main drivers of the decrease in long term liabilities was the ongoing repayment of the bank loan and lower outstanding balance of the other loans.

Chart 10. Net current assets

Chart 11. Break down of liabilities and equity


Changes in equity

Equity increased to EUR 28.735 million in 2015 Q3 compared to EUR 22.826 million in 2014 Q3 mainly as a result of the positive impact of the revaluation as described in Balance sheet section and supported also by positive movements in derivatives and currency reserves.

Cash Flow

The Group posted positive operating cash flows in 2015 Q3, which amounted to EUR 2.253 million. Financial cash flows were negative and amounted to EUR 0.872 million driven primarily by the repayment of borrowings and by the payment of the Photon Energy bond coupon. Investment cash flows were positive (EUR 0.056 million) thanks to the sale of the German SPV performed in 2015 Q3. Overall, the cash position increased by EUR 1.436 million over the quarter and ended at EUR 5.546 million at the end of the reporting period.

Chart 12. Operating, investment and financing cash flow

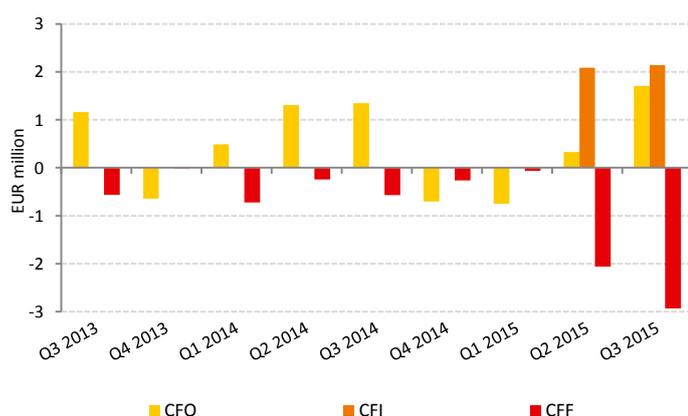
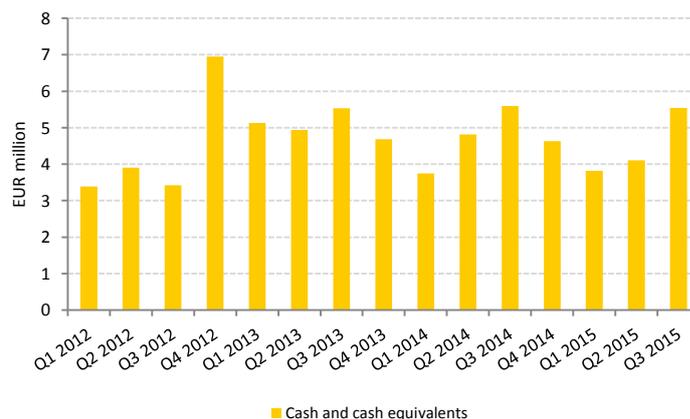


Chart 13. Cash position at the end of the period



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 30 September 2015

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
Total number of shares				60,000,000		
Total share capital					600,000	
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 30.09.2015	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,974	47.11%	28,263,974	55.90%
Solar Future Cooperatief U.A.	8,590,739	14.32%	8,590,739	17.00%
Solar Power to the People Cooperatief U.A.	8,051,919	13.42%	8,051,919	15.90%
Photon Energy N.V.	9,238,686	15.40%	0	0.00%
Free float	5,854,682	9.76%	5,854,682	11.20%
Total	60,000,000	100.00%	50,761,314	100.00%

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

6. Statutory bodies of the Issuer

Board of Directors as of 30 September 2015

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.

