

CONSOLIDATED AND ENTITY FINANCIAL REPORTS

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CONSOLIDATED AND ENTITY FINANCIAL REPORTS

1. Selected financial results

Selected financial results for Photon Energy Group, for the period of 1 July to 30 September 2014

in Thousands	EUR		PLN	
	2013 Q3	2014 Q3	2013 Q3	2014 Q3
Total revenues	5 131	3 903	21 411	16 292
Gross profit	3 653	3 653	15 457	15 249
EBITDA	1 299	2 297	5 479	9 588
EBIT	-415	757	-1 781	3 159
Profit / loss before taxation	-1 044	-238	-4 459	-991
Total comprehensive income	-5 050	-1 210	-21 303	-5 050
Non-current assets	84 873	77 223	358 949	322 643
Current assets	13 815	11 098	58 426	46 369
Cash and cash equivalents	5 529	5 593	23 384	23 369
Total assets	98 688	88 321	417 375	369 012
Total equity	29 797	22 826	126 019	95 367
Current liabilities	14 316	10 234	60 545	42 759
Non-current liabilities	54 575	55 261	230 811	230 886
Operating cash flow	-223	1 345	-2 017	2 777
Investment cash flow	0	0	-1	0
Financial cash flow	819	-566	3 711	-2 349
Net change in cash	596	779	1 693	427
<i>EUR exchange rate - low</i>	-	-	4,072	4,099
<i>EUR exchange rate - average</i>	-	-	4,201	4,175
<i>EUR exchange rate - end of period</i>	-	-	4,229	4,178
<i>EUR exchange rate - high</i>	-	-	4,349	4,250

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Revenues decreased to EUR 3.903 million, down by 24% YOY;
- EBITDA increased from EUR 1.299 million to EUR 2.297 million, up by 77 % YOY (EUR 2.533 million without the levy);
- EBIT swung from a loss of EUR 0.415 million to a positive EUR 0.757 million ;
- Loss before taxation was reduced to EUR 0.238 million compared to a loss of EUR 1.044 million in Q3 2013; a total comprehensive loss of EUR 1.210 million was booked compared to a loss of EUR 5.050 million in Q3 2013;
- Equity declined from EUR 29.797 million in Q3 2013 to EUR 22.826 million in Q3 2014, down by 23% YOY;
- The equity ratio still remained a solid 29%¹;

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

Other highlights:

- The total portfolio of Photon Energy Operations amounted to 113 MWp as of the end of Q3 2014 and further exceeded 120 MWp as of the date of this report,
- The proprietary portfolio of PV plants generated approximately 9.1 GWh of electricity; 8.5% below the energy audits, down by 15% compared to Q3 2013, but still 3.3% up Year-to-date,
- A pioneering PV project was commissioned in Australia, combining 39 kWp solar power plant with 216 kWh battery storage system,
- Global Investment Protection AG was established to offer PV investors effective solutions to defend themselves against retroactive government measures.

Selected, standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2014

<i>in Thousands</i>	EUR		PLN	
	2013 Q3	2014 Q3	2013 Q3	2014 Q3
Revenues	0	0	0	0
Gross profit	-422	-81	-1 781	-339
EBITDA	-421	53	-1 778	221
EBIT	-421	49	-1 778	204
Profit / loss before taxation	-645	-10	-2 731	-42
Total comprehensive income	-645	-10	-2 731	-42
Non-current assets	40 119	31 062	169 673	129 777
Current assets	7 094	14 336	30 002	59 897
Cash and cash equivalents	6	48	25	201
Total assets	47 213	45 398	199 675	189 674
Total equity	36 845	30 933	155 826	129 239
Current liabilities	10 368	7 187	43 849	30 027
Non-current liabilities	0	7 278	0	30 408
<i>EUR exchange rate - low</i>			4.180	4.129
<i>EUR exchange rate - high</i>			4.247	4.175
<i>EUR exchange rate - average</i>			4.229	4.178
<i>EUR exchange rate - end of period</i>			4.337	4.217

Note: Exchange rates provided by the European Central Bank

Notes:

- All data quoted in this report refer to the current reporting period i.e. from 1 July until 30 september 2014, unless specified otherwise;
- The 10% levy is a retroactively introduced levy extended for the remainder of the applicable Feed-in-Tariff period for PV plants in the Czech Republic connected in 2010 at the level of 10% of revenues payable in the year 2014 (down from 26% for the years 2011 to 2013).
- All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period;
- Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI). According to IAS 16, Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.
- EPC stands for Engineering, Procurement and Construction and refers to services related to project design, engineering, procurement and construction of solar power plants.
- Throughout this report Photon Energy Group is referred to as the "Group", the "Company", the "Issuer" and/or "Photon Energy".

2. Management discussion and analysis

2.1. A note from the Management Board

Nearly one year after the announcement of its new global strategy, Photon Energy has implemented a number of initiatives to generate recurring revenue streams, take the costs out of the business and improve margins with the intention to bring the Company back to profitability in 2014.

In Q3 2014, this high level of commitment is beginning to bear fruits with financial results reflecting a substantial improvement on the operating line.

Starting with the top line, the Group recorded a decrease in consolidated revenues from EUR 5.1 million to EUR 3.9 million, down by 24 % year-on-year. The major part of the revenues is still realized through the sale of electricity generated by proprietary power plants (approximately 9.1 GWh), which decreased year-on-year by 15% . At the same time the negative impact of the CZK depreciation against EUR eroded a significant part of those revenues which, being denominated in CZK, declined in euro-terms.

On the other hand, thanks to significant cost savings, the picture looks much better at the EBIT level which swung from a loss of EUR 0.4 million in Q3 2013 to a positive EUR 0.8 million in Q3 2014, and EUR 1.3 million year to date, corresponding to a 19% operating margin over the quarter (13% YTD). The expected growth of bottom line is still impacted by substantial financial costs, which were also negatively impacted by a non-cash booking of EUR 0.2 million related to the revaluation of interest rate derivatives, due to a continuous decline in interest rates.

On the business side, the past few months have been very exciting as the Company signed new contracts to provide operations and maintenance services for more than 14.4 MWp, expanded its inverter maintenance services geographically to Bulgaria, established Global Investment Protection, completed the construction of a ground-breaking solar energy storage system in Australia and donated a 6 kWp PV system to a kindergarden in Prague. More details can be found below.

New central inverter service contracts

Since the end of Q2 2014, our O&M team signed new contracts for 13.5 MWp of preventive maintenance services, which we decided to call "Inverter Cardio". The name is based on the idea that a central inverter is the heart of a PV power plant and should be treated as carefully as a human heart. Our approach assumes keeping costs as low as possible, by using remote support, repairing components instead of fast-cash spare-part-deals, and by applying our revolutionary predictive maintenance service. Those services, based on our service interventions database and detailed knowledge of inverters, can accurately predict the mean time before the failure of critical components. Having this knowledge, before the actual failure we purchase spare parts for our strategic safety stock and create tailor-made spare part kits for PV plants. And last not least, as a result of unfavorable pricing policies of custom central inverter electronic boards, we established an electronic board repair workshop in which our customers can choose from new, used and refurbished electronic boards based on their budget or service strategy. As this approach, and the services provided, are not only of top quality but also quite unique, we expect more O&M contracts coming before the end of the year.

As of the date of this report, we provide our „Inverter Cardio“ (also called central inverter services) services to 60.25 MWp in seven countries and we supply vital services and spare parts to a further 100 MWp of central inverters. Based on our success with Satcon clients we are working on branching out to provide services for other central inverter brands, which will multiply our addressable market in this promising segment of the value chain.

Construction of a solar storage project in Australia

On 7 November, Photon Energy Australia launched a pioneering solar project combining a 39 kWp PV power plant with a 216 kWh storage battery system, generating electricity for a radio broadcasting tower in

Muswellbrook, Australia. Thanks to the advanced battery storage technology, the project enables the tower to go off-grid and run entirely on solar energy 24 hours a day. This ground-breaking and innovative project demonstrates that renewable energy can provide unique solutions and economical savings for consumers of energy, either commercial or individual, in remote locations world-wide.

The project was designed and delivered in association with the German Energy Agency, Deutsche Energie-Agentur GmbH (dena), and the Australian communications infrastructure company BAI using predominantly German technology. The project is a part of the worldwide dena Renewable Energy Solutions and co-financed by the German Federal Ministry for Economic Affairs and Energy (BMWi) within the initiative “renewables – Made in Germany”.

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

Global Investment Protection AG

In September, Global Investment Protection AG (GIP) was established to provide effective protection tools to Renewable Energy investors. Based in Switzerland, GIP provides investors with services ranging from strategy formulation and structuring to implementation of the strongest possible investment protection in the light of spreading governmental measures leading towards expropriation. While starting out from the PV industry, GIP also intends to work with investors from other industries also outside the EU in the future, as effective investment protection is a fundamental question for all internationally active industrial, financial and private investors in today’s volatile world. For more details please refer to EBI report 26/2014.

Donation of PV system to kindergarden in Prague

Photon Energy Operations CZ and our Photon Energy Foundation donated a 6 KWp PV plant to a kindergarden in Prague. We are proud to have completed this pro-bono project which will not only provide economical advantages but aboveall have an educational impact while building awareness among these children who will be growing up next to a PV plant. Electricity produced by the solar system will provide annual savings of 600 EUR to the kindergarden resulting in a lower energy bill and thus release more funds for the children facilities and educative trips. Apart from the rooftop installation, a TV screen will be provided for educational purposes to display the amount of electricity produced by the solar power plant in order to explain to the children, the concept of transforming sunlight into electric energy. This way Photon Energy Foundation aims to promote the idea of clean energy to the young generation and to increase their immediate exposure to and experience with it.

In general Photon Energy’s team feel very encouraged by the fact that some of our initiatives are starting to pay off and we are looking forward to reporting more exciting news soon.

2.2. Strategy and its execution

Until now PV plants under Feed-in-Tariffs or similar government support systems were mere financial investments. In the Solar Age the motivation to build PV plants will be to serve the needs of real-world energy users ranging from industrial and commercial clients to households. This fundamental paradigm shift requires a comprehensively holistic approach, starting with each customer’s energy demand profile. For that reason we have initiated a fundamental review and re-think of our strategy in order to position Photon Energy as the leading **Experts for the Solar Age** globally and create higher value for all the Company’s stakeholders.

