

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

2015 Q2

for the period from 1 April to 30 June 2015

MATERIAL					X	AMEND.
THINFILM					X	
INSPECTION	100				X	
TOLERANCE NORM ISO 8015:		YES			X	
PRECISION ISO...					X	

CONCEPT		NORM.REF.	
DESIGN		EXAMINED	

14 August 2015 | Amsterdam | The Netherlands

	NAME	TYPE
--	------	------

# CONSOLIDATED AND ENTITY FINANCIAL REPORTS

## 1. Selected financial results

### 1.1. Selected financial results for Photon Energy Group, for the period of 1 April to 30 June 2015

in Thousands	EUR		PLN	
	2014 Q2	2015 Q2	2014 Q2	2015 Q2
Total revenues	4 537	4 298	18 927	17 682
Gross profit	3 822	3 668	15 945	15 108
EBITDA	2 566	2 646	10 711	10 929
EBIT	1 029	885	4 300	3 682
Profit / loss before taxation	-608	1 552	-2 521	6 490
Profit / loss from continuing operations	-693	1 400	-2 877	5 854
<b>Total comprehensive income</b>	<b>-308</b>	<b>2 640</b>	<b>-1 264</b>	<b>11 022</b>
Non-current assets	78 967	80 126	328 232	335 749
Current assets	11 971	11 634	49 760	48 750
Cash and cash equivalents	4 813	4 110	20 007	17 223
Total assets	90 938	91 760	377 992	384 495
<b>Total equity</b>	<b>24 035</b>	<b>29 100</b>	<b>99 903</b>	<b>121 936</b>
Current liabilities	17 352	8 219	72 123	34 440
Non-current liabilities	49 552	54 441	205 965	228 121
Operating cash flow	1 309	204	5 414	2 484
Investment cash flow	0	2 086	0	8 636
Financial cash flow	-241	-1 995	-1 000	-8 260
<b>Net change in cash</b>	<b>1 068</b>	<b>294</b>	<b>4 414</b>	<b>2 861</b>
EUR exchange rate - low	-	-	4,099	3,968
EUR exchange rate - average	-	-	4,166	4,088
EUR exchange rate - end of period	-	-	4,157	4,190
EUR exchange rate - high	-	-	4,209	4,191

Note: Exchange rates provided by the European Central Bank

#### Financial highlights:

- Revenues decreased to EUR 4.298 million, down by 5.3% YOY;
- The company managed to grow its EBITDA from EUR 2.566 million to EUR 2.646 million, up by 3.1% YOY;
- EBIT decreased from EUR 1.029 million to EUR 0.885 million, down by 14% YOY;
- The Company recorded a profit before taxation of EUR 1.552 million, compared to a EUR 0.608 million loss for the same period last year;
- A total comprehensive income of EUR 2.640 million was booked compared to a loss of EUR 0.308 million in 2014 Q2;
- Equity increased from EUR 24.035 million in 2014 Q2 to EUR 29.100 million in 2015 Q2;
- The equity ratio increased from 30% to 35%<sup>1</sup>.

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

#### Other highlights:

- The proprietary portfolio of PV plants generated approximately 9.9 GWh of electricity; 2.5% below the energy audits, up by 1% compared to 2014 Q2 (+9.5% YOY Year-to-date);
- The total portfolio of Photon Energy Operations grew to 139 MWp as of the end of 2015 Q2 compared to 97 MWp a year ago;
- Photon Energy Engineering Australia signed a contract for the construction of a 348 KWp project in the Australian Capital Territory for a third party in June 2015;
- The group sold its two Italian power plants in reaction to retroactive cuts by the Italian government, in April 2015.