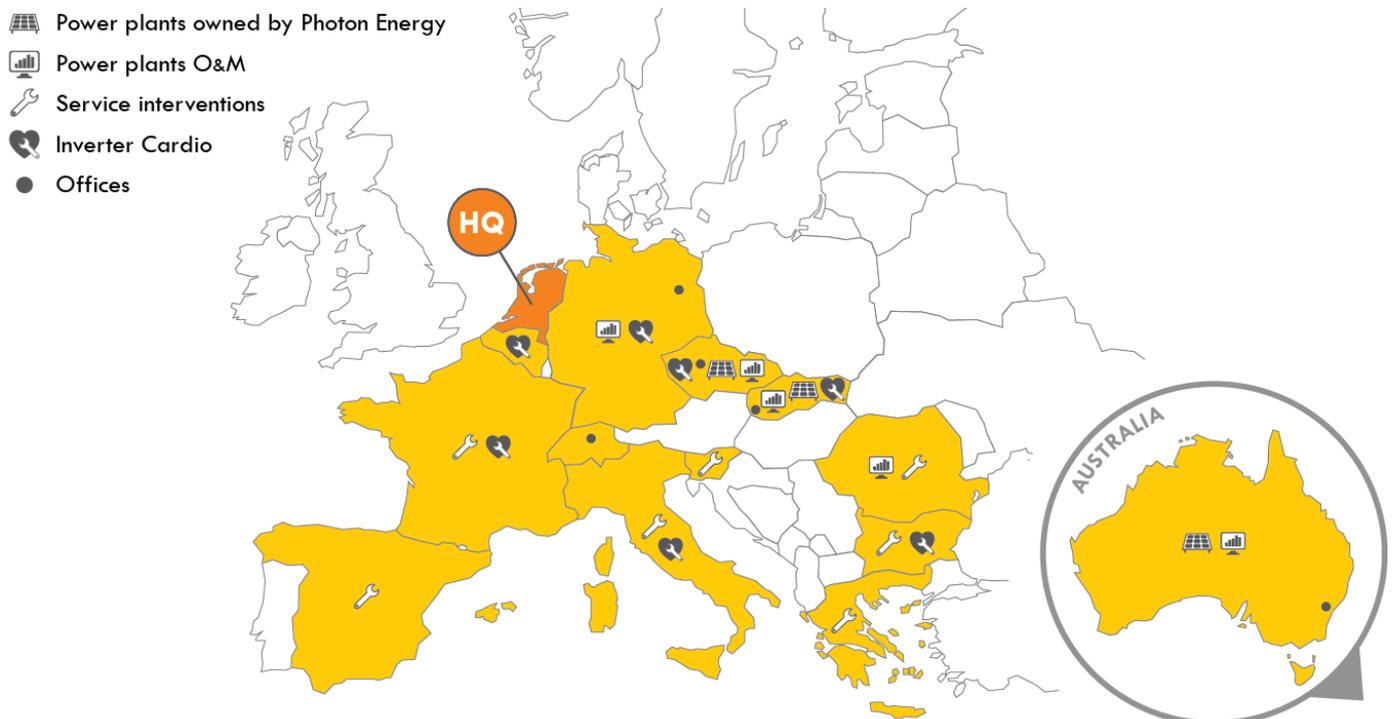
7. Description of the Issuer's business

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



Currently the Photon Energy Group is active with 60 professionals in 6 countries across 2 continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and some 150 MWp of PV power plants under O&M management across two continents.

8. Implementation of innovative activities in the Company

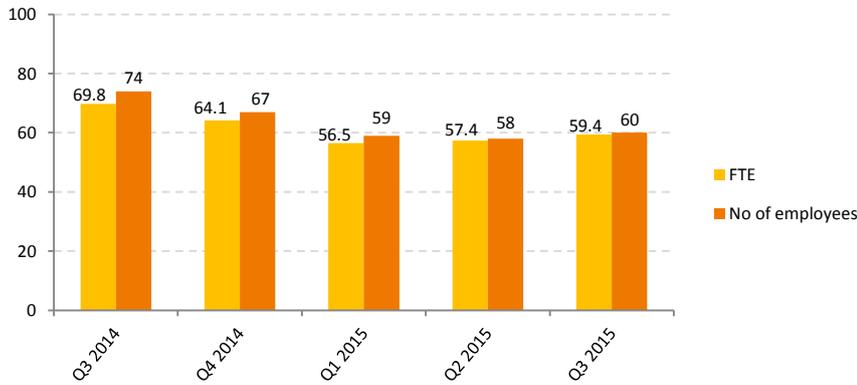
Using monitoring data to predict failures

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 2015 Q3 the Photon Energy Group had 60 employees (compared to 58 employees in 2015 Q2) which translates into 59.4 FTE¹ (compared to 57.4 FTE in 2015 Q2).

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



¹**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 30 September 2015.

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

Notes:

Country of registration

NL – the Netherlands

SK – Slovakia

CZ – the Czech Republic

AUS – Australia

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.

In the reporting period, there were the following changes to the Group structure:

On 31 August 2015, the Group sold its two German plants (Photon DE SPV 3 GmbH).