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

- No more bets on government-driven support schemes for PV electricity
- PV plants are no longer merely financial assets but will be mostly built to cover on-site consumption

- Customers require sophisticated energy solutions with a PV system being ideally the main supply source
- Financing is by far the largest bottleneck for the global roll-out of PV – the solution are standardised financing solutions similar to mortgages or car leasing
- Operations & Maintenance including performance guarantees in combination with insurance solutions are the key to standardised financing
- Diversification along the value chain and by geography are crucial for risk mitigation
- Sustainable shareholder value is only created by activities generating recurring revenue streams

The goal of the new strategy is to generate recurring revenue streams while maximising customer value.

Photon Energy's revised focus is now on:

- Customised Energy Solutions – Photon Energy **Solutions**,
- Decentralised Energy Production – Photon Energy **Generation**,
- Standardised Financing – Photon Energy **Finance**,
- Operations & Maintenance – Photon Energy **Operations**,
- Asset Management – Photon Energy **Investments**.

Our next steps are:

- Our current services & products are being realigned in order to best serve the five business lines: Photon Energy Operations, Photon Energy Solutions, Photon Energy Generation, Photon Energy Finance and Photon Energy Investments
- The NPV^{max} (Net Present Value) concept is being implemented into all our services & products
- The Photon Energy Operations offering will be expanded by advisory and other new services
- A service offering for energy savings and management will be introduced in early 2015
- The Australian market is our focus for the expansion of PV generation capacity in 2014 and beyond
- The financial services team within Photon Energy will be expanded and standardised financing solutions are being developed
- European Solar Holdings N.V. ("ESH"), an investment platform for the aggregation of PV asset in the EU under an optimally protected legal structure, has been prepared as the Group's first step into asset management for external investors - investors operating PV power plants in the EU will be able to swap their investments for shares in ESH or country-specific Yield-Cos, which aim to IPO on a major European exchange.

Moreover, in order to reduce the dependence on government subsidies in the future, the Group's strategy mainly focuses on the expansion to markets which have already reached Grid Parity, i.e. the cost of PV-generated electricity is competitive with grid-supplied electricity.

The Group also intends to specialise in energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy intends to focus on industries such as mining, retail, agriculture, telecommunications and others. In the case of remote off-grid locations, where usually irradiation levels are constantly high throughout the year, such energy solutions allow customers to reduce fuel consumption by over 50%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills.

Photon Energy wants to position itself at the cutting edge of the industry, creating PV-based power solutions with the integration of energy storage and/or diesel generators. The Group has developed different accurate models for off-grid and on-grid systems with sufficient flexibility to adapt to a wide range of situations. In order to facilitate market penetration, the Group will selectively cooperate with local partners, if necessary or value-adding.

2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan was implemented.

2.4. Proprietary portfolio, generation results and O&M service

Proprietary portfolio

The table below presents the portfolio of power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 September 2014, consisted of 27 power plants in the Czech Republic, Slovakia, Italy, Australia and Germany with a total installed capacity of 27.1 MWp. More information on the Group structure and the restructuring processes can be found in chapter 8. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 September 2014

Nr	Proprietary portfolio	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	CZ	2 354	100%	2 354	Dec 2010
2	Zvíkov I	CZ	2 031	100%	2 031	Nov 2010
3	Dolní Dvořiště	CZ	1 645	100%	1 645	Dec 2010
4	Svatoslav	CZ	1 231	100%	1 231	Dec 2010
5	Slavkov	CZ	1 159	100%	1 159	Dec 2010
6	Mostkovice SPV 1	CZ	210	100%	210	Dec 2010
7	Mostkovice SPV 3 ¹	CZ	926	100%	926	Dec 2009
8	Zdice I	CZ	1 499	100%	1 499	Dec 2010
9	Zdice II	CZ	1 499	100%	1 499	Dec 2010
10	Radvanice	CZ	2 305	100%	2 305	Dec 2010
11	Břeclav rooftop	CZ	137	100%	137	Dec 2010
12	Babiná II	SK	999	100%	999	Dec 2010
13	Babina III	SK	999	100%	999	Dec 2010
14	Prša I.	SK	999	60%	599	Dec 2010
15	Blatna	SK	700	70%	490	Dec 2010
16	Mokra Luka 1	SK	963	100%	963	Jun 2011
17	Mokra Luka 2	SK	963	100%	963	Jun 2011
18	Jovice 1	SK	979	100%	979	Jun 2011
19	Jovice 2	SK	979	100%	979	Jun 2011
20	Brestovec	SK	850	50%	425	Jun 2011
21	Polianka	SK	999	50%	500	Jun 2011
22	Myjava	SK	999	50%	500	Jun 2011
23	Verderio	IT	261	100%	261	Nov 2011
24	Biella, Verrone	IT	993	100%	993	Jun 2012
25	Symonston	AUS	144	100%	144	Feb 2013
26	Brandenburg	DE	75	100%	75	Apr 2012
27	Altentreptow	DE	156	100%	156	Dec 2011
Total		-	27 054	-	25 021	-

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

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

Generation results

July and August proved to be unfavourable months in terms of weather conditions which resulted in an average quarterly performance of the proprietary power plants coming in below expectations. The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in Q3 2014 amounted to nearly 9.07 GWh, which was 8.5% below the energy forecasts, down by 14.8% YOY. However, on a year-to-date basis, the electricity output of our proprietary portfolio was still better than a year ago, up by 3.3%. The performance has almost fully recovered and remained slightly negative by 1.4%. Year-on-year, Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

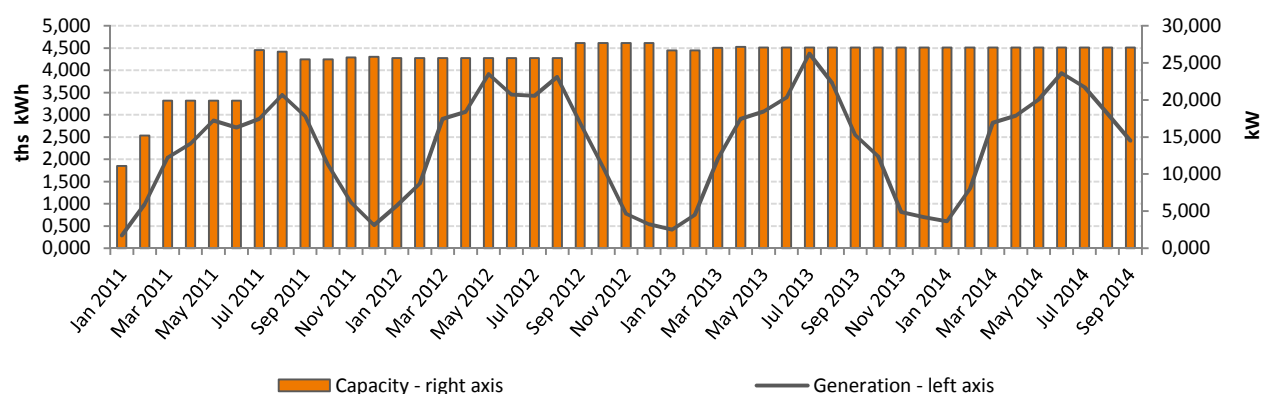
Table 2. Generation results versus projections between 1 July and 30 September 2014

Project name	Capacity	Prod. Q3	Proj. Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YoY
Unit	kWp	(kWh)	(kWh)	%	(kWh)	(kWh)	%	%
Komorovice	2 354	777 037	869 405	-10,6%	2 091 240	2 117 151	-1,2%	7,8%
Zvíkov I	2 031	624 609	762 018	-18,0%	1 835 995	1 855 645	-1,1%	15,1%
Dolní Dvořiště	1 645	513 323	633 913	-19,0%	1 431 767	1 543 689	-7,3%	5,6%
Svatoslav	1 231	386 280	470 808	-18,0%	995 260	1 146 498	-13,2%	2,6%
Slavkov	1 159	404 333	448 340	-9,8%	1 104 945	1 091 788	1,2%	2,2%
Mostkovice SPV 1	210	67 453	66 572	1,3%	185 495	169 225	9,6%	1,0%
Mostkovice SPV 3	926	310 668	334 570	-7,1%	833 154	818 807	1,8%	2,6%
Zdice I	1 499	537 540	558 866	-3,8%	1 417 308	1 349 145	5,1%	9,7%
Zdice II	1 499	528 564	558 866	-5,4%	1 403 278	1 349 145	4,0%	9,6%
Radvanice	2 305	799 962	860 559	-7,0%	2 121 013	2 095 610	1,2%	6,4%
Břeclav rooftop	137	48 893	46 174	5,9%	131 407	116 684	12,6%	4,4%
Total Czech PP	14 996	4 998 662	5 610 091	-10,90%	13 550 862	13 653 386	-0,8%	7,3%
Babiná II	999	307 620	348 597	-11,8%	788 325	873 773	-9,8%	-1,9%
Babina III	999	307 392	348 597	-11,8%	786 894	873 772	-9,9%	-0,9%
Prša I.	999	352 875	353 329	-0,1%	896 157	878 010	2,1%	-4,6%
Blatna	700	239 982	247 707	-3,1%	622 044	642 897	-3,2%	-0,7%
Mokra Luka 1	963	361 266	354 807	1,8%	924 414	896 876	3,1%	0,3%
Mokra Luka 2	963	363 481	354 807	2,4%	932 631	896 876	4,0%	-1,2%
Jovice 1	979	302 566	356 245	-15,1%	763 375	868 699	-12,1%	-5,2%
Jovice 2	979	290 551	356 245	-18,4%	740 975	868 699	-14,7%	-6,7%
Brestovec	850	312 324	301 387	3,6%	845 289	760 401	11,2%	3,1%
Polianka	999	323 493	363 525	-11,0%	841 071	889 454	-5,4%	4,3%
Myjava	999	348 519	363 369	-4,1%	942 690	914 024	3,1%	5,6%
Total Slovak PP	10 429	3 510 069	3 748 614	-6,4%	9 083 865	9 363 482	-3,0%	-0,7%
Verderio	261	87 588	87 093	0,6%	225 653	215 271	4,8%	0,1%
Biella	993	348 919	359 694	-3,0%	910 097	884 124	2,9%	-15,4%