## 1.2. Standalone financial results for Photon Energy N.V., for the period of 1 April to 30 June 2015

in Thousands	EUR		PLN	
	2014 Q2	2015 Q2	2014 Q2	2015 Q2
Revenues	0	0	0	0
Gross profit	-699	0	-2 923	0
EBITDA	-115	-194	-487	-793
EBIT	-115	-192	-487	-782
Profit / loss before taxation	-269	369	-1 134	1 542
<b>Total comprehensive income</b>	<b>-269</b>	<b>369</b>	<b>-1 134</b>	<b>1 542</b>
Non-current assets	30 986	31 708	128 794	132 866
Current assets	12 101	8 802	50 299	36 883
Cash and cash equivalents	51	91	214	380
Total assets	43 087	40 510	179 093	169 749
<b>Total equity</b>	<b>28 734</b>	<b>28 105</b>	<b>119 433</b>	<b>117 765</b>
Current liabilities	9 633	4 555	40 041	19 086
Non-current liabilities	4 720	7 851	19 619	32 898
EUR exchange rate – low	-	-	4,099	3,968
EUR exchange rate – high	-	-	4,166	4,088
EUR exchange rate – average	-	-	4,157	4,190
EUR exchange rate - end of period	-	-	4,209	4,191

### Notes:

Exchange rates are provided by the European Central Bank.

All data quoted in this report refer to the current reporting period i.e. from 1 April until 30 June 2015, unless specified otherwise;

All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period;

Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI). According to IAS 16, Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.

EPC stands for Engineering, Procurement and Construction and refers to services related to project design, engineering, procurement and construction of solar power plants.

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

## 2. Management discussion and analysis

### 2.1. A note from the Management Board

Working in a transitioning market environment, the Group's development on a wide range of fronts, both operational and financial, demonstrates that Photon Energy is now back in the race for profitable growth. During this quarter, we have dynamically harvested the fruits of our new strategy, achieving satisfying production levels on our proprietary portfolio of power plants, having secured new contracts for our O&M division and continued our business development in Australia, where the fifth solar power plant built and operated by Photon Energy Australia has been commissioned and where a new project was signed in June. The prospects across our business lines in combination with further cost reduction initiatives support our expectation that we will continue improving our bottom line in 2015.

#### Photon Energy signs deal for 348 kWp project in Australia

Photon Energy's fully-owned subsidiary Photon Energy Engineering Australia signed a deal with a third party in June 2015, which includes project development and construction of a 348 kWp power plant in the Australian Capital Territory. The project is eligible for a 20-year Feed-in-Tariff and Large Generation Certificates (LGCs) for a period of 15 years. The company expects to complete the project before the end of 2015 Q3. Photon Energy will also be providing the long-term Operations & Maintenance to the PV plant. Once operational by the end of 2015 Q3, this project will take the total installed base of Photon Energy in Australia beyond the 1 MWp mark.

#### New O&M services contracts

While pushing forward with new projects in Australia, Photon Energy also remained focused on further expanding its Operations and Maintenance business in Europe. During this quarter, our subsidiary Photon Energy Operations (PEO) started one new contract in Slovakia for a capacity of 1.0 MWp, bringing the full O&M services contracts to approximately 77.4 MWp, up by 16.2 MWp from the beginning of the year. The contracts can be broken down geographically into 54.2 MWp operated in the Czech Republic, 15.0 MWp in Slovakia, 7.7 MWp in Germany and 0.6 MWp in Australia. In July, confirming this positive trend, PEO has expanded its O&M services to a new market, adding 11 MWp in Romania, taking over the full monitoring, operations and maintenance for three power plants based in Oradea, in the North-West of the country. PEO also signed an additional 0.6 MWp plant in the Czech Republic, bringing the total capacity under management to 90 MWp as of the date of this report.

As far as the "Inverter Cardio" services are concerned, the Group is servicing 61.25 MWp of central inverters, compared to 39.7 MWp at the end of 2014 Q2 (up by 21.5 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. As of the date of this report, we provide our „Inverter Cardio“ services 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.