On 18 September 2015, the Group sold its Polish subsidiary, Photon Energy Polska Sp. z o.o.

After the reporting period the following events occurred:

None.

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

11.1. Summary of the key events from 1 July until 30 September 2015

Below is a summary of the key events which were important for the Issuer's business from 1 July until 30 September 2015 and which were reported in the EBI system:

- ▶ **EBI 23/2015** published on 14 July 2015: Monthly report for June 2015.
- ▶ **EBI 24/2015** published on 21 July 2015: PHOTON ENERGY N.V. Photon Energy expands to Romania with 11 MWp new O&M contracts.
- ▶ **EBI 25/2015** published on 13 August 2015: Monthly report for July 2015.
- ▶ **EBI 26/2015** published on 14 August 2015: Quarterly report for 2015 Q2.
- ▶ **EBI 27/2015** published on 28 August 2015: Photon Energy sells two German plants.
- ▶ **EBI 28/2015** published on 14 September 2015: Monthly report for August 2015.

11.2. Summary of the key events after 30 September 2015

Below is a summary of the key events which were important for the Issuer's business after 30 September 2015 until the date of this report:

- ▶ **EBI 29/2015** published on 9 October 2015: Q & A Chat to be held in collaboration with Polish retail investors association SII on Wednesday, the 18th of November 2015 at 11:00am.
- ▶ **EBI 30/2015** published on 13 October 2015: Monthly report for September.
- ▶ **EBI 31/2015** published on 13 November 2015: Monthly report for October.

12. Detailed consolidated financial results for 2015 Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 July 2015 and ending on 30 September 2015 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	
	2014 Q3	2015 Q3	2014 Q3	2015 Q3
Total revenues	3,903	4,302	16,294	17,981
Out of that: Revenues from electricity generation	3,395	3,852	14,175	16,096
Out of that: Other revenues	508	450	2,119	1,885
Cost of sales	-13	-435	-54	-1 820
Solar levy CZ	-237	-278	-988	-1,159
Gross profit	3,653	3,590	15,252	15,003
Salaries and compensation - administration expenses	-590	-642	-2,464	-2,690
Other administrative expenses	-838	-294	-3,497	-1,232
Other income	22	73	91	306
Other expenses	50	-56	208	-234
EBITDA	2,297	2,672	9,590	11,153
Depreciation	-1,540	-1,766	-6,430	-7,381
EBIT	757	905	3,160	3,773
Interest income	15	9	64	36
Interest cost	-801	-800	-3 342	-3,341
Financial income	148	106	619	441
Financial expense	-146	-9	-607	-39
Revaluation of derivatives	-220	-411	-918	-1,703
Net finance expenses	-1,002	-1,107	-4,185	-4,605
Share of profit from associates / J-Vs	9	81	36	340
Profit / loss before taxation	-238	-120	-991	-493
Income tax – current	20	-1	83	-6
Income tax – deferred	-27	-139	-111	-577
Profit/loss from continuing operations	-244	-260	-1,019	-1,076
Other comprehensive income for the period	-966	42	-4,031	184
Total comprehensive income for the period	-1,210	-218	-5,050	-892
Profit/loss from continuing operations	-244	-260	-1,019	-1,076
Attributable to the equity holders	-256	-268	-1,069	-1,110
Attributable to minority interest	12	8	50	34
Total comprehensive income for the period	-1,210	-218	-5,050	-892
Attributable to the equity holders	-1,210	-226	-5,050	-926
Attributable to minority interest	0	8	0	34
Average no. of shares outstanding in thousand	50,116	50,761	50,116	50,761
Earnings per share outstanding	-0.005	-0.005	-0.020	-0.021
Comprehensive income per share outstanding	-0.024	-0.004	-0.101	-0.018
EUR exchange rate – low	-	-	4.129	4.129
EUR exchange rate – average	-	-	4.175	4.175
EUR exchange rate – high	-	-	4.217	4.217