Total Italian PP	1 254	436 507	446 787	-2,3%	1 135 750	1 099 395	3,3%	-12,7%
Symonston	144	40 060	35 850	11,7%	131 140	125 250	4,7%	81,6%
Total Australian PP	144	40 060	35 850	11,7%	131 140	125 250	4,7%	81,6%
Brandenburg	75	22 668	22 141	2,4%	56 683	55 851	1,5%	41,1%
Altentreptow	156	47 674	46 996	1,4%	116 975	119 636	-2,2%	-2,4%
Total German PP	231	70 342	69 137	1,7%	173 658	175 487	-1,0%	8,6%
Total	27 054	9 055 641	9 910 479	-8,6%	24 075 275	24 417 000	-1,4%	3,3%

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

Chart 1. Generation results and capacity growth between Jan 2011 - Sep 2014



O&M service

Photon Energy is continuously expanding its operations and maintenance portfolio and adding new geographical locations to the list of countries, in which it now provides its services. In particular, the "inverter cardio" services (see the detailed explanation in chapter 2.1) grow at an impressive pace and currently the Group is servicing more than 60.25 MWp of central inverters, compared to 46.7 MWp at the end of Q2 2014 (up by 13.5 MWp). In some countries like France or Germany the Group is holding a leading market position while in Belgium in particular, the Group is servicing all of the Satcon inverters ever installed!

In detail, at the end of Q3 2014, the total cumulative capacity of central inverters amounted to 54.2 MWp, dividing regionally into France (19.5 MWp), Italy (12 MWp), Belgium (6.95 MWp), Germany (1.75 MWp), Slovakia (5.5 MWp), Czech Republic (7.5MWp) and Bulgaria (1.0MWp). After the reporting period till date, PEO signed new contracts extending its portfolio by an additional 6.05 MWp (3.0 MWp in Italy, 2.25 MWp in Belgium, 0.8 MWp in France) and bringing the total up to 60.25 MWp.

The full operations & maintenance services of Photon Energy grow at a somewhat slower pace but still the Group is gradually marking an ever larger footprint on this ground. As of the end of Q3, the full O&M services amounted to approximately 58.9 MWp, up by 2.2 MWp from Q2 2014, and can be broken down geographically into 35.6 MWp operated in the Czech Republic, 10.8 MWp in Slovakia, 7.7 MWp in Germany, 1.3 MWp in Italy, 0.6 MWp in Australia and 3 MWp in Belgium. The O&M portfolio divides into 27.1 MWp of PV capacities from the proprietary portfolio and 31.8 MWp serviced for external clients. After the reporting period PEO signed an additional full O&M contract for an external client in Czech Republic extending its portfolio by 0.9 MWp.

2.5. Financial statement analysis

Profit and Loss statement

Consolidated revenues decreased in Q3 2014 compared to the same period of the previous year, from EUR 5.131 million to EUR 3.903 million, down by 24% YOY. The decrease in revenues in Q3 2014, is primarily connected to the generation of the power plants in the portfolio coming in below the energy forecasts in Q3 2014 and down by 14.8% YOY. On top of that, a negative impact of the CZK depreciation against EUR eroded a significant part of those revenues due to a national bank intervention on the CZK. A significant part of revenues from electricity production is quoted and paid in CZK and hence any depreciation of CZK compared to EUR has a negative impact on the revenues and profitability of the Group.

The EBIT result went up from a loss of EUR 0.415 million to a profit of EUR 0.757 million. The increase in operating profitability can be attributed mainly to cost saving measures, mainly cutting down on administration expenses and cost of sales. Additionally, the lower levy on the revenues of our Czech PV plants (due to decrease of the levy from 26% in 2013 to 10% in 2014) contributed positively as it decreased from EUR 0.764 million to EUR 0.237 million. The operating margin remained solid at 19.4%.

EBITDA followed the growth of operating profitability and increased significantly from EUR 1.299 million in Q3 2013 to EUR 2.297 million in the reporting period, up by 77% YOY. Apart from the improvement of the operating line, the growth of EBITDA can be also explained by a decrease in depreciation (down by EUR 0.2 million Y-O-Y).

The bottom line remained in red with a net loss of EUR 0.244 million in Q3 2014 compared to a loss of EUR 1.060 million in the corresponding period of 2013. The net loss was primarily driven by higher financial expenses related to interest rate payments and a negative revaluation of FX derivatives by EUR 0.22 million, which is a purely non-cash booking attributed to the depreciation of CZK versus EUR.

The total comprehensive loss amounted to EUR 1.210 million in Q3 2014 compared to EUR 5.050 million a year ago.

Chart 2. Revenues, gross profit and gross margin

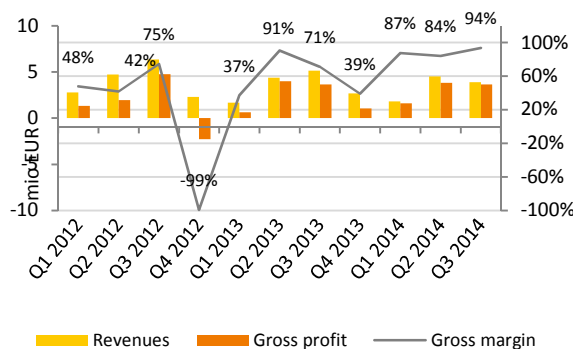
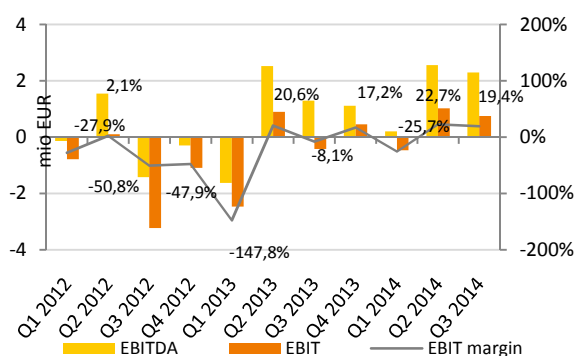


Chart 3. EBITDA, EBIT and EBIT margin development



Balance Sheet

Total assets amounted to EUR 88.321 million at the end of Q3 2014 and decreased by EUR 10.367 million compared to Q3 2013. The main reason for the decrease in assets value was once again related to the impact of the exchange rate and the depreciation of CZK caused by the intervention of the Czech National Bank. Furthermore the annual depreciation and amortization of assets contributed to the decline in their recorded value.

Current assets decreased from EUR 13.815 million as of 30 September 2013 to EUR 11.098 million as of 30 September 2014 mainly due to lower trade and other receivables (lower by EUR 3.8 million).

Total liabilities amounted to EUR 65.496 million as of the end of the reporting period compared to EUR 68.891 million as of the end of Q3 2013. While short term liabilities decreased by nearly EUR 5.5. million (down from EUR 15.728 million in Q3 2013 to EUR 10.234 million in Q3 2014) long term liabilities increased slightly by EUR 2.2 million (up from EUR 53.163 million in Q3 2013 to EUR 55,261 million in Q3 2014). The main drivers of the decrease in short term liabilities was the partial repayment and restructuring of a short-term loan in the amount of EUR 6 million, out of which EUR 2 million was converted into the Group’s corporate bond, approximately EUR 3.1. million was repaid in cash, while the remaining amount was converted into an amortizing loan with a final maturity in March 2018 (See more details in EBI report 27/2014). The above mentioned credit restructuring was also the main reason for the increase in long term liabilities. The total outstanding balance of liabilities has also been positively influenced by the change of the CZK/EUR exchange rate as the major part of bank loans is denominated in CZK.

Chart 4. Net current assets

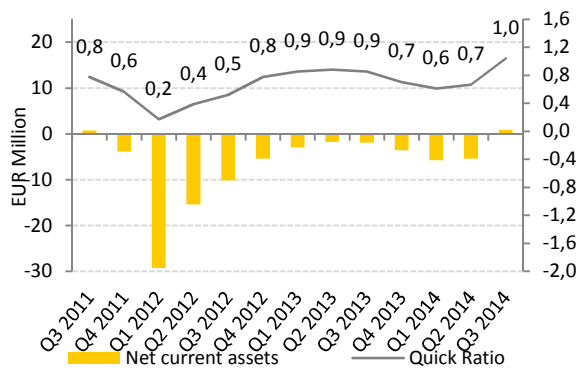
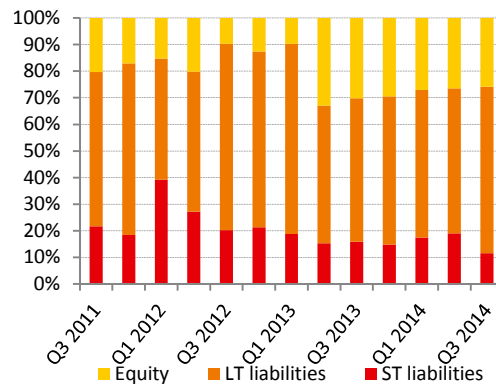


Chart 5. Break down of liabilities and equity



Cash Flow

The Group posted a positive operating cash flow in Q3 2014, which amounted to EUR 1.345 million. Financial cash flow was negative and amounted to EUR 0.566 million driven primarily by the repayment of borrowings and the payment of the subsidiary Photon Energy Investments’ bond coupon, compensated by proceeds from new bank loans and the issuance of new bonds. There was no investment cash outflow. Overall, the net change in cash resulted in an increase of EUR 0.779 million of the cash position to a total of EUR 5.593 million at the end of the reporting period.

