



**PHOTON ENERGY N.V.**  
with its registered seat in Amsterdam, The Netherlands

**INFORMATION DOCUMENT**

PREPARED FOR THE INTRODUCTION OF 23,000,000 ORDINARY SHARES TO NEWCONNECT,  
THE ALTERNATIVE TRADING SYSTEM OPERATED BY THE WARSAW STOCK EXCHANGE

**This information document has been prepared in relation to seeking introduction of financial instruments referred to herein to trading in the alternative trading system operated by the Warsaw Stock Exchange.**

**Introduction of financial instruments to trading in the alternative trading system shall not be tantamount to admission or introduction of such instruments to trading on the regulated (main or parallel) market operated by the Warsaw Stock Exchange.**

**Investors should be aware of risks involved in investments in financial instruments listed in the alternative trading system and their investment decisions should be preceded by an appropriate analysis and, if necessary, consultations with an investment adviser.**

**The contents of this information document have not been approved by the Warsaw Stock Exchange for compliance of information provided therein with the facts or legal regulations.**

Authorized Advisor:

**CAPITAL SOLUTIONS** The logo for Capital Solutions ProAlfa consists of a blue square containing a white Greek letter alpha (α) with the word 'PRO' in small white capital letters to its left.

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29 May 2013

## I. INTRODUCTION

### 1.1 Document title

The below is the Information Document for Photon Energy N.V. (“PENV”, “Issuer” or “Company”), a joint-stock company incorporated pursuant to the Commercial Code of the Netherlands. This Information Document has been prepared according to the requirements set out in the Exhibit 1 to the ATS Rules.

### 1.2 Issuer

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<b>Company name:</b>	<b>Photon Energy N.V.</b>
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### 1.3 Authorized Advisor

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## 1.4 Financial instruments introduced to trading

The instruments being introduced to the NewConnect alternative trading system on the basis of this Information Document are:

- 23,000,000 (twenty-three million) ordinary registered shares with a nominal value of EUR 0.01 (one Eurocent) each and a total nominal value of EUR 230,000.00 (two hundred and thirty thousand Euros).

Those instruments being introduced to trading on NewConnect together represent 100% of the Issuer's share capital and entitle their holders together of up to 100% of votes at a general meeting of the Issuer.

## 1.5 Summary of financial information

<i>In thousand EUR</i>	<b>2011 Y*</b>	<b>2012 Y*</b>	<b>Q1 2012**</b>	<b>Q1 2013**</b>
Revenues	23 186	16 169	2 793	1 673
Gross profit	8 244	5 787	1 339	623
Operating income	- 1 725	-5 012	-779	-2 473
Net profit/loss	-7 054	-12 634	-2 765	-2 936
Total assets	102 335	115 138	103 108	111 211
Cash and cash equivalents	4 880	6 953	3 390	5 130
Total equity	17 494	14 478	15 790	10 759
Total liabilities	84 841	100 660	87 318	100 452

\* *Audited consolidated numbers*

\*\* *Unaudited consolidated numbers*

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## II. RISK FACTORS

Investing in the Issuer's shares involves inherent risks. Prospective investors should consider, among other things, the risk factors set out herein before making an investment decision. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company, or that the Company currently deems immaterial, may also impair the Company's business operations and adversely affect the price of shares. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. A prospective investor should consider carefully the factors set forth below, and elsewhere in this Information Document, and should consult his or her own expert advisors as to the suitability of an investment in the Company's shares. An investment in the Company's shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

### 2.1. Macroeconomic and market risks

#### Risks related to simultaneous application of Dutch and Polish law

Two legal systems - Dutch and Polish - may, from time to time, apply to the various legal processes related to the activities of the Company and/or to its Shares. Additional legal and/or operational risks may be connected to this situation. Because of the novelty and legal complexity and uncertainty involved, the Company's management may be currently unaware of certain legal and/or operational risks.

Moreover, shareholders residing outside the Netherlands shall be aware that the rights attached to the Shares arising from Dutch law, i.e. the Dutch Civil Code, and the way these rights are exercised may differ from those applicable locally.

Identification of all risk factors may require a detailed analysis of discrepancies between both legal systems.

#### Sensitivity to general macro environment

The general economic situation of the countries in which the Group runs its projects influences the development and growth prospects of the Group's business. The financial results of the Group may be directly and indirectly influenced by, among others, GDP growth, national income, inflation, monetary and tax policy, interest rates and overall level of investment in countries where the Group has its operations. The above-mentioned factors may influence the accomplishment of the Issuer's goals together with the direction and pace of these changes. Temporary market turmoil may also have a disadvantageous influence on the demand for the Issuer's services, having an adverse impact on the financial standing, asset value of the Group and the pace of its growth.

#### Currency risk

The Group is exposed to a currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

The transactions of the Group entities are denominated in CZK, EUR and AUD. Although mainly the CZK/EUR exchange rate experienced wide fluctuations in 2012, the Group is, typically, able to collect repayments from its customers at the time of committing itself to purchases from third parties and thus to a large extent to mitigate currency risk. There is no financial hedging used by the company against the currency risk. Company's management does not formally monitor the FX positions.

### Extraordinary circumstances

The development, construction and management of PV power plants are subject to a number of risks and hazards, including changing weather conditions, adverse environmental conditions, theft, technical failure, changes in the regulatory environment and others.

With regards to the meteorological conditions at the given site of the photovoltaic power plant, there is a risk that the climatic conditions will change in the future and that the forecasted weather conditions will not occur or that the prognosis concerning the sunshine hours will prove to be unfounded. In such case, the actual electricity generation results and thus revenues and cash flows might be different than originally expected.

Losses of earnings can also occur on the basis of stoppages at the photovoltaic power plants, for example due to administrative measures, breakdowns or an outage in the electricity distribution network, or may also occur because the network operators set higher line losses than anticipated.

The Group is also exposed to technical risks in relation to the long term performance of the solar modules and the limited service life of the technical components. Risks also arise from the technology and maintenance of the photovoltaic power plants. Furthermore, the risk exists that the facilities can be destroyed in another way, for example as a result of natural disasters, earthquakes, theft, vandalism or other acts of violence. Any irregularities in the general electricity supply can possibly also lead to a lack of line entry for any revenue earning electricity.

Although the Group maintains some insurance to protect against some of these risks, the insurance will not cover all the potential risks associated with the above mentioned extraordinary circumstances. There is also a risk that the existing insurance coverage is not sufficient or that failures and losses arise that exceed the extent of the existing insurance coverage. In addition to this for certain risks there is no adequate insurance coverage available, or at least no available under proper conditions. A loss against which there is no adequate insurance coverage – can have a negative impact on the financial standing, assets value and earnings position of the Group.

### Market regulatory risks and dependency on the state managed subsidy programmes

Apart from the need for external financing, the largest uncertainty factor in the photovoltaic industry is still the regulatory framework, especially in the European states where a large number of photovoltaic power plants have so far been built on the basis of state managed support systems (feed-in-tariffs or green certificates). The rapid growth in those markets in recent years has been largely based on regulatory framework conditions and subsidies. Without state managed subsidy programs photovoltaic power plants would not yet be competitive, especially in comparison with the use of conventional energy sources (for example nuclear power, coal, natural and shale gas). Therefore, the commercial operations of the Group are influenced by the continuation of the state managed subsidy programs for photovoltaics.

Risks especially arise from new legal regulations which can exercise a significant influence on the demand for electricity generated from photovoltaics in the individual countries. For example, the state managed subsidy program concerning the buyback price (feed-in-tariff) is guaranteed for a fixed period in the countries which follow this concept. The rate of remuneration depends on the country or on the valid buyback price as of the moment of the grid connection or according to the permit. The starting dates for the application of any new legal regulations are therefore of special significance. If new projects are subject to extraordinary delays, which make the grid connection possible only after such a starting date, whereby the facility's profitability was originally calculated on the basis of the previously valid buyback price, this can adversely affect the profitability of the facility in question and could result in the revenues being lower than planned or even non-existent. Moreover, it cannot be ruled out that the low income from

electricity production will no longer suffice to cover the ongoing costs, in particular the financing costs, so that the Group could be forced to cover the resulting difference or to sell off the photovoltaic facility at a price below the acquisition price.

The buyback price and the subsidies for facilities which are already connected to the grid are fundamentally unaffected by new regulations. However, changes can come into effect at very short notice without any ongoing protection for investments which have already been made. It is possible that the state managed subsidies for renewable energy in general or for photovoltaics specifically in all markets will be reviewed in the courts and as such will be regarded as being against the law or reduced or abolished for some other reason. Issued consent could be revoked or the realisation of planned legislation aimed at supporting photovoltaic power may not be implemented. In addition, the introduction of changes to the state managed subsidy programs with retroactive effect cannot be fully ruled out. For example, changes to the legal framework conditions for photovoltaics, which also applied to already existing solar facilities, were introduced in the Czech Republic in 2010. In particular, a solar levy introduced at a rate of 26% on the revenues from photovoltaic power plants with an installed output in excess of 30 kWp which were already grid-connected in 2009 and 2010 (the "solar levy") was implemented for 2011 to 2013. Furthermore, the six-year corporate income tax exemption for photovoltaic power plants was also abolished. The Czech government stated that it intends to further extend the solar levy, which was only supposed to apply until the end of 2013, whereby at present there is no available information as to at what rate or for which period this solar levy increase should apply. If the extension of the solar levy at the current rate of 26% were adopted for the remaining service life of the photovoltaic power plants existing in the Group's portfolio, this would result in a reduced yield from these photovoltaic power plants and a depreciation requirement for these photovoltaic power plants of up to 12.8 million EUR with the corresponding negative effects on the asset value, financial standing and the earning position of the SPVs and the whole Group.

Therefore, the given regulatory framework cannot be taken for granted and adjustments in the incentives schemes and national targets can be introduced ad-hoc, reflecting short-term fiscal needs or changes in the economic situation of the country. Aforementioned factors and changes in the regulatory framework may have a material, adverse effect on the profitability of existing projects, asset values and results of the Group and hence should be taken into consideration while assessing the risk of the PV business and the investment in the Company's shares. The regulatory risk in Europe has further encouraged the efforts of the Company's management to diversify to markets outside Europe where electricity generated by photovoltaic power plants is already commercially competitive.

#### Interest rate risks

Given that the Group carries a significant level of debt on its balance sheet, most of it at a floating interest rate, changes in interest rates may materially increase the cost of borrowing and have an adverse impact on the project returns, profitability of the Group and thus returns to its shareholders. Besides, increasing market interest rate – in the case of a high project leverage – might profoundly influence the value of the photovoltaic power plants. In case of a sale there is a risk that it will not be possible to sell the photovoltaic power plant for the intended price.

To mitigate this risk, the Group uses interest rate derivatives in case of Slovak SPVs that are intended to hedge against interest rate fluctuations. Interest rate for Czech SPVs is agreed on fixed rate. However, the concluded measures do not completely eliminate the interest rate risk. The aforementioned risks could have a negative influence on the financial standing, asset value and earnings position of the Group.

### Environmental risks

The business activity of the Group, particularly in the area of photovoltaic power plant construction, must comply with laws, regulations and directives valid in the location of the installation; these laws regulate e.g. emissions in the air, sewages, protection of soil and groundwater as well as health and security of people. Transgressions against these environmental provisions can be pursued according to civil, criminal and public law. Especially temporary provisions could encourage a third party to open a process or - given the circumstances - to demand costly measures to control and remove environmental pollution or to upgrade technical facilities. The properties necessary for photovoltaic power plants are partially owned by the respective SPV. It cannot be ruled out that these are contaminated sites; for removing these, the respective SPV may be responsible, regardless of the cause. This could result in liability risks and material costs in the context of administrative orders or requirements. All the mentioned circumstances can have a negative impact on the financial situation, status and results of the individual SPVs and the Group.

One of the photovoltaic power plants in the Czech Republic was built on a property where lime had been quarried in the past and after that the property was used as a landfill. This landfill is now closed; however it cannot be completely ruled out that the ground slumps on some spots or that despite sealing off, the contaminated substances from the landfill find their way into the soil which would result in relevant remediate measures. In both cases there is the risk that the operations of the photovoltaic power plant would be tangibly damaged, in some cases even interrupted. In addition, there are still small remaining quantities of lime present, so that it would be legally possible to apply for a new licence to quarry lime again. Following Czech laws the granting of this licence could lead to a situation where the lime would be quarried again regardless of the presence of the photovoltaic power plant, which in further consequence would lead to the removal of this photovoltaic power plant. This would have a very negative impact on the financial standing, asset value and results of operations of the SPV in question and the overall Group.

## **2.2. Operational risks**

### Uncertainty with respect to the going-concern assumption

In 2013, the Company will be facing mainly the following challenges:

1. Penetration on new markets and securing the new projects
2. The company is dependent on external financing

In June 2012, Photon Energy N.V. agreed an amendment to the existing loan contract for the increase of the loan provided to Photon Energy N.V. by a private financing company from the original EUR 6 million to EUR 8 million. The proceeds of the increase of the loan of EUR 2 million were used to repay a loan provided to Photon Energy a.s. by the same party in the amount of EUR 800 thousands. The interest rate remained the same as agreed with the borrower's representatives and the loan was originally due on 31 January 2013.

On 8th January 2013, PENV obtained a written confirmation from this private financing company, where the new terms suggested by management of PENV were accepted.

The newly agreed terms were the following:

- Repayment of EUR 500,000 of the loan principal;
- Repayment of EUR 1,500,000 of the loan principal per 31 March 2013;
- Repayment of the remaining loan principal of EUR 6,000,000 no later than 30 June 2013, with the option to repay earlier per 30 April 2013 or 31 May 2013.

The Company signed the respective amendment on 29th January 2013.

As of 31 March 2013, the Company repaid EUR 2,000,000 from the outstanding amount, so the outstanding balance as of April 2013 equals to EUR 6,000,000.

Subsequently, management of the Company has discussed with the representative of the private financing company the next repayment date of 30 June 2013. Accordingly, a confirmation was obtained on 7 May 2013, which confirms that the due date of loan will be prolonged till 31 December 2013.

Management is confident that it will be able to generate sufficient cash flow to repay this amount of EUR 6 million as per 31 December 2013 or to find alternatives with respect to this obligation. Currently, management is evaluating and preparing multiple financing options.

The outstanding banking financing is paid in regular quarterly repayments. Both Czech and Slovak SPVs are able to repay in accordance with the scheduled repayments from the cash flow generated from the electricity production.

In preparing these accounts on a going concern basis, management used their best estimates to forecast cash movements over the next 12 months from the date of these accounts. However, as per today, management is of the opinion that a material uncertainty exists with respect to going concern. Based on the cash-flow projections prepared for years 2013-2014 and our expectation that a solution will be found to replace the external financing, management believes that it remains appropriate to prepare the financial statements on a going concern basis. However, these projections are based on assumptions including values and timing of expected liabilities settlement, generating alternative financing with respect to the financing provided by the private financing company and possible Czech tax law changes and therefore is subject to the material uncertainties aforementioned.

In the recent periods the Company incurred significant financial losses. A respective management commentary to those financial results and an overview of future perspectives are presented on page 79.

#### Risks related to the development and construction of PV power plants

As part of its business, the Group develops and constructs photovoltaic power plants, which are subject to the general risks associated with the construction and development of projects. Those activities may involve the following risks:

- the Group may incur development and construction costs that exceed its original estimates due to increased technology costs, unforeseen expenses related to the additional engineering and construction works, incorrect budget calculations, growing labour and other costs. Additional expenses could make the completion of the project uneconomical because in most cases those costs cannot be offset by higher revenues, which are usually fixed (given the fixed nature of the feed-in-tariff system in case of proprietary power plants and fixed pricing agreed with the investor in case of third-party contracts).
- the Group may be unable to obtain, or face delays in obtaining required land-use permit, building permit, grid connection, environmental and other governmental permits and authorizations, which are required for the construction and connection of PV power plant to the grid; such difficulties could result in delays and in a worst case scenario could result in the Group abandoning the development of the project entirely and writing off the incurred costs;
- the Group may be unable to complete the development and construction of the project on schedule, which could result in delay of projected revenues and increased debt servicing costs as well as increased operational costs;
- the Group may receive lower-than-expected feed-in-tariffs in case of delays in the project commissioning and hence generate lower revenues and rate of returns on the projects undertaken;

- the Group may be unable to proceed with a project development or may have to inject more equity than expected, because it may not obtain debt financing on favorable terms;

The occurrence of one or more of these factors could adversely affect the Group's asset value, financial standing and earnings position.

#### Risk related to the successful acquisition of suitable sites for solar power plants

Attractive sites for solar energy projects are scarce, especially in those countries which provide an attractive regulatory framework for photovoltaics. A site must meet various conditions such as topographic properties, feed-in capacities of the electrical grid, favorable weather conditions and suitable land ownership. Additionally, local, regional or national governments may start or intensify a practice to set upper limits on the number of solar power plants that may be erected in a certain geographical area. Therefore, the Group in some cases is, and will be, in direct competition for a limited number of permits and for a limited number of sites in certain geographical areas with other project developers and companies operating within the same sector as the Group. Competition with other project developers to obtain grid connections and suitable land can lead to a substantial increase in planned development costs. Although the Group is confident that it has identified and will in future continue successfully identifying a number of potentially attractive sites, competition for sites and connections to the electricity grid may lead to significant delays in future project developments, increase prices for new sites and even lead to the abandonment of some projects.

If the Group were not able to identify and secure suitable sites to develop solar energy projects or fails to win the competition for suitable sites, this could have a material adverse effect on the Group's business, financial position and future growth potential.

#### Risks related to joint-venture projects

Some of the Group's projects (at the date of this document it includes five power plants in Slovakia: Prsa I, Blatna, Brestovec, Polianka and Myjava) are held through joint venture agreements with third parties, meaning that the ownership and control of such assets is shared with third parties according to the equity stake of the partners. As a result, these agreements involve risks that are not present in case of projects in which the Group owns a full control, including:

- the possibility that the Group's joint venture partner might at any time have economic or other business interests that are inconsistent with the Group's business interests;
- the possibility that the Group's joint venture partner may be in a position to take action contrary to the Group's instructions or requests, or contrary to the Group's policies or objectives, or frustrate the execution of acts which the Group believes to be in the best interests of any particular project;
- the possibility that the Group's joint venture partner may have different objectives from the Group, including with respect to the appropriate timing and pricing of any sale or refinancing of a development and whether to enter into agreements with potential contractors or purchasers.

Even when the Group has a controlling interest, certain major decisions (such as whether to sell, refinance or enter into a lease or contractor agreement and the terms on which to do so) may require joint venture partner or other third party approval. If the Group is unable to reach or maintain agreement with the joint venture partner or other third party on the matters relating to the operation of its business, its asset value, financial standing and earnings position may be materially, adversely affected.

#### Risks related to the competitive environment

The PV market is intensely competitive and rapidly evolving. Many of the Group's competitors have established more prominent market positions. Some of the Group's competitors have also become

vertically integrated, from upstream silicon wafer manufacturing to PV system integration. Many of the Group's existing and potential competitors have substantially greater financial, technical, manufacturing and other resources than the Group. The competitors' greater size in some cases provides them with a competitive advantage with respect to, inter alia, acquiring and developing new projects and increase market share in the area of the Group's business. As a result, those competitors may have stronger bargaining power with suppliers of PV systems and have an advantage over the Group in negotiating favorable pricing. Many of the Group's competitors also have greater brand name recognition, more established distribution networks and larger customer base. In addition, many of the competitors have well-established relationships with our current and potential distributors and have extensive knowledge of our target markets. As a result, they may be able to devote greater resources to the research and development or respond more quickly to evolving industry standards and changes in market conditions than the Group. The Group's failure to adapt to changing market conditions and to compete successfully with existing or new competitors may materially and adversely affect the asset value, financial standing and earnings position of the Group.

The Group is also exposed to risks from competition with other methods of electricity generation using other renewable energy sources as well as conventional energy sources. Electricity generation from solar energy is already partially in competition with other renewable means such as wind energy, biomass or geothermal electricity generation. These other methods of generation could exert a high degree of competitive pressure on photovoltaics, for example if they prove themselves to be more economical due to technical advances or if they receive stronger regulatory support on the basis of political considerations. Electricity generation using solar energy is also generally in competition with conventional energy sources which (even when taking into account possible state managed support of photovoltaics) can generate more economical electricity which could also affect the demand for solar electricity. A reduction in the market price for conventional energy sources could also make energy generation from photovoltaic power plants less economically attractive.

All of the aforementioned factors could have a significantly adverse effect on the asset value, financial standing and earnings position of the Group.

#### Risk related to the expansion

The Group focuses currently on the markets in Canada, the USA, Australia and Turkey. The top priority market is Australia followed by Canada and the USA. There is a risk that the market entry in the mentioned countries will fail or that it will not happen in the intended time period or not in the intended intensity. It is also not ensured whether in each case new markets will be open to the building of photovoltaic power plants as assumed in the strategy as the development of the photovoltaic business can be influenced unfavourably by plenty of factors, for example by general political, economical, infrastructural, legal and fiscal framework conditions, by unexpected changes of political and regulatory conditions and tariffs, recession, limited protection of intellectual property, problems with staffing and managing of positions in foreign affiliated companies or state subsidies to rival companies. Start-up losses can also be one of the results of entering a new market.

All of the aforementioned factors could have a negative impact on the development of the business activity and also on the asset value, financial standing and earnings position of the Group.

#### Risk related to contractual parties

The Group's business depends on contracts with multiple parties including, but not limited to, land owners, banks, investors, services contractors, energy distribution companies and electricity customers. The Group is further dependent on many subcontractors and suppliers of components for building PV

systems. The primary contractual obligation of subcontractors is to finalize a portion of a project. These subcontractors not only have to remain financially sound to complete their jobs, but they must also possess the skills to perform their jobs efficiently and free of defects. The Group could experience a material adverse effect on its business if subcontractors and other parties with whom it has entered into agreements fail to complete jobs correctly and effectively or in a timely manner, or otherwise fail to meet their obligations vis-à-vis the Group (whether or not caused by insolvency) or if the Group is unable to find qualified subcontractors in the future. Poor performance or defaults by a major subcontractor may lead to project delays, unanticipated additional costs and, possibly, penalties incurred by the Group. Disputes with subcontractors and other parties with whom the Group has entered into agreements, that have failed to complete jobs properly or otherwise have failed to meet their obligations, may result in litigation. Even if the Group was to be successful in litigation, it may not be able to collect damages if the party found liable is insolvent at that time. In particular, the performance of contracting and engineering activities relies to a certain extent, on the quality of the work done by the subcontractors. In the event that the Group is unable to find suitable subcontractors or if fees charged by subcontractors increase substantially, or if there is any significant claim or lawsuit against the Group or any of its subsidiaries, for work performed by the subcontractors, the Group's the asset value, financial standing and earnings position of the Group.

#### The Group is subject to different legal systems imposing different obligations

The Group is operating in several jurisdictions including the Czech Republic, Slovakia, Germany, Italy and Australia while looking at some other prospective markets such as Canada, the USA and Turkey. Each market is governed by different legal systems, each of them imposing different requirements and obligations on the Group's operations. If the Group is unable to follow these different requirements, its business and financial performance may be adversely affected. Moreover even if the Group is able to comply with individual legal systems, it may face the risk of managing various subsidiaries operating in different legal systems, which may significantly occupy senior management and as a result the Group's overall business performance and financial result may be adversely affected.

#### Risks related to the liability for design, technology or construction defects

The construction work will be rendered by Photon Engineering B.V. or one of its subsidiaries as the general contractor. The corresponding work is usually subject to a contractually agreed warranty period of between 2 and 5 years. Photon Energy Technology B.V. will procure the components which are necessary for the construction work, especially the modules and alternating current converters, from the appropriate manufacturers. The warranty periods concerning the physical properties of these components usually range between 5 to 10 years and are related to the particular product guarantees. The manufacturer's guarantees pertaining to the components, especially the product and service guarantees will usually be transferred to the owner of the photovoltaic power plant, i.e. the appropriate special purpose vehicle. There is a risk that defects in the photovoltaic power plants and/or in the components used during the installation will only arise after the expiry of the guarantee period or the guarantee itself and that no guarantee claims will therefore be able to be validly made to the given contractual partner. Moreover, it cannot be ruled out that the claim recipient will not be willing or will not be in a position to comply with the guarantee claim which can lead to costly and time consuming legal disputes under certain circumstances. In the case of insolvency of the claim recipient, any eventual guarantee claims will come up empty based on the insolvency. Even in the case of a manufacturer's guarantee, there is a risk that the guarantee may not be able to be implemented due to the manufacturer's insolvency or for any other legal and/or practical reasons (for example against a foreign group).

The installation of the photovoltaic power plants is also associated with the risk that, despite careful planning and advance payments, the connection to the electricity distribution network will not succeed or will be delayed. The error may occur during the project development or later during the technical implementation. In this case, there is a risk that any claims for compensation for damages made against the given contractual partner, which made the error, will not be enforceable or will not be able to be enforced in full.

The occurrence of one or more of the aforementioned risks could have a significantly adverse effect on the the asset value, financial standing and earnings position of the Group.

#### Risks related to key personnel

The successful realisation of the business strategy and the Group's goals is significantly dependent on the knowledge, experience and contacts of the current management, especially that of the shareholders and members of the Board of Directors, Georg Hotar and Michael Gartner, who are responsible for the successful development of the Group on the basis of their knowledge of the industry and their expertise, as well as their customer contacts and strategic abilities. There is a risk that the dynamism of the commercial development will fall and/or that important know-how will be lost in the case of the resignation of either of the members of the Board of Directors. The loss of one or more managers could have a significantly adverse effect on the commercial activities and also on the asset value, financial standing and earning position of the Group.

In addition, there are also further qualified expert and managerial personnel, especially in the technical area, with which the Issuer cooperates almost exclusively within the framework of its commercial activities. If individuals occupying key management positions or individuals with certain know-how or service providers should cease providing their services to the Group, or the Group is no longer able to recruit qualified experts and managers under reasonable conditions, and to the necessary extent in the future, the aforementioned factors could also have an adverse effect on the Group's business activities, its asset value, financial standing and earnings position.

#### Liquidity risks

The Company is dependent upon having access to short- and long term funding mainly in the form of project financing. There is a risk that the Group will not be able to arrange such project financing and/or that the credit market tightens or completely dries out for the PV industry, which would have an adverse effect on the liquidity of the Group and costs of debt financing in the short term as well as growth prospects in the long term. There can be no assurance that the Group may not experience net cash flow shortfalls exceeding the Group's available funding sources. Furthermore, there can be no assurance that the Company or its subsidiaries will be able to raise new equity, or arrange new borrowing facilities, on favorable terms and in amounts necessary to conduct its ongoing and future operations, should this be required.

#### Risks related to the Group's structure

Because the Company conducts its business through its subsidiaries, its ability to pay dividends to shareholders depends on the earnings and cash flow of its subsidiaries and their ability to pay the Company dividends and to advance funds to it. Other contractual and legal restrictions applicable to the Company's subsidiaries could also limit its ability to obtain cash from them. The Company's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganization or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors.

### Risk related to a controlling shareholder

The Company has ultimately two controlling shareholders i.e. Mr. Michael Gartner and Mr. Georg Hotar (“Controlling Shareholders”) who currently own directly or indirectly, via Dutch based entities, about 78% of the Company's ordinary shares. Through their holdings, the Controlling Shareholders will continue to be able to exert significant influence over, or in some cases block, certain matters that must be decided by a vote of the general meeting of Shareholders, including the election of directors. To the extent that the interests of the Controlling Shareholders may differ from the interests of minority shareholders, such minority shareholders may be disadvantaged by any actions that the Controlling Shareholders may seek to pursue.

### Risk of significant capital needs and additional financing requirements

Both the development and the construction of photovoltaic power plants are relatively capital intensive and require substantial up-front investment outlays, development and construction costs as well as certain investments in research and development. Therefore, the business plan of the Group is based on the ongoing raising of project-level financing either in the form of debt or equity. Each new photovoltaic project depends on the Group's ability to raise the necessary funding through the provision of loans from banks or other financial service providers and through equity provided by the Group or potential external (co-)investors. The international financial crisis and recent changes in the regulatory regimes in the renewable energy sector have tightened the market for financing and rendered the raising of debt significantly more challenging. If sufficient credit supply is not available or if it is only available at terms which prove to be commercially unattractive this would reduce the profitability of the Group's investments and would hamper or even hinder the future growth of the Group. The Group cannot provide any assurance either that it will raise the necessary funding for future projects or that market conditions will be favorable for raising sufficient financing from any sources available, which is vital for the development of the Group. If the Group were not in a position to secure the necessary financing, it could be forced to change its investment plans or to incur higher than expected financing costs. This could mean that the Group would have to change its business strategy from growth and internationalization to the sale of projects or stakes in projects. Any failure to obtain necessary financing could have a material adverse effect on the business, financial standing and earning position of the Group, as well as its ability to execute the strategy.

### Risk related to the secondary obligations from the credit contracts

The loan and cooperation contracts between the special purpose vehicles (SPVs) owned by the Group and the financing banks allow for secondary obligations and constraints for the individual SPVs, Photon Energy Investments' (PE Investments), which is a fully owned subsidiary of the Issuer, and partially also for Photon Energy N.V., as well as some special conditions, the breach of which can lead to an increase in the interest rate and/or to the regular cancellation of the contract by the creditor under certain circumstances; in the case of the Czech SPVs, PE Investments' call options for the shares in the Czech SPVs can lapse in a most extreme scenario. As such, the loan contracts between the Slovak SPVs and UniCredit Bank Slovakia a.s. and others allow for the maintenance of a certain equity level and a certain Debt Service Coverage Ratio (DSCR), for example. The Czech SPVs have also guaranteed to Raiffeisen – Leasing Real Estate s.r.o. (RLRE) and others to maintain a certain DSCR. Due to the retroactive introduction of the solar levy by the Czech government, three of the Czech SPVs failed to maintain the required DSCR in 2011; the shortfall has been addressed by a partial capitalisation of loan of the affected SPVs by PE Investments. Further shortfalls in the required DSCR level in future cannot be fully ruled out, however.

If any of the SPVs, PE Investments or Photon Energy N.V. breach one or more so-called covenants or if any of the other conditions are not adhered to, and if this is to lead to the end of the loan and/or cooperation contract without any notice or on short notice or to an increase in the interest rate for the credit in question, this would have a negative effect on the liquidity, the financial standing and asset value of the individual SPVs and the Group. If other financing is not found in these cases or if it is not found in time and the provided loan becomes due for repayment, there is a risk that the bank in question may dispose of the assets which have been put up as security (especially the shares in the SPVs). Moreover, the other SPVs may be obliged in certain cases to provide additional security, which may not be possible and could lead to the cancellation of the credit in question. Furthermore, the SPVs' room to manoeuvre will be limited by the constraints. The loss of the call options pertaining to the Czech SPVs would result in the withdrawal of the Czech SPVs from the Group. All of the aforementioned factors could also be significantly adverse for the asset, financial and earnings position of the PE Investments Group and also for Photon Energy N.V.

#### Risks related to the concentration of external financing

The external financing of the majority of proprietary portfolio has been exclusively realised via two Banks; the Slovak photovoltaic power plants have been financed by UniCredit Bank Slovakia a.s. and the Czech SPVs (with the exception of Photon SPV 1 s.r.o.) have been financed by Raiffeisen Group. Given the concentration of the bank financing in only one bank in each country, a certain dependency on the given financing institutions exists which could, for example, mean that the refinancing of individual projects is not possible.

In relation to the Czech project portfolio a portfolio-wide collateral in the sense that each SPV is liable for the obligations and liabilities of the remaining SPVs under the inclusion of its provided security (cross collateralization) has been agreed with the lender. This means, for example, that the payment difficulties of just one SPV will also affect the remaining Czech SPVs which are jointly-liable for any corresponding defaults. Moreover, the security provided by the Czech SPVs and the Issuer can only be released and the call option of the shares in the Czech SPVs can only be exercised once all of the liabilities of all of the included SPVs have been settled.

100% share in the above entities is owned by Raiffeisen – Leasing Real Estate, s.r.o. (“RLRE”). Although those companies are legally owned by RLRE, the Group consolidates them under IFRS rules. Photon Energy N.V. is considered a beneficial owner as it is owner of economic benefits and is directly exposed to economic risks of those companies. On 12th November 2012, subsidiary Photon Energy Investments NV signed contracts with Raiffeisenbank (“RLRE”) on releveraging of CZ portfolio-based on them, RLRE has refinanced and released additional 149 MCZK (EUR 5,927 thousands) to the financing of the current structure with 8 years tenor from now on, with a fixed interest rate of 5,19% p.a. applicable for the whole exposure. The increase is related to six CZ SPVs (SPV 4, SPV 6, SPV 10, SPV 11, Onyx I, Onyx II). In connection with increase of the loans on those SPVs, additional capitalization of subordinated loans was performed on the same day in the total amount CZK 35,700 thousands (EUR 1,420 thousands) in order to meet the thin capitalization criteria. The first capitalization of part of the subordinated loans was performed on 18th July 2012. Total amount capitalized equaled to CZK 221,951 thousands (EUR 8,829 thousands).

#### Risks related to the technology obsolescence and failure

Only limited empirical data is available with regard to the long-term performance of the solar modules. Manufacturers do admittedly usually give performance guarantees for a specific period of time. However,

these usually only guarantee a specific percentage of the total operating time life (for example 80% after 20 years). There is a risk that the degradation will not occur in a linear fashion, but that the performance will fall to the lowest guaranteed value during the first year, which will result in a significant worsening of the average performance of the module without the guarantee having been breached or any claim possible against the manufacturer. The corresponding reduced electricity generation would result in negative consequences for the asset value, financial standing and earnings position of the Group.

The service life of the technical components, in particular the solar modules and the alternating current converters, is limited. It is therefore necessary to reckon with the breakdown or replacement of the essential components during the operating period of a photovoltaic power plant. In this case, there is a risk that the corresponding expenses and/or losses of earnings caused by this will not be covered by the guarantees or that the appropriate contractual partners will not be able to fulfil their obligations. Some of the SPVs in the Group's proprietary portfolio have admittedly formed reserves; these could, however, prove themselves to be insufficient.

The risks arising from the operation of the facilities are based on the photovoltaic power plant technology and maintenance. The photovoltaic facilities are exposed to various loads as well as to climatic and environmental influences during their operations. This can result in unplanned maintenance expenses. Moreover, there is a risk that the photovoltaic facilities or parts thereof will not achieve the predicted service life. In a running operation, it is necessary to reckon with technically based losses, such as network failures. Downtime due to technical maintenance or for other reasons may lead to losses of earnings which are not covered by any guarantees or insurance.

With regards to existing network connections, there is always the risk that no remunerated electricity feed will be possible due to irregularities in the general power supply, overcapacity or line bottlenecks and that the affected company in the Group will receive none or only limited compensation.

The occurrence of one or more of the aforementioned risks could have a significantly adverse effect on the asset value, financial standing and earning position of the Group.

#### Risks related to the due-diligence process

During the development or acquisition of a photovoltaic power plant project, provision is made for the realisation of legal, economic and technical due diligence, whereby external advisors should be used for this at least to some extent. There is the risk that something will be incorrectly identified or falsely assessed or that other errors may occur during the due diligence. For example, technical risks concerning the network connection may not be identified or permit requirements may be overlooked. Under certain circumstances, errors in the due diligence process can have a significantly adverse effect on the realisation of a project, may lead to significant extra time requirements and/or additional costs or may lead to the commenced realisation of the project being cancelled. There is no guarantee of the appropriate recourse in the case of an error on the part of an external advisor. All of the aforementioned risks could have a significantly adverse effect in the asset, financial and earnings position of the Group.

#### Risks resulting from company loans, from granting of securities, from guarantees or other financing commitments

With respect to the Raiffeisen - Leasing Real Estate s.r.o., Photon Energy N.V together with its subsidiary Photon Energy Investments committed itself - in the context of financing of the Czech Special Purpose Vehicles - to secure the payment of the final instalment (to be paid on January 5, 2021) with regards to the redemption of the loans granted to the SPVs. The sum in question amounts to more than EUR 14,9 million. Provided that one or more of the Czech SPVs are not capable of standing the respective last rate of

redemption, it is Photon Energy Investments and Photon Energy N.V. that would be obliged to cover the sum in question; this could have a negative impact on the company's financial standing, asset value and results of the Group.

PE Investments, a fully owned subsidiary of the Issuer, has put unsecured company loans of altogether 910 thousand EUR at the disposal to its Italian subsidiaries, these companies loans are to be paid back on December 17, 2017.

#### Risks resulting from the revaluation of the SPVs

While preparing the examined interim consolidated financial statement of SPVs, as of 30 June 2012, PE Investments which is fully owned by the Issuer, re-valuated the SPVs and its property according to the DCF-method; in the interim financial statement this was set higher above the purchase price and consequently also above the acquisition costs. Duration of the respective compensation for electricity fed into the grid was defined as a monitoring period for the new revaluation. Further the new revaluation contains certain assumptions and factors, as e.g. higher energy yields, discounting factor or risk discount or phasing out of the solar levy in the Czech Republic after 2013. Any changes in the above described used assumptions could have a significant impact on the recognized fair values. Especially the solar levy in the Czech Republic (either in original or in amended form) could be prolonged; for example an extension of the current solar levy of 26 % for the remaining period of the compensation for electricity fed into the grid would mean for the Czech SPVs (17 years) an impairment requirement of about EUR 12.8 million. Extraordinary impairment of this kind would profoundly harm or burden the balance sheet as well as the result of the PE Investments and the Group; this could, considering the circumstances, lead to less advantageous conditions during the refinancing or external financing. In addition to this the impairment could cause the equity ratio, a key covenant for the bond issued by PE Investments, could be breached, without any of defined exceptions taking place, by which the extraordinary right of termination of the bond creditors would be redeemed. Also in the internal revaluation of the Italian and German SPVs there are certain assumptions and factors, and any changes in the assumptions and factors used could have a significant impact on the recognized fair values.

#### Risks of the withdrawal or of ineffectiveness of permits vital for operation

For the business activity of the SPVs it is necessary to have various permits, authorisations, concessions etc. depending on various locations in order to be allowed to build and operate photovoltaic power plants in compliance with valid national legislation. In case of existing power plants, the permits and authorizations were granted. The decisions are usually accompanied with secondary provisions and/or requirement to maintain the permissions. It may happen that the decisions can be revoked or cancelled, for example in case of the breach of the legal requirements, which could result in the interruption, limitation and/or prohibiting of the business activity and consequently would have a very negative impact on the financial situation, status and results of specific SPVs and the whole Group. There is another danger: a third party could claim the ineffectiveness of the granted permits, for example because of procedural errors, or there could requirements emerge or demand concerning the permission appear that would limit the business activity and/or call for costly (consequent) measures; this would then also have a negative impact on the financial situation and results of the Group.

#### Risks resulting from the acquisition of the current portfolio

All the shares in SPVs in Slovakia and corresponding shares of property concerning the SPVs in the Czech Republic were transferred between the subsidiaries of the Group via contracts dated June 12, 2012 and June 19, 2012, respectively. In case of the Slovak affiliated companies ATS Energy s.r.o., Fotonika s.r.o., Eco

Plan 2 s.r.o. and Eco Plan 3 s.r.o. the seller was registered in trade register as a shareholder, however the relevant documentation regarding the transfer of the relevant company shares to the seller is not complete since the foundation was not complete either; this means the legal ownership of the seller could not be consistently traced back. Guarantees, especially guarantees concerning the legal ownership or the business guarantees could not be provided by the seller to the acquirer. Regulation concerning the adjustment of the purchase price was not provided either. By the contracts from December 13, 2012, one entity within the Group acquired from the another entity within the Group in each case 100% of the shares of the Italian SPVs. The seller guaranteed each time to be the owner of the shares; business guarantees were not provided. It cannot be ruled out that the risks resulting from the acquisition of the company shares or items of property of the SPVs take place by the issuer, especially that it did not become the owner of the company shares or items of property which have a very negative impact on the financial situation, status and results.

#### Risk of an insufficient risk management system

Due to the planned expansion of the portfolio – especially in other countries – the risk management system including the controlling of the Group have to be continuously expanded because of exchange of information as well as recording and processing of data of foreign subsidiaries. It cannot be ruled out that this does not happen at all or does not happen timely which means information possibly relevant for dealing with the risk is not at all, not completely or not fast enough made public. It can then happen that - despite the existence of a risk management system – great risks for the affiliated companies abroad will be discovered too late or not at all. In addition it cannot be ruled out that already known risks will be miscalculated. There is the risk that the risk management system including controlling of the Group prove to be as partially or completely insufficient or that they will fail and that consequently risks within the business activity of the Group will materialize or that they will not be discovered soon enough or that it all could result in development and decisions misleading in a business and administrative way. The occurrence of one or more of these risks could have a very negative impact on the financial standing, asset value and results of the Group.

### **2.3. Risks related to Shares, listing and trading**

#### Share trading suspension or withdrawal from trading by order of the ATS Organizer

According to §11 of the ATS Rules, the ATS Organizer may suspend trading in the Company's shares for a period not longer than three months (subject to the provisions of §12.3 and §17c.2):

- at the request of the Issuer;
- if the ATS Organizer considers it necessary to protect the interests and safety of trading participants;
- if the Issuer violates rules governing the ATS.

Moreover, the ATS Organizer shall, in cases set out by law, suspend trading in financial instruments for not more than a month.

§12.1 of the ATS Rules stipulates that the ATS Organizer may withdraw instruments from trading:

- at the request of the Issuer, however, such decision may be dependent on meeting additional requirements by the Issuer;
- if the ATS Organizer considers it necessary to protect the interests and safety of trading participants;
- in the case that the Issuer's bankruptcy is declared or the application for bankruptcy is dismissed by the court due to the Issuer not possessing sufficient funds to cover the court proceeding costs;

- in the case that the Issuer is placed in liquidation.

Furthermore, according to §12.2 of the ATS Rules, the ATS Organizer shall delist instruments from the ATS:

- in cases set out in law;
- if their transferability has become restricted;
- if they are no longer dematerialized;
- 6 months of the validity date of a decision on declaration of bankruptcy of the Issuer including liquidation of its assets or court decision to dismiss a petition for declaration of bankruptcy because the Issuer's assets are insufficient to cover the costs of proceedings.

§12.3 of the ATS Rules further stipulates that before making a decision to delist financial instruments, the ATS Organizer may suspend trading in those financial instruments. In that case, the three-month-long suspension period shall not apply.

According to §17c.1 of the ATS Rules, if the Issuer fails to abide by the rules or regulations applicable in the ATS, the ATS Organizer may, depending on the degree and scope of the occurring violation or irregularity:

- suspend trading in the Issuer's financial instruments in the ATS (in that case, as stipulated in §17c.1 of the ATS Rules, the three-month-long suspension period shall not apply);
- delist the Issuer's financial instruments from the ATS.

According to §18.7 of the ATS Rules, in the event of:

- termination or expiry of the agreement with the Authorised Adviser prior to the end of the third year of trading in Issuer's financial instruments, except for the termination of the agreement under the relevant release,
- objection of the ATS Organizer to a changed or new agreement concerning performance of the tasks of Authorised Adviser concluded with the Issuer,
- suspension of the Authorised Adviser's right to operate in the ATS,
- striking the Authorised Adviser off the register of Authorised Advisers maintained by the ATS Organizer,

the ATS Organizer may suspend trading in financial instruments of the Issuer for which such entity acts as an Authorised Adviser, if it decides that safety of trading in the ATS or the interests of trading participants require so.

According to §20.5 of the ATS Rules, the ATS Organizer may suspend the trading in the financial instruments of the Issuer if the agreement with its Market Maker is terminated or expires, or if the Market Maker's right to operate in the ATS is suspended. The suspension of trading in Issuer's financial instrument may be in effect until a new agreement with a Market Maker is executed and takes effect.

The suspension of trading in financial instruments stipulated in §20.5 of the ATS Rules shall not apply if the Issuer has been released from the requirement of having an agreement with a Market Maker (not earlier than upon the lapse of 2 years after the first date of trading in the Issuer's financial instruments in the ATS).

Share trading suspension or withdrawal from trading by order of the KNF

Art. 78 points 2, 3, and 4, respectively, of the Trading Act stipulate that:

- in the case that it is deemed necessary for the safe functioning of the ATS or in investors' interests, the KNF may require the ATS Organizer to suspend the trading of Issuer's shares for a period of not longer than 10 days;
- in the case that the Issuer's shares are traded under circumstances that may endanger the safe and lawful functioning of the ATS or the interests of investors, the KNF may require the ATS Organizer to suspend the trading of the Issuer's shares for a period not longer than one month;
- at the order of the KNF, the ATS Organizer may be required to terminate the trading of Issuer's shares if continued trading would in a material way harm the lawful and safe function of the ATS or would harm investors' interests.

#### Financial penalties imposed by the ATS Organizer

According to §17c.1 of the ATS Rules, if the Issuer fails to abide by the rules or regulations applicable in the ATS, apart from suspending trading in or delisting the Issuer's shares, the ATS Organizer may also, depending on the degree and scope of the occurring violation or irregularity, impose a fine of up to PLN 50,000.00 on the Issuer.

#### Financial penalties imposed by the KNF

Pursuant to art. 96-98 of the Offering Act and art. 176-176a of the Trading Act, the KNF may impose fines of up to PLN 5,000,000.00, depending on a type of breach, on the Issuer for not following its relevant obligations resulting from the Trading Act or the Offering Act.

#### Investment in shares listed on NewConnect

Any investor buying the Issuer's shares must be aware that investment in shares listed on NewConnect market is considerably riskier than owning shares in a company listed on the main market of the Warsaw Stock Exchange, or bonds, given that high volatility in the share price and low trading liquidity must be expected in the short and long term.

#### Currency risks relating to share price

The Company's shares will be quoted in PLN while the Company's financial results are derived and reported in EUR. Further, the registered capital of the Company and nominal value of Shares are also denominated in EUR. Significant fluctuations in the EUR/PLN exchange rate may have a material impact on the capital return to shareholders.

#### Low trading liquidity

The Company's shares were not traded on any public regulated or unregulated market. It cannot be predicted if the Company's shares will be actively traded following their admission to trading on NewConnect. There is a significant risk that Company's shares may experience low trading volumes and selling large volumes of shares in a short period of time may be impeded.

#### High share price volatility

The trading price of the Issuer's shares could fluctuate significantly in response to quarterly variations in operating results, general economic outlook, adverse business developments, interest rate changes, or changes in financial estimates by securities analysts. Market conditions may affect the Issuer's shares regardless of the Company's operating results. Accordingly, the market price of the Issuer's shares may not reflect the underlying value of the Company's assets and operations, and the price at which investors

may dispose of their Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

The market price of the Issuer's shares could decline due to sales of a large number of Shares in the market, or the perception that such sales could occur. Such sales could also, in the future, make it more difficult for the Company to offer equity securities at a time and at a price that are deemed appropriate.

#### The ability to bring an action against the Company may be limited under Dutch law

The Company is a joint-stock company incorporated under the laws of the Netherlands. The rights of holders of Shares are governed by Dutch law and by the Articles. These rights might differ from the rights of shareholders in other jurisdictions.

#### Dilution of shareholding

The investors' percentage of ownership in the Company may be diluted if ordinary shares are offered. The Board has been designated as the authorized body to issue shares and to limit or exclude any pre-emptive rights to which shareholders may be entitled in connection with the issuance of shares. In addition, for reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of shares or other securities, and may face dilution as a result. For a description of the issuance of shares and the pre-emptive rights please see the paragraph 4.5.

#### Differences in availability of public information, reporting obligations and rights of shareholders

The disclosure requirements applicable to Dutch public companies may differ in certain respects from those applicable to public companies in other countries, including Poland. As a result, such public companies, including the Company, may disclose less information or at different dates than public companies in certain other countries, including Poland.

The rights of holders of the Shares are governed by Dutch law and the Company's organization documents. These rights differ in certain respects from the rights of shareholders in corporations organized under the laws of Poland. Moreover, to exercise certain of their shareholder rights, the Shareholders will have to comply with certain requirements of Dutch or Polish law. Therefore, there can be no assurance that shareholders intending to exercise their corporate rights, including voting rights and pre-emptive rights, will be able to do so in a timely manner, if at all, and without incurring additional costs.

#### Holders of the Shares listed on the WSE must rely on the Polish NDS and Euroclear to exercise their rights

If the holders of the shares listed on the WSE want to exercise any of the rights attaching to such shares they must rely on the Polish NDS to transmit their instructions to Euroclear, to either exercise those rights for their benefit or authorise them to exercise those rights for their own benefit. Likewise, any entitlements to the holders will have to be passed through Euroclear and the Polish NDS. There can be no assurance that all such rights and entitlements will at all times be duly and timely passed on or exercised.

### III. DECLARATIONS OF PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE INFORMATION DOCUMENT

#### 3.1 Issuer

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<b>Company name:</b>	<b>Photon Energy N.V.</b>
Legal form:	Dutch public company with limited liability ( <i>Naamloze Vennootschap</i> )
Registered address:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, The Netherlands
Telephone:	+31 20 240 2570
Fax:	+31 20 240 2598
Email:	info@photonenergy.com
Internet:	<a href="http://www.photonenergy.com">www.photonenergy.com</a>
Registration number:	51447126
Tax number	8500.20.827

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#### Physical person(s) acting on behalf of the Issuer

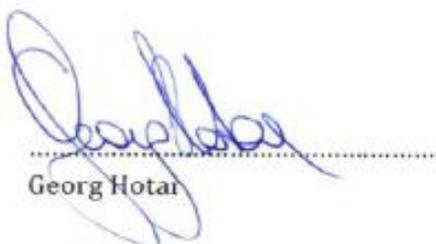
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<b>Name</b>	<b>Title</b>
Georg Hotar	Director
Michael Gartner	Director

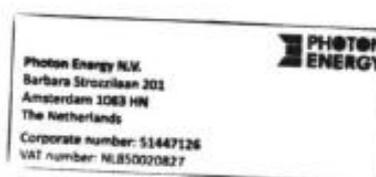
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The Issuer is responsible for all information contained in this Information Document.

**Hereby we declare that according to our best knowledge and with due care exercised to ensure, information contained in this Information Document is true, fair, and reflects the facts and does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and this Information Document provides a reliable description of risk factors related to participation in trading in given instruments.**



Georg Hotar



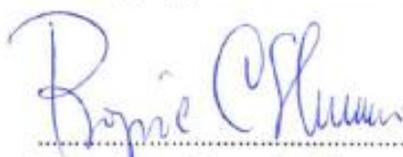
### 3.2 Authorized Advisor

<b>Company name:</b>	<b>Capital Solutions ProAlfa Sp. z o.o.</b>
Legal form:	Polish limited liability company
Registered address:	ul. Nowy Świat 51/3, 00-042 Warsaw, Poland
Telephone:	+48 22 892 00 75
Fax:	+48 22 892 00 76
Email:	info@cs-proalfa.pl
Internet:	<a href="http://www.cs-proalfa.pl">www.cs-proalfa.pl</a>
Registration number:	0000150260

#### Physical person(s) acting on behalf of the Authorized Advisor

<b>Name</b>	<b>Title</b>
Bogusława Cimoszko Skowroński	President

Authorized Advisor hereby declares that this Information Document has been prepared in accordance with requirements set out in Exhibit 1 to Alternative Trading System Rules as adopted by the Warsaw Stock Exchange Management Board through Resolution No. 147/2007 dated 1 March 2007 (as amended), and that according to the best of its knowledge and pursuant to documents and information provided to it by the Issuer, the information contained in this Information Document is true, fair, and reflects the facts and does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and this Information Document provides a reliable description of risk factors related to participation in trading in given instruments.



Bogusława Cimoszko Skowroński

Capital Solutions ProAlfa Sp. z o.o.  
 00-042 Warszawa, ul. Nowy Świat 51 lok. 3  
 tel. +48 22 892 00 75; fax +48 22 892 00 76  
 NIP 525-22-60-855; REGON 015319939

#### **IV. INFORMATION ABOUT THE FINANCIAL INSTRUMENTS INTRODUCED IN THE ALTERNATIVE TRADING SYSTEM**

##### **4.1. Detailed specification of types, number and total value of financial instruments including types of privileges, any restrictions on transfer of rights attached to financial instruments and safety measures or additional benefits**

###### *4.1.1. Financial instruments introduced to trading on the basis of this Information Document*

The instruments introduced to trading on the basis of this Information Document are 23,000,000 (twenty-three million) ordinary registered shares with a nominal value of EUR 0.01 (one Euro Cent) each.

All of the Shares introduced to trading on the basis of this Information Document represent 100% of the registered capital of the Issuer, and authorize their holders to 100% of the votes at the General Meeting of the Issuer.

###### *4.1.2. Privileges, additional charges and additional benefits*

All Shares are ordinary registered shares, of no special privileges, no security rights are attached to the Shares, and no additional financial charges are attached to the Shares.

###### *4.1.3. Restrictions as to the transfer of Shares on the basis of undertaken commitments*

As of the date of this Information Document all of the Shares are not subject to any lock-up agreement and are free of any encumbrances.

However, 8,590,739 shares in the share capital of the Issuer, with a nominal value of one eurocent (EUR 0.01) each, numbered 14,409,262 up to and including 23,000,000, held by Solar Future Cooperatief U.A. (hereinafter "SF Shares"), and 8,036,573 shares in the share capital of the Issuer, with a nominal value of one eurocent (EUR 0.01) each, numbered 5,456,804 up to and including 13,493,376, held by Solar Power to the People Cooperatief U. A (hereinafter "SP Shares"), were pledged in favour of the financial institution ("Pledgee") based on the Deed of Pledge entered into among the Pledgee, Solar Power to the People Cooperatief U. A. and Solar Future Cooperatief U.A. as the Pledgors, and the Issuer, on October 4, 2011. Based on the Deed of Pledge, the voting rights on the SF Shares and SP Shares remained with the Pledgors. The pledge secured the Issuer's obligations arising from the loan agreement between the Pledgee and the Issuer dated October 4, 2011, as amended on June 12, 2012, based on which the Pledgee extended a loan facility to the Issuer (hereinafter the "Loan").

Upon execution of the Deed of Pledge on October 4, 2011, 4,600,000 shares of the Issuer, numbered 1 up to and including 4,600,000, representing 100% of the issued capital, were pledged to Pledgee by the Pledgors. Pursuant to the Deed of Pledge, any Future Shares (i.e. any shares in the capital of the Issuer that are acquired by any Pledgor following the execution of the Deed) will also be subject to the Deed of Pledge, with voting right still remaining with the Pledgors. As a consequence, upon issuance of the new shares of the Issuer pursuant to the Deed of Issue, dated 4<sup>th</sup> December 2012, to Solar Power to the People Cooperatief U. A. and Solar Future Cooperatief U.A., respectively, all issued and paid up shares in the capital of the Issuer were pledged to the Pledgee, with voting rights remaining with the Pledgors.

Prior to the transfer of the Offered Shares to Minority Shareholders Photon Energy B.V. and pursuant to the Deed of Partial Renunciation of Pledge on Shares Photon Energy B.V. entered into among the Pledgee, the Issuer, Solar Power to the People Cooperatief U. A. and Solar Future Cooperatief U.A. on 18<sup>th</sup> December 2012, the Pledgee irrevocably and unconditionally partially renounced the right of Pledge with respect to the Offered Shares, such that 6,372,688 shares of the Issuer, numbered 1 up to and including 5,456,803; and numbered 13,493,377 up to and including 14,409,261 are no longer encumbered with the right of Pledge and are free and clear of any encumbrances.

The pledge with respect to the SP Shares and SF Shares as defined above was renounced by the Pledgee based on the Deed of Renunciation of Pledge on Shares Photon Energy N.V. entered into by the Pledgee, Solar Power to the People Cooperatief U.A., Solar Future Cooperatief U.A. and the Issuer on April 10, 2013. As a result of this renunciation, as of the day of publication of this Information Document the entire issued capital of the Issuer is free and clear of any encumbrances.

The pledge with respect to the SP Shares and SF Shares as defined above was temporarily renounced by the Pledgee to make dematerialisation of the SF Shares and SP Shares possible based on the Deed of Renunciation of Pledge on Shares Photon Energy N.V. entered into by the Pledgee, Solar Power to the People Cooperatief U.A., Solar Future Cooperatief U.A. and the Issuer on April 10, 2013. As a result of this renunciation, once the Shares are introduced to trading on the NewConnect market, the pledge on SF Shares and SP Shares to Pledgee will be reinstated, with voting rights on the SF Shares and SP Shares remaining with the Pledgors .

#### *4.1.4. Restrictions as to the transfer of Shares on the basis of the Issuer's Statutes*

The Issuer's Statutes do not restrict the transfer of Shares in any specific way.

#### *4.1.5. Restrictions resulting from the Polish Trading Act*

Art. 156 of the Trading Act prohibits the use of inside information in trading. Inside information within the meaning of art. 154 of the Trading Act is any information of a precise nature, relating, whether directly or indirectly, to one or more issuers of financial instruments, one or more financial instruments, or acquisition or disposal of such instruments, which has not been made public and which, if made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments.

Art. 156.1 of the Trading Act defines a holder of inside information as anyone who:

- (1) gains inside information by virtue of membership in the governing bodies of the company, by virtue of having an interest in the capital of the company, or as a result of having access to inside information in connection with employment, practiced profession, or a mandate contract or any other contract of a similar nature (original holder of inside information), especially:
  - a) the members of the management board, supervisory board, proxies or attorneys-in-fact of the issuer, its employees, qualified auditors or other persons related to the issuer under any mandate contract or any legal relation of a similar nature, or
  - b) shareholders of a public company, or
  - c) persons employed or holding positions referred to in a) above, in the subsidiary or parent entity of the issuer of financial instruments admitted or sought to be admitted to trading on the regulated market, or bound with such entity under a mandate contract or any other legal relation of a similar nature, or

- d) brokers or advisers, or
- (2) gains inside information through criminal activities, or
- (3) gains inside information otherwise, provided that such person knew or, acting with due diligence, could have known such information to be inside information.

In principle, persons holding inside information are forbidden to (i) acquire or dispose of financial instruments for their own account or for the account of a third party on the basis of the inside information, or effect any other legal transaction undertaken for their own account or for the account of a third party which leads or might lead to disposal of such financial instruments, (ii) recommend or induce another person on the basis of the inside information to acquire or dispose of financial instruments to which such information relates, and (iii) disclose the inside information.

Art. 159.1 of the Trading Act stipulates that during a closed (restricted) period insiders (persons as outlined in art 156.1.1a of the Trading Act) may not acquire or dispose of, for their own account or for the account of a third party, any of the issuer's shares, derivative rights attached thereto or other financial instruments related to such shares, and may not take for their own account or for the account of a third party any other legal transactions which lead or might lead to the disposal of such financial instruments.

Pursuant to art. 159.1a of the Trading Act, during a closed period, insiders (persons as outlined in art 156.1.1a of the Trading Act), acting on behalf of a legal person, may not undertake any activities with the aim to acquire or dispose of by this person for its own account or for the account of a third party any of the issuer's shares, derivative rights attached thereto or other financial instruments related to such shares, take actions which result, or may result in the disposal of such financial instruments by this person, for its own account or for the account of a third party.

A closed period covers (art. 159.2 of the Trading Act):

- 1) A period from the time from receiving confidential information in relation to the company, company's shares, or other financial instruments connected to the company's shares, fulfilling the conditions described in Art. 156.4 of Trading Act, until submitting this information to the public knowledge;
- 2) In the case of an annual report, two months before submitting the report to the public, or a period between the end of the financial year and day of submission of this report to the public knowledge, in case such period is shorter than the above stated 2 months – unless the said person did not have any access to the confidential information, on the basis of which the given report was prepared;
- 3) In the case of the semi-annual report, one month before submitting this report to the public knowledge, or the period between the end of the financial semi-year end, and the first date of publishing such report publicly in case such period is shorter than the above stated period, unless the person in question did not have any access to the financial information based on which such report was prepared;
- 4) In the case of a quarterly report, two weeks, before submitting the report to the public knowledge, or period between the financial quarter end and the date of the report submission to the public, if shorter than the first above mentioned period, unless the person in question did not have any access to the financial information, based on which such report is being prepared.

Pursuant to art. 159.1b of the Trading Act, the provisions of art. 159.1 and art. 159.1a shall not apply to activities performed:

- 1) by the entity conducting investment services, to whom the person referred to in Art 156.1.1a has commissioned the management of financial instrument portfolio in a manner which excludes the interference of this person in investment decisions taken on its account, or

- 2) an obligation of a contract to dispose of or acquire the issuer's shares, derivative rights attached thereto and other financial instruments related with them, concluded in writing with the date certified by a notary public, concluded before the opening of the closed period, or
- 3) as a result of submission by the person referred to in Art 156.1.1a, a written response to a tender offer for the sale or exchange of shares, in accordance with the provisions of the Offering Act, or
- 4) in connection with the obligation of submission by person referred to in Art 156.1.1a, a request to a tender offer for the sale or exchange of shares, in accordance with the provisions of the Offering Act, or
- 5) in connection with the execution by the current issuer's existing shareholder rights, or
- 6) in connection with the offer addressed to the staff or the staff of the statutory bodies of the issuer, provided that the information on such an offer is made publicly available concluded before the opening of the closed period.

Furthermore, on the basis of art. 160.1 of the Trading Act, persons who are members of the company's management and supervisory boards, its proxies, or other persons who are in the company's organization directing business, and who have access to the confidential information, and who as a result of their position have a material impact on the development prospects of the company, are obliged to report to the KNF on any transactions concluded by themselves, or persons remaining in close relation to them, in the company's shares.

Pursuant to art. 160.2 of the Trading Act, related persons are defined as:

- 1) spouse or cohabitating partner,
- 2) dependent children and persons related through adoption, custody or guardianship,
- 3) other persons related through blood or marriage who are members of the same household with such person for at least one year,
- 4) entities:
  - a) in which the person referred to in art. 160.1 or such person's related person referred to in art. 160.1.1-3 is a member of the management or supervisory body or holds a management position within the organisational structure of such entity, has permanent access to inside information related to such entity and is authorised to make decisions concerning such entity's development and economic prospects, or
  - b) which are directly or indirectly controlled by the person referred to in art. 160.1 or such person's related person referred to in art. 160.1.1-3, or
  - c) from whose activities the person referred to in art. 160.1 or such person's related person referred to in art. 160.1.1-3 derives profits,
  - d) whose economic interests are equivalent to the economic interests of the person referred to in art. 160.1 or such person's related person referred to in art. 160.1.1-3.

In accordance with art. 161a of the Trading Act, the prohibitions and requirements referred to in art. 156-160 shall apply to cases specified in Art 39.4 of the Trading Act, i.a. to financial instruments introduced to an alternative trading system in the territory of Poland.

Art. 180 & 181 of the Trading Act provide for fines and penalties to those that are found to violate insider trading rules. Any violation of the prohibition to disclose inside information constitutes an offence. In accordance with the Trading Act, anyone who, in violation of the prohibition, discloses inside information is liable for a fine of up to PLN 2'000'000 or a penalty of imprisonment up to three years, or to both these

penalties jointly. Furthermore, anyone who, in violation of the prohibition, buys or sells financial instruments on the basis of inside information, or takes other steps which lead or might lead to disposal of financial instruments, is liable to a fine of up to PLN 5'000'000 or a penalty of imprisonment for a period from three months to five years, or to both these penalties jointly.

In addition to prohibiting the use of inside information, art. 39 of the Trading Act also forbids manipulation involving financial instruments. Examples of manipulation include manipulating market prices by executing actual or sham transactions, executing other transactions, placing orders, making false representations and disseminating false or misleading information. Depending on the circumstances, manipulation involving financial instruments may constitute (i) a breach of the administrative law, which is punishable by a fine of up to PLN 200'000 or a fine of up to ten times the benefits derived, or by both these penalties jointly with respect to the perpetrator of the manipulation (art. 172 of the Trading Act), or (ii) an offence punishable by a fine of up to PLN 5'000'000 or a penalty of imprisonment for a period from three months to five years, or by both these penalties jointly (art. 183 of the Trading Act).

#### *4.1.6. Restrictions resulting from the Polish Offering Act*

In accordance with art. 69.1 of the Offering Act, a shareholder in a public company, who individually or jointly with other entities:

- has achieved or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 33½%, 50%, 75% or 90% of the total vote in a public company, or
- held at least 5%, 10%, 15%, 20%, 25%, 33%, 33½%, 50%, 75% or 90% of the total vote in that public company, and as a result of a reduction of its equity interest, holds 5%, 10%, 15%, 20%, 25%, 33%, 33½%, 50%, 75% or 90% or less of the total vote

is obliged to notify the KNF and that company of the fact immediately, no later than within 4 business days from the date on which the shareholder becomes, or by exercising due diligence could have become, aware of the change in its share in the total vote of the company.

Pursuant to art. 69.2.1 of the Offering Act, the notification requirement applies also to a shareholder who held over 33% of the total vote in a public company and this share has changed by at least one percentage point.

The notification shall include the following information (art. 69.4):

- 1) date and type of event which led to a change in the share in the total vote which is the subject of the notification;
- 2) number of shares held prior to the change and their percentage share in the company's share capital, and the number of votes attached to these shares and their percentage share in the total vote;
- 3) number of shares currently held and their percentage share in the company's share capital, and the number of votes attached to these shares and their percentage share in the total vote;
- 4) information on any intention to further increase the shareholder's share in the total vote within 12 months from the notification date, and on the purpose of such increase - in the case of a notification submitted in connection with reaching or exceeding 10% of the total vote;
- 5) subsidiaries of the notifying shareholder, who hold company shares;
- 6) persons referred to in art. 87.1.3.c of the Offering Act.

In the event when the entity obliged to notify holds different types of shares, notification should also include information specified in points 1 and 2 separately for each type of shares.

Notification may be drawn up in English.

Should there be any change of intentions or purpose referred to in point 4, the KNF and the company in question should be notified of this fact immediately, no later than within 3 business days from the day on which such a change has occurred.

Pursuant to art. 69a, obligations referred to in art. 69 also apply to the entity that has reached or exceeded a given threshold of total vote in connection with:

- a) legal event other than legal action;
- b) acquisition or disposal of financial instruments from which an unconditional right or obligation arises to acquire the already issued shares of a public company;
- c) indirect acquisition of public company shares.

In the event referred to in point b), notification shall also include information on:

- a) the number of votes and the percentage share in the total vote to be reached by the holder of the financial instrument consequently to the acquisition of shares;
- b) date or deadline of acquisition of shares;
- c) date of expiration of the financial instrument.

Obligations referred to in art. 69 shall also arise in the event when voting rights are related to the securities being the hedged instrument; however, this shall not apply to situation when the entity for whom the hedging was established has the right to exercise the voting right and declares his intention to exercise such right – in such case voting rights shall be deemed to belong to the entity for whom the hedging was established.

In accordance with art. 89 of the Offering Act, a shareholder is forbidden to exercise voting rights from the share acquisition which occurred without observance of the notification requirements described in art. 69 of the Offering Act. In such cases, votes from the so acquired shares, are not counted when adopting resolutions of a general assembly.

In accordance with art. 97 of the Offering Act, everyone who:

- acquires or disposes of securities in breach of the proscription referred to in art. 67 of the Offering Act;
- makes the notifications referred to in art. 69 with delay
- exceeds ownership limits without observance of conditions described in art. 72-74 of the Offering Act;
- is not observing conditions included in art. 76 and art. 77 of the Offering Act;
- is not conducting a tender offer in the cases described in art. 73.2, art. 73.3, art. 74.2, art. 72.5 and art. 90a.1 of the Offering Act;
- despite receiving the request referred to in art. 78, fails to introduce necessary changes in or supplements to the contents of the tender offer or fails to deliver explanations concerning the contents within the time prescribed;
- is not making in time additional payment resulting the case described in art. 74.3 of the Offering Act;
- in the tender offer referred to in art. 72 through art. 74 or art. 91.6, proposes a price lower than a price determined under art. 79 of the Offering Act;
- acquires directly or indirectly shares without observance of requirements prescribed in art. 77.4.1 or art. 77.3 or art. 88a of the Offering Act;

- acquires own treasury shares without observance of the procedure, periods and conditions described in Art. 72-74, or Art. 91.6 of the Act;
  - acquires shares through a squeeze-out process without observing conditions prescribed in art. 82 of the Offering Act;
  - is not fulfilling demands resulting from art. 83 of the Offering Act;
  - despite the obligation described in art. 86.1 of the Offering Act, is not providing access to the auditor and is not cooperating with providing additional explanations;
  - is not fulfilling obligations described in art. 90a.3 of the Offering Act,
- can be subject to a penalty of up to PLN 1'000'000 imposed by the KNF. Such penalty can be imposed separately on any of the legal entities, which are part of a concerted action described in art. 87.1.5 of the Offering Act. The KNF can impose a new deadline for fulfilling the prescribed obligation, when informing about the decided penalty. In the case of repeated negligence in fulfilling such obligation, the KNF can again impose a penalty following the above stated procedures.

#### *4.1.7. Restrictions resulting from the Dutch Financial Supervision Act*

The Issuer, pursuant to chapter 5.4 of the Dutch Financial Supervision Act, is required to have a code of conduct with rules governing the ownership of, and transactions in, the Shares. Such a code of conduct must include, amongst others, rules relating to:

- the tasks and powers of the person appointed by the Issuer to make notifications on behalf of persons associating with the Issuer, who are required to make notifications to the AFM of the transactions in the Issuer's securities pursuant to insider trading rules;
- the obligation of employees, members of the Board of Directors and managers with respect to the ownership of, and transactions in, the Shares; and
- if relevant, the period during which such persons may not effect transactions in the Shares.

Insiders within the meaning of the Financial Supervision Act are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in the Shares or in securities the value of which is at least in part determined by the value of the Shares. Insiders within the meaning of the Financial Supervision Act in this respect are: (i) members of our Board, (ii) other persons who have a managerial position and in that capacity are authorized to make decisions which have consequences for our future development and business prospects and who, on a regular basis, can have access to inside information relating, directly or indirectly, to us, and (iii) certain persons closely associated with the persons mentioned under (i) and (ii) designated by the Dutch Market Abuse Decree (Besluit marktmisbruik Wft).

This notification must be made no later than the fifth business day after the transaction date on a standard form drawn up by the AFM. This notification obligation does not apply to transactions based on a discretionary management agreement as described in section 8 of the Dutch Market Abuse Decree. Under certain circumstances, the notification may be delayed until the date on which the value of the transactions amounts to EUR 5,000 or more in the calendar year in question.

#### **4.2. Information about subscription or sale of Shares which took place within the last 6 months preceding the date of submission of the application for introduction**

On 3 December 2012, General Meeting of the Issuer, approved, amongst other things, the issue of 18,400,000 new shares, issued from the Issuer's share premium reserve, namely:

1. to issue to Solar Power to the People Cooperatief U.A., eight million eight hundred ninety three thousand three hundred and seventy six (8,893,376) shares in the share capital of the Issuer each with a nominal value of one eurocent (EUR 0.01), numbered 4,600,001 up to and including 13,493,376 ;
2. to issue to Solar Future Cooperatief U.A., nine million five hundred six thousand six hundred and twenty four (9,506,624) shares in the share capital of the Issuer each with a nominal value of one eurocent (EUR 0.01), numbered 13,493,377 up to and including 23,000,000;
3. to exclude the pre-emptive rights with respect to the issues of the shares.

The deed of respective shareholders resolution is attached to this document in Anex 7.4 PENV-12-0200079

On 18th December, 2012 based on the Deed of Additional Contribution on Shares and Transfer of Shares,

1. Solar Future Cooperatief U.A. transferred to Minority Shareholders Photon Energy B.V. 3,292,541 shares in the share capital of the Issuer, each with a nominal value of EUR 0.01, numbered 2,223,345 up to and including 4,600,000, and 13,493,377 up to and including 14,409,261;
2. Solar Power to the People Cooperatief U. A. transferred to Minority Shareholders Photon Energy B.V. 3,080,147 shares in the share capital of the Issuer, each with a nominal value of EUR 0.01, numbered 1 up to and including 2,223,344, and 4,600,001 up to and including 5,456,803.