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN	
	30.9.2014	30.9.2015	30.9.2014	30.9.2015
PPE – Lands	2,816	2,844	11,763	12,071
PPE – Photovoltaic power plants	71,181	72,929	297,398	309,529
PPE – Other equipment	1,122	164	4,689	698
PPE – Assets in progress	258	5	1,077	20
Intangible assets	0	0	0	0
Investments in associates	1,837	2,594	7,674	11,011
Other investments	10	1	41	3
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
Non-current assets	77,223	78,538	322,643	333,332
Cash and cash equivalents	5,593	5,546	23,369	23,540
Trade and other receivables	4,010	4,812	16,756	20,413
Gross amount due from customers for contract work	0	26	0	110
Inventories – Goods	427	1,179	1,786	5,002
Assets held for sale	0	0	0	0
Prepaid expenses	1,067	687	4,459	2,917
Current assets	11,098	12,250	46,369	51,981
Total assets	88,321	90,785	369,012	385,313
Issued share capital	600	600	2,507	2,547
Share premium	23,760	23,760	99,271	100,843
Legal Reserve fund	27	10	113	42
Retained earnings	-17,454	-19,476	-72,923	-82,662
Fund for currency conversions	-3,081	-1,259	-12,873	-5,343
Other comprehensive income from previous periods	22,025	24,923	92,022	105,778
Other comprehensive income	-470	124	-1,962	528
Profit/loss-current year	-2,733	53	-11,418	224
Equity in associates, joint ventures	0	0	0	0
Equity attributable to equity holders	22,675	28,735	94,736	121,956
Minority interests	151	156	631	662
Total equity	22,826	28,891	95,367	122,618
Non-current liabilities	55,261	53,857	230,886	228,583
Bank loan	42,369	39,648	177,020	168,275
Other long-term liabilities	7,393	8,164	30,890	34,648
Other loans	1,129	538	4,717	2,286
Deferred tax liabilities	4,370	5,507	18,259	23,374
Current liabilities	10,234	8,038	42,759	34,113
Trade and other payables	5,710	4,400	23,858	18,673
Bank loan	4,257	3,297	17,788	13,993
Other Loans	148	272	619	1,156
Other short-term liabilities	90	0	377	0
Tax liabilities (CIT)	28	69	117	291
Total Liabilities	65,496	61,895	273,645	262,696
TOTAL Equity & Liabilities	88,321	90,785	369,012	385,313
No. of shares outstanding in thousand	50,477	50,761	50,477	50,761
Book value per share outstanding	0.452	0.566	1.889	2.403

Cash Flow Statement

in Thousands	EUR		PLN	
	2014 Q3	2015 Q3	2014 Q3	2015 Q3
Profit for the period	-244	-120	-1,019	-493
Adjustments for:		0		0
Depreciation	1,540	1,766	6,430	7,381
Net finance costs	1,003	1,107	4,187	4,605
Share of profit of equity accounted investees	-9	-81	-36	-339
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	88	-14	366	-56
Income tax expense	-81	154	-339	640
Changes in:				
Trade and other receivables	1,794	743	7,491	2,854
Gross amount due from customers for contract work	0	235	0	979
Prepaid expenses	-124	19	-517	81
Inventories	-15	56	-63	224
Trade and other payables	-380	82	-4,518	328
Other assets	0	0	0	0
Other liabilities	-2,131	-1,257	-8,898	-4,750
Interests paid	-56	-428	-141	-1,787
Income tax paid	-40	-10	-165	-42
Operating cash flow	1,345	2,253	2,777	9,625
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	56	0	263
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	56	0	263
Proceeds from borrowings	3,604	0	15,046	0
Proceeds from issuing bonds	301	209	1,272	889
Payment of bond coupons	-99	-159	-414	-667
Proceeds from issuing of ordinary shares	0	0	0	0
Repayment of borrowings	-4,372	-922	-18,252	-3,793
Financial cash flow	-566	-872	-2,349	-3,571
Net change in cash	779	1,436	427	6,317
Cash at the beginning of the period	4,814	4,110	20,007	17,223
Effect of exchange rate fluctuation	0	0	0	0
Cash at the end of the period	5,593	5,546	20,434	23,540
EUR exchange rate – low	-	-	4.180	4.180
EUR exchange rate – average	-	-	4.247	4.247
EUR exchange rate – high	-	-	4.337	4.337