Chart 6. Operating, investment and financing cash flow

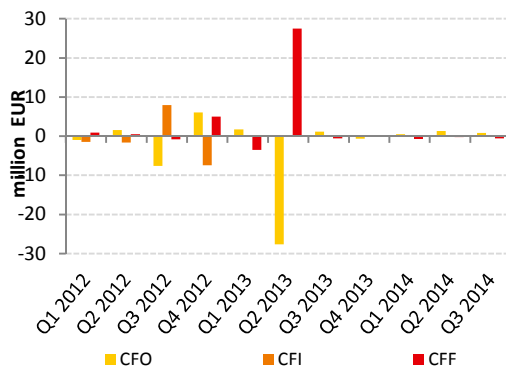
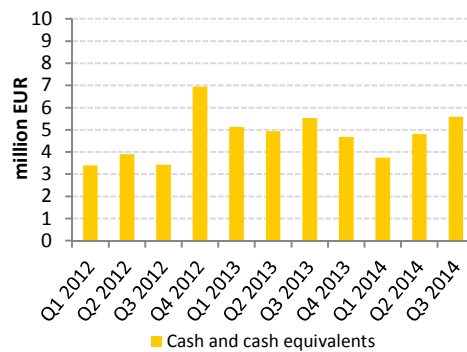


Chart 7. Cash position at the end of the period



Changes in equity

Equity decreased to EUR 22.826 million in Q3 2014 comparing to EUR 29.797 million in Q3 2013 mainly as a result of a negative impact by changes in currency and hedging reserves as well as negative retained earnings.

2.6. Financial forecasts

The Company does not publish financial forecasts.

3. General information about the Issuer

The below table presents general information about Photon Energy N.V., hereinafter referred to as the "PENV", "Issuer", "the Group" and/or the "Company".

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozilaan 201, 1083 HN, Amsterdam, the Netherlands
Registration:	Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>)
Company number:	51447126
Tax-ID:	NL850020827B01
Ticker:	PEN
Web:	www.photonenergy.com

4. Share capital of the Issuer

The Company's share capital is EUR 600,000 divided into 60,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up.

Share capital as of 30 September 2014

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (EUR)	Capital covered with
A	bearer	-	-	<u>60,000,000</u>	<u>600,000</u>	cash
Total number of shares				60,000,000		
Total share capital					600,000	
Nominal value per share = EUR 0.01						

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

5. Shareholder structure

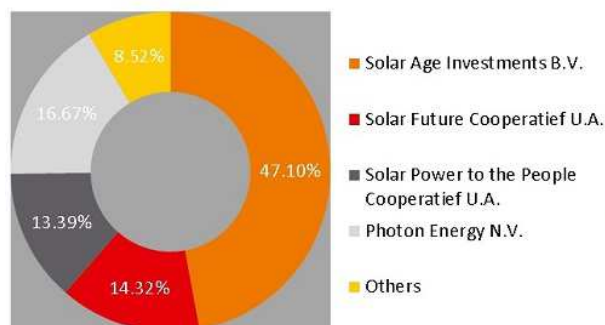
As of the date of this report, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure is as follows:

Shareholder	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,274	47.10%	28,263,274	56.53%
Solar Future Cooperatief U.A.	8,590,739	14.32%	8,590,739	17.18%
Solar Power to the People Cooperatief U.A.	8,036,573	13.39%	8,036,573	16.07%
Photon Energy N.V.	10,000,025	16.67%	0	0%
Free float	5,109,389	8.52%	5,109,414	10.22%
Total	60,000,000	100.00%	50,000,000	100.00%

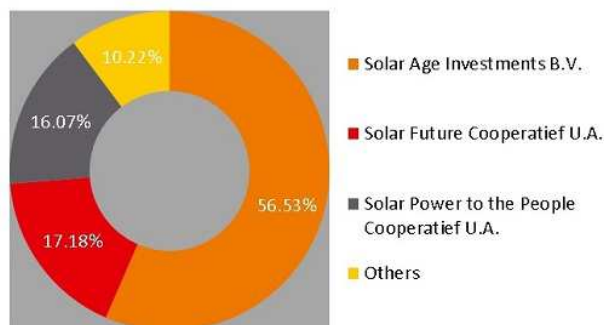
In the reporting period there were no changes to the shareholder structure.

Chart 8. Graphical presentation of the Company's shareholders structure

By the number of shares:



By the number of votes:



6. Statutory bodies of the Issuer

Board of Directors

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

Board of Directors as of 30 September 2014

Name	Position	Date of birth	Term of office expiry date
Georg Hotar	Director (<i>Bestuurder</i>)	21.04.1975	No term of expiry
Michael Gartner	Director (<i>Bestuurder</i>)	29.06.1968	No term of expiry

Supervisory Board

Under Dutch law, a public company is required to establish a supervisory board if:

- the issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- the company or a dependent company has established a work council pursuant to a statutory obligation and
- the company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three subsequent financial years. The Issuer does not meet the above described criteria and therefore is not required to create a supervisory board.

No Supervisory Board was established, however, the Issuer has the intention to appoint an independent Supervisory Board in the future.

7. Description of the Issuer's business

The company Photon Energy N.V. ("Photon Energy", "PENV", "Issuer" or "Company") is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

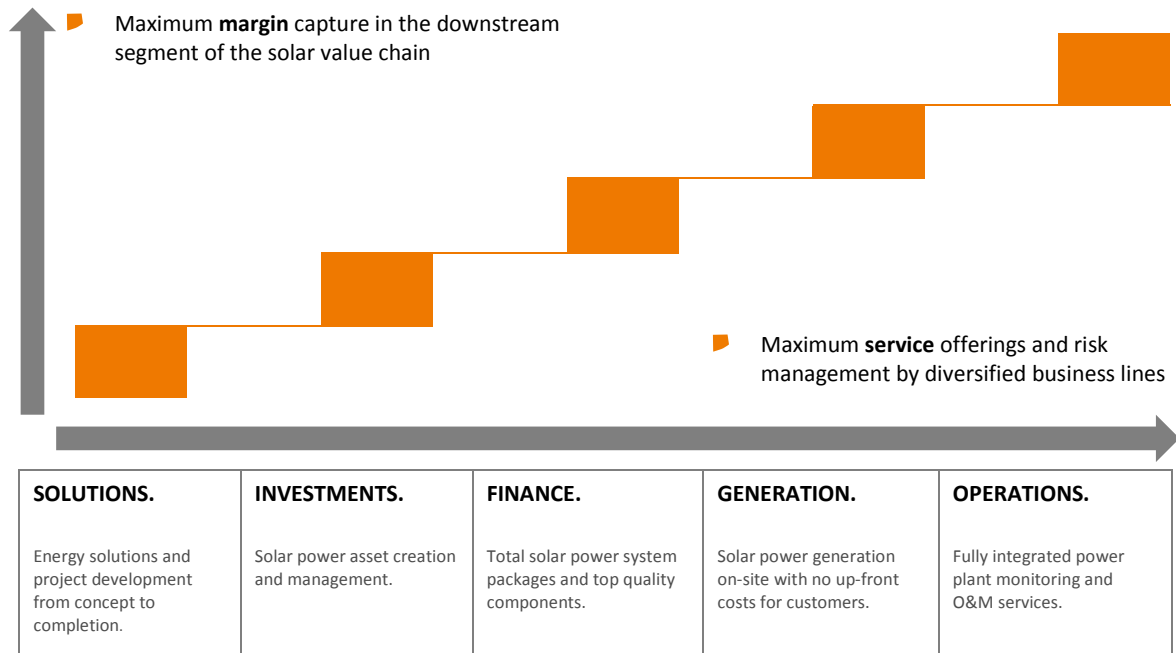
The Group is vertically integrated in the downstream segment of the photovoltaic industry. Through **its five divisions** of expertise the Company serves the needs of clients with extensive know-how in:

- Project development, EPC services and technology solutions – Photon Energy **Solutions**
- Asset management – Photon Energy **Investments**
- Project finance and insurance – Photon Energy **Finance**
- Energy production on site – Photon Energy **Generation**
- Operations and Maintenance (O&M) – Photon Energy **Operations**

The Company has extensive experience and a proven track record of completing photovoltaic projects for its own portfolio as well as for third parties. It develops, builds and operates brownfield, greenfield and rooftop installations. The Company's power solutions provide solar and solar-hybrid power for a wide-range of **customers and applications**:

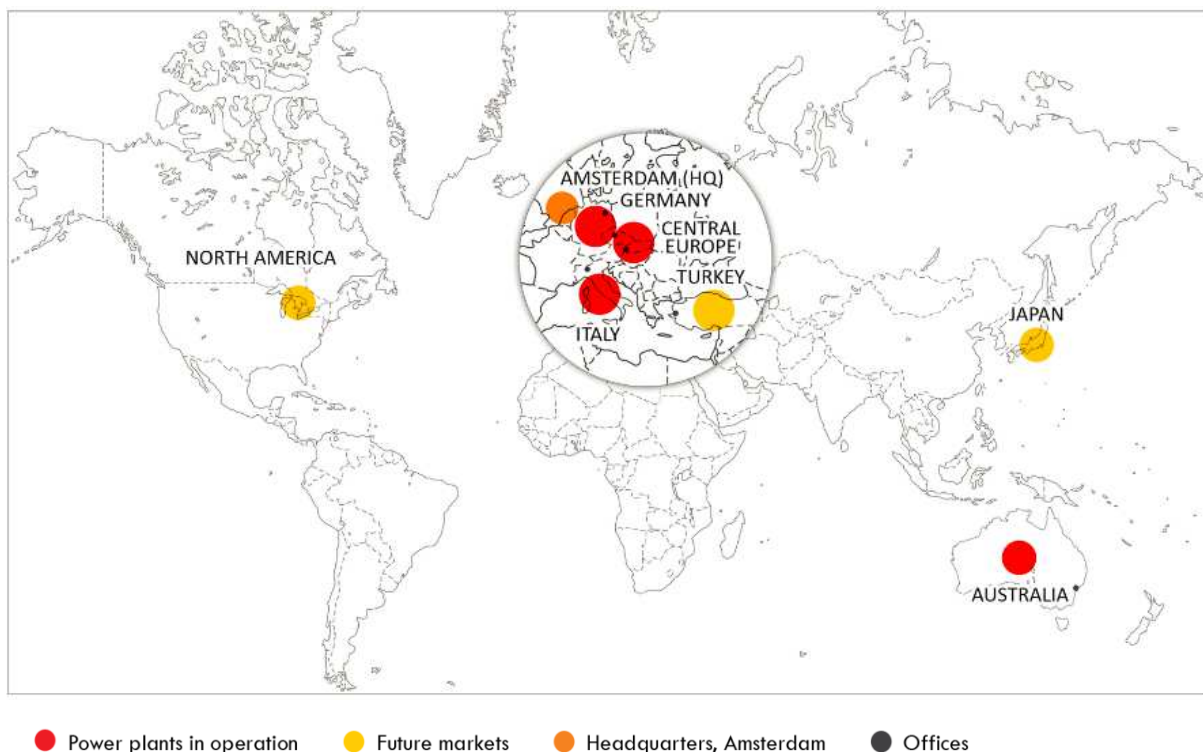
- Commercial and residential buildings
- Municipalities and public buildings
- Remote communities
- Agricultural and industrial processes
- Remote mining operations
- Airports
- Telecom infrastructure
- Utility power grids
- Institutional and individual solar investors

Image 1. The Company's business model



Photon Energy's **business model** is designed to extract the most value from the downstream segment of the solar industry supply chain and to diversify risks across synergistic business lines and multiple geographies.