#### Photon Energy sold its Italian power plants in reaction to reactive cuts in Italy

Photon Energy NV decided to improve its geographical focus by selling its two Italian power plants to avoid further devastating retroactive measures by the Italian government. While the overall impact on the portfolio is relatively small – the Italian power plants make up only 1.25 MWp of the entire 27 MWp – the decision was nevertheless not an easy one. Photon Energy will continue providing O&M services in Italy under its „Inverter Cardio“ programme under which it takes care of 15 MWp of central PV inverters. A long-standing campaign against renewable energy, which included cuts to the feed-in-tariff and other retroactive measures, has effectively killed the Italian PV market and we came to the conclusion that leaving this devastated market was our most optimal option.

Photon Energy NV has always based its strategy of geographical expansion on being active in countries with stable and sustainable PV markets and Italy no longer fits this criteria. By selling our Italian power plants we are improving the overall stability of our portfolio.

#### Financial results

Despite a 5% decrease in revenue, the Group recorded a net profit of EUR 1.4 million in 2015 Q2, compared to a EUR 0.7 million loss in 2014 Q2. Reflecting changes in the financing structure, improved operating margins across business lines, the improvement in margins experienced during the first quarter was therefore confirmed. In light of this positive trend for the first half of 2015 and taking into account the contract recently signed in Australia as well as the recently secured O&M contracts, we keep on targeting a positive bottom line in 2015.

## 2.2. Strategy and its execution

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

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

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

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

**Our next steps** are:

- ▶ Our current services & products are being realigned in order to best serve our business lines
- ▶ The NPV<sup>max</sup> (Net Present Value) concept is being implemented into all our services & products
- ▶ The Photon Energy Operations offering will be expanded by advisory and other new services
- ▶ Photon Energy's power plant monitoring solutions will be offered as a standalone product
- ▶ The Australian market is our focus for the expansion of PV generation capacity
- ▶ Our Swiss subsidiary Global Investment Protection AG will continue offering structuring advisory services so that investors exposed to the threat of retroactive government measures against their assets qualify for Investor State Dispute Settlement (ISDS) and succeed in winning their case.

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

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

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

## 2.3. Investment action plan and its implementation

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

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

### Proprietary portfolio

The table below presents the portfolio of power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 June 2015, consisted of 25 power plants in the Czech Republic, Slovakia, Australia and Germany with a total installed capacity of 25.8 MWp.

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

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

Nr	Proprietary portfolio	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 <sup>1</sup>	CZ	926	100%	926	Dec.09
8	Zdice I	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	CZ	137	100%	137	Dec.10
12	Babiná II	SK	999	100%	999	Dec.10
13	Babina III	SK	999	100%	999	Dec.10
14	Prša I.	SK	999	60%	599	Dec.10
15	Blatna	SK	700	70%	490	Dec.10
16	Mokra Luka 1	SK	963	100%	963	Jun.11
17	Mokra Luka 2	SK	963	100%	963	Jun.11
18	Jovice 1	SK	979	100%	979	Jun.11
19	Jovice 2	SK	979	100%	979	Jun.11
20	Brestovec	SK	850	50%	425	Jun.11
21	Polianka	SK	999	50%	500	Jun.11
22	Myjava	SK	999	50%	500	Jun.11
23	Symonston	AUS	144	100%	144	Feb.13
24	Brandenburg	DE	75	100%	75	Apr.12
25	Altentreptow	DE	156	100%	156	Dec.11
<b>Total</b>			<b>25,800</b>		<b>23,766</b>	

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

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

The Group sold its two Italian plants as of 1 April, the corresponding production data are not presented anymore as from this date.