Note: Exchange rate provided by the European Central bank

13 Detailed accumulated consolidated financial results for 2015 Q1-Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2015 and ending on 30 September 2015 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	
	2014 Q1-Q3	2015 Q1-Q3	2014 Q1-Q3	2015 Q1-Q3
Total revenues	10,270	10,768	42,877	44,754
Out of that: Revenues from electricity generation	9,133	9,389	38,131	39,023
Out of that: Other revenues	1,137	1,379	4,745	5,731
Cost of sales	-578	-1,305	-2,413	-5,425
Solar levy CZ	-616	-657	-2,571	-2,732
Gross profit	9,076	8,805	37,893	36,598
Salaries and compensation - administration expenses	-2,011	-1,931	-8,397	-8,026
Other administrative expenses	-1,929	-1,090	-8,055	-4,529
Other income	22	181	91	753
Other expenses	-93	-125	-389	-520
EBITDA	5,064	5,841	21,142	24,277
Depreciation	-3,749	-4,311	-15,653	-17,919
EBIT	1,315	1,530	5,490	6,358
Interest income	74	63	310	263
Financial income	151	899	632	3,736
Interest cost	-2,599	-2,412	-10,850	-10,024
Financial expense	-326	-24	-1,359	-98
Revaluation of derivatives	-1,361	31	-5,682	129
Net finance expenses	-4,059	-1,442	-16,949	-5,995
Share of profit from associates / J-Vs	99	119	414	496
Profit / loss before taxation	-2,645	207	-11,045	860
Income tax – current	5	-32	21	-134
Income tax – deferred	-93	-122	-386	-506
Profit/loss from continuing operations	-2,733	53	-11,410	220
Other comprehensive income for the period	-1,161	643	-4,845	2,674
Total comprehensive income for the period	-3,893	696	-16,255	2,894
Profit/loss from continuing operations	-2,733	53	-11,410	220
Attributable to the equity holders	-2,745	44	-11,460	181
Attributable to minority interest	12	9	50	38
Total comprehensive income for the period	-3,893	696	-16,255	2,894
Attributable to the equity holders	-3,893	687	-16,255	2,856
Attributable to minority interest	0	9	0	38
Average no. of shares outstanding in thousand	50,046	50,687	50,046	50,687
Earnings per share outstanding	-0.055	0.001	-0.228	0.004
Comprehensive income per share outstanding	-0.078	0.014	-0.325	0.057
EUR exchange rate - low	-	-	4.099	3.968
EUR exchange rate - average	-	-	4.175	4.156
EUR exchange rate - high	-	-	4.250	4.326

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN	
	2014Q1-Q3	2015 Q1-Q3	2014Q1-Q3	2015 Q1-Q3
Profit for the year	-2,733	207	-11,410	860
Adjustments for:			0	0
Depreciation	3,749	4,311	15,653	17,919
Net finance costs	4,059	1,442	16,949	5,995
Share of profit of equity accounted investees	-99	-119	-414	-496
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	88	0	366	0
Income tax expense	0	154	0	640
Changes in:			0	0
Trade and other receivables	600	-1,310	2,505	-5,443
Gross amount due from customers for contract work	0	236	0	982
Prepaid expenses	-924	131	-3,856	547
Inventories	-38	-496	-161	-2,060
Trade and other payables	356	-748	1,488	-3,110
Other assets	0	0	0	0
Other liabilities	-2,056	-1,100	-8,585	-4,102
Interests paid	-424	-902	-1,771	-3,750
Income tax paid	-135	-100	-563	-418
Operating cash flow	2,443	1,706	10,200	7,563
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	2,141	0	8,900
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	2,141	0	8,900
Proceeds from borrowings	3,604	0	15,046	0
Proceeds from issuing bonds	778	535	3,263	2,239
Payment of bond coupons	-278	-472	-1,160	-1,963
Proceeds from issuing of ordinary shares	0	0	0	0
Repayment of borrowings	-5,635	-2,994	-23,528	-12,446
Financial cash flow	-1,531	-2,932	-6,379	-12,171
Net change in cash	911	915	3,821	4,292
Cash at the beginning of the period	4,682	4,631	19,548	19,247
Effect of exchange rate fluctuation	0	0	0	0
Cash at the end of the period	5,593	5,546	23,369	23,540
EUR exchange rate - low	-	-	4.099	3.968
EUR exchange rate - average	-	-	4.175	4.156
EUR exchange rate - high	-	-	4.250	4.326