The deed of respective shareholders resolution is attached to this document as Anex 7.4 PENV-12-02-0086

From 12 April 2013 to 15 May 2013, Minority Shareholders Photon Energy B.V. ("MSBV") offered to sell up to 5,895,408 ordinary registered shares in the capital of Photon Energy N.V., with a nominal value of EUR 0.01 each, and a total nominal value of EUR 58,954.08 ("Offered Shares"), via public offering ("Offering"), which was a part of the "Public tender offer of the Shares Purchase Agreement pursuant to Section 183a of the act no. 513/1991 Coll., the Czech Commercial Code, as amended, to shareholders in the Phoenix Energy a.s.", which took place between 12 April 2013 and 15 May 2013 . The Offering was carried out on the Polish and Czech markets and was addressed exclusively to the minority shareholders in Phoenix Energy a.s. ("PEAS") holding at least one share in PEAS and who accepted to sell the PEAS share to MSBV, within the course of the Tender Offer. The aim of the Tender Offer was to enable minority shareholders in PEAS to acquire one (1) share in Photon Energy N.V. for each one (1) share in Phoenix Energy a.s.

The offering price for the Offered Shares was equal to EUR 0.01 for each Offered Share.

MSBV intended to acquire all shares owned by the minority shareholders in Phoenix Energy a.s. and in return provided them with an opportunity to buy shares in Photon Energy N.V. in such a way that for each share sold within the public tender offer, minority shareholders were entitled to buy one share in Photon Energy N.V. Alternatively, shareholders who accepted the tender offer and did not use their right to acquire shares in Photon Energy N.V., were compensated in cash. To be clear, the purpose of the tender offer was to enable the minority shareholders in PEAS to swap their shares on a one-to-one basis.

Within the course of the Offering, MSBV sold 5,109,614 shares in Photon Energy N.V. for the selling price of EUR 0.01 for each share.

Total value of the Offered Shares calculated as the selling price was less than EUR 100,000 (one hundred thousand euros). Therefore, pursuant to art. 7 par. 3 point 4 and art. 7 par. 3a of the Offering Act, in accordance with the legal and factual situation as of the day of the commencement of the Offering, the Issuer was not required to draw up a prospectus or an information memorandum.

Pursuant to art. 9 par. 2 of the Amendment to the Offering Act as of March 8, 2013 ("Amendment to the Offering Act"), the Issuer was not obliged to abide by the changes in the Offering Act, introduced by the Amendment to the Offering Act.

Specification of the Offering, pursuant to par. 4.1 of Exhibit 3 to the ATS Rules, is as follows:

- 1) start and end dates of subscription or sale: 12 April 2013 – 15 May 2013
- 2) date of allotment of financial instruments: 17 May 2013
- 3) number of financial instruments subject to subscription or sale: 5,895,408
- 4) rate of reduction in each tranche if the number of financial instruments allotted was smaller than the subscribed number in at least one tranche: not applicable
- 5) number of financial instruments allotted in the course of subscription or sale: 5,109,614
- 6) acquisition (taking up) price of financial instruments: EUR 0.01 (settled with the acquisition price of shares in Phoenix Energy a.s. of EUR 0.01 for each share)
- 7) number of persons that subscribed for financial instruments subject to subscription or sale in each tranche: 170 in total
- 8) number of persons that were allotted financial instruments in the course of subscription or sale in each tranche: 170 in total
- 9) names (business names) of underwriters that took up financial instruments under underwriting agreements, the number of financial instruments taken up by them and the actual price of a financial instrument unit (issue price or sale price less underwriting fee for taking up a financial instrument unit acquired by the underwriter under an underwriting agreement): not applicable
- 10) total costs classified as issue costs, specification of costs per title, broken down at least to costs of:
  - a) preparing and implementation of the offering: approx. EUR 96 thousand
  - b) fees for each underwriter: not applicable
  - c) preparing an information document, including advisory costs: approx. EUR 28 thousand
  - d) promoting the offering: not applicable

### 4.3. Legal basis of issue of financial instruments

#### 4.3.1. *Body authorized to make decisions in respect to the issue of financial instruments*

The General Meeting may resolve to issue shares, unless another corporate body of the Company has been designated by the General Meeting as the competent corporate body to resolve to issue shares. This designation may be granted for a period of not more than five years. The number of shares that may be issued shall be stipulated in the aforesaid designation. Shares may not be issued at less than their nominal value. The designation may be extended from time to time by the General Meeting, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. As long as the designation is in force, the General Meeting shall not be authorized to resolve to issue shares.

On December 17, 2012, the sole shareholders of the Issuer designated the Board of Directors for a period of five years, commencing on the date on which the present amendment of articles of association becomes effective and consequently ending on the 17<sup>th</sup> day of December, 2017, as competent to issue shares and to grant rights to subscribe for shares. Upon the designation, it was determined that the authority to issue shares and to grant rights to subscribe for shares concerns all unissued shares of the authorised share capital as applicable now or at any time in the future.

By resolution, dated the 17<sup>th</sup> day of December 2012, the sole shareholders of the Issuer designated the Board of Directors for a period of five years, commencing on the date on which the present amendment of articles of association becomes effective and consequently ending on the 17<sup>th</sup> day of December 2017, as competent to limit or exclude pre-emption rights in respect of shares;

By resolution, dated the 17<sup>th</sup> day of December 2012, the sole shareholders of the Issuer authorised the Board of Directors for a period of eighteen months, commencing on the date on which the present amendment of articles of association becomes effective and consequently ending on the 17<sup>th</sup> day of June, 2014, to acquire shares in the share capital of the Issuer or depositary receipts thereof for a consideration. In the authorisation the General Meeting has specified that the maximum number of shares permitted pursuant to the law and the articles of association may be acquired, that shares may be acquired by purchase on NewConnect, a multilateral trading facility as referred to in section 1:1 of the Financial Supervision Act operated by the Warsaw Stock Exchange, or otherwise, and that the price must at least equal the nominal value of the shares and may not exceed the average of the closing prices of the shares during the five trading days prior to the date of the purchase pursuant to the price list on-line of NewConnect increased by ten percent.

Attached Anex 8.5 Deed PENV 12-02-0084

#### 4.3.2. *Dates and form of resolutions in respect to the issuance of Shares*

Upon incorporation of the Issuer on 9 December 2010, 4,600,000 shares were issued and paid up, each of a nominal value of EUR 0.01 (one eurocent) constituting the total issued and paid up capital of EUR 46,000. The issued capital was paid up in cash. The issued capital was distributed between two incorporators, Messrs. Georg Hotar and Michael Gartner, such as:

1. 2,223,344 shares, numbered 1 up to and including 2,223,344, were issued to Mr. Georg Hotar;

2. 2,376,656 shares, numbered 2,223,345 up to and including 4,600,000, were issued to Mr. Michael Gartner.

#### Anex 7.4 Deed PENV 10-02-0002

The two incorporators subsequently contributed the shares in the Issuer to two cooperatives, namely to: i) Solar Future Coöperatief U.A., a cooperative established under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462397 and fully owned by Mr. Gartner, and ii) to Solar Power to the People Coöperatief U.A., a cooperative established under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462354 and fully owned by Mr. Hotar. Such contributions of the Issuer's shares were made pursuant to two contribution agreements and two Deeds of Transfer of Shares in the Capital of Photon Energy N.V., i.e:

1. Mr. Gartner contributed 2,376,656 shares he held in the Issuer, to Solar Future Coöperatief U.A., pursuant to the contribution agreement concluded between Mr. Gartner and Solar Future Coöperatief U.A. on December 20, 2010. The shares were further transferred pursuant to the Deed of Transfer of Shares in the Capital of Photon Energy N.V., entered into among Mr. Gartner, Solar Future Coöperatief U.A., and Photon Energy N. V. on December 24, 2010.
2. Mr. Hotar contributed 2,223,344 shares he held in the Issuer, to Solar Power to the People Coöperatief U.A., pursuant to the contribution agreement concluded between Mr. Hotar and Solar Power to the People Coöperatief U.A. on December 20, 2010. The shares were further transferred pursuant to the Deed of Transfer of Shares in the Capital of Photon Energy N.V., entered into among Mr. Hotar, Solar Power to the People Coöperatief U.A., and Photon Energy N. V. on December 24, 2010.

On 3 December 2012, General Meeting of the Issuer, approved, amongst other things, the issue of 18,400,000 new shares, issued from the Issuer's share premium reserve, namely:

1. to issue to Solar Power to the People Coöperatief U.A., eight million eight hundred ninety three thousand three hundred and seventy six (8,893,376) shares in the share capital of the Issuer each with a nominal value of one eurocent (EUR 0.01), numbered 4,600,001 up to and including 13,493,376 ;
2. to issue to Solar Future Coöperatief U.A., nine million five hundred six thousand six hundred and twenty four (9,506,624) shares in the share capital of the Issuer each with a nominal value of one eurocent (EUR 0.01), numbered 13,493,377 up to and including 23,000,000;
3. to exclude the pre-emptive rights with respect to the issues of the shares.

The deed of respective shareholders resolution is attached to this document in Anex 7.4 PENV-12-02-0079

On 18th December, 2012 based on the Deed of Additional Contribution on Shares and Transfer of Shares,

1. Solar Future Cooperatief U.A. transferred to Minority Shareholders Photon Energy B.V. 3,292,541 shares in the share capital of the Issuer, each with a nominal value of EUR 0.01, numbered 2,223,345 up to and including 4,600,000, and 13,493,377 up to and including 14,409,261;
2. Solar Power to the People Cooperatief U. A. transferred to Minority Shareholders Photon Energy B.V. 3,080,147 shares in the share capital of the Issuer, each with a nominal value of EUR 0.01, numbered 1 up to and including 2,223,344, and 4,600,001 up to and including 5,456,803.

The deed of respective shareholders resolution is attached to this document as Anex 7.4 PENV-12-02-0086

On 17 December, 2012, the General meeting authorized the Issuer's Board of Directors to enter into a share registration agreement on behalf of the Issuer with Krajowy Depozyt Papierów Wartościowych S.A., the Polish National Depository for Securities, for the registration with Krajowy Depozyt Papierów Wartościowych S.A. and the admission to trading on NewConnect, a non-regulated financing and trading platform organised by the Warsaw Stock Exchange, of 23,000,000 ordinary shares in the share capital of the Issuer with a nominal value of EUR 0.01 each, numbered 1 up to and including 23,000,000.

The deed of respective shareholders resolution is attached to this document as Anex 7.4 PENV-12-02-0084.

On April 10, 2013, the Issuer entered into the Deed of Transfer of Shares in Photon Energy N.V. for the purpose of Inclusion in the Deposit System of Euroclear Nederland based on which all the shares of the Issuer were included in a Collective Deposit and Book-Entry Deposit maintained by Euroclear Netherlands pursuant to the Dutch Securities Bank Giro Transaction Act.

As of the date of this Information Document, all 23,000,000 PENV shares are registered and dematerialized with Euroclear Netherlands acting as a primary depository.

PENV has also applied for registration of all of its shares with the Polish National Depository for Securities (KDPW) acting as a secondary depository. On 12 April 2013 the Management Board of the KDPW decided to:

- a) register 5,895,408 Issuer's shares subject to the public offering, on condition that those shares are registered with Euroclear Bank SA/N.V. on the KDPW account, and
- b) register the remaining 17,104,592 Issuer's shares on condition that all 23,000,000 Issuer's shares are introduced to trading on the NewConnect market.

Hence, as of the date of this Information Document, 5,895,408 Issuer's shares are registered with KDPW, and the remaining 17,104,592 Issuer's shares are to be registered upon introduction to trading on the NewConnect market.

As of the date of this Information Document, all 23,000,000 Issuer's shares are registered with the relevant commercial registry operated by the Dutch Chamber of Commerce (*Kamer van Koophandel*).

#### 4.4. Dates since when Shares authorize their holders to receive dividends

All shares have the same rights with regards to the dividend. The rights to dividend are described in chapter 4.5.1.

The Company's General Meeting held on 17 May 2013 adopted a resolution on allocation of the net result and net consolidated result for the financial year 2012. The General Meeting decided to:

1. transfer the loss of EUR 10,799,325 and add it to the retained earnings item in the shareholders' equity;
2. transfer the consolidated loss of EUR 12,633,642 and add it to the consolidated retained earnings item in the shareholders' equity.

#### 4.5. Rights attached to financial instruments and rules for their exercise

Rights attached to Shares are defined by the relevant collection of laws: Dutch Civil Code, the Financial Supervision Act as well as the Company's Articles.

The Shares shall be issued in registered form only. The full nominal value of the Shares must be paid upon issue and the Shares shall only be available without issue of a share certificate in the form of an entry in the share register. The register of shareholders shall be maintained by the Board at the Company's corporate headquarters in Amsterdam, the Netherlands. If an investor holds Shares in a securities account through Euroclear Nederland, transfers and pledges can be made through Euroclear Nederland via a book-entry transfer or pledge.

Apart from regulations described below, the Issuer is not aware of any other legal restrictions resulting from Dutch law, which could prevent the exercise of rights arising from the Shares held by foreign shareholders.

In accordance with art. 92 of the Dutch Civil Code, all Shares shall rank *pari passu* in proportion to their amount, and all shareholders and holders of depositary receipts whose circumstances are equal must be treated in the same manner.

##### 4.5.1. Dividend

###### Right to a dividend

In accordance with Dutch law and article 31 of the Articles, the Company may make distributions to its shareholders and other persons entitled to distributable profits in so far as the Company's equity exceeds the aggregate amount of the issued share capital plus the reserves the Company is required to maintain by Dutch law .

Pursuant to Dutch law, the following statutory reserves must be maintained:

- (a) Each contributing legal person shall set aside a reserve equal to the nominal value amount of the shares for which it subscribed, which may be made from reserves of a type which do not preclude the same.

- (b) A company shall maintain a non-distributable reserve in the amount of the loans granted by the company for the purpose of the subscription or acquisition by third parties of shares in its own capital or of depositary receipts issued therefor.
- (c) Insofar as the legal person capitalizes the expenses in connection with the incorporation and the issue of shares and the research and development costs, it must maintain a reserve for the amount thereof.
- (d) The legal person must maintain a reserve in the amount of its share in the positive results from participating interests and in any direct increases in its equity since the first valuation of the net asset value of the participating interest.
- (e) Increases or decreases in value of any participating interest due to conversion of the equity invested therein and the conversion of currency of the participating interest into the currency in which the legal person prepares its annual accounts shall be reflected in an increase or decrease, as the case may be, of the reserve for conversion differences.
- (f) Any increases in fair value of tangible fixed assets, intangible fixed assets and stocks and derivatives which are not agricultural stocks shall be reflected in a revaluation reserve and a hedging reserve. Increases in other assets which are valued at their actual value shall be reflected in a revaluation reserve unless these are reflected in an increase of the results. The legal person shall furthermore form a revaluation reserve out of its distributable reserves or out of the results for the financial year, to the extent any increase in the value of assets which are still present on the balance sheet date was used to increase the results of the financial year. No revaluation reserve shall be formed for assets referred to in the previous sentence in respect of which there are frequent market quotations.
- (g) Any differences that arise on conversion of assets and liabilities shall be accounted for in the profit and loss account, provided they may be applied against the credit or debit of a non-distributable reserve insofar as they relate to fixed assets or forward transactions covering the same; in such case the total of the positive and negative differences shall be disclosed.

#### Amount of dividend

The profits shall be at the free disposal of the General Meeting. Any distribution of profits shall be made after the adoption of the annual accounts by the General Meeting from which it appears that distributions to shareholders are permitted. Each year within five months after the end of the financial year of the Company, save where this period is extended by a maximum of six months by the General Meeting on account of special circumstances, the board shall prepare its annual accounts and shall make the same available for inspection by the shareholders at the office of the Company. The annual meeting shall be held within six months from the end of the Company's financial year. General Meeting may determine that distribution of dividends and other distributions shall be made in whole or in part in a form other than cash.

### Shares held by the Company

Shares which the Company holds in its own share capital shall not be counted when determining the division of the amount to be distributed on shares, unless a right of usufruct or pledge has been created on these shares.

### Interim distributions

The Company may make interim distributions provided that the Company's equity exceeds the sum of its paid-in and called-up share aggregate amount of the issued share capital plus the reserves as evidenced by an interim financial statement of assets and liabilities. This statement relates to the condition of such assets and liabilities on a date not earlier than the first day of the third month preceding the month in which the resolution to distribute is published. The statement shall be prepared on the basis of generally acceptable valuation methods. The amounts to be reserved under Dutch law shall be included in such statement of assets and liabilities. It shall be signed by the directors and, if one or more of their signatures is missing, this shall be stated, giving the reason therefor. The Company shall deposit the financial statement at the offices of the trade register within eight days after the day on which the resolution to distribute is published.

### Expiration of right to the dividend payment

Dividends and other distributions shall be due and payable four weeks after they have been declared, unless the General Meeting determines another date on the proposal of the Board. Dividends and other distributions which have not been collected within five years of the start of the day after the day on which they became due and payable, shall revert to the Company.

Notifications to shareholders, usufructuaries and pledgees regarding the availability for payment of dividends and other distributions shall be given by means of an announcement made by electronic means of communication.

### Distribution of profits in breach with requirements

Any distribution in breach of the equity requirements or the requirements regarding interim distributions must be repaid by the shareholders or any person entitled to profits who was or ought to have been aware that such distribution was not permitted.

### No exclusion to dividend

None of the shareholders may be wholly excluded from sharing in the profits. The Articles do not specify any privileges in respect to profit distribution, which means, each share carries right to the equal amount of profit distribution. The Company's shareholders do not have cumulative dividend rights.

## *4.5.2. Voting rights*

### Voting rights

Each Share with the nominal value of EUR 0.01 represents 1 vote. The persons who on the record date, to be set by the Board in accordance with Dutch law, have the right to vote or attend the meeting and have been registered as such in a register designated by the Board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the General Meeting. The notice of meeting

shall mention the record date as well as the manner in which the persons entitled to vote and attend the General Meeting can register and the manner in which they can exercise their rights.

The Board may determine that each shareholder and each usufructuary and pledgee to whom the voting rights accrue be authorised to attend the General Meeting in person or by a proxy authorised in writing, to address the General Meeting and, to the extent he is entitled to the voting rights, to exercise the voting rights by electronic means of communication. To do so, the shareholder, usufructuary or pledgee must be identifiable through the electronic means of communication and be able to directly observe the proceedings at the meeting. The Board may set conditions for the use of the electronic means of communication, provided that these conditions are reasonable and necessary for the identification of the shareholder, usufructuary or pledgee and the reliability and security of the electronic communication. These conditions shall be mentioned in the notice of the meeting.

Upon convening a General Meeting the Board may determine that votes which are cast prior to the General Meeting by electronic means of communication or by letter shall be put on par with votes which are cast at the time of the meeting. These votes shall be cast not earlier than on the record date to be set by the Board. The persons who on a date to be set upon the convening of the General Meeting have the right to vote or attend the meeting and have been registered as such in a register designated by the Board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the General Meeting. The notice of meeting shall mention the record date as well as the manner in which the persons entitled to vote and attend the General Meeting can register and the manner in which they can exercise their rights.

No votes may be cast in respect of a share held by the Company or a subsidiary company. No votes may be cast in respect of a share the depositary receipt for which is held by the Company or a subsidiary company. However, the holders of a right of usufruct and holders of a right of pledge on shares held by the Company or a subsidiary company are not excluded from their right to vote, if the right of usufruct or the right of pledge was granted prior to the time such share was held by the Company or such subsidiary company. Neither the Company nor a subsidiary company may cast votes in respect of a share on which it holds a right of usufruct or a right of pledge.

#### General Meeting

General Meetings shall be held in Amsterdam, Haarlemmermeer, The Hague or Rotterdam. A General Meeting shall be held at least once a year within the period required by Dutch law, which is currently no later than six months after the end of our financial year. Notice of a General Meeting shall be given by announcement in a national daily newspaper and by means of an announcement made by electronic means of communication which is directly and permanently accessible until the General Meeting. Notice of a General Meeting shall be given no later than on the forty-second day prior to the date of the meeting. If the notice period was shorter or if no notice was sent, no valid resolutions may be adopted. The notice shall set forth the date, place and time of the meeting, the matters to be considered, the procedure for attending the General Meeting by a proxy authorised in writing, and the procedure for attending the General Meeting and the exercise of the voting rights by any means of electronic communication in the event the board determines that such procedure may be used. Extraordinary General Meetings shall be held as frequently as deemed necessary by the Board. Further, within three months after it has become evident to the Board that the Company's equity has decreased to an amount equal to or less than half of the issued share capital, a General Meeting shall be held to discuss the measures to be taken, if necessary.

### Quorums

Resolutions proposed to the General Meeting must be adopted by a simple majority of votes cast, unless another majority of votes and/or a quorum is required by virtue of Dutch law or the Articles.

Pursuant to the Articles the following quorums are required:

- A resolution of the General Meeting to limit or exclude pre-emption rights or to designate another body of the Company as the body competent to limit or exclude pre-emption rights shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.
- A resolution of the General Meeting to a grant of rights to subscribe for shares shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.
- A resolution of the Board to grant a loan, in respect of the subscription for or acquisition of shares in the Company's share capital or depositary receipts for such shares by other persons, shall be subject to the prior approval of the General Meeting. A resolution to approve the grant of the loan shall require a majority of at least ninety-five per cent of the votes cast.
- A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting. Further, reduction of the nominal value of shares without repayment shall be effected pro rata to all shares. The pro rata requirement may be waived with the consent of all shareholders. Partial repayment on shares may only be made pursuant to a resolution to reduce the nominal value of the shares. Such a repayment shall be effected pro rata on all shares. The pro rata requirement may be waived with the consent of all shareholders.
- If a proposal to amend the articles of association is to be made to the General Meeting, such shall always be mentioned in the notice of the General Meeting. The persons who have given such notice shall simultaneously make a copy of the proposal including the literal text of the proposed amendment available at the offices of the Company for inspection by each shareholder and each usufructuary and pledgee to whom the voting rights accrue until the end of the meeting. Failing such, the resolution regarding the proposal may only be adopted by unanimous vote at a meeting at which the entire issued share capital is represented.

#### *4.5.3. Right to convene a General Meeting*

Pursuant to the Articles, the Board shall be authorised to convene a General Meeting. If the authorised persons fail to hold a General Meeting as prescribed by law or the Articles any shareholder may be authorised by the interim provisions judge of the district court to proceed to do so himself.

In addition, one or more shareholders, who jointly represent at least 10% of the issued capital, may on their application be authorised by the district court in preliminary relief proceedings to convene a General Meeting. As the Articles do not provide for a lesser amount regarding the right to convene a General

Meeting by shareholders, one or more shareholders who jointly represent at least 10% of the issued capital have the right to convene a General Meeting.

The district court in preliminary relief proceedings shall disallow the application if it does not appear to him that the applicants have previously requested the board in writing, stating the exact matters to be considered, to convene a general meeting and the board has not taken the necessary steps so that the general meeting could be held within six weeks after the request.

#### *4.5.4. Right to request the placement of an item on the agenda of the General Meeting*

One or more holder of shares who, alone or jointly, represent 3% of the issued capital may request a matter to be considered at the General Meeting. Pursuant to the Articles, a matter of which discussion has been requested in writing by one or more shareholders, usufructuaries or pledgees to whom the voting rights accrue who are so entitled by Dutch law shall be mentioned in the notice of meeting or announced in a supplementary notice if the Company has received the request, including the reasons, or a proposal for a resolution no later than on the sixtieth day prior to the date of the meeting. The requirement of written form for the request shall be met if the request has been recorded electronically.

#### *4.5.5. Right to take a formal actions against General Meeting resolutions*

Upon the written application of one or more holders of shares or depositary receipts issued for shares who, solely or jointly, represent at least 10% of the issued capital or who are entitled to an amount in shares or depositary receipts issued therefor with a nominal value of EUR 225,000 or such lesser amount as is provided by the articles of association, the Enterprise Division of the Court of Appeal in Amsterdam may appoint one or more persons to undertake an inquiry into the policy and conduct of business of a company limited by shares either as a whole or in respect of a part thereof or in respect of a specific period. In addition, persons authorised by the articles of association or under an agreement with the company limited by shares are entitled to file an application for an inquiry.

Where an immediate remedy (e.g. the suspension or avoidance of a shareholders' resolution) is required in connection with the condition of the company limited by shares or in the interest of the inquiry, the Enterprise Division may at any stage of the proceedings, upon the application of the applicants, order such remedy for the duration of the proceedings at most.

As the Articles do not include any provisions regarding the right to file an application for an inquiry with the Enterprise Division, the right to take formal actions applies to one or more shareholders or depositary receipts issued for shares who, solely or jointly, represent at least 10% of the issued capital.

#### *4.5.6. Right to elect a Supervisory Board member*

The Company does not have a supervisory board. Any future supervisory board members of the Company need to be appointed by the General Meeting by a simple majority of the votes cast. The Articles do not provide for any provisions regarding the right to elect a supervisory board member.

The articles of association may restrict the circle of persons eligible for appointment by imposing requirements which the supervisory board members must meet. The requirements may be waived by a resolution of the General Meeting adopted by two-thirds of the votes cast representing more than one half of the issued capital. The articles of association may also provide that an appointment by the General Meeting shall be made from a list of candidates containing the names of at least two persons for each vacancy to be filled. Notwithstanding the foregoing, the General Meeting may, at all times, by a resolution passed with a two-thirds majority of the votes cast representing more than one half of the issued capital, resolve that such list shall not be binding. In the event of a “large” company under Dutch law (i.e. balance sheet of EUR 16 million, establishment of a works council and the company employs at least 100 employees in the Netherlands), other provisions apply.

#### *4.5.7. Right to information*

The Board shall provide to the General Meeting all the information it requests, unless this conflicts with a substantial interest of the Company.

#### *4.5.8. Right of usufruct and right of pledge on shares*

##### Usufruct

The creation of a right of usufruct on an interest in a collective depot shall be effected by means of a credit entry in the name of the usufructuary in the records of the intermediary. The transfer of a right of usufruct on an interest in a collective depot shall be effected by means of a debit entry in the name of the transferor and a credit entry in the name of the acquirer in the records of the intermediary. Pursuant to the Articles, the voting rights on the shares encumbered with a right of usufruct shall accrue to the shareholder. However, the voting rights shall accrue to the usufructuary if so provided at the time of the creation of the right of usufruct.

##### Pledge

The creation of a right of pledge on an interest in a collective depot in favour of a person other than the intermediary shall be effected by means of a credit entry in the name of the pledgee in the records of the intermediary. The creation of a right of pledge on an interest in a collective depot in favour of the intermediary shall be effected by agreement between the pledger and the intermediary.

Pursuant to the Articles, the voting rights on the pledged shares shall accrue to the shareholder. However, the voting rights shall accrue to the pledgee, if so provided at the time of the creation of the right of pledge.

#### *4.5.9. Right to squeeze-out*

A person who as a shareholder and for his own account contributes at least 95% of the issued share capital of a company limited by shares may institute proceedings against the other shareholders jointly for the transfer of their shares to the claimant. The same shall apply if two or more group companies jointly contribute such part of the issued capital and jointly institute proceedings for the transfer to one of them.

At first instance the Enterprise Division of the Court of Appeal in Amsterdam shall hear the proceedings. Appeal from its decision shall be exclusively by way of cassation (appeal to the Supreme Court). The court shall disallow the proceedings against all defendants if, notwithstanding compensation, a defendant would suffer serious tangible loss by such transfer, if a defendant is the holder of a share in which, under the articles of association, a special right of control of the company is vested or if a claimant has, as against a defendant, renounced his power to institute such proceedings.

The court which allows the proceedings shall order the person acquiring the shares to pay the determined price with interest to the persons to whom the shares belong or will belong against delivery of the unencumbered right to the shares. The court shall give such order for costs in the proceedings as it shall think fit. No order for costs shall be given against a defendant who has not raised a defence.

Upon the court order for transfer becoming final and binding, the person acquiring the shares shall give written notice of the date and place of payment and of the price to the holders of shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish the same in a daily newspaper with a national circulation.

#### *4.5.10. Right to redemption of shares*

The General Meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the nominal value of shares by an amendment of the Articles. This resolution shall specify the shares to which the resolution applies and shall describe how such a resolution shall be implemented. The amount of the issued share capital may not fall below the minimum share capital as required by law in effect at the time of the resolution. A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting. A resolution to cancel shares can only apply to shares which are held by the Company itself or to shares for which the company holds depositary receipts. Reduction of the nominal value of shares without repayment shall be effected pro rata to all shares. The pro rata requirement may be waived with the consent of all shareholders. The Company shall deposit a resolution to reduce the issued share capital at the offices of the trade register and shall announce the deposit in a national daily newspaper.

#### *4.5.11. Rights to claim the residual value of the Company's assets*

Pursuant to the Articles, if the Company is dissolved pursuant to a resolution of the General Meeting, its assets shall be liquidated by the Board, if and to the extent that the General Meeting shall not resolve otherwise. During the liquidation, the Articles shall, to the extent possible, remain in full force. The balance of the assets of the Company remaining after the creditors have been paid shall be transferred to the shareholders in proportion to the aggregate nominal value of their shares.

In the event of bankruptcy, each of the Company's shareholder has a right to claim the residual value of the Company's assets on a pro-rata basis, once all other creditors' claims have been satisfied. The Dutch Bankruptcy Act (Faillissementswet) has the leading principle of *paritas creditorum*. This means that all creditors have an equal right to payment and that the proceeds of the bankrupt's estate shall be distributed in proportion to the size of their claims. However, there are two groups of creditors to whom

this principle of *paritas creditorum* does not apply: (i) secured creditors; and (ii) creditors who have a preference by virtue of the Dutch Civil Code or any other relevant act. Unsecured and non-preferred creditors are *paritas creditorum* creditors and they do not have any preference and will therefore be paid, if any proceeds of the estate remain, after all other creditors have received payment. The company's assets shall be used for the satisfaction of the creditors' claims. Any surplus assets of the company shall be transferred to the shareholders.

In accordance with art. 92 of the Dutch Civil Code, all shares shall rank *pari passu* in proportion to their amount, and all shareholders and holders of depositary receipts whose circumstances are equal must be treated in the same manner.

#### *4.5.12. Pre-emptive right for subscription of shares in subsequent capital increases*

Existing shareholders shall have pre-emptive rights in respect of future issuances of ordinary shares in proportion to the number of ordinary shares held by them, provided that such shares are being subscribed through monetary contributions. This right may be restricted or excluded by a General Meeting's decision. The pre-emptive right may also be restricted or excluded by the Board if the Board is designated by the General Meeting.

On 17 December 2012 the General Meeting resolved to designate the Board as the competent body to limit or exclude any pre-emptive rights to which shareholders may be entitled in connection with the issuance of shares. The aforesaid designation will be valid until 17 December 2017. The authority to limit or exclude pre-emptive rights may be extended in the same manner as the authority to issue shares.

Resolutions of the General Meeting (1) to limit or exclude pre-emptive rights or (2) to designate the Board as the corporate body that has authority to limit or exclude pre-emptive rights, require at least a two-thirds majority of the votes cast in a meeting of shareholders, if less than 50% of the issued share capital is present or represented. In the event that more than 50% of the issued share capital is present or represented, the resolutions shall be passed by a simple majority of the votes cast. For these purposes, issuances of shares includes the granting of rights to subscribe for shares, such as options and warrants, but not the issue of shares upon exercise of such rights.

#### **4.6. Issuer's basic policies concerning future dividend payments**

The Company's investment strategy is designed to create value for its shareholders through long-term capital gains. Accordingly, the board of directors of the Company does not currently intend to propose to the shareholders to pay any dividend.

#### **4.7. Taxation rules concerning income related to holding of and trading in financial instruments referred to in the Information Document, including the tax agent**

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch and Polish tax laws which could be of relevance to a holder of Shares. It is recommended that parties interested in acquiring shares of the Issuer

should consult with their legal and tax advisors with regard to the tax and legal consequence of purchasing, selling or holding the shares and receiving dividend payments under the tax legislation in effect in the Netherlands, Poland, and the countries where such parties reside, as well as countries in which proceeds from holding or selling the shares could be taxed.

The following summary is based on the tax laws of the Netherlands and Poland, as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

#### 4.7.1. *Netherlands*

For the purpose of this paragraph, “Dutch Taxes” shall mean taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

##### Withholding tax

It is generally required to withhold Dutch dividend withholding tax at a rate of 15% from dividends distributed. Dutch Individuals and Dutch Corporate Entities are generally allowed to credit Dutch withholding tax against their personal or corporate income tax liability, and are generally entitled to a refund of such withholding tax to the extent it exceeds, together with other creditable taxes, their Dutch personal or corporate income tax liability.

Non-resident holders of Shares may be eligible for full or partial relief from withholding tax, on the basis of the Tax Convention for the Kingdom (in Dutch “Belastingregeling voor het Koninkrijk”), tax treaties concluded by the Netherlands, and/or the EU Parent Subsidiary Directive, provided the non-resident Holder of Shares fulfils all the relevant conditions for obtaining relief.

Dutch anti dividend stripping rules deny reduction of withholding tax in situations where the holder of Shares, be it a Dutch Individual, Dutch Corporate Entity or non-resident Holder of Shares, is not considered as the “beneficial owner” (legally defined term) of the dividend.

##### Taxes on capital gain from sale of Shares

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a holder of Shares who receives Shares or has received any Shares or benefits from the Shares as employment income, deemed employment income or otherwise as compensation.

##### Residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following holders of Shares:

- (i) Individuals who are resident or deemed to be resident of the Netherlands for the purposes of Dutch income tax;
- (ii) Individuals who opt to be treated as a resident of the Netherlands for purposes of Dutch income tax ((i) and (ii) jointly “Dutch Individuals”); and
- (iii) Entities that are subject to Dutch corporate income tax under the Dutch Corporate Income Tax Act 1969 (“CITA”) and are a resident or deemed to be a resident of the Netherlands for the purposes of the CITA, excluding:

- pension funds (in Dutch “pensioenfondsen”) and other entities, that are wholly or partially exempt from Dutch corporate income tax; and
- investment institutions (in Dutch “beleggingsinstellingen”) as defined in article 28 of the CITA; (Hereafter referred to as the “Dutch Corporate Entities”)

Generally, Dutch Individual holders of Shares who do not have a (fictitious) substantial interest (in Dutch “fictief aanmerkelijk belang”) in the Company and who hold Shares that are not attributable to:

- (i) an enterprise from which he derives profits as an entrepreneur (in Dutch “ondernemer”) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur; or
- (ii) to miscellaneous activities (in Dutch “overige werkzaamheden”), will be subject annually to an income tax imposed on a fictitious yield on such Shares.

The Shares held by such Dutch Individual will be taxed under the regime for savings and investments (in Dutch “inkomen uit sparen en beleggen”). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Shares, is set at a fixed amount. The fixed amount equals 4% of the average net fair market value of these assets and liabilities at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30%.

Generally, a holder of Shares has a substantial interest (in Dutch “aanmerkelijk belang”) if such holder of Shares, alone or together with his partner, has directly or indirectly:

- the ownership of, or certain rights over, Shares representing five percent or more of the total capital of the Company; or
- the rights to acquire Shares, whether or not already issued, representing five percent or more of the total capital of the Company; or
- the ownership of, or certain rights over, profit participating certificates that relate to five percent or more of the annual profit of the Company or to five percent or more of the liquidation proceeds of the Company.

A holder of Shares will also have a substantial interest if his partner or one of certain relatives of that holder or of his partner has a (fictitious) substantial interest.

Generally, a holder of Shares has a fictitious substantial interest (in Dutch “fictief aanmerkelijk belang”) if he has disposed of, or is deemed to have disposed of, all or part of a substantial interest.

Any benefits derived or deemed to be derived from Shares (including any capital gains realised on the disposal thereof) that are held by a Dutch Individual who has a (fictitious) substantial interest ((fictief) aanmerkelijk belang) in the Company, are generally subject to income tax at a flat rate of 25%.

Any benefits derived or deemed to be derived by a Dutch Individual from Shares (including any capital gains realised on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise, or attributable to miscellaneous activities (overige werkzaamheden), including, without limitation, activities which are beyond the scope of active portfolio investment activities, are generally subject to income tax at statutory progressive rates with a maximum of 52%.

### Dutch Corporate Entities

Any benefits derived or deemed to be derived from Shares (including any capital gains realised on the disposal thereof) that are held by Dutch Corporate Entities are generally subject to corporate income tax at a statutory rate currently 25%. A reduced rate of 20% applies to taxable profits of up to EUR 200,000.

A holder of Shares who is not a resident or deemed to be a resident of the Netherlands or, in case of an individual, who has not opted to be treated as a resident of the Netherlands, will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the units, except if:

- the holder of Shares derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur, which enterprise is, in whole or in part, carried on through a permanent establishment (in Dutch “vaste inrichting”) or a permanent representative (in Dutch “vaste vertegenwoordiger”) in the Netherlands, to which the Shares are attributable; or
- the holder of Shares is an individual and derives benefits from miscellaneous activities (in Dutch “resultaat uit overige werkzaamheden”) carried out in the Netherlands in respect of Shares, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or
- the holder of Shares is entitled, other than by way of the holding of securities, to a share of the profits of an enterprise that is effectively managed in the Netherlands and to which the Shares are attributable.

### Gift Tax and Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of Shares by, or inheritance of Shares on the death of, a holder of Shares, except if:

- The holder of Shares is a resident or is deemed to be a resident of the Netherlands; or
- At the time of the gift or death of the holder of Shares, his Shares are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment (in Dutch “vaste inrichting”) or permanent representative (in Dutch “vaste vertegenwoordiger”) in the Netherlands to which the Shares are attributable; or
- The Shares are acquired by way of a gift from a holder of Shares who passes away within 180 days after the date of the gift and who is not and is not deemed to be at the time of the gift, but is, or is deemed to be at the time of his death, a resident of the Netherlands; or
- The holder of Shares is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Shares are attributable.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift.

Furthermore, under circumstances, a holder of Shares will be deemed to be a resident of the Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

### Other Taxes and Duties

No other taxes and duties (including stamp duty) are due by or on behalf of a holder of Shares in respect of or in connection with the purchase, ownership and disposal of the Shares.

## Residency

A holder of Shares will not become a resident, or deemed resident of the Netherlands for tax purposes by reason only of holding the Shares.

### *4.7.2. Poland*

#### Income on the disposal of Shares earned by individuals who are Polish tax residents

In accordance with Article 3, section 1 of the Personal Income Tax Act, natural persons, provided that they reside within the territory of Poland, are liable to pay tax on all of their income (revenue) regardless of the location of the source of revenues (unlimited tax obligation). A person residing within the territory of Poland is any natural person who (i) has the centre of their personal or economic interests (centre of life interests) within the territory of Poland; or (ii) resides within the territory of Poland for more than 183 days in any tax year.

In case of disposal by a Polish resident of property located in another country, the tax treaty between Poland and that country applies. According to Article 13, section 4 of the Polish-Dutch Tax Treaty, gains from the disposal of shares are taxed exclusively in the country in which the person disposing of the property is resident. Thus, income from the disposal of the Shares earned by Polish residents is taxed in Poland according to the following rules.

Pursuant to Article 30b, section 1 of the Personal Income Tax Act, income earned in Poland on the transfer of the ownership of securities in exchange for consideration is taxed at a flat rate of 19%. Taxable income is computed as the difference between the proceeds from the disposal of securities and the tax-deductible costs, including the expenditure relating to the acquisition of these securities. Such income is subject to taxation as income due, even if not actually yet received. It is not aggregated with the other income of the individual and is taxed separately.

Entities intermediating in the sale of securities by an individual (e.g. brokerage houses) are required to deliver to that person and the appropriate tax office, information on the amount of income earned by that person, by the end of February of the year immediately following the year in which the gains are made (or losses are incurred) by such person on the disposal of securities. There is no requirement to pay tax advances during the tax year.

An individual who obtains gains (or incurs losses) on the sale of securities is required to calculate and pay the tax due, as well as submit, by 30 April of the calendar year immediately following the year in which such gains are obtained (or losses incurred), a separate tax return identifying the amount of the gains or losses. The tax return is to be submitted to the tax office competent for the place of residence of such taxpayer on the last day of the financial year, and if such person ceased to reside in Poland before that date, to the tax office competent for the person's last place of residence within the territory of Poland.

The above regulations shall not apply if a sale of securities for a consideration is a consequence of performance of any business activities, as in such case the revenues from the sale of securities should be qualified as originating from the performance of such activities and should be settled according to general terms.

#### Income on the disposal of Shares earned by individuals who are not Polish tax residents

In accordance with Article 3, section 2a of the Personal Income Tax Act, natural persons, if they do not reside within the territory of Poland, are liable to pay tax exclusively on income (revenue) obtained within the territory of Poland (limited tax obligation).

Income from the disposal of shares in a foreign entity by an individual who is not a Polish tax resident cannot be classified as income obtained in Poland and as a result is not taxed in Poland. In such case, the tax treaty between the Netherlands and the country of residence of the individual should be applied.

#### Income on the disposal of Shares earned by legal persons who are Polish tax residents

In accordance with Article 3, section 1 of the Corporate Income Tax Act, taxpayers having their seat or a management board within the territory of Poland, are liable to pay tax on all of their income, irrespective of the location of the source of revenues.

According to Article 13, section 4 of the Polish-Dutch Tax Treaty, gains from the disposal of shares are taxed exclusively in the country, in which the person disposing of property is resident. Thus, income from the disposal of the Shares earned by Polish residents is taxed in Poland.

Gains on the disposal of securities by a legal person having their seat (management board) within Poland are subject to taxation under the general rules stipulated in the Corporate Income Tax Act. Taxable income is the difference between the proceeds from the disposal of securities and the tax-deductible costs, including the expenditure relating to the acquisition of these securities. The income thus computed is aggregated with the other income of the legal person. The income of a legal person is taxed at a rate of 19% of the taxable income.

Pursuant to Article 25 of the Corporate Income Tax Act, a legal person which has disposed of securities is required to pay the due tax prepayment into the account of the appropriate tax office. The tax prepayment is calculated as the difference between the tax due on the income earned since the beginning of a given fiscal year and the aggregate tax prepayments due for the previous months of this year. The taxpayer is required to submit their annual tax return by the end of the third month of the year immediately following the year in which the gains are made.

#### Income on the disposal of Shares earned by legal persons who are not Polish tax residents

Foreign corporate persons taxed on the principles set forth below are legal persons, companies in organization, as well as non-corporate organizations other than partnerships, which have their registered office or management board outside the territory of Poland. In accordance with Article 3, section 2 of the Corporate Income Tax Act, taxpayers, if they do not reside within the territory of Poland, are liable to pay tax exclusively on income obtained within the territory of Poland.

Income from the disposal of shares in a Dutch entity by a legal person who is not a Polish tax resident cannot be classified as income obtained in Poland, and as a result is not taxed in Poland. The tax treaty between the Netherlands and the country of residence of the company should be applied.

#### Dividends obtained by individuals who are Polish tax residents

Taxation of the dividend income obtained by an individual who is a Polish resident from a company resident in the Netherlands, is regulated by the provisions of the Polish-Dutch Tax Treaty. Pursuant to Article 10 of the treaty, dividends paid by a company resident in the Netherlands to a individual resident in Poland may be taxed in Poland. These dividends may also be taxed in the Netherlands, but the tax levied in this country cannot exceed 15% of the dividend.

Pursuant to Article 30a, section 1 point 4 of the Personal Income Tax Act, dividend income and other income from a share in the profits of legal persons is not aggregated with income from any other sources, and is subject to taxation at a flat rate of 19% of the income earned.

#### Dividends obtained by individuals who are not Polish tax residents

Dividend income paid by a Dutch company to a non-Polish tax resident is not taxed in Poland. The tax treaty between the Netherlands and the country of residence of the individual should be applied.

#### Dividends obtained by legal persons who are Polish tax residents

As a rule, dividend income and other income from a share in the profits of legal persons is subject to taxation at a flat rate of 19% of the income earned. However, this rule is modified by the provisions of the Polish-Dutch Tax Treaty, according to which dividends paid by a company resident in the Netherlands to a person resident in Poland may be taxed in Poland.

These dividends may also be taxed in the Netherlands, but the tax levied in this state cannot exceed 5% of the gross amount of the dividend, if the dividend is received by a company holding at least 10% of the share capital of the company paying the dividend and 15% of the dividend in other cases.

Pursuant to Article 20, section 3 of the Corporate Income Tax Act, income (revenues) from dividends and other revenues from participation in profits generated by legal persons, are tax exempt in Poland if all of the following conditions are satisfied jointly: (i) the entity paying the dividends and other revenues from participation in profits generated by legal persons is a company which pays income tax and has its registered seat or management board within the territory of the UE; (ii) the entity receiving income (revenues) from dividends and other revenues from participation in profits generated by legal persons, as referred to in section (i), is a company liable to pay income tax in the Republic of Poland with respect to its entire income, irrespective of the place where it is generated; (iii) the company referred to in section (ii) has at least 10% direct shareholding in the shares in the share capital of the company which pays out the dividend; (iv) the company referred to in section (ii) is not exempt from income tax on its entire income, regardless of its source.

The exemption referred to above applies if the company gaining income (revenues) from dividends and other revenues from participation in profits generated by legal persons having their registered seat or management board within the territory of Poland, has at least 10% shareholding in the company paying out dividends uninterruptedly for two years. The exemption also applies if the two year period of uninterrupted holding of shares in the required amount by a company generating income (revenues) from participation in profits generated by a legal person having its registered seat or management board within the territory of Poland, ends after the date of obtaining such income (revenues). In the case of failure to satisfy the condition of holding shares in the required amount uninterruptedly for two years, the taxpayer shall be required to pay tax, including default interest, on the income (revenues) at 19% of income (revenues) by the 20th day of the month following the month in which it was deprived of the right of exemption. Interest is calculated as of the day following the day on which the taxpayer had first exercised the right to exemption.

#### Dividends obtained by legal persons who are not Polish tax residents

Dividend income paid by a Dutch company to a non-Polish tax resident is not taxed in Poland. The tax treaty between the Netherlands and the country of residence of the individual should be applied.

#### Tax on civil law transactions

Tax on civil law transactions applies to sale or exchange contracts, if the rights which are the subject of the transaction are to be performed within the territory of Poland (e.g. shares in a Polish company), or if the rights are performed outside of Poland, provided that the agreement evidencing the sale or exchange is concluded in Poland and the purchaser is a Polish resident. The rate of this tax is set at 1% of the market value of the securities which are the subject of the transfer. In certain situations, the tax authorities may

adjust the taxable base. The tax should be paid within 14 days after the transaction is concluded. However, pursuant to Article 9, section 9 of the Act on Tax on Civil Law Transactions, the sale of securities to brokerage houses and banks conducting brokerage activities is exempt from transfer tax, as is the sale of securities performed through an agency of brokerage houses and banks conducting brokerage activities.

#### Taxation of gifts and inheritance

Polish gift or inheritance tax can only be imposed on individuals. Such tax may arise on a gift or inheritance of the Shares where the heir or the donee is a Polish resident. The amount of tax depends on the relationship of the donor/deceased to the donee/heir.

## V. INFORMATION ABOUT THE ISSUER

### 5.1. Name, legal form, country of residence, registered address together with telecommunications numbers, code according to the appropriate statistical classification and number according to the appropriate tax identification

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<b>Company name:</b>	<b>Photon Energy N.V.</b>
Legal form:	Dutch public company with limited liability ( <i>Naamloze Vennootschap</i> )
Registered address:	Barbara Strozzilaan 201, 1083 HN, Amsterdam, The Netherlands
Telephone:	+31 20 240 2570
Fax:	+31 20 240 2598
Email:	info@photonenergy.com
Internet:	<a href="http://www.photonenergy.com">www.photonenergy.com</a>
Registration number:	51447126
Tax number:	8500.20.827

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### 5.2. Term of the Issuer

The Issuer was founded for an indefinite period.

### 5.3. Legal regulations under which the Issuer was formed

The Issuer was established as a public company with limited liability in accordance with the Civil Code of the Netherlands under the name Photon Energy N.V. on the 9 December 2010 by two founding shareholders: Mr. Georg Hotar, who subscribed 48.33% of the issued capital and Mr. Michael Gartner, who subscribed 51.67% of the issued capital. On December 24, 2010, the founding shareholders contributed the shares of the Issuer, representing their entire holdings, to two cooperatives, incorporated under the laws of the Netherlands; namely to: i) Solar Power to the People Cooperatief U.A., owned by Mr. Hotar, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462354 and ii) Solar Future Cooperatief U.A. owned by Mr. Gartner, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462397.

**5.4. Court that has decided to enter the Issuer into the appropriate register and date of registration, and if the Issuer is an entity that needed a permit to be formed – subject matter and number of the permit as well as the authority that issued the permit**

Photon Energy N. V., with its statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam, The Netherlands, was registered with the Dutch Trade Register (*Kamer van Koophandel*) under number 51447126 on December 10, 2010. The declaration of no objection prescribed by law was issued by virtue of an administrative decision dated 2<sup>nd</sup> December 2010, number NV 1622494.

**5.5. Short background information on the Issuer**

The most important events in the history of the Group include:

- |                                      |  |
|--------------------------------------|--|
| <b>9<sup>th</sup> December 2010</b>  | Incorporation of Photon Energy N.V. by two founding shareholders: Mr. Georg Hotar (48.33% of share capital) and Mr. Michal Gartner (51.67% of share capital) with the statutory seat at Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands and registered with the Dutch Trade Register ( <i>Kamer van Koophandel</i> ) under the number 51447126.  |
| <b>23<sup>rd</sup> December 2010</b> | Mr. Hotar contributed 7,976,150 shares, and Mr. Gartner contributed 8,526,150 shares, of Photon Energy a.s., a company organized under the laws of the Czech Republic ("Photon Energy a.s.", renamed to Phoenix Energy a.s. as of 20 December 2012), to the capital of the Issuer as non-obligatory share premium ( <i>onverplicht agio</i> ), with the Issuer thus becoming an owner of shares representing 71.75% of share capital of Photon Energy a.s. |
| <b>24<sup>th</sup> December 2010</b> | The shares of the Issuer were contributed by the two founding shareholders to Solar Power to the People Cooperatief U.A. and Solar Future Cooperatief U.A.   |
| <b>10<sup>th</sup> November 2011</b> | The Issuer acquired from Photon Energy a.s. the following companies: 100% shares in Photon Energy Investments DE N.V., 100% shares in Photon Energy Investments SK N.V. and 100% shares in Photon Energy Investments IT N.V. All companies acquired were incorporated under the laws of the Netherlands, with their statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam.                                   |
| <b>30<sup>th</sup> November 2011</b> | The first photovoltaic rooftop installation in Italy (Verderio, province Lecco), with a total installed capacity of 261 kWp, was successfully completed and connected to the grid, securing the feed in premium of EUR 0.265/kWh on top of the electricity sales revenues of more than EUR 0.07/kWh.   |

- 31<sup>th</sup> December 2011** Completion of the construction of 1.3 MWp PV power plants in Germany including Ellrich (1 MWp), Grundschule Ueckermünde (45 kWp), Altentreptow (156 kWp), Gymnasium Ueckermuende (27 kWp), Demmin (41kWp), Kindergarten Ueckermuende (25 kWp) and scuring grid connection for Gymnasium Ueckermuende and Kindergarten Ueckermuende.
- 14<sup>th</sup> April, 2012** Photon DE SPV 1 GmbH, fully owned by the Issuer, sold three German rooftop projects: Grundschule Ueckermünde (45 kWp), Gymnasium Demmin (40.5 kWp) and Goetheschule (27 kWp) to the third party.
- 5<sup>th</sup> April, 2012** Messrs. van Wijlen and van den Berg resigned from the Board of Directors of the Issuer.
- 2<sup>nd</sup> May, 2012** The Issuer incorporated Photon Directors B.V with its statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam.
- June 2012** The Issuer incorporated Photon Energy Investments N.V., Photon Energy Engineering B.V., Photon Energy Operations N.V., Photon Energy Finance B.V. (later renamed to Photon Energy Projects B.V.), Photon Energy Technology B.V. and Photon Energy FinCo B.V., all companies, established under the laws of the Netherlands, having their statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam.
- 28<sup>th</sup> June, 2012** The Issuer acquired 100% of Photon Corporate Services s.r.o., (subsequently renamed to Photon Energy Corporate Services CZ s.r.o.), with its registered seat at Uruguayska 17, Praha 2, 120 00, Czech Republic, and 100% of Photon Energy Australia Pty Ltd, with its registered address at 38 Ricketty Street, Mascot NSW 2020, Australia.
- 29<sup>th</sup> June, 2012** Completion and connection to the grid of 1.0 MWp photovoltaic power plant in Biella, province Verrone, Italy.
- 5<sup>th</sup> July, 2012** The Issuer acquired 100% of Photon Energy Deutschland GmbH, subsequently renamed to Photon Energy Corporate Services DE GmbH and 100% of Photon DE SPV 5 GbH, subsequently renamed to Photon Energy Finance Europe GmbH, both companies having their registered office at Stralauer Platz 33/34, 10243, Berlin, Germany.
- 6<sup>th</sup> July, 2012** The Issuer acquired 100% of Photon Energy Polska Sp. z.o.o., with its registered office in Warsaw, Poland, incorporated under number KRS 0000356478.
- 4<sup>th</sup> September, 2012** 100% ownership interests in Photon Import s.r.o., Photon Trading s.r.o and Photon Engineering s.r.o. were sold out of the Group
- 6<sup>th</sup> September, 2012** Photon Energy Operations SW DE GmbH, a fully owned subsidiary of the Issuer, signed an agreement with the insolvency administrator of

SunConcept Service GmbH, on the basis of which it entered into the operations and maintenance contracts, supported by the Insolvency Administrator (Goodwill), and acquired Customer Data and Project files of SunConcept. By the end of 2012, the Issuer signed 55 contracts with former Sunconcept customers and increased the capacity of PV power plants under operations by 4.5 MWp.

- 10<sup>th</sup> October, 2012** The Issuer incorporated Minority Shareholders Photon Energy B.V. (“MSBV”), with its statutory seat in Amsterdam and a place of business at Barbara Strozilaan 201, 1083 HN, Amsterdam.
- 12<sup>th</sup> November, 2012** The Issuer acting as the sole shareholder of Photon Energy Investments N.V., increased its authorized capital to EUR 5,000,000. Upon the capital increase, the issued and paid up capital of Photon Energy Investments N.V. amounts to EUR 1,125,000.
- 22<sup>nd</sup> November, 2012** The Issuer transferred 16,627,312 ordinary shares in the share capital of Photon Energy a.s., ISIN CZ005121202, to its 100% owned subsidiary, Minority Shareholders Photon Energy B.V. (“MSBV”). These shares were transferred as additional contribution in kind on the shares of MSBV and the value of contributed shares of Photon Energy a.s. is regarded as a non-stipulated share premium. The transfer of the shares of Photon Energy a.s. was effective as of 19 December 2012, i.e, the date of the credit entry of the shares in the security account in the name of MSBV.
- 3<sup>rd</sup> December, 2012** the Issuer’s General Meeting decided to issue 18,400,000 new shares from the Issuer’s share premium reserve.
- 4<sup>th</sup> December, 2012** The Issuer transferred 100% of its shares in Minority Shareholders Photon Energy B.V. (“MSBV”) to Solar Future Cooperatief U.A. and Solar Power to the People Cooperatief U.A., namely the Issuer transferred 4,833 shares in MSBV to Solar Power to the People Cooperatief U.A., and 5,167 shares in MSBV to Solar Future Cooperatief U.A. As a result of this transaction, the Issuer’s holdings in MSBV and Photon Energy a.s. were reduced to zero.
- 17<sup>th</sup> December 2012** The sole shareholders of the Issuer decided to dematerialize the total share capital of the Issuer with Euroclear Netherlands serving as Central Security Depository and a Polish Security Depository (Krajowy Depozyt Papierów Wartościowych (KDPW) serving as a secondary depository and to introduce the Issuer’s shares to trading on NewConnect.
- 18<sup>th</sup> December 2012** The sole shareholders of the Issuer adopted the amendment of the Articles of Association of the Issuer. The Deed of Amendment of the Articles of Association was executed by a notarial deed dated 18<sup>th</sup> December, 2012.
- 18<sup>th</sup> December, 2012** Solar Future Cooperatief U.A. and Solar Power to the People Cooperatief U.A. contributed in-kind 6,372,688 of the Issuer’s shares to Minority Shareholders Photon Energy B.V. (MSBV).

- 28 December 2012** Photon Energy Investments DE N.V., fully owned by the Issuer, sold the ownership rights to the Ellrich power plan with a total installed capacity of nearly 1 MWp, outside of the Group.
- 15 February 2013** Photon Energy Operations IT s.r.l., fully owned by the Issuer, signed agreements to provide operations & maintenance services to third-party PV plants with 8 MWp of installed capacity in Italy in the area of Abruzzo. This was the first O&M contract for an external client that the Group signed in Italy.
- 6<sup>th</sup> March 2013** The Group completed and successfully connected to the grid the two first rooftop PV power plants in Australia: Symonston (144 kWp) and Fyshwick (140 kWp).
- 11<sup>th</sup> March 2013** Photon Energy Investments N.V., a fully owned subsidiary of the Issuer, issued a bond with a total volume of up to EUR 40 million, so far approximately EUR 4 million has been raised and offering a coupon of 8% p.a., paid quarterly; the bond is listed on the Open Market segment of Deutsche Börse AG (Quotation Board on the Frankfurt Stock Exchange)
- 10<sup>th</sup> April 2013** The Issuer entered into the Deed of Transfer of Shares in Photon Energy N.V. for the purpose of Inclusion in the Deposit System of Euroclear Nederland, based on which all the shares of the Issuer were included in a Collective Deposit and Book-Entry Deposit maintained by Euroclear Nederland pursuant to the Dutch Securities Bank Giro Transaction Act.

## 5.6. Types and values of the Issuer's equity (funds) and rules of their formation

Based on audited standalone financials prepared by management for 31 December 2012, the equity capital of the Issuer consists of:

- Issued share capital amounted to 230 thousand euro and is divided into 23,000,000 ordinary shares of a nominal value of EUR 0.01 (one eurocent) each.
- Share premium amounted to 13,111 thousand euro and is a consideration received above the nominal value of the ordinary shares. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.
- Profit/loss from prior periods amounted to a negative amount of 2,916 thousand euro and includes the loss accumulated by the Company until 31 December 2011.
- Currency translation reserve amounted to 136 thousand euro and relates to retranslation of financial statements items.
- Revaluation reserve amounted to 15,386 thousand euro and relates to share on revaluation of assets performed in 2011 and 2012.
- Derivatives reserve amounted to a negative amount of 794 thousand euro.
- Profit/loss from current period amounted to a negative amount of 10,799 thousand euro and represents a loss in the period from 1 January 2012 until 31 December 2012.

Total shareholders' equity amounted to 14,354 thousand euro and includes all the positions above.

### **5.7. Information about any unpaid portion of share capital**

The registered capital of the Issuer has been fully paid.

### **5.8. Information about the projected changes to share capital due to bondholders' exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds or subscription warrants, including the amount of an expected conditional share capital increase and date when bondholders' rights to acquire new issue shares expire**

The Issuer has no outstanding convertible securities, exchangeable securities or securities with warrants.

### **5.9. Number of shares and value of the share capital by which the capital may be increased under the articles of association authorizing the management board to increase the share capital within the authorized share capital, as well as the number of shares and value of the share capital by which the share capital may be increased as specified above**

On 17<sup>th</sup> December, the sole shareholders of the Issuer designated the Board of Directors of the Issuer for a period of five years, commencing on 17<sup>th</sup> December, 2012, and consequently ending five years after that date, as competent to issue shares and to grant rights to subscribe for shares; the authority to issue shares and to grant rights to subscribe for shares concerns all unissued shares of the authorised share capital as applicable now or at any time in the future. As of the date of this Information Document, the Issuer's authorized capital amounts to EUR 1.000.000, of which the capital of EUR 230.000 has been issued already.

The General Meeting may resolve to issue shares, unless another corporate body of the Company has been designated by the General Meeting as the competent corporate body to resolve to issue shares. This designation may be granted for a period of not more than five years. The number of shares that may be issued shall be stipulated in the aforesaid designation. Shares may not be issued at less than their nominal value. The designation may be extended from time to time by the General Meeting, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. As long as the designation is in force, the General Meeting shall not be authorized to resolve to issue shares.

The full text of the resolution can be found in Anex 8.5 - PENV-12-02-0084.

### **5.10. Financial instrument markets on which the Issuer's financial instruments or the related depositary notes are or were traded**

The Issuer's financial instruments are not and were not traded on any regulated market or any other financial market.

### 5.11. Basic information about capital relations of the Issuer having a significant impact on its business, including essential units of its group; for each such unit, at least the (business) name, legal form, registered office, business objects and the Issuer's interest in the share capital and total vote

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 2012.

Name	% of share	% of votes	Country of registr.	Consolid. method	Legal Owner
1 Photon Energy N.V.	Holding Company		NL	Full Cons.	
2 Photon SPV 2 s.r.o.	100%	100%	CZ	Full Cons.	PEI CZ NV
3 Photon SPV 5 s.r.o.	100%	100%	CZ	Full Cons.	PEI CZ NV
4 Solarpark Mikulov I s.r.o.	49%	49%	CZ	Equity	PEI CZ NV
5 Solarpark Mikulov II s.r.o.	30%	30%	CZ	Equity	PEI CZ NV
6 Photon SPV 1 s.r.o.	100%	100%	CZ	Full Cons.	PEI NV
7 Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	PEI NV
8 Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
9 Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
10 EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
11 EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
12 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
13 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
14 Fotonika, s.r.o.	60%	50%	SK	Equity	PEI NV
15 ATS Energy, s.r.o.	70%	70%	SK	Full Cons.	PEI NV
16 Solarpark Myjava s.r.o.	50%	50%	SK	Equity	PEI NV
17 Solarpark Polianka s.r.o.	50%	50%	SK	Equity	PEI NV
18 Photon Energy Investments CZ N.V.	100%	100%	NL	Full Cons.	Photon Energy
19 Photon Energy Polska Sp. z o.o.	100%	100%	PL	Full Cons.	Photon Energy
20 Photon Energy Australia Pty Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
21 Photon Management s.r.l.	100%	100%	IT	Full Cons.	Photon Energy
22 IPVIC GbR	18.5%	18.5%	DE	Not Cons.	PEI CZ
23 Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV

24	Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
25	Photon Energy Operations DE GmbH	100%	100%	DE	Full Cons.	PEO NV
26	Photon Energy Operations Australia Pty.Ltd.	100%	100%	Aus	Full Cons.	PEO NV
27	Photon Management s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
28	Photon Energy Engineering Australia Pty Ltd	100%	100%	Aus	Full Cons.	PEE BV
29	Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
30	Photon DE SPV 1 GmbH	100%	100%	DE	Full Cons.	PEI DE
31	Photon DE SPV 3 GmbH	100%	100%	DE	Full Cons.	PEI DE
32	Photon Energy Operations DE SW GmbH	100%	100%	DE	Full Cons.	PEO NV
33	Photon IT SPV 1 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
34	Photon IT SPV 2 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
35	Photon Energy Projects s.r.l. (Photon IT SPV 3 s.r.l.)	100%	100%	IT	Full Cons.	PEP BV
36	Photon IT SPV 4 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
37	Photon IT SPV 5 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
38	Photon IT SPV 6 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
39	Photon IT SPV 7 s.r.l.	100%	100%	IT	Full Cons.	PEI IT
40	Photon Energy Investments IT N.V.	100%	100%	NL	Full Cons.	Photon Energy
41	Photon Energy Investments DE N.V.	100%	100%	NL	Full Cons.	Photon Energy
42	Photon RO SPV 1 srl	5%	5%	RO	Not Cons.	PEI CZ
43	Photon RO SPV2 srl	5%	5%	RO	Not Cons.	PEI CZ
44	Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
45	Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy
46	Photon Energy Finance Europe GmbH	100%	100%	NL	Full Cons.	Photon Energy
47	Photon Energy Projects B.V.	100%	100%	NL	Full Cons.	Photon Energy
48	Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	NL	Full Cons.	PEP BV.
49	Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	NL	Full Cons.	PEP BV
50	Photon Energy AUS SPV 3 Pty. Ltd.	100%	100%	NL	Full Cons.	PEP BV
51	Photon Energy Investments N.V.	100%	100%	NL	Full Cons.	Photon Energy
52	Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy

53	Photon Energy Technology B.V.	100%	100%	NL	Full Cons.	Photon Energy
54	Photon Energy FinCo B.V.	100%	100%	NL	Full Cons.	Photon Energy
55	Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
56	Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy

Photon Energy - Photon Energy N.V.  
 PEI CZ NV – Photon Energy Investments CZ N.V.  
 PEI NV – Photon Energy Investments N.V.  
 PEI IT – Photon Energy Investments IT N.V.  
 PEI DE – Photon Energy Investments DE N.V.  
 PEO NV – Photon Energy Operations N.V.  
 PEE BV - Photon Energy Engineering B.V.  
 PEP BV - Photon Energy Projects B.V.

Country of registration	Consolidation method:
CZ - the Czech Republic	Full Cons. - Full Consolidation
SK - Slovakia	Not Cons. - Not Consolidated
PL - Poland	Equity - Equity Method
NL - the Netherlands	
DE – Germany	
AUS – Australia	
IT – Italy	
RO - Romania	

After the year-end 31 December 2012, the following changes in the Group structure took place:

- On 6 February 2013 Photon Energy Management s.r.o. was sold out of the Photon Energy N.V. Group.
- On 14 February 2013 Photon Management s.r.l. was renamed into “Photon Energy Operations IT s.r.l. and its legal seat was transferred to Milan.
- In April 2013, Photon Energy AUS SPV 2 Pty Ltd (Australia) was sold to the third party (out of the Group).
- In April 2013, Photon Energy AUS SPV 1 Pty Ltd (Australia) was sold from Photon Energy Projects B.V. to Photon Energy Investments N.V.

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

#### RLRE Companies

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

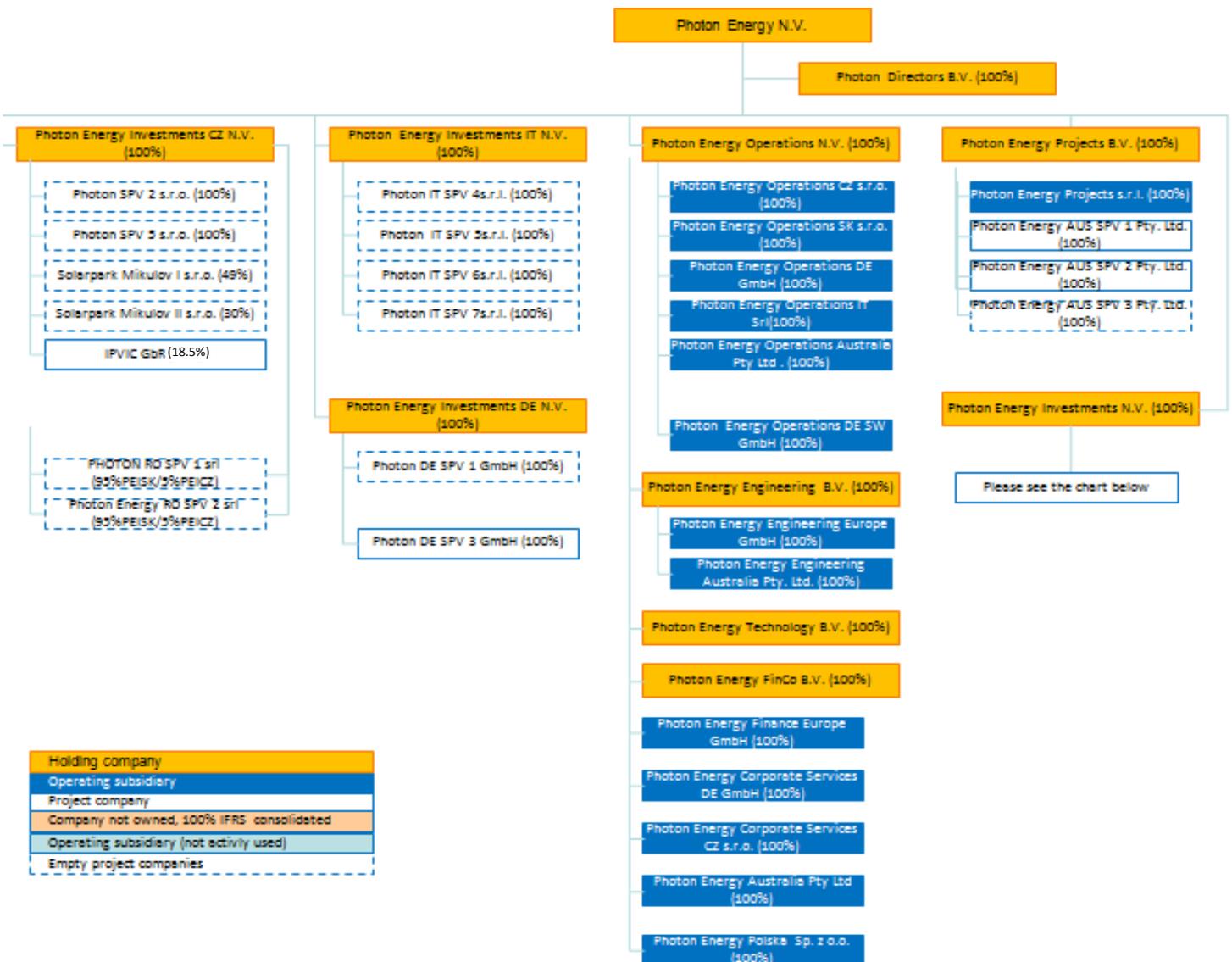
9	Photon SPV 11 s.r.o.	100%	0%	CZ	Full Cons.	RLRE
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**Notes:**

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

100% share in the above entities is owned by Raiffeisen – Leasing Real Estate, s.r.o. (“RLRE”). Although those companies are legally owned by RLRE, the Group consolidates them under IFRS rules. Photon Energy N.V. is considered a beneficial owner as it is owner of economic benefits and is directly exposed to economic risks of those companies.

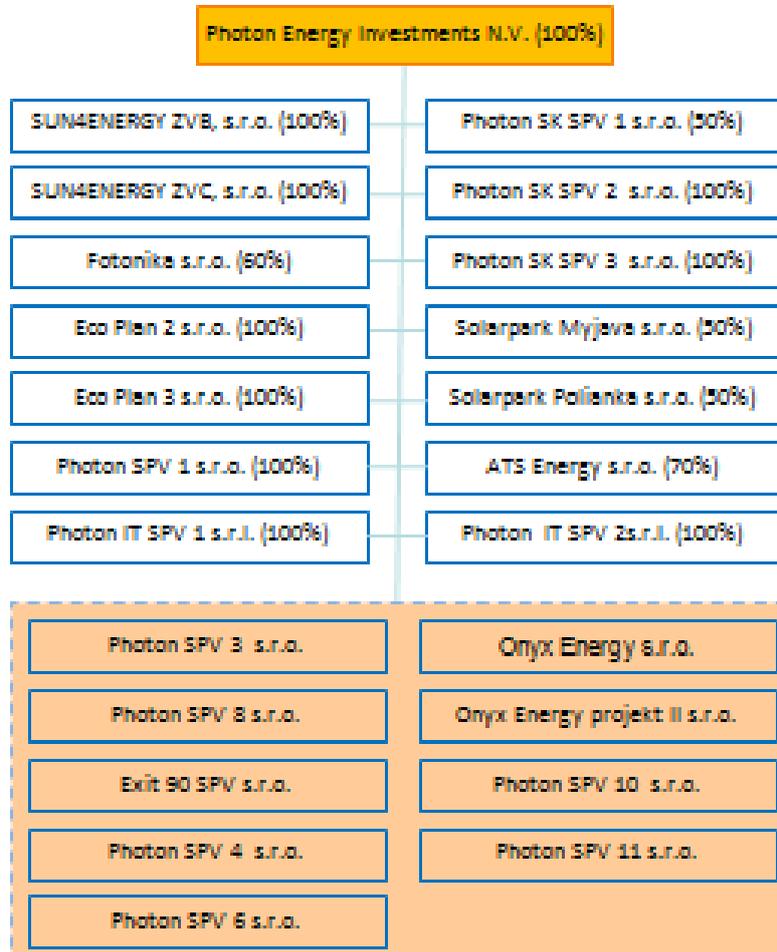
The structure of Photon Energy Group as of the date of this document is presented in the below chart.