## Generation results

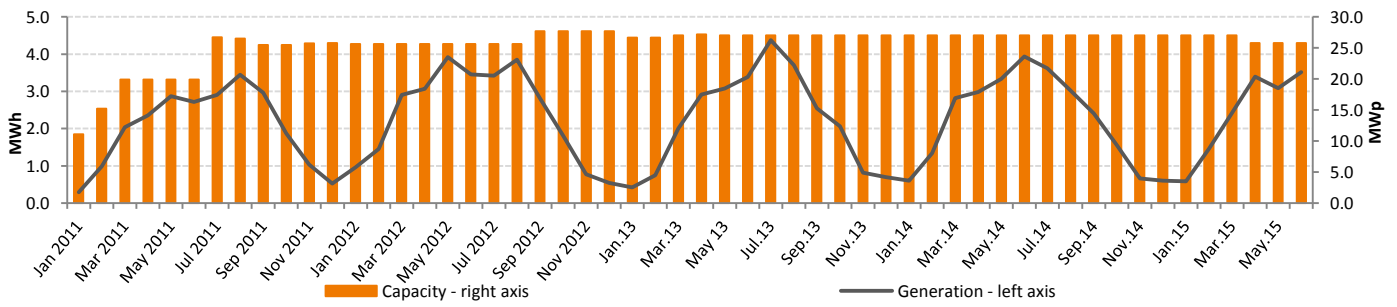
The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2015 Q2 amounted to 9.9 GWh, which was 2.5% below the energy forecasts and up by 9.5% YTD YoY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

**Table 2. Generation results versus projections between 1 April and 30 June 2015**

Project name	Capacity	Prod. 2015 Q2	Proj. 2015 Q2	Perf.	YTD Prod.	YTD Proj.	Perf.	YoY
Unit	kWp	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	877,733	933,825	-6.0%	1,264,198	1,320,290	-4.2%	-3.8%
Zvíkov I	2,031	738,780	818,481	-9.7%	1,125,245	1,204,946	-6.6%	-7.1%
Dolní Dvořiště	1,645	556,870	680,885	-18.2%	943,335	1,067,350	-11.6%	2.7%
Svatoslav	1,231	424,550	505,693	-16.0%	811,015	892,158	-9.1%	33.2%
Slavkov	1,159	470,448	481,562	-2.3%	856,913	868,027	-1.3%	22.3%
Mostkovice SPV 1	210	81,614	69,249	17.9%	468,079	455,714	2.7%	296.5%
Mostkovice SPV 3	926	364,501	357,866	1.9%	750,966	744,331	0.9%	43.7%
Zdice I	1,499	621,545	588,580	5.6%	1,008,010	975,045	3.4%	14.6%
Zdice II	1,499	609,327	588,580	3.5%	995,792	975,045	2.1%	13.8%
Radvanice	2,305	916,254	924,324	-0.9%	1,302,719	1,310,789	-0.6%	-1.4%
Břeclav rooftop	137	58,407	46,870	24.6%	444,872	433,335	2.7%	439.1%
<b>Total Czech PP</b>	<b>14,996</b>	<b>5,720,029</b>	<b>5,995,915</b>	<b>-4.6%</b>	<b>9,971,144</b>	<b>10,247,030</b>	<b>-2.7%</b>	<b>16.6%</b>
Babiná II	999	365,328	377,701	-3.3%	502,557	514,930	-2.4%	4.5%
Babina III	999	363,402	377,701	-3.8%	500,631	514,930	-2.8%	4.4%
Prša I.	999	397,245	376,866	5.4%	534,474	514,095	4.0%	-1.6%
Blatna	700	277,428	272,933	1.6%	414,657	410,162	1.1%	8.5%
Mokra Luka 1	963	416,723	371,326	12.2%	553,952	508,555	8.9%	-1.6%
Mokra Luka 2	963	417,495	371,326	12.4%	554,724	508,555	9.1%	-2.5%
Jovice 1	979	315,718	382,806	-17.5%	452,947	520,035	-12.9%	-1.7%
Jovice 2	979	306,060	382,806	-20.0%	443,289	520,035	-14.8%	-1.6%
Brestovec	850	369,903	314,433	17.6%	507,132	451,662	12.3%	-4.8%
Polianka	999	375,993	393,610	-4.5%	513,222	530,839	-3.3%	-0.8%
Myjava	999	422,865	383,961	10.1%	560,094	521,190	7.5%	-5.7%
<b>Total Slovak PP</b>	<b>10,429</b>	<b>4,028,160</b>	<b>4,005,468</b>	<b>0.6%</b>	<b>5,537,679</b>	<b>5,514,987</b>	<b>0.4%</b>	<b>-0.6%</b>
Symonston	144	27,700	29,107	-4.8%	85,520	86,927	-1.6%	-6.1%
<b>Total Australian PP</b>	<b>144</b>	<b>27,700</b>	<b>29,107</b>	<b>-4.8%</b>	<b>85,520</b>	<b>86,927</b>	<b>-1.6%</b>	<b>-6.1%</b>
Brandenburg	75	26,710	25,157	6.2%	34,092	32,538	4.8%	0.2%
Altentreptow	156	51,998	52,374	-0.7%	59,379	59,755	-0.6%	-14.3%
<b>Total German PP</b>	<b>231</b>	<b>78,708</b>	<b>77,531</b>	<b>1.5%</b>	<b>93,471</b>	<b>92,294</b>	<b>1.3%</b>	<b>-9.5%</b>
<b>Total</b>	<b>25,800</b>	<b>9,854,597</b>	<b>10,108,021</b>	<b>-2.5%</b>	<b>15,687,814</b>	<b>15,941,238</b>	<b>-1.6%</b>	<b>9.5%</b>