Note: Exchange rate provided by the European Central Bank

Statement of Changes in Equity

in thousand EUR	Combined equity	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 31.12.2014	0	600	23,760	10	27,704	-1,778	-582	-21,675	28,038	147	28,185
Profit for the period 1.1.2015 – 30.9.2015								53	53	9	62
Revaluation of PPE									0		0
Share on revaluation of PPE of associates, JV									0		0
Foreign currency translation differences						519			519		519
Derivatives							114		114		114
Share on derivatives JV							10		10		10
Total comprehensive income for the year	0	0	0	0	0	519	124	53	696	9	706
new shares									0		0
Move from revaluation reserve to retained earnings					-2,199			2,199	0		0
Legal reserve fund – move to RE on entity disposal									0		0
BALANCE at 30.9.2015	0	600	23,760	10	25,505	-1,259	-458	-19,424	28,735	156	28,891

13. Detailed entity financial results for 2015 Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2015 and ending on 30 September 2015 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	
	2014 Q3	2015 Q3	2014 Q3	2015 Q3
Revenues from the sale of products, goods and services	0	1,327	0	5,516
Cost of sales	-81	-803	-339	-4,902
Other administrative expenses	-1	229	-4	944
Other income	135	0	564	0
Other expenses	0	-41	0	-169
EBITDA	53	336	221	1,389
Amortization&depreciation	-4	-8	-17	-33
EBIT	49	328	204	1,356
Financial income	202	91	844	396
Financial costs	-261	-318	-1 090	-1 329
Profit / loss before taxation	-10	101	-42	422
Income tax	0	0	0	0
Profit/loss for the period (net income)	-10	102	-42	426

Balance Sheet

in Thousands	EUR		PLN	
	30.9.2014	30.9.2015	30.9.2014	30.9.2015
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	40	25	169	106
Investments in associates	31,021	31,476	129,608	133,592
Other investments	0	0	0	0
Goodwill	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
Non-current assets	31,062	31,501	129,777	133,698
Cash and cash equivalents	48	83	201	352
Trade and other receivables	14,288	9,082	59,695	38,546
Inventories – Goods	0	0	0	0
Prepaid expenses	0	510	0	2,165
Current assets	14,336	9,675	59,897	41,063
Total assets	45,398	41,176	189,674	174,761
Issued share capital	600	600	2,507	2,547
Share premium	36,871	36,871	154,049	156,489
Legal Reserve fund	0	0	0	0
Retained earnings	-8,056	-6,687	-33,659	-28,383
Reserves	0	-1,778	0	-7,546
Profit/loss-current year	1,518	-168	6,343	-714
Total equity	30,933	28,837	129,239	122,392
Non-current liabilities	7,278	8,060	30,408	34,208
Bank loan	0	0	0	0
Other long-term liabilities	7,278	8,060	30,408	34,208
Current liabilities	7,187	4,279	30,027	18,160
Trade and other payables	7,187	4,279	30,027	18,160
Other Loans	0	0	0	0
Tax liabilities (CIT)	0	0	0	0
TOTAL Equity & Liabilities	45,398	41,176	189,674	174,761

15 Detailed accumulated entity financial results for 2015 Q1-Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2015 and ending on 30 September 2015 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS).

Income Statement

in Thousands (except EPS)	EUR		PLN	
	2014 Q1-Q3	2015 Q1-Q3	2014 Q1-Q3	2015 Q1-Q3
Revenues from the sale of products, goods and services	0	1,327	0	5,516
Cost of sales	-1,143	-1,179	-4,770	-4,902
Other administrative expenses	-1	-148	-4	-614
Other income	138	0	574	0
Other expenses	0	-46	0	-191
EBITDA	-1,006	-46	-4,200	-191
Amortization&depreciation	-8	-8	-17	-33
EBIT	-1,010	-54	-4,217	-224
Financial income	546	1,142	2,281	4,745
Financial costs	-1,054	-919	-4,402	-3,821
Profit / loss before taxation	-1,518	168	-6,338	699
Income tax	0	0	0	0
Profit/loss for the period (net income)	-1,518	169	-6,338	703