Holding company
Operating subsidiary
Project company
Company not owned, 100% IFRS consolidated
Operating subsidiary (not actively used)
Empty project companies

The structure of Photon Energy Investments N.V. as of the end of 1Q 2013 is presented in the below chart.

In April 2013, Photon Energy Investments N.V. acquired 100% stake in Photon Energy AUS SPV 1 Pty Ltd (Australia), a portfolio company previously owned by Photon Energy Projects B.V.



## Summary of the restructuring process of the Photon Energy Group

Initially, Photon Energy photovoltaic operational activity was performed by the Czech-based company Photon Energy a.s. (currently named Phoenix Energy a.s.) and its subsidiaries. However, in response to the expansion into a growing number of foreign markets, fundamental changes were necessary to the structure, organisation and processes throughout the group.

The ultimate goal was to expand the group structure under Dutch-based Photon Energy N.V., where company law provides substantially better flexibility in the context of a stock exchange listing. The general intention was to organize the operational activity of the whole group under the Dutch-based holding company Photon Energy N.V.

That plans triggered the need to establish new subsidiaries under the holding company Photon Energy N.V. and to transfer operational assets from Photon Energy a.s. (currently Phoenix Energy a.s.) and its subsidiaries to the new Photon Energy Group established under the holding company Photon Energy N.V.

As a part of the restructuring process, in November 2011, the first three subsidiaries initially owned by Photon Energy a.s. were acquired by Photon Energy N.V., including:

- Photon Energy Investments DE N.V.
- Photon Energy Investment IT N.V.
- Photon Energy Investments SK N.V.

Throughout 2012 a number of subsequent acquisitions were made within the Photon Energy Group. However, those transfer of assets were performed between Photon Energy a.s. (currently Phoenix Energy a.s.) and Photon Energy Investments SK N.V., a wholly owned subsidiary of Photon Energy N.V., sold to a third party in December 2012. Nevertheless, before Photon Energy Investments SK N.V. was sold to the third party, all of its operational assets acquired from Photon Energy a.s. were sold to other companies within the Photon Energy Group against their carrying value.

The selling prices of assets transferred between Photon Energy a.s. and Photon Energy Investments SK N.V. were determined by an external valuation expert nominated by the court under the Czech Commercial Act and Czech accounting policies. Because the sale was performed between related parties (as of the date of sale Photon Energy a.s. was a part of Photon Energy Group), the Czech Commercial Code requires an expert opinion stating the sales price at fair value, in accordance with the Czech Commercial Act and Czech accounting policies.

The selling prices of assets transferred between Photon Energy a.s. and Photon Energy Investments SK N.V. were approximately equal to the selling prices of those assets transferred between Photon Energy Investments SK N.V. and other companies within the Photon Energy Group subsequently.

Following entities were transferred against the carrying value within the Photon Energy Group during the year 2012 during the restructuring process:

#### **List of acquired subsidiaries**

Photon SK SPV 1 s.r.o.  
Photon SK SPV 2 s.r.o.  
Photon SK SPV 3 s.r.o.  
EcoPlan 2 s.r.o.  
EcoPlan 3 s.r.o.  
SUN4ENERGY ZVB, s.r.o.  
SUN4ENERGY ZVC, s.r.o.  
Fotonika, s.r.o.  
ATS Energy, s.r.o.  
Solarpark Myjava s.r.o.  
Solarpark Polianka s.r.o.  
Photon Energy Polska Sp. z o.o.  
Photon Energy Australia Pty Ltd.  
Photon Management s.r.l.  
Photon SPV 1 s.r.o.  
Photon SPV 2 s.r.o.  
Photon SPV 5 s.r.o.  
Solarpark Mikulov I s.r.o.  
Solarpark Mikulov II s.r.o.  
Photon Energy Investments CZ N.V.  
IPVIC GbR  
Photon Energy Deutschland GMBh

Photon Engineering Deutschland  
Photon Management Deutschland

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There were no cash transfers between companies involved in the transactions, just liabilities/receivables booked.

Summing up, as a result of the ongoing restructuring process and transfers of assets between Czech-based Phoenix Energy and Dutch-based Photon Energy, as of 31 December 2012:

1. Photon Energy N.V. had approx. EUR 25 million long-term liabilities due to Photon Energy Investments SK N.V. owned by a third party.
2. Photon Energy Investments SK N.V. had approx. EUR 24 million long-term liabilities due to Phoenix Energy a.s.

Moreover, during 2012, Photon Energy Group disposed of several subsidiaries (see the list below) to third parties. Company decided to dispose these companies because of non-clear legislative future development in solar industry in Czech Republic and therefore insufficient potential for further development of activities of those companies; finalization of complete restructuring of the Group and creation of new structure under Dutch legislation and also plan of the Group to expand to world markets (other than Czech and Slovak).

Despite the disposal of companies that were originally active mainly in wholesale and engineering segments, within new structure of the Group, new entities were founded which overtook the activities of the original Czech companies. Therefore Segment analysis still includes both Wholesale and Engineering segments.

The total loss resulting from the sale of these subsidiaries amounted to EUR 3,033 thousands. The loss has been calculated as comparison of net assets of disposed subsidiaries (EUR 3,058 thousands) and their selling price (EUR 25 thousands).

All companies have been sold to the third parties.

#### **List of disposed subsidiaries**

Photon Energy Investment SK NV  
Photon Energy DE SPV 2  
Phoenix Energy a.s. (former Photon Energy a.s.)  
Photon Electricity s.r.o.  
Photon Finance s.r.o.  
Solarni vecna bremena s.r.o.  
Stresni burza s.r.o.  
Photon FinCo s.r.o.  
Photon Energy Italia srl  
Photon Engineering Italia srl  
Golf Club Grygov s.r.o.  
Photon Engineering Slovensko s.r.o.  
Photon Engineering s.r.o.  
Photon Import s.r.o.  
Photon Trading s.r.o.

As of 31 December 2012, other long-term liabilities presented on the standalone balance sheet of PENV include payable (EUR 24,929 thousands) due to the original subsidiary Photon Energy Investments SK NV

(sold to a third party in December 2012) coming from the acquisition of the Slovak and Czech portfolio, originally owned by Phoenix Energy a.s. Payable is due in 2017 and there is 3% interest rate charged p.a. As of 31 December 2012, between Photon Energy Investments SK NV (payable) and Phoenix Energy a.s. (receivable) there were liabilities of EUR 24,018 thousands, also long-term.

Moreover, other payables-loans (EUR 3,174 thousands), which are a part of current liabilities presented on the 2012Y standalone balance sheet of PENV, represent loans provided by originally intergroup companies that were sold out of the group during 2012 and have been eliminated in prior period. Interest charge of 3% is applied to the outstanding balances. These are not classified as loans and borrowing as they have not been provided by financial institution or bank, but former subsidiaries.

The above liabilities will be refinanced from available proceeds from on-going business or external debt and equity sources. The actual decision on the source of financing will depend on the financial situation of the Issuer and the current financial market situation. It is worth highlighting that the majority of liabilities ca. 24.9 million euro is long-term, due in year 2017.

As a result of the ongoing restructuring process, Phoenix Energy a.s. has also been sold out of the Photon Energy Group. As of the date of this Information Document, Photon Energy N.V. does not own any shares in Phoenix Energy a.s. However, the controlling shareholders of Photon Energy N.V., do own ca. 96% shares in Phoenix Energy, indirectly via Minority Shareholders Photon Energy B.V. ("MSBV"). As it was publicly announced on 12 April 2013 by MSBV, upon completion of the public tender offer for shares in Phoenix Energy a.s. and in case MSBV acquires at least 3,595,408 shares in Phoenix Energy a.s. and reaches 90% of shareholding, it may consider carrying out a squeeze out of remaining minority shareholders and de-listing of Phoenix Energy a.s. from trading on NewConnect. The actual process of the squeeze-out, share de-materialization and de-listing needs to be analyzed by legal counsels and respective authorities. Due to many uncertainties with regards to the execution of the above mentioned steps, no timeline can be defined at this stage.

The following table presents the Phoenix Energy Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Phoenix Energy Group as of 31 March 2013 (derived from the Q1 2013 quarterly report of Phoenix Energy a.s.):

	<b>Name</b>	<b>% of share</b>	<b>% of votes</b>	<b>Country of registr.</b>	<b>Consolid. method</b>	<b>Legal Owner</b>
1	Phoenix Energy a.s.	Holding Company		CZ	Full Cons.	MSBV
2	Photon Photovoltaic EPC Services CZ Limited	100%	100%	Cyp	Full Cons.	Phoenix Energy
3	Photon Energy Italia s.r.l.	100%	100%	IT	Full Cons.	Phoenix Energy
4	Photon Engineering Italia s.r.l.	100%	100%	IT	Full Cons.	Phoenix Energy
5	Alpensolar Einkauf GmbH	5.90%	5.90%	DE	Not Cons.	Phoenix Energy

**Notes:**

Phoenix Energy – Phoenix Energy a.s., previously called Photon Energy a.s.

**Country of registration**

IT – Italy

Cyp-Cyprus

DE – Germany

**Consolidation method:**

Full Cons. - Full Consolidation

Not Cons. - Not Consolidated

The operating activities of Phoenix Energy a.s. as the holding company after the completion of the restructuring process will be gradually minimized. All significant operational assets, initially owned by Phoenix Energy a.s., were transferred to Photon Energy Group in the course of the restructuring process. Phoenix Energy a.s. operations are mainly planned to be administration and support activities for the remaining companies in the Phoenix Energy Group as well as the coordination of the R&D activities performed in the Czech Republic.

This process will naturally result in diminishing sources of future income for Phoenix Energy a.s. However, the PEAS management's intention is to cover all the outstanding liabilities at the Phoenix Energy level by the receivables relating to the sale of Slovak SPV's and the Czech portfolio.

### **5.12. Personal, property and organizational relations between the Issuer, its managing and supervising persons, its significant shareholders and its Authorized Advisor**

Mr. Michael Gartner and Mr. Georg Hotar directly own 46,105 and 45,994 shares in Photon Energy N.V., respectively, representing 0.20% and 0.20% of the Company's capital.

Mr. Michael Gartner indirectly owns 8,590,739 shares in Photon Energy N.V., which represent 37.35% of the Company's capital, via co-operative Solar Future Coöperatief U.A. and Mr. Georg Hotar indirectly owns 8,036,573 shares in Photon Energy N.V., which represent 34.94% of the Company's capital, via co-operative Solar Power to the People Coöperatief U.A. Mr. Michael Gartner and Mr. Georg Hotar are the only Directors of the Company.

Minority Shareholders Photon Energy B.V., which owns 1,263,074 shares representing 5.49% of the Company's capital, is 100% owned by Solar Future Coöperatief U.A. and Solar Power to the People Coöperatief U.A., controlled by Mr. Michael Gartner and Mr. Georg Hotar respectively. Mr. Georg Hotar is the only Director of Minority Shareholders Photon Energy B.V.

Except for the agreement signed on 14 May 2012, and amended as of 15 August 2012 and 29 April 2013, between the Issuer and Capital Solutions ProAlfa Sp. z o.o. ("Authorized Advisor") relating to the provision of services by the Authorized Advisor related to management of the process of enabling minority shareholders of the Issuer to subscribe to the shares in PENV and performance of services as Authorized Advisor (in line with the ATS Rules), there are no other personal, property and organizational relations between the Issuer or persons on the Issuer's managing or supervising authorities or the Issuer's significant shareholders and the Authorized Advisor.

Mrs. Bogusława Cimoszko Skowroński, the only managing person of the Authorized Advisor, owns 25,000 shares in Photon Energy N.V., which represent 0.11% in the Company's share capital.

### **5.13. Basic information about main products, goods or services, together with their value and quantity and share of each group's products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the Issuer, broken down to business segment**

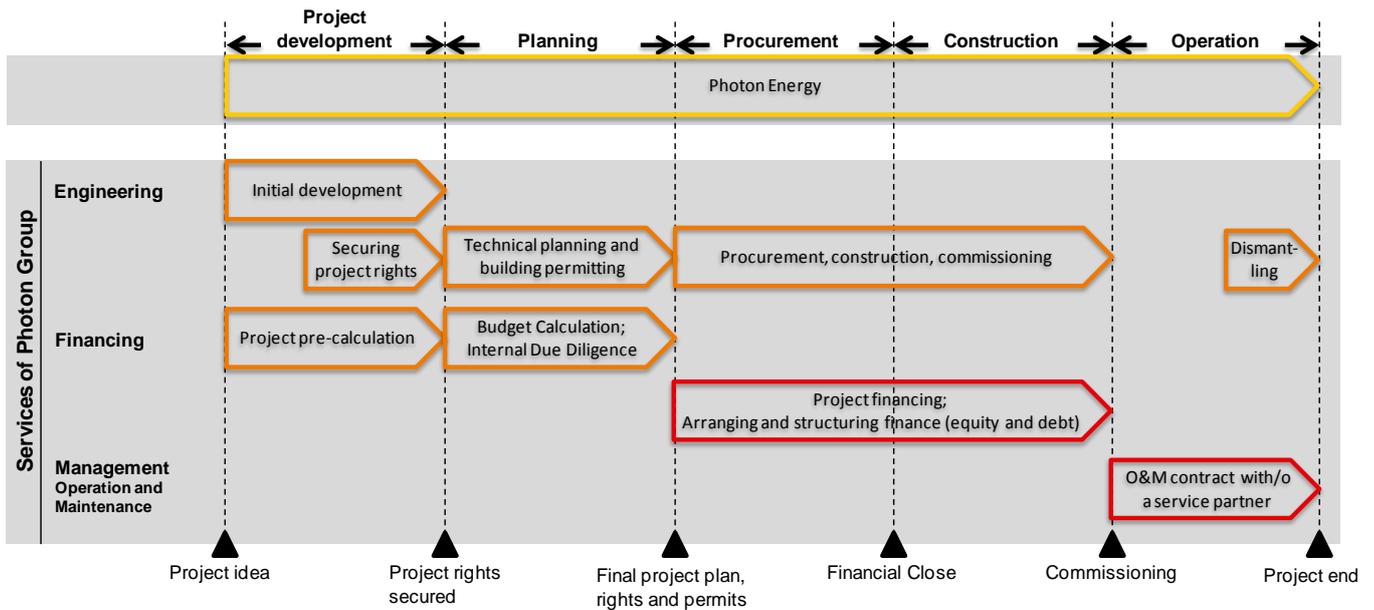
#### **Introduction**

The Photon Energy Group offers global comprehensive solutions and maintenance services relating to photovoltaic systems that cover their entire lifecycle. The company Photon Energy N.V. is a holding

company of the Photon Energy Group. The Photon Energy Group has its offices in Amsterdam (registered office), Berlin, Prague, Milano, Bratislava, and Sydney and employs approximately 75 employees in total.

Photon Energy Group is vertically integrated on the downstream segment of the photovoltaic value chain. It provides all services necessary for allowing the successful conception, development, construction, as well as the operation and financing of PV plants. The below chart presents a breakdown of the project phases and services that the Group provides at various stages of the photovoltaic project.

**Chart 1. Services of Photon Energy Group**



The business activities of the Photon Energy Group comprise the following business areas:

**Development:** control, planning, and development of photovoltaic projects: These business activities are ensured by the company Photon Energy Projects B.V., Amsterdam, which is a 100% subsidiary of the company Photon Energy N.V.

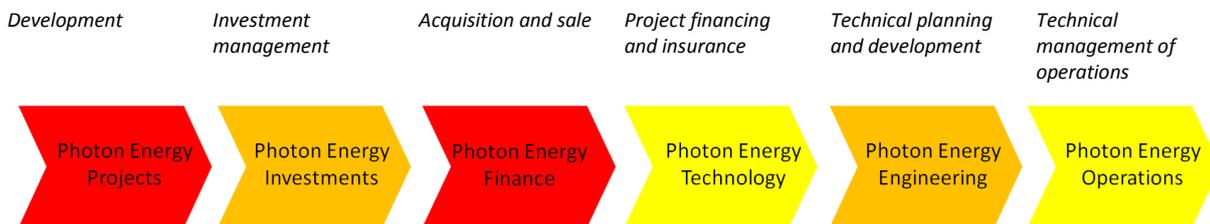
**Investment management:** investment analysis, project acquisition, role of an investor/contractor, maintenance and administration of the photovoltaic power plant portfolio. These business activities of the Photon Energy Group are ensured by Photon Energy Investments N.V.

**Project financing and insurance:** project financing and insurance solutions for photovoltaic power plants throughout the preparation and implementation stage: In order to ensure the aforementioned activities, the company Photon Energy Finance Europe GmbH was established within the Photon Energy Group.

**Acquisition and sale:** acquisition/sale of and trading with photovoltaic components. These activities fall within the scope of powers of the company Photon Energy Technology B.V.

**Technical planning and development (engineering):** technical planning and development of turnkey photovoltaic and hybrid systems, in the capacity of a general contractor. These business activities are ensured by the company Photon Energy Engineering B.V. and its two subsidiaries, Photon Energy Engineering Europe GmbH and Photon Energy Engineering Australia Pty. Ltd.

Technical management of operations: supervision, operations and maintenance. This business area falls within the competence of the company Photon Energy Operations N.V. and its various subsidiaries (including but not limited to Photon Energy Operations SK s.r.o, Photon Energy Operations CZ s.r.o., Photon Energy Operations DE GmbH, Photon Energy Operations Australia Pty. Ltd., and Photon Management Italy s.r.l.).



#### Project acquisition:

In the future, acquisitions of completed photovoltaic power plant projects will be executed by Photon Energy Projects B.V. The company Photon Energy Projects B.V. can either develop such projects or acquire them from third parties. A completed project already has all permits necessary for the project implementation and contracts regulating the connection of a photovoltaic power plant to local electricity network as well as remunerations for electricity supplies to public network. The project supervision and assessment take place on the basis of a standardized due diligence process. On the one hand, the due diligence results serve as the basis for purchase decision and purchase price assessment; on the other hand, it is necessary to ensure that any risks associated with the project development rest with Photon Energy Projects B.V. and that any risks associated with the construction stage are assessed realistically. The purchase price will be agreed on the basis of the relevant market prices; under certain circumstances, the company Photon Energy Investments will receive a management/development fee from Photon Energy Projects B.V. Photon Energy Projects B.V. will first offer the projects to Photon Energy Investments N.V. However, in case it refuses to purchase such projects, the company Photon Energy Projects B.V. may offer and sell the relevant projects to third parties.

#### Project financing:

Photon Energy Investments N.V. shall finance the project acquisition, construction stage, and commissioning in the future by providing corresponding funds to individual SPVs in the form of equity or shareholder loans. Once the photovoltaic power plants are completed, the company will try to convert the financing (partially) to debt financing, using suitable banks. Bank loans are usually granted for the period of 5 to 18 years, whereas it is necessary to regularly present guarantees or liens to photovoltaic power plants/revenues. In case of variable interest rates, it is necessary to minimize the interest rate risk as much as possible, using interest rate hedging transactions. The financing restructuring – i.e. bank loan acceptance – usually leads to partial release of the capital used by the company to finance the project; such funds may then be used for new projects. The financing process is managed by Photon Energy Finance Europe GmbH. The remuneration of Photon Energy Finance Europe GmbH is in the form of result-based components, as certain percentage of the financing volume. However, the minimum and maximum remunerations are regularly agreed.

#### Technical planning and construction:

Activities in the area of technical planning, construction and commissioning of photovoltaic power plants are ensured by the company Photon Energy Engineering B.V., or its subsidiaries, as appropriate, on the basis of a contract concluded with a general contractor. In the future, Photon Energy Investments N.V. will act as an investor, whereas the company Photon Energy Engineering B.V. (or its subsidiaries, as appropriate) will act as a general contractor. The EPC contract shall generally set down the remuneration on part with actual production costs increased by risk margin of 10 to 12%. Under certain circumstances, the company Photon Energy Investments will receive a management/development fee from Photon Energy Engineering B.V. Components that are necessary in connection with the development, such as modules and invertors, will be ensured by the company Photon Energy Technology B.V., or its subsidiaries, as appropriate; the acquisition costs of such components shall be billed with a surcharge of 3%. The components are purchased irrespectively of manufacturers; however, solely modules without cadmium telluride will be used in the development.

#### Technical management operations:

The technical management of operations – i.e. supervisions, maintenance, and repairs of photovoltaic power plants – is ensured by Photon Energy Operations N.V., or its local subsidiaries, as appropriate. The tasks and prices comply with the market terms and conditions agreed with third party suppliers.

#### Administration and commercial management:

The administration, commercial management of photovoltaic power plants, and other administrative processes of the companies will be divided among the affiliates of the Photon Energy Group. These companies charge their activities on the basis of actually attributable costs.

### **Business segments results**

The Group has five reportable segments, as described below, which are the four Group's strategic divisions, plus segment Corporate services. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Wholesale and import of PV components components. Includes purchasing and sale of PV system components, sales and distribution and support.
- Engineering and construction services (turn-key photovoltaic systems' installations for external clients and Photon Energy). Includes project engineering and turnkey construction of PV plants, from the project preparation, deliveries of constructions and components, actual building and put it use of power plants.
- Production of electricity. Includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity.
- Operations, maintenance and supervision of PV power plants. Includes operations, maintenance, supervision and servicing of PV plants both of 3rd parties and of internally owned.

- PV Investment – This segment represents joint venture companies. It includes only balance of joint venture investments in balance sheet and OCI and derivate incomes or costs relating to joint venture companies in profit and loss statement.
- Corporate operations - It includes the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects, accounting and law fees, restructuring costs and other operating activities.

There are varying levels of integration between all the reportable segments. Wholesale and trading of PV components segment sells technology to Engineering and construction services segment. Engineering and construction services segment builds power plants, which subsequently produces electricity and sell it to customers. Operations and maintenance of PV power plants provides services around the time of the completion and after the completion of the PV power plant.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## Information about reportable segments

### Operating segments for the period from 1 January 2012 to 31 December 2012

in Thousands eur	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Corporate operations	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	956	403	11 541	2 990	0	279	16 169	0	16 169
Revenues within segments from the sale of products, goods and services	288	2 755	26	634	0	2 550	6 253	-6 253	0
Cost of sale	-2 059	-3 835	-1 619	-2 905	0	-4 085	-14 503	6 334	-8 169
Energy tax	0	0	-2 213	0	0	0	-2 213	0	-2 213
<b>Gross profit</b>	<b>-815</b>	<b>-677</b>	<b>7 735</b>	<b>719</b>	<b>0</b>	<b>-1 256</b>	<b>5 706</b>	<b>81</b>	<b>5 787</b>
Other external income	90	652	207	31	0	596	1 576	19	1 595
Administrative and other expenses	-850	-254	-213	-593	0	-5 106	-7 016	-19	-7 035
Depreciation	0	-13	-4 565	-44	0	-81	-4 703	0	-4 703
<b>Operating income</b>	<b>-1 575</b>	<b>-292</b>	<b>3 164</b>	<b>113</b>	<b>0</b>	<b>-5 847</b>	<b>-4 437</b>	<b>81</b>	<b>-4 356</b>
Interest income	64	589	306	5	0	1 560	2 524	-2 524	0
Interest expenses	-1 195	-210	-2 609	-7	0	-3 209	-7 230	2 524	-4 706
Other financial revenues	0	0	0	0	0	0	0	0	0
Other financial expenses	-3	-5	-211	-4	0	-274	-497	0	-497
Disposal of investments	0	0	0	0	0	-3 033	-3 033	0	-3 033
Profit/loss share in entities in equivalency	0	0	0	0	164	0	164	0	164
Income tax	10	-55	-594	-3	0	-6	-648	0	-648
<b>Profit/loss after taxation</b>	<b>-2 699</b>	<b>27</b>	<b>56</b>	<b>104</b>	<b>164</b>	<b>-10 809</b>	<b>-13 157</b>	<b>81</b>	<b>-13 076</b>
Other comprehensive income	0	0	9 521	0	637	0	10 158	0	10 158
Foreign currency translation diff. - foreign operations	0	0	0	0	0	289	289	0	289
Derivatives (hedging)	0	0	-599	0	-195	0	-794	0	-794
<b>Total comprehensive income</b>	<b>-2 699</b>	<b>27</b>	<b>8 978</b>	<b>104</b>	<b>606</b>	<b>-10 520</b>	<b>-3 504</b>	<b>81</b>	<b>-3 423</b>
<b>Assets, of which</b>	<b>275</b>	<b>3 548</b>	<b>103 556</b>	<b>1 646</b>	<b>2 426</b>	<b>15 374</b>	<b>126 825</b>	<b>-11 687</b>	<b>115 138</b>
PPE – Lands	0	0	3 047	0	0	0	3 047	0	3 047
PPE – Photovoltaic power plants	0	0	90 121	0	0	0	90 121	0	90 121
PPE – Equipment	0	5	0	75	0	23	103	0	103
PPE – Assets in progress	0	254	0	0	0	0	254	0	254
Intangibles	0	0	0	0	0	0	0	0	0
Trade and other receivables	122	2 104	4 549	1 107	0	10 399	18 281	-11 663	6 618
Loans	0	0	0	0	0	4 253	4 253	0	4 253

Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	153	0	0	0	0	0	153	0	153
Investments in associates, JV, other	0	0	0	0	2 426	6	2 432	0	2 432
Deferred tax receivables	0	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	1	29	115	0	337	482	-24	458
Assets held for sale	0	746	0	0	0	0	746	0	746
Cash and cash equivalents	0	438	5 810	349	0	356	6 953	0	6 953
<b>Liabilities, of which</b>	<b>99</b>	<b>3 180</b>	<b>66 231</b>	<b>2 142</b>	<b>0</b>	<b>40 776</b>	<b>112 428</b>	<b>-11 768</b>	<b>100 660</b>
Trade and other payables	99	3 180	9 690	2 136	0	7 834	22 939	-11 287	11 652
Bank Loans and other loans	0	0	51 289	0	0	8 000	59 289	0	59 289
Other long term liabilities	0	0	473	0	0	24 939	25 412	-481	24 931
Other short term liabilities	0	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	37	4	0	3	44	0	44
Provisions	0	0	0	2	0	0	2	0	2
Deferred tax liabilities	0	0	4 742	0	0	0	4 742	0	4 742

## Operating segments for the period from 1 January 2011 to 31 December 2011

in Thousands EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Investments	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	9,277	3,671	9,765	280	0	193	23,186	0	23,186
Revenues within segments from the sale of products, goods and services	6,306	3,114	0	590	0	7,316	17,326	(17,326)	0
Cost of sale	(14,629)	(7,021)	(4,594)	(448)	0	(3,793)	(30,485)	14,072	(16,413)
Out of that depreciation	0	0	3,585	0	0	0	3,585	0	3,585
<b>Gross profit</b>	<b>954</b>	<b>(236)</b>	<b>5,171</b>	<b>422</b>	<b>0</b>	<b>3,716</b>	<b>10,027</b>	<b>(3,254)</b>	<b>6,773</b>
Other external income	25	253	8	1	0	113	400	(87)	313
Administrative and other expenses	(1,115)	(413)	(2,370)	(334)	0	(4,666)	(8,898)	87	(8,811)
Out of that depreciation	19	11	6	23	0	27	86	0	86
Out of that energy tax	0	0	2,198	0	0	0	2,198	0	2,198
<b>Operating income</b>	<b>(136)</b>	<b>(396)</b>	<b>2,809</b>	<b>89</b>	<b>0</b>	<b>(837)</b>	<b>1,529</b>	<b>(3,254)</b>	<b>(1,725)</b>
Interest income	202	994	5	0	0	1,524	2,725	(2,568)	157
Interest expenses	(1,324)	(144)	(4,301)	(1)	0	(1,159)	(6,929)	2,568	(4,361)
Other financial revenues	95	0	75	6	0	12	188	0	188
Other financial expenses	(12)	(463)	0	(1)	0	(66)	(542)	0	(542)
Profit/loss share in entities in equivalency	0	0	0	0	102	0	102	0	102
Income tax	(273)	5	(459)	0	0	(146)	(873)	0	(873)
<b>Profit/loss after taxation</b>	<b>(1,448)</b>	<b>(4)</b>	<b>(1,871)</b>	<b>93</b>	<b>102</b>	<b>(672)</b>	<b>(3,800)</b>	<b>(3,254)</b>	<b>(7,054)</b>
Other comprehensive income	0	0	3,706	0	686	0	4,392	0	4,392
Foreign currency translation diff. - foreign operations	0	(24)	93	(7)	52	(199)	(85)	(161)	(246)
<b>Total comprehensive income</b>	<b>(1,448)</b>	<b>(28)</b>	<b>1,928</b>	<b>86</b>	<b>840</b>	<b>(871)</b>	<b>507</b>	<b>(3,415)</b>	<b>(2,908)</b>
<b>Assets, of which</b>	<b>35,106</b>	<b>35,246</b>	<b>93,701</b>	<b>530</b>	<b>2,940</b>	<b>34,560</b>	<b>202,083</b>	<b>(99,748)</b>	<b>102,335</b>
PPE – Lands	0	0	2,757	0	0	15	2,772	0	2,772
PPE – Photovoltaic power plants	0	0	78,603	0	0	0	78,603	(1,888)	76,715
PPE - Equipment	38	34	2	78	0	94	246	0	246
PPE – Assets in progress	0	0	5,593	0	0	0	5,593	(112)	5,481
Intangibles	0	0	0	0	0	17	17	0	17
Trade and other receivables	27,299	5,699	2,489	425	0	9,213	45,125	(39,462)	5,663
Intragroup loans	4,028	29,351	0	0	0	23,813	57,192	(57,192)	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	3,722	0	0	0	0	716	4,438	(77)	4,361
Investments in associates, JV, other	0	0	0	0	2,940	41	2,981	(1,017)	1,964
Long term receivables	0	0	100	0	0	25	125	0	125
Prepaid expenses	0	3	92	2	0	14	111	0	111

Assets held for sale	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	19	159	4,065	25	0	612	4,880	0	4,880
<b>Liabilities, of which</b>	<b>32,560</b>	<b>38,464</b>	<b>71,244</b>	<b>653</b>	<b>0</b>	<b>38,574</b>	<b>181,495</b>	<b>(96,654)</b>	<b>84,841</b>
Trade and other payables	10,406	30,647	1,152	397	0	8,692	51,294	(39,462)	11,832
Intragroup loans	5,971	9,893	18,472	254	0	22,602	57,192	(57,192)	0
Bank Loans	0	0	46,603	0	0	7,044	53,647	0	53,647
Other long term liabilities	13,623	23	0	1	0	0	13,647	0	13,647
Provisions	0	0	191	0	0	0	191	0	191
Other short term liabilities	2,228	0	0	0	0	0	2,228	0	2,228
Current tax liabilities (income tax)	438	76	312	1	0	236	1,063	0	1,063
Deferred tax liabilities	(106)	(2,175)	4,514	0	0	0	2,233	0	2,233

## Operating segments for the period from 1 January 2010 to 31 December 2010

in Thousands EUR	Wholesale and import of PPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PPP supervision	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	54,796	43,116	429	28	181	98,550	0	98,550
Revenues within segments from the sale of products, goods and services	60,599	8,174	0	66	2,709	71,548	(71,548)	0
Cost of sale	(107,530)	(47,611)	(371)	(213)	(725)	(156,250)	63,159	(93,091)
of which depreciation	(10)	(7)	(215)	(7)	(3)	(242)	0	(242)
<b>Gross profit</b>	<b>7,865</b>	<b>3,879</b>	<b>58</b>	<b>(119)</b>	<b>2,165</b>	<b>13,848</b>	<b>(8,389)</b>	<b>5,459</b>
Other external income	130	0	104	0	6	240	0	240
Administrative and other expenses	(529)	(456)	(34)	(122)	(2,032)	(3,173)	7	(3,166)
of which depreciation	0	0	0	0	0	0	0	0
<b>Operating income</b>	<b>7,466</b>	<b>3,423</b>	<b>128</b>	<b>-241</b>	<b>139</b>	<b>10,915</b>	<b>(8,382)</b>	<b>2,533</b>
Interest income	12	324	1	0	315	652	(648)	4
Interest expenses	(57)	(110)	(216)	(1)	(316)	(700)	393	(307)
Other financial revenues	669	0	2	0	64	735	(65)	670
Other financial expenses	(19)	(367)	(2)	(1)	(321)	(710)	275	(435)
Profit/loss share in entities in equivalency	0	0	0	0	(66)	(66)	0	(66)
Income tax	(1,705)	902	(20)	0	74	(749)	0	(749)
<b>Profit/loss after taxation</b>	<b>6,366</b>	<b>4,172</b>	<b>(107)</b>	<b>(243)</b>	<b>(107)</b>	<b>10,081</b>	<b>(8,427)</b>	<b>1,654</b>
Other comprehensive income – revaluation	0	0	15,578	0	0	15,578	0	15,578
<b>Foreign currency translation diff. - foreign operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>296</b>	<b>296</b>	<b>0</b>	<b>296</b>
<b>Total comprehensive income</b>	<b>6,366</b>	<b>4,172</b>	<b>15,471</b>	<b>(243)</b>	<b>189</b>	<b>25,955</b>	<b>(8,427)</b>	<b>17,528</b>
<b>Assets</b>	<b>54,135</b>	<b>61,440</b>	<b>75,628</b>	<b>127</b>	<b>36,957</b>	<b>228,287</b>	<b>(129,541)</b>	<b>98,744</b>
PPE – Lands	0	0	2,761	0	15	2,776	(228)	2,547
PPE – Photovoltaic power plants	0	0	60,165	0	0	60,165	0	60,165
PPE – Equipment	73	123	0	75	37	308	0	308
PPE – Assets in progress	0	0	2,472	0	0	2,472	0	2,472
Trade and other receivables	41,473	57,639	7,233	40	35,411	141,796	129,311	12,484
Gross amount due from customers for contract work	0	3,011	0	0	0	3,011	0	3,011
Inventories – Goods	11,527	7	0	0	0	11,534	(2)	11,532
Investments in associates, JV, other	0	0	2,610	0	11	2,621	0	2,621
Prepaid expenses	0	3	9	3	17	32	0	32
Assets held for sale	0	0	0	0	1,125	1,125	0	1,125
Cash and cash equivalents	1,062	657	378	9	341	2,447	0	2,447
<b>Liabilities</b>	<b>40,243</b>	<b>58,867</b>	<b>45,883</b>	<b>187</b>	<b>1,320</b>	<b>146,500</b>	<b>(67,965)</b>	<b>78,564</b>
Trade and other payables	17,839	58,103	19,707	218	1,122	96,989	(67,965)	29,053
Bank Loans	2,993	0	27,848	0	1	30,842	0	30,842
Tax payables	19,431	2,769	(5,719)	(31)	581	17,031	0	17,031
Deferred tax liabilities	(20)	(2,005)	(4,047)	0	(384)	1,638	0	1,638

*Management commentary on the recent Issuer's financial results and its future perspectives*

Q1 2013 standalone and consolidated financial information is presented on pages 214-220.

The most recent Issuer's consolidated financial results for 2012 and Q1 2013 were driven by many factors, which can be divided into three main groups:

1. Restructuring process of the PENV Group: a significant part of last year's loss was related to the Group restructuring process, which essentially was a one-off. Additionally, because of the bond issue on Photon Energy Investments N.V. level, administrative costs increased considerably due to the need of advisory and legal external services. However, for 2013 the Company plans to decrease these costs to reasonable level.
2. The photovoltaic industry has been undergoing significant structural changes. In the case of PENV this involves a fundamental geographical refocusing away from EU markets to overseas markets, which are at the very beginning stage of development. The Group has started to analyze new markets opportunities and project pipeline in majority of potential markets is in stage of development, therefore revenues from engineering and trading have been minimal as well. After two years of operation in Australian market the Company sees projects and other business coming in this year and expect some activity in Turkey, Canada and some other markets. This development should become more and more visible over the following months.

Moreover, based on the management plans the revenues should increase significantly also by increase of operations portfolio (revenues from operations represent very stable and long-term source of revenues) as a consequence of acquisitions of powerplants from bankrupted companies mainly in Western Europe countries.

3. Seasonality. The first quarter has always been the weakest quarter for the Group. Historically, hardly any plants were built and little trading activity took place during that period. Hence, the main revenue driver within the first quarter is electricity sales, which are equally seasonally very low in 1Q. Furthermore, a drop in revenues for 1Q 2013 compared to 1Q 2012 was definitely caused by significantly worse weather conditions in 1Q that negatively influenced revenues from the sale of electricity (production of electricity q/q decreased by 39% in case of the Czech SPVs and by 49% in case of the Slovak SPVs).

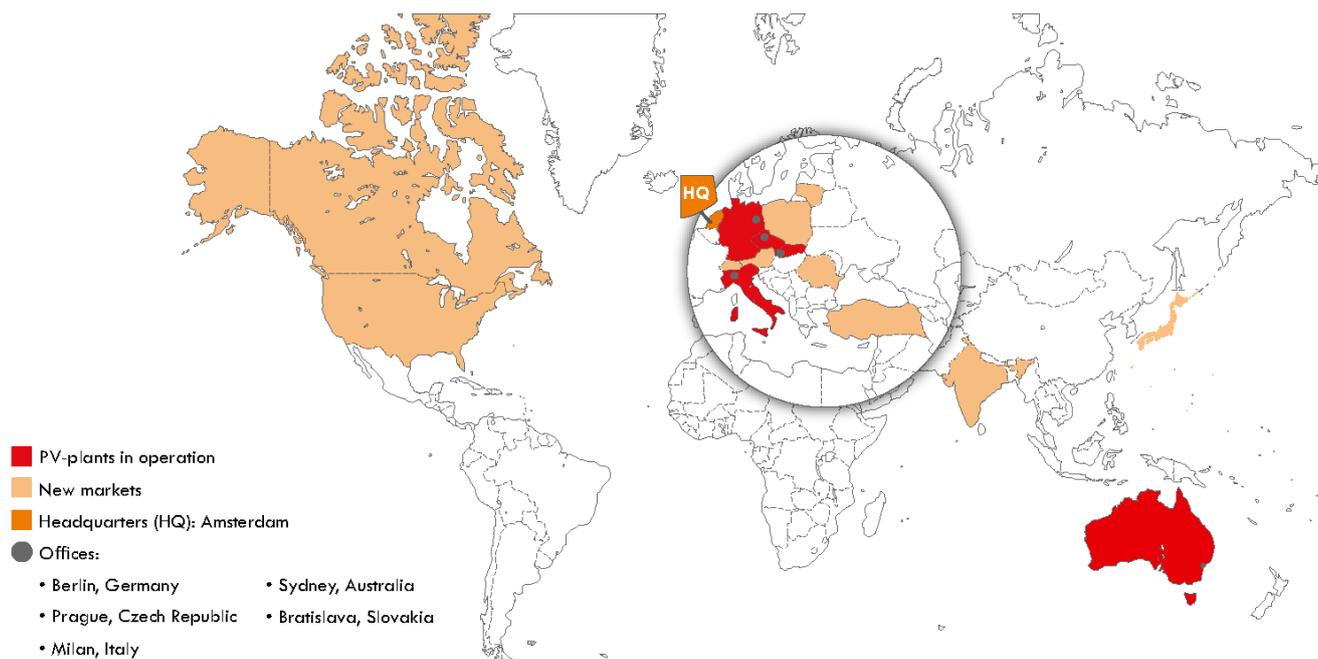
More detailed cash-flow overview plan for 2013 and 2014 is presented in the Issuer's consolidated financial statements for 2012, subchapter "Actual result and expected cash-flows 2013-2014" (page 128 of this Information Document).

With regard to the standalone financial information, PENV 1Q 2013 results were influenced by the fact that compared to Q1 2012 PENV as entity and a holding company bore significantly higher costs connected with the more complex structure of the Group. (administration, legal and auditor's services etc).

## 5.14. Description of major domestic and foreign investment projects of the Issuer, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

### Geographical location

Photon Energy is headquartered in Amsterdam, Netherlands and has offices in the following countries: Czech Republic, Slovakia, Italy, Germany and Australia.



When presenting geographical information below, segment revenue is based on the geographical location of entities generating the revenues. Segment assets are based on the geographical location of the assets.

<b>Revenue, In thousands of EUR</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
The Czech Republic	11,451	15,861	88,560
The Slovak Republic	3,228	7,325	9,990
Germany	1,196	-	-
Italy	278	-	-
Netherlands	16	-	-
<b>Consolidated revenues</b>	<b>16,169</b>	<b>23,186</b>	<b>98,550</b>

<b>Non-current assets<sup>1</sup>, In thousands of EUR</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
The Czech Republic	67,170	60,731	65,344
The Slovak Republic	21,511	20,512	2,769
Italy	4,266	3,323	-
Germany	324	2,237	-
Australia	254	517	-
<b>Consolidated non-current assets</b>	<b>93,525</b>	<b>87,320</b>	<b>68,113</b>

*Note: (i) Non-current assets presented in this table consist mainly of property, plant and equipment (lands, photovoltaic power plants, other equipment, and assets under construction).*

## Proprietary portfolio

The predominant part of the photovoltaic power plant portfolio of the Photon Energy Group is centralized with Photon Energy Investments N.V., which currently owns shares/options for shares in 23 solar park special purpose vehicles (SPV), with 25 photovoltaic power plants in total in the Czech Republic, Slovakia, and Italy. Apart from that Photon Energy Group owns shares in 3 photovoltaic roof-top installations in Germany and 2 in Australia. Consequently, Photon Energy group is an owner of a portfolio of photovoltaic facilities as well a producer of sustainable energy, through its SPVs.

As of the date of this document, the following projects are owned fully or via joint-ventures by Photon Energy Group.

## Czech Republic

The proprietary portfolio of Photon Energy N.V. in the Czech Republic comprises of 12 photovoltaic power plants. The shares in the company Photon Energy SPV 1 s.r.o., which operates two photovoltaic power plants, are owned solely by Photon Energy Group. With regards to the remaining 9 SPVs, where the company Photon SPV 3 s.r.o. also operates two photovoltaic power plants, the Group holds call options relating to 100% shares while Raiffeisen-Leasing Real Estate s.r.o. (RLRE) is currently the sole shareholder of them.

The land used for the development of the photovoltaic power plants is owned by the relevant SPVs in case of five of the photovoltaic power plants (Photon SPV 8 s.r.o., Photon SPV 10 s.r.o., Photon SPV 11 s.r.o., Exit 90 SPV s.r.o., and Onyx Energy s.r.o.); corresponding liens have been established for the remaining photovoltaic power plants.

The photovoltaic power plants (with the exception of the photovoltaic power plant of Photon SPV 1 s.r.o.) utilize debt financing. In terms of the debt financing, the existing land, individual photovoltaic power plants, components, and shares in Photon SPV 1 s.r.o. have been pledged in favor of RLRE.

In case of the photovoltaic power plants in the Czech Republic, it mainly concerns green-field installations, with total installed output of approximately 15.0 MWp. All projects (with one exception) were connected

to the network/grid in November/December 2010. The remunerations for the electricity supply to the public network in the original amount of 12.79 CZK/kWh or 12.15 CZK/kWh are guaranteed for the period of 20 years, with adjustments on annual basis. In 2012, the remunerations for the electricity supply amount to CZK 13.59 (approximately EUR 0.51) per kWh or CZK 12.65 (approximately EUR 0.49) per kWh, as appropriate.

Details relating to the Czech photovoltaic power plants are specified below:

Company (SPV)	Capacity (kWp)	Location	Connection	FIT (Feed-in Tariff) 2012
Photon SPV 3 s.r.o.	795	Mostkovice	Dec 09	0.50875 € / kWh
	131	Mostkovice	Dec 10	0.49324 € / kWh
Photon SPV 1 s.r.o.	210	Mostkovice	Dec 10	0.49324 € / kWh
	137	Břeclav	Dec 10	0.49324 € / kWh
Photon SPV 8 s.r.o.	2,031	Zvíkov u Lišova	Nov 10	0.49324 € / kWh
Exit 90 SPV s.r.o.	2,354	Komorovice	Dec 10	0.49324 € / kWh
Photon SPV 6 s.r.o.	1,159	Slavkov u Brna	Dec 10	0.49324 € / kWh
Photon SPV 4 s.r.o.	1,231	Svatoslav u Třebíče	Dec 10	0.49324 € / kWh
Onyx Energy s.r.o.	1,499	Zdice	Dec 10	0.49324 € / kWh
Onyx Energy Projekt II s.r.o.	1,499	Zdice	Dec 10	0.49324 € / kWh
Photon SPV 10 s.r.o.	1,645	Dolní Dvořiště	Dec 10	0.49324 € / kWh
Photon SPV 11 s.r.o.	2,305	Radvanice	Dec 10	0.49324 € / kWh
<b>Total</b>	<b>14,996</b>			

\* EUR/CZK exchange rate, Czech National Bank on 31.12.2012: 25.140

## Slovakia

Photon Energy Group currently owns shares in 11 SPVs in Slovakia; each SPV operates one photovoltaic power plant. The company is the sole owner of six of the SPVs, with at least 50% share in the remaining SPVs (namely Fotonika, ATS Energy, Photon SK SPV 1, Solarpark Polianka, Solarpark Myjava).

The land used for the development of the photovoltaic power plants is owned by the relevant SPVs in case of six of the photovoltaic power plants. Corresponding liens have been established for the remaining photovoltaic power plants.

The photovoltaic power plants are largely financed by the bank UniCredit Bank Slovakia a.s., Bratislava. Eleven photovoltaic power plants represent green-field installations, with total installed output of 10.43 MWp. The own share of the Group amounts to 8.4 MWp. The facilities were connected to the local network/grid in December 2010 and June 2011. The remunerations for the electricity supply to the public network either amount to 0.42512 EUR/ kWh (connection in December 2010) or 0.38261 EUR/ kWh (connection in June 2011). The remunerations for the electricity supply are guaranteed for the period of 15 years from connection.

Details relating to the Slovak photovoltaic power plants are specified below:

Company (SPV)	Capacity (kWp)	Location	Connection	FIT (Feed-in Tariff) 2012
Fotonika s.r.o.	999	Prša	Dec 10	0.42512 € / kWh
SUN4ENERGY ZVB s.r.o.	999	Babiná	Dec 10	0.42512 € / kWh
SUN4ENERGY ZVC s.r.o.	999	Babiná	Dec 10	0.42512 € / kWh
ATS Energy s.r.o.	700	Blatná na Ostrove	Dec 10	0.42512 € / kWh
Eco Plan 2 s.r.o.	963	Mokrá Lúka	June 11	0.38261 € / kWh
Eco Plan 3 s.r.o.	963	Mokrá Lúka	June 11	0.38261 € / kWh
Photon SK SPV 2 s.r.o.	979	Jovice	June 11	0.38261 € / kWh
Photon SK SPV 3 s.r.o.	979	Jovice	June 11	0.38261 € / kWh
Solarpark Myjava s.r.o.	999	Myjava	June 11	0.38261 € / kWh
Solarpark Polianka s.r.o.	999	Polianka	June 11	0.38261 € / kWh
Photon SK SPV 1 s.r.o.	850	Brestovec	June 11	0.38261 € / kWh
<b>Total</b>	<b>10,429</b>			

## Italy

Furthermore, proprietary portfolio also comprises two photovoltaic power plants in Italy. Photon Energy Group built them under relevant special purpose vehicles - Photon IT SPV 1 s.r.l. and Photon IT SPV 2 s.r.l.

Relevant encumbrances have been established in respect of the roof surfaces, on which the photovoltaic power plants were developed. The photovoltaic power plants were financed through equity.

The photovoltaic power plants in Italy represent rooftop installations. The projects were connected to the network in November 2011 or June 2012, as appropriate. The remunerations for the electricity supply to the public network amount to 0.345 EUR/ kWh (connection in November 2011) or 0.354 EUR/ kWh (connection in December 2012) and are guaranteed for the period of 20 years from connection.

Details relating to the Italian photovoltaic power plants are specified below:

Company (SPV)	Capacity (kWp)	Location	Connection	FIT (Feed-in Tariff)
Photon IT SPV 1 s.r.l.	261	Verderio Inferiorem, Provincie Lecco	Nov 11	0.345 € / kWh
Photon IT SPV 2 s.r.l.	993	Verrone, Provincie Biella	June 12	0.354 € / kWh
<b>Total</b>	<b>1,254</b>			

## Germany

The proprietary portfolio in Germany comprises of three photovoltaic power plants which are owned by the Group through one subsidiary Photon DE SPV 3.

Respective lease contracts for the roof surfaces, on which the photovoltaic power plants were developed, are in place for the same period as feed-in-tariff is guaranteed. The German photovoltaic power plants were financed through equity.

The total installed capacity of projects currently owned in Germany amounts to 255 kWp. One project i.e. Kindergarten Ückermünde was connected to the grid in Dec 2011 securing the highest feed-in-tariff, while remaining two were connected to the grid in 2012 Q3. The respective feed-in-tariff secured depends on the size and date of commencement and varies between projects from 23.71 EUR/kWh to 28.74 EUR/kWh and are guaranteed for the period of 20 years.

Company (SPV)	Capacity (kWp)	Location	Connection	FIT (Feed-in Tariff) 2012
Photon DE SPV 3	25	Kindergarten Ückermünde	Dec 2011	0.2874 € / kWh
Photon DE SPV 3	155	Altentreptow	Aug 2012	0.2708 € / kWh
Photon DE SPV 3	75	Brandenburg	Sep 2012	0.2371 € / kWh
<b>Total</b>	<b>255</b>			

## Australia

As of April 2013, the proprietary portfolio in Australia comprised of two photovoltaic power plants – Symoston and Fyshwick.

The total installed capacity of projects in Australia amounts to 284 kWp. Both projects were connected to the grid in Q1 2013. The respective feed-in-tariff secured on both projects amount to 0.3016 AUD/kWh and are guaranteed for the period of 20 years.

Project Fyshwick was sold in April 2013 to a third party.

The photovoltaic power plants were financed all- equity.

Company (SPV)	Capacity (kWp)	Location	Connection	FIT (Feed-in Tariff) 2012
Photon Energy AUS SPV 1	144	Symoston	Mar 2013	0.2373 € / kWh
Photon Energy AUS SPV 2	140	Fyshwick	Mar 2013	0.2373 € / kWh
<b>Total</b>	<b>284</b>			

\* EUR/AUD exchange rate, Reserve Bank of Australia on 31.12.2012; 0.7868 AUD/EUR

## Generation results of the proprietary portfolio

The below accumulated generation results include power plants owned by Photon Energy Group as of 31 December 2012. For details on individual projects, ownership and commissioning dates please refer to the previous chapter on the proprietary portfolio. Out of the total proprietary portfolio two power plants were not monitored and operated by operations and management arm of Photon Energy Group, as of the end of 2012, and hence not presented in the below table, namely: Altentreptow (156 kWp) and Brandenburg (75 kWp). Project Ellrich was sold outside the Group on 28 December 2012.

The accumulated generation results of the proprietary power plants connected and feeding electricity to the grid in 2012 amounted to nearly 29.3 GWh, exceeding the energy forecast by approximately 19% on average. The accumulated generation results presented in the table and chart below include total generation results, without adjustment for the equity stake.

**Table 3. Generation results versus projections between 1 January and 31 December 2012**

Project name	Cap.	Coun.	Prod. Dec.	Proj. Dec.	Perf. Dec.	YTD Prod.	YTD Proj.	Perf. YTD
Unit	kWp	-	(kWh)	(kWh)	%	(kWh)	(kWh)	%
Komorovice	2,354	CZ	39,661	27,492	44.3%	2,518,061	1,908,113	32.0%
Zvíkov I	2,031	CZ	41,988	24,309	72.7%	2,249,625	1,688,088	33.3%
Dolní Dvořiště	1,640	CZ	36,021	21,566	67.0%	1,724,368	1,496,821	15.2%
Svatoslav	1,231	CZ	26,075	16,075	62.2%	1,293,411	1,115,671	15.9%
Slavkov	1,159	CZ	25,204	14,195	77.6%	1,358,802	985,994	37.8%
Mostkovice SPV 1	209	CZ	4,946	4,683	5.6%	232,837	196,891	18.3%
Mostkovice SPV 3	926	CZ	13,394	12,722	5.3%	989,665	802,603	23.3%
Zdice I	1,498	CZ	38,400	18,118	111.9%	1,714,579	1,247,581	37.4%
Zdice II	1,498	CZ	39,214	18,118	116.4%	1,686,922	1,247,581	35.2%
Radvanice	2,305	CZ	35,362	28,980	22.0%	2,516,930	2,011,361	25.1%
Břeclav rooftop	137	CZ	3,496	3,396	3.0%	158,739	136,749	16.1%
<b>Total Czech PP</b>	<b>14,988</b>		<b>303,760</b>	<b>189,654</b>	<b>60.2%</b>	<b>16,443,939</b>	<b>12,837,453</b>	<b>28.1%</b>
Babiná II	925	SK	16,473	23,489	-29.9%	1,066,542	1,009,512	5.6%
Babina III	925	SK	16,500	23,489	-29.8%	1,076,424	1,009,512	6.6%
Prša I.	999	SK	16,020	17,619	-9.1%	1,190,926	1,004,206	18.6%
Blatna	700	SK	12,525	17,078	-26.7%	771,066	738,553	4.4%
Mokra Luka 1	990	SK	28,875	28,471	1.4%	1,224,507	1,047,762	16.9%
Mokra Luka 2	990	SK	31,600	28,471	11.0%	1,246,039	1,047,762	18.9%
Jovice 1	990	SK	12,810	13,953	-8.2%	1,016,227	968,425	4.9%
Jovice 2	990	SK	11,200	13,953	-19.7%	995,300	968,425	2.8%
Brestovec	850	SK	23,709	21,832	8.6%	1,069,845	879,240	21.7%
Polianka	999	SK	17,637	14,238	23.9%	1,055,475	988,199	6.8%
Myjava	999	SK	18,378	24,889	-26.2%	1,168,575	1,048,524	11.4%
<b>Total Slovak PP</b>	<b>10,357</b>		<b>205,727</b>	<b>227,482</b>	<b>-9.6%</b>	<b>11,880,925</b>	<b>10,710,119</b>	<b>10.9%</b>
Verderio	261	IT	6,045	8,349	-27.6%	284,416	300,680	-5.4%
Biella	993	IT	35,980	41,700	-13.7%	546,823	544,900	0.4%

<b>Total Italian PP</b>	<b>1,254</b>		<b>42,025</b>	<b>50,049</b>	<b>-16.0%</b>	<b>831,239</b>	<b>845,580</b>	<b>-1.7%</b>
Kindergarden	25	DE	102	242	-57.7%	16,236	21,325	-23.9%
Ellrich <sup>1</sup>	988	DE	9,927	17,434	-43.1%	166,679	177,809	-6.3%
<b>Total German PP</b>	<b>1,013</b>		<b>10,029</b>	<b>17,676</b>	<b>-43.3%</b>	<b>182,915</b>	<b>199,134</b>	<b>8.9%</b>
<b>Total</b>	<b>27,612</b>	<b>-</b>	<b>561,541</b>	<b>484,862</b>	<b>15.8%</b>	<b>29,339,017</b>	<b>24,592,286</b>	<b>19.3%</b>

<sup>1</sup>Ellrich power plant was sold out the Photon Energy Group on 28 December 2012.

Notes:

Cap. – installed capacity of the power plant

Count. – country of location on the power plant

Prod. Dec. – production in the month of December

Proj. Dec. – projection for the month of December

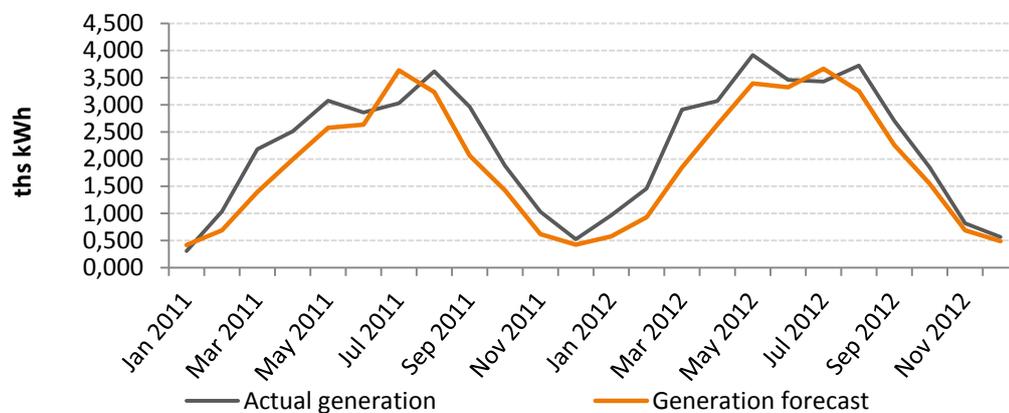
Perf. Dec. – (performance of the power plant in Dec i.e. production in December / projection for December) – 1

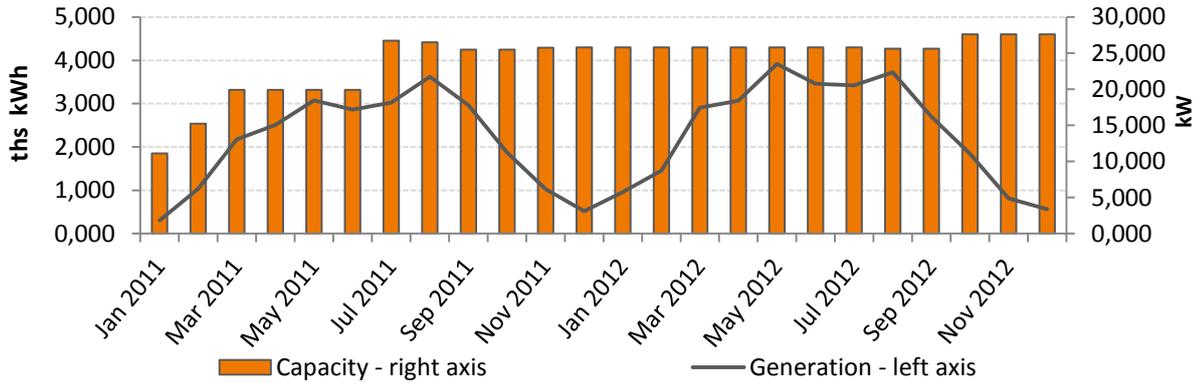
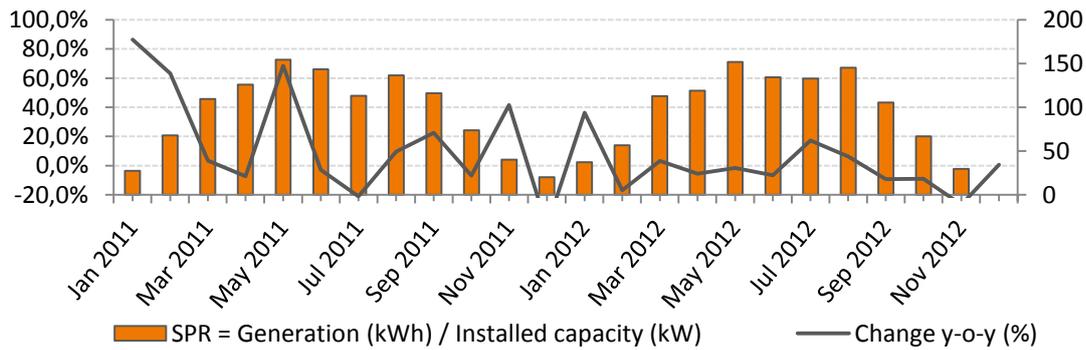
YTD Prod. – accumulated production year-to-date i.e. for the total year 2012

YTD Proj. – accumulated projection year-to-date i.e. for the total year 2012

Perf. YTD – (performance of the power plant year-to-date i.e. production in 2012 / projection in 2012) - 1

**Chart 1. Generation results versus forecast between January 2011 and December 2012.**



**Chart 2. Generation results and capacity growth between January 2011-December 2012**

**Chart 3. The Specific Performance Ratio**


Note: The Specific Performance Ratio (SPR) is a measure of efficiency which shows the amount of kWh generated per 1 kWp of installed capacity and enables the simple comparison of year-on-year results and seasonal fluctuations during the year.

## Operations and Maintenance

The operations and management division (O&M) of the Group managed approximately 60 MWp of PV power plants as of the date of this document.

The total portfolio can be broken down geographically into 30.8 MWp operated in the Czech Republic, 10.8 MWp in Slovakia, 5.7 MWp in Germany, 9.3 MWp in Italy, 3.0 MWp in Belgium and 0.3 MWp in Australia. According to the legal ownership O&M portfolio included 27.2 MWp of PV capacities managed for the proprietary portfolio and 32.8 MWp for the external clients.

## Strategy

The objective of the Group is the geographic expansion and diversification of the portfolio, in order to use its global presence to minimize regional risk associated with fluctuations. The Issuer continuously

monitors international developments in the area of solar technology and on the financial markets. It particularly pays great deal of attention to the development of subsidies for solar energy sector in individual countries. The expansion to countries such as Australia, Canada, USA, and Turkey seems to be crucial in the light of current developments, as the Issuer believes such countries could provide suitable environment for photovoltaic power plants on the basis of climatic preconditions (especially solar radiation), existing infrastructure, possible project financing, and legal framework conditions. Other markets are analyzed on continues basis.

In order to reduce dependence on government subsidies in the future, the Issuer's strategy mainly targets portfolio expansion to such markets that already apply Grid Parity, i.e. development of solar installations is also economically feasible without government subsidies.

Apart from geographical diversification the Issuer intends to specialize in energy generation solutions providing hybrid-system strategies and diesel-replacement solutions for energy-intensive industries, with the particular focus on segments such as: mining, retail, agriculture telecoms and etc. The fuel price has an annual average increase of 7% and it's constantly changing, making it really difficult for those industries to have an accurate prediction on their operating costs. In case of remote off-grid locations, where usually the irradiation levels are constantly high throughout the year, such energy solutions allow the customers to reduce the fuel consumption up to 100%. In on-grid locations, the energy efficiency solutions will drastically reduce the monthly electricity bill. There is no one single solution since every customer has different needs, where the finance and the engineering world need to blend perfectly to deliver the solution our customer needs. Photon Energy wants to position itself in 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 system with the enough flexibility to adapt to different challenges that its customers face. From mining, cement or telcom industries to agricultural remote locations, Photon Energy proposition to our customers is increasing their corporate value with operating costs reduction, protection against fuel price hedging, ensure energy supply and tackle environmental and local communities stewardship.

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

In order to facilitate market penetration, the Issuer will selectively cooperate with local partners, if necessary.

## **Market overview**

Even though the strategy of Group targets the reduction of dependence on subsidy programs, the government support of photovoltaic electricity is currently significant for the business activities of the Group.

The photovoltaic installations are supported in a number of countries, whereas the form of the government support varies in a broad sense – both locally and regionally. For example, the standard form of support comprises laws that guarantee fixed prices of energy produced from renewable sources (such as the Renewable Energy Act in Germany), on the basis of which the electricity network operators are required to purchase electricity produced by solar installations at fixed prices. Furthermore, loans with

partial interest rate benefits are provided for the acquisition and development of photovoltaic power plants.

The sections below briefly describe the situation relating to government support measures on the relevant markets, on which the Group operates or intends to operate going forward:

#### Czech Republic

A law on the support of electricity production from renewable energy sources has been in place in the Czech Republic since 2005; this law includes a general obligation of connecting and purchasing energy by a regional distribution network operator. Moreover, the operator also pays out remunerations for electricity supplied to public network or the alternative “green bonus”. For example, solar installations connected to the grid in 2010 were legally entitled to initial remuneration for electricity supplied to public network in the amount of 12.25 CZK/kWh for installations with installed output of up to and including 30 kW (alternatively a green bonus of 11.28 CZK/kWh) and 12.15 CZK/kWh for installations with output exceeding 30 kW (alternatively a green bonus of 11.18 CZK/kWh). The remunerations for the supplied electricity are guaranteed for the period of 20 years. These remunerations increase each year, to reflect the industrial price index, by no less than 2% and no more than 4%. Since 2011, the subsidy scheme no longer offers remunerations for electricity supplied from green-field installations. With regard to rooftop installations, the remuneration for the electricity supplied from installations connected to the network in 2012 amounts to 6.16 CZK/kWh, with alternative green bonus of 5.08 CZK/kWh, whereas the support is only awarded to installations with maximum output of 30 kW (source: Energy Regulatory Office - ERU). With regards to photovoltaic installations connected to the network during the period of 2008 – 2010, additional levy of 26% of revenue (turnover) of photovoltaic installations (solar levy) was set for the period of 2011 - 2013.

#### Slovakia

In July 2008, the remuneration for electricity supplied to public network from photovoltaic installations increased significantly. For installations connected to the grid by the end of 2010, the remuneration amounts to 0.42512 EUR/kWh for installations with installed output exceeding 100 kW. For photovoltaic installations connected to the grid as of 30 June 2011, the remuneration amounts to 0.38261 EUR/kWh (for installations over 100 kWh). The remuneration for installations connected from 1 July 2011 and 1 January 2012 amounts to 0.25917 EUR/kWh and 0.19454 EUR/kWh, respectively; however, it can only be claimed for photovoltaic installations developed on rooftops / buildings with output of up to 100 kW.

#### Australia

Uniform remunerations for electricity supplied to public network were introduced in South Australia and Queensland in 2008, within the territory of Canberra (Australian Capital Territory) and Victoria in 2009, and New South Wales in 2010 within individual federal states. In the Northern Territory, there are only remunerations that adhere to local regulations. Although a uniform system for the entire territory of Australia, which would replace other remunerations for electricity supplies regulated by individual federal states, was planned, it has not been completed. When the capacity limit of the installed facilities was reached, the remunerations for electricity supplied to public network were cancelled in mid-2011 in New South Wales and the Australian Capital Territory in favor of new electricity producers.

The remunerations are currently regulated by the “Solar Credits” program. The Solar Credits program is part of the “Renewable Energy Target” (RET) project. The RET guarantees a market with a system of marketable certificates for further production of electricity from renewable sources.

### Canada (Ontario)

The support program of the Ontario government relies on the “Long-Term Energy Plan” – a government document, which is to set down conditions for ensuring the Ontarian energy future. This document was published in fall of 2010. The objective is to generate 10,700 MW from renewable energy sources (with the exception of water energy) by 2018.

The photovoltaic market in Ontario is defined by two programs of the regional government. One of the programs, the “Renewable Energy Standard Offer Program” (RESOP), does no longer offer any new contracts for the solar energy production. The other program (“FIT Program”), which replaced the RESOP, comprises remunerations for electricity supplied to public network. The FIT Program offers fixed tariffs to independent electricity producers for the production of electricity from renewable sources. The remuneration level for the electricity supplies is revised on annual basis. In 2012, the remuneration for electricity supplied from photovoltaic ground installations with total installed output exceeding 500 kW amounted to 44.3 CAD-Cent/kWh. As of 1 January 2013, the remuneration for electricity supplied from photovoltaic ground installations with total installed output of 500 kW - 5 MW (incl.) was reduced to 35.0 CAD-Cent/kWh and to 34.7 CAD-Cent/kWh for installations with output exceeding 5 MW. Ontario is expected to produce 2,650 MW of solar photovoltaic energy by 2015 (source: “Paul Gipe, Ontario’s Solar PV installations may surpass California in 2011” at RenewableEnergyWorld.com). According to estimates of the Canadian Government, it is necessary to use approximately 3,000 MW of solar photovoltaic energy in Ontario by 2018 in order to meet the objectives of the “Long-Term Energy Plan” (source: ClearSky Advisors Inc., Report: Economic Impact of the Solar PV Sector in Ontario 2008-2018, July 2011).

### USA (New Jersey)

New Jersey, which is currently the most attractive market in the United States of America according to the issuer’s estimates, has introduced the Renewable Portfolio Standard (RPS). According to the RPS, each electricity provider is to purchase 22.5% of electricity offered from renewable energy sources by 2021; by 2028, 4.1% of the share will be attributable to solar energy (“solar carve-out”). The compliance with the RPS is ensured by the fact that electricity providers must own relevant certificates (“Solar Renewable Energy Certificates – SRECs”); financial sanctions will be imposed in case of violations.

### Turkey

The Act on Renewable Energy Sources in Turkey distinguishes between different types of energy sources. A tariff of 13.3 US\$/ kWh is current set for energy from solar installations for the period of first 10 years from the connection to the network; this applies to installations launched by 31 December 2015. The tariffs will subsequently be renegotiated. If components (e.g. PV modules, invertors) of local suppliers – specified in the Act on Renewable Energy Sources – are used in the photovoltaic power plant development, the feed-in tariff of installations connected to the network before 31 December 2015 shall be increased by 6.7 US\$ Cent /kWh.

Another incentive for the photovoltaic power plant development is 85% discount on rent with regard to state-owned land that would be used in connection with the solar installation operations (e.g. for transportation, grid connection). This discount applies to solar installations connected to the network by 31 December 2015 and applies for the period of 10 years.

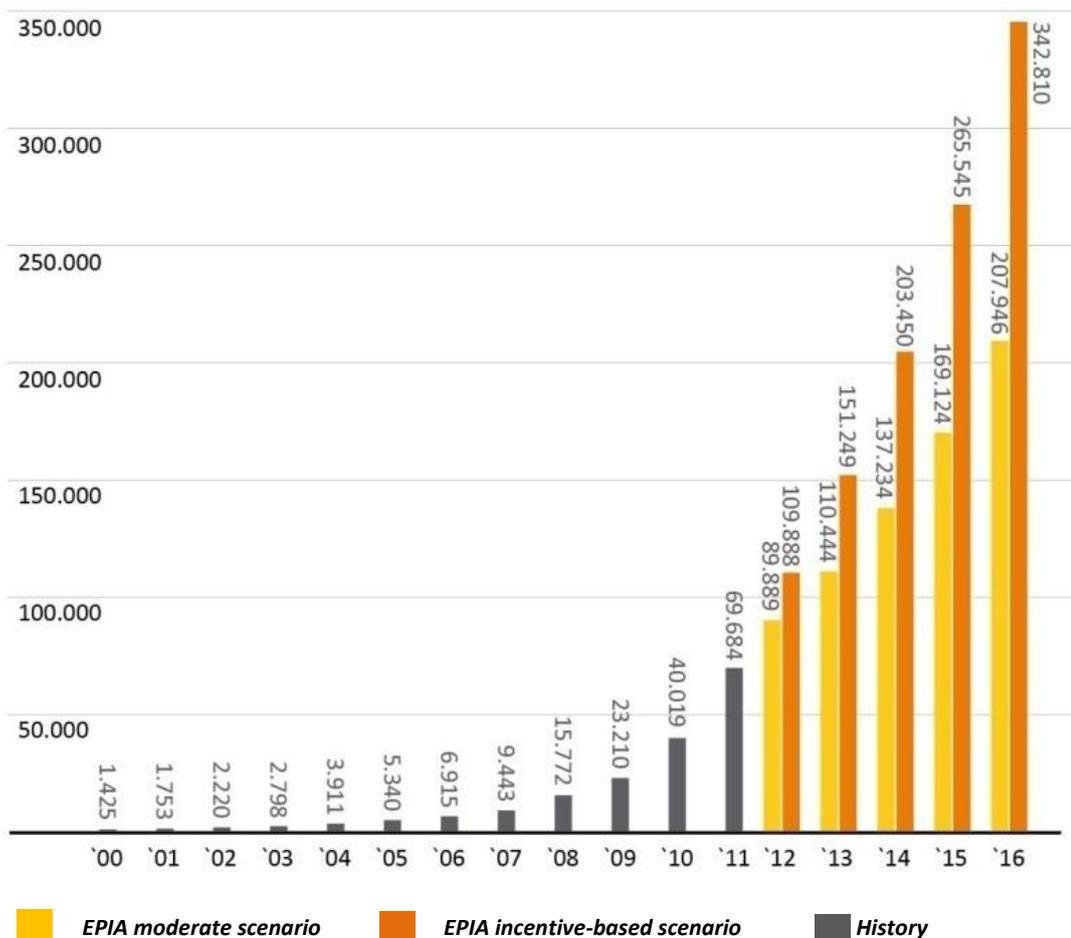
The capacity of photovoltaic installations that could be connected to the network by 31 December 2013 is limited to 600 MW in total. The new highest limit will be set after 31 December 2013.