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

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



**O&M services**

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. As of the end of 2015 Q2, full O&M services contracts amounted to approximately 77.4 MWp, up by 19.2 MWp from the beginning of the year, and can be broken down geographically into 54.2 MWp operated in the Czech Republic, 15.0 MWp in Slovakia, 7.7 MWp in Germany and 0.6 MWp in Australia. The O&M portfolio divides into 25.8 MWp of PV capacities from the proprietary portfolio and 51.6 MWp serviced for external clients. After the reporting period PEO has expanded its O&M services to a new market, adding 11 MWp in Romania, taking over the full monitoring, operations and maintenance for three power plants based in Oradea, in the North-West of the country. PEO also signed an additional 0.6 MWp plant in the Czech Republic. This additional capacity was not included in the figures reported above.

As far as the “Inverter Cardio” services are concerned, the Group is servicing 61.25 MWp of central inverters, compared to 39.7 MWp at the end of 2014 Q2 (up by 21.5 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 Q2 2015, the total cumulative capacity of central inverters amounted to 61.25 MWp, dividing regionally into France (21.3 MWp), Italy (15.0 MWp), Belgium (9.2 MWp), Germany (1.75 MWp), Slovakia (5.5 MWp), Czech Republic (7.5MWp) and Bulgaria (1.0MWp).

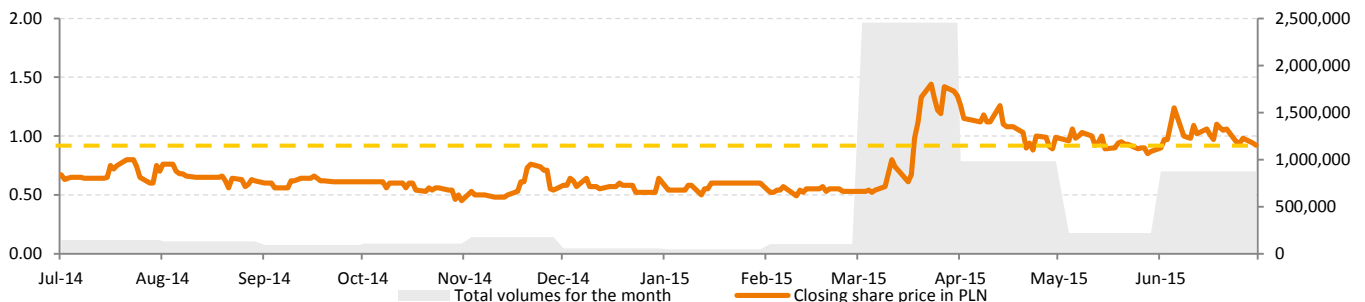
**2.5. Enterprise value & Share price performance**

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

The quarter closed at a price of PLN 0.92 on 30 June 2015 (+4% MoM & +53% vs. 31 December 2014), corresponding to a price to book ratio of 0.42x.