Balance Sheet

in Thousands	EUR		PLN	
	30.9.2014	30.9.2015	30.9.2014	30.9.2015
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	40	25	169	106
Investments in associates	31,021	31,476	129,608	133,592
Other investments	0	0	0	0
Goodwill	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
Non-current assets	31,062	31,501	129,777	133,698
Cash and cash equivalents	48	83	201	352
Trade and other receivables	14,288	9,082	59,695	38,546
Inventories – Goods	0	0	0	0
Prepaid expenses	0	510	0	2,165
Current assets	14,336	9,675	59,897	41,063
Total assets	45,398	41,176	189,674	174,761
Issued share capital	600	600	2,507	2,547
Share premium	36,871	36,871	154,049	156,489
Legal Reserve fund	0	0	0	0
Retained earnings	-8,056	-6,687	-33,659	-28,383
Reserves	0	-1,778	0	-7,546
Profit/loss-current year	1,518	-168	6,343	-714
Total equity	30,933	28,837	129,239	122,392
Non-current liabilities	7,278	8,060	30,408	34,208
Bank loan	0	0	0	0
Other long-term liabilities	7,278	8,060	30,408	34,208
Current liabilities	7,187	4,279	30,027	18,160
Trade and other payables	7,187	4,279	30,027	18,160
Other Loans	0	0	0	0
Tax liabilities (CIT)	0	0	0	0
TOTAL Equity & Liabilities	45,398	41,176	189,674	174,761

14. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Photon Energy N.V. for the period starting on 1 January 2015 and ending on 30 September 2015 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 2015 to 30 September 2015

	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		706	9,389	673	0	0	10,768	0	10,768
Revenues within segments from the sale of products, goods, services		30	0	529	0	0	559	-559	0
Cost of sale		-520	-759	-457	0	-218	-1,955	649	-1,305
Energy tax		0	-657	0	0	0	-657	0	-657
Gross profit		216	7,973	745	0	-218	8,716	90	8,805
Other external income		0	0	0	0	181	181	0	181
Administrative and other expenses		-147	-793	-1,058	0	-1,905	-3,903	758	-3,146
Depreciation		-1	-4,269	-19	0	-22	-4,311	0	-4,311
Operating income		69	2,911	-333	0	-1,964	683	0	1,531
Interest income		14	101	27	0	208	360	-296	63
Interest expenses		-29	-1,807	-59	0	-217	-2,111	301	-2,412
Other financial revenues		0	0	0	0	899	899	0	899
Other financial expenses		-4	0	-5	0	-15	-24	0	-24
Revaluation of derivatives		0	31	0	0	0	31	0	31
Profit/loss share in entities in equivalency		0	0	0	119	0	119	0	119
Income tax		0	-139	0	0	-15	-154	0	-154
Profit/loss after taxation		49	1,097	-369	119	-1,105	-209	4	53
Revaluation of property, plant and equipment		0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations		0	0	0	0	519	519	0	519
Share of revaluation of PPE of associates /joint venture		0	0	0	0	0	0	0	0
Share of currency translation diff. Of associates / JV		0	0	0	0	0	0	0	0
Derivatives (hedging)		0	124	0	0	0	124	0	124
Total comprehensive income		49	1,221	-369	119	-586	434	4	696
Assets, of which		1,492	87,126	2,541	2,594	10,082	103,836	-13,048	90,785
PPE – Lands		0	2,844	0	0	0	2,844	0	2,844
PPE – Photovoltaic power plants		0	72,929	0	0	0	72,929	0	72,929
PPE – Equipment		0	0	100	0	64	164	0	164
PPE – Assets in progress		0	0	5	0	0	5	0	5
Intangibles		0	0	0	0	0	0	0	0
Trade and other receivables		904	5,416	2,194	0	9,290	17,804	-12,992	4,812
Loans		0	0	0	0	0	0	0	0
Gross amount due from customers for contract work		18	0	0	0	8	26	0	26
Inventories – Goods		556	463	204	0	0	1,223	-44.71	1,179
Investments in associates, JV, other		0	0	1	2,594	0	2,595	0	2,595
Deferred tax receivables		0	0	0	0	0	0	0	0
Long term receivables		0	0	0	0	0	0	0	0
Prepaid expenses		11	123	25	0	540	699	-11.71	687
Assets held for sale		0	0	0	0	0	0	0	0
Cash and cash equivalents		4	5,350	12	0	181	5,546	0	5,546
Liabilities, of which		-2,484	-52,220	-4,569	0	-15,607	-74,880	12,985	-61,895
Trade and other payables		-2,492	-3,726	-4,410	0	-6,757	-17,385	12,985	-4,398
Bank Loans and other loans		0	-42,945	0	0	-811	-43,756	0	-43,756
Other long term liabilities		0	0	-104	0	-8,060	-8,164	0	-8,164
Other short term liabilities		0	0	0	0	0	0	0	0
Current tax liabilities (income tax)		8	-42	-56	0	21	-69	0	-69
Provisions		0	0	0	0	0	0	0	0
Deferred tax liabilities		0	-5,507	0	0	0	-5,507	0	-5,507