**Global development of the photovoltaic market**

For many years, the global photovoltaic market has been dominated by Europe. With nearly 22 GW of installed and connected output in 2011, the total capacity in Europe was increased by more than 50% compared to 2010 – to the total of 51.716 GW (2010: 29.777 GW). This corresponds to 75% of the global installed output of 69.684 GW (2010: 40.019 GW). In terms of the rest of the world, Japan (5 GW) and the United States of America (4.4 GW) are in the lead, followed by China (3.1 GW) and Australia (1.3 GW) (source: EPIA: Global Market Outlook for Photovoltaics until 2016, May 2012 (“EPIA”); Chapter 3.1).

The prognoses for Europe for the period of up to 2016 that rely on conservative scenarios envisage the photovoltaic capacity increase to the total of 95.748 GW; scenarios that are based of the financial support incentives even expect the photovoltaic capacity increase to the total of 154.992 GW. However, the future development is uncertain, because the photovoltaic sector is subject to increased competition due to drastic reduction of certain support program (source: EPIA: Chapter 3.2.d). By 2016, the global photovoltaic power plant capacity is expected to increase to the total of 207.946 GW (conservative scenario) or 342.810 GW (incentive-based scenario), as appropriate (source: EPIA, Chapter 3.3.b.).

**Global cumulated scenarios by 2016 – moderate and incentive-based scenarios (MW)**



Source: EPIA, Global Market Outlook for Photovoltaics until 2016 (May 2012): Figure 30

## **USA**

In the United States of America, a record was broken in 2011 as a result of the installation of photovoltaic facilities with the total capacity of 1,855 MW. At the end of 2011, the cumulated capacity amounted to 4,383 MW, which corresponds to a 74% increase compared to the previous year (2,528 MW). The majority of new installations were launched in the final quarter of 2011, as a result of the finishing Treasury program at the end of 2011; this will make the financing of new photovoltaic projects more difficult in the future. In 2011, 80% of the photovoltaic market in the United States of America concentrated in seven states: California (30%), New Jersey, Arizona, New Mexico, Colorado, Pennsylvania, and New York. In 2012, the total installed output is expected to increase by 2,800 MW to the total of 7,200 MW (moderate scenario) or by 3,500 MW to the total of 7,900 (incentive-based scenario). By 2016, various prognoses even envisage the total installed output at 30,500 MW (moderate scenario) or 37,100 MW (incentive-based scenario), as appropriate (source: EPIA: Chapter 3.3.c. "United States of America").

## **Canada/Ontario**

In 2011, the Canadian photovoltaic market experienced a significant increase compared to 2010. The installed output went up by 364 MW, from 200 MW at the end of 2010 to the total of 563 MW at the end of 2011. The largest share (85%) was attributed to the Ontario province due to a generous support program. In 2012, the increase is expected to continue by 250 MW to the total of 810 MW (moderate scenario) or 450 MW to 2,000 MW (incentive-based scenario). By the end of 2016, the capacity is estimated to reach 3,200 MW (moderate scenario) or even 4,300 MW (incentive-based scenario), as appropriate (source: EPIA: Chapter 3.3.c. "Canada").

Canada has substantial solar energy sources, especially in Ontario, Quebec and in the Prairies. Numerous regions in Canada are only scarcely populated and accessible with difficulties. Photovoltaic installations are thus being frequently used as standalone energy production units, with no need to depend on the network in case of remote houses, telecommunication facilities, oil-control stations and pipelines, and navigation devices. Therefore, solar energy in Canada is particularly attractive as the form of energy that provides substitute for oil.

The most important impulse for the Canadian photovoltaic has recently been the government support program in Ontario, especially the incentive scheme for electricity supplied to public network. The program for the support of clean renewable energy was the first program of its kind in North America.

The political situation in Ontario is stable and it is possible to count on the remunerations for electricity supplied to the public network. The "Long Term Energy Plan" is the model for the photovoltaic energy development within the region. Ontario wishes to become the center of solar photovoltaic technologies and to actively promote companies in creating new jobs. Various issues – such as relatively weak electricity network – are known and the regional government works to overcome problems that could prevent further development of the solar photovoltaic industry in Ontario (source: Ontario Clean Technology Alliance, 2012).

## **Australia**

Australia is one of the sunniest continents in the world. The majority of photovoltaic power plants are connected to the electricity network; however, there are numerous solar power plants here that are independent on the network – particularly in remote Australian villages.

It is estimated that the solar radiation in Australia is approximately 10,000 times higher than the annual energy consumption (source: Australian Government – Geoscience; Australian Energy Resources

Assessment 2012, Chapter 10). Solar energy sources are especially high in Central/Northwestern Australia; however, these regions are not connected to the national electricity network.

In August 2011, Australia already produced 1,031.1 MW – this roughly covers 2.3% of the total energy production in Australia (source: Clean Energy Council; Clean Energy Australia Report 2011, pp. 32-42). The number of photovoltaic power plants increased significantly in the past. The number of photovoltaic installations increased ten times in the period of 2009 - 2011 (source: Clean Energy Council; Clean Energy Australia Report 2011, pp. 32-42). This increase mainly resulted from the remunerations for electricity supplied to the public network and objectives set in the area of use of renewable energy. Since June 2009, the Australian Government used generous discounts for solar module installations on family houses and public buildings under the “Solar Homes and Communities Plan”. This program has been replaced by the “Solar Credits” program, which is part of the “Renewable Energy Target” (RET). The RET relies on marketable certificates to guarantee market for further production of renewable energy. By 2016, prognoses rely on cumulated capacity of 4,900 MW (moderate scenario) or 11,300 MW (incentive-based scenario), as appropriate (source: EPIA: Chapter 3.3.c. “Australia”).

### **Turkey**

Turkey features the most dynamically growing energy market in Europe. The necessary investments in the energy production field in the period of 2010 – 2030 are estimated at USD 250 billion. The energy consumption continues to increase by 8% annually; in 2010, the costs of fuel imports amounted to approximately USD 39 billion (and estimated at USD 50 billion for 2011). Approximately 71% of the imported fuels would be used for energy consumption (source: Prof. Ture, Solar Energy Market in Turkey, presentation at the INTPOW Solar Day 2012, Oslo (Data: Ministry of Energy and National Resources, Turkey).

Turkey is well-positioned within Europe for the purpose of solar energy. The conditions for solar energy production are comparable to Spain. If solar power plants were to cover just 0.5% of the Turkey’s surface, it would be sufficient to satisfy the total energy needs of the country (source: [www.EntropyEnergy.net](http://www.EntropyEnergy.net)).

In 2011, less than 5 MW were installed in Turkey. The consequences of the support program, which was introduced in December 2010, are still to take full effect. The approval procedure for solar installations with capacity of up to 500 kW was simplified at the beginning of 2012, which should be a sufficient impulse for the market development (source: EPIA: Chapter 3.2.e. “Turkey”). In 2012, new installations are estimated 4 to 5 MW, with 50 to MW in 2013 and 1,000 MW in 2014, whereas none of the installations will exceed the capacity of 500 kW. Large projects are not expected before 2014 (source: Marc Roca. Turkey’s small scale solar plant rules to spur boom in installations; Bloomberg News, 1 March 2012).

Since Turkey has the average annual insolation of 2,640 hours (7.2 hours per day) thanks to its geographical location, the possibility to capitalize on this energy source is foreseen for the nearest future. The government has demonstrated its support through the Act on Renewable Energy and remuneration scheme for electricity supplies embedded therein; the scheme includes an obligation of energy distributors to purchase electricity primarily from approved renewable power plants. In addition to this, various support schemes are being planned for renewable energy installations.

Since the climate started to change, the political elites in Turkey have been striving for lower emissions, which will lead to higher investments in renewable energy sources. In case the coal prices increase to the level of the energy sector costs, energy producing companies have to include renewable energy in their respective portfolios.

**Czech Republic**

Simplified administrative proceedings coupled with generous remunerations for electricity supplied to public network resulted in enormous expansion of the Czech photovoltaic market in 2009. As a result of the installed output of 0.5 GWp in 2009 and 1.5 GWp in 2010, the Czech Republic experienced a significant increase (source: Czech Regulatory Office, [www.eru.cz](http://www.eru.cz)). The total installed output at the end of 2010 was estimated at 1.96 GWp (source: Czech Regulatory Office, [www.eru.cz](http://www.eru.cz)). However, legal and administrative measures came into effect in 2011, which resulted in the reduction of the installed output in 2011 to approximately 0.2 GWp (source: Czech Regulatory Office, [www.eru.cz](http://www.eru.cz)). The remunerations for electricity supplied from photovoltaic installations connected to the network as from 2011 were reduced considerably or even withdrawn for green-field installations. Moreover, revenues of photovoltaic power plants are subject to a special levy in the period of 2011 – 2013 (solar levy), which applies to photovoltaic installations connected to the network in 2008 - 2010.

Even though investments in rooftop installations have been economically profitable since 2011 as a result of remunerations for electricity supplies and the so-called “green bonus”, permits for the connection of power plants to the network has been suspended by local distribution companies, thereby freezing investments in photovoltaic installations. For this reason, the issuer will not implement any other projects in the Czech Republic until further notice.

**Slovakia**

The remunerations for electricity supplies from photovoltaic installations increased significantly in July 2008, which resulted to a considerable expansion of such facilities in 2010 and in the first half of 2011. The installed output thus amounted to 34 MWp in 2010, resulting in the total installed output of 150 MWp at the end of 2010 (source: Regulatory Office for Network Industries, [www.urso.gov.sk](http://www.urso.gov.sk)). At the end of June 2011, the total installed output amounted to 500 MWp (source: Regulatory Office for Network Industries, [www.urso.gov.sk](http://www.urso.gov.sk)). As a result of the framework conditions, which worsened as of July 2011, the issuer does not plan any other projects in Slovakia.

**5.15. Information about bankruptcy, composition of liquidation proceedings instituted with respect to the Issuer**

Under Dutch law there is no public database of petitions for bankruptcies or suspension of payments of third parties in respect of the Company. There is a public register of declared bankruptcies and suspension of payments. The directors of the Company are not aware of any such proceedings as of the date of issuance of this document. The Company did not enter into any voluntary settlements agreements as of the date of this Information Document.

**5.16. Information about settlement, arbitration or enforcement proceeding instituted with respect to the Issuer, if the outcome of such proceedings is or may be of significance for the Issuer's business**

Under Dutch law there is no public database of pending or initiated proceedings. Some judgement will be made public. The directors of the Company are not aware of any such proceedings as of the date of issuance of this Information Document.

**5.17. Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have significant impact on the Issuer's financial situation, or information about the lack of such proceedings**

Under Dutch law there is no public database of pending or initiated proceedings. The directors of the Company are not aware of any such proceedings as of the date of issuance of this Information Document. There are no current proceedings under trial.

**5.18. The Issuer's obligations relevant to performance obligations towards holders of financial instruments, which are specifically related to its economic or financial situation**

The Issuer, based on its best knowledge, does not have any obligations that might in a material way impact the performance of the Issuer's obligations towards the Issuer's financial instrument holders.

**5.19. Information about non-standard circumstances or events affecting business profit/loss for the period covered by financial statement or consolidated financial statements contained in this Information Document**

Non standard circumstances or events which affected the profit/loss for the period covered by the financial statements or consolidated financial statements for the full year 2012 include:

- In June 2012, Photon Energy N.V. agreed an amendment to the existing loan contract for the increase of the loan provided to Photon Energy N.V. by a private financing company from the original EUR 6 million to EUR 8 million. The proceeds of the increase of the loan of EUR 2 million were used to repay a loan provided to Photon Energy a.s. by the same party in the amount of EUR 800 thousands. The interest rate remained the same as agreed with the borrower's representatives and the loan was originally due on 31 January 2013.

On 8th January 2013, PENV obtained a written confirmation from this private financing company, where the new terms suggested by management of PENV were accepted.

The newly agreed terms were the following:

- Repayment of EUR 500,000 of the loan principal;
- Repayment of EUR 1,500,000 of the loan principal per 31 March 2013;
- Repayment of the remaining loan principal of EUR 6,000,000 no later than 30 June 2013, with the option to repay earlier per 30 April 2013 or 31 May 2013.

The Company signed the respective amendment on 29th January 2013.

As of 31 March 2013, the Company repaid EUR 2,000,000 from the outstanding amount, so the outstanding balance as of April 2013 equals to EUR 6,000,000.

Subsequently, management of the Company has discussed with the representative of the private financing company the next repayment date of 30 June 2013. Accordingly, a confirmation was obtained on 7 May 2013, which confirms that the due date of loan will be prolonged till 31 December 2013.

Management is confident that it will be able to generate sufficient cash flow to repay this amount of EUR 6 million as per 31 December 2013 or to find alternatives with respect to this obligation. Currently, management is evaluating and preparing multiple financing options.

The outstanding banking financing is paid in regular quarterly repayments. Both Czech and Slovak SPVs are able to repay in accordance with the scheduled repayments from the cash flow generated from the electricity production.

- Acquisition of the power plants in Slovakia on the basis of the share transfer agreements signed on 30 March 2012 between Photon Energy Investments SK N.V., 100% owned by Photon Energy N.V. (in December 2012 sold to a third party), and Photon Energy a.s. (later renamed to Phoenix Energy a.s), 72.29% owned by Photon Energy N.V., on the basis of which the following transfers of ownership were executed: 100% ownership interest in SUN4Energy ZVB s.r.o.; 100% ownership interest in SUN4ENERGY ZVC s.r.o.; 4,647.148642 / 6,638.783775 (70%) ownership interest in ATS Energy s.r.o.; 100% ownership interest in Eco Plan 2 s.r.o.; 100% ownership interest in EcoPlan 3 s.r.o., seated in Bratislava; 60% ownership interest in Fotonika s.r.o.; 50% ownership interest in Solarpark Myjava s.r.o.; 50% ownership interest in Solarpark Polianka s.r.o.; 50% ownership interest in Photon SK SPV 1 s.r.o., seated in Bratislava; 100% ownership interest in Photon SK SPV 2 s.r.o.; 100% ownership interest in Photon SK SPV 3 s.r.o.
- On 19 June 2012 Photon Energy a.s., 72.29% owned by the Issuer on that date, contributed subordinated loans against project companies into the equity of Photon Energy Investments CZ N.V. and sold 46,000 shares of Photon Energy Investments CZ, 100% of its registered capital, to Photon Energy Investments SK N.V., which was fully owned by Photon Energy N.V.
- On 29 June 2012 Photon Energy N.V. and/or its subsidiaries, concluded several acquisitions of the operating companies from Photon Energy a.s. on the basis of which the following transactions were executed: 100 shares with a nominal value of AUD 1 each, representing a 100% equity stake in Photon Energy Australia Pty. LTD.; 100% ownership in Photon Management s.r.l. with a registered capital of EUR 20,000; 100% ownership in Photon Management Deutschland GmbH with a registered capital of EUR 25,000; 100% ownership in Photon Energy Deutschland GmbH with a registered capital of EUR 100,000; 100% ownership in Photon Engineering Deutschland GmbH with a registered capital of EUR 100,000; 100% ownership in Photon Corporate Services s.r.o. with a registered capital of CZK 200,000; 7. 100% ownership in Photon Management s.r.o. with a registered capital of CZK 200,000.
- On 12th November 2012, Photon Energy Investments N.V., signed contracts with Raiffeisenbank ("RLRE") on releveraging of CZ portfolio-based on them, RLRE has refinanced and released additional 149 MCZK (EUR 5,811 thousands) to the financing of the current structure with 8 years tenor from now on, with a fixed interest rate of 5,19% p.a. applicable for the whole exposure. The increase is related to six CZ SPVs (SPV 4, SPV 6, SPV 10, SPV 11, Onyx I, Onyx II). In connection with increase of the loans on those SPVs, additional capitalization of subordinated loans was performed on the same day in the total amount CZK 35,700 thousands (EUR 1,392 thousands) in order to meet the thin capitalization criteria. The first capitalization of part of the subordinated loans was performed on 18th July 2012. Total amount capitalized during 2012 equalled to CZK 257,651 thousands (EUR 10,249 thousands). Based on the new contractual agreements, Photon Energy Investments N.V. has right to apply call option for purchase of 100% share in the RLRE

SPVs in case of full repayment of external loans, security loans, and all the other financial liabilities of Photon Energy Investments N.V., RLRE SPVs and parent company Photon Energy Investments N.V. towards RLRE and Financing bank, plus payment of future purchase price for the transfer of share in the SPVs.

- On 22 November 2012, on the basis of a civil law deed, Photon Energy N.V. contributed all shares that it owned in Photon Energy a.s., listed on NewConnect market in Warsaw, to the Minority Shareholders Photon Energy B.V., and hence it reduced its direct share in the capital in Photon Energy a.s. from 72.29% to 0%.
- On 28th November 2012, PEI DE NV sold the whole company DE SPV 2 for the selling price of EUR 25,000 and additional commitment of the buyer to repay significant part of the outstanding liabilities in total amount of EUR 1,887,000 to the Danish company EstatePartner A/S.
- On 13 December 2012, the Italian projects Biella and Verderio (IT SPV 1, IT SPV 2) have been sold from PEI IT NV to PEI NV for the total price of EUR 170 thousands
- On 13 December 2012, Photon IT SPV3 S.R.L. has been renamed to "Photon Energy Projects S.r.l.". All the shares of Photon IT SPV3 S.R.L have been transferred from Photon Energy Investments IT N.V. to Photon Energy Projects B.V., for EUR 10,000 on the same date.
- On 21 December 2012, Photon Energy NV sold its share in PEI SK NV to a third party, for the sales price of 1 EUR. On the same date, an amendment of the Agreement on assignment and transfer of receivables between the PE NV and PEI SK NV was signed. Based on this amendment, the purchase price shall be paid ultimately 5 years after the date of signing the Agreement, it means in the year 2017.

## **5.20. Any significant changes to the economic, property and financial situation of the Issuer and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in section 6 of the Information Document**

Material events which took place after the date of the financial statements i.e. between 1 January 2013 until the date of this document:

- In January 2013, six Slovak SPVs made early repayments of the construction loan granted by UniCredit Bank Slovakia a.s. in the amount of 90% of their disposable funds, i.e. in the total amount of EUR 634 thousand.
- In January 2013 Photon Energy N.V. signed a Memorandum of understanding on the partnership with Jacob Securities Holdings Inc. Based on this Memorandum, future cooperation should be based by foundation of Photon Energy Investments North America (PEINA). Initial shareholding of the Company should be 85% and Jacob Securities Holdings Inc. should have 15%. For every MWp of power plants projects sourced by Jacob Securities leading to commissioned PV power plants, Jacob Securities should increase by 0.2% of PEINA's initial non-diluted equity, up to a cap of 25% of PEINA's initial non-diluted equity. The investment by PE investments in the form of intended capitalization of the new entity (based on the MoU) - will amount to 10 million Canadian dollars

and will be funded by the proceeds from the bond, if the funds from the bond will be successfully raised.

- In January 2013 were signed amendments to the transfer agreements regarding the sale of Slovak SPVs from Phoenix Energy a.s. to Photon Energy Investments SK N.V. (11 amendments) as well as one amendment to the agreement on payment terms between Phoenix Energy a.s. and Photon Energy Investments SK NV amending the maturity of the payment of the purchase price of Photon Energy Investments CZ. According to Annex 2 to the Agreement on payment terms between Phoenix Energy a.s. and Photon Energy Investments SK N.V., the purchase price for Photon Energy Investments CZ N.V. shall be paid no later than June 19, 2017 (PEP-1260-10-13). According to the amendment to the share purchase agreements regarding CZ and SK portfolio between Photon Energy Investments SK and Phoenix Energy a.s., the purchase price for the quota shall be paid at any time by March 30, 2017.
- In March 2013 Photon Energy Investments N.V. issued a corporate bond in Germany, Austria, the Czech Republic, Slovakia and Poland with a total volume of up to EUR 40 million, so far approximately EUR 4 million has been raised. The bond has a coupon of 8% p.a., which will be paid quarterly over a 5 year term. The proceeds of the issue will be used as equity contribution in the acquisition of PV solar power assets in future markets such as Australia, North America or Turkey. It is also planned to analyse potentially entering markets. The proceeds substitute the EC-ratio for financing the construction phase (working capital character). The bond is currently being traded in the Open Market Segment of the Frankfurt Stock Exchange.

## 5.21. Issuer's managing persons and supervisory persons

### 5.21.1. Board of Directors

Issuer's Board of Directors has the following members:

Name	Position	Term of office expiry date
Georg Hotar	Director ( <i>Bestuurder</i> )	No term of expiry
Michael Gartner	Director ( <i>Bestuurder</i> )	No term of expiry

#### Georg Hotar – Director

Georg Hotar is an Austrian national, graduated with a BSc. in Accounting and Finance from London School of Economics and obtained Master's in Finance from London Business School. He gained his thorough background in various positions in the international financial services industry in London, Zurich and Prague. In 2000 he established Central European Capital, a finance and strategy advisory boutique active throughout Central and Eastern Europe.

In 2008 Georg co-founded Photon Energy, a.s., a downstream integrated solar energy company incorporated under the laws of the Czech Republic, which was the first Czech firm to be listed on NewConnect. Georg possesses strong knowledge of, and experience in, the photovoltaic markets. Georg was a co-founder of Photon Energy N.V. in 2010.

### Michael Gartner - Director

Michael Gartner is a Czech and Australian national who graduated with an MBA from the US Business School in Prague and BEc Economics from the University of Newcastle, Australia. Michael gained in-depth experience on capital markets as equity and debt analyst at ING in Prague, as Head of Fixed Income Sales at Commerzbank Securities in Prague and as a successful independent investment and corporate finance advisor in the Czech Republic.

In 2008 Michael co-founded Photon Energy, a.s., incorporated under the laws of the Czech Republic, which was the first Czech company to be listed on NewConnect, the alternative market of the Warsaw stock exchange. Michael currently develops projects for the Photon Energy Group in Australia. Michael was a co-founder of Photon Energy N.V. in 2010.

#### 5.21.2. Supervisory board

Under the Dutch law, a public company is required to establish a supervisory board if (i) the issued share capital of the company together with the reserves pursuant to the balance sheet amounts to at least EUR 16 million; (ii) the company or a dependent company has established a work council pursuant to a statutory obligation, and (iii) 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 by the Issuer.

### 5.22. Issuer's shareholder structure, including specification of shareholder(s) holding at least 5% of votes at the general meeting

Shareholder structure, as of the date of this Information Document, is as follows:

Shareholder	No. of shares/votes	Shareholding
Solar Future Cooperatief U.A.	8,590,739	37.35%
Solar Power to the People Cooperatief U.A.	8,036,573	34.94%
Minority Shareholders Photon Energy B.V.	1,263,074	5.49%
Others	5,109,614	22.22%
<b>TOTAL</b>	<b>23,000,000</b>	<b>100.00%</b>

Solar Power to the People Cooperatief U.A. is a cooperatief established under the laws of the Netherlands, with a statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands. The Board of Directors consists of Mr. Georg Hotar as Director A, and Mr. Michael Gartner as Director B.

Solar Future Cooperatief U.A. is a cooperatief established under the laws of the Netherlands, with a statutory seat in Amsterdam and a place of business at Barbara Strozziilaan 201, 1083 HN, Amsterdam,

the Netherlands. The Board of Directors has two members: Mr. Michael Gartner as Director A, and Mrs. Magda Gartnerova as Director B.

Minority Shareholders Photon Energy B.V. is a private limited liability company established under the laws of the Netherlands, with a statutory seat in Amsterdam and a place of business at Barbara Strozilaan 201, 1083 HN, Amsterdam, the Netherlands. The Board of Directors has one member - Mr. Georg Hotar, acting independently.

## VI. FINANCIAL STATEMENTS

### 6.1. The Issuer's audited standalone financial information for FY 2011

The tables below present the standalone, audited financial information of Photon Energy N.V. for the full year starting on 1 January 2011 and ending on 31 December 2011 and the corresponding period of the previous year.

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its standalone financial statements, the Company makes use of the option provided in section 2:362 (8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the standalone financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and endorsed by the European Union (hereinafter referred to as EU-IFRS).

#### STANDALONE STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	31 December 2011	31 December 2010
	<i>EUR 1,000</i>	<i>EUR 1,000</i>
<b>Fixed assets</b>		
Financial fixed assets	12,797	14,462
Loans	5,396	-
<b>Total fixed assets</b>	<b>18,193</b>	<b>14,462</b>
<b>Current assets</b>		
Trade and other receivables	110	0
Inventory	1	0
Cash and cash equivalents	103	46
<b>Total current assets</b>	<b>214</b>	<b>46</b>
<b>Total assets</b>	<b>18,407</b>	<b>14,508</b>
<b>Shareholders' equity</b>		
Issued share capital	46	46
Share premium	13,295	13,295
Revaluation reserve	3,241	-

Currency translation reserve	-321	-
Unappropriated result	-5,303	1,137
Retained Earnings	1,137	-
<b>Total equity</b>	<b>12,095</b>	<b>14,478</b>
<b>Non-current liabilities</b>	<b>6,000</b>	<b>-</b>
<b>Current liabilities</b>	<b>312</b>	<b>30</b>
<b>Total equity and liabilities</b>	<b>18,407</b>	<b>14,508</b>

### STANDALONE STATEMENT OF COMPREHENSIVE INCOME

for the period from 1.1.2011 until 31.12.2011

in thousand EUR	2011	2010
Share in result from participating interests, after taxation	-4 624	1 167
Other result after taxation	-679	-30
<b>Net result</b>	<b>-5 303</b>	<b>1 137</b>

### 6.2. The auditor's report on the Issuer's audited financial statements for FY 2011

The copy of the official auditor's report on the Issuer's 2011 audited, standalone and consolidated financial statements is published as a separate document on the website of Photon Energy N.V. [www.photonenergy.com](http://www.photonenergy.com)

### 6.3. The Issuer's audited consolidated financial information for FY 2011

The tables below present the consolidated, audited financial information of Photon Energy N.V. for the full year starting on 1 January 2011 and ending on 31 December 2011 and the corresponding period of the previous year. The reported data is presented in accordance with International Financial and Reporting Standards as endorsed within the European Union (EU-IFRS).

In 2010, on 23 December, the group finalized its financial restructuring which effectively resulted in a change of the direct parent company of the group from Photon Energy a.s. to the Company. On closing date, the shares in Photon Energy a.s., were contributed to the Company, which is ultimately controlled by the same majority shareholders as those of Photon Energy a.s. The transaction as described above was classified as a common control transaction and the Company had chosen to apply predecessor accounting.

Consequently the consolidated income statement and balance sheet were presented as if the company had effectively control as from January 1, 2010. The comparative numbers in 2010 were included in the same way.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

in thousand EUR	31.12.2011	31.12.2010
<b>ASSETS</b>		
<b>Fixed assets</b>		
Property, plant and equipment	85 231	65 492
Investments in associates /joint ventures	1 923	2 610
Other investments	41	11
Long-term receivables	125	0
<b>Total fixed assets</b>	<b>87 320</b>	<b>68 113</b>
<b>Current assets</b>		
Inventories	4 361	11 532
Trade receivables	3 827	10 654
Other receivables	1 836	1 830
Prepaid expenses	111	32
Cash and cash equivalents	4 880	2 447
Gross amount due from customers for contract work	0	3 011
Assets held for sale	0	1 125
<b>Total current assets</b>	<b>15 015</b>	<b>30 631</b>
<b>TOTAL ASSETS</b>	<b>102 335</b>	<b>98 744</b>

## EQUITY AND LIABILITIES

### Equity

Issued share capital	46	46
Revaluation reserve	17 558	15 156
Legal reserve fund	9	9
Translation reserve	-134	187
Retained earnings	-5 384	-920
<b>Equity attributable to owners of the Company</b>	<b>12 095</b>	<b>14 478</b>
Non-controlling interests	5 399	5 702
<b>Total equity</b>	<b>17 494</b>	<b>20 180</b>

### Non-current liabilities

Loans and borrowings	50 105	23 018
Other long term liabilities	13 647	13 850
Deferred tax liabilities	2 233	1 638
Long-term liability from income tax	0	2 643
<b>Total non-current liabilities</b>	<b>65 985</b>	<b>41 149</b>

### Current liabilities

Loans and borrowings	2 742	7 824
Other loans	800	0
Trade payables	10 215	22 613
Other payables	1 617	6 440
Other short-term liabilities	2 228	319
Current tax liabilities (income tax)	1 063	219
Provision	191	0
<b>Total current payables</b>	<b>18 856</b>	<b>37 415</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>102 335</b>	<b>98 744</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1.1.2011 until 31.12.2011

in thousand EUR	2011	2010
Revenues from the sale of products, goods and services	23 186	98 550
Costs of sales	-16 413	-93 091
<b>Gross profit</b>	<b>6 773</b>	<b>5 459</b>
Other income	313	240
Administrative expenses	-2 992	-2 651
Personnel expenses	-2 369	0
Energy tax	-2 198	0
Other expenses	-1 252	-515
<b>Operating income</b>	<b>-1 725</b>	<b>2 533</b>
Interests income	157	4
Financial revenues	188	296
Interests cost	-4 361	-302
Financial expenses	-542	-62
<b>Net finance expenses</b>	<b>-4 558</b>	<b>-64</b>
Share of profit/loss of associates /joint venture	102	-66
<b>Profit /loss before taxation</b>	<b>-6 181</b>	<b>2 403</b>
Income tax – due	-873	-749
<b>Profit/loss after taxation</b>	<b>-7 054</b>	<b>1 654</b>
Revaluation of property, plant and equipment	3 706	15 578
Foreign currency translation diff. - foreign operations	-298	296
Share of revaluation of PPE of associates /joint venture	686	0
Share of currency translation diff. Of associates / JV	52	0

<b>Other comprehensive income, net of tax</b>	<b>4 146</b>	<b>15 874</b>
<b>Total comprehensive income</b>	<b>-2 908</b>	<b>17 528</b>
<b>Profit attributable to:</b>		
Attributable to the equity holders	-5 303	1 137
Attributable to non-controlling interest	-1 751	517
<b>Profit for the year</b>	<b>-7 054</b>	<b>1 654</b>
<b>Total comprehensive income attributable to:</b>		
Attributable to the equity holders	-2 542	17 062
Attributable to non-controlling interest	-366	466
<b>Total comprehensive income for the year</b>	<b>-2 908</b>	<b>17 528</b>
<b>Earnings per share</b>		
Basic earnings per share	-1,1528	0,3690
Total comprehensive income per share	-0,5526	3,7090

**CONSOLIDATED CASH FLOW STATEMENT**
*for the period from 1.1.2011 until 31.12.2011*
*with comparable data for the previous year*

in thousand EUR	2011	2010
<b>Cash flows from operating activities</b>		
Profit/loss before taxation	-7 054	1 654
Adjustments for:		
Depreciation	3 669	242
Net finance costs	4 558	66
Share of profit of equity accounted investees	-102	67
Profit /Loss on sale of property, plant and equipment	0	46
Income tax expense	873	762
Other non-cash items	794	0
Changes in:		
Trade and other receivables	6 532	-11 623
Gross amount due from customers for contract work	3 011	-2 219
Prepaid expenses	-79	-28
Inventories	7 171	-11 183
Trade and other payables	-17 221	41 304
Other liabilities	1 706	0
Interests paid	-2 662	-307
Income tax paid	-1 860	-489

<b>Net cash from operating activities</b>	<b>-665</b>	<b>18 292</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	-19 696	-42 503
Acquisition of subsidiaries (net of cash acquired), associates, joint ventures	-744	-4 525
Acquisition of other investments	-30	0
Proceeds from sale of investments	560	0
Proceeds from sale of property, plant and equipment	0	92
Interests received	157	4
	<b>-19 753</b>	<b>-46 932</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	46	0
Proceeds from borrowings	40 475	42 621
Repayment of borrowings	-17 670	-14 436
	<b>22 851</b>	<b>28 185</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>2 433</b>	<b>-455</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 447</b>	<b>2 902</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4 880</b>	<b>2 447</b>

#### 6.4. The auditor's report on the Issuer's audited financial statements for FY 2011

The copy of the official auditor's report on the Issuer's 2011 audited, standalone and consolidated financial statements is published as a separate document on the website of Photon Energy N.V. [www.photonenergy.com](http://www.photonenergy.com)

## **6.5. The Issuer's audited standalone and consolidated financial statements for 2012**

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

**Photon Energy N.V.**

Financial Statements for the year ended 31 December 2012

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

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1. Directors' report
2. Consolidated financial statements for the year ended 31 December 2012
3. Stand alone financial statements for the year ended 31 December 2012
4. Other information
5. Auditor's report

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

## Directors' report

The directors present their report together with the annual financial statements of Photon Energy N.V. (the "Company") for the year ended 31 December 2012.

Photon Energy N.V. (the "Company") is a joint-stock company incorporated under the laws of the Netherlands on 9 December 2010. The statutory seat of the Company is Barbara Strozilaan 201, 1083HN Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The company is controlled by the following majority shareholders:

Georg Hotar	48.3%
Michael Gartner	51.7%

The Board of Directors consists of the Director's A only (Mr. G. Hotar and Mr. M. Gartner).

## Developments in 2012

### Result

The total equity attributable to the owners of the Company as at 31 December 2012 amounts to EUR 14,354 thousands (2011: EUR 12,095 thousands). The total result for the year 2012 amounts to a loss of EUR 12,634 thousands (2011: loss EUR 7,054 thousands).

### Revenues and cost of sales

Revenues in 2012 decreased to EUR 16,169 thousands compared to 2011, when the revenues amounted to EUR 23,186 thousands. In 2012, cost of sales decreased to EUR 8,169 thousands from EUR 12,744 thousands in the financial year 2011.

The significant decrease in revenues in 2012, compared to 2011, was mainly influenced by the internal consolidation activities of the Group. The year 2012 was characterized by a significant restructuring of the Group, a Group structure settlement and concentrating on expansion to the new markets, so the number of finished power plants was significantly lower than in 2011. On the other hand, the revenues from sale of electricity increased.

The gross margin equaled to 36% in 2012 and to 20% in 2011. The higher margin in 2012 is a consequence of lower cost of sales, mainly in engineering, wholesale segments, as well as in the production of electricity segment.

### Financial income and expenses

Financial income and expenses consist mainly of foreign exchange differences and interest expenses. Other part of financial income and expenses represents the result from the sale of shares, interest income and bank fees.

### Other comprehensive income

In 2012, the whole Czech and Slovak portfolio was revalued. Total impact of this revaluation amounted to EUR 10,158 thousands. Details can be found in note 23 to the financial statements.

In 2011, other comprehensive income in the total amount of EUR 4,146 thousands, related to the revaluation at fair value of the following projects: Blatna, Mokra luka II, Mokra luka III, Jovice V, Jovice VI, Babina II, Babina III, Brestovec, Myjava, Polianka, Ueckermunde-Goethe (Gymnasium), Ueckermunde-Kindergarten and Verderio.

### Non-current assets

The increase in fixed assets compared to 2012, is mainly influenced by the put in use and revaluation of the projects as described in the "Other comprehensive income" section.

### Current assets

Current assets increased in 2012 compared to 2011, mainly because of higher other receivables (2012: EUR 5,116 thousands; 2011: EUR 1,836 thousands) and other loans amounting to EUR 4,253 thousands. This increase is a result of the restructuring and the sale of some subsidiaries of the Group to related and third parties. Therefore, the receivables, which we were originally eliminated as intercompany, are now shown as external receivables. On the other hand, the inventories balance decreased significantly (2012: EUR 153 thousands; 2011: EUR 4,361 thousands), as well as the balance of trade receivables decreased (2012: EUR 1,502 thousands; 2011: EUR 3,827 thousands).

### Total liabilities

The total liabilities include primarily:

1. Loans and borrowings
2. Trade payables
3. Other liabilities (result of Group restructuring)

The increase in loans and borrowings is related to the development and construction of the power plants that is primarily financed by the bank loans. Trade payables decreased in connection with the fall of the Group's business activities as described above.

### Group restructuring and disposals in 2012

During 2012, Photon Energy Group disposed of several subsidiaries (see the list below) to related and third parties. The Company decided to dispose these companies, because of the uncertain legislative future development of the solar industry in the Czech Republic and consequently, insufficient potential for further development of the activities of those companies the finalization of the complete restructuring of the Group, the creation of a new structure under Dutch legislation and also the plan of the Group to expand to world markets (other than Czech and Slovak).

Following the disposal of those companies that were mainly active in wholesale and engineering segments, new entities were founded within the new structure of the Group, which overtook the activities of the original Czech companies. Therefore, the Segment analysis still includes both Wholesale and Engineering segments (refer to Chapter 7).

The total loss resulting from the sale of these subsidiaries amounted to EUR 3,033 thousands. The loss has been calculated as the difference between the net assets of disposed subsidiaries (EUR 3,058 thousands) and their sales price (EUR 25 thousands).

For overview of individual positions of the disposed subsidiaries, we refer to the table below:

*In thousands EUR*

	Liabilities	Assets	Local costs of FI	Sales price	Result (loss) of companies	Receivables from NV Group	Payables to NV Group
<b>PE as Group</b>	-98 308	101 356	-345	0	-7 413	758	9 161
<b>PEI SK</b>	-26 896	26 656	-17	0	-206	25 321	0
<b>PE DE</b>							
<b>SPV2</b>	-2 163	2 041	-10	25	-48	0	45

### List of disposed subsidiaries (included in the above sub groups)

Photon Energy Investment SK NV  
 Photon Energy DE SPV 2  
 Phoenix Energy a.s. (former Photon Energy a.s.)  
 Photon Electricity s.r.o.  
 Photon Finance s.r.o.  
 Solarni vecna bremena s.r.o.  
 Stresni burza s.r.o.  
 Photon FinCo s.r.o.  
 Photon Energy Italia srl  
 Photon Engineering Italia srl  
 Golf Club Grygov s.r.o.

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Photon Engineering Slovensko s.r.o.  
Photon Engineering s.r.o.  
Photon Import s.r.o.  
Photon Trading s.r.o.

All the above mentioned receivables and payables were previously eliminated as they represented intercompany balances before the sale out of the Group. Following the sale of these entities, this changed and such balances are now presented as receivables from/payables to related and third parties.

All companies listed above, have been sold to the third parties, except for Photon Energy Group a.s ("PEAS"), which was sold to an entity owned by the 2 shareholders of the Group. As a consequence, PEAS left the consolidation scope of Photon Energy N.V. and became a sister company ultimately owned by the shareholders of the Group. We refer to the below text for further details on this transaction. Consequently, balances with PEAS are presented as related party balances as per 31 December 2012.

In December 2012, the following steps related to sale of Peas Group have been performed:

- 1 all shares of PE a.s. held by PENV were transferred to Minority Shareholders Photon Energy B.V. (MSBV), owned by the shareholders through their holding entities: Solar Power and Solar Future (SP and SF) and were contributed as additional contribution in kind. No new shares of MSBV were issued and the value of contributed shares is regarded as a non-stipulated share premium.
- 2 PENV issued new shares with a nominal value of EUR 0.01 to its current shareholders, Solar Power and Solar Future (the share capital has thus been increased to EUR 230 000)
- 3 PENV transferred all shares it held in MSBV to SP and SF.

These steps mean that PE a.s. is not anymore the part of the PENV Group. Subsequently, Photon Energy a.s. has been renamed with effective date as of 19. 12. 2012 to Phoenix Energy a.s.

Except for the parent company Photon Energy N.V., the sold entity Phoenix Energy a.s. (originally Photon Energy a.s. ("PEAS")) also had minority shareholders. During the process of restructuring, where significant assets were transferred from PEAS Group to PENV group, management committed itself to perform a share swap from PEAS to PENV, in order not to harm the rights of the minority shareholders. Following the sale of this entity out of the Group, the minority share of Photon Energy a.s. (non-controlling interest) has been transferred to Photon Energy N.V. in line with the common control principle (non-controlling interest was transferred a level up, to the NV level).

MSBV, the Bidder, intended to acquire all shares currently owned by the Minority Shareholders in Phoenix Energy a.s. and in return provides them with an opportunity to buy shares in Photon Energy N.V., in such a way that for each share sold within the public tender offer, Minority Shareholders are entitled to buy one share in Photon Energy N.V. Alternatively, shareholders who accept the tender offer and do not use their right to acquire shares in Photon Energy N.V., will be compensated in cash.

For details, refer to the Subsequent events chapter (description of share swap) and the Statement of changes in equity (distribution of non-controlling interest to other equity components-this transaction is visible in the Statement of changes in equity and shows the split of original non-controlling interest as gradually created within the history of the Group. After disposal of PEAS, this non-controlling interest has been distributed within the adequate components of equity where it is attributable by its substance).

## Financial instruments and risk management

In 2012, financial instruments were only used to mitigate risks and were not used for trading purposes. We refer to the notes in the financial statements for more details about the company's financial instruments.

### Principle risks

The Group has exposure to the following risks:

- Credit risk,
- Liquidity risk,
- Market risk.

In the notes to the consolidated financial statements, information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

### Selected indicators

#### Debt to assets ratio (total liabilities/total assets)

2012: 0.87

2011: 0.83

#### Debt to equity ratio (total liabilities/shareholders' equity)

2012: 6.95

2011: 7.01

#### Current ratio (current assets/current liabilities)

2012: 0.78

2011: 0.80

Debt to assets ratio increased in 2012 compared to 2011 due to higher indebtedness of the Company. Higher loans' balances were used mainly for the financing of the project development, construction of power plants and market expansion. The current ratio has slightly decreased, as well as debt to equity ratio.

## Research and development

The Company does not perform any material research and development activities.

## Personnel

During the year, the average number of staff employed by the company was 71 (2011: 66). Management expects that the number of employees in 2013 will be approximately the same as in 2012.

From 1 January 2012 onwards the Board of Directors should endeavour to ensure that women represent at least 30% of its directors. During 2012, the Board of the Company was represented by 2 male Directors and therefore the ratio of female directors was below 30%. The composition of the Board is considered on a regular basis and if needed adjusted based on the knowledge and experience of the Directors.

## Strategy for 2013

The objective of the Group is the geographic expansion and diversification of the portfolio, in order to use its global presence to minimize regional risk associated with fluctuations. The Group continuously monitors international developments in the area of solar technology and on the financial markets. It particularly pays great deal of attention to the development of subsidies for solar energy sector in individual countries. The expansion to countries such as Australia, Canada, USA, and Turkey seems to be crucial in the light of current developments, as the Group believes such countries could provide suitable environment for photovoltaic power plants on the basis of climatic preconditions (especially solar radiation), existing infrastructure, possible project financing, and legal framework conditions. Other markets are analyzed on continuous basis.

In order to reduce dependence on government subsidies in the future, the Group's strategy mainly targets portfolio expansion to such markets that already apply Grid Parity, i.e. development of solar installations is also economically feasible without government subsidies.

Apart from geographical diversification the Group intends to specialize in energy generation solutions providing hybrid-system strategies and diesel-replacement solutions for energy-intensive industries, with the particular focus on segments such as: mining, retail, agriculture telecoms and etc. The fuel price has an annual average increase of 7% and is constantly changing, making it really difficult for those industries to have an accurate prediction on their operating costs. In case of remote off-grid locations, where usually the irradiation levels are constantly high throughout the year, such energy solutions allow the customers to reduce the fuel consumption up to 100%. In on-grid locations, the energy efficiency solutions will drastically reduce the monthly electricity bill. There is no one single solution since every customer has different needs, where the finance and the engineering world need to blend perfectly to deliver the solution our customer needs. Photon Energy wants to position itself in 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 system with the enough flexibility to adapt to different challenges that its customers face. From mining, cement or telcom industries to agricultural remote locations, Photon Energy proposition to our customers is increasing their corporate value with operating costs reduction, protection against fuel price hedging, ensure energy supply and tackle environmental and local communities' stewardship.

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

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

### Market overview

Even though the strategy of Group targets the reduction of dependence on subsidy programs, the government support of photovoltaic electricity is currently significant for the business activities of the Group.

The photovoltaic installations are supported in a number of countries, whereas the form of the government support varies in a broad sense – both locally and regionally. For example, the standard form of support comprises laws that guarantee fixed prices of energy produced from renewable sources (such as the Renewable Energy Act in Germany), on the basis of which the electricity network operators are required to purchase electricity produced by solar installations at fixed prices. Furthermore, loans with partial interest rate benefits are provided for the acquisition and development of photovoltaic power plants.

The Group is aiming to, generate business development in Australia, North America and Turkey and other potential markets. In these countries it aims to develop off-grid solutions and grid-parity solutions, which are based on Power Purchase Agreements not dependent on feed-in-tariffs. New markets are entered through small-scale pilot projects and through subsidiaries or partners in the respective countries. Projects are implemented only if the expected return is at least 10 per cent. One of the key factors for entering new markets is a security in planning.

The Group is additionally developing hybrid power solutions aimed at customers in remote locations or regions currently relying on Diesel generated power. With this technology Photon Energy wants to approach potential customers directly. Additionally, the Operations division is expanding its Operations and Maintenance portfolio. In the past months it has expanded to Italy and Belgium and is now active in six countries. One of the strategies is taking over customers with power plants using components of the now defaulting companies.

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### Going concern

In 2013, the Company will be facing mainly the following challenges:

- 1 Penetration on new markets and securing the new projects
- 2 The company is dependent on external financing

### External financing

In June 2012, Photon Energy N.V. agreed an amendment to the existing loan contract for the increase of the loan provided to Photon Energy N.V. by a private financing company from the original EUR 6 million to EUR 8 million. The proceeds of the increase of the loan of EUR 2 million were used to repay a loan provided to Photon Energy a.s. by the same party in the amount of EUR 800 thousands. The interest rate remained the same as agreed with the borrower's representatives and the loan was originally due on 31 January 2013.

On 8<sup>th</sup> January 2013, PENV obtained a written confirmation from this private financing company, where the new terms suggested by Management of PENV were accepted.

The newly agreed terms were the following:

- Repayment of EUR 500,000 of the loan principal;
- Repayment of EUR 1,500,000 of the loan principal per 31 March 2013;
- Repayment of the remaining loan principal of EUR 6,000,000 no later than 30 June 2013, with the option to repay earlier per 30 April 2013 or 31 May 2013.

The company signed the respective amendment on 29<sup>th</sup> January 2013.

As of 31 March 2013, the Company repaid EUR 2,000,000 from the outstanding amount, so the outstanding balance as of April 2013 equals to EUR 6,000,000.

Subsequently, Management of the Company has discussed with the representative of the private financing company the next repayment date of 30 June 2013. Accordingly, a confirmation was obtained on 7 May 2013, which confirms that the due date of loan will be prolonged till 31 December 2013.

Management is confident that it will be able to generate sufficient cash flow to repay this amount of EUR 6 million as per 31 December 2013 or to find alternatives with respect to this obligation. Currently, management is evaluating and preparing multiple financing options.

The outstanding banking financing is paid in regular quarterly repayments. Both Czech and Slovak SPVs are able to repay in accordance with the scheduled repayments from the cash flow generated from the electricity production.

### Actual result and expected cash-flows 2013-2014

Net result of 2012 is primarily influenced by the significant internal restructuring performed in 2012 and the disposals of subsidiaries as described above.

Significant components of the loss are VAT related interests (approx. EUR 1.5 mio), interest related to external non-banking financing (approx. EUR 1 mio) and the loss related to sale of subsidiaries (together with result of the disposed subsidiaries amounted to approximately EUR 8 mio). All the above mentioned components represent non-recurring items. Additionally, the Group incurred higher administrative costs because of additional costs related to restructuring.

The latest cash-flow forecast for 2013 has been adjusted in line with the actual situation and management estimations of the future development. The following inputs included in the model represent the main drivers of the plan:

#### Outputs:

- 1) Repayment of bank loans and loan from private financing company
- 2) Interest payments
- 3) Operational costs, incl. administrative, personnel, other
- 4) Trade payables
- 5) Investment costs

**Inputs:**

- 1) Electricity production revenues
- 2) O&M revenues
- 3) Trading, Engineering revenues
- 4) Refinancing of Slovak portfolio

Production revenues are based on the actual portfolio results based upon the previous 2 periods. Additionally, they include also forecasted revenues from newly built powerplants (expected development of 16 MW in 2013 and 40 MW in 2014). These are expected to be developed and maintained in the own portfolio. O&M revenues are forecasted based on the assumptions of a significant increase of the current portfolio, mainly in the Western European markets (e.g. Italy and Germany) in approximately several tens of MW of new powerplants under management. Photon Energy Operations is expanding its O&M business in Italy by taking over service contracts (March 2013) for 8 power plants of 1 MWp each in the Abruzzo region. Along with the existing contracts, Photon Energy Operations' O&M services portfolio has now grown to more than 73 MWp worldwide.

Trading and engineering revenues assume the acquisition of new projects to be developed either internally or externally. Main markets are Australia, Turkey, Japan, USA (refer to Strategy section). Engineering revenues are based on the assumption of development of 9,5 MW built in 2013 and 21 MW in 2014.

Based upon the above and in accordance with the strategy of the Company, management forecasts positive operational cash flows for 2013.

**Status of bond issuance**

The bond issuance process of the subsidiary Photon Energy Investments N.V. was completed with the raised amount below the original management estimations and has led to a reassessment of the investment strategy for the following months. The proceeds from bond are intended to be used for further investment in the new projects.

However, the bond is open for trading on the market and therefore additional proceedings could be expected during the whole period (1 year from listing).

**Current development of the projects**

As of April 2013, the Company has connected two projects in Australia- Fyshwick and Symonston. The capacity of Symonston project is 144 kWp and capacity of Fyshwick project is 140 kWp.

Project Symonston is going to be sold to a third party within the year 2013. Project Fyshwick was sold in April 2013, the payment will be received in three parts, the first part (85%) was received on 16 April 2013 (EUR 360 thousands). Another 10% will be received after the achievement of the planned production and 5% is retention to be received in 12 months after connection. The contribution of these sales to the free cash flow amounts to EUR approximately 123 thousands in 2013.

Photon Energy Australia also continues in new tender processes for building power plants with a total installed capacity of 20MW, the final decision of the respective authorities is expected to be taken within 2<sup>nd</sup> quarter of 2013.

In addition to the above mentioned, an analysis of the Turkish, Japanese and other markets is currently performed with the goal to identify the best investment opportunities, enabling further development of the Group.

**Czech tax levy**

The current Czech tax levy equals to 26% of revenues from the sale of electricity in power plants located in the Czech Republic and is, based on the current legislation, applicable for 2011-2013.

At this moment, Management of the Group does not have any trustworthy or confirmed information about the future decision of Czech Government on the prolongation of the Czech tax levy. Any formal binding decision has not been taken so far.

For our analysis of the potential impact of prolongation of the tax levy, refer to the sensitivity analysis in chapter 28.5.

### Management statement

In preparing these accounts on a going concern basis, management used their best estimates to forecast cash movements over the next 12 months from the date of these accounts. However, as per today, management is of the opinion that a material uncertainty exists with respect to going concern. Based on the cash-flow projections prepared for years 2013-2014 (as described in detail above) and our expectation that a solution will be found to replace the external financing, management believes that it remains appropriate to prepare the financial statements on a going concern basis. However, these projections are based on assumptions including values and timing of expected liabilities settlement, generating alternative financing with respect to the financing provided by the private financing company and possible Czech tax law changes and therefore is subject to the material uncertainties aforementioned.

### Subsequent events

- On 6 February 2013, Photon Energy Operations NV sold its share in Photon Management s.r.o. for the sales price of EUR 8 thousands
- CZK 200 thousands to a third party. However as of the date of the sale, all activities of the Company had already been transferred to newly founded companies within the Group.
- On 14 February 2013, Photon Management s.r.l. has been renamed into "Photon Energy Operations IT s.r.l. and its legal seat has been transferred to Milano, Largo Richini 6.
- Photon Energy Investments NV issued in March 2013 a bond for the period of 5 years on the non-regulated part of the Frankfurt stock exchange. The bond coupon is 8% p.a. and is paid quarterly.
- In March 2013, Photon Energy Operations is expanding its O&M business in Italy by taking over service contracts (March 2013) for 8 power plants of 1 MWp each in the Abruzzo region. Along with the existing contracts Photon Energy Operations' O&M services portfolio has now grown to more than 73 MWp worldwide.
- On 19 April 2013, the Company announced the process of a share swap to the minority shareholders of Phoenix Energy a.s. (originally Photon Energy a.s. sold out of the Group at the end of 2012). Those minority shareholders are offered to exchange their shares for shares of Photon Energy N.V. in the share one to one. The offer period will last one month as of the announcement on 19 April 2013 and after formalization of this process, Photon Energy N.V. will be listed in NewConnect, a non-regulated financing and trading platform organized by the Warsaw Stock Exchange, as well and its shares will be publicly traded.
- On 7 May 2013, the group obtained confirmation from the private financing company about the prolongation of the due date of the provided loan from 30 June 2013 till 31 December 2013.

Management is not aware of any other significant subsequent events per the date of these financial statements.

Amsterdam, 17 May 2013

The Board of Directors:



Michael Gartner, Director



Georg Hotar, Director

Photon Energy N.V.

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**Consolidated statement of comprehensive income  
for the year ended 31 December**

<i>In thousands of EUR</i>	<i>Note</i>	<b>2012</b>	<b>2011</b>
Revenue	<a href="#">10</a>	16,169	23,186
Cost of sales	<a href="#">11</a>	(8,169)	(12,744)
Energy tax*		(2,213)	(2,198)
<b>Gross profit</b>		<b>5,787</b>	<b>8,244</b>
Other income	<a href="#">12</a>	939	313
Administrative expenses	<a href="#">14</a>	(3,676)	(2,992)
Personnel expenses	<a href="#">14</a>	(3,012)	(2,369)
Other expenses	<a href="#">13</a>	(347)	(1,252)
Depreciation*		(4,703)	(3,669)
Results from operating activities		(5,012)	(1,725)
Finance income	<a href="#">15</a>	656	188
Interest income	<a href="#">15</a>	-	157
Finance costs	<a href="#">15</a>	(497)	(542)
Interest costs	<a href="#">15</a>	(4,706)	(4,361)
<b>Net finance costs</b>		<b>(4,547)</b>	<b>(4,558)</b>
Share of profit equity-accounted investments (net of tax)	<a href="#">24</a>	164	102
Disposal of investment	<a href="#">9</a>	(3,033)	-
<b>Loss before income tax</b>		<b>(12,428)</b>	<b>(6,181)</b>
Income tax expense	<a href="#">16</a>	(206)	(873)
<b>Loss for the year</b>		<b>(12,634)</b>	<b>(7,054)</b>
<b>Other comprehensive income (loss)</b>			
Revaluation of property, plant and equipment	<a href="#">23</a>	9,521	3,706
Share of revaluation of property, plant and equipment of associates/joint ventures	<a href="#">23</a>	637	686
Foreign currency translation difference - foreign operations	<a href="#">23</a>	289	(298)
Effective portion of hedging instruments	<a href="#">23</a>	(599)	-
Share on derivatives (hedging) of associates, joint ventures	<a href="#">23</a>	(195)	-
Share of currency translation difference of associates, joint ventures	<a href="#">23</a>	-	52
<b>Other comprehensive income for the year, net of tax</b>		<b>9,653</b>	<b>4,146</b>
<b>Total comprehensive loss for the year</b>		<b>(2,981)</b>	<b>(2,908)</b>
<b>Loss attributable to:</b>			
Attributable to the owners of the company		(10,799)	(5,303)
Attributable to non controlling interest		(1,835)	(1,751)
<b>Loss for the year</b>		<b>(12,634)</b>	<b>(7,054)</b>
<b>Total comprehensive loss attributable to:</b>			
Attributable to the owners of the company		(3,635)	(2,542)
Attributable to non controlling interest		654	(366)
<b>Total comprehensive loss for the year</b>		<b>(2,981)</b>	<b>(2,908)</b>
<b>Earnings per share</b>			
Earnings per share (basic and diluted) (in EUR)	<a href="#">24</a>	(0.469)	(1.152)

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Consolidated Financial Statements for the year ended 31 December 2012

Total comprehensive income per share (in EUR)	24	(0.158)	(0.552)
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\* Energy tax has been moved below cost of sales and 2011 was adjusted accordingly. Depreciation was taken out of cost of sales and it is presented separately, year 2011 was adjusted accordingly.

*The notes on pages 21 to 90 are an integral part of these financial statements.*

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

**Consolidated statement of financial position**
**as at 31 December**
*In thousands of EUR*

	Note	31 December 2012	31 December 2011
<b>Assets</b>			
Property, plant and equipment	<a href="#">17</a>	93,525	85,231
Investments in equity-accounted investees	<a href="#">9.3</a>	2,426	1,923
Other investments	<a href="#">18</a>	6	41
Long-term receivables	<a href="#">21</a>	-	125
<b>Non-current assets</b>		<b>95,957</b>	<b>87,320</b>
Inventories	<a href="#">20</a>	153	4,361
Trade receivables	<a href="#">21</a>	1,502	3,827
Other receivables	<a href="#">21</a>	5,116	1,836
Other loans	<a href="#">21</a>	4,253	-
Prepaid expenses	<a href="#">21</a>	458	111
Cash and cash equivalents	<a href="#">22</a>	6,953	4,880
Assets classified as held for sale	<a href="#">8</a>	746	-
<b>Current assets</b>		<b>19,181</b>	<b>15,015</b>
<b>Total assets</b>		<b>115,138</b>	<b>102,335</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share capital	<a href="#">23</a>	230	46
Revaluation reserve	<a href="#">23</a>	28,818	17,558
Legal reserve	<a href="#">23</a>	18	9
Hedging reserve	<a href="#">23</a>	(794)	-
Translation reserve	<a href="#">23</a>	323	(134)
Retained earnings	<a href="#">23</a>	(14,241)	(5,384)
<b>Equity attributable to owners of the Company</b>		<b>14,354</b>	<b>12,095</b>
<b>Non-controlling interests</b>	<a href="#">23</a>	<b>124</b>	<b>5,399</b>
<b>Total equity</b>		<b>14,478</b>	<b>17,494</b>
<b>Liabilities</b>			
Loans and borrowings	<a href="#">25</a>	46,426	50,105
Deferred tax liabilities	<a href="#">19</a>	4,742	2,233
Other long-term liabilities	<a href="#">28</a>	24,931	13,647
Long-term liability from income tax	<a href="#">27</a>	-	-
<b>Non-current liabilities</b>		<b>76,099</b>	<b>65,985</b>
Loans and borrowings	<a href="#">25</a>	4,863	2,742
Trade payables	<a href="#">26</a>	6,264	10,215
Other payables	<a href="#">26</a>	5,388	1,617
Other Loans	<a href="#">25</a>	8,000	800
Other short-term liabilities	<a href="#">27</a>	-	2,228
Current tax liabilities	<a href="#">27</a>	44	1,063
Provisions	<a href="#">27</a>	2	191
<b>Current liabilities</b>		<b>24,561</b>	<b>18,856</b>
<b>Total liabilities</b>		<b>100,660</b>	<b>84,841</b>
<b>Total equity and liabilities</b>		<b>115,138</b>	<b>102,335</b>

The notes on pages 21 to 90 are an integral part of these financial statements.

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

**Consolidated statement of changes in equity  
for the year ended 31 December**

in thousands EUR	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Derivatives	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
<b>BALANCE at 1. 1. 2011</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 property, plant, equipment				2,590				2,590	1,116	3,706
Share on revaluation of property, plant, equipment of associates, joint-ventures				492				492	194	686
Foreign currency translation differences					(358)			(358)	60	(298)
Share on currency translation diff. of associates, joint-ventures						37		37	15	52
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,082</b>	<b>(321)</b>		<b>(5,303)</b>	<b>(2,542)</b>	<b>(366)</b>	<b>(2,908)</b>
Deferred tax related to assets 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>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>
<b>BALANCE at 1. 1. 2012</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>
Profit (loss) before 4th December 2012*							(7,128)	(7,128)	(1,835)	(8,963)
Profit (loss) after 4th December 2012*							(3,671)	(3,671)	-	(3,671)
Revaluation of property, plant, equipment				6,820				6,820	2,701	9,521
Share on revaluation of property, plant, equipment of associates, joint-ventures				457				457	180	637
Foreign currency translation differences					457			457	(168)	289
Derivatives						(430)		(430)	(169)	(599)
Share on derivatives joint-ventures						(140)		(140)	(55)	(195)
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,277</b>	<b>457</b>	<b>(570)</b>	<b>(10,799)</b>	<b>(3,635)</b>	<b>654</b>	<b>(2,981)</b>
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	0	(35)	(35)
Non-controlling release*		184		4,868		(224)	1,066	5,894	(5,894)	0
<b>BALANCE at 31. 12. 2012</b>	<b>230</b>	<b>0</b>	<b>18</b>	<b>28,818</b>	<b>323</b>	<b>(794)</b>	<b>(14,241)</b>	<b>14,354</b>	<b>124</b>	<b>14,478</b>

\* Profit is split for period until the period of acquisition of NCI (when part is attributable to NCI) and after this period (when it is owned by Group in full), refer to chapter 9.

The notes on pages 21 to 90 are an integral part of these financial statements.

**Consolidated statement of cash flows for the year ended 31 December**

<i>In thousands of EUR</i>		<b>For the year ended 31 December</b>	
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>			
<b>Profit for the year</b>		(12,634)	(7,054)
Adjustments for:			
Depreciation	<u>17</u>	4,703	3,669
Net finance costs	<u>15</u>	8,236	4,558
Share of profit of equity-accounted investments	<u>24</u>	(164)	(102)
Gain on sale of property, plant and equipment	<u>17</u>	22	-
Income tax expense	<u>16</u>	206	873
Other non-cash items	<u>13</u>	101	794
Changes in:			
Trade and other receivables	<u>21</u>	(466)	6,532
Gross amount due from customers for contract work		-	3,011
Prepaid expenses	<u>21</u>	(347)	(79)
Inventories	<u>20</u>	1,726	7,171
Trade and other payables	<u>26</u>	(180)	(17,221)
Other liabilities	<u>27</u>	(89)	1,706
Interest paid	<u>15</u>	(1,886)	(2,662)
Income tax paid	<u>16</u>	(139)	(1,860)
<b>Net cash from operating activities</b>		<b>(911)</b>	<b>(665)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	<u>9</u>	(2,020)	(19,696)
Acquisition of subsidiaries, associates, JV	<u>9</u>	-	(744)
Acquisition of other investments	<u>9</u>	-	(30)
Proceeds from sale of investments	<u>9</u>	25	-
Sale of investments- cash sold	<u>9</u>	(537)	560
Interest received	<u>15</u>	0	157
<b>Net cash used in investing activities</b>		<b>(2,532)</b>	<b>(19,753)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		-	46
Proceeds from borrowings	<u>25</u>	7,711	40,475
Repayment of borrowings	<u>25</u>	(2,069)	(17,670)
<b>Net cash from (used in) financing activities</b>		<b>5,642</b>	<b>22,851</b>
<b>Net increase /decrease in cash and cash equivalents</b>		<b>2,199</b>	<b>2,433</b>
Cash and cash equivalents at 1 January		4,880	2,447
Effect of exchange rate fluctuations on cash held		(126)	-
Cash and cash equivalents at 31 December		6,953	4,880

The notes on pages 21 to 90 are an integral part of these consolidated financial statements.

Photon Energy N.V. Consolidated Financial Statements for the year ended 31 December 2012  
Notes to the consolidated financial statements

## 1. Reporting entity

Photon Energy N.V. ("Photon Energy" or the "Company") is a joint-stock company incorporated under the laws of Netherlands on 9 December 2010. The statutory seat of the Company is Barbara Strozilaan 201, 1083HN Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group is primarily engaged in the development of photovoltaic power plants. This activity involves securing suitable sites by purchase or long-term lease, obtaining all licenses and permits, the design, installation of photovoltaic equipment, financing, operations and maintenance. Photon Energy pursues a comprehensive strategy of focusing both on green-field and rooftop installations while trying to cover the largest possible part of the value chain and lifecycle of the power plant.

## 2. Basis of preparation

### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU IFRSs") and title 9 of the Netherlands Civil code. It represents the international accounting standards adopted in the form of European Commission Regulations in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements were authorised for issue by the Board of Directors on 17 May 2013.

### Going concern

In 2013, the Company will be facing mainly the following challenges:

- 1 Penetration on new markets and securing the new projects
- 2 The company is dependent on external financing

### External financing

In June 2012, Photon Energy N.V. agreed an amendment to the existing loan contract for the increase of the loan provided to Photon Energy N.V. by a private financing company from the original EUR 6 million to EUR 8 million. The proceeds of the increase of the loan of EUR 2 million were used to repay a loan provided to Photon Energy a.s. by the same party in the amount of EUR 800 thousands. The interest rate remained the same as agreed with the borrower's representatives and the loan was originally due on 31 January 2013.

On 8<sup>th</sup> January 2013, PENV obtained a written confirmation from this private financing company, where the new terms suggested by Management of PENV were accepted.

The newly agreed terms were the following:

- Repayment of EUR 500,000 of the loan principal;
- Repayment of EUR 1,500,000 of the loan principal per 31 March 2013;
- Repayment of the remaining loan principal of EUR 6,000,000 no later than 30 June 2013, with the option to repay earlier per 30 April 2013 or 31 May 2013.

The company signed the respective amendment on 29<sup>th</sup> January 2013.

As of 31 March 2013, the Company repaid EUR 2,000,000 from the outstanding amount, so the outstanding balance as of April 2013 equals to EUR 6,000,000.

Subsequently, Management of the Company has discussed with the representative of the private financing company the

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

**Notes to the consolidated financial statements**

next repayment date of 30 June 2013. Accordingly, a confirmation was obtained on 7 May 2013, which confirms that the due date of loan will be prolonged till 31 December 2013.

Management is confident that it will be able to generate sufficient cash flow to repay this amount of EUR 6 million as per 31 December 2013 or to find alternatives with respect to this obligation. Currently, management is evaluating and preparing multiple financing options.

The outstanding banking financing is paid in regular quarterly repayments. Both Czech and Slovak SPVs are able to repay in accordance with the scheduled repayments from the cash flow generated from the electricity production.

**Actual result and expected cash-flows 2013-2014**

Net result of 2012 is primarily influenced by the significant internal restructuring performed in 2012 and the disposals of subsidiaries as described above.

Significant components of the loss are VAT related interests (approx. EUR 1.5 mio), interest related to external non-banking financing (approx. EUR 1 mio) and the loss related to sale of subsidiaries (together with result of the disposed subsidiaries amounted to approximately EUR 8 mio). All the above mentioned components represent non-recurring items. Additionally, the Group incurred higher administrative costs because of additional costs related to restructuring.

The latest cash-flow forecast for 2013 has been adjusted in line with the actual situation and management estimations of the future development. The following inputs included in the model represent the main drivers of the plan:

**Outputs:**

- 6) Repayment of bank loans and loan from private financing company
- 7) Interest payments
- 8) Operational costs, incl. administrative, personnel, other
- 9) Trade payables
- 10) Investment costs

**Inputs:**

- 5) Electricity production revenues
- 6) O&M revenues
- 7) Trading, Engineering revenues
- 8) Refinancing of Slovak portfolio

Production revenues are based on the actual portfolio results based upon the previous 2 periods. Additionally, they include also forecasted revenues from newly built powerplants (expected development of 16 MW in 2013 and 40 MW in 2014). These are expected to be developed and maintained in the own portfolio. O&M revenues are forecasted based on the assumptions of a significant increase of the current portfolio, mainly in the Western European markets (e.g. Italy and Germany) in approximately several tens of MW of new powerplants under management. Photon Energy Operations is expanding its O&M business in Italy by taking over service contracts (March 2013) for 8 power plants of 1 MWp each in the Abruzzo region. Along with the existing contracts, Photon Energy Operations' O&M services portfolio has now grown to more than 73 MWp worldwide.

Trading and engineering revenues assume the acquisition of new projects to be developed either internally or externally. Main markets are Australia, Turkey, Japan, USA (refer to Strategy section). Engineering revenues are based on the assumption of development of 9,5 MW built in 2013 and 21 MW in 2014.

Based upon the above and in accordance with the strategy of the Company, management forecasts positive operational cash flows for 2013.

**Status of bond issuance**

The bond issuance process of the subsidiary Photon Energy Investments N.V. was completed with the raised amount below the original management estimations and has led to a reassessment of the investment strategy for the following months.

Photon Energy N.V. Consolidated Financial Statements for the year ended 31 December 2012  
**Notes to the consolidated financial statements**

The proceeds from bond are intended to be used for further investment in the new projects.

However, the bond is open for trading on the market and therefore additional proceedings could be expected during the whole period (1 year from listing).

#### **Current development of the projects**

As of April 2013, the Company has connected two projects in Australia- Fyshwick and Symonston. The capacity of Symonston project is 144 kWp and capacity of Fyshwick project is 140 kWp.

Project Symonston is going to be sold to a third party within the year 2013. Project Fyshwick was sold in April 2013, the payment will be received in three parts, the first part (85%) was received on 16 April 2013 (EUR 360 thousands). Another 10% will be received after the achievement of the planned production and 5% is retention to be received in 12 months after connection. The contribution of these sales to the free cash flow amounts to EUR approximately 123 thousands in 2013.

Photon Energy Australia also continues in new tender processes for building power plants with a total installed capacity of 20MW, the final decision of the respective authorities is expected to be taken within 2<sup>nd</sup> quarter of 2013.

In addition to the above mentioned, an analysis of the Turkish, Japanese and other markets is currently performed with the goal to identify the best investment opportunities, enabling further development of the Group.

#### **Czech tax levy**

The current Czech tax levy equals to 26% of revenues from the sale of electricity in power plants located in the Czech Republic and is, based on the current legislation, applicable for 2011-2013.

At this moment, Management of the Group does not have any trustworthy or confirmed information about the future decision of Czech Government on the prolongation of the Czech tax levy. Any formal binding decision has not been taken so far.

For our analysis of the potential impact of prolongation of the tax levy, refer to the sensitivity analysis in chapter 28.5.