Image 2. Country-specific references



Currently the Photon Energy Group with 70+ professionals is active in eight countries across three continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and some 120 MWp of PV power plants under O&M management across two continents Photon Energy is one of the 20 global PV companies and among the leading public downstream PV companies in the world.

8. Implementation of innovative activities in the Company

Among innovative activities it is worth mentioning a pioneer solar project combining a 39 kWp PV power plant with a 216 kWh battery storage system, generating electricity for a radio broadcasting tower in Muswellbrook, Australia (more details can be found in chapter 2.1). Thanks to the advanced battery storage technology, the project enables the tower to go off-grid and run entirely on solar energy 24 hours a day. This ground-breaking and innovative project demonstrates that renewable energy can provide unique solutions and economical savings for consumers of energy, either commercial or individual, in remote locations world-wide. The management of Photon Energy is proud to be part of this innovative venture and is considering a roll out of the technology in other locations and industry applications.

Among other innovative activities it is worth mentioning the launch of the fully-owned subsidiary Global Investment Protection AG (GIP) in September. The mission of GIP is the development of strategies and structures providing investors with effective investment protection against damages resulting from any kind of destructive government measures against the photovoltaic (PV) industry. More informations can be found in EBI report 26/2014.

9. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of 30 September 2014.

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V.	Holding Company		NL	Full Cons.	
2 Photon Energy Technology CEE s.r.o.	100%	100%	CZ	Full Cons.	PET BV
3 Photon SPV 5 s.r.o.	100%	100%	CZ	Full Cons.	PEI CZ NV
4 Photon SPV 1 s.r.o.	100%	100%	CZ	Full Cons.	PEI NV
5 Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	PEI NV
6 Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
7 Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
8 EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
9 EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	PEI NV
10 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
11 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	PEI NV
12 Fotonika, s.r.o.	60%	50%	SK	Equity	PEI NV
13 ATS Energy, s.r.o.	70%	70%	SK	Full Cons.	PEI NV
14 Solarpark Myjava s.r.o.	50%	50%	SK	Equity	PEI NV
15 Solarpark Polianka s.r.o.	50%	50%	SK	Equity	PEI NV
16 Photon Energy Investments CZ N.V.	100%	100%	NL	Full Cons.	Photon Energy
17 Photon Energy Polska Sp. z o.o.	100%	100%	PL	Full Cons.	Photon Energy
18 Photon Energy Australia Pty Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
19 Photon Energy Operations IT	100%	100%	IT	Full Cons.	PEO NV
20 IPVIC GbR	18.5%	18.5%	DE	Not Cons.	PEI CZ
21 Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV

22	Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
23	Photon Energy Operations DE GmbH	100%	100%	DE	Full Cons.	PEO NV
24	Photon Energy Operations Australia Pty.Ltd.	100%	100%	AUS	Full Cons.	PEO NV
25	Photon Energy Engineering Australia Pty Ltd	100%	100%	AUS	Full Cons.	PEE BV
26	Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
27	Photon DE SPV 3 GmbH	100%	100%	DE	Full Cons.	PEI DE
28	Photon IT SPV 1 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
29	Photon IT SPV 2 s.r.l.	100%	100%	IT	Full Cons.	PEI NV
30	Photon Energy Projects s.r.l.	100%	100%	IT	Full Cons.	PEP NV
31	Photon Energy Investments IT N.V.	100%	100%	NL	Full Cons.	Photon Energy
32	Photon Energy Investments DE N.V.	100%	100%	NL	Full Cons.	Photon Energy
33	Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
34	Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy
35	Photon Energy Finance Europe GmbH	100%	100%	DE	Full Cons.	Photon Energy
36	Photon Energy Projects B.V.	100%	100%	NL	Full Cons.	Photon Energy
37	Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	AUS	Full Cons.	PEI NV
38	Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	AUS	Full Cons.	PEP BV
39	Photon Energy Generation Australia Pty. Ltd.	100%	100%	AUS	Full Cons.	PEI NV
40	Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy
41	Photon Energy Technology B.V.	100%	100%	NL	Full Cons.	Photon Energy
42	European Solar Holdings B.V.	100%	100%	NL	Full Cons.	Photon Energy
43	Photon Energy Technology Europe Ltd	100%	100%	IR	Full Cons.	PET BV
44	Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
45	Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy

Notes:**Country of registration**

NL – the Netherlands
SK – Slovakia
CZ – the Czech Republic
DE – Germany

IT – Italy
AUS – Australia
IR – Ireland
PL – Poland

Consolidation method:

Full Cons. - Full Consolidation
Not Cons. – Not Consolidated
Equity – Equity Method

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

Name	% of Consolidated share	% of Ownership share	Country of registration	Consolidation method	Legal Owner	
1	Photon SPV 3 s.r.o.	100%	0	CZ	Full Cons.	RLRE
2	Photon SPV 8 s.r.o.	100%	0	CZ	Full Cons.	RLRE
3	Exit 90 SPV s.r.o.	100%	0	CZ	Full Cons.	RLRE
4	Photon SPV 4 s.r.o.	100%	0	CZ	Full Cons.	RLRE
5	Photon SPV 6 s.r.o.	100%	0	CZ	Full Cons.	RLRE
6	Onyx Energy s.r.o.	100%	0	CZ	Full Cons.	RLRE
7	Onyx Energy projekt II s.r.o.	100%	0	CZ	Full Cons.	RLRE
8	Photon SPV 10 s.r.o.	100%	0	CZ	Full Cons.	RLRE
9	Photon SPV 11 s.r.o.	100%	0	CZ	Full Cons.	RLRE

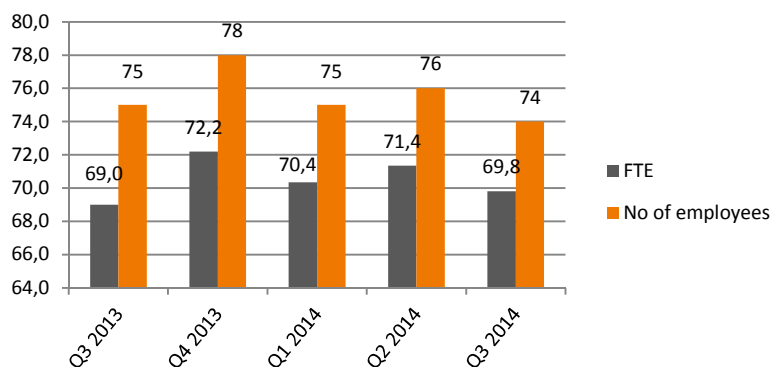
Notes:

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

10. Employees

As of the end of Q3 2014 the Photon Energy Group had 74 employees (compared to 76 employees in Q2 2014) which translates into 69.8 FTE¹ (compared to 71.4 FTE in Q2 2014).

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



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

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it deploys an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for each employee equal to 10% of their gross wage. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

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

11.1. Summary of the key events from 1 July until 30 September 2014

Below is a summary of the key events which were important for the Issuer's business from 1 July until 30 September 2014 and which were reported in the EBI system:

No. 17/2014 published on 3 July 2014: Comments on the proposed retroactive regulatory changes in Italy / Komentarz w sprawie zaproponowanych zmian regulacyjnych we Włoszech.

No. 18/2014 published on 11 July 2014: The Minutes of the AGM of shareholders held on 11 July 2014 / Treść uchwał podjętych na WZA w dniu 11 lipca 2014 r.

No. 19/2014 published on 14 July 2014: Monthly report for June 2014 / Raport miesięczny za czerwiec 2014 r.

No. 20/2014 published on 15 July 2014: Photon Energy to build a pioneering PV storage system in Australia / Photon Energy wybuduje pionierski projekt magazynowania energii słonecznej w Australii.

No. 21/2014 published on 11 August 2014: Amendments to financing facility agreements / Poprawki do umów o finansowanie kredytowe.

No. 22/2014 published on 14 August 2014: Photon Energy N.V. completed merger with Photon Energy

Investments N.V. / Photon Energy N.V. zakończył proces połączenia z Photon Energy Investments N.V.

No. 23/2014 published on 14 August 2014: Monthly report for July 2014 / Raport miesięczny za lipiec 2014 r.

No. 24 and No. 25/2014 published on 14 August 2014: Quarterly report for Q2 2014 / Raport kwartalny za II kw 2014r.

No. 26/2014 published on 3 September 2014: Photon Energy launches Global Investment Protection / Photon Energy założył spółkę zależną Global Investment Protection.

No. 27/2014 published on 12 September 2014: PhotonEnergy partially repaid and refinanced its short-term loan / Częściowa spłata oraz refinansowanie kredytu krótkoterminowego.

No. 28/2014 published on 12 September 2014: Monthly report for August 2014 / Raport miesięczny za sierpień 2014 r.

11.2. Summary of the key events after 30 September 2014

Below is a summary of the key events which were important for the Issuer's business after 30 september 2014 until the date of this report:

No. 29/2014 published on 14 October 2014: Monthly report for September 2014 / Raport miesięczny za wrzesień 2014 r.

12. Detailed consolidated financial results for Q3 2014

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2014 and ending on 30 September 2014 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards** (IFRS).