Results of the operating segments for the period from 1 January 2014 to 30 September 2014

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	237	9,133	719	0	180	10,270	0	10,270
Revenues within segments from the sale of products, goods and services	40	0	307	0	1,336	1,683	-1,683	0
Cost of sale	-285	-414	-106	0	-47	-852	274	-578
Energy tax	0	-616	0	0	0	-616	0	-616
Gross profit	-8	8,102	921	0	1,469	10,484	-1,409	9,076
Other external income	0	0	0	0	22	22	0	22
Administrative and other expenses	-251	-581	-1,492	0	-2,959	-5,283	1,249	-4,033
Depreciation	-3	-3,721	-7	0	-18	-3,749	0	-3,749
Operating income	-262	3,800	-577	0	-1,486	1,474	-160	1,315
Interest income	15	36	18	0	535	605	-530	74
Interest expenses	-31	-2,197	-32	0	-869	-3,129	530	-2,599
Other financial revenues	0	0	0	0	151	151	0	151
Other financial expenses	-4	-1,398	-10	0	-275	-1,687	0	-1,687
Disposal of investments	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	99	0	99	0	99
Income tax	0	-63	11	0	-35	-88	0	-88
Profit/loss after taxation	-281	177	-590	99	-1,979	-2,574	-160	-2,733
Other comprehensive income	0	-285	0	0	0	-285	0	-285
Foreign currency translation diff. - foreign operations	0	-691	0	0	0	-691	0	-691
Derivatives (hedging)	0	-136	0	-49	0	-184	0	-185
Total comprehensive income	-281	-934	-590	51	-1,979	-3,733	-160	-3,893
Assets, of which	1,964	82,966	3,513	1,837	23,277	113,557	-25,236	88,321
PPE – Lands	0	2,816	0	0	0	2,816	0	2,816
PPE – Photovoltaic power plants	0	71,181	0	0	0	71,181	0	71,181
PPE - Equipment	214	0	557	0	352	1,122	0	1,122
PPE – Assets in progress	0	0	0	0	258	258	0	258
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	1,455	3,228	2,835	0	21,729	29,246	-25,236	4,010
Loans	0	0	0	0	0	0	0	0
Gross amount due	0	0	0	0	0	0	0	0
from customers for contract work	282	58	88	0	0	427	0	427
Inventories – Goods	0	0	10	1,837	0	1,847	0	1,847
Investments in associates, JV, other	0	0	0	0	0	0	0	0
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	14	152	14	0	887	1,067	0	1,067
Prepaid expenses	0	0	0	0	0	0	0	0
Assets held for sale	1	5,532	10	0	51	5,593	0	5,593
Cash and cash equivalents	-2,537	-58,877	-4,042	0	-25,115	-90,571	25,076	-65,495
Liabilities, of which	-2,537	-7,881	-3,962	0	-16,406	-30,787	25,076	-5,710
Trade and other payables	0	-46,624	0	0	-1,277	-47,902	0	-47,902
Bank Loans and other loans	0	0	0	0	-7,393	-7,393	0	-7,393
Other long term liabilities	0	0	0	0	0	0	0	0
Other short term liabilities	0	0	-79	0	-39	-118	0	-118
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0
Provisions	0	-4,370	0	0	0	-4,370	0	-4,370
Deferred tax liabilities	237	9,133	719	0	180	10,270	0	10,270

15. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by EU and were authorised for 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 1 January 2010.

As of 31 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 2013 or 2014.

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	
	2014 Q3	2015 Q3
EUR exchange rate – low	4.129	4.106
EUR exchange rate – high	4.217	4.244
EUR exchange rate – average	4.175	4.187
EUR exchange rate – end of period	4.178	4.244

(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.

16. Management Board declaration

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

17. Investor Relations Contact

Emeline Parry, Investor relations manager
Phone: +420 702 206 574
E-mail: ir@photonenergy.com

Photon Energy N.V.
Barbara Strozziilaan 201
1083 HN Amsterdam
The Netherlands

Phone: +420 277 002 910
Fax: +420 277 002 911
E-mail: ir@photonenergy.com
Web: www.photonenergy.com

Amsterdam, 16 November 2015

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

Georg Hotar
Member of the Board of Directors

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

Michael Gartner
Member of the Board of Director



MATERIAL	THINFILM	INSPECTION 100%	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X