#### **Management statement**

In preparing these accounts on a going concern basis, management used their best estimates to forecast cash movements over the next 12 months from the date of these accounts. However, as per today, management is of the opinion that a material uncertainty exists with respect to going concern. Based on the cash-flow projections prepared for years 2013-2014 (as described in detail above) and our expectation that a solution will be found to replace the external financing, management believes that it remains appropriate to prepare the financial statements on a going concern basis. However, these projections are based on assumptions including values and timing of expected liabilities settlement, generating alternative financing with respect to the financing provided by the private financing company and possible Czech tax law changes and therefore is subject to the material uncertainties aforementioned.

#### **2.2 Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Property, plant and equipment - photovoltaic power plants are measured at revalued amounts (for revaluation details refer to the note [23](#))
- Investments in equity instruments are measured at fair value (for revaluation details refer to the [9.3](#))

#### **2.3 Functional currency**

These financial statements are presented in EUR.

Photon Energy N.V. Consolidated Financial Statements for the year ended 31 December 2012  
Notes to the consolidated financial statements

The functional currencies used in the Group are CZK for Czech subsidiaries; EUR for Dutch, Italian, German and Slovak companies and AUD for Australian subsidiaries. All financial information presented in EUR has been rounded to the nearest thousand.

#### 2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with EU IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5.1 – key assumptions used in discounted cash flow projections related to the valuation of the photovoltaic power plants
- Include Investments in equity instruments as well
- Note 28.2 – professional judgment and internal knowledge of customer related to the creation of the allowance for bad and doubtful debts

## Notes to the consolidated financial statements

**3. Application of new and revised EU IFRSs**
**3.1 New and revised EU IFRSs affecting amounts reported in the current year (and/or prior years)**

The following new and revised EU IFRSs have been applied in the current period and have affected the amounts reported in the financial statements.

*IAS 1 Presentation of financial statements*

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income' – rather than requiring a single continuous statement as was proposed in the exposure draft
- Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently, i.e. those that might be reclassified and those that will not be reclassified
- Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

*IAS 24 Related parties' disclosures*

Revised standard is binding since 1 January 2011. It adjusted the definition of the related party, when the associates are considered as related party in relation to the parent company and also to its subsidiary. Two associates of the one parent company are not considered to be related parties. Clarifies the definition of related party. Include an explicit requirement to disclose commitments involving related parties.

*IFRS 7 Financial instrument: disclosure*

Revised standard aimed to simplify and improve the information presented by the accounting unit, including decrease the volume of data about the collaterals and adjust the qualitative information to provide better basis for the quantitative information.

**3.2 New and revised IFRSs in issue but not yet effective**

The Group has not applied the following new and revised EU IFRSs that have been issued but are not yet effective (dates in brackets shows effective date):

- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities (01/01/14);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (01/01/13);
- Amendments to IFRS 7 - Disclosures—Offsetting Financial Assets and Financial Liabilities (01/01/2013);
- IAS 28 Investments in Associates and Joint Ventures (amended 2011) (01/01/2013);
- IFRS 10; IFRS 11; IFRS 12; IFRS 13 (01/01/2013);

The Group does not plan to adopt these standards early and the extent of the impact has not been determined as management believes it will not have a significant impact.

## Notes to the consolidated financial statements

#### 4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

##### 4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

##### 4.1.1 Business combinations

Acquisition of businesses is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognized in profit or loss as incurred.

Also refer to note 4.7.2 for the explanation of accounting for goodwill.

Transactions under common control are defined those operations arising from transfer of interests among the Company and all other entities that are under the control of the shareholder(s). The assets and liabilities acquired through a contribution in kind from the shareholder, are considered as an under common control transaction and therefore their values in the Company financial statements have been performed in continuity to their values included in the last Parent Company Photon Energy a.s. consolidated financial statements. Consequently, the differences needed to align the value of the subsidiary, as recorded in the Company financial statements, to the value as recorded in the last Parent Company consolidated financial statements, have been recognized as differences in the retained earnings. Further reference is made to note [1](#) and note [23](#).

##### 4.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group accounting policies.

##### 4.1.3 Special purpose entities

The Group includes special purpose entities (SPEs). The Group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks

**Notes to the consolidated financial statements**

incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

SPEs currently include entities owned by Raiffeisen – Leasing Real Estate, s.r.o. ("RLRE"). All these SPEs are financed by RLRE.

Based on new contractual agreements, Company has right to apply call option for purchase of 100% share in the RLRE SPVs in case of full repayment of external loans, security loans, and all the other financial liabilities of PEI NV (Photon Energy Investments NV), RLRE SPEs and parent company PENV towards RLRE and Financing bank, plus payment of future purchase price for the transfer of share in the SPEs.

See the list of SPEs in note [30](#).

**4.1.4 Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

**4.1.5 Investments in associates and jointly controlled entities (equity-accounted investees)**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds 20 percent or more of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

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.

**4.1.6 Transactions eliminated on consolidation**

Regarding subsidiaries all intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Regarding equity-accounted investees (see note [4.1.5](#)) part of a margin on sales to these entities is eliminated. This part is calculated as a percentage of margins equal to the percentage of entity's shares owned by the Group.

## Notes to the consolidated financial statements

**4. Significant accounting policies (continued)****4.2 Foreign currency****4.2.1 Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments.

**4.2.2 Foreign operations**

The assets and liabilities of foreign operations (those in Czech Republic and Australia as of 31 December 2012) are translated into Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at exchange rates at the dates of the transactions.

**4.2.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**4.3 Financial instruments**

Financial instruments are only used to mitigate risks and are not used for trading purposes.

**4.3.1 Non-derivative financial assets**

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

**Notes to the consolidated financial statements**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances on bank accounts and cash on hand and call deposits with original maturities of three months or less.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise other shares, where the Group holds less than 20% of the voting power and the Group has no control, joint control or significant influence over the investee.

**4.3.2 Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

**4.3.3 Share capital***Ordinary shares*

Ordinary shares are classified as equity. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

**Notes to the consolidated financial statements****4.3.4. Derivative financial instruments**

The Slovak SPVs own interest rate derivatives used for hedging. The purpose of the derivatives is to hedge against movement of interest rates. Concluding the derivative contract was one of conditions required by the financing bank as defined in the Loan contract. The change in value of these derivatives is recognized via equity of the Company and the result is shown in the Derivatives reserve of the Company's equity since 1 January 2012. Until then, they were recognised via profit and loss. The Company does not use any other derivatives except for those described above. The required documentation has been prepared and derivatives were successfully tested for effectiveness.

**4.4 Property, plant and equipment****4.4.1 Recognition and measurement**

Photovoltaic power plants are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed at sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. The need for revaluations is assessed every quarter.

For fair value determination see note [5.1](#).

Any revaluation surplus arising on the revaluation of such photovoltaic power plant is recognized in other comprehensive income and accumulated in equity, except to the extent that the surplus reverses a revaluation deficit on the same asset previously recognized in profit or loss. Any deficit on revaluation of such photovoltaic power plants is recognized in profit or loss except to the extent that it reserves a previous revaluation surplus on the same asset, in which case the debit to that extent is recognized in other comprehensive income.

Photovoltaic power plants, which the Company consolidates, in the course of construction are carried at cost, less any recognized impairment loss. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalized borrowing costs. Such properties are reported as Property, plant, equipment - Assets in progress and are classified to Property, plant and equipment - Photovoltaic power plants when completed and ready for use. These assets are completed and ready for use when the power plant is connected to the electricity network and all technical parameters necessary for electricity production are completed. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Additional costs capitalized in the value of the asset are included in the regular review of power plants value as done on quarterly basis.

Included in the property plant and equipment are non separable intangible assets mainly relating to the rights to build and operate photovoltaic power plants in a specific country. Because the items are non separable, the rights are included in property, plant and equipment.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The gain or loss on disposal of an item of fixtures and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

**4.4.2 Depreciation**

Depreciation is recognized so as to write off the costs or revalued amount of property, plant and equipment (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period,

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with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation of revalued photovoltaic power plants is recognized in profit or loss. Every quarter the amount equal to the difference between depreciation based on the revalued carrying amount of photovoltaic power plants and depreciation based on asset's original cost is transferred directly to retained earnings. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows (based on the professional judgement combining the Feed in Tariff period and useful estimated live of the components and technology used in the power plants):

- |                             |              |
|-----------------------------|--------------|
| ▪ Photovoltaic power plants | 20 years     |
| ▪ Fixtures and equipments   | 3 – 10 years |

#### 4.5 Inventories

Inventories are measured at the lower of cost and net realisable value. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## Notes to the consolidated financial statements

**4. Significant accounting policies (continued)****4.6 Impairment****4.6.1 Non-derivative financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

*Loans and receivables*

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Available-for-sale financial assets*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

## Notes to the consolidated financial statements

**4. Significant accounting policies (continued)****4.6 Impairment (continued)****4.6.2 Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

A CGU corresponds to the individual power plant operated by the legal entity. In 2012, the legal entity owns always only one power plant.

The recoverable amount of an asset or CGU is the greater of its value in use and its selling price less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**4.7 Non-current assets held for sale or distribution**

Non-current assets held for sale or distribution comprises assets and liabilities, which are expected to be recovered primarily through sale or distribution rather than through continuing use. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter, generally, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's accounting policies.

**Notes to the consolidated financial statements****4. Significant accounting policies (continued)****4.7 Non-current assets held for sale or distribution (continued)**

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**4.8 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. Provisions 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.

**4.8.1 Warranties**

A provision for warranties is recognised when the underlying services are sold, i.e. when the construction contracts are finished. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

**Notes to the consolidated financial statements****4. Significant accounting policies (continued)****4.9 Revenue****4.9.1 Goods sold**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement (e.g. Incoterms conditions).

**4.9.2 Services**

Revenue from services (e.g. maintenance, technical-administrative; installation) rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

**4.9.3 Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

**4.9.4 Sale of electricity**

Revenues from sale of electricity are coming from the sale of electricity produced and sold to the local electricity distributor. After the end of each month, the production reports are downloaded from the monitoring system and based on the data from the report, the invoices are issued. The revenues are recognized in accordance with the delivered electricity.

## Notes to the consolidated financial statements

**4. Significant accounting policies (continued)****4.10 Finance income and finance costs**

Finance income comprises interest income on loans and net foreign currency gains. Interest income is recognised in profit or loss using the effective interest rate method.

Finance costs comprise interest expense on borrowings, bank account fees and net foreign currency losses. Interest expense is recognised using the effective interest rate method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss. Borrowing costs incurred by the Group directly attributable to the construction of power plants is capitalized in the cost of the related asset until the date of its completion.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

**4.11 Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax liability is recognised for assets revaluation reported in other comprehensive income and other temporary differences. Assets revaluation represents the revaluation of photovoltaic power plants described in note [4.4.1](#).

**Notes to the consolidated financial statements****4. Significant accounting policies (continued)****4.11 Income tax (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**4.12 Earnings per share**

The Group uses ordinary shares only. The Group presents basic earnings per share and total comprehensive income per share data.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Total comprehensive income per share is calculated by dividing the total comprehensive income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**4.13 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.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and other minor expenses non-allocable to the any of the segments.

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

**Notes to the consolidated financial statements**
**5. Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**5.1 Property, plant and equipment**

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach, using quoted market prices for similar items when available, or the income approach (an internally generated discounted cash-flow model) if there is no market based evidence of the fair value. Otherwise, the depreciated replacement cost approach will be used, when appropriate. The depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

- For photovoltaic power plants market prices are not available. Therefore, the income approach is used. Under this approach the fair value of photovoltaic power plants is based on an internally generated discounted cash flow model, discounted at weighted average cost of capital. Cash flows are calculated for the period equal to the duration of the Feed-in-Tariff (period with guaranteed sales prices) in a given country and based on the expected after tax cost of debt and expected cost of equity. On a quarterly basis, management reviews the expected debt costs of individual projects vis-a-vis actual interest cost, financial market conditions, and interest rate for a 15-year state bond. On a quarterly basis, management also reviews expected cost of equity for the period of the cash flow model.

The initial valuations were done as of the date of put in use of an individual power plant, and each model is periodically reviewed and any potential change in inputs is considered.

The cash flow projections are prepared for 20 years in Czech Republic and 15 years in Slovak Republic, equal to the duration of the projects.

- The valuation for Czech SPVs (represented by option rights) was approximated by the current Project Value. Moreover the valuation is based on Unlevered Free Cash Flow to Firm (FCFF) basis of the SPVs. The FCFF calculation used in the valuation is consistent with the overall known definition and approaches.

FCFF was calculated on the basis what cash flow is available to the company's suppliers of capital, after deduction of all operating expenses, taxes and necessary investments in working capital and fixed assets (in our case the best estimate of the replacement of broken inverters). In our models FCFF was calculated based on EBITDA minus Tax minus Other Cash Flow Items mainly the replacement reserve for Inverters. The FCFF was adjusted for tax effects, due to the fact that the tax effect is taken into account in the WACC formula.

The adjusted FCFF is discounted by a discount rate which is based on the Weighted Average Cost of Capital (WACC) of 7%, which is post-tax.

The DCF models in Czech Republic already include the tax levy of 26% for the period of 2011-2013, so the impact of this tax is included in the revaluation of the Czech portfolio. The tax levy is legally valid in the period of 2011 – 2013. The management has no formal news that the tax levy will be prolonged to the following periods. However if this happens, it will significantly impact the current valuations. Refer to note 28.5 for the sensitivity of the used assumptions in relation to the tax levy.

- The valuation of the Slovak SPVs is based on the Unlevered Free Cash Flow to Firm (FCFF) basis of the SPVs. The discount rate is based on the Capital Asset Pricing Model ("CAPM"). The CAPM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that

**Notes to the consolidated financial statements**

asset's non-diversifiable risk.

Due to the lack of data for the determination of the Beta, the discount rate was determined as the sum of risk premium surcharges: The risk free rate is based on an average of 15 YR Slovak Government Bonds issued in 2004 and 2010; the market risk premium represents the specific market risks. Due to the retroactive changes in the Czech Republic, a political risk premium has been included in the WACC. As the valuation is based on the discounted FCFF, the discount rate used is based on the Weighted Average Cost of Capital (WACC). The total discount rate is 5%. There is no tax levy applicable in the Slovak republic.

The valuation of Italian powerplants is based on the support scheme of Italy and has various specifics, mainly in number of components of feed-in-tariff, i.e. FIT (quattro Conto Energia) that reflects also removal of asbestos from roof and Sales of electricity to the electricity grid. Duration of support scheme in Italy is 20 years. The main three taxes applicable for income of Italian company are IRES, IRAP, ICI (the principle adds up national and local tax). The tax base for particular taxes is different. The remaining valuation principles remained the same compared with Slovak model. Free Cash Flow to Firm is equal to EBITDA\* - Tax. Since no debt financing is in place, the Free Cash Flow to Equity is equal to Free Cash Flow to Firm. This value was therefore discounted by the WACC, in order to achieve the total value of the project based on Entity approach valuation.

Any changes in the above described used assumptions could have a significant impact on the recognized fair values.

The revaluation reserve created, based on the DCF models, is annually released to the retained earnings in the amount equal to the depreciation calculated from the amount of revaluation.

\*EBITDA is not a measure used in EU IFRS. EBITDA relates to earnings before interest, taxes, depreciation and amortization

**5.2 Inventories**

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

**5.3 Trade and other receivables**

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

**5.4 Non-derivative financial liabilities**

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value (estimated at the present value of the future cash outflows discounted by effective interest rate) plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. For finance leases the market rate of interest is determined by reference to similar lease agreements.

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**6. Financial risk management**

**6.1 Risk management framework**

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**6.2 Operational risk**

The economic viability of energy production using photovoltaic power plants installations depends on Feed-in-Tariff (FIT) systems. The FIT system can be negatively affected by a number of factors including, but not limited to, a reduction or elimination in the FIT or green bonus per KWh produced, an elimination or reduction of the indexation of the FIT and a shortening of the period for which the FIT applies to photovoltaic installations. On the investment side the Company faces uncertainty in relation to the approval process for the construction of photovoltaic installations, grid connection and the investment cost per KWh of installed capacity. The operating and financial results of the Company can be seriously affected by a sudden or significant change in the regulatory environment in each of the countries where the Company or its subsidiaries conduct business.

During the fourth quarter of 2010, the Czech parliament and the Czech government approved several changes in the legal framework governing certain aspects of the photovoltaic and other industries. Those changes included mainly: (i) a 3 years tax levy, newly introduced into the Czech tax system, of 26% on the revenues of photovoltaic power plants above 30kW of installed capacity, completed in the years 2009 and 2010, (ii) the abolishment of a six-year corporate income tax exemption for photovoltaic power plants, and (iii) a tenfold increase of the contractual fees previously agreed between the photovoltaic power plant operators and the state Land Fund for the extraction of certain classes of land from the state fund.

There is a certain risk that the validity of these measures could be extended and/or new measures could be introduced such that they would affect already completed photovoltaic investments. In such cases the value of the proprietary portfolio of photovoltaic power plants in the Czech Republic could be seriously negatively affected, refer to sensitivity analysis in chapter 28.5.

Risk of legislative changes in Slovak Republic and Italy is at this moment considered as remote, however, it cannot be fully excluded.

Changes in risk can have a significant impact on the assumptions used in the determination of fair value of property plant and equipment and related cash flows.

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## 6. Financial risk management (continued)

### 6.3 Currency risk

The Group is exposed to a currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

The transactions of the Group entities are denominated in CZK, EUR and AUD. Although mainly the CZK/EUR exchange rate experienced wide fluctuations in 2012, the Group is, typically, able to collect prepayments from its customers at the time of committing itself to purchases from third parties and thus to a large extent to mitigate currency risk. There is no financial hedging used by the company against the currency risk. Company's management does not formally monitor the FX positions.

### 6.4 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, including the electricity distributors.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. In most cases, the Company requires advance payments (partial or 100%) for the delivery of electricity in order to minimise the credit risk. Additionally, in case of new customers, the company looks for market references of the potential customers that are available in public resources. The collections are regularly monitored by the responsible employees and any significant overdue receivables are discussed with the management of the company. Management of the company is responsible for the decision whether allowance is to be created or any other steps need to be performed.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets based on the previous periods of the company's existence.

#### Cash and cash equivalents

The Group held cash and cash equivalents of EUR 6,953 thousands at 31 December 2012 (2011: EUR 4,880 thousands), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks and financial institution counterparties. Only those banks and financial institutions, which were approved by the members of the board of directors can be used by the company.

Cash held by the SPVs under legal ownership of the RLRE is restricted only for certain transactions, e.g. loan and related interest provided to those SPVs by Photon Energy Investments N.V. (originally by Photon Energy, a.s.) is subordinated to the loan from RLRE and will be paid only after the repayment of the RLRE loan. Total amount of the cash owned by these SPVs is EUR 2,246 thousands at 31 December 2012 (2011: EUR 1,599 thousands).

## Notes to the consolidated financial statements

**6. Financial risk management (continued)**
**6.5 Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For description of liquidity risk, refer also to Going concern chapter.

**6.6 Interest risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is measured by the extent to which changes in market interest rates impact on net interest expense. The Company uses interest rate derivatives for managing the interest rate risk.

Slovak SPVs, consolidated in full or by using the equity method by the Group, own interest rate derivatives used for hedging. The purpose of the derivatives is to hedge against movement of interest rates. Concluding the derivative contract was one of conditions required by financing bank as defined in the Loan contract.

The change in fair value of these derivatives is recognized via equity of the Company and the result is shown in Derivatives reserve of the Company's equity since 1.1.2012. Until then, the change in fair value of the derivatives was recorded to profit and loss.

**Capital management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy will unwind accordingly to the further negotiation with Group's creditors.

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Total liabilities	100,660	84,841
Less: cash and cash equivalents	6,953	4,880
<b>Net debt</b>	<b>93,707</b>	<b>79,961</b>
Total equity	14,478	17,494
<b>Net debt to adjusted equity ratio at 31 December</b>	<b>6.47</b>	<b>4.57</b>

There were no changes in the Group's approach to capital management during the year. A higher net debt to adjusted equity ratio shows higher indebtedness of the Group, and could potentially lead to more difficult access to potential further financing in the future.

## Notes to the consolidated financial statements

**7. Operating segments**

The Group has five reportable segments, as described below, which are the four Group's strategic divisions, plus segment Corporate services. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Wholesale and import of PV components components.* Includes purchasing and sale of PV system components, sales and distribution and support.
- *Engineering and construction services* (turn-key photovoltaic systems' installations for external clients and Photon Energy). Includes project engineering and turnkey construction of PV plants, from the project preparation, deliveries of constructions and components, actual building and put it use of power plants.
- *Production of electricity.* Includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity.
- *Operations, maintenance and supervision of PV power plants.* Includes operations, maintenance, supervision and servicing of PV plants both of 3<sup>rd</sup> parties and of internally owned.
- *PV Investment* - This segment represents joint venture companies. It includes only balance of joint venture investments in balance sheet and OCI and derivate incomes or costs relating to joint venture companies in profit and loss statement.
- *Corporate operations* - It includes the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects, accounting and law fees, restructuring costs and other operating activities.

There are varying levels of integration between all the reportable segments. Wholesale and trading of PV components segment sells technology to Engineering and construction services segment. Engineering and construction services segment builds power plants, which subsequently produces electricity and sell it to customers. Operations and maintenance of PV power plants provides services around the time of the completion and after the completion of the PV power plant.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Photon Energy N.V.

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**7. Operating segments (continued)**
**Information about reportable segments Operating segments for the period from 1 January 2012 to 31 December 2012**

in Thousands eur	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Corporate operations	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	956	403	11 541	2 990	0	279	16 169	0	16 169
Revenues within segments from the sale of products, goods and services	288	2 755	26	634	0	2 550	6 253	-6 253	0
Cost of sale	-2 059	-3 835	-1 619	-2 905	0	-4 085	-14 503	6 334	-8 169
Energy tax	0	0	-2 213	0	0	0	-2 213	0	-2 213
<b>Gross profit</b>	<b>-815</b>	<b>-677</b>	<b>7 735</b>	<b>719</b>	<b>0</b>	<b>-1 256</b>	<b>5 706</b>	<b>81</b>	<b>5 787</b>
Other external income	90	652	207	31	0	596	1 576	19	1 595
Administrative and other expenses	-850	-254	-213	-593	0	-5 106	-7 016	-19	-7 035
Depreciation	0	-13	-4 565	-44	0	-81	-4 703	0	-4 703
<b>Operating income</b>	<b>-1 575</b>	<b>-292</b>	<b>3 164</b>	<b>113</b>	<b>0</b>	<b>-5 847</b>	<b>-4 437</b>	<b>81</b>	<b>-4 356</b>
Interest income	64	589	306	5	0	1 560	2 524	-2 524	0
Interest expenses	-1 195	-210	-2 609	-7	0	-3 209	-7 230	2 524	-4 706
Other financial revenues	0	0	0	0	0	0	0	0	0
Other financial expenses	-3	-5	-211	-4	0	-274	-497	0	-497
Disposal of investments	0	0	0	0	0	-3 033	-3 033	0	-3 033
Profit/loss share in entities in equivalency	0	0	0	0	164	0	164	0	164
Income tax	10	-55	-594	-3	0	-6	-648	0	-648
<b>Profit/loss after taxation</b>	<b>-2 699</b>	<b>27</b>	<b>56</b>	<b>104</b>	<b>164</b>	<b>-10 809</b>	<b>-13 157</b>	<b>81</b>	<b>-13 076</b>
Other comprehensive income	0	0	9 521	0	637	0	10 158	0	10 158
Foreign currency translation diff. - foreign operations	0	0	0	0	0	289	289	0	289
Derivatives (hedging)	0	0	-599	0	-195	0	-794	0	-794
<b>Total comprehensive income</b>	<b>-2 699</b>	<b>27</b>	<b>8 978</b>	<b>104</b>	<b>606</b>	<b>-10 520</b>	<b>-3 504</b>	<b>81</b>	<b>-3 423</b>
<b>Assets, of which</b>	<b>275</b>	<b>3 548</b>	<b>103 556</b>	<b>1 646</b>	<b>2 426</b>	<b>15 374</b>	<b>126 825</b>	<b>-11 687</b>	<b>115 138</b>
PPE – Lands	0	0	3 047	0	0	0	3 047	0	3 047
PPE – Photovoltaic power plants	0	0	90 121	0	0	0	90 121	0	90 121
PPE - Equipment	0	5	0	75	0	23	103	0	103
PPE – Assets in progress	0	254	0	0	0	0	254	0	254
Intangibles	0	0	0	0	0	0	0	0	0
Trade and other receivables	122	2 104	4 549	1 107	0	10 399	18 281	-11 663	6 618
Loans	0	0	0	0	0	4 253	4 253	0	4 253

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Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	153	0	0	0	0	0	153	0	153
Investments in associates, JV, other	0	0	0	0	2 426	6	2 432	0	2 432
Deferred tax receivables	0	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	1	29	115	0	337	482	-24	458
Assets held for sale	0	746	0	0	0	0	746	0	746
Cash and cash equivalents	0	438	5 810	349	0	356	6 953	0	6 953
<b>Liabilities, of which</b>	<b>99</b>	<b>3 180</b>	<b>66 231</b>	<b>2 142</b>	<b>0</b>	<b>40 776</b>	<b>112 428</b>	<b>-11 768</b>	<b>100 660</b>
Trade and other payables	99	3 180	9 690	2 136	0	7 834	22 939	-11 287	11 652
Bank Loans and other loans	0	0	51 289	0	0	8 000	59 289	0	59 289
Other long term liabilities	0	0	473	0	0	24 939	25 412	-481	24 931
Other short term liabilities	0	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	37	4	0	3	44	0	44
Provisions	0	0	0	2	0	0	2	0	2
Deferred tax liabilities	0	0	4 742	0	0	0	4 742	0	4 742

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**Operating segments for the period from 1 January 2011 to 31 December 2011**

in thousands of EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Investments	Corporate operations	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	9,277	3,671	9,765	280	0	193	23,186	0	23,186
Revenues within segments from the sale of products, goods and services	6,306	3,114	0	590	0	7,316	17,326	(17,326)	0
Cost of sale	(14,629)	(7,021)	(4,594)	(448)	0	(3,793)	(30,485)	14,072	(16,413)
Out of that depreciation	0	0	3,585	0	0	0	3,585	0	3,585
<b>Gross profit</b>	<b>954</b>	<b>(236)</b>	<b>5,171</b>	<b>422</b>	<b>0</b>	<b>3,716</b>	<b>10,027</b>	<b>(3,254)</b>	<b>6,773</b>
Other external income	25	253	8	1	0	113	400	(87)	313
Administrative and other expenses	(1,115)	(413)	(2,370)	(334)	0	(4,666)	(8,898)	87	(8,811)
Out of that depreciation	19	11	6	23	0	27	86	0	86
Out of that energy tax	0	0	2,198	0	0	0	2,198	0	2,198
<b>Operating income</b>	<b>(136)</b>	<b>(396)</b>	<b>2,809</b>	<b>89</b>	<b>0</b>	<b>(837)</b>	<b>1,529</b>	<b>(3,254)</b>	<b>(1,725)</b>
Interest income	202	994	5	0	0	1,524	2,725	(2,568)	157
Interest expenses	(1,324)	(144)	(4,301)	(1)	0	(1,159)	(6,929)	2,568	(4,361)
Other financial revenues	95	0	75	6	0	12	188	0	188
Other financial expenses	(12)	(463)	0	(1)	0	(66)	(542)	0	(542)
Profit/loss share in entities in equivalency	0	0	0	0	102	0	102	0	102
Income tax	(273)	5	(459)	0	0	(146)	(873)	0	(873)
<b>Profit/loss after taxation</b>	<b>(1,448)</b>	<b>(4)</b>	<b>(1,871)</b>	<b>93</b>	<b>102</b>	<b>(672)</b>	<b>(3,800)</b>	<b>(3,254)</b>	<b>(7,054)</b>
Other comprehensive income	0	0	3,706	0	686	0	4,392	0	4,392
Foreign currency translation diff. - foreign operations	0	(24)	93	(7)	52	(199)	(85)	(161)	(246)
<b>Total comprehensive income</b>	<b>(1,448)</b>	<b>(28)</b>	<b>1,928</b>	<b>86</b>	<b>840</b>	<b>(871)</b>	<b>507</b>	<b>(3,415)</b>	<b>(2,908)</b>
<b>Assets, of which</b>	<b>35,256</b>	<b>35,246</b>	<b>93,701</b>	<b>530</b>	<b>2,940</b>	<b>34,560</b>	<b>201,933</b>	<b>(99,748)</b>	<b>102,335</b>
PPE – Lands	0	0	2,757	0	0	15	2,772	0	2,772
PPE – Photovoltaic power plants	0	0	78,603	0	0	0	78,603	(1,888)	76,715
PPE – Equipment	38	34	2	78	0	94	246	0	246
PPE – Assets in progress	0	0	5,593	0	0	0	5,593	(112)	5,481
Intangibles	0	0	0	0	0	17	17	0	17
Trade and other receivables	27,299	5,699	2,489	425	0	9,213	45,125	(39,462)	5,663
Intragroup loans	4,028	29,351	0	0	0	23,813	57,192	(57,192)	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	3,872	0	0	0	0	716	4,288	(77)	4,361
Investments in associates, JV, other	0	0	0	0	2,940	41	2,981	(1,017)	1,964

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Long term receivables	0	0	100	0	0	25	<b>125</b>	0	125
Prepaid expenses	0	3	92	2	0	14	<b>111</b>	0	111
Assets held for sale	0	0	0	0	0	0	<b>0</b>	0	0
Cash and cash equivalents	19	159	4,065	25	0	612	<b>4,880</b>	0	4,880
<b>Liabilities, of which</b>	<b>32,560</b>	<b>38,464</b>	<b>71,244</b>	<b>653</b>	<b>0</b>	<b>38,574</b>	<b>181,495</b>	<b>(96,654)</b>	<b>84,841</b>
Trade and other payables	10,406	30,647	1,152	397	0	8,692	51,294	(39,462)	11,832
Intragroup loans	5,971	9,893	18,472	254	0	22,602	57,192	(57,192)	0
Bank Loans	0	0	46,603	0	0	7,044	53,647	0	53,647
Other long term liabilities	13,623	23	0	1	0	0	13,647	0	13,647
Provisions	0	0	191	0	0	0	191	0	191
Other short term liabilities	2,228	0	0	0	0	0	2,228	0	2,228
Current tax liabilities (income tax)	438	76	312	1	0	236	1,063	0	1,063
Deferred tax liabilities	(106)	(2,175)	4,514	0	0	0	2,233	0	2,233

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**Notes to the consolidated financial statements**
**7. Operating segments (continued)**

All the operational segments are managed on an international basis (not on a country level). In 2012 the Group operated in the Czech Republic, Slovak Republic, Italy, Germany, Australian and Netherlands with headquarters in Netherlands.

In 2012, the revenues were generated in all above mentioned markets. Non-current assets are located in all countries, where Group operated, except of The Netherlands. However, Dutch subsidiaries own some of the SPVs, so they are operating the power plant, even these are not physically located in the Netherlands. There is an inactive branch in Poland as well that does not generate any revenue and has no non-current assets.

For the booking of transactions between the segments, the same rules for the recognition are applied as for the third parties.

Results of the Wholesale and Engineering segments were influenced by a significant decline of business during 2012, when the Group has concentrated mostly on its restructuring. However, for the next years, expansion to new markets is planned (refer to Strategy section in Directors' report), so turnover of both segments should increase adequately.

The result of the Corporate Operations segment has been primarily influenced by the restructuring performed by the Group during 2012. For the next period, a decrease of overheads is planned.

When presenting geographical information below, segment revenue is based on the geographical location of entities generating the revenues. Segment assets are based on the geographical location of the assets.

**Revenue**
*In thousands of EUR*

	<b>2012</b>	<b>2011</b>
The Czech Republic	11,451	15,861
Australia	-	-
Italy	278	-
Germany	1,196	-
Netherlands	16	-
The Slovak Republic	3,228	7,325
<b>Consolidated revenues</b>	<b>16,169</b>	<b>23,186</b>

**Non-current assets <sup>(1)</sup>**
*In thousands of EUR*

	<b>2012</b>	<b>2011</b>
The Czech Republic	67,170	60,731
The Slovak Republic	21,511	20,512
Italy	4,266	3,323
Germany	324	2,237
Australia	254	517
	<b>93,525</b>	<b>87,320</b>

*Note: (1) Non-current assets presented consist mainly of property, plant and equipment (lands, photovoltaic power plants, other equipment, and assets under construction), investments in equity-accounted investees and other investments.*

**Major customer**

The Group has many customers. For the companies selling electricity, there is usually only one distribution company, which buys produced electricity. These local electricity distributors further deliver and resell electricity to final customers. Distributors are obliged to purchase all of the electricity production for the price based on Feed in Tariff prices and can be also exchanged for different distributor operating on the market. The Group as such is not dependent on any individual customer.

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**8. Current assets held for sale**
**Assets classified as held for sale**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Shares in AUS SPV 1 (project Symonston)	364	-
Shares in AUD SPV 2 (project Fyshwick)	382	-
	<b>746</b>	<b>-</b>

Both projects have been classified as held for sale as the management is committed to sell it, assets are available for immediate sale, and the sale is highly probable within the next 12 months

Assets held for sale were booked in an expected selling price. As this is slightly lower (EUR 83 thousands) as the total expenses incurred, impairment loss has been booked in the financial statements as of the year-end.

Project Fyshwick was sold in April 2013, refer to Subsequent event note.

Both projects are presented in Engineering segment as at 31 December 2012. Capacity of Fyshwick project is 140 kWp and capacity of Symonston project is 144 kWp, both are rooftop projects.

**9. Acquisitions of subsidiary and non-controlling interests; financial information for the joint ventures and associates**
**9.1 Establishment of new subsidiaries**

During 2012 Photon Energy a.s. incorporated several new subsidiaries:

- Photon Energy AUS SPV 1 Pty Ltd (Australia)
- Photon Energy AUS SPV 2 Pty Ltd (Australia)
- Photon Energy AUS SPV 3 Pty Ltd (Australia)
- Photon Energy Engineering Australia Pty Ltd (Australia)
- Photon Energy Operations Australia Pty Ltd (Australia)
- Photon Directors B.V. (Netherlands)
- Photon Energy Investments N.V. (Netherlands)
- Photon Energy Engineering B.V. (Netherlands)
- Photon Energy Operations N.V. (Netherlands)
- Photon Energy Projects B.V. (Netherlands)
- Photon Energy Technology B.V. (Netherlands)
- Photon Energy FinCo B.V. (Netherlands)
- Minority Shareholders Photon Energy B.V. (Netherlands)

Australian SPVs were incorporated as project companies for projects to be developed during the year. Photon Energy Engineering Australia Pty Ltd and Photon Energy Operations Australia Pty Ltd are going to provide engineering and operations and maintenance services. All Dutch entities have been incorporated in order to implement the proper Group structure in line with the restructuring strategy executed during 2012.

**9.2 Acquisitions of subsidiaries**

In 2012, no subsidiaries were acquired from third parties. The only acquisitions were performed as part of the internal Group restructuring, however based since these are considered on common control transactions these are not considered as acquisitions of subsidiaries.

Photon Energy N.V.

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**Notes to the consolidated financial statements**

The following entities were transferred against the carrying value within the Group during the year 2012 as a result of the restructuring process:

**Subsidiary**

Photon SK SPV 1 s.r.o.  
Photon SK SPV 2 s.r.o.  
Photon SK SPV 3 s.r.o.  
EcoPlan 2 s.r.o.  
EcoPlan 3 s.r.o.  
SUN4ENERGY ZVB, s.r.o.  
SUN4ENERGY ZVC, s.r.o.  
Fotonika, s.r.o.  
ATS Energy, s.r.o.  
Solarpark Myjava s.r.o.  
Solarpark Polianka s.r.o.  
Photon Energy Polska Sp. z o.o.  
Photon Energy Australia Pty Ltd.  
Photon Management s.r.l.  
Photon SPV 1 s.r.o.  
Photon SPV 2 s.r.o.  
Photon SPV 5 s.r.o.  
Solarpark Mikulov I s.r.o.  
Solarpark Mikulov II s.r.o.  
Solarpark Mikulov I s.r.o.  
Solarpark Mikulov II s.r.o.  
Photon Energy Investments CZ N.V.  
IPVIC GbR  
Photon Energy Deutschland GMBh  
Photon Engineering Deutschland GMBh  
Photon Management Deutschland

Please explain an explanation on which entities were transferred to which entities.

Photon Energy N.V.

Consolidated Financial Statements for the year ended 31 December 2012

## Notes to the consolidated financial statements

## 9.3 Financial information for the joint ventures and associates

## Joint ventures and associates

Investments in equity-accounted investees amounting to EUR 2,426 thousands (2011: EUR 1,923 thousands) represent the nominal share in the joint ventures and associates owned by the Group and the revaluation of property, plant and equipment owned by joint ventures of EUR 637 thousands (2011: EUR 686 thousands) performed in the financial year 2012.

## 2012

<i>In thousands of eur</i>	Solarpark Mikulov I	Solarpark Mikulov II	Photon SK SPV 1	Solarpark Myjava	Solarpark Polianka	Fotonika	Total
definition	associate	associate	joint venture	joint venture	joint venture	joint venture	
share	49%	30%	50%	50%	50%	60%	
share on equity	82	-684	-721	-355	-583	-789	-3 030
revaluation performed in 2012	0	0	-381	54	-204	-127	-638
share of profit	2	696	-49	-57	-37	-49	506
current assets	169	1 416	399	401	366	374	3 125
long-term assets	0	0	3 336	2 776	3 368	3 339	12 819
current liabilities	-2	-3 627	-121	-142	-141	-155	-4 188
long-term liabilities	0	0	-2 172	-2 325	-2 426	-2 243	-9 166
expenses	3	2 425	313	333	331	427	3 832
revenues	0	-105	-410	-447	-404	-508	-1 874

All of the entities included in the above table are accounted for using the equity method of consolidation as at 31. 12. 2012 and have been accounted using the equity method also in the financial year 2011.

## 2011

<i>In thousands of eur</i>	Solarpark Mikulov I	Solarpark Mikulov II	Photon SK SPV 1	Solarpark Myjava	Solarpark Polianka	Fotonika	S4E companies sold during the year 2011	Total
definition	associate	associate	joint venture	joint venture	joint venture	joint venture		
share	49%	30%	50%	50%	50%	60%	0%	
share on equity	3	1	388	447	436	648	0	1923
revaluation performed in 2011	0	0	128	268	290	0	0	686
share of profit	0	-1	35	33	23	-51	64	103
current assets	7	12	484	435	432	479	0	1849
long-term assets	0	87	2,657	3,151	3,113	3,261	0	99,182
current liabilities	0	-3	-240	-204	-192	-261	0	-900
long-term liabilities	0	-70	-2,059	-2,418	-2,415	-2,275	0	-79,167
expenses	0	-1	-222	-218	-205	-564	0	-1210
revenues	0	5	148	149	156	505	0	963

The joint ventures can distribute profit only after agreement of the financing bank and the approval of the co-owner of the entity (via the general meeting).

## Notes to the consolidated financial statements

**Disposals in 2012**

During 2012, Photon Energy Group disposed of several subsidiaries (see the list below) to third parties. The Company decided to dispose these companies, because of the uncertain legislative future development of the solar industry in the Czech Republic and consequently, insufficient potential for further development of the activities of those companies the finalization of the complete restructuring of the Group, the creation of a new structure under Dutch legislation and also the plan of the Group to expand to world markets (other than Czech and Slovak).

Following the disposal of those companies that were mainly active in wholesale and engineering segments, new entities were founded within the new structure of the Group, which overtook the activities of the original Czech companies. Therefore, the Segment analysis still includes both Wholesale and Engineering segments (refer to Chapter 7).

The total loss resulting from the sale of these subsidiaries amounted to EUR 3,033 thousands. The loss has been calculated as the comparison of the net assets of disposed subsidiaries (EUR 3,058 thousands) and their sales price (EUR 25 thousands).

In connection with the sale of PEas Group, the originally created non-controlling interest has been distributed in the individual components of equity in line with the substance of source of which it has been historically created from.

All companies listed below have been sold to the third parties.

For overview of individual positions of the disposed subsidiaries, we refer to the table below:

*In thousands EUR*

	Liabilities	Assets	Local costs of FI	Sales price	Result (loss) of companies	Receivables from NV Group	Payables to NV Group
<b>PE as Group</b>	-98 308	101 356	-345	0	-7 413	758	9 161
<b>PEI SK</b>	-26 896	26 656	-17	0	-206	25 321	0
<b>PE DE</b>							
<b>SPV2</b>	-2 163	2 041	-10	25	-48	0	45

**List of disposed subsidiaries**

Photon Energy Investment SK NV  
 Photon Energy DE SPV 2  
 Phoenix Energy a.s. (former Photon Energy a.s.)  
 Photon Electricity s.r.o.  
 Photon Finance s.r.o.  
 Solarni vecna bremena s.r.o.  
 Stresni burza s.r.o.  
 Photon FinCo s.r.o.  
 Photon Energy Italia srl  
 Photon Engineering Italia srl  
 Golf Club Grygov s.r.o.  
 Photon Engineering Slovensko s.r.o.  
 Photon Engineering s.r.o.  
 Photon Import s.r.o.  
 Photon Trading s.r.o.

In December 2012, the following steps related to sale of Peas Group have been performed:

1. all shares of PE a.s. held by PENV were transferred to Minority Shareholders Photon Energy BV (MSBV, the Bidder in below), owned by Solar Power and Solar Future (see point 3 below) and were contributed as additional contribution in - kind. No new shares of MSBV were issued and the value of contributed shares is regarded as a non-stipulated share premium.

**Notes to the consolidated financial statements**

2. PENV has issued new shares with a nominal value of 0.01 € to its current shareholders, Solar Power and Solar Future (the share capital has thus been increased to 230 000 € and this increase has been charged to the share premium of the Company)

3. PENV transferred all shares it held in MSBV to SP and SF.

These steps mean that PEas is no longer part of the PENV Group. Photon Energy a.s. has been renamed with effective date as of 19. 12. 2012 to Phoenix Energy a.s.

All the above mentioned receivables and payables were previously eliminated as they represented intercompany balances before the sale out of the Group. Following the sale of these entities, this changed and such balances are now presented as receivables from/payables to third parties.

Except for the parent company Photon Energy N.V., the sold entity Phoenix Energy a.s. (originally Photon Energy a.s. ("PEAS")) also had minority shareholders. During the process of restructuring, where significant assets were transferred from PEAS Group to PENV group, management committed to perform share swap in order not to harm the rights of the minority shareholders. Following the sale of this entity out of the Group, the minority share of Photon Energy a.s. (non-controlling interest) has been transferred to Photon Energy N.V. in line with the common control principle (non-controlling interest was transferred a level up, to the NV level).

The Bidder intends to acquire all shares currently owned by the Minority Shareholders in Phoenix Energy a.s. and in return provides them with an opportunity to buy shares in Photon Energy N.V. in such a way that for each share sold within the public tender offer Minority Shareholders are entitled to buy one share in Photon Energy N.V. Alternatively, shareholders who accept the tender offer and do not use their right to acquire shares in Photon Energy N.V., will be compensated in cash.

For details, refer to the Subsequent events chapter (description of share swap) and the Statement of changes in equity (distribution of non-controlling interest to other equity components-this transaction is visible in the Statement of changes in equity and shows the split of original non-controlling interest as gradually created within the history of the Group. After disposal of the PEAS, this non-controlling interest has been distributed within the adequate components of equity where it is attributable by its substance).

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**10. Revenue**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Sales of goods	956	8,775
Rendering of services	3,672	4,646
Sale of electricity	11,541	9,765
	<b>16,169</b>	<b>23,186</b>

The significant decrease in revenues in 2012 compared to 2011 was mainly influenced by the disposal of subsidiaries out of the Group. The year 2012 was characterised by a significant restructuring of the Group, Group structure settlement and working on expansion to the new markets, so the number of finished power plants was significantly lower than in 2011. On the other hand, the revenues from sale of electricity increased.

**11. Cost of sales**

Main expenses' classes represent material consumed, cost of goods sold, 3rd party services received, depreciation and other expenses, such as travelling or representation costs.

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Material consumed	(1,082)	(2,781)
Goods (invertors, etc)	(2,512)	(7,993)
Services (3 <sup>rd</sup> party services received)	(2,927)	(1,101)
Other (representation, travelling, etc)	(200)	(449)
Change of allowances for receivables	(1,448)	(420)
	<b>(8,169)</b>	<b>(12,744)</b>

Cost of sales consists mainly of material and goods necessary for construction of photovoltaic power plants and related services. Its decrease is caused by decrease in the Company's operations as already described in the Revenues section (note 10).

Balance of change of allowances for receivables relates to the allowances created at the companies that were sold out of the Group during the financial year 2012.

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### 11.1 Tax levy

<i>In thousands of EUR</i>	2012	2011
26% tax levy	(2,213)	(2,198)
	<b>(2,213)</b>	<b>(2,198)</b>

For detail information for tax levy refer to Note 6.2.

### 12. Other income

<i>In thousands of EUR</i>	2012	2011
Government grants	-	87
Other income	939	226
	<b>939</b>	<b>313</b>

Other income includes revenues of companies providing O&M services to third customers, as well as services provided by operating companies that have not represent their day-to-day business (e.g. insurance&sale arrangement).

### 13. Other expenses

Other expenses comprise of other taxes, penalties and other minor expenses.

<i>In thousands of EUR</i>	2012	2011
Other taxes and fees	(13)	(15)
Penalties and fines	(19)	(210)
Receivables write-off	(177)	(632)
Other expenses	(138)	(395)
	<b>(347)</b>	<b>(1,252)</b>

The receivables write-off is presented in other non-cash items in the statement of cash-flow for the period. Other expenses included in 2011 also research and development costs incurred (2011: EUR 27 thousands).

### 14. Administrative and personnel expenses

<i>In thousands of EUR</i>	2012	2011
Wages and salaries	(2,259)	(1,501)
Social and health insurance *	(753)	(868)
Fuel consumption	(51)	(73)
Consulting, legal and other administrative services	(3,625)	(2,919)
	<b>(6,688)</b>	<b>(5,361)</b>

\*Pension costs are integral part of social security expenses

As at 31. 12. 2012 the Group employs 71 employees. 3 of them are employed in Slovakia by Slovak entities; 14 of them in Germany, 3 of them in Italy, 3 of them in Australia and 2 of them in Netherlands, and the remaining 46 employees are

## Notes to the consolidated financial statements

employed in the Czech Republic.

As at 31.12.2011 the Group employs 66 employees. 4 of them are employed in Slovakia by Slovak entities; 10 of them in Germany, 3 of them in Italy and the remaining 49 employees are employed in the Czech Republic.

Rental expenses of the Company amount to EUR 100 thousands annually. There is 3 month notice period during which the rent should be paid. After termination of the notice period, company is not obliged to pay any further rental costs. The company is not involved in the long-term lease contracts.

#### 15. Finance income and finance costs

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Interest income on loans and receivables	-	157
Fx gains (netto)	656	156
Net disposal of associates	-	31
Other	-	1
<b>Finance income</b>	<b>656</b>	<b>345</b>
Interest expense on loans and receivables	(3,376)	(2,923)
Net bank account fees	(268)	(134)
Loss from derivatives	(229)	(408)
VAT related interest costs	(1,330)	(1,438)
<b>Finance costs</b>	<b>(5,203)</b>	<b>(4,903)</b>
<b>Net finance income /costs</b>	<b>(4,547)</b>	<b>(4,558)</b>

The VAT related interest costs were calculated from the outstanding liabilities for VAT during the year 2012. The interest rate applicable is 7,75%. The calculated amount represents proportionate part of expenses until the sale of the companies to which the VAT liability is attributable.

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**16. Income tax expense**

**16.1 Income tax recognised in profit or loss**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
<b>Current tax expense</b>		
Current year	(249)	(848)
	<b>(249)</b>	<b>(848)</b>
<b>Deferred tax expense</b>		
Temporary differences (margin on PPV)	43	(25)
<b>Total tax expense</b>	<b>(206)</b>	<b>(873)</b>

**16.2 Income tax recognised in other comprehensive income**

For the year ended 31 December	<b>2012</b>			<b>2011</b>		
<i>In thousands of EUR</i>	<b>Before tax</b>	<b>Tax (expense)</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense)</b>	<b>Net of tax</b>
Revaluation of property, plant and equipment	11,754	(2,233)	9,521	4,575	(869)	3,706
<b>Total deferred tax for the revaluation</b>		<b>(2,233)</b>			<b>(869)</b>	

Deferred tax related to the release of revaluation of EUR 442 thousands is recorded in Profit and Loss.

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**16.3 Reconciliation of effective tax rate**

<i>In thousands of EUR</i>		<b>2012</b>
<u>Loss before income tax</u>		<u>-12 428</u>
Tax using the Company's domestic tax rate	25%	-3 107
Effect of tax rates difference in foreign jurisdictions	-6%	746
Non-deductible expenses		
- Interest expenses	-2%	233
- other	-3%	360
Recognition of tax effect previously unrecognised tax losses	1%	-185
Current year losses for which no deferred tax asset was recognized	-17%	2 159
<u>Total tax expenses</u>		<u>206</u>
 <i>In thousands of EUR</i>		 <b>2011</b>
<u>Loss before income tax</u>		<u>-6 181</u>
Tax using the Company's domestic tax rate	25%	-1 545
Effect of tax rates difference in foreign jurisdictions	-6%	371
Non-deductible expenses		
- Interest expenses	-11%	674
- other	-6%	376
unrecognised tax losses		
Current year losses for which no deferred tax asset was recognized	-16%	997
<u>Total tax expenses</u>		<u>873</u>

Photon Energy N.V. Consolidated Financial Statements for the year ended 31 December 2012  
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**17. Property, plant and equipment**

<i>In thousands of EUR</i>	<b>Land</b>	<b>Photovoltaic power plant</b>	<b>Other equipment</b>	<b>In progress</b>	<b>Total</b>
<b>Carrying amounts</b>					
At 31 December 2011	2 772	76 732	247	5 480	85 231
At 31 December 2012	3 047	90 121	103	254	93 525
<b>Gross revalued amount</b>					
Balance at 1 January 2011	2 547	60 167	376	2 644	65 734
Acquisitions through business combinations	-	6 383	-	-	6 383
Other Additions	300	9 070	34	4 987	14 391
Transfer from assets in progress	-	2 073	-	-2 073	-
Disposals	-	-	-	-	-
Revaluation increase	-	4 575	-	-	4 575
Effect of movements in exchange rates	-75	-1 777	-11	-78	-1 941
Balance at 31 December 2011	2 772	80 491	399	5 480	89 142
Balance at 1 January 2012	2 772	80 491	399	5 480	89 142
Other Additions	-	2 020	-	-	2 020
Transfer from assets in progress	-	5 226	-	-5226	0
Disposals	-	-2 052	-	-	-2 052
Revaluation increase	-	11 754	-	-	11 754
Effect of movements in exchange rates	275	1312	-6	-	1 581
	<b>3 047</b>	<b>98 751</b>	<b>393</b>	<b>254</b>	<b>102 445</b>
<b>Depreciation and impairment losses</b>					
Balance at 1 January 2011	-	174	68	-	242
Depreciation for the year	-	3 590	86	-	3 676
Disposals	-	-	-	-	-
Effect of movements in exchange rates	-	-5	-2	-	-7
Balance at 31 December 2011	-	3 759	152	-	3 911
Balance at 1 January 2012	-	3 759	152	-	3 911
Depreciation for the year	-	4 565	138	-	4 703
Impairment loss	-	306	-	-	306
Effect of movements in exchange rates	-	-	-	-	-
Balance at 31 December 2012	0	8 630	290	0	8 920
<b>Carrying amounts</b>					
At 31 December 2011	2 772	76 732	247	5 480	85 231
At 31 December 2012	3 047	90 121	103	254	93 525

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 Notes to the consolidated financial statements

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**17. Property, plant and equipment (continued)**
**Revaluation details by power plants**
*In thousands of EUR*

<b>Photovoltaic power plants</b>	<b>kWp</b>	<b>Net book value at costs as at 31.12.2012</b>	<b>Net book value at FV as at 31.12.2012</b>	<b>Net book value at costs as at 31.12.2011</b>	<b>Net book value at FV as at 31.12.2011</b>
Breclav - ZS	137	363	469	349	466
Cukrovar Slavkov	1,159	3,266	5,332	3,191	4,480
Dolni Dvoriste	1,64	4,297	7,078	4,715	6,047
Komorovice	2,354	6,006	9,798	6,586	8,289
Mostkovice	926	2,531	3,902	2,400	3,440
Mostkovice plocha	209	553	861	546	715
Prerov Radvanice	2,305	5,913	9,970	6,039	8,964
Svatoslav pozemek	1,231	2,924	5,578	2,858	4,847
Zdice I	1,498	3,879	6,186	4,405	5,180
Zdice II	1,498	3,899	6,414	3,810	5,441
Zvikov	2,031	5,120	8,535	5,673	7,314
Mokr�a L�uka II	990	2,415	3,263	2,420	3,308
Mokr�a L�uka III	990	2,382	3,263	2,415	3,310
Jovice V	990	2,188	3,162	2,314	2,738
Jovice VI	990	2,185	3,179	2,307	2,74
Babina II	999	3,246	3,116	3,203	3,128
Babina III	999	3,192	3,140	3,149	3,142
Blatn�a	700	2,029	2,285	2,008	2,183
Uckermunde Goethe	27	0	0	48	49
Uckermunde Kindergarten	25	0	0	40	41
Verderio	261	905	914	871	912
Biella	993	2,892	3,352	0	0
Kita Haffring	25	50	34	0	0
Feuerwehr Brandenburg	75	186	83	0	0

Photon Energy N.V.

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Halle Altentreptow	156	393	207	0	0
		<b>60,814</b>	<b>90,121</b>	<b>59,348</b>	<b>76,732</b>

**Notes to the consolidated financial statements**
**17. Property, plant and equipment (continued)**

In the Consolidated statement of comprehensive income, the revaluation of property, plant and equipment of EUR 11,754 is showed net decreased by the value of deferred tax liability equal to EUR 2,233 thousands as shown in Note [16.2](#).

In 2012, the Group did not capitalize into assets any borrowing costs (2011: EUR 536 thousands).

The Group has purchased several intangible assets, however these cannot be classified as intangibles. These assets, that include mainly rights to build the power plant or rights to use a land for power plant building, are classified as property, plant and equipment. They are represented as an inseparable part of photovoltaic power plants. Total amount of these rights amounted to EUR 1,076 thousands (2011: EUR 668 thousands).

**Impairment loss**

The impairment loss of EUR 306 is recognized in cost of sales in the statement of comprehensive income and it corresponds to the difference between the cost value of individual photovoltaic power plants and their fair value.

**Security**

At 31 December 2012 properties with a carrying amount of EUR 87,248 thousands (2011: EUR 78,953 thousands) are subject to a registered debenture to secure bank loans (see note [25](#)), including as at 31.12.2012:

- Property, plant and equipment - Lands in amount of EUR 2,714 thousands pledged to RLRE and EUR 333 thousands pledged to UniCredit Bank Slovakia, a.s.,
- Property, plant and equipment - Photovoltaic power plants in amount of EUR 62,793 thousands pledged to RLRE
- Property, plant and equipment - Photovoltaic power plants in amount of EUR 21,408 thousands pledged to UniCredit Bank Slovakia, a.s.

**Property, plant and equipment under construction**

Property, plant and equipment in the total amount of EUR 254 thousands (2011: EUR 5,481 thousands) represent mainly unfinished photovoltaic power plants.

**Sale of property, plant and equipment**

In 2012, proceeds from sales of property, plant and equipment (2011:nil) amounted to EUR 22 thousands.

**18. Other investments**

*In thousands of EUR*

	2012	2011
<b>Non-current investments</b>		
Other investments measured at cost <sup>(1)</sup>	6	41
	6	41

*Notes: (1) The equity investments represents 18.5% shares in IPVIC GBR.*

Photon Energy N.V.

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## Notes to the consolidated financial statements

**19. Deferred tax assets and liabilities**
**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

*For the year 2012, in thousands of EUR:*

	Assets			Liabilities			Net		
	2012	y-y change	2011	2012	y-y change	2011	2012	y-y change	2011
Property, plant and equipment	2 113	19	2 094	-7 328	-2 895	-4 433	-5 215	-2 876	-2 339
Inventories (allowance)	0	-106	106	0	0	0	0	-106	106
Construction contracts	0	0	0	0	0	0	0	0	0
Receivables (allowances)	0	0	0	0	0	0	0	0	0
Employee benefits	0	0	0	0	0	0	0	0	0
Tax loss carry-forwards	473	473	0	0	0	0	473	473	0
<b>Tax assets (liabilities)</b>	<b>2 586</b>	<b>386</b>	<b>2 200</b>	<b>-7 328</b>	<b>-2 895</b>	<b>-4 433</b>	<b>-4 742</b>	<b>-2 509</b>	<b>-2 233</b>
<b>Net tax assets (liabilities)</b>	<b>2 586</b>	<b>386</b>	<b>2 200</b>	<b>-7 328</b>	<b>-2 895</b>	<b>-4 433</b>	<b>-4 742</b>	<b>-2 509</b>	<b>-2 233</b>

*For the year 2011, in thousands of EUR:*

	Assets			Liabilities			Net		
	2011	y-y change	2010	2011	y-y change	2010	2011	y-y change	2010
Property, plant and equipment	2,094	(3)	2,097	(4,433)	(386)	(4,047)	(2,339)	(389)	(1,950)
Inventories (allowance)	106	86	20	0	0	0	106	86	20
Construction contracts	0	0	0	0	151	(151)	0	151	(151)
Receivables (allowances)	0	(63)	63	0	0	0	0	(63)	63
Employee benefits	0	(4)	4	0	0	0	0	(4)	4
Tax loss carry-forwards	0	(376)	376	0	0	0	0	(376)	376
<b>Tax assets (liabilities)</b>	<b>2,200</b>	<b>(360)</b>	<b>2,560</b>	<b>(4,433)</b>	<b>(235)</b>	<b>(4,198)</b>	<b>(2,233)</b>	<b>(595)</b>	<b>(1,638)</b>
<b>Net tax assets (liabilities)</b>	<b>2,200</b>	<b>(360)</b>	<b>2,560</b>	<b>(4,433)</b>	<b>(235)</b>	<b>(4,198)</b>	<b>(2,233)</b>	<b>(595)</b>	<b>(1,638)</b>

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**19. Deferred tax assets and liabilities (continued)**
**Movement in temporary differences during the year**

<i>In thousands of EUR</i>	Balance 1 January 2011	Recognized in profit or loss	Recognized in OCI, of which Fx translation	Recognized in OCI, of which DT from revaluation	Balance 31 December 2011	Recognized in profit or loss	Recognized in OCI, of which Fx translation	Recognized in OCI, of which DT from revaluation	Balance 31 December 2012
Property, plant and equipment	-1 950	171	87	-647	-2 339	-324	-319	-2 233	-5 215
Inventories	20	87	-1	0	106	-106	-	-	0
Construction contracts	-151	147	4	0	0	-	-	-	0
Receivables	63	-61	-2	0	0	-	-	-	0
Employee benefits	4	-4	0	0	0	-	-	-	0
Tax loss carry-forwards	376	-365	-11	0	0	473	-	-	473
<b>total</b>	<b>-1 638</b>	<b>-25</b>	<b>77</b>	<b>-647</b>	<b>-2 233</b>	<b>43</b>	<b>-319</b>	<b>-2 233</b>	<b>-4 742</b>

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**20. Inventories**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Goods	153	4,361
	153	4,361

Goods consist mainly of photovoltaic panels, invertors and other system components.

The cost of inventories recognized as an expense in cost of sales during the year in respect of continuing operations amounted to 2,512 thousands (31 December 2011: EUR 7,993 thousands).

In 2011, the cost of inventories recognized as an expense included EUR 660 thousands in respect of write-downs of inventory to net realizable value, carrying value of inventory was EUR 5,021 thousands.

There were no reversals of such write-downs in 2012 or 2011. The write-down was included in cost of sales.

**21. Trade and other receivables**
**Trade receivables**

<i>In thousands of EUR</i>	<b>Note</b>	<b>2012</b>	<b>2011</b>
Trade receivables	<a href="#">28.2</a>	1,503	4,847
Allowance for doubtful debts	<a href="#">28.2</a>	(1)	(1,020)
		1,502	3,827

The average credit period on sales of goods is 40 days. No interest is charged. The Group has recognized an allowance for doubtful debts according to individual assessment. If the receivables are individually not significant, Company recognizes potential allowance for doubtful debts based on the collective assessment.

During 2012, receivables in the total amount of EUR 177 thousands were written-off (2011: EUR 632 thousands).

Part of the advances paid (EUR 125 thousands) was presented as long-term asset in the financial statements as at 31 December 2011.

**Other receivables**

<i>In thousands of EUR</i>	<b>Note</b>	<b>2012</b>	<b>2011</b>
Paid advances		46	1,634
Loans to directors	<a href="#">29.1</a>	34	121
Loans to associates, joint ventures	<a href="#">29.1</a>	-	81
Other receivables		5,036	-
Other loans		4,253	-
		9,369	1,836

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Other loans represent cash provided to companies sold within 2012 out of the Group, incl. Phoenix Energy a.s. and Photon Engineering SK s.r.o. (in prior year eliminated as intercompany transaction). Interest charge of 3% is calculated from this amount. Company's management believes in the collectability of those receivables, either by standard way or by netting-off procedure.

Other receivables consist mostly of original loans (in total amount of EUR 4,953) provided to former subsidiaries sold out the Group. Interest charge of 3% is applied to the outstanding balances.

All these other loans and receivables were provided during the time when all companies were part of the Group and the parent company provided them with financing of the activities.

Advances paid represent advances paid to suppliers mainly for photovoltaic panels.

Prepaid expenses amounted to EUR 458 thousands in 2012 (2011: EUR 111 thousands).

## Notes to the consolidated financial statements

**22. Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Bank balances	6,950	4,869
Cash on hand	3	11
<b>Cash and cash equivalents</b>	<b>6,953</b>	<b>4,880</b>

Cash held by the SPVs under legal ownership of the RLRE is restricted only for certain transactions, e.g. loan and related interest provided to those SPV's by Photon Energy Investments N.V. (originally by Photon Energy, a.s.) is subordinated to the loan from RLRE and will be paid only after the repayment of the RLRE loan. Total amount of the cash owned by these SPVs is EUR 2,246 thousands at 31 December 2012 (2011: EUR 1,599 thousands).

**23. Capital and reserves**

During 2012, significant restructuring has been performed within the Group (refer to the Chapter 9 for detail description). All transaction of assets' transfer had been considered as combined control transaction. Thus, value attributed to minority shareholders under original structure have been transferred to other components of equity as at 31 December 2012.

**Share capital and share premium**

	<b>Ordinary shares</b>
<i>In thousands of shares</i>	<b>2011</b>
On issue at 1 January	4,600,000
On issue at 31 December – fully paid	4,600,000
<b>Ordinary shares</b>	
<i>In thousands of shares</i>	<b>2012</b>
On issue at 1 January	4,600,000
Newly issued	18,400,000
On issue at 31 December – fully paid	23,000,000

The authorised share capital amounts to EUR 1,000,000 divided in 100,000,000 shares of EUR 0,01 each, 23,000,000 shares have been issued and paid up.

PENV has issued new shares with a nominal value of 0.01 c to its current shareholders, Solar Power and Solar Future ( the share capital has thus been increase to 230,000 eur and this increase has been charged to the share premium of the Company).

**Ordinary shares**

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the shareholders' meetings of the Company.

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### 23. Capital and reserves (continued)

As of 31 December 2012, the shareholder structure was as follows.

<i>In thousands of shares</i>	<b>No. of shares</b>	<b>% of capital</b>
Georg Hotar	11,109,000	48.3%
Michael Gartner	11,891,000	51.7%
<b>Total</b>	<b>23,000,000</b>	<b>100.00%</b>

As of 31 December 2011,, the shareholder structure was as follows.

<i>In thousands of shares</i>	<b>No. of shares</b>	<b>% of capital</b>
Georg Hotar	2,223,344	48.3%
Michael Gartner	2,376,656	51.7%
<b>Total</b>	<b>4,600,000</b>	<b>100.00%</b>

#### Reserves

The reserves relate to the legal reserve, the revaluation of property, plant and equipment - photovoltaic power plants, the hedging reserve and the currency translation reserve. Refer below.

<i>In thousands of EUR</i>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
Legal reserve	18	9
Revaluation reserve	28,818	17,558
Foreign currency translation reserve	323	(134)
Hedging derivatives	(794)	-
	<b>28,365</b>	<b>17,433</b>

#### Legal reserve

The legal reserve is a reserve required by the Czech commercial law and Slovak commercial law. It has been created from the prior years' profit of the Czech and Slovak entities based on the approval of the general meeting.

The legal reserve amounts to EUR 18 thousands at 31 December 2012 (2011: EUR 9 thousands).

## Notes to the consolidated financial statements

**23. Capital and reserves (continued)**
**Revaluation reserve**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Balance at beginning of year	17,558	15,156
Increase arising on revaluation of properties net of deferred tax	9,521	3,706
Share of non-controlling interest	(2,701)	(1,116)
Increase arising on revaluation of properties-associates, JV	637	686
Share on non-controlling interest	(180)	(194)
Impairment losses	-	-
Reversals of impairment losses	-	-
Move from revaluation reserve to retained earnings	(885)	(680)
NCI release	4,868	-
<b>Balance at end of year</b>	<b>28,818</b>	<b>17,558</b>

The revaluation reserve arises on the revaluation of photovoltaic power plants. The revaluation reserve is being released to the retained earnings during the duration of Feed-in-Tariff-currently 20 years. The amount equal to amount of depreciation coming from revaluation released in 2012 is equal to EUR 1,186 thousands (2011: EUR 869 thousands). The revaluation for the year amounts to EUR 9,521 thousands net of tax (2011: EUR 3,706 thousands). See note [16](#) and [17](#); 2012: EUR 11,754 thousands gross, 2011: EUR 4,575 thousands gross.

For, NCI release description, refer to statement of changes in equity.

The revaluation reserve as such cannot be distributed, only the amounts released to retained earnings can be distributed to the shareholder.

**Foreign currency translation reserve**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Balance at beginning of year	(134)	187
Foreign currency translation differences for foreign operations	457	(321)
<b>Balance at end of year</b>	<b>323</b>	<b>(134)</b>

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. It relates to Slovakia, Poland, Italy, Germany, Australia and Netherlands.

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**Derivatives hedging reserve**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Balance at beginning of year	-	-
Derivatives	(599)	-
Share on non-controlling interest	169	-
Share on derivatives joint ventures	(195)	-
Share on non-controlling interest	55	-
Release of non-controlling interest	(224)	-
Balance at end of year	(794)	-

**Dividends**

There were no dividends declared and paid by the Company in 2012 and 2011.

For description of share swap process, refer to the Subsequent events chapter.

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24. Earnings per share

<i>In EUR</i>	2012	2011
Basic and diluted earnings per share	(0.469)	(1.152)
Total comprehensive income per share	(0.158)	(0.552)

**Basic earnings per share**

The calculation of basic earnings per share (the calculation is the same for the diluted EPS) at 31 December 2012 was based on the loss attributable to ordinary shareholders of EUR 10,799 thousands (2011: loss EUR 5,303 thousands), and a weighted average number of ordinary shares outstanding of 23,000 thousands (2011: 4,600 thousands), calculated as follows:

(Note: Basic and diluted earnings per share do not differ for the periods ended 31 December 2012 and 2011 respectively).

**Profit (loss) attributable to ordinary shareholders**

<i>In thousands of EUR</i>	2012	2011
	<b>Profit (loss) attributable to ordinary shareholders</b>	
Profit (loss) for the year	(12,634)	(7,054)
Profit (loss) attributable to ordinary shareholders	(10,799)	(5,303)

**Weighted average number of ordinary shares**

There were new shares issued in 2012. The number of shares at the year-end 2012 was 23,000,000 and at the year-end 2011 4,600,000.

Share on profit of equity-accounted investees amounted to EUR 164 thousands (2011: EUR 102 thousands).

**Basic and diluted total comprehensive income per share**

The calculation of total comprehensive earnings per share (the calculation is the same for the diluted EPS) at 31 December 2012 and 2011 was based on the total comprehensive income (loss) attributable to ordinary shareholders of EUR (3,635) thousands (2011: EUR (2,542) thousands), and a weighted average number of ordinary shares outstanding of 23,000 thousands (2011: 4,600 thousands).

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**25. Loans and borrowings**

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
<b>Non-current liabilities</b>		
Long-term secured bank loans	46,426	50,105
	<b>46,426</b>	<b>50,105</b>
<b>Current liabilities</b>		
Current portion of long-term secured bank loans	4,863	1,383
Short-term secured bank loans	-	1,359
Other loans	8,000	800
<b>Total</b>	<b>12,863</b>	<b>3,542</b>
<b>Total loans &amp; borrowings</b>	<b>59,289</b>	<b>53,647</b>

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## Notes to the consolidated financial statements

## 25. Loans and borrowings (continued)

## Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of EUR

	Currency	Nominal interest rate	Year of maturity	31. 12. 2012		31. 12. 2011	
				Credit limit	Carrying amount	Credit limit	Carrying amount
Secured bank loan*	CZK	3M PRIBOR+5.45%	31.5.2025	-	-	2,651	2,497
Secured bank loan*	CZK	3M PRIBOR+4.8%	1.1.2016	-	-	5,341	5,173
Secured bank loan*	CZK	3M PRIBOR+5.45%	1.1.2016	-	-	27,391	23,492
Secured bank loan*	CZK	5,19%	5.1.2021	36,963	36,963	-	-
Secured bank loan	EUR	3M EURIBOR+2.9%	31.12.2023	8,650	8,650	9,276	9,276
Secured bank loan	EUR	3M EURIBOR+2.9%	30.6.2023	1,423	1,423	1,620	1,558
Secured bank loan	EUR	3M EURIBOR+3%	30.6.2024	4,253	4,253	4,961	4,607
Secured bank loan	EUR	3M EURIBOR +3%	31.12.2012	-	-	700	244
Other loan	EUR	6%	30.6.2012	-	-	800	800
Other long-term liability	EUR	3%	27.6.2017	24,929	24,929	-	-
Other loan	EUR	9%	31.12.2013	8,000	8,000	6,000	6,000
<b>Total interest bearing liabilities</b>				<b>84,218</b>	<b>84,218</b>	<b>58,740</b>	<b>53,647</b>

- In 2012, new conditions were agreed-fixed interest rate of 5,19% and due date in 2021.

All secured bank loans are secured by power plants, assets of power plants including real estate, if any, and technology, receivables generated by power plants. In case of secured bank loans denominated in CZK, nearly all power plants are cross-collateralized.

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**25. Loans and borrowings (continued)**

**Covenants**

The project financing sets certain operational conditions to be met by each power plant with Debt Service Coverage Ratio (DSCR), typically, above 1.20.

All power plants met the DSCR criteria as of 31 December 2012. There are not any additional conditions required by the bank to be met in exchange for not initiating any proceedings against the entities.

**26. Trade and other payables**

**Trade payables**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Payables to suppliers	6,264	10,215
	<b>6,264</b>	<b>10,215</b>

**Other payables**

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Advances received	-	334
Accrued expenses	473	712
Deferred revenues	-	-
Payables to employees	158	151
Payables to health and social authorities	62	63
Derivatives	954	355
Other payables-loans	3,174	-
Other	567	2
	<b>5,388</b>	<b>1,617</b>

Accrued expenses include mainly uninvoiced deliveries of goods (technology) and services provided.

Other payables-loans represent loans provided by originally intercompany companies that were sold out of the group during 2012 and have been eliminated in prior period. Interest charge of 3% is applied to the outstanding balances. These are not classified as loans and borrowing as they have not been provided by financial institution or bank, but former subsidiaries.