Statement of Comprehensive Income

<i>in Thousands</i>	EUR		PLN	
	2013 Q3	2014 Q3	2013 Q3	2014 Q3
Total revenues	5 131	3 903	21 411	16 294
Out of that: Revenues from electricity generation	4 551	3 395	18 991	14 175
Out of that: Other revenues	580	508	2 420	2 119
Cost of sales	-714	-13	-3 013	-54
Levy	-764	-237	-3 231	-988
Gross profit	3 653	3 653	15 166	15 252
Salaries and compensation - administration expenses	-767	-590	-3 261	-2 464
Other administrative expenses	-1 401	-838	-5 935	-3 497
Other income	10	22	42	91
Other expenses	-196	50	-826	208
EBITDA	1 299	2 297	5 187	9 590
Depreciation	-1 714	-1 540	-7 261	-6 430

EBIT	-415	757	-2 074	3 160
Interest income	123	15	517	64
Financial income	0	148	0	619
Interest cost	-554	-801	-2 355	-3 342
Financial expense	-121	-146	-2 228	-607
Revaluation of derivatives	-168	-220	990	-918
Net finance expenses	-719	-1 002	-3 059	-4 185
Share of profit from associates / J-Vs	90	8	380	34
Disposal of investment	1	0	17	0
Profit / loss before taxation	-1 044	-238	-4 753	-991
Income tax – current	-29	20	-123	83
Income tax – deferred	13	-27	53	-111
Profit/loss from continuing operations	-1 060	-244	-4 823	-1 019
Other comprehensive income for the period	-3 990	-966	-16 775	-4 031
Total comprehensive income for the period	-5 050	-1 210	-21 597	-5 050
Profit/loss from continuing operations	-1 060	-244	-4 823	-1 019
Attributable to the equity holders	-1 070	-256	-4 572	-1 069
Attributable to minority interest	10	12	42	50
Total comprehensive income for the period	-5 050	-1 210	-21 597	-5 050
Attributable to the equity holders	-5 060	-1 210	-21 347	-5 050
Attributable to minority interest	10	0	42	0
Average no. of shares in thousand	50 000	60 000	50 000	60 000
Earnings per share	-0,045	-0,004	-0,096	-0,017
Comprehensive income per share	-0,217	-0,020	-0,432	-0,084
EUR exchange rate - low	-	-	4,180	4,129
EUR exchange rate - average	-	-	4,247	4,175
EUR exchange rate - high	-	-	4,337	4,217

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN	
	30.9.2013	30.9.2014	30.9.2013	30.9.2014
PPE – Lands	2 986	2 816	12 630	11 763
PPE – Photovoltaic power plants	78 944	71 181	333 873	297 398
PPE – Other equipment	134	1 122	568	4 689
PPE – Assets in progress	360	258	1 521	1 077
Intangible assets	0	0	0	0
Investments in associates	2 432	1 837	10 286	7 674
Other investments	17	10	72	41

Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Long term loans and other receivables	0	0	0	0
Other assets			0	0
Non-current assets	84 873	77 223	358 949	322 643
Cash and cash equivalents	5 529	5 593	23 384	23 369
Trade and other receivables	7 811	4 010	33 034	16 756
Gross amount due from customers for contract work	0	0	0	0
Inventories – Goods	371	427	1 569	1 786
Assets held for sale	0	0	0	0
Prepaid expenses	104	1 067	440	4 459
Current assets	13 815	11 098	58 426	46 369
Total assets	98 688	88 321	417 375	369 012
Issued share capital	500	600	2 115	2 507
Share premium	23 760	23 760	100 487	99 271
Legal Reserve fund	10	27	42	113
Retained earnings	-13 022	-17 454	-55 073	-72 923
Fund for currency conversions	-468	-3 081	-1 979	-12 873
Other comprehensive income from previous periods	26 795	22 025	113 323	92 022
Other comprehensive income	-3 680	-470	-15 564	-1 962
Profit/loss-current year	-4 240	-2 733	-17 932	-11 418
Equity in associates, joint ventures	0	0	0	0
Equity attributable to equity holders	29 655	22 675	125 418	94 736
Minority interests	142	151	601	631
Total equity	29 797	22 826	126 019	95 367
Non-current liabilities	53 163	55 261	224 840	230 886
Bank loan	45 200	42 369	191 162	177 020
Other long-term liabilities	4 343	7 393	18 368	30 890
Other loans	0	1 129	0	4 717
Deferred tax liabilities	3 620	4 370	15 310	18 259
Current liabilities	15 728	10 234	66 517	42 759
Trade and other payables	6 403	5 710	27 079	23 858
Bank loan	3 213	4 257	13 589	17 788
Other Loans	6 000	148	25 376	619
Other short-term liabilities	112	90	474	377

Tax liabilities (CIT)	0	28	0	117
Total Liabilities	68 891	65 496	291 357	273 645
TOTAL EQUITY AND LIABILITIES	98 688	88 321	417 376	369 012
No. of shares in thousand	50000	60000	50000	60000
Book value per share	0,593	0,378	2,508	1,579

Cash Flow Statement

<i>in Thousands</i>	EUR		PLN	
	2013 Q3	2014 Q3	2013 Q3	2014 Q3
Profit for the year	-1 060	-244	-4 529	-1 019
Adjustments for:				
Depreciation	1 714	1 540	7 259	6 430
Net finance costs	719	1 003	3 058	4 187
Share of profit of equity accounted investees	-90	-9	-380	-36
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	0	88	0	366
Income tax expense	16	-81	70	-339
Changes in:				
Trade and other receivables	2 109	1 794	8 334	7 491
Gross amount due from customers for contract work	0	0	0	0
Prepaid expenses	-3	-124	-4	-517
Inventories	-226	-15	-949	-63
Trade and other payables	-488	-380	-2 163	-4 518
Other assets	0	0	0	0
Other liabilities	-1 195	-2 131	-5 479	-8 898
Interests paid	-233	-56	-988	-141
Income tax paid	-102	-40	-432	-165
Operating cash flow	1 161	1 345	3 797	2 777
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments	0	0	-1	0
Sale of investment	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0
Other investments	0	0	0	0

Interest received	0	0	0	0
Investment cash flow	0	0	0	0
Proceeds from borrowings	0	3 604	0	15 046
Proceeds from issuing bonds	183	301	865	1 272
Payment of bond coupons	-84	-99	-355	-414
Proceeds from issuing of ordinary shares	0	0	277	0
Repayment of borrowings	-664	-4 372	-2 890	-18 252
Financial cash flow	-565	-566	-2 103	-2 349
Net change in cash	596	779	1 693	427
Cash at the beginning of the period	4 934	4 814	21 397	20 007
Effect of exchange rate fluctuation	-1	0	294	0
Cash at the end of the period	5 529	5 593	23 090	20 434
<i>EUR exchange rate - low</i>	-	-	4,18	4,18
<i>EUR exchange rate - average</i>	-	-	4,247	4,247
<i>EUR exchange rate - high</i>	-	-	4,337	4,337

Note: Exchange rate provided by the European Central bank

13. Detailed accumulated consolidated financial results for Q1-Q3 2014

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2014 and ending on 30 September 2014 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

<i>in Thousands</i>	EUR		PLN	
	2013Q1-Q3	2014 Q1-Q3	2013Q1-Q3	2014Q1- Q3
Total revenues	11 198	10 270	46 753	42 877
Out of that: Revenues from electricity generation	9 810	9 133	40 958	38 131
Out of that: Other revenues	1 388	1 137	5 795	4 745
Cost of sales	-1 276	-578	-5 361	-2 413
Tax levy	<u>-1 658</u>	<u>-616</u>	<u>-6 966</u>	<u>-2 571</u>
Gross profit	8 264	9 076	34 426	37 893
Salaries and compensation - administration expenses	-2 381	-2 011	-10 003	-8 397
Other administrative expenses	-3 411	-1 929	-14 330	-8 055
Other income	28	22	118	91
Other expenses	<u>-306</u>	<u>-93</u>	<u>-1 286</u>	<u>-389</u>
EBITDA	2 194	5 064	8 925	21 142

Depreciation	<u>-4 178</u>	<u>-3 749</u>	<u>-17 553</u>	<u>-15 653</u>
EBIT	-1 984	1 315	-8 628	5 490
Interest income	<u>123</u>	<u>74</u>	<u>517</u>	<u>310</u>
Financial income	0	151	0	632
Interest cost	-1 673	-2 599	-7 029	-10 850
Financial expense	-867	-326	-5 344	-1 359
Revaluation of derivatives	-405	-1 361		-5 682
Net finance expenses	-2 822	-4 059	-11 856	-16 949
Share of profit from associates / J-Vs	<u>150</u>	<u>99</u>	<u>630</u>	<u>414</u>
Disposal of investment	536	0	2 252	0
Profit / loss before taxation	-4 120	-2 645	-17 602	-11 045
Income tax – current	-62	5	-260	21
Income tax – deferred	-58	-93	-244	-386
Profit/loss from continuing operations	-4 240	-2 733	-18 106	-11 410
Other comprehensive income for the period	<u>-4 471</u>	<u>-1 161</u>	<u>-18 784</u>	<u>-4 845</u>
Total comprehensive income for the period	-8 711	-3 893	-36 889	-16 255
Profit/loss from continuing operations	-4 240	-2 733	-18 106	-11 410
Attributable to the equity holders	-4 252	-2 745	-17 864	-11 460
Attributable to minority interest	12	12	50	50
Total comprehensive income for the period	-8 729	-3 893	-36 673	-16 255
Attributable to the equity holders	18	0	76	0
Attributable to minority interest	-4 240	-2 733	-18 106	-11 410
Average no. of shares in thousand	50 000	60 000	50 000	60 000
Earnings per share	-0,182	-0,046	-0,765	-0,190
Comprehensive income per share	-0,374	-0,065	-1,571	-0,271
EUR exchange rate - low	-	-	4,072	4,099
EUR exchange rate - average	-	-	4,201	4,175
EUR exchange rate - high	-	-	4,349	4,250