Remaining other payables include e.g. payables to company's partners, and accrued expenses.

At 31 December 2012, retentions held by customers for contract work amounted to EUR 26 thousands (31 December 2011: EUR 253 thousands). Advances received from customers for contract work amounted to EUR 0 (31 December 2011: EUR 689 thousands).

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## 27. Other long-term and short-term liabilities

### 27.1 Other long term liabilities

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
VAT payables	-	13,581
Long term liability from income tax	-	-
Other long-term loans	24,929	-
Other long-term liabilities	2	66
	<b>24,931</b>	<b>13,647</b>

Other long-term loans are related due to a former subsidiary Photon Energy Investments SK NV (sold in December 2012) coming from the acquisition of the Slovak and Czech portfolio. The loan is due in 2017 and there is 3% interest rate charged p.a.

### 27.2 Other short term liabilities

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
VAT liability (NET)	-	2,194
Other liabilities	-	34
	<b>-</b>	<b>2,228</b>

VAT liability as presented in 2011 was attributed to the companies, which were sold during the year 2012.

In 2012, the Group has VAT receivable and it is presented under Other receivables in the financial statements.

### 27.3 Current tax liability

The current tax liability of EUR 44 thousands (2011: EUR 1,063 thousands) represents the amount of income tax payable in respect of current and prior periods.

### 27.4 Provisions

The amount of EUR 2 thousands relates to Photon Management Italia srl and represents the amount of loan originally provided to this company and then waived based on the contract signed in May 2012.

In 2011, provision in the amount of EUR 191 thousands have been created for project in Germany, where costs incurred as of the year-end exceeded the selling price as gained from the potential buyer. As the costs exceeded both selling price and also the estimated discounted cash-flow for this project, the Group decided to create a provision for the expected loss from this project.

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28. Financial instruments

The major financial risks faced by the Company are those related to credit exposures, exchange change risk, interest rate risk and tax levy risk. These risks are managed in the following manner.

28.1 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2012

In thousands of EUR

	Carrying amount	Contractual cash flows	1 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Secured bank and other loans	51,289	63,809	6,183	6,017	17,775	33,834
Other loans	8,000	8,359	8,359	-	-	-
Trade payables	6,264	6,264	6,264	-	-	-
Tax payables*	44	44	44	-	-	-
	65,597	78,476	20,850	6,017	17,775	33,834

31 December 2011

In thousands of EUR

	Carrying amount	Contractual cash flows	1 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Secured bank and other loans	52,847	58,622	5,985	13,435	20,781	18,421
Other loans	800	824	824	-	-	-
Trade payables	10,215	10,215	10,215	-	-	-
Tax payables*	16,938	19,331	5,510	3,093	10,728	-
	80,800	88,992	22,534	16,528	31,509	18,421

\*\*Tax payables includes payment schedule of VAT and CIT Liability as described in Note 27.

Other loans consist of loan provided in 2012 by the non-bank financial institution, therefore it is classified as other loan. The interest rate charged was 9%. The due date of the loan is 31. 12. 2013.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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**Notes to the consolidated financial statements**
**28. Financial instruments (continued)**
**28.1 Liquidity risk (continued)**
**Effective interest rates and repricing analysis**

In respect of interest-bearing financial liabilities, the following tables indicate their effective interest rates at the reporting date and the periods in which they reprice. The table includes only loans with variable interest rate and balance is shown in period within 6 months, as interest rate is changed within this period.

For 2012, any of the bank loans have variable interest rate (Czech portfolio has fixed interest rate and Slovak portfolio interest rates are hedged), therefore the table below includes only those hedged (Slovak SPVs).

	2012					
	Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
Bank loans	4.33%	(14,326)	(14,326)	-	-	-
<b>Total</b>		<b>(14,326)</b>	<b>(14,326)</b>	-	-	-

*In thousands of EUR*

	2011					
	Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
Bank loans	6.28%	(52,847)	(52,847)	-	-	-
Tax payables*	7.75%	(16,938)	(16,938)	-	-	-
<b>Total</b>		<b>(69,785)</b>	<b>(69,785)</b>	-	-	-

\* According originally agreed payment schedule of VAT and CIT Liability in accordance with agreement with Finance Authority (netto).

**28.2 Credit risk**
**Exposure to credit risk**

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Company.

The Company's exposure to credit risk is disclosed in the tables below that show the analysis of credit quality of financial assets:

*In thousands of EUR*
**Trade and other receivables**

	2012	2011
<i>Financial assets</i>		
Not due yet	5,797	5,635
Overdue 180 days or less	608	801
Overdue over 180 days	213	447
<b>Total</b>	<b>6,619</b>	<b>6,683</b>

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*Out of which*

Overdue 180 days or less	-	801
Overdue over 180 days	1	447

Impairment loss to trade receivables overdue 360 days	(1)	(1,020)
Total overdue impaired	1	1,020
Total overdue not impaired	820	228

<b>Total financial assets after impairment</b>	<b>6,618</b>	<b>5,663</b>
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Allowance for receivables as at 31. 12. 2011	1,020
Creation of allowance in 2012	-
Sale of companies with allowance created	(1,019)
Allowance for receivables as at 31. 12. 2012	1

During 2012, entities that have most of the impaired financial assets were sold of of the Group, therefore the allowance for bad and doubtful debts has decreased significantly. Based on the analysis of the overdue receivables as of 31 December 2012, there is no need for creation of additional allowance except of that existing one.

The Group believes that the other unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behavior, business relationships or management judgment.

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

### 28.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is measured by the extent to which changes in market interest rates impact on net interest expense.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

<i>In thousands of EUR</i>	<b>Carrying amount</b>	
	<b>2012</b>	<b>2011</b>
<b>Interest rate instruments</b>		
Financial assets	-	-
Financial liabilities	(59,289)	(52,847)
	(59,289)	(52,847)

Financial liabilities comprise short-term and long-term banks loans (see note 25).

## Notes to the consolidated financial statements

**28. Financial instruments (continued)**
**28.3 Interest rate risk (continued)**

In respect of interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and also due date of loans based on the valid repayment schedules:

**Interest bearing financial liabilities**

*In thousands of EUR*

31 December 2012	effective interest rate	total	less than 1 year	2-5 years	more than 5 years
Loans and borrowings	5,62%	59,289	12,863	14,156	32,270
		59,289	12,863	14,156	32,270

**Interest bearing financial liabilities**

*In thousands of EUR*

31 December 2011	effective interest rate	total	less than 1 year	2-5 years	more than 5 years
Loans and borrowings	6,28%	52,847	3,542	25,683	24,422
		52,847	3,542	25,683	24,422

**Loans and borrowings with variable rate**

Below analysis includes only loans with variable interest rate.

For 2012, any of the bank loans have variable interest rate (Czech portfolio has fixed interest rate and Slovak portfolio interest rates are hedged), therefore the table below includes only those hedged (Slovak SPVs).

	2012					
	Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
Bank loans	4.33%	(14,326)	(14,326)	-	-	-
<b>Total</b>		<b>(14,326)</b>	<b>(14,326)</b>	-	-	-

**Loans and borrowings with variable rate –Slovak portfolio**

Slovak loans interest rate is hedged by the interest derivatives.

Total amount of derivatives reserve amounted to EUR 794 thousands as of 31.12.2012.

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In 2011, the profit or loss recognized from these derivatives is recognized via the Group's share in the total profit or loss of the joint ventures as those are consolidated by the equity method (the impact of interest rate derivatives in 2011 was expense of EUR 97 thousands and for those SPVs that are accounted for by the full consolidation method, the result of the derivatives was shown as part of the financial expenses amounted to EUR 408 thousands).

**Derivatives financial liabilities**

In EUR thousands	Carrying amount	Contractual cash flow					
		Total	1 year	2 years	3 year	4 years	5 years
Interest rate swaps used for hedging	954	966	249	226	197	164	130

**28. Financial instruments (continued)**
*In thousands of EUR*
**Loans and borrowings with variable rate**
**2011**

Average amounts		Increase of rate by 10%			Decrease of rate by 10%			
Effective interest rate	Total	Interest (calc)	Effective interest rate	Interest (calc)	Additional PL effect	Effective interest rate	Interest (calc)	Additional PL effect
6.28%	52,847	3,319	6.91%	3,652	(333)	5.65%	2,986	333
	52,847	3,319			(333)			333

The effect on equity would be the same as the effect on profit or loss. In the calculation, the assumption that current debt maturing in 2013 will be rolled over in that period.

Actual interest expenses related to bank loans and borrowings incurred by the Company in 2012 were EUR 3,376 thousands (2011: EUR 2,923 thousands) coming from carrying value of loans drawn in the amount of EUR 59,289 thousands as at 31 December 2012 (2011: EUR 52,847 thousands).

**28.4 Exchange rate risk**

The Company's functional currency of its major subsidiaries is EUR and CZK. Foreign exchange risk is associated with sales and purchases of goods and services and loans received denominated in local currencies.

An increase/decrease of exchange rates by 10% at the reporting date would have decreased/increased the profit before tax by EUR 29 thousands (EUR 36 thousands, respectively) as shown in the following table. This analysis assumes that all other variables remain constant.

**2012**
*In thousands of currency*

exchange rate at 31.12.2012	10%	-10%	
CZK/EUR	25,14	27,654	22,626

31.12.2012	Currency	in Currency	teur	Teur +10%	change	teur -10%	change	
Trade receivables	tczk	24	350	969	881	-88	1 078	108

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<b>Total TCZK</b>						<b>-88</b>		<b>108</b>	
	<b>31.12.2012</b>	<b>Currency</b>	<b>in Currency</b>	<b>teur</b>		<b>Teur +10%</b>	<b>change</b>	<b>teur -10%</b>	<b>change</b>
Trade payables, loans		tczk	-16 307	-849		-590	59	-721	-72
<b>Total TCZK</b>							<b>59</b>		<b>-72</b>

**2011**
*In thousands of currency*

<b>Exchange rate at 31. 12. 2011</b>		<b>31.12.2011</b>	<b>10%</b>	<b>-10%</b>
CZK/EUR		25.8	28.38	23.22

<b>31.12.2011</b>	<b>Currency</b>	<b>in Currency</b>	<b>TCZK</b>	<b>TCZK +10%</b>	<b>change</b>	<b>TCZK -10%</b>	<b>change</b>
Trade receivables	TEUR	3,354	88,545	95,199	8,654	77,890	-8,654
<b>Total TCZK</b>					<b>8,654</b>		<b>-8,654</b>

<b>31.12.2011</b>	<b>Currency</b>	<b>in Currency</b>	<b>TCZK</b>	<b>TCZK +10%</b>	<b>change</b>	<b>TCZK -10%</b>	<b>change</b>
Trade payables and loans	TEUR	(23,574)	(808,209)	(889,030)	(60,821)	(547,388)	60,821
<b>Total TCZK</b>					<b>(60,821)</b>		<b>60,821</b>

**28.5 Tax levy risk**

As described in point 6.2 there is a risk that the tax levy so far applicable on the Czech portfolio of photovoltaic power plants until the end of 2013 will be prolonged for a further period. There is no precise information on the period and percentage to be applied; the Company has prepared a sensitivity analysis in order to estimate the impact of such a prolongation into the value of its Czech portfolio.

The sensitivity of changes in the tax levy is included below using the following changed assumptions:

- assumption 1: the tax levy will be prolonged for 5 years or 20 years;
- assumption 2: the tax levy- will remain 26% or it will decrease to 13%.

The table below includes the impact of the application of the above listed assumptions. The base value used in the table represents the discounted cash-flow based on the DCF model calculated for the period of 20 years with the 26% tax levy for the period 2011-2013. The values are calculated using a discounted cash flow model for the whole Czech portfolio. The combined impact of the prolongation of the tax levy and the tax rate is included in the absolute and relative change.

*In EUR thousands*

**Gross value based on the discounted cash flows** 65 359

Tax rate / Period of extension	Absolute change 5 years	Relative change 5 years	Absolute change 20 years	Relative change 20 years
26%	-4 055	-6.2%	-12 798	-19.58%
13%	-1 155	-1.7%	-5 527	-8.4%

Should the 26% levy tax be prolonged by another 17 years (for the whole period of 20 years) or by another 2 years (to the period of 5 years), the decrease in revaluation reserve (equity) would amount to EUR 12,798 thousands (EUR 4,055

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thousands).

Should the levy tax be prolonged by another 17 years (for the whole period of 20 years) or by another 2 years (to the period of 5 years) in the reduced percentage of 13% from the fourth year of applying, the decrease in revaluation reserve (equity) would amount to EUR 5,527 thousands (EUR 1,155 thousands).

## 28.6 Accounting classifications and fair values

### Fair values vs. carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows.

#### 2012

<i>In thousands of EUR</i>						
31.12.2012						
	Note	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Cash and Cash equivalents	23		6,953		6,953	6,953
Loans and receivables	21		10,871		10,871	10,871
Secured bank loans	26			51,289	51,289	50,448
Other loans	26			8,000	8,000	8,000
Trade payables	27			6,264	6,264	6,264
Interest rate derivatives	4.3.2	954				954

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period plus an appropriate credit spread, discount rate used equalled to 5,52% for 2012.

#### 2011

<i>In thousands of EUR</i>						
31.12.2011						
	Note	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Cash and Cash equivalents	23		4 880		4 880	4 880
Loans and receivables	21		5 663		5 663	5 663
Secured bank loans	26			52 847	52 847	51,804
Other loans	26			800	800	800
Trade payables	27			10 215	10 215	10 215
Interest rate derivatives	4.3.2	355				355

### Fair value hierarchy

The table above analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**2012**

<i>In thousands of EUR</i>				
31.12.2012	Level 1	Level 2	Level 3	Total
Interest rate derivatives		954		954

**2011**

<i>In thousands of EUR</i>				
31.12.2011	Level 1	Level 2	Level 3	Total
Interest rate derivatives		355		355

Interest rate derivatives (refer to Note 4.3.4) have been defined to Level 2.

**29. Related parties**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

**29.1 Parent and ultimate controlling party**

The Company is jointly controlled by Mr. Michael Gartner (via Solar FUTURE Coöperatief U.A.) and Mr. Georg Hotar (via Solar Power to the People Coöperatief U.A.), who are Company's directors and board of directors members at the same time.

The original provider of the loan (provided to Directors), has been sold out of the Group in December 2012. The loan remained outstanding at Phoenix Energy a.s..

However, the Group has provided the following loans to the above directors in compliance with the arm-length principle:

<i>In thousands of EUR</i>	<b>2012</b>	<b>2011</b>
Balance at beginning of year	121	115
Transferred due to the sale	(121)	-
Loan provided to Mr. Hotar	34	7
Unpaid interests (Mr. Hotar)	-	1
Loan provided to Mr. Gartner	-	1
Unpaid interests (Mr. Gartner)	-	2
Effect of the movement of Fx rate	-	(5)
Carrying amount at 31 December	34	121

Members of the board of directors received for their board of directors related duties for the Group entities compensation in the amount of EUR 136 thousands in 2012 and EUR 282 thousands in 2011. There were no trade relations between the Group and members of the board of directors of the Company.

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**Other related party transactions**

	Transaction value for the year ended 31 December		Balance outstanding as at 31 December	
	2012	2011	2012	2011
<i>In thousands of CZK</i>				
<b>Sale of goods and services</b>				
Joint ventures – sale of services	-	59	-	-
Joint ventures – construction contracts revenues (SK SPV1, Solarpark Myjava, Solarpark Polianka, Fotonika)	-	7,891	-	-
<b>Purchase of goods and services</b>				
Joint ventures – purchase of services	83	-	-	-
<b>Current assets</b>				
Loans	-	-	3,627	374

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only if such terms can be substantiated.

Major part of the loan relates to Phoenix Energy a.s.

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### 30. Group entities

#### Subsidiaries

The following subsidiaries are consolidated as at 31 December 2012.

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Legal Owner
1 Photon Energy N.V.	Holding Company		NL	
2 Photon SPV 2 s.r.o.	100%	100%	CZ	PEI CZ NV
3 Photon SPV 5 s.r.o.	100%	100%	CZ	PEI CZ NV
4 Solarpark Mikulov I s.r.o.	49%	49%	CZ	PEI CZ NV
5 Solarpark Mikulov II s.r.o.	30%	30%	CZ	PEI CZ NV
6 Photon SPV 1 s.r.o.	100%	100%	CZ	PEI NV
7 Photon SK SPV 1 s.r.o.	50%	50%	SK	PEI NV
8 Photon SK SPV 2 s.r.o.	100%	100%	SK	PEI NV
9 Photon SK SPV 3 s.r.o.	100%	100%	SK	PEI NV
10 EcoPlan 2 s.r.o.	100%	100%	SK	PEI NV
11 EcoPlan 3 s.r.o.	100%	100%	SK	PEI NV
12 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	PEI NV
13 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	PEI NV
14 Fotonika, s.r.o.	60%	50%	SK	PEI NV
15 ATS Energy, s.r.o.	70%	70%	SK	PEI NV
16 Solarpark Myjava s.r.o.	50%	50%	SK	PEI NV
17 Solarpark Pollanka s.r.o.	50%	50%	SK	PEI NV
18 Photon Energy Investments CZ N.V.	100%	100%	NL	Photon Energy
19 Photon Energy Polska Sp. z o.o.	100%	100%	PL	Photon Energy
20 Photon Energy Australia Pty Ltd.	100%	100%	AUS	Photon Energy
21 Photon Management s.r.l.	100%	100%	IT	Photon Energy Operations N.V.
22 IPVIC GbR	18.5%	18.5%	DE	PEI CZ

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23	Photon Energy Operations SK s.r.o.	100%	100%	SK	PEO NV
24	Photon Energy Operations CZ s.r.o.	100%	100%	CZ	PEO NV
25	Photon Energy Operations DE GmbH	100%	100%	DE	PEO NV
26	Photon Energy Operations Australia Pty.Ltd.	100%	100%	Aus	PEO NV
27	Photon Management s.r.o.	100%	100%	CZ	PEO NV
28	Photon Energy Engineering Australia Pty Ltd	100%	100%	Aus	PEE BV
29	Photon Energy Engineering Europe GmbH	100%	100%	DE	PEE BV
30	Photon DE SPV 1 GmbH	100%	100%	DE	PEI DE
31	Photon DE SPV 3 GmbH	100%	100%	DE	PEI DE
32	Photon Energy Operations DE SW GmbH	100%	100%	DE	PEO NV
33	Photon IT SPV 1 s.r.l.	100%	100%	IT	PEI NV
34	Photon IT SPV 2 s.r.l.	100%	100%	IT	PEI NV
35	Photon Energy Projects s.r.l. (Photon IT SPV 3 s.r.l.)	100%	100%	IT	PEP BV
36	Photon IT SPV 4 s.r.l.	100%	100%	IT	PEI IT
37	Photon IT SPV 5 s.r.l.	100%	100%	IT	PEI IT
38	Photon IT SPV 6 s.r.l.	100%	100%	IT	PEI IT
39	Photon IT SPV 7 s.r.l.	100%	100%	IT	PEI IT
40	Photon Energy Investments IT N.V.	100%	100%	NL	Photon Energy
41	Photon Energy Investments DE N.V.	100%	100%	NL	Photon Energy
42	Photon RO SPV 1 srl	5%	5%	RO	PEI CZ
43	Photon RO SPV2 srl	5%	5%	RO	PEI CZ
44	Photon Directors B.V.	100%	100%	NL	Photon Energy
45	Photon Energy Operations N.V.	100%	100%	NL	Photon Energy
46	Photon Energy Finance Europe GmbH	100%	100%	NL	Photon Energy
47	Photon Energy Projects B.V.	100%	100%	NL	Photon Energy
48	Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	NL	PEP BV.
49	Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	NL	PEP BV
50	Photon Energy AUS SPV 3 Pty. Ltd.	100%	100%	NL	PEP BV
51	Photon Energy Investments N.V.	100%	100%	NL	Photon Energy

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52	Photon Energy Engineering B.V.	100%	100%	NL	Photon Energy
53	Photon Energy Technology B.V.	100%	100%	NL	Photon Energy
54	Photon Energy FinCo B.V.	100%	100%	NL	Photon Energy
55	Photon Energy Corporate Services DE GmbH	100%	100%	DE	Photon Energy
56	Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Photon Energy

### Subsidiaries

The following subsidiaries are consolidated as at 31 December 2011.

Consolidated subsidiaries where the holding company owns more than half of the voting power.

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Legal Owner
Photon Energy N.V.	Holding Company		NL	-
Photon Energy a.s.	71,75%	100%	CZ	Photon Energy N.V.
Photon Engineering s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Trading s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Finance s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Import s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Management s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Electricity s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Střešní Burza s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Solární věcná břemena s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon Corporate Services s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Photon SPV 13 s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
GOLF CLUB GRYGÓV s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Eco Plan 2 s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
Eco Plan 3 s.r.o.	71.75%	100%	CZ	Photon Energy a.s.
SUN4ENERGY ZVB, s.r.o.	71.75%	100%	SK	Photon Energy a.s.
SUN4ENERGY ZVC, s.r.o.	71.75%	100%	SK	Photon Energy a.s.
Photon SPV 1 s.r.o.	71.75%	100%	NL	Photon Energy Investments CZ N.V.
Photon SPV 2 s.r.o.	71.75%	100%	NL	Photon Energy Investments CZ N.V.
Photon SPV 5 s.r.o.	71.75%	100%	NL	Photon Energy Investments CZ N.V.
Photon SPV 9 s.r.o.	71.75%	100%	NL	Photon Energy Investments CZ N.V.
Photon Engineering Slovensko s. r. o.	71.75%	100%	SK	Photon Energy a.s.
Photon Management Slovensko s. r. o.	71.75%	100%	SK	Photon Energy a.s.
Photon SK SPV 1 s.r.o.	71.75%	100%	SK	Photon Energy a.s.
Photon SK SPV 2 s.r.o.	71.75%	100%	SK	Photon Energy a.s.
Photon SK SPV 3 s.r.o.	71.75%	100%	SK	Photon Energy a.s.
ATS Energy, s.r.o.	50.23%	70%	SK	Photon Energy a.s.
Photon DE SPV 1 GMBh	100%	100%	GER	Photon Energy Investments DE N.V.
Photon DE SPV 2 GMBh	100%	100%	GER	Photon Energy Investments DE N.V.
Photon DE SPV 3 GMBh	100%	100%	GER	Photon Energy Investments DE N.V.
Photon DE SPV 4 GMBh	100%	100%	GER	Photon Energy Investments DE N.V.
Photon DE SPV 5 GMBh	100%	100%	GER	Photon Energy Investments DE N.V.

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Photon IT SPV 1	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 2	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 3	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 4	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 5	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 6	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon IT SPV 7	100%	100%	ITA	Photon Energy Investments IT N.V.
Photon Energy Italia s.r.l.	71.75%	100%	ITA	Photon Energy a.s.
Photon Engineering s.r.l.	71.75%	100%	ITA	Photon Energy a.s.
Photon Management s.r.l.	71.75%	100%	ITA	Photon Energy a.s.
Photon Energy Deutschland GMBh	71.75%	100%	GER	Photon Energy a.s.
Photon Engineering Deutschland GMBh	71.75%	100%	GER	Photon Energy a.s.
Photon Management Deutschland GMBh	71.75%	100%	GER	Photon Energy a.s.
Photon Energy Australia Pty Ltd	71.75%	100%	AUS	Photon Energy a.s.
Photon Energy Investments CZ N.V.	71.75%	100%	NL	Photon Energy a.s.
Photon Energy Investments SK N.V.	100%	100%	NL	Photon Energy a.s.
Photon Energy Investments IT N.V.	100%	100%	NL	Photon Energy a.s.
Photon Energy Investments DE N.V.	100%	100%	NL	Photon Energy a.s.
Photon Energy Polska Sp. z o.o.	71.75%	100%	PL	Photon Energy a.s.

CZ = Czech Republic, SK = Slovak Republic, NL = Netherlands, PL = Poland, GER = Germany, ITA = Italy, AUS = Australia

Other consolidated subsidiaries (special purpose entities) exist as at 31 December 2012, where the holding company has control but does not have any ownership or direct voting rights. The following entities are included:

Name	% of Consolidated share	% of Ownership share	Country of registration	Legal Owner
Photon SPV 3 s.r.o.	100%	0%	CZ	RLRE
Photon SPV 8 s.r.o.	100%	0%	CZ	RLRE
Exit 90 SPV s.r.o.	100%	0%	CZ	RLRE
Photon SPV 4 s.r.o.	100%	0%	CZ	RLRE
Photon SPV 6 s.r.o.	100%	0%	CZ	RLRE
Onyx Energy s.r.o.	100%	0%	CZ	RLRE
Onyx Energy projekt II s.r.o.	100%	0%	CZ	RLRE
Photon SPV 10 s.r.o.	100%	0%	CZ	RLRE
Photon SPV 11 s.r.o.	100%	0%	CZ	RLRE

CZ = Czech Republic, SK = Slovak Republic, NL = Netherlands, PL = Poland

100% share in the above entities is owned by Raiffeisen – Leasing Real Estate, s.r.o. ("RLRE"). Although those companies are legally owned by RLRE, the Group consolidates them under IFRS rules. Photon Energy N.V. is considered a beneficial owner as it is owner of economic benefits and is directly exposed to economic risks of those companies. On 12th November 2012, subsidiary Photon Energy Investments NV signed contracts with Raiffeisenbank ("RLRE") on releveraging of CZ portfolio-based on them, RLRE has refinanced and released additional 149 MCZK (EUR 5,927 thousands) to the financing of the current structure with 8 years Tenor from now on. The whole exposure will be hedged with IRS in value of 5,19 % p.a. for 8 years. The increase is related to six CZ SPVs (SPV 4, SPV 6, SPV 10, SPV 11, Onyx I, Onyx II). In connection with increase of the loans on those SPVs, additional capitalization of subordinated loans was performed on the same day in the total amount CZK 35,700 thousands (EUR 1,420 thousands) in order to meet the thin capitalization criteria. The first capitalization of part of the subordinated loans was performed on 18th July 2012. Total amount capitalized equaled to CZK 221,951 thousands (EUR 8,829 thousands).

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**Notes to the consolidated financial statements****30. Group entities (continued)**

Based on the new contractual agreements, PEI NV has the right to apply call option for purchase of 100% share in the RLRE SPVs in case of full repayment of external loans, security loans, and all the other financial liabilities of PEI NV, RLRE SPVs and parent company PENV towards RLRE and Financing bank, plus payment of future purchase price for the transfer of share in the SPVs. When all the above conditions are met, PEINV can apply call option for purchase of 100% share in the RLRE subsidiaries.

**Notes to the consolidated financial statements****31. Subsequent events**

- On 6 February 2013, Photon Energy Operations NV sold its share in Photon Management s.r.o. for the sales price of EUR 8 thousands (CZK 200 thousands) to a third party. However as of the date of the sale, all activities of the Company had already been transferred to newly founded companies within the Group.
- On 14 February 2013, Photon Management s.r.l. has been renamed into "Photon Energy Operations IT s.r.l. and its legal seat has been transferred to Milano, Largo Richini 6.
- Photon Energy Investments NV issued in March 2013 a bond for the period of 5 years on the non-regulated part of the Frankfurt stock exchange. The bond coupon is 8% p.a. and is paid quarterly.
- In March 2013, Photon Energy Operations is expanding its O&M business in Italy by taking over service contracts (March 2013) for 8 power plants of 1 MWp each in the Abruzzo region. Along with the existing contracts Photon Energy Operations' O&M services portfolio has now grown to more than 73 MWp worldwide.
- On 19 April 2013, the Company announced the process of a share swap to the minority shareholders of Phoenix Energy a.s. (originally Photon Energy a.s. sold out of the Group at the end of 2012). Those minority shareholders are offered to exchange their shares for shares of Photon Energy N.V. in the share one to one. The offer period will last one month as of the announcement on 19 April 2013 and after formalization of this process, Photon Energy N.V. will be listed in NewConnect, a non-regulated financing and trading platform organized by the Warsaw Stock Exchange, as well and its shares will be publicly traded.
- On 7 May 2013, the group obtained confirmation from the private financing company about the prolongation of the due date of the provided loan from 30 June 2013 till 31 December 2013.

Management is not aware of any other significant subsequent events per the date of these financial statements.

**32. Contingent assets and liabilities**

There are no significant contingent assets or liabilities that need to be disclosed.

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**Company balance sheet as at 31 December 2012**

(before profit appropriation)

	31 December 2012		31 December 2011	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
<b>Fixed assets</b>				
Financial fixed assets	36	42,266	12,797	
Loans	37	5,272	5,396	
<b>Total fixed assets</b>		<b>47,538</b>	<b>18,193</b>	
<b>Current assets</b>				
Trade and other receivables	38	6,481	110	
Inventory	38	2	1	
Cash and cash equivalents	38	239	103	
<b>Total current assets</b>		<b>6,722</b>	<b>214</b>	
<b>Total assets</b>		<b>54,260</b>	<b>18,407</b>	
<b>Shareholders' equity</b>				
Issued share capital		230	46	
Share premium		13,111	13,295	
Revaluation reserve		15,386	3,241	
Derivatives reserve		(794)	-	
Currency translation reserve		136	(321)	
Unappropriated result		(10,799)	(5,303)	
Retained Earnings		(2,916)	1,137	
<b>Total equity</b>		<b>14,354</b>	<b>12,095</b>	
<b>Non-current liabilities</b>	<b>40</b>	<b>24,929</b>	<b>6,000</b>	
Other loans		-	6,000	
Other long-term liability		24,929	-	
<b>Current liabilities</b>	<b>41</b>	<b>14,977</b>	<b>312</b>	
<b>Total equity and liabilities</b>		<b>54,260</b>	<b>18,407</b>	

The notes on pages 94 to 105 are an integral part of these financial statements.

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

**Company income statement for the financial year ended 31 December 2012**

		<b>1 January 2011-31 December 2012 EUR 1,000</b>	<b>1 January 2011-31 December 2011 EUR 1,000</b>
Share in results from participating interests, after taxation	43	(9,029)	(4,624)
Other result after taxation		(1,770)	(679)
<b>Net result</b>		<b>(10,799)</b>	<b>(5,303)</b>

*The notes on pages 94 to 105 are an integral part of these financial statements.*

## Notes to the company financial statements for the financial year ended 31 December 2012

### 34. General

The company financial statements are part of the 2012 financial statements of Photon Energy N.V. (the 'Company'). With reference to the income statement of the company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

### 35. Principles for the measurement of assets and liabilities and the determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and endorsed by the European Union (hereinafter referred to as EU-IFRS). Please see pages 26 to 37 for a description of these principles. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealised.

### 36. Financial fixed assets

	31 December 2012	31 December 2011
	EUR 1,000	EUR 1,000
Participating interests in group companies	42,266	12,797
	<u>42,266</u>	<u>12,797</u>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

The movements of the financial fixed assets can be shown as follows:

	<b>Participating interests in group companies</b>	<b>Total</b>
	<b>EUR 1,000</b>	<b>EUR 1,000</b>
Balance at 1 January 2011	14,462	14,462
Share in result of participating interests (note 43)	(4,624)	(4,624)
Share in revaluation of assets in participating interest	3,241	3,241
Share in foreign currency translation differences in participating interest	(321)	(321)
Dividends declared	-	-
Acquisition of subsidiaries	39	39
	<b>12,797</b>	<b>12,797</b>
Balance at 1 January 2012	12,797	12,797
Capital contribution existing subsidiaries (note 36)	22,601	-
Incorporation of new subsidiaries (note 36)	3,693	-
Sale of Peas Group (note 36)	(1,783)	-
Share in result of participating interests (note 43)	(9,029)	(4,624)
Share in revaluation of assets in participating interest (note 36)	12,145	3,241
Share in foreign currency translation differences in participating interest (note 36)	457	(321)
Derivatives (note 36)	(794)	-
Acquisition of subsidiaries	-	39
	<b>40,087</b>	<b>12,797</b>
Provision for 2012 negative equity subsidiaries (note 36)	2,179	-
	<b>42,266</b>	<b>12,797</b>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

A participating legal entity is under Dutch law a participation which exercises significant influence over the operating and financial policies (hereinafter: participation), valued using the equity method. This method means that the carrying amount of the investment is increased or decreased by the share in the results and changes in equity of the associate, less the dividend from the participation. The carrying amount, the share in the results and changes in equity are determined according to the principles of the holding.

Therefore the direct changes in equity in the participations of PE NV are included in the standalone financial statements of the entity.

The direct equity movements of the subsidiaries of PE NV consist of:

1. Revaluation of assets valued at fair value in the participations (increase of value of assets)
2. Foreign currency translation differences in the participations
3. Effective portion of hedging derivatives in the participations

The Company, with statutory seat in Amsterdam, is the holding company and has the following financial interests:

Name	Location	Share in issued capital %
<b>Consolidated subsidiaries</b>		
Photon Energy Investments CZ N.V.	Amsterdam, Netherlands	100%
Photon Energy Investments DE N.V.	Amsterdam, Netherlands	100%
Photon Energy Investments IT N.V.	Amsterdam, Netherlands	100%
Photon Energy Investments N.V.	Amsterdam, Netherlands	100%
Photon Energy Operations N.V.	Amsterdam, Netherlands	100%
Photon Energy Projects B.V.	Amsterdam, Netherlands	100%
Photon Energy FinCo B.V.	Amsterdam, Netherlands	100%
Photon Energy Australia Pty Ltd	Sydney, Australia	100%
Photon Energy Polska Sp.z o .o.	Warsaw, Poland	100%
Photon Energy Corporate Services CZ sro	Prague, Czech Republic	100%
Photon Energy Corporate Services DE GmbH	Berlin, Germany	100%
Photon Energy Finance Europe GmbH	Berlin, Germany	100%
Photon Energy Technology B.V.	Amsterdam, Netherlands	100%
Photon Energy Engineering B.V.	Amsterdam, Netherlands	100%
Photon Directors B.V.	Amsterdam, Netherlands	100%

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

During 2012, entity founded the following subsidiaries:

Date of foundation	Name of subsidiary	Basic capital contributed in EUR at the foundation
22.6.2012	Photon Energy Technology B.V.	18 000
22.6.2012	Photon Energy Projects B.V.	18 000
22.6.2012	Photon Energy Finco B.V.	18 000
21.6.2012	Photon Energy Operations N.V.	46 000
4.6.2012	Photon Energy Engineering B.V.	18 000
22.11.2012	Minority shareholders PE B.V.	3,033,000
1.6.2012	Photon Energy Investments N.V.	45 000
2.5.2012	Photon Directors B.V.	18 000
total		3 214 000

The following acquisitions were performed during 2012:

Date of acquisition	Name of acquired entity	Purchase price in EUR
5.7.2012	Photon Energy Australia Pty Ltd	86 507
19.6.2012	Photon Energy Investments CZ N.V.	39 223
6.7.2012	Photon Energy Polska Sp.z o.o.	540
5.7.2012	Photon Energy Deutschland GmbH	278 119
11.7.2012	Photon Energy Finance Europe GmbH	1
28.6.2012	Photon Energy Corporate Services CZ s.r.o.	74 752
total		479 142

Total amount invested into foundation or acquisition of subsidiaries in 2012 amounted to EUR 3,693 thousands (refer to Movement schedule above).

27<sup>th</sup> June 2012, entity capitalized its receivables towards Photon Energy Investment N.V. amounting to EUR 21,713 thousands, so its share in the PEI NV has increased by this amount.

1<sup>st</sup> August 2012, entity capitalized its receivables towards Photon Energy Engineering B.V. amounting to EUR 270 thousands, so its share in the PEI NV has increased by this amount.

1<sup>st</sup> August 2012, entity capitalized its receivables towards Photon Energy Operations N.V. amounting to EUR 619 thousands, so its share in the PEI NV has increased by this amount.

All amounts capitalized equaled to EUR 22,601 thousands (refer also to Movement schedule above).

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

In December 2012, the following steps related to sale of Peas Group have been performed:

- 4 all shares of PE a.s. held by PENV were transferred to Minority Shareholders Photon Energy B.V. (MSBV), owned by the shareholders through their holding entities: Solar Power and Solar Future (SP and SF) and were contributed as additional contribution in kind. No new shares of MSBV were issued and the value of contributed shares is regarded as a non-stipulated share premium.
- 5 PENV issued new shares with a nominal value of EUR 0.01 to its current shareholders, Solar Power and Solar Future (the share capital has thus been increased to EUR 230 000)
- 6 PENV transferred all shares it held in MSBV to SP and SF 4 December 2012

21 December 2012 PE NV sold its share in PE I SK NV to Ctibor Plachy for 1 EUR.

As of 30 June 2012, the revaluation of power plants has been performed. Total amount of revaluation amounted to EUR 12,145 thousands and relates to all Slovak and Czech powerplants owned by subsidiary Photon Investments N.V.

Slovak power plants uses hedging derivatives for hedging of interest rates on received loans. Total impact into equity from their revaluation at the year-end amounted to loss of EUR 794 thousands.

Impact of foreign currency translation differences in participating interest equaled to EUR 457 thousands (2011: loss EUR 321 thousands).

Total net loss from the sale of MSBV to SP and SF amounted to EUR 1,783 thousands (refer to Movement schedule).

The company booked a provision for negative equity in subsidiaries in the amount of EUR 2,179 thousands as the Company's management has intention to maintain and support the related subsidiaries within the structure and support them by providing the required cash-flow and settle their liabilities.

### 37. Loans

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>EUR 1,000</b>	<b>EUR 1,000</b>
Loans provided	5,272	5,396
	<b>5,272</b>	<b>5,396</b>

The balance of loan provided consist of the loan provided to Phoenix Energy a.s. (EUR 4,080 thousands), to Photon Engineering SK s.r.o. (EUR 1,000 thousands) and to Photon Energy Investments DE N.V. (EUR 192 thousands). Interest rate is 3% p.a. and all the loans have due date 31. 12. 2013.

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Stand alone Financial Statements for the year ended 31 December 2012

**38. Current assets**

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>EUR 1,000</b>	<b>EUR 1,000</b>
Trade and other receivables	6,481	110
Inventory	2	1
Cash	239	103
	<hr/>	<hr/>
	<b>6,722</b>	<b>214</b>
	<hr/> <hr/>	<hr/> <hr/>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

**39 Shareholders' equity**
**39.1 Reconciliation of movement in capital and reserves**

	Issued share capital	Share premium	Currency translation reserve	Derivativ es	Revaluatio n reserve	Retained earnings	Unappro- priated result	Total equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance at 1 January 2011	46	13,295	-	-	-	-	1,137	14,478
Revaluation of assets in participating interest	-	-	-	-	3,241	-	-	3,241
Foreign currency translation differences in participating interest	-	-	(321)	-	-	-	-	(321)
Transfer to retained earnings	-	-	-	-	-	1,137	(1,137)	-
Total recognised income and expense	-	-	-	-	-	-	(5,303)	(5,303)
<b>Balance at 31 December 2011</b>	<b>46</b>	<b>13,295</b>	<b>(321)</b>	<b>-</b>	<b>3,241</b>	<b>1,137</b>	<b>(5,303)</b>	<b>12,095</b>
Balance at 1 January 2012	46	13,295	(321)	-	3,241	1,137	(5,303)	12,095
Transfer from share premium	184	(184)	-	-	-	-	-	-
Revaluation of assets in participating interest	-	-	-	-	12,145	-	-	12,145
Foreign currency translation differences in participating interest	-	-	457	-	-	-	-	457
Transfer to retained earnings	-	-	-	-	-	(5,303)	5,303	-
Total recognised income and expense	-	-	-	-	-	-	(10,799)	(10,799)
Acquisition of result of minority interest	-	-	-	-	-	1,250	-	1,250
Derivatives	-	-	-	(794)	-	-	-	(794)
<b>Balance at 31 December 2012</b>	<b>230</b>	<b>13,111</b>	<b>136</b>	<b>(794)</b>	<b>15,386</b>	<b>(2,916)</b>	<b>(10,799)</b>	<b>14,354</b>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

## 39.2 Share capital and share premium

### 39.2.1 Ordinary shares

At 31 December 2012, the authorised share capital comprised 100,000,000 ordinary shares (31 December 2011: 23,000,000). All shares have a par value of EUR 0.01. In total, 23,000,000 shares have been issued and paid up (31 December 2011: 4,600,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Reserves

Reserves of the Company consist of revaluation reserve and currency translation reserve and derivatives reserve..

The revaluation reserve arises on the revaluation of photovoltaic power plant owned by the participation(s) and it amounted to EUR 15,386 thousands as of 31 December 2012 (31 December 2011: EUR 3,421 thousands).

Currency translation reserve includes all foreign translation exchange differences in the participations and amounted to EUR 136 thousands as of 31 December 2012 (31 December 2011: EUR(321) thousands).

The derivatives reserve includes result from hedging derivatives in the participations and amounted to a loss of EUR 794 thousands in 2012 (2011: nil).

### 39.2.2 Unappropriated result

To the General Meeting of Shareholders the following appropriation of the result 2012 will be proposed: the loss of EUR 10,799 thousands to be transferred and added to the retained earnings item in the shareholders' equity.

### 39.2.3 Reconciliation of consolidated group equity with company equity

	31 December 2012	31 December 2011
	EUR 1,000	EUR 1,000
Group equity	14,478	17,494
Minority interest of third parties in subsidiary:		
• Non-controlling interest	(124)	5,399
	<hr/>	<hr/>
Shareholders' equity (company)	14,354	12,095
	<hr/>	<hr/>
Group result	(12,634)	(7,054)
Minority interest of third parties in result:		
• Non-controlling interest	(1,835)	(1,751)
	<hr/>	<hr/>
Net result (company)	(10,799)	(5,303)
	<hr/> <hr/>	<hr/> <hr/>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

**40. Long-term liabilities**

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>EUR 1,000</b>	<b>EUR 1,000</b>
Loans	-	6,000
Other long-term liabilities	24,929	-
	<b>24,929</b>	<b>6,000</b>

The loan is provided by a third party, private financing company, on 4th October 2011 and 12<sup>th</sup> June 2012 (additional 2 million EUR provided based on amendment), the due date is 31 December 2013, therefore it has been reclassified into short-term liabilities as of 31.12.2012. Interest rate is 9% p.a.

Other long term liabilities represent liability based on Agreement and transfer of receivables between entity and Photon Energy Investments SK N.V. signed 27th June 2012. Based on the amendment signed 21 December 2012, the due date of the receivables has been prolonged to 27<sup>th</sup> June 2017.

**41. Current liabilities**

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>EUR 1,000</b>	<b>EUR 1,000</b>
Loans	8,000	-
Trade payables	236	29
Accruals and deferred income	370	283
Other payables	4,192	-
Provision for 2012 negative equity subsidiaries	2,179	-
	<b>14,977</b>	<b>312</b>

Other payables consist of entity's liabilities from the acquisition of the companies during the year 2012 from Photon Energy Investment SK N.V. and from funds provided by the companies in the Group.

The company booked a provision for negative equity in subsidiaries in the amount of EUR 2,179 thousands as the Company's management has intention to maintain and support the related subsidiaries within the structure and support them by providing the required cash-flow and settle their liabilities.

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

The repayment schedule for the loan of EUR 8,000 thousands was agreed as follows:

- 1) EUR 500,000 till 31 January 2013\*
- 2) EUR 1,500,000 till 31 March 2013\*
- 3) EUR 6,000,000 till 31 December 2013

\* Repaid in 2013.

## 42. Financial instruments

### 42.1 General

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company financial statements of Photon Energy N.V.

No derivative financial instruments are being used at parent company level.

### 42.2 Fair value

The fair value of the financial instruments stated on the balance sheet, including cash at bank and in hand and current liabilities, is close to the carrying amount.

## 43. Share in results from participating interests

An amount of EUR 9,029 thousands (loss) of share in results from participating interests relates to group companies (2011: loss of EUR 4,624 thousands).

## 44. Fees of the auditor

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG Accountants N.V. to the Company:

	<b>KPMG Accountants N.V. 2012 EUR 1,000</b>	<b>Other KPMG member firms and affiliates 2012 EUR 1,000</b>	<b>Total KPMG 2012 EUR 1,000</b>
Statutory audit of annual accounts	53	-	53
	<hr/> 53	<hr/> -	<hr/> 53
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

**45. Related parties****45.1 Transactions with key management personnel****45.1.1 Key management personnel compensation**

Key management personnel did not obtain any compensation for their activity for PE NV in 2012. However, they obtained remuneration for their function from Phoenix Energy a.s., refer to Note 29.1 of the Consolidated financial statements.

**45.1.2 Key management personnel and director**

The directors of the Company control 100% of the voting shares of the Company. The Directors hold positions in other group entities that result in having control or significant influence over the financial or operating policies of these entities.

**45.1.3 Emoluments of directors and supervisory directors**

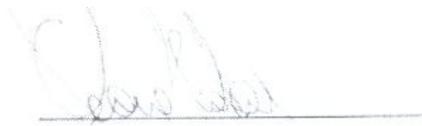
No emoluments, including pension obligations as intended in Section 2:383(1) of the Netherlands Civil Code were charged in the financial period to the Company. Directors receive the remuneration for their function from Phoenix Energy a.s., refer to Note 29.1 of the Consolidated financial statements.

Amsterdam, 17 May 2013

The Board of Directors:



Michael Gartner, Director



Georg Hotar, Director

Photon Energy N.V.

Stand alone Financial Statements for the year ended 31 December 2012

**Other information****1. Emoluments of directors and supervisory directors**

No emoluments, including pension obligations as intended in Section 2:383(1) of the Netherlands Civil Code were charged in the financial period to the Company.

**2. Provisions in the Articles of Association governing the appropriation of profit**

According to article 20 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity are greater than the paid-up and called-up part of the capital plus the legally required reserves.

**3. Proposal for profit appropriation**

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2012 loss: an amount of EUR 10,799 thousands to be added to the retained earnings.

**4. Subsequent events**

Please refer to note 31 of the consolidated financial statements.

For Photon Energy N.V. there were no other subsequent events affecting the situation at balance sheet date.

**5. Subsidiaries**

The Company has subsidiaries in Czech Republic, Slovak Republic, Italy, Germany, Poland and Australia. For the list of all subsidiaries refer to the Note 30 of the Consolidated financial statements.

**6. Independent auditor's report**

The independent auditor's report is set forth on the next pages.

## 6.6. The auditor's report on the Issuer's audited financial statements for FY 2012



### Independent auditor's report

To: the General Meeting of Shareholders of Photon Energy N.V.

#### Report on the financial statements

We have audited the accompanying financial statements 2012 of Photon Energy N.V. ("the Company"), Amsterdam. The financial statements include the consolidated financial statements and the stand alone financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The stand alone financial statements comprise the company balance sheet as at 31 December 2012, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### The Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion with respect to the consolidated financial statements**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Photon Energy N.V. as at 31 December 2012 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

### **Opinion with respect to the stand alone financial statements**

In our opinion, the stand alone financial statements give a true and fair view of the financial position of Photon Energy N.V. as at 31 December 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### **Emphasis of uncertainty with respect to the going-concern assumption**

We draw attention to note 2.1 'going concern'. This note describes matters regarding external financing, which indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

### **Report on other legal and regulatory requirements**

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 17 May 2013

KPMG Accountants N.V.

L.M.A. van Opzeeland RA

The copy of the official auditor's report on the Issuer's 2012 audited, standalone and consolidated financial statements is published as a separate document on the website of Photon Energy N.V. [www.photonenergy.com](http://www.photonenergy.com)

## 6.7. The Issuer's unaudited standalone financial information for 1Q 2013

The tables below present the standalone, unaudited financial information of Photon Energy N.V. for the quarter starting on 1 January 2013 and ending on 31 March 2013 and the corresponding period of the previous year.

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its standalone financial statements, the Company makes use of the option provided in section 2:362 (8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result of the standalone financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and endorsed by the European Union.

### STANDALONE STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

	31 March 2013*	31 March 2012*
	<i>EUR 1,000</i>	<i>EUR 1,000</i>
<b>Fixed assets</b>		
Financial fixed assets	42,266	16,061
Loans	2,217	5,617
<b>Total fixed assets</b>	<b>44,483</b>	<b>21,678</b>
<b>Current assets</b>		
Trade and other receivables	8,163	76
Inventory	2	2
Cash and cash equivalents	274	75
<b>Total current assets</b>	<b>8,439</b>	<b>153</b>
<b>Total assets</b>	<b>52,922</b>	<b>21,831</b>

<b>Shareholders' equity</b>		
Issued share capital	230	46
Share premium	13,111	16,022
Revaluation reserve	15,386	-
Derivatives reserve	(794)	-
Currency translation reserve	136	-
Unappropriated result	(509)	(64)
Retained Earnings	(13,715)	(608)
<b>Total equity</b>	<b>13,845</b>	<b>15,396</b>
<b>Non-current liabilities</b>	<b>24,929</b>	<b>6,000</b>
Other loans	-	6,000
Other long-term liability	24,929	-
<b>Current liabilities</b>	<b>14,148</b>	<b>435</b>
<b>Total equity and liabilities</b>	<b>52,922</b>	<b>21,831</b>

\* Unaudited

**Company income statement for the financial period ended 31 March 2013**

	<b>1 January 2013- 31 March 2013*</b>	<b>1 January 2012- 31 March 2012*</b>
	<i>EUR 1,000</i>	<i>EUR 1,000</i>
Share in results from participating interests, after taxation	-	-
Other result after taxation	<b>(509)</b>	<b>(64)</b>
<b>Net result</b>	<b>(509)</b>	<b>(64)</b>

\* Unaudited

**6.8. The Issuer's unaudited consolidated financial information for 1Q 2013**

The tables below present the consolidated, unaudited financial information of Photon Energy N.V. for the quarter starting on 1 January 2013 and ending on 31 March 2013 and the corresponding period of the previous year. The reported data is presented in accordance with International Financial and Reporting Standards as endorsed by the European Union (EU-IFRS).

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 March 2013

in thousand EUR	Thousand EUR 2013-03-31*	Thousand EUR 2012-03-31*
<b>ASSETS</b>		
<b>Fixed assets</b>		
Property, plant and equipment	92 038	89 760
Investments in associates /joint ventures	1 288	1 994
Other investments	6	41
Longterm receivables	0	98
Deferred tax assets	0	0
<b>Total fixed assets</b>	<b>93 332</b>	<b>91 893</b>
<b>Current assets</b>		
Inventories – Goods	139	4 243
Trade receivables	1 429	1 093
Other receivables	11 082	2 393

Loans	0	
Gross amount due from customers for contract work	0	0
Prepaid expenses	99	96
Cash and cash equivalents	5 130	3 390
Assets held for sale	0	0
<b>Total current assets</b>	<b>17 879</b>	<b>11 215</b>
<b>TOTAL ASSETS</b>	<b>111 211</b>	<b>103 108</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued share capital	230	46
Legal reserve fund	10	9
Reserves	27 334	17 279
Retained earnings	-16 936	-6 074
Combined equity	0	0
<b>Equity attributable to owners of the Company</b>	<b>10 638</b>	<b>11 260</b>
Non-controlling interests	121	4 530
<b>Total equity</b>	<b>10 759</b>	<b>15 790</b>
<b>Non-current liabilities</b>		
Bank Loan	51 535	44 512
Other long term liabilities	29 042	64
Deferred tax liabilities	4 259	2 243
<b>Total non-current liabilities</b>	<b>84 836</b>	<b>46 819</b>
<b>Current liabilities</b>		
Bank Loans	4 103	3 259
Other loans	6 000	6 800
Trade payables	5 321	9 901
Other payables	192	2 312
Other shortterm liabilities	0	16 576
Current tax liabilities (income tax)	0	1 651
Provisions	0	
<b>Total current payables</b>	<b>15 616</b>	<b>40 499</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>111 211</b>	<b>103 108</b>

\* Unaudited

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1.1.2013 until 31.3.2013

in thousand EUR	Thousand EUR	Thousand EUR
	1.1.2013- 31.3.2013*	1.1.2012- 31.3.2012*
Revenues from the sale of products, goods and services	1 673	2 793
Costs of sale	-893	-1 068
Energy tax	-157	-386

<b>Gross profit</b>	<b>623</b>	<b>1 339</b>
Other income	48	17
Administrative expenses	-1 456	-553
Personnel expenses	-794	-757
Other expenses	-50	-180
<b>EBITDA</b>	<b>-1 629</b>	<b>-134</b>
Depreciation	-844	-645
<b>Operating income</b>	<b>-2 473</b>	<b>-779</b>
Interests income	0	12
Financial revenues	58	0
Interests cost	-530	-1 532
Financial expenses	-543	-328
Disposal of investments	535	
<b>Net finance expenses</b>	<b>-480</b>	<b>-1 848</b>
Share of profit/loss of associates /joint venture	-32	-19
<b>Profit /loss before taxation</b>	<b>-2 985</b>	<b>-2 646</b>
Income tax – due	0	-165
Income tax – deferred	49	46
<b>Profit/loss after taxation</b>	<b>-2 936</b>	<b>-2 765</b>
<b><i>Items that will not be reclassified subsequently to profit or loss</i></b>		
Revaluation of property, plant and equipment	0	0
Share of revaluation of PPE of associates /joint venture	0	0
	<b>0</b>	<b>0</b>
<b><i>Items that may be reclassified subsequently to profit or loss</i></b>		
Foreign currency translation differences for foreign operations	0	834
Derivatives (hedging)	-783	
Share on derivatives (hedging) of associates /joint ventures	0	
	<b>-783</b>	<b>834</b>
<b>Other comprehensive income, net of tax</b>	<b>-783</b>	<b>1 668</b>
<b>Total comprehensive income</b>	<b>-3 719</b>	<b>-1 097</b>
<b>Profit attributable to:</b>		
Owners of the Company	-2 933	-1 984
Non-controlling interest	-3	-781
<b>Profit for the year</b>	<b>-2 936</b>	<b>-2 765</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	-3 716	-787
Non-controlling interest	-3	-310
<b>Total comprehensive income for the year</b>	<b>-3 719</b>	<b>-1 097</b>
<b>Earnings per share</b>		

Basic earnings per share	-0,1275	-0,0431
Total comprehensive income per share	-0,1616	-0,0171

\* Unaudited

**CONSOLIDATED CASH FLOW STATEMENT**  
for the period from 1.1.2013 until 31.3.2013

	Thousand EUR	Thousand EUR
in thousand EUR	1.1.2013 – 31.3.2013*	1.1.2012- 31.3.2012*
<b>Cash flows from operating activities</b>		
Profit/loss before taxation	-2 936	-2 765
Adjustments for:		
Depreciation	844	645
Net finance costs	480	1 848
Share of profit of equity accounted investees	32	19
Profit /Loss on sale of property, plant and equipment	0	0
Income tax expense	-49	119
Other non-cash items	0	-10
Changes in:		
Trade and other receivables	-5 463	204
Gross amount due from customers for contract work	0	0
Prepaid expenses	359	15
Inventories	14	118
Trade and other payables	-1 554	381
Other liabilities	4 111	765
Interests paid	0	-759
Income tax paid	0	0
<b>Net cash from operating activities</b>	<b>-4 162</b>	<b>580</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	0	-3 005
Acquisition of subsidiary (net of cash acquired), associates, joint ventures		0
Acquisition of other investments	0	0
Proceeds from sale of investments	0	0
Sale of investments - cash sold	-42	
Proceeds from sale of property, plant and equipment	0	0
Interests received	0	11
	<b>-42</b>	<b>-2 994</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	0	0

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Proceeds from borrowings	4 749	2 128
Repayment of borrowings	-2 400	-1 204
	<b>2 349</b>	<b>924</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-1 855</b>	<b>-1 490</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6 953</b>	<b>4 880</b>
Effect of exchange rate fluctuations on cash held	32	
<b>Cash and cash equivalents at the end of the period</b>	<b>5 130</b>	<b>3 390</b>

\* *Unaudited*

**VII. APPENDICES**
**7.1. Excerpt from the Commercial Registry (in English)**

PENV-12-02-0083



## Chamber of Commerce Commercial Register extract

**Commercial Register No. 51447126**

This registration is administrated by the Chamber of Commerce for Amsterdam

**Page 1 (of 2)**
**Legal entity**

RSIN	850020827
Legal form	Public Limited Liability Company (Naamloze Vennootschap)
Statutory name	Photon Energy N.V.
Corporate seat	Amsterdam
First entry in Commercial Register	10-12-2010
Date of deed of incorporation	09-12-2010
Date of deed of last amendment to the Articles of Association	18-12-2012
Authorised capital	EUR 1.000.000,00
Issued capital	EUR 230.000,00
Paid-up capital	EUR 230.000,00
Filing of the annual accounts	The annual accounts for the financial year 2012 were filed on 23-05-2013.

**Company**

Trade name	Photon Energy N.V.
Company start date	09-12-2010 (registration date: 10-12-2010)
Activities	SBI-code: 711201 - Technical design and consultancy firms for residential and nonresidential building SBI-code: 6420 - Financial holdings

**Employees**

1

**Establishment**

Establishment number	000021476004
Trade name	Photon Energy N.V.
Visiting address	Barbara Strozzilaan 201, 1083HN Amsterdam
Telephone number	0202402570
Date of incorporation	09-12-2010 (registration date: 10-12-2010)
Activities	SBI-code: 711201 - Technical design and consultancy firms for residential and nonresidential building SBI-code: 6420 - Financial holdings For further information on activities, see Dutch extract.

**Employees**

1

**Board members**

Name	Gartner, Michael
Date and place of birth	29-06-1968, Brno, Czecho-slovakia
Date of entry into office	09-12-2010 (registration date: 10-12-2010)
Title	Bestuurder
Powers	Solely/independently authorised
Date of (present) authority	05-04-2012



## Chamber of Commerce Commercial Register extract

Commercial Register No. 51447126

Page 2 (of 2)

Name	Hotar, Georg
Date and place of birth	21-04-1975, Wenen, Austria
Date of entry into office	09-12-2010 (registration date: 10-12-2010)
Title	Bestuurder
Powers	Solely/independently authorised
Date of (present) authority	05-04-2012

Amsterdam, 29-05-2013. Extract was made at 10.28 hours.  
For extract

N. Snijders, Plv. Directeur



A certified extract is an official proof of registration in the Commercial Register. Certified extracts issued on paper are signed and contain a microtext and UV logo printed on 'optically dull' paper. Certified extracts issued in digital form are signed with a verifiable digital signature.

**7.2. Company Statutes and contents of adopted resolutions of the general meeting concerning alterations to the Articles of Association which have not yet been registered by the court (in Dutch)**

There are no resolutions of the general meeting concerning the alterations of the Articles of Association which have not been yet registered by the court.



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**AKTE VAN STATUTENWIJZIGING  
PHOTON ENERGY N.V.**

Op achttien december tweeduizend twaalf verschijnt voor mij, mr. Martijn Michiel van der Bie, notaris te Amsterdam:

mr. Pauline Henrieke Toet, kandidaat-notaris, geboren te 's-Gravenhage op vier februari negentienhonderdzesentachtig, met kantooradres: Amstelplein 8A, 1096 BC Amsterdam.

De verschijnende persoon verklaart:

(A) De algemene vergadering van **Photon Energy N.V.**, een naamloze vennootschap, met zetel te Amsterdam en met adres: Barbara Strozziilaan 201, 1083 HN Amsterdam, ingeschreven in het handelsregister onder nummer 51447126 (de "**vennootschap**"), heeft op zeventien december tweeduizend twaalf besloten tot wijziging van de statuten van de vennootschap en tot verlening van machtiging aan de verschijnende persoon om de akte van statutenwijziging te doen verlijden. Van de besluiten tot statutenwijziging en verlening van machtiging blijkt uit een stuk, dat aan deze akte wordt gehecht (**bijlage**).

(B) De statuten van de vennootschap zijn laatst gewijzigd bij akte, op vijf april tweeduizend twaalf verleden voor een waarnemer van mr. Ph.H.F. König, notaris te Rotterdam.

Ter uitvoering van het hiervoor bedoelde besluit tot statutenwijziging verklaart de verschijnende persoon de statuten van de vennootschap hierbij zodanig te wijzigen dat zij in hun geheel komen te luiden als volgt:

**STATUTEN**

**Artikel 1. Begripsbepalingen**

- 1.1 In deze statuten hebben de volgende begrippen de volgende betekenis:
- "**aandeel**" betekent een aandeel in het kapitaal van de vennootschap, dan wel de rechten van een deelgenoot met betrekking tot een giraal aandeel, tenzij het tegendeel uitdrukkelijk uit de wet of deze statuten blijkt;
  - "**aandeelhouder**" betekent een houder van een of meer aandelen, dan wel een deelgenoot, tenzij het tegendeel uitdrukkelijk uit de wet of deze statuten blijkt;
  - "**accountant**" betekent een accountant als bedoeld in artikel 2:393 lid 1 van het Burgerlijk Wetboek, dan wel een organisatie waarin zodanige accountants samenwerken;
  - "**algemene vergadering**" betekent het vennootschapsorgaan dat wordt gevormd door de aandeelhouders en de vruchtgebruikers en pandhouders aan wie het stemrecht toekomt, dan wel een bijeenkomst van zodanige personen;
  - "**bestuur**" betekent het bestuur van de vennootschap;
  - "**bestuurder**" betekent een bestuurder van de vennootschap;



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“**deelgenoot**” betekent een persoon die door middel van een door een intermediair – geadmireerde effectenrekening overeenkomstig de Wet giraal effectenverkeer – gerechtigd is tot een of meer girale aandelen; —  
 “**dochtermaatschappij**” betekent een dochtermaatschappij als bedoeld in artikel — 2:24a van het Burgerlijk Wetboek; —  
 “**Euroclear Nederland**” betekent Nederlands Centraal Instituut voor Giraal — Effectenverkeer B.V., handelend onder de naam Euroclear Nederland, zijnde het — centraal instituut als bedoeld in de Wet giraal effectenverkeer; —  
 “**giraal aandeel**” betekent een aandeel dat is opgenomen in het giraal systeem van — de Wet giraal effectenverkeer; —  
 “**girodepot**” betekent een girodepot als bedoeld in de Wet giraal effectenverkeer; —  
 “**groepsmaatschappij**” betekent een groepsmaatschappij als bedoeld in artikel 2:24b van het Burgerlijk Wetboek; —  
 “**intermediair**” betekent een intermediair als bedoeld in de Wet giraal — effectenverkeer; —  
 “**vennootschap**” betekent de naamloze vennootschap die wordt geregeerd door deze statuten; —  
 “**verzameldepot**” betekent een verzameldepot als bedoeld in de Wet giraal — effectenverkeer. —

1.2 In deze statuten zijn verwijzingen naar “**artikelen**” verwijzingen naar artikelen van deze statuten, tenzij het tegendeel uitdrukkelijk blijkt. —

**Artikel 2. Naam en zetel**

2.1 De vennootschap is genaamd: Photon Energy N.V. —

2.2 De vennootschap heeft haar zetel te Amsterdam. —

**Artikel 3. Doel**

De vennootschap heeft ten doel: —

- (a) het deelnemen in, het op andere wijze een belang nemen in en het voeren van beheer over andere ondernemingen, van welke aard ook; —
- (b) het financieren van anderen en het stellen van zekerheid, het geven van garanties en het zich op andere wijze verbinden voor schulden van anderen; —
- (c) het lenen, uitlenen en bijeenbrengen van gelden, daaronder begrepen het uitgeven — van obligaties, schuldbrieven en andere waardepapieren, alsmede het aangaan van — daarmee samenhangende overeenkomsten; —
- (d) het verstrekken van adviezen en het verlenen van diensten aan anderen; —
- (e) het verkrijgen, beheren, exploiteren en vervreemden van onroerende zaken en andere registergoederen; —
- (f) het verhandelen van valuta en effecten, alsmede van vermogensbestanddelen in het — algemeen; —
- (g) het ontwikkelen, exploiteren en verhandelen van patenten, merkrechten, — vergunningen, knowhow, auteursrechten, databanken en andere intellectuele — eigendomsrechten; —
- (h) het verrichten van alle soorten industriële, financiële en commerciële activiteiten, —



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alsmede al hetgeen met het vorenstaande in de ruimste zin verband houdt of daartoe bevorderlijk kan zijn.

**Artikel 4. Kapitaal en aandelen**

- 4.1 Het maatschappelijk kapitaal van de vennootschap bedraagt één miljoen euro (EUR 1.000.000,00).
- 4.2 Het maatschappelijk kapitaal is verdeeld in honderd miljoen (100.000.000) aandelen met een nominaal bedrag van één eurocent (EUR 0,01) elk.
- 4.3 De aandelen luiden op naam.
- 4.4 Aandeelbewijzen worden niet uitgegeven.

**Artikel 5. Girale aandelen**

- 5.1 Een aandeel wordt een giraal aandeel door uitgifte of overdracht aan een intermediair ter opname in een verzameldepot dan wel door uitgifte of overdracht aan Euroclear Nederland ter opname in een girodepot.
- 5.2 Uitlevering van girale aandelen uit een verzameldepot of girodepot kan slechts geschieden voor zover zulks op grond van de Wet giraal effectenverkeer mogelijk is.
- 5.3 Levering van een aandeel in een verzameldepot geschiedt door afschrijving op naam van de vervreemder en bijschrijving op naam van de verkrijger in het daartoe bestemde deel van de administratie van de intermediair.
- 5.4 Vestiging van een vruchtgebruik op een aandeel in een verzameldepot geschiedt door bijschrijving ten name van de vruchtgebruiker dan wel de verkrijger in de administratie van de intermediair. Levering van een vruchtgebruik op een aandeel in een verzameldepot geschiedt door afschrijving op naam van de vervreemder en bijschrijving op naam van de verkrijger in de administratie van de intermediair.
- 5.5 Vestiging van een pandrecht op een aandeel in een verzameldepot ten behoeve van een ander dan de intermediair geschiedt door bijschrijving ten name van de pandhouder in de administratie van de intermediair. Vestiging van een pandrecht op een aandeel in een verzameldepot ten behoeve van de intermediair geschiedt door overeenkomst tussen de pandgever en de intermediair.

**Artikel 6. Uitgifte van aandelen**

- 6.1 De vennootschap kan slechts aandelen uitgeven ingevolge een besluit van de algemene vergadering of van het bestuur indien het daartoe bij besluit van de algemene vergadering voor een bepaalde duur van ten hoogste vijf jaren is aangewezen. Bij de aanwijzing moet zijn bepaald hoeveel aandelen mogen worden uitgegeven. De aanwijzing kan telkens voor niet langer dan vijf jaren worden verlengd. Tenzij bij de aanwijzing anders is bepaald, kan zij niet worden ingetrokken. Zolang de aanwijzing van kracht is, is de algemene vergadering niet bevoegd tot uitgifte te besluiten.
- 6.2 Bij het besluit tot uitgifte van aandelen worden de koers en de verdere voorwaarden van uitgifte vastgesteld.
- 6.3 De vennootschap legt binnen acht dagen na een besluit van de algemene vergadering tot uitgifte of tot aanwijzing een volledige tekst daarvan neer ten kantore van het handelsregister.



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- 6.4 De artikelen 6.1 tot en met 6.3 zijn van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen, maar zijn niet van toepassing op het uitgeven van aandelen aan iemand die een voordien reeds verkregen recht tot het nemen van aandelen uitoefent.
- 6.5 De vennootschap doet binnen acht dagen na afloop van elk kalenderkwartaal ten kantore van het handelsregister opgave van elke uitgifte van aandelen in het afgelopen kalenderkwartaal, met vermelding van het aantal.

**Artikel 7. Voorkeursrecht**

- 7.1 Bij uitgifte van aandelen heeft iedere aandeelhouder een voorkeursrecht naar evenredigheid van het gezamenlijke nominale bedrag van zijn aandelen, onverminderd artikel 7.2. Indien een aandeelhouder zijn voorkeursrecht niet of niet volledig uitoefent, hebben de overige aandeelhouders op gelijke wijze een voorkeursrecht op de daardoor vrijvallende aandelen.
- 7.2 Een aandeelhouder heeft geen voorkeursrecht op aandelen die worden uitgegeven tegen inbreng anders dan in geld. Hij heeft geen voorkeursrecht op aandelen die worden uitgegeven aan werknemers van de vennootschap of van een groepsmaatschappij.
- 7.3 Het voorkeursrecht kan worden beperkt of uitgesloten bij besluit van de algemene vergadering. In het voorstel hiertoe moeten de redenen voor het voorstel en de keuze van de voorgenomen koers van uitgifte schriftelijk worden toegelicht. Het voorkeursrecht kan evenwel worden beperkt of uitgesloten door het bestuur indien het bij besluit van de algemene vergadering voor een bepaalde duur van ten hoogste vijf jaren is aangewezen als bevoegd tot het beperken of uitsluiten van het voorkeursrecht. Een dergelijke aanwijzing kan slechts geschieden indien het bestuur voordien reeds is aangewezen als bevoegd tot het uitgeven van aandelen of tegelijkertijd als zodanig wordt aangewezen. De aanwijzing kan telkens voor niet langer dan vijf jaren worden verlengd. Tenzij bij de aanwijzing anders is bepaald, kan zij niet worden ingetrokken. De aanwijzing eindigt in ieder geval wanneer de aanwijzing van het bestuur als bevoegd tot het uitgeven van aandelen eindigt. Voor een besluit van de algemene vergadering tot beperking of uitsluiting van het voorkeursrecht of tot aanwijzing is een meerderheid van ten minste twee derden van de uitgebrachte stemmen vereist, indien minder dan de helft van het geplaatste kapitaal in de vergadering is vertegenwoordigd. De vennootschap legt binnen acht dagen na het besluit een volledige tekst daarvan neer ten kantore van het handelsregister.
- 7.4 De vennootschap kondigt de uitgifte met voorkeursrecht en het tijdvak waarin dat kan worden uitgeoefend, aan in de Staatscourant en in een landelijk verspreid dagblad.
- 7.5 Het voorkeursrecht kan worden uitgeoefend gedurende ten minste twee weken na de dag van aankondiging in de Staatscourant.
- 7.6 De artikelen 7.1 tot en met 7.5 zijn van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen. Aandeelhouders hebben geen



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voorkeursrecht op aandelen die worden uitgegeven aan iemand die een voordien —  
reeds verkregen recht tot het nemen van aandelen uitoefent. —

### Artikel 8. Storting op aandelen

- 8.1 Bij het nemen van aandelen moet daarop het gehele nominale bedrag worden gestort —  
alsmede, indien het aandeel voor een hoger bedrag wordt genomen, het verschil —  
tussen die bedragen, onverminderd artikel 8.2. —
- 8.2 Het is geoorloofd aan hen die zich in hun beroep belasten met het voor eigen —  
rekening plaatsen van aandelen, bij overeenkomst toe te staan op de door hen —  
genomen aandelen minder te storten dan het nominale bedrag, mits ten minste —  
vierennegentig procent van dit bedrag uiterlijk bij het nemen van de aandelen in geld  
wordt gestort. —
- 8.3 Storting moet in geld geschieden, voor zover niet een andere inbreng is —  
overeengekomen. —
- 8.4 Storting in geld kan slechts in vreemd geld geschieden met toestemming van de —  
vennootschap. Met storting in vreemd geld wordt aan de stortingsplicht voldaan voor  
het bedrag waartegen het gestorte bedrag vrijelijk in euro kan worden omgewisseld.  
Bepalend is de wisselkoers op de dag van de storting. —
- 8.5 Het bestuur is bevoegd tot het verrichten van rechtshandelingen betreffende inbreng  
op aandelen anders dan in geld en van alle overige rechtshandelingen bedoeld in —  
artikel 2:94 lid 1 van het Burgerlijk Wetboek zonder de voorafgaande goedkeuring —  
van de algemene vergadering. —

### Artikel 9. Verkrijging van eigen aandelen

- 9.1 De vennootschap mag slechts volgestorte aandelen in haar kapitaal verkrijgen om —  
niet of indien het eigen vermogen, verminderd met de verkrijgingsprijs, niet kleiner  
is dan het geplaatste kapitaal vermeerderd met de reserves die krachtens de wet —  
moeten worden aangehouden. —
- 9.2 Voor het vereiste in artikel 9.1 is bepalend de grootte van het eigen vermogen —  
volgens de laatst vastgestelde balans, verminderd met de verkrijgingsprijs voor —  
aandelen in het kapitaal van de vennootschap, het bedrag van de leningen als —  
bedoeld in artikel 10.2 en uitkeringen uit winst of reserves aan anderen, die zij en —  
haar dochtermaatschappijen na de balansdatum verschuldigd werden. Is een boekjaar  
meer dan zes maanden verstreken zonder dat de jaarrekening is vastgesteld, dan is —  
verkrijging overeenkomstig artikel 9.1 niet toegestaan. —
- 9.3 Verkrijging anders dan om niet kan slechts plaatsvinden indien en voor zover de —  
algemene vergadering het bestuur daartoe heeft gemachtigd. Deze machtiging geldt  
voor ten hoogste achttien maanden. De algemene vergadering bepaalt in de —  
machtiging hoeveel aandelen mogen worden verkregen, hoe zij mogen worden —  
verkregen en tussen welke grenzen de prijs moet liggen. —
- 9.4 De machtiging als bedoeld in artikel 9.3 is niet vereist indien en voor zover de —  
vennootschap eigen aandelen verkrijgt om, krachtens een voor hen geldende —  
regeling, over te dragen aan werknemers in dienst van de vennootschap of van een —  
groepsmaatschappij. —



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- 9.5 De artikelen 9.1 tot en met 9.4 gelden niet voor aandelen die de vennootschap onder algemene titel verkrijgt.
- 9.6 De vennootschap kan eigen aandelen slechts in pand nemen indien:
  - (a) de in pand te nemen aandelen volgestort zijn;
  - (b) het nominale bedrag van de in pand te nemen en de reeds gehouden of in pand gehouden eigen aandelen tezamen niet meer dan een tiende van het geplaatste kapitaal bedraagt, en
  - (c) de algemene vergadering de pandovereenkomst heeft goedgekeurd.
- 9.7 Indien certificaten van aandelen in het kapitaal van de vennootschap zijn uitgegeven, worden deze voor de toepassing van de artikelen 9.1 tot en met 9.6 met aandelen gelijkgesteld.
- 9.8 Het bestuur beslist over de vervreemding door de vennootschap van door haar verkregen aandelen in haar kapitaal.