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN	
	2013Q1- Q3	2014Q1- Q3	2013Q1- Q3	2014Q1- Q3
Profit for the year	-4 240	-2 733	-17 813	-11 410
Adjustments for:				
Depreciation	4 178	3 749	17 553	15 653
Net finance costs	2 286	4 059	9 604	16 949
Share of profit of equity accounted investees	-150	-99	-630	-414
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	0	88	0	366

Income tax expense	120	0	504	0
Changes in:				
Trade and other receivables	-455	600	-2 542	2 505
Gross amount due from customers for contract work	0	0	0	0
Prepaid expenses	354	-924	1 487	-3 856
Inventories	-218	-38	-916	-161
Trade and other payables	-5 249	356	-22 052	1 488
Other assets	0	0	0	0
Other liabilities	-20 476	-2 056	-85 239	-8 585
Interests paid	-616	-424	-2 588	-1 771
Income tax paid	-267	-135	-1 122	-563
Operating cash flow	-24 733	2 443	-103 754	10 200
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments	-42	0	-176	0
Sale of investment	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0
Other investments	0	0	0	0
Interest received	0	0	0	0
Investment cash flow	-42	0	-176	0
Proceeds from borrowings	0	3 604	0	15 046
Proceeds from issuing bonds	4 218	778	17 721	3 263
Payment of bond coupons	-164	-278	-689	-1 160
Proceeds from issuing of ordinary shares	24 260	0	101 922	0
Repayment of borrowings	-4 876	-5 635	-20 485	-23 528
Financial cash flow	23 438	-1 531	98 469	-6 379
Net change in cash	-1 337	911	-5 462	3 821
Cash at the beginning of the period	6 953	4 682	29 211	19 548
Effect of exchange rate fluctuation	-87	0	-366	0
Cash at the end of the period	5 529	5 593	23 384	23 369
<i>EUR exchange rate - low</i>	-	-	<i>4,072</i>	<i>4,099</i>
<i>EUR exchange rate - average</i>	-	-	<i>4,201</i>	<i>4,175</i>
<i>EUR exchange rate - high</i>	-	-	<i>4,349</i>	<i>4,25</i>

Note: Exchange rate provided by the European Central Bank

Statement of Changes in Equity

in thousand EUR	Combined equity	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 10.1.2008	89	0	0	0	0	0		0	89	0	89
Profit	-302								-302	0	-302
Currency translation reserve						-27			-27	0	-27
Total comprehensive income for the year	-302	0	0	0	0	-27		0	-329	0	-329
Photon Energy a.s. Share premium	592								592	0	592
BALANCE at 31.12.2008	379	0	0	0	0	-27		0	352	0	352
BALANCE at 1.1.2009	379	0	0	0	0	-27		0	352	0	352
Profit	1 263								1 263	0	1 263
Revaluation of PPE	978								978	0	978
Currency translation reserve	8					4			12	0	12
Total comprehensive income for the year	2 249	0	0	0	0	4		0	2 253	0	2 253
BALANCE at 31.12.2009	2 628	0	0	0	0	-23		0	2 605	0	2 605
BALANCE at 1.1.2010	2 628	0	0	0	0	-23		0	2 605	0	2 605
Profit	1 896								1 896	11	1 907
Profit JV investments	-60								-60		-60
Foreign currency translation differences	-9								-9		-9
Revaluation of PPE	14 084								14 084		14 084
Total comprehensive income for the year	15 911	0	0	0	0	0		0	15 911	11	15 922
Legal reserve fund	-9			9					0		0
Acquisitions (non-controlling interests)									0	1	1
									0		0
BALANCE at 22.12.2010	18 530	0	0	9	0	-23		0	18 516	12	18 528
BALANCE at 23.12.2010	18 530	0	0	9	0	-23		0	18 516	12	18 528
Profit								-135	-135	-52	-187
Profit JV investments								-5	-5	-1	-6
Foreign currency translation differences						219			219	86	305
Revaluation of PPE					1 072				1 072	422	1 494

Total comprehensive income for the year	0	0	0	0	1 072	219	-140	1 151	455	1 606
Share capital		46						46		46
Contribution in kind 23.12.2010	-18 530				14 084	-9	-780	-5 235	5 235	0
								0		0
BALANCE at 31.12.2010	0	46	0	9	15 156	187	-920	14 478	5 702	20 180
BALANCE at 1.1.2011	0	46	0	9	15 156	187	-920	14 478	5 702	20 180
Profit							-5 303	-5 303	-1 751	-7 054
Revaluation of PPE					2 590			2 590	1 116	3 706
Share on revaluation of PPE of associates, JV					492			492	194	686
Foreign currency translation differences						-358		-358	60	-298
Share on currency translation diff. of associates, JV						37		37	15	52
Total comprehensive income for the year	0	0	0	0	3 082	-321	-5 303	-2 542	-366	-2 908
Deferred tax related to FA revaluation decrease					159			159	63	222
Move from revaluation reserve to retained earnings					-839		839	0	0	0
								0		0
BALANCE at 31.12.2011	0	46	0	9	17 558	-134	-5 384	12 095	5 399	17 494
BALANCE at 1.1.2012	0	46	0	9	17 558	-134	-5 384	12 095	5 399	17 494
Loss for the period 1.1.2012 - 04.12.2012							-7 128	-7 128	-1 835	-8 963
Loss for the period 5.12.2012 - 31.12.2012							-3 671	-3 671		-3 671
Revaluation of PPE					6 820			6 820	2 701	9 521
Share on revaluation of PPE of associates, JV					457			457	180	637
Foreign currency translation differences						457		457	-168	289
Derivatives							-430	-430	-169	-599
Share on derivatives JV							-140	-140	-55	-195
Total comprehensive income for the year	0	0	0	0	7 277	457	-570	-10 799	-3 635	654
share capital increase		184	-184					0	0	0
Move from revaluation reserve to retained earnings					-885		885	0	0	0

Legal reserve fund				9				-9	0	0	0
Dividends									0	-35	-35
Disposal of NCI - move to other components of equity			184	4 868			-224	941	5 769	-5 769	0
									0		0
BALANCE at 31.12.2012	0	230	0	18	28 818	323	-794	-14 366	14 229	249	14 478
Loss for the period 1.1.2013 – 31.12.2013								-5 011	-5 011	16	-4 995
Revaluation of PPE				-4 517					-4 517		-4 517
Foreign currency translation differences					-2 713				-2 713		-2 713
Derivatives						309			309	-1	308
Share on derivatives JV						28			28		28
Total comprehensive income for the year	0	0	0	0	-4 517	-2 713	337	-5 011	-11 904	15	-11 889
new shares		370	23 760						24 130	0	24 130
Move from revaluation reserve to retained earnings					-1 466			1 466	0	0	0
Legal reserve fund – move to RE on entity disposal				-8				8	0	0	0
									0		0
BALANCE at 31.12.2013	0	600	23 760	10	22 835	-2 390	-457	-17 778	26 580	139	26 719
Loss for the period 1.1.2014 – 30.9.2014								-2 745	-2 745	12	-2 733
Revaluation of PPE									0		0
Foreign currency translation differences					-285	-691			-976		-976
Derivatives							-136		-136	0	-136
Share on derivatives JV							-49		-49		-49
Total comprehensive income for the year	0	0	0	0	-285	-691	-185	-2 745	-3 905	12	-3 893
new shares									0	0	0
Move from revaluation reserve to retained earnings					-353			353	0	0	0
Legal reserve fund – move to RE on entity disposal				17				-17	0	0	0
									0		0
BALANCE at 30.9.2014	0	600	23 760	27	22 197	-3 081	-642	-20 187	22 675	151	22 826

14. Detailed entity financial results for Q3 2014

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2014 and ending on 30 September 2014 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

<i>in Thousands (except EPS)</i>	EUR		PLN	
	2013Q3	2014Q3	2013Q3	2014Q3
Revenues from the sale of products, goods and services	0	0	0	0
Cost of sales	-422	-81	-1 781	-339
Other administrative expenses	0	-1	0	-4
Other income	0	135	0	564
Other expenses	1	0	3	0
EBITDA	-421	53	-1 778	221
Amortization&depreciation	0	-4	0	-17
EBIT	-421	49	-1 778	204
Financial income	64	202	271	844
Financial costs	-287	-261	-1 223	-1 090
Profit / loss before taxation	-645	-10	-2 731	-42
Income tax	0	0	0	0
Profit/loss for the period (net income)	-645	-10	-2 731	-42

Balance Sheet

<i>in Thousands</i>	EUR		PLN	
	30/09/2013	30/09/2014	30/09/2013	30/09/2014
Non-current assets	40 119	31 062	169 673	129 777
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	31	40	132	169
Goodwill	0	0	0	0
Investments in associates	40 088	31 021	169 541	129 608
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
Current assets	7 094	14 336	30 002	59 897
Cash and cash equivalents	6	48	25	201
Inventories	2	0	7	0
Trade and other receivables	7 086	14 288	29 970	59 695
Prepaid expenses	0	0	0	0
TOTAL ASSETS	47 213	45 398	199 675	189 674
Issued share capital	500	600	2 115	2 507
Share premium	36 871	36 871	155 937	154 049
Legal Reserve fund	0	0	0	0
Retained earnings	-2 065	-8 056	-8 735	-33 659
Reserves	0	0	0	0
Profit/loss for the current period	1 539	1 518	6 510	6 343
Total equity	36 845	30 933	155 826	129 239
Non-current liabilities	0	7 278	0	30 408
Bank loan	0	0	0	0
Other long-term liabilities	0	7 278	0	30 408
Provisions	0	0	0	0
Current liabilities	10 368	7 187	43 849	30 027
Trade and other payables	10 368	7 187	43 849	30 027
Other loan	0	0	0	0
Tax payables	0	0	0	0
TOTAL EQUITY AND LIABILITIES	10 368	45 398	199 675	189 674

15. Detailed accumulated entity financial results for Q1-Q3 2014

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2014 and ending on 30 September 2014 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS). Data presented in the table below for the year 2014 represent merged data for Photon Energy N.V. and Photon Energy Investments N.V. However, the comparable data for Q3 2013 include only Photon Energy N.V. figures.

Income Statement

<i>in Thousands (except EPS)</i>	EUR		PLN	
	2013Q1-Q3	2014Q1-Q3	2013Q1-Q3	2014Q1-Q3
Revenues from the sale of products, goods and services	0	0	0	0
Cost of sales	-744	-1 143	-3 125	-4 770
Other administrative expenses	0	-1	0	-4
Other income	0	138	0	574
Other expenses	0	0	0	0
EBITDA	-744	-1 006	-3 125	-4 200
Amortization&depreciation	0	-4	0	-17
EBIT	-744	-1 010	-3 125	-4 217
Financial income	156	546	655	2 281
Financial costs	-951	-1 054	-3 996	-4 402
Profit / loss before taxation	-1 539	-1 518	-6 467	-6 338
Income tax	0	0	0	0
Profit/loss for the period (net income)	-1 539	-1 518	-6 467	-6 338

Balance Sheet

<i>in Thousands</i>	EUR		PLN	
	30/09/2013	30/09/2014	30/09/2013	30/09/2014
Non-current assets	40 119	31 062	169 673	129 777
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	31	40	132	169
Goodwill	0	0	0	0
Investments in associates	40 088	31 021	169 541	129 608
Other investments	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
Current assets	7 094	14 336	30 002	59 897
Cash and cash equivalents	6	48	25	201
Inventories	2	0	7	0
Trade and other receivables	7 086	14 288	29 970	59 695
Prepaid expenses	0	0	0	0
TOTAL ASSETS	47 213	45 398	199 675	189 674
Issued share capital	500	600	2 115	2 507
Share premium	36 871	36 871	155 937	154 049
Legal Reserve fund	0	0	0	0
Retained earnings	-2 065	-8 056	-8 735	-33 659
Reserves	0	0	0	0
Profit/loss for the current period	1 539	1 518	6 510	6 343
Total equity	36 845	30 933	155 826	129 239
Non-current liabilities	0	7 278	0	30 408
Bank loan	0	0	0	0
Other long-term liabilities	0	7 278	0	30 408
Provisions	0	0	0	0
Current liabilities	10 368	7 187	43 849	30 027
Trade and other payables	10 368	7 187	43 849	30 027
Other loan	0	0	0	0
Tax payables	0	0	0	0
TOTAL EQUITY AND LIABILITIES	10 368	45 398	199 675	189 674

16. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Photon Energy N.V. for the period starting on 1 January 2014 and ending on 30 September 2014 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

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

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

Results of the operating segments for the period from 1 January 2013 to 30 September 2013

in Thousands EUR	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	26	706	9 810	609	0	47	11 198	-809	10 389
Revenues within segments from the sale of products, goods and services	0	313	67	348	0	81	809	0	809
Cost of sale	-11	-5	-923	-191	0	-150	-1 280	4	-1 276
Energy tax	0	0	-1 653	-2	0	-3	-1 658	0	-1 658
Gross profit	15	1 014	7 301	764	0	-25	9 069	-805	8 264
Other external income	0	0	9	3	0	16	28	0	28
Administrative and other expenses	-68	-990	-1 427	-1 531	0	-2 887	-6 903	805	-6 098
Out of that depreciation	0	-2	-4 160	-9	0	-7	-4 178	0	-4 178
Operating income	-53	22	1 723	-773	0	-2 903	-1 984	0	-1 984
Interest income	0	44	154	17	0	160	375	-252	123
Interest expenses	-1	-20	-975	-37	0	-892	-1 925	252	-1 673
Other financial revenues	0	1	0	4	0	0	5	0	5
Other financial expenses	-1	0	-1 070	0	0	-206	-1 277	0	-1 277
Disposal of investment	0	0	1	535	0	0	536	0	536
Profit/loss share in entities in equivalency	0	0	0	0	150	0	150	0	150
Income tax	0	0	-120	0	0	0	-120	0	-120
Profit/loss after taxation	-55	47	-287	-254	150	-3 841	-4 240	0	-4 240
Other comprehensive income	0	0	-4 517	0	0	0	-4 517	0	-4 517
Foreign currency translation diff. - foreign operations	0	0	0	0	0	-791	-791	0	-791
Derivatives hedging	0	0	810	0	27	0	837	0	837
Total comprehensive income	-55	-3 994	-3 994	-254	177	-4 632	-8 711	0	-8 711
Assets, of which	553	2 461	99 145	1 719	2 432	8 239	114 549	-15 861	98 688
PPE – Lands	0	0	2 986	0	0	0	2 986	0	2 986
PPE – Photovoltaic power plants	0	0	78 944	0	0	0	78 944	0	78 944
PPE - Equipment	0	3	0	34	0	97	134	0	134
PPE – Assets in progress	0	57	4	0	0	299	360	0	360
Intangibles	0	0	0	0	0	0	0	0	0
Trade and other receivables	301	2 398	11 710	1 587	0	7 721	23 717	-15 906	7 811
Loans	0	0	0	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	249	0	0	45	0	77	371	0	371
Investments in associates, JV, other	0	0	6	11	2 432	0	2 449	0	2 449
	0	0	0	0	0	0	0	0	0
Deferred tax receivables	0	0	0	0	0	0	0	0	0
Long term receivables	0	0	88	13	0	3	104	0	104
Prepaid expenses	0	0	0	0	0	0	0	0	0
Assets held for sale	3	3	5 407	29	0	42	5 484	45	5 529
Cash and cash equivalents	648	2 657	65 559	2 493	0	13 395	84 752	-15 861	68 891
Liabilities, of which	645	2 654	7 322	2 462	0	7 282	20 365	-15 346	5 019
Trade and other payables	0	0	49 797	0	0	6 000	55 797	0	55 797
Bank Loans and other loans	0	0	4 815	8	0	35	4 858	-515	4 343
Other long term liabilities	3	3	5	23	0	78	112	0	112
Other short term liabilities	0	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	3 620	0	0	0	3 620	0	3 620

17. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by EU and were authorised for publication by the Board of Directors.

The following main standards are applied by Group:

- IAS 1 – Presentation of financial information
- IAS 2 – Inventories
- IAS 12 – Income Taxes
- IAS 16 – Property, plant and equipment
- IAS 18 – Revenues
- IAS 21 - The effects of changes in foreign exchange rates
- IAS 24 – Related transactions presentation
- IAS 27 – Consolidated and separate financial information
- IAS 28 - Investments in Associates
- IAS 33 - Earnings per Share
- IAS 36 - Impairment
- IAS 37 – Provisions
- IAS 38 – Intangible Assets
- IFRS 3 – Business combinations
- IFRS 5 – Non-current assets held-for-sale and discontinued operations
- IFRS 8 - Operating segments

Use of estimates and judgments

In preparing the financial information, the Company's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognised in the financial information. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial information and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

Presentation of Financial information

Financial information is presented based on historical costs with exemptions when IFRS requires different evaluation methods as described below in accounting policies. The statement of comprehensive income is presented with revenues and expenses classified by purpose (function). The cash flow statement is prepared using an indirect method.

Functional currency is the EURO (EUR) and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organised by the Warsaw Stock Exchange - NewConnect, the balances are retranslated into PLN currency.

Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of more than 20% and less than 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The cost of the investment includes transaction costs.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its

performance, and for which discrete financial information is available.

The Company's Management has assessed the Group's business from the segment reporting perspective and decided that they financial results of Photon Energy Group to be reported per segments from the objective perspective from 01.01.2010.

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

The Management identified the following segments:

- Energy Solutions (wholesale and import of FVE components, engineering and construction services - turn-key photovoltaic systems' installations for external clients and Photon Energy),
- Production of electricity (includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity)
- PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV producing the electricity and it is related to project companies that generate the revenues as shown in segment Production of electricity.
- Operations, maintenance and PVPP supervision
- Other, not related to any of the above mentioned segments.

Other operations include the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2014 or 2013.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial information of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in EUR, which is the company's functional and the group's presentation currency.

The consolidated financial information is presented in EUR, however, for presentation purposes; the financial information is translated into PLN as the presentation currencies. Effect from this translation is presented in Equity - in the Fund for currency conversions.

Exchange rates as shown in table below were applied. All exchange rates were provided by the European Central Bank. Statement of financial position applicable exchange rate represents the exchange rate as of the last day of the reporting date as according to IAS 21. Statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN	
	2013 Q3	2014 Q3
EUR exchange rate – low	4.180	4.129
EUR exchange rate – high	4.229	4.178
EUR exchange rate – average	4.247	4.175
EUR exchange rate – end of period	4.337	4.217

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

In case of entities, whose functional currency is CZK or AUD, the financial statements are retranslated at the consolidation into EUR using year-end rate for balance sheet and average rate for profit/loss items.

Property, plant and equipment

Property, plant and equipment are carried at their fair values, with the exemption of fixed assets under construction which are carried at costs.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement: the revenues related to development projects (PV power stations) are measured by the percentage of completion method (refer below to Construction contracts).

Trade receivables

Trade receivables are recognised at nominal value, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable is uncollectible, it is written off.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and term bank deposits.

Share capital

Ordinary shares are classified in equity as Issued share capital. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium.

Trade payables

Trade payables are recognised at nominal value.

Loans and Borrowings

Loan and Borrowings are classified as short-term liabilities (due within 12 months after the reporting date) or long-term liabilities (due more than 12 months after the reporting date).

Financial costs related to construction period of internal non-current assets are capitalised (refer to Property, plant and equipment).

Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

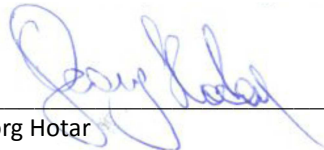
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. Deferred income tax asset is recognised by the Group in case the Management anticipates the future profits will offset the current income tax asset.

18. Management Board declaration

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

Amsterdam, 14 November 2014

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

Georg Hotar
Member of the Board of Directors

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

Michael Gartner
Member of the Board of Directors

19. Investor Relations Contact

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W50/50/3

cca 2500

MATERIAL
 THINFILM
 INSPECTION 1000  (ISO P)
 TOLERANCE NORM ISO 8015: YES
 PRECISION ISO:

INDEX	X	AMEND.
	X	
	X	
	X	
	X	

CONCEPT	NORM.REF.
DESIGN	EXAMINED
	APPROVED

TYPE