**Artikel 10. Financiële steunverlening**

- 10.1 De vennootschap mag niet, met het oog op het nemen of verkrijgen door anderen van aandelen in haar kapitaal of van certificaten daarvan, zekerheid stellen, een koersgarantie geven, zich op andere wijze sterk maken of zich hoofdelijk of anderszins naast of voor anderen verbinden. Dit verbod geldt ook voor haar dochtermaatschappijen.
- 10.2 De vennootschap en haar dochtermaatschappijen mogen niet, met het oog op het nemen of verkrijgen door anderen van aandelen in het kapitaal van de vennootschap of van certificaten daarvan, leningen verstrekken, tenzij het bestuur daartoe besluit en er is voldaan aan de volgende voorwaarden:
  - (a) het verstrekken van de lening, met inbegrip van de rente die de vennootschap ontvangt en de zekerheden die aan de vennootschap worden verstrekt, geschiedt tegen billijke marktvoorwaarden;
  - (b) het eigen vermogen, verminderd met het bedrag van de lening, is niet kleiner dan het geplaatste kapitaal vermeerderd met de reserves die krachtens de wet moeten worden aangehouden;
  - (c) de kredietwaardigheid van de derde of, wanneer het meerpartijentransacties betreft, van iedere erbij betrokken tegenpartij is nauwgezet onderzocht;
  - (d) indien de lening wordt verstrekt met het oog op het nemen van aandelen in het kader van een verhoging van het geplaatste kapitaal van de vennootschap of met het oog op het verkrijgen van aandelen die de vennootschap in haar kapitaal houdt, is de prijs waarvoor de aandelen worden genomen of verkregen billijk.
- 10.3 Voor het vereiste in artikel 10.2 onder (b) is bepalend de grootte van het eigen vermogen volgens de laatst vastgestelde balans, verminderd met de verkrijgingsprijs voor aandelen in het kapitaal van de vennootschap en uitkeringen uit winst of reserves aan anderen, die zij en haar dochtermaatschappijen na de balansdatum verschuldigd werden. Is een boekjaar meer dan zes maanden verstreken zonder dat



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- de jaarrekening is vastgesteld, dan is een transactie als bedoeld in artikel 10.2 niet toegestaan.
- 10.4 De vennootschap houdt een niet-uitkeerbare reserve aan ter grootte van het bedrag van de in artikel 10.2 bedoelde leningen.
- 10.5 Een besluit van het bestuur tot het verstrekken van een lening als bedoeld in artikel 10.2 is onderworpen aan de voorafgaande goedkeuring van de algemene vergadering. Het besluit tot goedkeuring wordt genomen met een meerderheid van ten minste vijfennegentig procent van de uitgebrachte stemmen.
- 10.6 Wanneer aan de algemene vergadering de in artikel 10.5 bedoelde goedkeuring wordt gevraagd, wordt zulks bij de oproeping tot de algemene vergadering vermeld. Gelijkijdig met de oproeping wordt ten kantore van de vennootschap een rapport ter inzage van de aandeelhouders gelegd waarin melding wordt gemaakt van de redenen voor het verstrekken van de lening, het voor de vennootschap daaraan verbonden belang, de voorwaarden waartegen de lening zal worden verstrekt, de koers waartegen de aandelen door de derde zullen worden genomen of verkregen en de aan de lening verbonden risico's voor de liquiditeit en solvabiliteit van de vennootschap.
- 10.7 De vennootschap legt binnen acht dagen na de in artikel 10.5 bedoelde goedkeuring het in artikel 10.6 bedoelde rapport of een afschrift daarvan neer ten kantore van het handelsregister.
- 10.8 De artikelen 10.1 tot en met 10.7 gelden niet indien aandelen of certificaten van aandelen worden genomen of verkregen door of voor werknemers in dienst van de vennootschap of van een groepsmaatschappij.

**Artikel 11. Kapitaalvermindering**

- 11.1 De algemene vergadering kan besluiten tot vermindering van het geplaatste kapitaal door intrekking van aandelen of door het nominale bedrag van aandelen bij statutenwijziging te verminderen. In dit besluit moeten de aandelen waarop het besluit betrekking heeft, worden aangewezen en moet de uitvoering van het besluit zijn geregeld. Het geplaatste kapitaal mag niet kleiner worden dan het ten tijde van het besluit door de wet voorgeschreven minimumkapitaal. Voor een besluit tot kapitaalvermindering is een meerderheid van ten minste twee derden van de uitgebrachte stemmen vereist, indien minder dan de helft van het geplaatste kapitaal in de vergadering is vertegenwoordigd.
- 11.2 Een besluit tot intrekking kan slechts betreffen aandelen die de vennootschap zelf houdt of waarvan zij de certificaten houdt.
- 11.3 Vermindering van het nominale bedrag van aandelen zonder terugbetaling moet naar evenredigheid op alle aandelen geschieden. Van het vereiste van evenredigheid mag worden afgeweken met instemming van alle aandeelhouders.
- 11.4 Gedeeltelijke terugbetaling op aandelen is slechts mogelijk ter uitvoering van een besluit tot vermindering van het nominale bedrag van de aandelen. Zulk een terugbetaling moet naar evenredigheid op alle aandelen geschieden. Van het vereiste van evenredigheid mag worden afgeweken met instemming van alle aandeelhouders.



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- 11.5 De oproeping tot een vergadering waarin een in dit artikel 11 genoemd besluit wordt genomen, vermeldt het doel van de kapitaalvermindering en de wijze van uitvoering.
- 11.6 De vennootschap legt een besluit tot vermindering van het geplaatste kapitaal neer – ten kantore van het handelsregister en kondigt de nederlegging aan in een landelijk – verspreid dagblad.

**Artikel 12. Vruchtgebruik en pandrecht op aandelen**

- 12.1 Op aandelen kan vruchtgebruik worden gevestigd. De aandeelhouder heeft het — stemrecht op de aandelen waarop een vruchtgebruik is gevestigd. In afwijking van de vorige zin komt het stemrecht toe aan de vruchtgebruiker, indien zulks bij de — vestiging van het vruchtgebruik is bepaald.
- 12.2 Op aandelen kan pandrecht worden gevestigd. De aandeelhouder heeft het stemrecht op de verpande aandelen. In afwijking van de vorige zin komt het stemrecht toe aan de pandhouder, indien zulks bij de vestiging van het pandrecht is bepaald.
- 12.3 De aandeelhouder die geen stemrecht heeft en de vruchtgebruiker en pandhouder die stemrecht hebben, hebben de rechten die door de wet zijn toegekend aan de houders van met medewerking van een vennootschap uitgegeven certificaten van aandelen.
- 12.4 De vruchtgebruiker en pandhouder die geen stemrecht hebben, hebben niet de — rechten die door de wet zijn toegekend aan de houders van met medewerking van — een vennootschap uitgegeven certificaten van aandelen

**Artikel 13. Certificaten van aandelen**

De vennootschap is niet bevoegd haar medewerking te verlenen aan de uitgifte van — certificaten van aandelen.

**Artikel 14. Register van aandeelhouders**

- 14.1 Het bestuur houdt een register waarin de namen en adressen van alle aandeelhouders worden opgenomen, met vermelding van het aantal door hen gehouden aandelen, de datum waarop zij de aandelen hebben verkregen, de datum van erkenning of — betekening, alsmede dat de aandelen zijn volgestort. Daarin worden tevens — opgenomen de namen en adressen van hen die een recht van vruchtgebruik of — pandrecht op aandelen hebben, met vermelding van de datum waarop zij het recht — hebben verkregen, de datum van erkenning of betekening, alsmede met vermelding — aan wie het stemrecht en de rechten die door de wet zijn toegekend aan de houders — van met medewerking van een vennootschap uitgegeven certificaten van aandelen, — toekomen.
- 14.2 Indien aandelen tot een verzameldepot of een girodepot behoren, wordt in het — register de naam en het adres van de intermediair onderscheidenlijk Euroclear — Nederland opgenomen, met vermelding van de datum waarop die aandelen zijn gaan behoren tot het verzameldepot onderscheidenlijk girodepot, de datum van erkenning of betekening, alsmede van het op ieder aandeel gestorte bedrag. De namen en — adressen van deelgenoten worden niet in het register opgenomen.
- 14.3 Iedere aandeelhouder, vruchtgebruiker en pandhouder is verplicht zijn adres aan het bestuur op te geven.
- 14.4 Het register wordt regelmatig bijgehouden.



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- 14.5 Het bestuur verstrekt desgevraagd aan een aandeelhouder, een vruchtgebruiker en een pandhouder om niet een uittreksel uit het register met betrekking tot zijn recht op een aandeel. Rust op het aandeel een recht van vruchtgebruik of een pandrecht, dan vermeldt het uittreksel aan wie het stemrecht en de rechten die door de wet zijn toegekend aan de houders van met medewerking van een vennootschap uitgegeven certificaten van aandelen, toekomen.
- 14.6 Het bestuur legt het register ten kantore van de vennootschap ter inzage van de aandeelhouders, alsmede van de vruchtgebruikers en pandhouders aan wie het stemrecht toekomt. De vorige zin is niet van toepassing op het gedeelte van het register dat buiten Nederland ter voldoening van de aldaar geldende wetgeving of ingevolge beursvoorschriften wordt gehouden.
- 14.7 De artikelen 14.1, 14.3, 14.5 en 14.6 zijn niet van toepassing op de deelgenoten en de houders van een recht van vruchtgebruik of pandrecht op een aandeel in een verzameldepot.

### Artikel 15. Levering van aandelen

- 15.1 Voor de levering van aandelen of van een vruchtgebruik op aandelen, dan wel de vestiging of afstand van een vruchtgebruik of pandrecht op aandelen, zijn vereist een daartoe bestemde akte alsmede, behoudens in het geval dat de vennootschap zelf bij de rechtshandeling partij is, schriftelijke erkenning door de vennootschap van de levering.
- 15.2 De erkenning geschiedt in de akte, of door een gedagtekende verklaring houdende de erkenning op de akte of op een notarieel of door de vervreemder gewaarmerkt afschrift of uittreksel daarvan. Met de erkenning staat gelijk de betekening van die akte of dat afschrift of uittreksel aan de vennootschap.
- 15.3 Een pandrecht kan ook worden gevestigd zonder erkenning door of betekening aan de vennootschap. Alsdan is artikel 3:239 van het Burgerlijk Wetboek van overeenkomstige toepassing, waarbij erkenning door of betekening aan de vennootschap in de plaats treedt van de in lid 3 van dat artikel bedoelde mededeling.
- 15.4 De artikelen 15.1 tot en met 15.3 zijn niet van toepassing op de rechten van deelgenoten met betrekking tot girale aandelen.

### Artikel 16. Bestuur

Het bestuur bestaat uit een door de algemene vergadering te bepalen aantal bestuurders.

### Artikel 17. Benoeming, schorsing en ontslag van bestuurders

- 17.1 Bestuurders worden benoemd door de algemene vergadering. De algemene vergadering kan een bestuurder te allen tijde schorsen en ontslaan.
- 17.2 Indien de algemene vergadering een bestuurder heeft geschorst, moet de algemene vergadering binnen drie maanden na ingang van de schorsing besluiten hetzij tot ontslag, hetzij tot opheffing van de schorsing; bij gebreke daarvan vervalt de schorsing.

### Artikel 18. Bezoldiging van bestuurders en vrijwaring

- 18.1 De vennootschap heeft een beleid op het terrein van bezoldiging van het bestuur. Het beleid wordt vastgesteld door de algemene vergadering. In het bezoldigingsbeleid



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komen ten minste de in de artikelen 2:383c tot en met 2:383e van het Burgerlijk Wetboek omschreven onderwerpen aan de orde, voor zover deze het bestuur betreffen.

- 18.2 De algemene vergadering stelt voor iedere bestuurder afzonderlijk diens bezoldiging en verdere arbeidsvoorwaarden vast met inachtneming van het beleid, bedoeld in artikel 18.1.

### Artikel 19. Taak, taakverdeling en besluitvorming van het bestuur

- 19.1 Behoudens beperkingen volgens deze statuten is het bestuur belast met het besturen van de vennootschap. Bij de vervulling van hun taak richten de bestuurders zich naar het belang van de vennootschap en de met haar verbonden onderneming.
- 19.2 Het bestuur kan een reglement vaststellen waarin de onderwerpen worden geregeld die het bestuur betreffen.
- 19.3 Het bestuur kan, al dan niet bij reglement, bepalen met welke taak iedere bestuurder meer in het bijzonder zal zijn belast.
- 19.4 Het bestuur vergadert zo dikwijls een bestuurder dit wenselijk oordeelt.
- 19.5 Een bestuurder kan zich ter vergadering slechts door een medebestuurder bij schriftelijke volmacht doen vertegenwoordigen. Aan de eis van schriftelijkheid van de volmacht wordt voldaan indien de volmacht elektronisch is vastgelegd.
- 19.6 Iedere bestuurder heeft één stem. Alle besluiten worden genomen bij volstrekte meerderheid van de uitgebrachte stemmen in een vergadering, waarin meer dan de helft van de bestuurders aanwezig of vertegenwoordigd is. Staken de stemmen, dan is het voorstel verworpen.
- 19.7 In het geval een bestuurder een direct of indirect persoonlijk belang heeft dat tegenstrijdig is met het belang van de vennootschap en de met haar verbonden onderneming is hij niet bevoegd deel te nemen aan de beraadslaging en besluitvorming. Indien hierdoor geen bestuursbesluit kan worden genomen, blijft de bestuurder, in afwijking van de vorige zin, bevoegd deel te nemen aan de beraadslaging en besluitvorming.
- 19.8 Besluitvorming van het bestuur kan buiten vergadering geschieden, mits alle bestuurders met deze wijze van besluitvorming hebben ingestemd en de stemmen schriftelijk of langs elektronische weg worden uitgebracht. Op de besluitvorming van het bestuur buiten vergadering zijn de artikelen 19.5 en 19.6 van overeenkomstige toepassing.

### Artikel 20. Goedkeuring van bestuursbesluiten

- 20.1 Aan de goedkeuring van de algemene vergadering zijn onderworpen de besluiten van het bestuur omtrent een belangrijke verandering van de identiteit of het karakter van de vennootschap of de onderneming, waaronder in ieder geval:
- (a) overdracht van de onderneming of vrijwel de gehele onderneming aan een derde;
  - (b) het aangaan of verbreken van duurzame samenwerking van de vennootschap of een dochtermaatschappij met een andere rechtspersoon of vennootschap dan wel als volledig aansprakelijke vennote in een commanditaire



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- vennootschap of vennootschap onder firma, indien deze samenwerking of –  
 verbreking van ingrijpende betekenis is voor de vennootschap; \_\_\_\_\_
- (c) het nemen of afstoten van een deelneming in het kapitaal van een \_\_\_\_\_  
 vennootschap ter waarde van ten minste een derde van het bedrag van de –  
 activa volgens de balans met toelichting of, indien de vennootschap een \_\_\_\_\_  
 geconsolideerde balans opstelt, volgens de geconsolideerde balans met \_\_\_\_\_  
 toelichting volgens de laatst vastgestelde jaarrekening van de vennootschap,  
 door haar of een groepsmaatschappij. \_\_\_\_\_
- 20.2 Het ontbreken van de goedkeuring van de algemene vergadering op een besluit als –  
 bedoeld in artikel 20.1 tast de vertegenwoordigingsbevoegdheid van het bestuur of –  
 bestuurders niet aan. \_\_\_\_\_
- Artikel 21. Vertegenwoordiging** \_\_\_\_\_
- 21.1 Het bestuur vertegenwoordigt de vennootschap. De bevoegdheid tot \_\_\_\_\_  
 vertegenwoordiging komt mede aan iedere bestuurder afzonderlijk toe. \_\_\_\_\_
- 21.2 Het bestuur kan een of meer functionarissen met algemene of beperkte doorlopende  
 bevoegdheid tot vertegenwoordiging aanstellen. Ieder van hen vertegenwoordigt de  
 vennootschap met inachtneming van de grenzen aan zijn bevoegdheid gesteld. De –  
 titel van zodanige functionarissen wordt door het bestuur vastgesteld. \_\_\_\_\_
- Artikel 22. Ontstentenis of belet** \_\_\_\_\_
- In geval van ontstentenis of belet van een of meer bestuurders zijn de overblijvende \_\_\_\_\_  
 bestuurders of is de enig overblijvende bestuurder tijdelijk met het bestuur belast. In geval –  
 van ontstentenis of belet van alle bestuurders of de enige bestuurder wordt de vennootschap  
 tijdelijk bestuurd door een of meer personen die de algemene vergadering daartoe aanwijst. –
- Artikel 23. Vrijwaring** \_\_\_\_\_
- 23.1 Voor zover uit de wet niet anders voortvloeit, worden aan bestuurders en oud- \_\_\_\_\_  
 bestuurders vergoed: \_\_\_\_\_
- (a) de redelijke kosten van het voeren van verdediging tegen aanspraken, \_\_\_\_\_  
 daaronder mede begrepen aanspraken van de vennootschap en haar \_\_\_\_\_  
 groepsmaatschappijen, wegens een handelen of nalaten in de uitoefening van  
 hun functie of van een andere functie die zij op verzoek van de vennootschap  
 vervullen of hebben vervuld; \_\_\_\_\_
- (b) eventuele schadevergoedingen die zij verschuldigd zijn wegens een zodanig  
 handelen of nalaten; \_\_\_\_\_
- (c) de redelijke kosten van het optreden in andere rechtsgedingen waarin zij als  
 bestuurder of oud-bestuurder zijn betrokken, met uitzondering van de \_\_\_\_\_  
 gedingen waarin zij hoofdzakelijk een eigen vordering geldend maken. \_\_\_\_\_
- 23.2 Een bestuurder of oud-bestuurder heeft geen aanspraak op een vergoeding als \_\_\_\_\_  
 bedoeld in artikel 23.1 in indien en voor zover: \_\_\_\_\_
- (a) door de Nederlandse rechter bij gewijsde is vastgesteld dat het handelen of –  
 nalaten van de bestuurder of oud-bestuurder kan worden gekenschetst als –  
 opzettelijk, bewust roekeloos of ernstig verwijtbaar, tenzij uit de wet anders



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- voortvloeit of zulks in de gegeven omstandigheden naar maatstaven van —  
redelijkheid en billijkheid onaanvaardbaar zou zijn, of —
- (b) de kosten of het vermogensverlies van de bestuurder of oud-bestuurder is —  
gedekt door een verzekering en de verzekeraar deze kosten of dit —  
vermogensverlies heeft uitbetaald. —
- 23.3 Indien en voor zover door de Nederlandse rechter bij gewijsde is vastgesteld dat de —  
bestuurder of oud-bestuurder geen aanspraak heeft op een vergoeding als bedoeld in —  
artikel 23.1, is hij gehouden de door de vennootschap vergoede bedragen terstond —  
terug te betalen. De vennootschap kan van de bestuurder of oud-bestuurder passende  
zekerheid verlangen voor deze terugbetalingsverplichting. De vennootschap kan ten  
behoefte van bestuurders en oud-bestuurders een verzekering tegen —  
aansprakelijkheid afsluiten. —
- 23.4 De vennootschap kan, al dan niet bij overeenkomst, nadere uitvoering geven aan de  
artikelen 23.1 tot en met 23.3. —
- 23.5 Wijziging van dit artikel 23 kan aan de aanspraken van bestuurders en oud- —  
bestuurders op een vergoeding als bedoeld in artikel 23.1 wegens een handelen of —  
nalaten in het tijdvak waarin dat artikel van kracht was, geen nadeel toebrengen. —

### Artikel 24. Algemene vergaderingen

- 24.1 De jaarlijkse algemene vergadering wordt gehouden binnen zes maanden na afloop —  
van het boekjaar. In ieder geval worden de volgende onderwerpen op de agenda voor  
deze vergadering geplaatst: —
- (a) de behandeling van het jaarverslag; —
- (b) de vaststelling van de jaarrekening en de bepaling van de winstbestemming;
- (c) de verlening van kwijting aan de bestuurders voor hun bestuur over het —  
afgelopen boekjaar. —

Deze onderwerpen behoeven niet op de agenda te worden geplaatst indien de termijn  
voor het opmaken van de jaarrekening en het overleggen van het jaarverslag door de  
algemene vergadering is verlengd of een voorstel daartoe op de agenda is geplaatst. —

- 24.2 Het bestuur is bevoegd tot het bijeenroepen van een algemene vergadering. —
- 24.3 Een algemene vergadering wordt bijeengeroepen zo dikwijls het bestuur dit —  
wenselijk oordeelt, onverminderd de artikelen 2:110 tot en met 2:112 van het —  
Burgerlijk Wetboek. —
- 24.4 Binnen drie maanden nadat het voor het bestuur aannemelijk is dat het eigen —  
vermogen van de vennootschap is gedaald tot een bedrag gelijk aan of lager dan de —  
helft van het geplaatste kapitaal, wordt een algemene vergadering gehouden ter —  
bespreking van zo nodig te nemen maatregelen. —

### Artikel 25. Plaats van vergaderingen, oproeping en agenda

- 25.1 De algemene vergaderingen worden gehouden in de gemeente Amsterdam, —  
Haarlemmermeer, 's-Gravenhage of Rotterdam. In een elders gehouden algemene —  
vergadering kunnen geen wettige besluiten worden genomen. —



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- 25.2 Aandeelhouders, alsmede vruchtgebruikers en pandhouders aan wie het stemrecht —  
toekomt, worden tot de algemene vergadering opgeroepen door het bestuur of een —  
bestuurder. —
- 25.3 De oproeping tot een algemene vergadering geschiedt door aankondiging in een —  
landelijk verspreid dagblad en door een langs elektronische weg openbaar gemaakte  
aankondiging, welke tot aan de algemene vergadering rechtstreeks en permanent —  
toegankelijk is. —
- 25.4 Bij de oproeping worden vermeld: —  
(a) de te behandelen onderwerpen: —  
(b) de plaats en het tijdstip van de algemene vergadering; —  
(c) de procedure voor deelname aan de algemene vergadering bij schriftelijk —  
gevolmachtigde; —  
(d) de procedure voor deelname aan de algemene vergadering en het uitoefenen  
van het stemrecht door middel van een elektronisch communicatiemiddel, —  
indien dit recht overeenkomstig artikel 27.4 kan worden uitgeoefend. —  
Onderwerpen die niet bij de oproeping zijn vermeld, kunnen in een aanvullende —  
oproeping worden aangekondigd. Omtrent onderwerpen die niet bij de oproeping —  
zijn vermeld of in een aanvullende oproeping zijn aangekondigd met inachtneming —  
van de voor oproeping gestelde termijn, kan niet wettig worden besloten. —
- 25.5 Mededelingen welke krachtens de wet of deze statuten aan de algemene vergadering  
moeten worden gericht, kunnen geschieden door opneming hetzij in de oproeping —  
hetzij in een stuk dat ter kennisneming ten kantore van de vennootschap is —  
neergelegd, mits daarvan in de oproeping melding wordt gemaakt. —
- 25.6 Een onderwerp, waarvan de behandeling schriftelijk is verzocht door een of meer —  
aandeelhouders of vruchtgebruikers of pandhouders aan wie het stemrecht toekomt —  
die daartoe krachtens artikel 2:114a lid 2 van het Burgerlijk Wetboek gerechtigd —  
zijn, wordt opgenomen in de oproeping of in een aanvullende oproeping —  
aangekondigd indien de vennootschap het met redenen omklede verzoek of een —  
voorstel voor een besluit niet later dan op de zestigste dag vóór die van de —  
vergadering heeft ontvangen. Aan de eis van schriftelijkheid van het verzoek wordt —  
voldaan indien dit verzoek elektronisch is vastgelegd. —
- 25.7 De oproeping tot een algemene vergadering geschiedt niet later dan op de —  
tweeënveertigste dag vóór die van de vergadering. Was die termijn korter of heeft de  
oproeping niet plaatsgehad, dan kunnen geen wettige besluiten worden genomen. —
- Artikel 26. Voorzitter, secretaris, notulen en aantekening van besluiten** —
- 26.1 Het bestuur benoemt een van de bestuurders of een ander tot voorzitter van de —  
algemene vergadering. Indien het bestuur geen voorzitter heeft aangewezen, —  
benoemen de ter vergadering aanwezige bestuurders een van hen of een ander tot —  
voorzitter. Bij afwezigheid van alle bestuurders zonder dat het bestuur een ander als  
voorzitter heeft aangewezen, benoemt de vergadering zelf haar voorzitter. De —  
voorzitter wijst de secretaris aan. —



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- 26.2 Tenzij van het ter vergadering verhandelde een notarieel proces-verbaal wordt opgemaakt, worden daarvan door de secretaris van de vergadering notulen gehouden. Notulen worden vastgesteld en ten blijke daarvan ondertekend door de voorzitter en de secretaris van de vergadering.
- 26.3 De voorzitter van de vergadering en iedere bestuurder kan te allen tijde opdracht geven tot het opmaken van een notarieel proces-verbaal van het ter vergadering verhandelde, op kosten van de vennootschap. Het notarieel proces-verbaal wordt medeondertekend door de voorzitter van de vergadering.
- 26.4 Indien het bestuur niet ter vergadering vertegenwoordigd was, doet de voorzitter van de vergadering van de genomen besluiten onverwijld mededeling aan het bestuur.
- 26.5 Het bestuur houdt van de genomen besluiten aantekening. De aantekeningen liggen ten kantore van de vennootschap ter inzage van de aandeelhouders en de vruchtgebruikers en pandhouders aan wie het stemrecht toekomt. Aan ieder van dezen wordt desgevraagd afschrift of uittreksel van deze aantekeningen verstrekt tegen ten hoogste de kostprijs.

### Artikel 27. Vergaderrecht en toegang

- 27.1 Iedere aandeelhouder, vruchtgebruiker en pandhouder die stemrecht heeft, is bevoegd, in persoon of bij schriftelijk gevolmachtigde, de algemene vergadering bij te wonen, daarin het woord te voeren en het stemrecht uit te oefenen.
- 27.2 Iedere aandeelhouder die geen stemrecht heeft is bevoegd, in persoon of bij schriftelijk gevolmachtigde, de algemene vergadering bij te wonen en daarin het woord te voeren.
- 27.3 De accountant aan wie de opdracht tot het onderzoek van de jaarrekening is verleend, bedoeld in artikel 30.1, is bevoegd de algemene vergadering die besluit over de vaststelling van de jaarrekening bij te wonen en daarin het woord te voeren.
- 27.4 Het bestuur kan bepalen dat iedere aandeelhouder en iedere vruchtgebruiker en pandhouder aan wie het stemrecht toekomt bevoegd is om, in persoon of bij schriftelijk gevolmachtigde, door middel van een elektronisch communicatiemiddel aan de algemene vergadering deel te nemen, daarin het woord te voeren en, voor zover hij stemrecht heeft, het stemrecht uit te oefenen. Daartoe is vereist dat de aandeelhouder, vruchtgebruiker of pandhouder via het elektronische communicatiemiddel kan worden geïdentificeerd en rechtstreeks kan kennismaken van de verhandelingen ter vergadering. Het bestuur kan voorwaarden stellen aan het gebruik van het elektronische communicatiemiddel, mits deze voorwaarden redelijk en noodzakelijk zijn voor de identificatie van de aandeelhouder, vruchtgebruiker of pandhouder en de betrouwbaarheid en veiligheid van de communicatie. Deze voorwaarden worden bij de oproeping bekend gemaakt.
- 27.5 Voor de toepassing van de artikelen 27.1, 27.2 en 27.4 wordt aan de eis van schriftelijkheid van de volmacht voldaan indien de volmacht elektronisch is vastgelegd.
- 27.6 Voor de toepassing van de artikelen 27.1, 27.2 en 27.4 hebben als stem- of vergadergerechtigde te gelden zij die op de door het bestuur met inachtneming van



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- artikel 2:119 lid 2 van het Burgerlijk Wetboek te bepalen dag van registratie die rechten hebben en als zodanig zijn ingeschreven in een door het bestuur aangewezen register, ongeacht wie ten tijde van de algemene vergadering de rechthebbenden op de aandelen zijn. Bij de oproeping tot de algemene vergadering wordt de dag van registratie vermeld alsmede de wijze waarop de stem- en vergadergerechtigden zich kunnen laten registreren en de wijze waarop zij hun rechten kunnen uitoefenen.
- 27.7 Iedere stemgerechtigde die ter vergadering aanwezig is, moet de presentielijst ondertekenen, met vermelding van zijn naam en het aantal stemmen dat door hem kan worden uitgebracht. De voorzitter van de vergadering kan bepalen dat de presentielijst ook moet worden ondertekend door andere personen die ter vergadering aanwezig zijn.
- 27.8 De bestuurders hebben als zodanig in de algemene vergadering een raadgevende stem.
- 27.9 De voorzitter van de vergadering beslist omtrent de toelating van andere personen dan stem- of vergadergerechtigden en bestuurders tot de algemene vergadering.

### Artikel 28. Stemrecht en besluitvorming

- 28.1 Ieder aandeel geeft recht op het uitbrengen van één stem. Blanco stemmen en ongeldige stemmen worden als niet uitgebracht aangemerkt.
- 28.2 Het bestuur kan bij de bijeenroeping van een algemene vergadering bepalen dat stemmen die voorafgaand aan de algemene vergadering via een elektronisch communicatiemiddel of bij brief worden uitgebracht gelijk worden gesteld met stemmen die ten tijde van de vergadering worden uitgebracht. Deze stemmen worden niet eerder uitgebracht dan op de door het bestuur met inachtneming van artikel 2:117b lid 3 van het Burgerlijk Wetboek te bepalen dag van registratie. Voor de toepassing van de twee voorgaande zinnen hebben als stem- of vergadergerechtigde te gelden zij die op een in de bijeenroeping van de algemene vergadering te bepalen tijdstip die rechten hebben en als zodanig zijn ingeschreven in een door het bestuur aangewezen register, ongeacht wie ten tijde van de algemene vergadering de rechthebbenden op de aandelen zijn. Bij de oproeping tot de algemene vergadering wordt de dag van registratie vermeld, alsmede de wijze waarop de stem- en vergadergerechtigden zich kunnen laten registreren en de wijze waarop zij hun rechten kunnen uitoefenen.
- 28.3 Alle besluiten waaromtrent bij de wet en deze statuten geen grotere meerderheid is voorgeschreven, worden genomen bij volstreekte meerderheid van de uitgebrachte stemmen.
- 28.4 De voorzitter bepaalt de wijze van stemming, met dien verstande dat, indien een stemgerechtigde aanwezige dit verlangt, stemming over benoeming, schorsing en ontslag van personen bij gesloten ongetekende briefjes geschiedt.
- 28.5 Heeft bij een stemming omtrent een verkiezing van personen niemand de volstreekte meerderheid van de uitgebrachte stemmen verkregen, dan vindt een nieuwe vrije stemming plaats. Heeft ook in dat geval niemand de volstreekte meerderheid van de uitgebrachte stemmen verkregen, dan vinden herstemmingen plaats totdat hetzij één



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persoon de volstrekte meerderheid van de uitgebrachte stemmen heeft verkregen, — hetzij tussen twee personen is gestemd en de stemmen staken. Bij een herstemming, daaronder niet begrepen de nieuwe vrije stemming, wordt telkens gestemd tussen de personen op wie bij de voorafgaande stemming is gestemd, evenwel uitgezonderd de persoon, op wie bij de voorafgaande stemming het geringste aantal stemmen is — uitgebracht. Is bij de voorafgaande stemming het geringste aantal stemmen op meer dan een persoon uitgebracht, dan beslist het lot op wie van die personen bij de — volgende stemming niet meer kan worden gestemd. Staken de stemmen bij een — stemming tussen twee personen, dan beslist het lot. Staken de stemmen bij een — andere stemming, dan is het voorstel verworpen, onverminderd artikel 31.2 tweede — zin. —

- 28.6 Het in de vergadering uitgesproken oordeel van de voorzitter omtrent de uitslag van een stemming is beslissend. Hetzelfde geldt voor de inhoud van een genomen — besluit, voor zover werd gestemd over een niet schriftelijk vastgelegd voorstel. — Wordt onmiddellijk na het uitspreken van het oordeel van de voorzitter de juistheid daarvan betwist, dan vindt een nieuwe stemming plaats, indien de meerderheid van — de vergadering of, indien de oorspronkelijke stemming niet hoofdelijk of schriftelijk geschiedde, een stemgerechtigde aanwezige dit verlangt. Door deze nieuwe — stemming vervallen de rechtsgevolgen van de oorspronkelijke stemming. —
- 28.7 Voor een aandeel dat toebehoort aan de vennootschap of aan een — dochtermaatschappij daarvan, kan in de algemene vergadering geen stem worden — uitgebracht; evenmin voor een aandeel waarvan een van hen de certificaten houdt. — Vruchtgebruikers en pandhouders van aandelen die aan de vennootschap en haar — dochtermaatschappijen toebehoren, zijn evenwel niet van hun stemrecht uitgesloten, indien het vruchtgebruik of pandrecht was gevestigd voordat het aandeel aan de — vennootschap of een dochtermaatschappij daarvan toebehoorde. De vennootschap of een dochtermaatschappij daarvan kan geen stem uitbrengen voor een aandeel waarop zij een recht van vruchtgebruik of een pandrecht heeft. —
- 28.8 Bij de vaststelling in hoeverre de aandeelhouders stemmen, aanwezig zijn of — vertegenwoordigd zijn, of in hoeverre het aandelenkapitaal verschaft wordt of — vertegenwoordigd is, wordt geen rekening gehouden met aandelen waarvoor — ingevolge artikel 28.7 geen stem kan worden uitgebracht. —

### Artikel 29. Boekjaar en jaarrekening

- 29.1 Het boekjaar is gelijk aan het kalenderjaar. —
- 29.2 Jaarlijks binnen vijf maanden na afloop van het boekjaar, behoudens verlenging van deze termijn met ten hoogste zes maanden door de algemene vergadering op grond — van bijzondere omstandigheden, maakt het bestuur de jaarrekening op en legt het — deze voor de aandeelhouders en de vruchtgebruikers en pandhouders aan wie het — stemrecht toekomt ter inzage ten kantore van de vennootschap. Het bestuur legt — binnen deze termijn ook het jaarverslag ter inzage voor de aandeelhouders en de — vruchtgebruikers en pandhouders aan wie het stemrecht toekomt. Het bestuur voegt — aan de jaarrekening en het jaarverslag toe de gegevens, bedoeld in artikel 2:392 lid 1



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- van het Burgerlijk Wetboek, voor zover dat lid op de vennootschap van toepassing is.
- 29.3 De jaarrekening wordt ondertekend door alle bestuurders; ontbreekt de ondertekening van een of meer van hen dan wordt daarvan onder opgaaf van reden melding gemaakt.
- 29.4 De vennootschap zorgt dat de opgemaakte jaarrekening, het jaarverslag en de krachtens artikel 2:392 lid 1 van het Burgerlijk Wetboek toe te voegen gegevens vanaf de dag van de oproeping tot de algemene vergadering, bestemd tot hun behandeling, te haren kantore aanwezig zijn. De aandeelhouders en de vruchtgebruikers en pandhouders aan wie het stemrecht toekomt kunnen de stukken aldaar inzien en er kosteloos een afschrift van verkrijgen.
- 29.5 De jaarrekening wordt vastgesteld door de algemene vergadering. Vaststelling van de jaarrekening strekt niet tot kwijting aan een bestuurder.
- 29.6 Indien de vennootschap verplicht is opdracht tot onderzoek van de jaarrekening aan een accountant te verlenen, kan de jaarrekening niet worden vastgesteld indien de algemene vergadering geen kennis heeft kunnen nemen van de verklaring van die accountant, tenzij onder de overige gegevens, bedoeld in artikel 2:392 lid 1 van het Burgerlijk Wetboek, een wettige grond wordt medegedeeld waarom die verklaring ontbreekt.

### Artikel 30. Accountant

- 30.1 De vennootschap verleent opdracht tot onderzoek van de jaarrekening aan een accountant.
- 30.2 Tot het verlenen van de opdracht is de algemene vergadering bevoegd. Gaat deze daartoe niet over, dan is het bestuur bevoegd. De opdracht kan te allen tijde worden ingetrokken door de algemene vergadering en door degene die haar heeft verleend.
- 30.3 De accountant brengt omtrent zijn onderzoek verslag uit aan het bestuur en geeft de uitslag van zijn onderzoek weer in een verklaring.

### Artikel 31. Winst en verlies

- 31.1 Uitkering van winst geschiedt na de vaststelling van de jaarrekening waaruit blijkt dat zij geoorloofd is.
- 31.2 De winst staat ter vrije beschikking van de algemene vergadering. Bij staking van stemmen omtrent een voorstel tot uitkering of reservering van winst, wordt de winst, waarop het voorstel betrekking heeft, gereserveerd.
- 31.3 De algemene vergadering is bevoegd te besluiten tot uitkering uit reserves, onverminderd artikel 31.4.
- 31.4 De vennootschap kan aan de aandeelhouders en andere gerechtigden tot de voor uitkering vatbare winst slechts uitkeringen doen voor zover het eigen vermogen groter is dan het geplaatste kapitaal, vermeerderd met de reserves die krachtens de wet moeten worden aangehouden.
- 31.5 De vennootschap mag tussentijds uitkeringen doen mits aan het vereiste van artikel 31.4 is voldaan blijkens een tussentijdse vermogensopstelling als bedoeld in artikel 2:105 lid 4 van het Burgerlijk Wetboek. De vennootschap legt de



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- vermogensopstelling ten kantore van het handelsregister neer binnen acht dagen — nadat het besluit tot uitkering wordt bekend gemaakt. —
- 31.6 Bij de berekening van de verdeling van een voor uitkering op aandelen bestemd — bedrag tellen de aandelen die de vennootschap in haar kapitaal houdt, niet mee, — tenzij op die aandelen een vruchtgebruik of pandrecht rust. —
- 31.7 Ten laste van de door de wet voorgeschreven reserves mag een tekort slechts worden — gedeeld voor zover de wet dat toestaat. —
- Artikel 32. Dividenden**
- 32.1 Dividenden en andere uitkeringen worden betaalbaar gesteld binnen vier weken na — vaststelling, tenzij de algemene vergadering daartoe op voorstel van het bestuur een — andere datum bepaalt. —
- 32.2 Dividenden en andere uitkeringen welke binnen vijf jaren na de aanvang van de dag — na die waarop zij betaalbaar zijn gesteld niet in ontvangst zijn genomen, vervallen — aan de vennootschap. —
- 32.3 De algemene vergadering kan bepalen dat uitkering van dividenden of een andere — uitkering geheel of gedeeltelijk in aandelen zal geschieden. —
- 32.4 Mededelingen aan aandeelhouders, vruchtgebruikers en pandhouders omtrent de — betaalbaarstelling van dividenden en andere uitkeringen geschieden door een langs — elektronische weg openbaar gemaakte aankondiging. —
- Artikel 33. Statutenwijziging, fusie, splitsing en ontbinding**
- 33.1 Een besluit tot wijziging van de statuten, fusie of splitsing in de zin van titel 2.7 van — het Burgerlijk Wetboek of ontbinding van de vennootschap kan door de algemene — vergadering slechts worden genomen op voorstel van het bestuur. —
- 33.2 Wanneer aan de algemene vergadering een voorstel tot wijziging van de statuten zal — worden gedaan, moet zulks steeds bij de oproeping tot de algemene vergadering — worden vermeld. —
- 33.3 Degenen die zodanige oproeping hebben gedaan, moeten tegelijkertijd een afschrift — van dat voorstel waarin de voorgedragen wijziging woordelijk is opgenomen, ten — kantore van de vennootschap neerleggen ter inzage voor iedere aandeelhouder en — iedere vruchtgebruiker en pandhouder aan wie het stemrecht toekomt tot de afloop — van de vergadering. Bij gebreke daarvan kan over het voorstel slechts worden — besloten met algemene stemmen in een vergadering, waarin het gehele geplaatste — kapitaal vertegenwoordigd is. —
- 33.4 De aandeelhouders en de vruchtgebruikers en pandhouders aan wie het stemrecht — toekomt moeten in de gelegenheid worden gesteld om van de dag van de — nederlegging tot die van de algemene vergadering kosteloos een afschrift van het — voorstel te verkrijgen. —
- Artikel 34. Vereffening**
- 34.1 Indien de vennootschap wordt ontbonden door een besluit van de algemene — vergadering, wordt haar vermogen vereffend door de bestuurders, indien en voor — zover de algemene vergadering niet anders bepaalt. —
- 34.2 De algemene vergadering stelt de beloning van de vereffenaars vast. —



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- 34.3 De vereffening geschiedt met inachtneming van het daaromtrent in titel 2.1 van het Burgerlijk Wetboek bepaalde. Tijdens de vereffening blijven deze statuten, voor zover mogelijk, van kracht.
- 34.4 Hetgeen na de voldoening van de schuldeisers van het vermogen van de vennootschap is overgebleven, wordt aan de aandeelhouders overgedragen naar evenredigheid van het gezamenlijke nominale bedrag van hun aandelen.
- 34.5 Nadat de vennootschap heeft opgehouden te bestaan, blijven de boeken, bescheiden en andere gegevensdragers van de vennootschap gedurende zeven jaren berusten onder degene die daartoe door de vereffenaars is aangewezen.

### SLOTVERKLARINGEN

De verschijnende persoon verklaart ten slotte:

- (a) bij besluit, gedateerd zeventien december tweeduizend twaalf, heeft de algemene vergadering van de vennootschap het bestuur voor een periode van vijf jaren, aanvangend op het tijdstip waarop de onderhavige statutenwijziging van kracht wordt en derhalve eindigend op achttien december tweeduizend zeventien, aangewezen als bevoegd tot het uitgeven van aandelen en het verlenen van rechten tot het nemen van aandelen. Bij de aanwijzing is bepaald dat de bevoegdheid tot het uitgeven van aandelen en het verlenen van rechten tot het nemen van aandelen betreft alle nog niet geplaatste aandelen van het maatschappelijk kapitaal zoals dat thans luidt of te eniger tijd mocht komen te luiden;
- (b) bij besluit, gedateerd zeventien december tweeduizend twaalf, heeft de algemene vergadering van de vennootschap het bestuur voor een periode van vijf jaren, aanvangend op het tijdstip waarop de onderhavige statutenwijziging van kracht wordt en derhalve eindigend op zeventien december tweeduizend zeventien, aangewezen als bevoegd tot het beperken of uitsluiten van het voorkeursrecht op aandelen;
- (c) bij besluit, gedateerd zeventien december tweeduizend twaalf, heeft de algemene vergadering van de vennootschap het bestuur voor een periode van achttien maanden, aanvangend op het tijdstip waarop de onderhavige statutenwijziging van kracht wordt en derhalve eindigend op zeventien juni tweeduizend veertien, gemachtigd tot verkrijging van aandelen in het kapitaal van de vennootschap of certificaten daarvan anders dan om niet. De algemene vergadering heeft in de machtiging bepaald dat het door de wet en de statuten toegestane maximum aantal aandelen mag worden verkregen, dat aandelen mogen worden verkregen door aankoop op NewConnect, een multilaterale handelsfaciliteit als bedoeld in artikel 1:1 van de Wet op het financieel toezicht onder beheer van de Warsaw Stock Exchange, of anderszins, en dat de prijs ten minste gelijk moet zijn aan de nominale waarde van de aandelen en ten hoogste aan het gemiddelde van de slotkoersen van de aandelen gedurende de vijf handelsdagen voorafgaand aan de dag van de aankoop volgens de price list on-line van NewConnect vermeerderd met tien procent.

De verschijnende persoon is mij, notaris, bekend.



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Waarvan akte wordt verleden te Amsterdam op de datum in het hoofd van deze akte \_\_\_\_\_ vermeld. \_\_\_\_\_

Na mededeling van de zakelijke inhoud van deze akte en het geven van een toelichting \_\_\_\_\_ daarop aan de verschijnende persoon, heeft zij verklaard van de inhoud van deze akte te \_\_\_\_\_ hebben kennisgenomen en daarmee in te stemmen. Vervolgens wordt deze akte onmiddellijk na beperkte voorlezing door de verschijnende persoon en mij, notaris, ondertekend. \_\_\_\_\_  
(Volgt ondertekening)

UITGEGEVEN VOOR AFSCHRIJF



**APOSTILLE**

Convention de La Haye du 5 octobre 1961

1. Country: THE NETHERLANDS  
This public document
2. Has been signed by: mr. M.M. van der Bie
3. Acting in the capacity of: civil law notary in  
Amsterdam
4. Bears the seal/stamp of:  
mr. M.M. van der Bie  
Certified
5. At Amsterdam
6. On 14 februari 2013
7. By the clerk of the Court of Amsterdam
8. No:
9. Seal/Stamp: - **06173** 10. Signature  
mw. H.H.S. Verhagen



### 7.3. Company Statues and contents of adopted resolutions of the general meeting concerning alterations to the Articles of Association which have not yet been registered by the court (in English)

There are no resolutions of the general meeting concerning the alterations of the Articles of Association which have not been yet registered by the court.

PENV-12-02-0087

#### ARTICLES OF ASSOCIATION

##### PHOTON ENERGY N.V.

with seat in Amsterdam

dated 18 December 2012

#### Article 1. Definitions

1.1 In these articles of association the following terms shall have the following meanings:

“**share**” means a share in the share capital of the company, or the rights of a participant with respect to a deposit share, unless the law or these articles of association explicitly provided otherwise;

“**shareholder**” means a holder of one or more shares, or a participant, unless the law or these articles of association explicitly provided otherwise;

“**auditor**” means an auditor as referred to in section 2:393 subsection 1 of the Civil Code, or an organisation within which such auditors cooperate;

“**general meeting**” means the body of the company consisting of the shareholders and the usufructuaries and pledgees to whom the voting rights accrue, or a meeting of such persons;

“**management board**” means the management board of the company;

“**managing director**” means a managing director of the company;

“**participant**” means a person who is entitled to one or more deposit shares through a deposit account administered by an intermediary in accordance with the Securities Bank Giro Transaction Act;

“**subsidiary**” means a subsidiary of the company as referred to in section 2:24a of the Civil Code;

“**Euroclear Nederland**” means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., acting under the trade name Euroclear Nederland, being the central institution as referred to in the Securities Bank Giro Transaction Act;

“**deposit share**” means a share which is included in the deposit system of the Securities Bank Giro Transaction Act;

“**giro depot**” means a giro depot as referred to in the Securities Bank Giro Transaction Act;

“**group company**” means a group company as referred to in section 2:24b of the Civil Code;

“**intermediary**” means an intermediary as referred to in the Securities Bank Giro Transaction Act;

“**company**” means the public company which is governed by these articles of association;

“**collective depot**” means a collective depot as referred to in the Securities Bank Giro Transaction Act.

- 1.2 In these articles of association references to “**articles**” are to articles of these articles of association, unless explicitly provided otherwise.

## **Article 2. Name and seat**

- 1.1 The name of the company is: Photon Energy N.V.
- 1.2 The company has its seat in Amsterdam.

## **Article 3. Objects**

The objects of the company are:

- (a) to participate in, to take an interest in any other way in and to conduct the management of other business enterprises, of whatever nature;
- (b) to finance other persons and to give security, to give guarantees and to bind itself in any other manner for debts of other persons;
- (c) to borrow, to lend and to raise funds, including the issue of bonds, debt instruments and other securities, as well as to enter into agreements in connection therewith;
- (d) to render advice and services to other persons;
- (e) to acquire, manage, exploit and dispose of immovables and other registered properties;
- (f) to trade in currencies and securities, as well as in items of property in general;
- (g) to develop, exploit and trade in patents, trade marks, licenses, know-how, copyrights, database rights and other intellectual property rights;
- (h) to perform all activities of an industrial, financial or commercial nature,

as well as all activities which are incidental to or which may be conducive to any of the foregoing in the broadest sense.

## **Article 4. Share capital and shares**

- 4.1 The authorised share capital of the company amounts to one million euros (EUR 1,000,000.00).
- 4.2 The authorised share capital is divided into one hundred million (100,000,000.00) shares with a nominal value of one eurocent (EUR 0.01) each.
- 4.3 The shares shall be in registered form.

4.4 No share certificates shall be issued.

#### **Article 5. Deposit shares**

- 5.1 A share shall become a deposit share pursuant to the issue or transfer to an intermediary for the purpose of inclusion in a collective depot or pursuant to the issue or transfer to Euroclear Nederland for the purpose of inclusion in a giro depot.
- 5.2 Deposit shares may only be delivered out of a collective depot or giro depot to the extent permitted pursuant the Securities Bank Giro Transaction Act.
- 5.3 The transfer of an interest in a collective depot shall be effected by means of a debit entry in the name of the transferor and a credit entry in the name of the acquirer in the designated part of the records of the intermediary.
- 5.4 The creation of a right of usufruct on an interest in a collective depot shall be effected by means of a credit entry in the name of the usufructuary in the records of the intermediary. The transfer of a right of usufruct on an interest in a collective depot shall be effected by means of a debit entry in the name of the transferor and a credit entry in the name of the acquirer in the records of the intermediary.
- 5.5 The creation of a right of pledge on an interest in a collective depot in favour of a person other than the intermediary shall be effected by means of a credit entry in the name of the pledgee in the records of the intermediary. The creation of a right of pledge on an interest in a collective depot in favour of the intermediary shall be effected by agreement between the pledger and the intermediary.

#### **Article 6. Issue of shares**

- 6.1 The company may only issue shares pursuant to a resolution of the general meeting or of the management board if it was designated for that purpose by resolution of the general meeting for a specified period of not more than five years. Upon the designation, the number of shares that may be issued shall be determined. The designation may at any time be extended for a period of not more than five years. Unless provided otherwise upon the designation, it may not be revoked. As long as the designation is in force, the general meeting shall not be authorised to resolve to issue shares.
- 6.2 A resolution to issue shares shall stipulate the price and the further terms and conditions of the issue.
- 6.3 Within eight days after a resolution of the general meeting to issue shares or to designate another body of the company as the body competent to resolve to issue shares, the company shall deposit a complete text thereof at the offices of the trade register.
- 6.4 Articles 6.1 up to and including 6.3 shall apply by analogy to a grant of rights to subscribe for shares, but shall not apply to the issue of shares to a person who exercises a previously acquired right to subscribe for shares.
- 6.5 Within eight days of the end of each calendar quarter, the company shall report each issue of shares effected during the past calendar quarter to the offices of the trade register, stating the number of shares which have been issued.

**Article 7. Pre-emption rights**

- 7.1 Upon issue of shares, each shareholder shall have a pre-emption right in proportion to the aggregate nominal value of his shares, subject to article 7.2. Should a shareholder not exercise his pre-emption right in whole or in part, the remaining shareholders shall be similarly entitled to pre-emption rights in respect of the shares which have not been claimed.
- 7.2 A shareholder shall have no pre-emption right with respect to shares which are issued against payment other than in cash. He shall have no pre-emption right with respect to shares which are issued to employees of the company or of a group company.
- 7.3 Pre-emption rights may be limited or excluded by resolution of the general meeting. The proposal to that effect shall include a written explanation of the reasons for such proposal and the determination of the intended issue price. Pre-emption rights may, however, be limited or excluded by the management board if it was designated by resolution of the general meeting for a specified period of not more than five years as competent to limit or exclude pre-emption rights. Such a designation may only be made if the management board previously was designated as competent to issue shares or is simultaneously designated as such. The designation may at any time be extended for a period of not more than five years. Unless provided otherwise upon the designation, it may not be revoked. The designation shall terminate in any event if the designation of the management board as competent to issue shares terminates. A resolution of the general meeting to limit or exclude pre-emption rights or to designate another body of the company as the body competent to limit or exclude pre-emption rights shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting. Within eight days after the resolution, the company shall deposit a complete text thereof at the offices of the trade register.
- 7.4 The company shall announce the issue with pre-emptive rights, and the period in which it can be exercised, in the Government Gazette and in a national daily newspaper.
- 7.5 The pre-emption rights may be exercised during a period of at least two weeks following the date of announcement in the Government Gazette.
- 7.6 Articles 7.1 up to and including 7.5 shall apply by analogy to a grant of rights to subscribe for shares. Shareholders shall have no pre-emption rights in respect of shares which are issued to a person who exercises a previously acquired right to subscribe for shares.

**Article 8. Payment for shares**

- 8.1 Upon subscription for shares, the full nominal value must be paid up on such shares as well as, if the share is subscribed for an higher amount, the difference between such amounts, without prejudice to article 8.2.
- 8.2 Persons who are professionally engaged in the placing of shares for their own account may be permitted, by agreement, to pay less than the nominal amount for the shares subscribed by them, provided that not less than ninety-four per cent of such amount is paid in cash upon subscription for the shares at the latest.
- 8.3 Payment must be made in cash, provided that no alternative contribution has been agreed.

- 8.4 Payment in cash may only be made in a foreign currency with the consent of the company. In the event of payment in a foreign currency, the obligation to pay is fulfilled to the extent of the sum for which the payment is freely convertible into euros. The basis of determination shall be the rate of exchange on the date of payment.
- 8.5 The management board shall be authorised to perform legal acts regarding contribution on shares other than in cash and all other legal acts referred to in section 2:94 subsection 1 of the Civil Code without the prior approval of the general meeting.

#### **Article 9. Acquisition of own shares**

- 9.1 The company may only acquire fully paid up shares in its own share capital for no consideration or provided that the company's equity minus the acquisition price is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law.
- 9.2 With regard to the requirement of article 9.1 the company's equity as shown by the most recently adopted balance sheet, minus the acquisition price for shares in the company's share capital, the amount of the loans as referred to in article 8.2 and any distributions of profits or reserves to other persons which have become due by the company and its subsidiary companies after the balance sheet date, shall be decisive. No acquisition pursuant to article 9.1 shall be permitted if a period of six months following the end of a financial year has expired without the annual accounts for such year having been adopted.
- 9.3 Acquisition of own shares for a consideration may only take place if and to the extent the general meeting has authorised the management board for that purpose. Such authorisation shall be valid for not more than eighteen months. In the authorisation the general meeting shall specify the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.
- 9.4 The authorisation as referred to in article 9.3 shall not be required if and to the extent the company acquires shares in its own share capital for the purpose of transferring the same to employees of the company or of a group company under a scheme applicable to such employees.
- 9.5 Articles 9.1 up to and including 9.4 shall not apply to shares which the company acquires by universal succession of title.
- 9.6 The company may only accept shares in its own share capital in pledge if:
- (a) the shares to be accepted in pledge have been fully paid up;
  - (b) the aggregate nominal amount of the shares to be accepted in pledge and already held or held in pledge by the company does not exceed one-tenth of the issued share capital, and
  - (b) the general meeting has granted its approval to the pledge agreement.
- 9.7 If depositary receipts for shares in the company's share capital have been issued, such depositary receipts for shares shall be put on par with shares for the purpose of articles 9.1 up to and including 9.6.

- 9.8 The management board shall decide on the disposal of shares acquired by the company in its own share capital.

#### **Article 10. Financial assistance**

- 10.1 In respect of the subscription for or acquisition of shares in its share capital or depositary receipts for such shares by other persons, the company may not give security, guarantee as to the price of the shares, guarantee in any other manner, and may not bind itself either jointly or severally in addition to or for other persons. This prohibition shall also apply to its subsidiary companies.
- 10.2 In respect of the subscription for or acquisition of shares in the company's share capital or depositary receipts for such shares by other persons, the company and its subsidiary companies may not grant loans, unless the management board adopts a resolution to that effect and the following conditions have been met:
- (a) the granting of the loan, including the interest which the company receives and the security provided to the company, takes place on fair market conditions;
  - (b) the company's equity minus the amount of the loan is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law;
  - (c) the creditworthiness of the third party or, where multi-party transactions are concerned, of each other party involved has been carefully examined;
  - (d) if the loan is granted in respect of the subscription for shares in connection with an increase of the issued share capital of the company or in respect of the acquisition of shares in its share capital held by the company, the shares shall be subscribed for or acquired against a fair price.
- 10.3 With regard to the requirement of article 10.2 in (b) the company's equity as shown by the most recently adopted balance sheet, minus the acquisition price for shares in the company's share capital and any distributions of profits or reserves to other persons which have become due by the company and its subsidiary companies after the balance sheet date, shall be decisive. No transaction pursuant to article 10.2 shall be allowed if a period of six months following the end of a financial year has expired without the annual accounts for such year having been adopted.
- 10.4 The company shall maintain a non-distributable reserve for an amount equal to the outstanding amount of the loans referred to in article 10.2.
- 10.5 A resolution of the management board to grant a loan as referred to in article 10.2 shall be subject to the prior approval of the general meeting. A resolution to approve the grant of the loan shall require a majority of at least ninety-five per cent of the votes cast.
- 10.6 If the approval as referred to in article 10.5 is requested to the general meeting, such shall be mentioned in the notice of the general meeting. Simultaneously with the notice, a report shall be made available at the offices of the company for inspection by each shareholder which shall state the reasons for the grant of the loan, the interests of the company attached thereto, the terms and conditions under which the loan will be granted, the price against which the shares will be subscribed for or acquired by the third party and the risks for the company's liquidity and solvency attached to the loan.

- 10.7 Within eight days after the approval as referred to in article 10.5, the company shall deposit the report as referred to in article 10.6 or a copy thereof at the offices of the trade register.
- 10.8 Articles 10.1 up to and including 10.7 shall not apply if shares are subscribed for or acquired by or for the account of employees of the company or of a group company.

#### **Article 11. Reduction of share capital**

- 11.1 The general meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the nominal value of shares by an amendment of the articles of association. This resolution shall specify the shares to which the resolution applies and shall describe how such a resolution shall be implemented. The amount of the issued share capital may not fall below the minimum share capital as required by law in effect at the time of the resolution. A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.
- 11.2 A resolution to cancel shares can only apply to shares which are held by the company itself or to shares for which the company holds depositary receipts.
- 11.3 Reduction of the nominal value of shares without repayment shall be effected pro rata to all shares. The pro rata requirement may be waived with the consent of all shareholders.
- 11.4 Partial repayment on shares may only be made pursuant to a resolution to reduce the nominal value of the shares. Such a repayment shall be effected pro rata on all shares. The pro rata requirement may be waived with the consent of all shareholders.
- 11.5 The notice for a general meeting at which a resolution referred to in this article 11 is to be adopted shall include the purpose of the reduction of the share capital and the manner in which such reduction shall be effected.
- 11.6 The company shall deposit a resolution to reduce the issued share capital at the offices of the trade register and shall announce the deposit in a national daily newspaper.

#### **Article 12. Right of usufruct and right of pledge on shares**

- 12.1 A right of usufruct may be created on shares. The voting rights on the shares encumbered with a right of usufruct shall accrue to the shareholder. In derogation of the preceding sentence the voting rights shall accrue to the usufructuary if so provided at the time of the creation of the right of usufruct.
- 12.2 A right of pledge may be created on shares. The voting rights on the pledged shares shall accrue to the shareholder. In derogation of the preceding sentence the voting rights shall accrue to the pledgee, if so provided at the time of the creation of the right of pledge.
- 12.3 The shareholder who is not entitled to the voting rights and the usufructuary and pledgee who are entitled to the voting rights shall have the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.

- 12.4 The usufructuary and pledgee who are not entitled to the voting rights shall not have the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.

### **Article 13. Depositary receipts for shares**

The company shall not be authorised to cooperate in the issue of depositary receipts for shares.

### **Article 14. Shareholders register**

- 14.1 The management board shall maintain a register in which the names and addresses of all shareholders shall be recorded, stating the number of shares held by each of them, the date on which they acquired the shares, the date of acknowledgement or service, as well as that the shares are fully paid up. The names and addresses of holders of a right of usufruct or a right of pledge on shares shall also be recorded in the register, stating the date on which they acquired such a right, the date of acknowledgement or service, as well as who is entitled to the voting rights and the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.
- 14.2 In the event that shares are included in a collective depot or a giro depot, the names and addresses of the intermediary or Euroclear Netherlands shall be recorded in the register, stating the date on which those shares were included in the collective depot or a giro depot, the date of acknowledgement or service, as well as the amount paid up on each share. The names and addresses of the participants shall not be recorded in the register.
- 14.3 Each shareholder, usufructuary and pledgee shall give his address to the management board.
- 14.4 The register shall be kept up to date.
- 14.5 Upon request and at no cost, the management board shall provide a shareholder, a usufructuary and a pledgee with an extract from the register regarding his rights in respect of a share. If a share is encumbered with a right of usufruct or a right of pledge, the extract shall specify who is entitled to the voting rights and the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.
- 14.6 The management board shall make the register available at the offices of the company for inspection by the shareholders, as well as by the holders of a right of usufruct and holders of a right of pledge to whom the voting rights accrue. The preceding sentence shall not apply to that part of the register which is maintained outside the Netherlands in compliance with applicable legislation or pursuant to the rules of an exchange.
- 14.7 Articles 14.1, 14.3, 14.5 en 14.6 shall not apply to the participants and the holders of a right of usufruct or a right of pledge on an interest in a collective depot.

### **Article 15. Transfer of shares**

- 15.1 The transfer of shares or of a right of usufruct on shares, or the creation or release of a right of usufruct or a right of pledge on shares, shall require an instrument intended for that purpose as well as, except in the event that the company is a party to the legal act, the written acknowledgement by the company of the transfer.

- 15.2 The acknowledgement shall be made in the instrument or by a dated statement of acknowledgement on the instrument or on a copy or extract thereof signed as a true copy by a civil law notary or the transferor. Service of such instrument, true copy or extract upon the company shall be deemed to have the same effect as an acknowledgement.
- 15.3 A right of pledge may also be created without acknowledgement by or service upon the company. In such case section 3:239 of the Civil Code shall apply by analogy , whereby acknowledgement by or service upon the company shall substitute the notice referred to in subsection 3 of that section.
- 15.4 Articles 15.1 up to and including 15.3 shall not apply to the rights of a participant in respect of deposit shares.

#### **Article 16. Management board**

The management board shall consist of such number of managing directors as the general meeting may determine.

#### **Article 17. Appointment, suspension and dismissal of managing directors**

- 17.1 Managing directors shall be appointed by the general meeting. The general meeting may at any time suspend and dismiss a managing director.
- 17.2 If the general meeting has suspended a managing director, the general meeting shall within three months after the suspension has taken effect resolve either to dismiss such managing director or to terminate the suspension, failing which the suspension shall lapse.

#### **Article 18. Remuneration of managing directors**

- 18.1 The company shall have a policy in the area of remuneration of the management board. The policy shall be adopted by the general meeting. The policy in the area of remuneration shall at least include the matters described in sections 2:383c up to and including 2:383e of the Civil Code, as far as they apply to the management board.
- 18.2 The general meeting shall determine the remuneration and the other terms and conditions of employment of each managing director individually with due observance of the policy, referred to in article 18.1.

#### **Article 19. Duties, division of duties and decision-making of the management board**

- 19.1 Subject to the restrictions according to these articles of association, the management board shall be charged with the management of the company. In fulfilling their duties the managing directors shall serve the interest of the company and the business enterprise which it operates.
- 19.2 The management board may adopt rules with respect to the matters concerning the management board.
- 19.3 The management board may, whether or not by rule, determine the duties with which each managing director will be particularly charged.
- 19.4 The management board shall meet whenever a managing director considers appropriate.

- 19.5 A managing director may only be represented at a meeting by a co-managing director authorised in writing. The requirement of written form for the authorisation shall be met if the authorisation has been recorded electronically.
- 19.6 Each managing director shall have one vote. All resolutions shall be adopted by an absolute majority of votes cast at a meeting at which more than half of the managing directors is present or represented. In the event of a tie vote, the proposal shall have been rejected.
- 19.7 In the event that a managing director has a direct or indirect personal interest that conflicts with the interest of the company and the business enterprise which it operates he shall not be authorised to participate in the discussion and the decision-making process. If as a result thereof no management board resolution can be adopted, the managing director shall, in derogation of the preceding sentence, continue to be authorised to participate in the discussion and decision-making process.
- 19.8 The management board may adopt resolutions without holding a meeting, provided that all managing directors have consented to this manner of adopting resolutions and the votes are cast in writing or by electronic means. Articles 19.5 and 19.6 shall apply by analogy to the adoption of resolutions by the management board without holding a meeting.

#### **Article 20. Approval of management board resolutions**

- 20.1 Resolutions of the management board with regard to an important change in the identity or character of the company or the business enterprise are subject to the approval of the general meeting, including in any case:
- (a) transfer of the business enterprise or almost the entire business enterprise to a third party;
  - (b) entry into or termination of a long-term cooperation by the company or a subsidiary company with another legal entity or company or as a fully liable partner in a limited or general partnership, if such cooperation or termination thereof is of far-reaching significance to the company;
  - (c) acquisition or disposal by the company or a subsidiary company of a participating interest in the capital of a company with a value of at least one-third of the amount of the assets as shown in the balance sheet with explanatory notes or, if the company prepares a consolidated balance sheet, as shown in the consolidated balance sheet with explanatory notes, according to the most recently adopted annual accounts of the company.
- 20.2 The absence of approval of the general meeting of a resolution as referred to in articles 20.1 shall not affect the power of the management board or managing directors to represent the company.

#### **Article 21. Representation**

- 21.1 The management board shall have the power to represent the company. The power to represent the company shall also be vested in each managing director individually.
- 21.2 The management board may appoint one or more officers with general or restricted power to represent the company on a continuing basis. Each officer shall represent the company with due

observance of the restrictions imposed on him. The title of such officers shall be determined by the management board.

#### **Article 22. Failing or prevention from acting**

In the event that one or more managing directors are failing or are prevented from acting, the remaining managing directors or the only remaining managing director shall temporarily be in charge of the management. In the event that all managing directors or the only managing director is failing or is prevented from acting, the company shall temporarily be managed by one or more persons to be designated for that purpose by the general meeting.

#### **Article 23. Indemnity**

23.1 Unless the laws of the Netherlands provide otherwise, the following shall be reimbursed to managing directors and former managing directors:

- (a) the reasonable costs of conducting a defence against claims, also including claims by the company and its group companies, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the company's request;
- (b) any damages payable by them as a result of any such act or failure to act;
- (c) the reasonable costs of appearing in other legal proceedings in which they are involved as managing directors or former managing directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

23.2 A managing director or former managing director shall not be entitled to reimbursement as referred to in article 23.1 if and to the extent that:

- (a) a Netherlands court has established in a final and conclusive decision that the act or failure to act of the managing director or former managing director may be characterised as wilful, intentionally reckless or seriously culpable conduct, unless the laws of the Netherlands provide otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, or
- (b) the costs or financial loss of the managing director or former managing director are covered by an insurance and the insurer has paid out the costs or financial loss.

23.3 If and to the extent that it has been established by a Netherlands court in a final and conclusive decision that the managing director or former managing director is not entitled to reimbursement as referred to in article 23.1, he shall immediately repay the amount reimbursed by the company. The company may request that the managing director or former managing director provide appropriate security for his repayment obligation. The company may take out liability insurance for the benefit of managing directors and former managing directors.

23.4 The company may, by agreement or otherwise, give further implementation to articles 23.1 up to and including 23.3.

- 23.5 Amendment of this article 23 may not prejudice the entitlement of managing directors and former managing directors to reimbursement as referred to in article 23.1 as a result of acts or failures to act in the period during which that article was in force.

#### **Article 24. General meetings**

- 24.1 The annual general meeting shall be held within six months of the end of the financial year. The agenda for this meeting shall in any case include the following items:
- (a) the consideration of the annual report;
  - (b) the adoption of the annual accounts and the allocation of the profits;
  - (c) the granting of discharge to the managing directors for their management during the past financial year.

These items need not be included on the agenda if the period for preparing the annual accounts and for presenting the annual report has been extended by the general meeting or if the agenda includes a proposal to that effect.

- 24.2 The management board shall be authorised to convene a general meeting.
- 24.3 A general meeting shall be convened whenever the management board considers appropriate, without prejudice to sections 2:110 up to including 2:112 of the Civil Code.
- 24.4 Within three months after it has become evident to the management board that the company's equity has decreased to an amount equal to or less than half of the issued share capital, a general meeting shall be held to discuss the measures to be taken, if necessary.

#### **Article 25. Venue of meetings, notice and agenda**

- 25.1 General meetings shall be held in Amsterdam, Haarlemmermeer, The Hague or Rotterdam. Resolutions adopted at a general meeting held elsewhere shall not be valid.
- 25.2 Shareholders, as well as usufructuaries and pledgees to whom the voting rights accrue, shall be given notice of the general meeting by the management board or a managing director.
- 25.3 Notice of a general meeting shall be given by announcement in a national daily newspaper and by means of an announcement made by electronic means of communication which is directly and permanently accessible until the general meeting.
- 25.4 The notice of meeting shall mention:
- (a) the matters to be discussed;
  - (b) the place and time of the general meeting;
  - (c) the procedure for attending the general meeting by a proxy authorised in writing;

- (d) the procedure for attending the general meeting and the exercise of the voting rights by any means of electronic communication in the event this right can be exercised in accordance with article 27.4.

Matters which have not been mentioned in the notice of meeting may be announced in a supplementary notice. No valid resolutions may be adopted on matters which have not been mentioned in the notice of meeting or announced in a supplementary notice with due observance of the notice period.

- 25.5 Notifications which pursuant to the law or these articles of association are to be addressed to the general meeting may be included either in the notice for such meeting or in a document which has been deposited at the offices of the company for inspection, provided that this is mentioned in the notice for the meeting.
- 25.6 A matter of which discussion has been requested in writing by one or more shareholders or usufructuaries or pledgees to whom the voting rights accrue who are so entitled pursuant to section 2:114a subsection 2 of the Civil Code shall be mentioned in the notice of meeting or announced in a supplementary notice if the company has received the request, including the reasons, or a proposal for a resolution no later than on the sixtieth day prior to the date of the meeting. The requirement of written form for the request shall be met if the request has been recorded electronically.
- 25.7 Notice of a general meeting shall be given no later than on the forty-second day prior to the date of the meeting. If the notice period was shorter or if no notice was sent, no valid resolutions may be adopted.

#### **Article 26. Chairman, secretary, minutes and recording of resolutions**

- 26.1 The management board shall appoint one of the managing directors or another person as chairman of the general meeting. If the management board has not designated a chairman, the managing directors present at the meeting shall appoint one of them or another person as chairman. If all managing directors are absent and the management board has not designated another person as chairman, the meeting shall appoint its chairman. The chairman shall designate the secretary.
- 26.2 The secretary of the meeting shall keep minutes of the proceedings at the meeting unless a notarial record is prepared thereof. Minutes shall be adopted and in evidence of such adoption be signed by the chairman and the secretary of the meeting.
- 26.3 The chairman of the meeting and each managing director may at any time give instructions that a notarial record of the proceedings at the meeting be prepared at the expense of the company. The notarial record shall be co-signed by the chairman of the meeting.
- 26.4 If the management board was not represented at the meeting, the chairman of the meeting shall forthwith notify the management board of the adopted resolutions.
- 26.5 The management board shall keep a record of the adopted resolutions. The records shall be available at the offices of the company for inspection by the shareholders and the usufructuaries and pledgees to whom the voting rights accrue. Upon request, each of them shall be provided with a copy or extract of such records at no more than cost.

**Article 27. Meeting rights and admittance**

- 27.1 Each shareholder, usufructuary and pledgee who is entitled to the voting rights shall be authorised to attend the general meeting in person or by a proxy authorised in writing, to address the general meeting and to exercise the voting rights.
- 27.2 Each shareholder who is not entitled to the voting rights shall be authorised to attend the general meeting in person or by a proxy authorised in writing and to address the general meeting.
- 27.3 The auditor who has been assigned to audit the annual accounts, referred to in article 30.1, shall be authorised to attend and address the general meeting which decides on the adoption of the annual accounts.
- 27.4 The management board may determine that each shareholder and each usufructuary and pledgee to whom the voting rights accrue be authorised to attend the general meeting in person or by a proxy authorised in writing, to address the general meeting and, to the extent he is entitled to the voting rights, to exercise the voting rights by electronic means of communication. To do so, the shareholder, usufructuary or pledgee must be identifiable through the electronic means of communication and be able to directly observe the proceedings at the meeting. The management board may set conditions for the use of the electronic means of communication, provided that these conditions are reasonable and necessary for the identification of the shareholder, usufructuary or pledgee and the reliability and security of the electronic communication. These conditions shall be mentioned in the notice of the meeting.
- 27.5 For the purpose of articles 27.1, 27.2 and 27.4 the requirement of written form for the authorisation shall be met if the authorisation has been recorded electronically.
- 27.6 For the purpose of articles 27.1, 27.2 and 27.4 the persons who on the record date to be set by the management board with due observance of section 2:119 subsection 2 of the Civil Code have the right to vote or attend the meeting and have been registered as such in a register designated by the management board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the general meeting. The notice of meeting shall mention the record date as well as the manner in which the persons entitled to vote and attend the general meeting can register and the manner in which they can exercise their rights.
- 27.7 Each person present at the meeting who is entitled to vote must sign the attendance list, stating his name and the number of votes he may cast. The chairman of the meeting may determine that the attendance list must also be signed by other persons present at the meeting.
- 27.8 Managing directors shall as such have an advisory vote at the general meeting.
- 27.9 The chairman of the meeting shall decide on the admittance to the general meeting of other persons than those who have the right to vote or attend the meeting and managing directors.

**Article 28. Voting rights and adoption of resolutions**

- 28.1 Each share confers the right to cast one vote. Blank votes and invalid votes shall be regarded as not having been cast.

- 28.2 Upon convening a general meeting the management board may determine that votes which are cast prior to the general meeting by electronic means of communication or by letter shall be put on par with votes which are cast at the time of the meeting. These votes shall be cast not earlier than on the record date to be set by the management board with due observance of section 2:117b subsection 3 of the Civil Code. For the purpose of the two preceding sentences the persons who on a date to be set upon the convening of the general meeting have the right to vote or attend the meeting and have been registered as such in a register designated by the management board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the general meeting. The notice of meeting shall mention the record date as well as the manner in which the persons entitled to vote and attend the general meeting can register and the manner in which they can exercise their rights.
- 28.3 Unless the law or these articles of association require a larger majority, all resolutions shall be adopted by an absolute majority of votes cast.
- 28.4 The chairman shall determine the manner of voting provided, however, that if any person present who is entitled to vote so requires, voting in respect of the appointment, suspension and dismissal of persons shall take place by means of sealed, unsigned ballots.
- 28.5 If in an election of persons an absolute majority of votes cast is not obtained, there shall be a new free vote. If again an absolute majority of votes cast is not obtained, there shall be further votes until either one person obtains an absolute majority of votes cast or there is a tie in a vote between two persons. Such further voting, not including the new free vote, shall be between the persons who obtained votes in the preceding vote, but with the exclusion of the person who obtained the smallest number of votes in the preceding vote. If more than one person obtained the smallest number of votes in the preceding vote, lots shall be drawn to decide which of those persons is to withdraw from the next vote. In the event of a tie in a vote between two persons, lots shall be drawn to decide who is elected. In the event of a tie vote concerning other matters, the proposal shall have been rejected, without prejudice to article 31.2 second sentence.
- 28.6 The chairman's decision at the meeting on the result of a vote shall be conclusive. The same shall apply to the contents of an adopted resolution, to the extent that the vote related to a proposal not made in writing. If immediately after the chairman's decision its correctness is contested, there shall be a new free vote if the majority of the meeting or, if the original vote was not taken on a poll or by a ballot, any person present who is entitled to vote so requires. Such new vote shall overrule the legal consequences of the original vote.
- 28.7 In the general meeting no votes may be cast in respect of a share held by the company or a subsidiary company; no votes may be cast in respect of a share the depositary receipt for which is held by the company or a subsidiary company. However, the holders of a right of usufruct and holders of a right of pledge on shares held by the company or a subsidiary company are not excluded from their right to vote, if the right of usufruct or the right of pledge was granted prior to the time such share was held by the company or such subsidiary company. Neither the company nor a subsidiary company may cast votes in respect of a share on which it holds a right of usufruct or a right of pledge.
- 28.8 When determining to what extent the shareholders cast votes, are present or represented or to what extent the share capital is provided or represented, no account shall be taken of shares which are not entitled to voting rights pursuant to article 28.7.

**Article 29. Financial year and annual accounts**

- 29.1 The financial year shall coincide with the calendar year.
- 29.2 Annually, within five months of the end of the financial year, subject to an extension of such period not exceeding six months by the general meeting on the basis of special circumstances, the management board shall prepare the annual accounts and shall make these available at the offices of the company for inspection by the shareholders and the usufructuaries and pledgees to whom the voting rights accrue. The management board shall also make the annual report available at the offices of the company for inspection by the shareholders and the usufructuaries and pledgees to whom the voting rights accrue within said period. The management board shall add to the annual accounts and the annual report the information, referred to in section 2:392 subsection 1 of the Civil Code, insofar as that subsection applies to the company.
- 29.3 The annual accounts shall be signed by all managing directors; if the signature of one or more of them is lacking, this shall be disclosed, stating the reasons thereof.
- 29.4 The company shall ensure that the annual accounts as prepared, the annual report and the additional information to be added pursuant to section 2:392 subsection 1 of the Civil Code shall be available at the offices of the company as of the date of the notice of the general meeting at which they are to be discussed. The shareholders and the usufructuaries and pledgees to whom the voting rights accrue may inspect the documents at the offices of the company and obtain a copy thereof at no cost.
- 29.5 The annual accounts shall be adopted by the general meeting. Adoption of the annual accounts shall not be deemed to grant a managing director a discharge.
- 29.6 If the company is obligated to give an assignment to an auditor as referred to in section 2:393 subsection 1 of the Civil Code to audit the annual accounts and the general meeting has been unable to review the auditor's certificate, the annual accounts may not be adopted, unless the additional information, referred to in section 2:392 subsection 1 of the Civil Code, mentions a legal ground why such certificate is lacking.

**Article 30. Auditor**

- 30.1 The company shall give an assignment to an auditor to audit the annual accounts.
- 30.2 The general meeting shall be authorised to give the assignment. If the general meeting fails to do so, then the management board shall be so authorised. The assignment may be revoked at any time by the general meeting and by the body of the company which has given such assignment.
- 30.3 The auditor shall report on his audit to the management board and shall issue a certificate containing its results.

**Article 31. Profit and loss**

- 31.1 Distribution of profits shall be made following the adoption of the annual accounts which show that such distribution is permitted.

- 31.2 The profits shall be at the free disposal of the general meeting. In the event of a tie vote regarding a proposal to distribute or reserve profits, the profits concerned shall be reserved.
- 31.3 Without prejudice to article 31.4, the general meeting shall be authorised to resolve to make a distribution out of reserves.
- 31.4 The company may only make distributions to the shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law.
- 31.5 The company may make interim distributions provided that the requirement of article 31.4 has been met as evidenced by an interim financial statement as referred to in section 2:105 subsection 4 of the Civil Code. The company shall deposit the financial statement at the offices of the trade register within eight days after the resolution to make the distribution is published.
- 31.6 Shares which the company holds in its own share capital shall not be counted when determining the division of the amount to be distributed on shares.
- 31.7 A loss may only be applied against reserves maintained pursuant to the law to the extent permitted by law.

#### **Article 32. Dividends**

- 32.1 Dividends and other distributions shall be due and payable four weeks after they have been declared, unless the general meeting determines another date on the proposal of the management board.
- 32.2 Dividends and other distributions which have not been collected within five years of the start of the day after the day on which they became due and payable, shall revert to the company.
- 32.3 The general meeting may determine that distribution of dividends and other distributions shall be made in whole or in part in a form other than cash.
- 32.4 Notifications to shareholders, usufructuaries and pledgees regarding the availability for payment of dividends and other distributions shall be given by means of an announcement made by electronic means of communication.

#### **Article 33. Amendment of the articles of association, merger, division and dissolution**

- 33.1 A resolution to amend the articles of association, enter into a merger or division within the meaning of title 2.7 of the Civil Code or dissolve the company may only be adopted by the general meeting on the proposal of the management board.
- 33.2 If a proposal to amend the articles of association is to be made to the general meeting, such shall always be mentioned in the notice of the general meeting.
- 33.3 The persons who have given such notice shall simultaneously make a copy of the proposal including the literal text of the proposed amendment available at the offices of the company for inspection by each shareholder and each usufructuary and pledgee to whom the voting rights accrue until the end of the meeting. Failing such, the resolution regarding the proposal may only be adopted by unanimous vote at a meeting at which the entire issued share capital is represented.

- 33.4 The shareholders and the usufructuaries and pledgees to whom the voting rights accrue shall be given the opportunity to obtain a copy of the proposal at no cost as of the date of the proposal having been made available for inspection until the date of the general meeting.

**Article 34. Liquidation**

- 34.1 If the company is dissolved pursuant to a resolution of the general meeting, its assets shall be liquidated by the managing directors, if and to the extent that the general meeting shall not resolve otherwise.
- 34.2 The general meeting shall determine the remuneration of the liquidators.
- 34.3 The liquidation shall take place with due observance of the relevant provisions of title 2.1 of the Civil Code. During the liquidation period these articles of association shall, to the extent possible, remain in full force.
- 34.4 The balance of the assets of the company remaining after the creditors have been paid shall be transferred to the shareholders in proportion to the aggregate nominal value of their shares.
- 34.5 After the company has ceased to exist, its books, records and other data carriers shall remain in the custody of the person designated for that purpose by the liquidators for a period of seven years.

## 7.4. The contents of adopted resolutions of the general meeting concerning the issuance of financial instruments

### PENV 10-02-0002 DEED OF INCORPORATION

Reference number : 20101391.01\CJG\ WBL\1

#### DEED OF INCORPORATION – PHOTON ENERGY N.V.

#### UNOFFICIAL ENGLISH TRANSLATION

Today, the ninth day of December two thousand ten, the following person appeared before me, Cornelis Johannes Jozefus Maria van Gool, Civil-Law Notary practising in Amsterdam: Frederik Willem Blignaut, employed at my office at the Gustav Mahlerplein 2 in Amsterdam, the Netherlands, born in Stratford-On-Avon (Great Britain) on the seventeenth day of November nineteen hundred seventy-five, identifying himself with his British passport, number 706570727, issued at Cape Town (South Africa) on the twenty-second day of August two thousand seven, in this respect acting under written power of attorney for and on behalf of:

1. **Georg Hotar**, born in Vienna (Austria) on the twenty-first day of April nineteen hundred seventy-five, residing at Huleschgasse 13B1+4, 1190 Vienna (Austria) identifying himself with his Austrian passport, number P4479159, issued in Vienna on the seventh day of April two thousand ten, referred to hereinafter as: the '**incorporator 1**'
2. **Michael Gartner**, born in Brno (Czech Republic) on the twenty-ninth day of June nineteen hundred sixty-eight, residing at 37/3 London CCT. City A.C.T. 2601 (Australia) identifying himself with his Australian passport, number M8385350, issued on the twentieth day of October two thousand eight, referred to hereinafter as: the '**incorporator 2**'.

Incorporator 1 and incorporator 2 hereinafter together referred to as: the '**incorporators**'

The person appearing stated that the incorporators are forming a public company with limited liability by means of this Deed.

The declaration of no objection prescribed by law was issued by virtue of an administrative decision dated the second day of December two thousand ten, number NV 1622494.

The notice advising of the said decision will be annexed to this Deed.

The Company will be governed by the following

#### ARTICLES OF ASSOCIATION

##### Definitions

##### Article 1

Page 2

In these articles of association the following expressions shall have the following meaning:

- a. the "**company**": the company with limited liability (*naamloze vennootschap*) Photon Energy N.V., with official seat in Amsterdam;
- b. "**group company**": a legal entity or company with which the company is affiliated in a group;
- c. the "**management board**": the management board of the company;
- d. the "**managing director**": a member of the management board of the company;
- e. the "**meeting of shareholders**": the meeting of shareholders and other persons;
- f. the "**shareholders meeting**": the body of the company formed by shareholders;
- g. "**subsidiary**":
  - (i) legal entity in which the company or one or more of its subsidiaries, whether or not by virtue of an agreement with other persons who may vote, can exercise alone or together more than half of the voting rights in the meeting of shareholders;
  - (ii) a legal entity in respect of which the company or one or more of its subsidiaries is a member or shareholder, whether or not by virtue of an agreement with other persons who may vote, alone or together can appoint or dismiss more than half of the members of the management or members of the supervisory board, also in the event all persons who may vote, do so.

A partnership acting in its own name, for the obligations of which partnership the company or one or more subsidiaries is as a (managing) partner fully liable creditors for debts of such partnership, shall be regarded as a subsidiary;
- h. "**trade register**": the trade register of the Chamber of Commerce in whose register the company is filed.

**Name and seat**

**Article 2**

1. The name of the company is:  
Photon Energy N.V.
2. The company has its seat in Amsterdam.

**Objects**

**Article 3**

The objects of the company are:

- a. to provide advice and other services to companies and other enterprises, including but not limited to the fields of construction and engineering;
- b. to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises;
- c. to acquire, use and/or assign industrial and intellectual property rights;
- d. to invest funds;
- e. to provide security for the debts of group companies;
- f. to undertake all that which is connected to the foregoing or in furtherance thereof, all in the widest sense of the words.

**Capital**

**Article 4**

The company's authorized capital amounts to two hundred thirty thousand euro (€ 230,000.00) and is divided into twenty-three million (23,000,000) shares, each with a par value of one cent (€ 0.01).

**Issue, pre-emptive right**

**Article 5**

1. The issue of shares may be effected only by virtue of a resolution adopted by the shareholders meeting; such a resolution shall also set out the price and other terms and conditions of issue, if any.  
The price may not be below par.  
Upon subscription for shares, payment must be made of the nominal amounts.
2. In accordance with the provisions of Dutch law, the shareholders meeting may delegate the powers set forth under 1, above, to another corporate body of the company for a duration which may not exceed five years.  
The number of shares that may be issued shall be stipulated in said designation.  
The designation may each time be extended for a maximum period of five years.  
Unless stipulated otherwise in the designation, it cannot be withdrawn.
3. Within eight days of a resolution of the shareholders meeting on the issue of shares or on designation of another corporate body as being authorized to issue shares, the management board shall deposit a full text of said resolution at the office of the trade register.

Within eight days of each issue of shares, the management board shall notify the office of the trade register thereof while stating the number.

4. Without prejudice to the applicable legal provisions and the provisions as referred to hereunder, each shareholder shall, with respect to any issue of shares, have a pre-emptive right in proportion to the aggregate amount of shares held by him.

This preemptive right is nontransferable.

The company shall announce the issue with pre-emptive right and the period during which said right may be exercised by means of a letter directed to the shareholders at the addresses set out in the register of shareholders.

The pre-emptive right may be exercised during a period of two weeks after the announcement to the shareholders.

5. The preemptive right may be limited or excluded, but only with respect to a specific issue, by virtue of a resolution adopted by the shareholders meeting.

In the proposal thereto the reasons for the proposal and the choice of the intended price of issue shall be explained in writing.

The preemptive right may also be restricted or excluded by another corporate body, if such corporate body is designated due to a resolution of the shareholders meeting authorized for a specific period which may not exceed five years to restrict or exclude the preemptive right

The designation may each time be extended for a maximum period of five years.

Unless stipulated otherwise in the designation, it cannot be withdrawn.

6. A resolution of the shareholders meeting to restrict or exclude the pre-emptive right or to designate, as referred to in the preceding paragraph, shall require a majority of at least two-thirds of the votes cast, in the event that less than fifty per cent of the issued capital is represented at the meeting.

The management board shall deposit the full text of the resolution at the office of the trade register within eight days following its adoption.

7. The provisions of paragraphs 1 to 6 inclusive of the present article shall apply accordingly to the granting of a right to subscribe for shares.

Shareholders shall not have any pre-emptive right in respect of shares that are issued to a party exercising a previously acquired right to subscribe for shares.

8. Furthermore, the issue of registered shares requires a notarial deed to that effect, executed before a civil-law notary, officiating in the Netherlands.

**Shares in the company's own capital**

**Article 6**

1. The company may not subscribe for shares in its own capital at the time shares are issued.
2. The company may acquire shares in its own capital without paying consideration, or with due observance of article 2:98 of the Dutch Civil Code.
3. The provisions of article 5 of these articles shall apply accordingly to the disposal of shares that the company holds in its own capital, except that such disposal may be below par.
4. The term "shares" as used in this article shall include depositary receipts issued for shares.

**Loans for the purpose of the subscription  
or acquisition of the company's shares**

**Article 7**

The company may not grant loans, give security, give a price guarantee, answer in another manner or bind itself severally or otherwise in addition to or for others in view of others subscribing for or obtaining shares in its capital or depositary receipts thereof.

The prohibition shall also apply to its subsidiaries.

**Reduction of capital**

**Article 8**

1. The shareholders meeting may resolve to reduce the issued capital by:
  - a. reduction of the nominal amount of the shares by amendment of the articles of association; or
  - b. a cancellation of shares.

The shares referred to in the resolution must be designated therein and provisions for the implementation of such resolution must be made therein.

The paid and called up part of the capital may not fall below the minimum capital required by law at the time of the resolution.

2. Articles 2:99 and 2:100 of the Dutch Civil Code apply to the resolution referred in paragraph 1 and its implementation.
3. A resolution to cancel shares may only relate to shares held by the company itself or of which it holds the depositary

4. A partial repayment on shares is possible only in order to implement a resolution to reduce the nominal sum of the shares.  
The "pro rata" requirement may be waived if all the shareholders concerned so agree.
5. A resolution of the shareholders meeting to reduce the issued capital shall require a majority of at least two-thirds of the votes cast, in the event that less than fifty per cent of the issued capital is represented at the meeting.
6. The convocation for a meeting at which a decision mentioned in this article shall be taken shall state the objective of the reduction of capital and the manner of execution.  
The provisions of paragraph 2 of article 25 of these articles of association shall apply accordingly.

**Shares**

**Article 9**

1. The shares shall be registered shares.
2. The shares shall be numbered consecutively from 1 upwards.

**Usufruct, pledge, depositary receipts for shares**

**Article 10**

1. The company shall not cooperate with the issue of depositary receipts issued for shares in its own capital.
2. A usufruct may be imposed on a share and shares may be pledged.
3. Upon the creation of a usufruct or a right of pledge, nor the right to vote neither the rights conferred by law upon the holders of depositary receipts for shares issued with the cooperation of a company be assigned to a usufructuary or a pledgee.

**Register of shareholders**

**Article 11**

1. The management board shall keep a register in which the names and addresses of all holders of registered shares have been included stating the number of the registered shares held by them, the date on which they have obtained the registered shares, the date of acknowledgement or written service upon the company and the amount paid on every share.
2. In the register shall also be included the names and addresses of those who have a right of usufruct or a right of pledge on registered shares, stating the date on which they obtained

the right, the date of acknowledgement or written service upon the company and stating whether they have been assigned the voting-right attached to the registered shares or the rights that the law assigns to holders of depositary receipts for shares issued with the co-operation of a company.

3. Each holder, usufructuary, pledgee of registered shares shall ensure that his address is known to the company.
4. The register shall be regularly kept up to date.
5. On request to a holder, usufructuary or pledgee of shares the management board shall issue gratuitously an extract from the register with respect to his right on a registered share.  
If on a registered share a usufruct or a right of pledge has been created, the extract shall state who is entitled to the rights referred to in paragraph 2 of this article.
6. The management board shall deposit the register at the office of the company for inspection by the shareholders, as well as the usufructuaries and pledgees who are entitled to the rights that the law assigns to holders of depositary receipts of shares issued with the co-operation of a company.
7. All entries in and copies of or extracts from the register of shareholders shall be signed pursuant to the provisions of article 18 paragraph 1.

#### **Shares forming part of community of property**

##### **Article 12**

If shares or limited rights thereto belong to a community of property (other than a matrimonial community of property) the joint participants may only be represented vis-à-vis the company by a person who has been designated by them for that purpose in writing.

#### **Transfer of shares**

##### **Article 13**

The transfer of a registered share and the creation or assignment of a limited right on a registered share, requires a notarial deed to that effect, executed before a civil-law notary, officiating in the Netherlands.

Furthermore, the legal provisions to that effect shall apply.

#### **Share transfer restrictions**

##### **Article 14**

The shares in the capital of the company may be freely transferred.

**Management board**

**Article 15**

1. The company shall be managed by a management board, consisting of one or more managing directors A and one or more managing directors B. Managing directors referred to in these articles of association shall mean both the managing director(s) A as well as the managing director(s) B and a managing director referred to in these articles of association shall mean any of such managing directors, unless explicitly provided otherwise.

A legal entity may be appointed as a managing director.

2. Managing directors shall be appointed by the general meeting.

When appointing a managing director, the general meeting shall specify whether the managing director is to be a managing director A or a managing director B.

3. Managing directors may at any time be suspended or dismissed by the shareholders meeting, which suspension or dismissal shall become effective immediately per the date the shareholders meeting adopted such resolution, or any other date in the future as decided by the shareholders meeting.

4. If the shareholders meeting has suspended a managing director, the shareholders meeting shall within three months after the suspension has taken effect resolve either to dismiss such managing director, or to terminate or continue the suspension, failing which the suspension shall lapse.

A suspension may not be extended for a period longer than three months in total, commencing on the day the shareholders meeting has adopted the resolution to continue the suspension.

If within the period of continued suspension the shareholders meeting has not resolved either to dismiss the managing director concerned or to terminate the suspension, the suspension shall lapse.

5. The remuneration and other terms and conditions under which each individual managing director is appointed shall be determined by the shareholders meeting.

**Article 16**

1. The management board shall pass its resolutions by an absolute majority of votes cast in a meeting at which the majority of all managing directors who are present or represented.

Blank votes shall be considered null and void.

2. At meetings of the management board, each managing director shall be entitled to cast one vote
3. A managing director may be represented at board meetings only by another managing director, only for a specific meeting
4. The management board may also pass its resolutions without holding a meeting, provided that all managing directors have been given the opportunity to express their views on the proposal in question and none of them objects to adopting resolutions outside meeting.
5. Without prejudice to its own responsibility, the management board is authorized to appoint persons with such authority to represent the company and, by granting of a power of attorney; conferring such titles and powers as shall be determined by the management board.
6. Resolutions of the management board relating to any of the matters as shall be determined and clearly defined by the shareholders meeting and notified to the management board shall be subject to the approval of the shareholders meeting. For the purpose of the applicability of the previous sentence a resolution of the management board approving a resolution of any body of a company in which the company participates shall be treated as a resolution of the management board to enter into a transaction as referred to in the previous sentence provided that the first mentioned resolution is subject to such approval.  
Failure to obtain the approval defined in the present paragraph shall not affect the management board or the managing directors authority to represent the company.
7. The shareholders meeting may give instructions to the management board in respect of the general lines of the financial, social and economic policy and of the personnel policy to be conducted by the company.

#### **Article 17**

In the event that one or more managing directors are absent or prevented from acting, the remaining managing directors or the sole remaining managing director shall be entrusted with the management of the company.

In the event that all the managing directors or the sole managing director is absent or prevented from acting, a person designated by the shareholders meeting for such purpose,

shall be temporarily entrusted with the management of the company.

#### **Representation**

##### **Article 18**

1. The company shall be represented by the management board except to the extent otherwise provided by law.  
In addition, in the event that more than one managing director is in office, the company may also be represented by one managing director A acting jointly with one managing director B.
2. In all events of the company having a conflict of interest with one or more managing directors within the meaning of article 2:146 of the Dutch Civil Code, the company shall continue to be represented in the manner described in the second sentence of paragraph 1 above without prejudice to the authority of the shareholders meeting to designate one or more other persons to represent the company in such events.

#### **Financial year, annual accounts**

##### **Article 19**

1. The company's financial year shall be concurrent with the calendar year
2. The management board shall prepare the annual accounts (consisting of the balance sheet and profit and loss account with explanatory notes thereto) within five months of the end of each financial year, unless this period is extended by the shareholders by no more than six months due to extraordinary circumstances.  
The annual accounts shall be signed by all managing directors  
If the signature of one or more of these is lacking, this fact and the reason therefore shall be indicated.  
Unless the provisions of article 2:403 of the Dutch Civil Code apply to the company, the management board shall also, within the above-mentioned period, prepare an annual report.
3. The annual accounts shall be adopted by the shareholders meeting.  
After the proposal to adopt the annual accounts has been dealt with, the proposal will be made to the shareholders meeting to discharge the managing directors in respect of their conduct of management during the relevant financial year insofar this appears from the annual accounts and all that has been said in relation to the conduct of management in

the shareholders meeting.

#### Allocation of profits

##### Article 20

1. The company may make distributions to the shareholders and other persons entitled to the distributable profits only to the extent that the company's shareholders' equity exceeds the sum of the paid-in part of the company's capital and the reserves which it is legally required to maintain.
2. The profit appearing from the profit and loss account adopted by the shareholders meeting shall be at the disposal of the shareholders meeting.
3. The company may make interim distributions only to the extent that the requirements set forth in paragraph 1 above are satisfied, and provided that it has obtained the prior approval of the shareholders meeting.
4. There shall be no distribution of profits in favour of the company with respect to shares, or to shares of which it holds depositary receipts issued therefore, which the company has acquired in its own capital.
5. In computing the distribution of profits, shares with respect to which, pursuant to paragraph 5 above, no distribution is to be made in favour of the company, shall be disregarded.
6. Any claim a shareholder may have to a distribution shall lapse after five years, to be computed from the day on which such a distribution becomes payable.

#### Meetings of shareholders

##### Article 21

1. The annual shareholders' meeting shall be held every year within six months of the end of the financial year, in which shall be considered:
  - a. the annual report;
  - b. the adoption of the annual accounts.

In the event the period set forth in article 19 paragraph 2 of the present articles is extended in conformity with the provisions set out therein, the matters indicated in the previous sentence will be dealt with in a shareholders' meeting to be held no later than one month after the extension.

2. Meetings of shareholders shall be held in the municipality in which the company has its

seat.

3. A meeting of shareholders at which the entire issued capital is represented may, by unanimous vote, adopt valid resolutions, even in the event the formalities for convening and holding a meeting are disregarded.
4. The adopted resolutions shall be recorded by the management board in writing.  
The records shall be deposited at the offices of the company for examination by the shareholders.  
Every shareholder shall be given a copy or extract of these records at request, for a price which shall not exceed the costs.

**Article 22**

1. The notice calling a meeting of shareholders may be issued by the management board, by means of a call notice dispatched no later than the fifteenth day before the date of the meeting.
2. Call notices shall be dispatched to the addresses recorded in the register of shareholders. In the event bearer shares are issued, the convocation will occur by means of an announcement in a nationally distributed newspaper.
3. The call notice shall set forth the date, place and time of the meeting and the matters to be considered.

**Article 23**

All shareholders shall be entitled to be present at and to address the shareholders meeting, either in person or by written proxy.

Managing directors as such have the right to attend the meeting of shareholders.

In meetings of shareholders they shall have as such an advisory vote.

The chairman of the meeting shall decide on the admission of other persons to the meetings of shareholders.

**Article 24**

After the managing directors has (have) been given the opportunity to advise on this item, shareholders may also adopt resolutions without convening a meeting of shareholders, provided that the shareholders entitled to vote approve the resolution in writing (including all forms of transmission of written material) unanimously.

The foregoing shall not apply if, in addition to the shareholders, there are others entitled to

attend meetings or in the event bearer shares have been issued.

**Amendments to the articles of association, legal merger, demerger, dissolution and liquidation**

**Article 25**

1. The shareholders meeting may resolve to amend the company's articles, to conclude a legal merger (*juridische fusie*), to conclude a demerger (*splitsing*) or to dissolve the company.
2. Those calling a shareholders meeting at which a proposal to amend the articles is to be considered must deposit a copy of the proposal, containing the verbatim text of the proposed amendment, at the offices of the company for examination by all persons entitled to attend meetings, until after the close of the meeting.  
Those entitled to attend meetings must be given the opportunity to obtain a copy of the proposal described in the previous sentence from the day on which the call notice for that meeting is dispatched until the day the shareholders' meeting is held.  
Such copies shall be provided free of charge.
3. In the event that a resolution to dissolve the company is adopted, the liquidation shall be arranged by the management board, unless the shareholders meeting appoints other liquidators.  
The remuneration to be paid to the liquidator or liquidators shall be determined by a resolution adopted at the same time as the resolution to dissolve the company.
4. The present articles shall remain effective, to the extent possible, during the liquidation.
5. That what remains from the liquidation surplus shall be distributed to the holders of shares and other persons entitled to the distributable profits in proportion to their entitlement.
6. After the liquidation has been completed, the books, records and other data carriers of the dissolved company shall remain in the possession of a person to be appointed by the shareholders' meeting for that purpose for the period of time provided by law.

Final declaration

In conclusion, the person appearing stated that:

- A. The first financial year of the Company shall end on the thirty-first day of December two thousand ten.



- B. The first directors appointed to the management board of the Company are:
- i. the incorporator 1, as managing director A;
  - ii. the incorporator 2, as managing director A; and
  - iii. Gerben van den Berg, residing at 2253 HA Voorschoten, Palestrinalaan 13 born in Tegelen on the sixth day of June nineteen hundred seventy-two, as Managing Director B; and
  - iv. Hendrik Andries van Wijlen, residing at 2253 SL Voorschoten, Puccinidreef 13, born in Voorschoten on the eighth day of July nineteen hundred seventy-seven, as Managing Director B.
- C. The issued capital shall be held by:
- a. incorporator 1, for two million two hundred twenty-three thousand three hundred forty-four (2,223,344) shares, numbered 1 up to and including 2,223,344;
  - b. incorporator 2, for two million three hundred seventy-six thousand six hundred fifty-six (2,376,656) shares, numbered 2,223,345 up to and including 4,600,000, such that the total issued capital shall be forty-six thousand euro (€ 46,000.00). Payment in foreign currency shall be permitted.

The issued capital has been paid up in cash; the relevant statutory declaration is attached to this deed, and the Company hereby accepts the said payment.

The Appearer, whose identity I, Notary, have established by means of the document referred to in this Deed, is known to me, Notary.

THIS DEED

a concise summary of the contents of which was stated to the Appearer, drawn up to be kept in the Notary's custody was executed in Amsterdam on the date first above written.

I, Civil-Law Notary, informed the person appearing before me of the substance and subsequently explained the contents of the present Deed. I also informed that person of the consequences which the present Deed would have on the party to the Deed. The person appearing before me subsequently declared that he had taken note of the contents of the present Deed, that he consented thereto and that he did not require it to be read out in full. After some passages of the present Deed had been read out, it was then signed by the person appearing before me and by me, Civil-Law Notary.

PENV 12-02-0079 Written resolution of shareholders as of 3 December 2012 of issue of shares



C'M/S' Derks Star Busmann

6120948/MMB/rab

CERTIFIED COPY

The undersigned, Martijn Michiel van der Bie, civil law notary in Amsterdam, the Netherlands, hereby certifies that this attached document is a true copy of the original document seen by me, civil law notary, and which is uniform with the copy.

Amsterdam, the Netherlands, 13 February 2013.



Handwritten signature of the notary in blue ink.

APOSTILLE

Convention de La Haye du 5 octobre 1961

- 1. Country: THE NETHERLANDS  
This public document
- 2. Has been signed by: mr. M.M. van der Bie
- 3. Acting in the capacity of: civil law notary in Amsterdam
- 4. Bears the seal/stamp of:  
mr. M.M. van der Bie  
Certified
- 5. At Amsterdam
- 6. On 14 february 2013
- 7. By the clerk of the Court of Amsterdam
- 8. No: - 06176
- 9. Seal/Stamp:
- 10. Signature  
mw. H.H.S. Verhagen



Handwritten signature of the court clerk in blue ink.

61200948/MMB

**WRITTEN RESOLUTION OF THE SHAREHOLDERS OF  
PHOTON ENERGY N.V.**

**THE UNDERSIGNED**

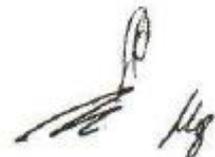
- (1) **Solar Power to the People Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462354; and
- (2) **Solar Future Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462397;

(jointly the "Shareholders" and each a "Shareholder"),

each for the purpose hereof acting as shareholder of **Photon Energy N.V.**, a public company under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51447126 (the "Company").

**WHEREAS**

- (A) The Shareholders are the sole shareholders of the Company.
- (B) Pursuant to article 24 of the articles of association of the Company shareholders may adopt resolutions in writing, unless there are holders of a right of usufruct or holders of a right of pledge to whom the voting rights accrue or holders of depositary receipts for shares issued with the Company's cooperation and provided that they are adopted by unanimous vote of the shareholders entitled to vote.
- (C) No depositary receipts for shares have been issued with the Company's cooperation and no shares in the Company's share capital are encumbered with a right of usufruct.
- (D) The shares in the share capital of the Company are encumbered with a right of pledge created by the Shareholders as pledgors in favour of [redacted] as pledgee by deed, executed on 6 October 2011 before a deputy of Ph.H.F. König, civil law notary in Rotterdam, the Netherlands (the "Deed of Pledge"). Pursuant to the Deed of Pledge the voting rights attached to the shares in the share capital of the Company shall accrue to [redacted] as pledgee under the conditions precedent that (i) an Event of Default (as defined in the Deed of Pledge) has occurred and is continuing and (ii) a Notice (as defined in the Deed of Pledge) has been received by the Company. On the date hereof such conditions precedent have not been fulfilled. Furthermore, on the date hereof no Notice (as defined in the Deed of Pledge) has been received by the Company stating, inter alia, that an Event of Default has occurred, as confirmed in the Management Board Resolution (as defined below). Consequently, the Shareholders are exclusively authorised to exercise the voting rights attached to the shares in the share capital of the Company.



61200948/MMB

- (E) The Shareholders have fully and carefully considered:
- (i) the draft of the written resolution of the management board of the Company regarding the entry into, execution, delivery, ratification, confirmation and performance by the Company of the Documents (as defined therein) and the transactions contemplated thereby (the "**Management Board Resolution**");
  - (ii) the Documents themselves;
- a copy of the Management Board Resolution is attached to this resolution (annex).
- (F) There is or may be a conflict of interest within the meaning of section 2:146 of the Dutch Civil Code between the Company and one or more managing directors of the Company in respect of the entry into, execution, delivery, ratification, confirmation or performance by the Company of the Documents, including the granting of a powers of attorney on behalf of the Company in respect thereof, or the entry into or performance of the transactions contemplated thereby.
- (G) The general meeting of the Company has not transferred the authority to resolve to issue shares in the share capital of the Company to another body of the Company and no other body of the Company has been designated as the body competent to resolve to issue shares in the share capital of the Company or to limit or exclude pre-emption rights with respect to the issue of shares in the share capital of the Company by virtue of the articles of association of the Company,

**RESOLVE**

1. to issue to Solar Power to the People Coöperatief U.A., aforementioned, 8,893,376 shares in the share capital of the Company with a nominal value of EUR 0.01 each, numbered 4,600,001 up to and including 13,493,376 (the "**Shares I**"), against payment in full at the expense of the share premium reserve of the Company;
2. to issue to Solar Future Coöperatief U.A., aforementioned, 9,506,624 shares in the share capital of the Company with a nominal value of EUR 0.01 each, numbered 13,493,377 up to and including 23,000,000 (the "**Shares II**"), against payment in full at the expense of the share premium reserve of the Company;
3. to exclude the pre-emption rights with respect to the issue of the Shares I and the Shares II;
4. to approve the Management Board Resolution and to approve:
  - (a) the entry into, execution, delivery, ratification, confirmation and performance by the Company of the Documents and the transactions contemplated thereby upon the terms and subject to the conditions set out in the Documents and as shall be agreed between the respective parties thereto and the Company;
  - (b) the ratification and confirmation of any of the Documents and transactions contemplated thereby already entered into, executed or delivered by the Company on the date hereof;

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61200948/MMB

5. to designate each managing director of the Company individually to represent the Company to the extent that there is a conflict of interest within the meaning of section 2:146 of the Dutch Civil Code between the Company and one or more managing directors of the Company in respect of the entry into, execution, delivery, ratification, confirmation or performance by the Company of the Documents or the entry into or performance of the transactions contemplated thereby.

**AND CONFIRM**

- (a) that each managing director of the Company has been given the opportunity to advise on the resolutions set out above and has given his consent to such resolutions being adopted in writing as opposed to being adopted at a general meeting;
- (b) that to the best of their knowledge on the date hereof:
- (i) no resolution has been adopted concerning:
- (A) the merger or division within the meaning of title 2.7 of the Dutch Civil Code, in both cases involving the Company as disappearing company;
- (B) the voluntary liquidation (*ontbinding*) of the Company;
- (C) the filing of a request for its bankruptcy (*faillissement*) or for a suspension of payments (*surseance van betaling*), or a similar procedure in another jurisdiction;
- (ii) the Company has not received any notice concerning its dissolution (*ontbinding*) as referred to in section 2:19a subsection 3 of the Dutch Civil Code from the chamber of commerce where the Company is registered with the trade register;
- (iii) the Company has not been declared bankrupt (*failliet verklaard*), with respect to the Company no suspension of payments has been declared (*surseance van betaling verleend*), the Company is not subjected to any other insolvency proceedings, no requests thereto have been filed and there is no reason to expect the same;
- (c) that at the date hereof the voting rights attached to the shares in the share capital of the Company can not be exercised by any person other than the Shareholders;
- (d) that the general meetings of the Shareholders:
- (i) have been informed by the respective management boards of the Shareholders about conflicts of interest or potential conflicts of interest within the meaning of section 2:53a in conjunction with section 2:47 of the Dutch Civil Code between the Shareholders and one or more managing directors of the Shareholders in respect of the adoption of the resolutions set out above;
- (ii) have not appointed any person or persons to represent the respective Shareholders to the extent that there is a conflict of interest within the meaning of section 2:53a in conjunction with section 2:47 of the Dutch Civil Code between the Shareholders and

Handwritten signature and initials, possibly 'MG'.

61200948/MMB

one or more managing directors of the Shareholders in respect of the adoption of the resolutions set out above.

(c) that CMS Derks Star Busmann N.V. and others may rely on the resolutions set out above.

The resolutions set out above shall have immediate effect.

The management board of the Company shall be provided with a copy of this resolution in order to enable the management board to keep record thereof.

This resolution may be executed in any number of counterparts. All the counterparts shall together constitute one and the same resolution.

Signed by:

**Solar Power to the People Coöperatief U.A.**



Name: G. Potar

Title: managing director A

Date: 3 December 2012

  
Name: M. Gartner

Title: managing director B

Date: 3 December 2012

**Solar Future Coöperatief U.A.**

  
Name: M. Gartner

Title: managing director A

Date: 3 December 2012

  
Name: M. Gartnerova

Title: managing director B

Date: 3 December 2012

**Deed of issue of shares as of 4 December 2012**

**C.M.S. Derks Star Busmann**

61200948/MMB

**DEED OF ISSUE OF SHARES  
PHOTON ENERGY N.V.**

On the fourth day of December two thousand and twelve appears before me, Martijn Michiel van der Bie, civil law notary in Amsterdam, the Netherlands: \_\_\_\_\_

Pauline Henrieke Toet, candidate civil law notary, born in The Hague, the Netherlands, on the fourth day of February nineteen hundred and eighty-six, having her office address at Amstelplein 8A, 1096 BC Amsterdam, the Netherlands, for the purpose hereof acting as attorney authorised in writing of: \_\_\_\_\_

- (1) **Photon Energy N.V.**, a public company under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51447126 (the "**Company**"); \_\_\_\_\_
  - (2) (a) **Solar Power to the People Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462354 (the "**Subscriber I**"); and \_\_\_\_\_
  - (b) **Solar Future Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462397 (the "**Subscriber II**"); \_\_\_\_\_
- (the Subscriber I and the Subscriber II jointly the "**Subscribers**"). \_\_\_\_\_

The existence of the powers of attorney appears from three private instruments, which are attached to this deed (annexes). \_\_\_\_\_

The person appearing declares that: \_\_\_\_\_

**WHEREAS** \_\_\_\_\_

- (A) On the third day of December two thousand and twelve the general meeting of the Company resolved: \_\_\_\_\_
  - (i) to issue to the Subscriber I eight million eight hundred ninety-three thousand three hundred and seventy-six (8,893,376) shares in the share capital of the Company with a nominal value of one eurocent (EUR 0.01) each, numbered 4,600,001 up to and including 13,493,376 (the "**Shares I**"), against payment in full at the expense of the share premium reserve of the Company; \_\_\_\_\_
  - (ii) to issue to the Subscriber II nine million five hundred six thousand six hundred and twenty-four (9,506,624) shares in the share capital of the Company with a nominal value of one eurocent (EUR 0.01) each, numbered \_\_\_\_\_



**C/M/S/ Derks Star Busmann**

61200948/MMB

- 13,493,377 up to and including 23,000,000 (the “Shares II”), against ——— payment in full at the expense of the share premium reserve of the Company; (the Shares I and the Shares II jointly the “Shares”). The resolution to issue the ——— Shares is evidenced by a document, which is attached to this deed (annex). ———
- (B) On the third day of December two thousand and twelve the general meeting of the — Company resolved to exclude the pre-emption rights with respect to the issue of the Shares. ———
  - (C) The Company and the Subscribers wish to effect the issue of the Shares by this deed.
  - (D) The shares in the share capital of the Company are encumbered with a right of ——— pledge created by the Subscriber I and the Subscriber II as pledgors in favour of ——— as pledgee by deed, executed on the fourth day of ——— October two thousand and eleven before a deputy of Ph.H.F König, civil law notary in Rotterdam, the Netherlands (the “Deed of Pledge”). ———
  - (E) Pursuant to clause 4.1 of the Deed of Pledge a resolution to issue shares in the share capital of the Company requires the prior written approval of ——— as pledgee under the Deed of Pledge. The approval of ——— of the resolution to issue the Shares is evidenced by a document, which is attached to this deed (annex). ———
  - (F) Pursuant to clause 3.1 of the Deed of Pledge the Subscriber I and the Subscriber II as pledgors created in advance a right of pledge in favour of ——— as pledgee on any shares in the share capital of the Company that will be acquired by them after the date of the Deed of Pledge, ———

**IT IS AGREED AS FOLLOWS**

**Article 1. Issue**

- 1.1 In order to implement the resolution to issue the Shares: ———
  - (a) the Company hereby issues the Shares I to the Subscriber I; ———
  - (b) the Company hereby issues the Shares II to the Subscriber II. ———
- 1.2 The Subscriber I hereby accepts the Shares I from the Company. ———
- 1.3 The Subscriber II hereby accepts the Shares II from the Company. ———

**Article 2. Payment**

- 2.1 The obligation to pay with respect to the Shares I amounts to eighty-eight thousand nine hundred and thirty-three euros and seventy-six eurocents (EUR 88,933.76) in — the aggregate and shall, according to the resolution to issue the Shares, be satisfied — by charging the said amount to the share premium reserve of the Company. ———
- 2.2 The obligation to pay with respect to the Shares II amounts to ninety-five thousand six hundred and twenty-four euros and twenty-four eurocents (EUR 95,066.24) in the aggregate and — shall, according to the resolution to issue the Shares, be satisfied by charging the said amount to the share premium reserve of the Company. ———

**Article 3. Right of pledge**

Pursuant to clause 3.1 of the Deed of Pledge the Shares are encumbered with a right of ——— pledge in favour of ———

**Article 4. Dissolution**



**C/M/S/ Derks Star Busmann**

61200948/MMB

The Company and the Subscribers waive the right to dissolve the agreement contained in this deed in whole or in part under section 6:265 of the Dutch Civil Code. \_\_\_\_\_

**Article 5. Governing law** \_\_\_\_\_

The agreement contained in this deed shall be governed by and construed in accordance with the laws of the Netherlands. \_\_\_\_\_

The person appearing is known to me, civil law notary. \_\_\_\_\_

In witness whereof this deed is executed in Amsterdam, the Netherlands, on the date first mentioned in the head of this deed. \_\_\_\_\_

After having conveyed the contents of this deed and having given an explanation thereto to the person appearing, she declared that she has taken note of the contents of this deed and agrees with the same. Thereupon, immediately after limited reading of this deed, it is signed by the person appearing and by me, civil law notary. \_\_\_\_\_

(Followed by signatures)

ISSUED FOR TRUE COPY



**APOSTILLE**

Convention de La Haye du 5 octobre 1961

- 1. Country: THE NETHERLANDS  
This public document
- 2. Has been signed by: mr. M.M. van der Bie
- 3. Acting in the capacity of: civil law notary in Amsterdam
- 4. Bears the seal/stamp of:  
mr. M.M. van der Bie  
Certified
- 5. At Amsterdam
- 6. On 14 februari 2013
- 7. By the clerk of the Court of Amsterdam
- 8. No
- 9. Seal/Stamp: **06174**

10. Signature  
mw. H.H.S. Verhagen



**PENV 12-02-0084 Written resolution of shareholders as of 13-17 December 2012 – KDPW and NewConnect authorization**



**C/M'S/ Derks Star Busmann**

6120948/MMB/rab

**CERTIFIED COPY**

The undersigned, Martijn Michiel van der Bie, civil law notary in Amsterdam, the Netherlands, hereby certifies that this attached document is a true copy of the original document seen by me, civil law notary, and which is uniform with the copy.

Amsterdam, the Netherlands, 13 February 2013.



**APOSTILLE**

Convention de La Haye du 5 octobre 1961

- 1. Country: THE NETHERLANDS  
This public document
- 2. Has been signed by: mr. M.M. van der Bie
- 3. Acting in the capacity of: civil law notary in Amsterdam
- 4. Bears the seal/stamp of:  
mr. M.M. van der Bie  
Certified
- 5. At Amsterdam
- 6. On 14 februari 2013
- 7. By the clerk of the Court of Amsterdam
- 8. No:
- 9. Seal/Stamp: **06175**
- 10. Signature  
mw. H.H.S. Verhagen



61200948/MMB

**WRITTEN RESOLUTION OF THE SHAREHOLDERS OF  
PHOTON ENERGY N.V.**

**THE UNDERSIGNED**

- (1) **Solar Power to the People Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462354; and
- (2) **Solar Future Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51462397;

(jointly the "Shareholders" and each a "Shareholder"),

each for the purpose hereof acting as shareholder<sup>5</sup> of **Photon Energy N.V.**, a public company under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 51447126 (the "Company"),

**WHEREAS**

- (A) The Shareholders are the sole shareholders of the Company.
- (B) Pursuant to article 24 of the articles of association of the Company shareholders may adopt resolutions in writing, unless there are holders of a right of usufruct or holders of a right of pledge to whom the voting rights accrue or holders of depositary receipts for shares issued with the Company's cooperation and provided that they are adopted by unanimous vote of the shareholders entitled to vote.
- (C) No depositary receipts for shares have been issued with the Company's cooperation and no shares in the Company's share capital are encumbered with a right of usufruct.
- (D) The shares in the share capital of the Company are encumbered with a right of pledge created by the Shareholders as pledgors in favour of [redacted], as pledgee by deed, executed on 6 October 2011 before a deputy of Ph.H.F. König, civil law notary in Rotterdam, the Netherlands (the "Deed of Pledge"). Pursuant to the Deed of Pledge the voting rights attached to the shares in the share capital of the Company shall accrue to [redacted] as pledgee under the conditions precedent that (i) an Event of Default (as defined in the Deed of Pledge) has occurred and is continuing and (ii) a Notice (as defined in the Deed of Pledge) has been received by the Company. On the date hereof such conditions precedent have not been fulfilled. Furthermore, on the date hereof no Notice (as defined in the Deed of Pledge) has been received by the Company stating, inter alia, that an Event of Default has occurred, as confirmed by the management board of the Company. Consequently, the Shareholders are exclusively authorised to exercise the voting rights attached to the shares in the share capital of the Company,

61200948/MMB

**RESOLVE**

1. to amend the articles of association of the Company in accordance with the draft of the deed of amendment of articles of association drawn up by CMS Derks Star Busmann N.V., with reference: 61200948/MMB;]
2. to authorise each civil law notary, candidate civil law notary and notarial assistant working with CMS Derks Star Busmann N.V. to have the deed of amendment of the articles of association of the Company executed and to perform all other legal acts which the authorised person deems necessary in connection therewith;
3. to designate the management board of the Company for a period of five years, commencing on the date on which the amendment of articles of association referred to under 1 becomes effective and consequently ending five years after that date, as competent to issue shares and to grant rights to subscribe for shares; the authority to issue shares and to grant rights to subscribe for shares concerns all unissued shares of the authorised share capital as applicable now or at any time in the future;
4. to designate the management board of the Company for a period of five years, commencing on the date on which the amendment of articles of association referred to under 1 becomes effective and consequently ending five years after that date, as competent to limit or exclude pre-emption rights in respect of shares;
5. to authorise the management board of the Company for a period of eighteen months, commencing on the date on which the amendment of articles of association referred to under 1 becomes effective and consequently ending eighteen months after that date, to acquire shares in the share capital of the company or depositary receipts thereof for a consideration; the maximum number of shares allowed pursuant to the law and the articles of association may be acquired, the shares may be acquired by purchase on NewConnect, a multilateral trading facility as referred to section 1:1 of the Financial Supervision Act operated by the Warsaw Stock Exchange, or otherwise, and the price must at least equal the nominal value of the shares and may not exceed the average of the closing prices of the shares during the five trading days prior to the date of the purchase pursuant to the price list on-line of NewConnect increased by ten percent;
6. to authorise the management board of the Company to enter into a share registration agreement on behalf of the Company with Krajowy Depozyt Papierów Wartościowych S.A., the Polish National Depository for Securities, for the registration with Krajowy Depozyt Papierów Wartościowych S.A. and the admission to trading on NewConnect, a non-regulated financing and trading platform organised by the Warsaw Stock Exchange, of 23,000,000 ordinary shares in the share capital of the Company with a nominal value of EUR 0.01 each, numbered 1 up to and including 23,000,000,

61200948/MMB

**AND CONFIRM**

- (a) that each managing director of the Company has been given the opportunity to advise on the resolutions set out above and has given his consent to such resolutions being adopted in writing as opposed to being adopted at a general meeting;
- (b) that to the best of their knowledge on the date hereof:
  - (i) no resolution has been adopted concerning:
    - (A) the merger or division within the meaning of title 2.7 of the Dutch Civil Code, in both cases involving the Company as disappearing company;
    - (B) the voluntary liquidation (*ontbinding*) of the Company;
    - (C) the filing of a request for its bankruptcy (*faillissement*) or for a suspension of payments (*surseance van betaling*), or a similar procedure in another jurisdiction;
  - (ii) the Company has not received any notice concerning its dissolution (*ontbinding*) as referred to in section 2:19a subsection 3 of the Dutch Civil Code from the chamber of commerce where the Company is registered with the trade register;
  - (iii) the Company has not been declared bankrupt (*failliet verklaard*), with respect to the Company no suspension of payments has been declared (*surseance van betaling verleend*), the Company is not subjected to any other insolvency proceedings, no requests thereto have been filed and there is no reason to expect the same;
- (c) that at the date hereof the voting rights attached to the shares in the share capital of the Company can not be exercised by any person other than the Shareholders;
- (d) that CMS Derks Star Busmann N.V., Krajowy Depozyt Papierów Wartościowych S.A. and others may rely on the resolutions set out above.

The resolutions set out above shall have immediate effect.

The management board of the Company shall be provided with a copy of this resolution in order to enable the management board to keep record thereof.

This resolution may be executed in any number of counterparts. All the counterparts shall together constitute one and the same resolution.

(Signature page to follow)

61200948/MMB

Signed by:

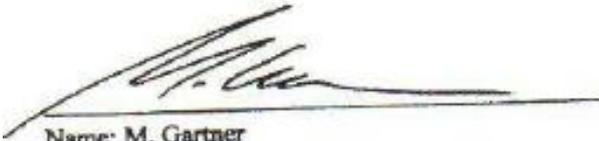
**Solar Power to the People Coöperatief U.A.**



Name: G. Hotar

Title: managing director A

Date: 17 December 2012

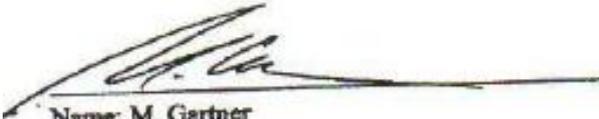


Name: M. Gartner

Title: managing director B

Date: 13 December 2012

**Solar Future Coöperatief U.A.**



Name: M. Gartner

Title: managing director A

Date: 13 December 2012



Name: M. Gartnerova

Title: managing director B

Date: 17 December 2012

**PENV 12-02-0086 Deed of additional contribution on shares in Minority Shareholders Photon Energy B.V. and transfer of shares in Photon Energy N.V. as of 18 December 2012**



**C/M/S/ Derks Star Busmann**

61200948/MMB

**DEED OF ADDITIONAL CONTRIBUTION ON SHARES IN MINORITY SHAREHOLDERS PHOTON ENERGY B.V. AND TRANSFER OF SHARES IN PHOTON ENERGY N.V.**

On the eighteenth day of December two thousand and twelve appears before me, Martijn — Michiel van der Bie, civil law notary in Amsterdam, the Netherlands: —  
Pauline Henrieke Toet, candidate civil law notary, born in The Hague, the Netherlands, on — the fourth day of February nineteen hundred and eighty-six, having her office address at — Amstelplein 8A, 1096 BC Amsterdam, the Netherlands, for the purpose hereof acting as — attorney authorised in writing of: —

- (1) (a) **Solar Power to the People Coöperatief U.A.**, a cooperative under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands, and its — address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, — registered with the trade register under number 51462354 — (the “Contributor I”); —
- (b) **Solar Future Coöperatief U.A.**, a cooperative under the laws of the — Netherlands, having its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, — registered with the trade register under number 51462397 — (the “Contributor II”); —  
(the Contributor I and the Contributor II jointly the “Contributors”); —
- (2) **Minority Shareholders Photon Energy B.V.**, a private company with limited — liability under the laws of the Netherlands, having its seat in Amsterdam, the — Netherlands, and its address at Barbara Strozzilaan 201, 1083 HN Amsterdam, the — Netherlands, registered with the trade register under number 56233701 — (the “Transferee”); and —
- (3) **Photon Energy N.V.**, a public company under the laws of the Netherlands, having — its seat in Amsterdam, the Netherlands, and its address at Barbara Strozzilaan 201, — 1083 HN Amsterdam, the Netherlands, registered with the trade register under — number 51447126 (the “Company”). —

The existence of the powers of attorney appears from four private instruments, which are — attached to this deed (annexes). —

The persons appearing declares that: —

**WHEREAS** —

- (A) The Contributors are holders of shares in the share capital of the Company as — follows: —
  - (i) the Contributor I is holder of three million eighty thousand one hundred and — forty-seven (3,080,147) shares with a nominal value of one eurocent —



**C/M/S/ Derks Star Busmann**

61200948/MMB

- (EUR 0.01) each, numbered 1 up to and including 2,223,344 and 4,600,001 up to and including 5,456,803 (the “**Contribution Shares I**”);
- (ii) the Contributor II is holder of three million two hundred ninety-two thousand five hundred and forty-one (3,292,541) shares with a nominal value of one eurocent (EUR 0.01) each, numbered 2,223,345 up to and including 4,600,000 and 13,493,377 up to and including 14,409,261 (the “**Contribution Shares II**”);
- (the Contribution Shares I and the Contribution Shares II jointly the “**Contribution Shares**”).
- (B) The Contribution Shares were acquired by the Contributors as follows:
- (i) the Contributor I acquired two million two hundred twenty-three thousand three hundred and forty-four (2,223,344) shares, numbered 1 up to and including 2,223,344, pursuant to a transfer under a sale and purchase agreement by deed, executed on the twenty-fourth day of December two thousand and ten before C.J.J.M. van Gool, civil law notary in Amsterdam, the Netherlands;
- (ii) the Contributor I acquired eight hundred fifty-six thousand eight hundred and three (856,803) shares, numbered 4,600,001 up to and including 5,456,803, pursuant to an issue by deed, executed on the fourth day of December two thousand and twelve before M.M. van der Bie, civil law notary in Amsterdam, the Netherlands;
- (iii) the Contributor II acquired two million three hundred seventy-six thousand six hundred and fifty-six (2,376,656) shares, numbered 2,223,345 up to and including 4,600,000, pursuant to a transfer under a sale and purchase agreement by the deed referred to in this recital (B) under (i);
- (iv) the Contributor II acquired nine hundred fifteen thousand eight hundred and eighty-five (915,885) shares, numbered 13,493,377 up to and including 14,409,261, pursuant to an issue by the deed referred to in this recital (B) under (ii).
- (C) The Contributors are holders of shares in the share capital of the Transferee as follows:
- (i) the Contributor I is holder of four thousand eight hundred and thirty-three (4,833) shares with a nominal value of one eurocent (EUR 0.01) each, numbered 1 up to and including 4,833 (the “**Shares I**”);
- (ii) the Contributor II is holder of five thousand one hundred and sixty-seven (5,167) shares with a nominal value of one eurocent (EUR 0.01) each, numbered 4,834 up to and including 10,000 (the “**Shares II**”);
- (the Shares I and the Shares II jointly the “**Shares**”).
- (D) The Shares are fully paid-up.
- (E) The Contributor I wishes to transfer the Contribution Shares I as an additional contribution in kind on the Shares I to the Transferee and the Transferee wishes to



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accept the Contribution Shares I as an additional contribution in kind on the Shares I from the Transferor.

- (F) The Contributor II wishes to transfer the Contribution Shares II as an additional contribution in kind on the Shares II to the Transferee and the Transferee wishes to accept the Contribution Shares II as an additional contribution in kind on the Shares II from the Transferor.

**IT IS AGREED AS FOLLOWS**

**Article 1. Contribution agreement**

- 1.1 The Contributor I and the Transferee agree that the Contributor I shall transfer the Contribution Shares I as an additional contribution in kind on the Shares I to the Transferee. The Contribution Shares I are for the account of the Transferee as of the date hereof.
- 1.2 The Contributor II and the Transferee agree that the Contributor II shall transfer the Contribution Shares II as an additional contribution in kind on the Shares II to the Transferee. The Contribution Shares II are for the account of the Transferee as of the date hereof.

**Article 2. Transfer**

- 2.1 In order to implement the agreement referred to in article 1.1 of this deed, the Contributor I hereby transfers the Contribution Shares I to the Transferee, who hereby accepts the Contribution Shares I from the Contributor I.
- 2.2 In order to implement the agreement referred to in article 1.2 of this deed, the Contributor II hereby transfers the Contribution Shares II to the Transferee, who hereby accepts the Contribution Shares II from the Contributor II.

**Article 3. Obligation to pay and share premium**

- 3.1 The obligation for the Contributors to pay amounts to zero euro (EUR 0).
- 3.2 The Transferee shall not issue shares in return for the Contribution Shares.
- 3.3 The value of the Contribution Shares will be regarded as non-stipulated share premium.

**Article 4. Approval of the general meeting of the Transferee**

- 4.1 The Contributors are the sole shareholders of the Transferee and resolve without holding a meeting to grant the management board of the Transferee the approval as referred to in section 2:204 subsection 2 of the Dutch Civil Code to enter into the agreements referred to in article 1 of this deed.
- 4.2 Pursuant to section 2:238 of the Dutch Civil Code shareholders of the Transferee may adopt resolutions without holding a meeting, provided that all persons entitled to attend general meetings have consented to this manner of adopting resolutions.
- 4.3 No depositary receipts for shares in the Transferee's share capital have been issued to which meeting rights as referred to in section 2:227 subsection 1 of the Dutch Civil Code are attached and no shares in the Transferee's share capital are encumbered with a right of usufruct. The shares in the share capital of the Transferee are encumbered with a right of pledge created by the Contributors as pledgors in favour of [redacted] as pledgee by two separate deeds,



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both executed on the eighteenth day of December two thousand and twelve before – M.M. van der Bie, civil law notary, aforementioned (jointly the “Deeds of Pledge”). Pursuant to the Deeds of Pledge the voting rights attached to the shares in the share capital of the Transferee shall accrue to \_\_\_\_\_, as – pledgee under the conditions precedent that (i) an Event of Default (as defined in the Transferee Deeds of Pledge) has occurred and is continuing and (ii) a Notice (as – defined in the Transferee Deeds of Pledge) has been received by the Transferee. – Pursuant to information provided by the management board of the Transferee, on the date hereof such conditions precedent have not been fulfilled. Consequently, the – Contributors are exclusively authorised to exercise the voting rights attached to the – shares in the share capital of the Transferee. \_\_\_\_\_

- 4.4 The managing director of the Transferee has been given the opportunity to advise on the resolution set out in article 4.1 of this deed. \_\_\_\_\_

### Article 5. Share transfer restrictions

The articles of association of the Company do not contain any restrictions on the transfer of shares. \_\_\_\_\_

### Article 6. Acknowledgement

The Company acknowledges the present transfer of the Contribution Shares. \_\_\_\_\_

### Article 7. Warranties

7.1 The Contributor I warrants to the Transferee: \_\_\_\_\_

- (a) the Contributor I is fully entitled to the Contribution Shares I and has the – authority to contribute and transfer the Contribution Shares I; \_\_\_\_\_
- (b) the Contribution Shares I are fully paid-up; \_\_\_\_\_
- (c) the Contribution Shares I are neither encumbered with a right of usufruct nor with a right of pledge and the Contribution Shares I are not attached. \_\_\_\_\_

The Transferee accepts these warranties. \_\_\_\_\_

7.2 The Contributor II warrants to the Transferee: \_\_\_\_\_

- (a) the Contributor II is fully entitled to the Contribution Shares II and has the – authority to contribute and transfer the Contribution Shares II; \_\_\_\_\_
- (b) the Contribution Shares II are fully paid-up; \_\_\_\_\_
- (c) the Contribution Shares II are neither encumbered with a right of usufruct – nor with a right of pledge and the Contribution Shares II are not attached. \_\_\_\_\_

The Transferee accepts these warranties. \_\_\_\_\_

### Article 8. Dissolution and conditions

8.1 The Transferee and the Contributors waive the right to dissolve the agreement – contained in this deed in whole or in part under section 6:265 of the Dutch Civil – Code. \_\_\_\_\_

8.2 Unless otherwise provided for in this deed, all that has further been agreed between the parties prior to the execution of this deed shall remain in full force and effect, – provided, however, that a condition subsequent relating to the contribution and – transfer of the Contribution Shares, if any, may no longer be invoked and a condition precedent relating to the contribution and transfer of the Contribution Shares, if any, is deemed to have been fulfilled. \_\_\_\_\_



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### Article 9. Governing law

The agreement contained in this deed shall be governed by and construed in accordance with the laws of the Netherlands.

The person appearing is known to me, civil law notary.

In witness whereof this deed is executed in Amsterdam, the Netherlands, on the date first mentioned in the head of this deed.

After having conveyed the contents of this deed and having given an explanation thereto to the person appearing, she declared that she has taken note of the contents of this deed and agrees with the same. Thereupon, immediately after limited reading of this deed, it is signed by the person appearing and by me, civil law notary.

(Followed by signatures)

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## 7.5. Definitions and abbreviations

<i>Act on Civil Law Transactions</i>	Polish Act on Civil Law Transactions as of 9 September 2000 ( <i>Dziennik Ustaw</i> from 2000, No. 86, item 959, as amended)
<i>AFM</i>	The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten)
<i>Articles, Statutes</i>	The Company's articles of association effective as of the date of issuance of this document
<i>a.s.</i>	Joint-stock company incorporated pursuant to the Commercial Code of the Czech Republic
<i>ATS, NewConnect</i>	Unregulated alternative trading system operated by the WSE and organized pursuant to Art. 3.2 of the Trading Act
<i>ATS Organizer, WSE</i>	Warsaw Stock Exchange
<i>ATS Rules</i>	Alternative Trading System Rules adopted by the Warsaw Stock Exchange Board of Directors by Resolution No. 147/2007 as of 1 March 2007 (as amended)
<i>AUD</i>	Australian dollar
<i>Board</i>	The Board of Directors of the Company
<i>MSBV</i>	Minority Shareholders Photon Energy B.V. with its registered office in Amsterdam, The Netherlands
<i>Company, Issuer, PENV, Photon Energy</i>	Photon Energy N.V. with its registered office in Amsterdam, The Netherlands
<i>Corporate Income Tax Act</i>	Polish Act on Corporate Income Tax as of 15 February 1992 ( <i>Dziennik Ustaw</i> from 1992, No. 21, item 86, as amended)
<i>CZK</i>	Czech crown
<i>EC-ratio</i>	Equity-capital ratio, a ratio equals: (equity+ LT liabilities + ST liabilities) / fixed assets
<i>EPC</i>	Abbreviation of "Engineering – Procurement – Construction", a form of project development and contracting used in international construction and in plant engineering in particular
<i>EUR</i>	Euro

<i>Euroclear</i>	Euroclear Nederlands, Central Securities Depository of the Netherlands
<i>Feed-in tariff</i>	A policy mechanism designed to accelerate investment in renewable energy technologies
<i>General Meeting</i>	The general meeting of the Company
<i>Group, Photon Energy Group</i>	The Company together with its subsidiaries
<i>GW</i>	Gigawatt, a unit of power. 1GW = 1,000 MW
<i>GWh</i>	Gigawatt hour, a unit of energy. 1 GWh = 1,000 MWh
<i>GWp</i>	Gigawatt peak; a term used in photovoltaics, a non-norm compliant term for the electrical performance of solar cells
<i>KDPW, Polish NDS</i>	Polish National Depository for Securities (Krajowy Depozyt Papierów Wartościowych)
<i>KNF</i>	Polish Financial Supervision Authority (Komisja Nadzoru Finansowego)
<i>kW</i>	Kilowatt, a unit of power. 1,000 kW = 1 MW
<i>kWh</i>	Kilowatt hour, a unit of energy. 1,000 kWh = 1 MWh
<i>kWp</i>	Kilowatt peak; a term used in photovoltaics, a non-norm compliant term for the electrical performance of solar cells
<i>N.V.</i>	A public company with limited liability incorporated under the laws of the Netherlands
<i>Market Maker</i>	An entity, being an investment firm or foreign investment firm, which under an agreement with the ATS Organizer agreed to take, on its own account, actions aimed to support the efficiency of trading in financial instruments of a given issuer, on terms specified by the ATS Organizer
<i>MW</i>	Megawatt, a unit of power. 1,000 MW = 1 GW
<i>MWh</i>	Megawatt hour, a unit of energy. 1,000 MWh = 1 GWh
<i>MWp</i>	Megawatt peak; a term used in photovoltaics, a non-norm compliant term for the electrical performance of solar cells
<i>Offering Act</i>	Polish Act of Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies as of 29 July 2005 ( <i>Dziennik Ustaw</i> from 2005, No. 184, item 1539, as amended)

<i>Offered Shares</i>	Shares in Photon Energy N.V. offered in the course of the public offering prior to the introduction of Shares to trading on the NewConnect market, as defined in section 4.2.
<i>O&amp;M</i>	Operations and management
<i>PEAS, Phoenix Energy a.s.</i>	Phoenix Energy a.s., formerly named Photon Energy a.s. with its registered office at Prague 2 - Vinohrady, U Zvonařky 448/16, Post Code 120 00, registered with the Commercial Register maintained by the Municipal Court in Prague, file no. 13779
<i>PE Investments</i>	Photon Energy Investments N.V. with its registered office in Amsterdam, The Netherlands
<i>Personal Income Tax Act</i>	Polish Act on Personal Income Tax as of 26 July 1991 ( <i>Dziennik Ustaw</i> from 1991, No. 80, item 350, as amended)
<i>PLN</i>	Polish zloty
<i>Polish-Dutch Tax Treaty</i>	Convention between the Republic of Poland and the Kingdom of the Netherlands for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income as of 13 February 2002 ( <i>Dziennik Ustaw</i> from 2003, No. 216, item 2120)
<i>PV</i>	Abbreviation for photovoltaics
<i>RLRE</i>	Raiffeisen – Leasing Real Estate s.r.o. headquartered in Prague, Czech Republic
<i>Shares</i>	23,000,000 ordinary registered shares in Photon Energy N.V., as defined in section 4.1.1.
<i>SPV</i>	Special purpose vehicle, legally independent purpose vehicle which is founded for each project
<i>USD</i>	United States dollar

## 7.6. Applicable exchange rates EUR/PLN

Calculation based on table A of daily rates of National Bank of Poland, contains:

- 1) the rate prevailing on the last day of each period,
- 2) the average rate for each period, calculated as an arithmetic average of rates prevailing on the last day of each month in a period,
- 3) the highest and lowest rate in each period.

Period		EUR/PLN			
beginning	ending	ex rate as of the last day of the period	average exchange rate in the period	highest ex rate	lowest ex rate
01.01.2011	31.12.2011	4,4168	4,1401	4,5642	3,8403
01.01.2012	31.03.2012	4,1616	4,1750	4,5135	4,1062
01.01.2012	31.12.2012	4,0882	4,1736	4,5135	4,0465
01.01.2013	31.03.2013	4,1774	4,1738	4,2028	4,0671