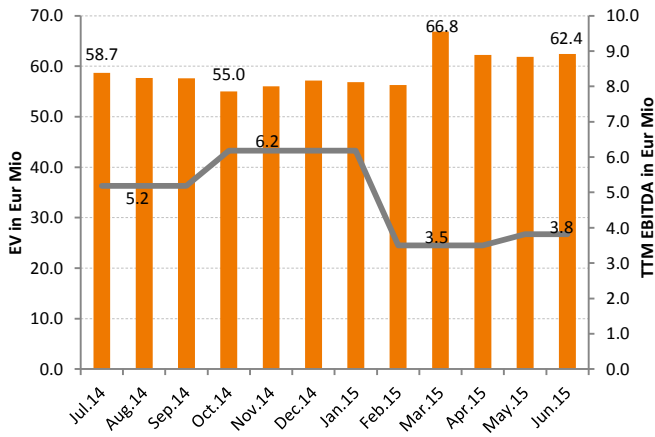
The Company also reports average monthly trading volume of 691,349 shares in 2015 Q2, confirming the rising trading volume observed in 2015 Q1 (867,451 shares traded monthly in average), to be compared to an average monthly volume of 98,018 shares in 2014.

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





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

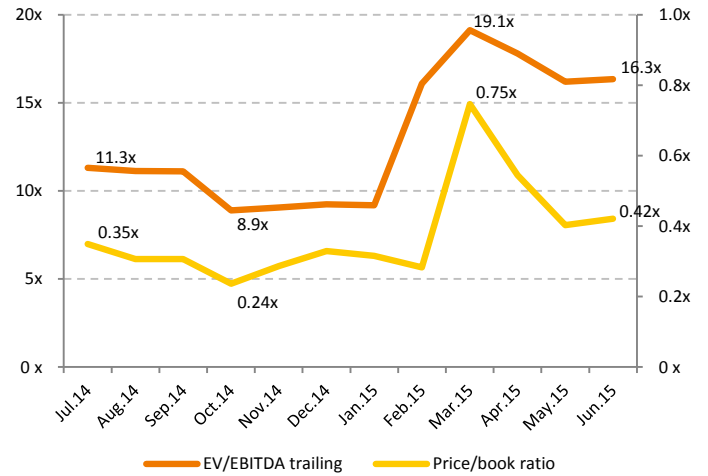


**Notes:**

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

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; e.g. in 2015 Q2, the sum of EBITDA reported in 2014 Q2, Q3, Q4 and 2015 Q1.

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

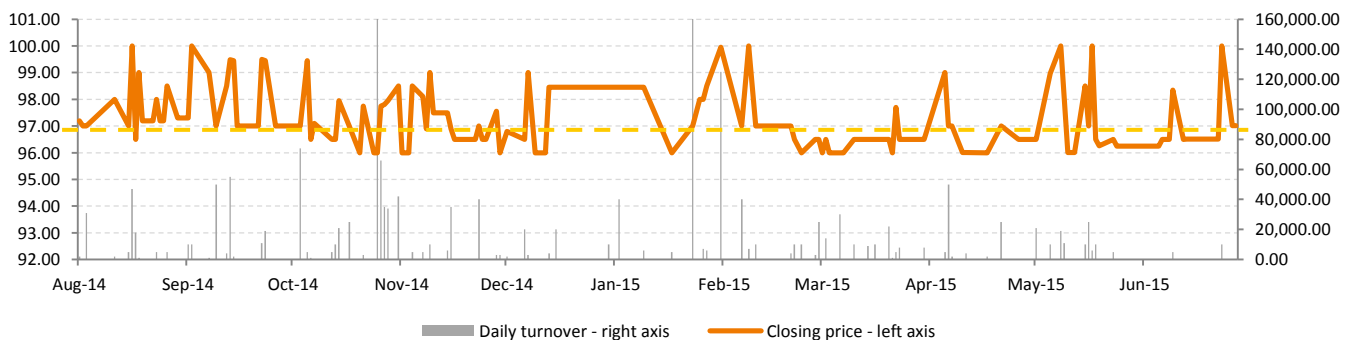


Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the latest quarterly report.

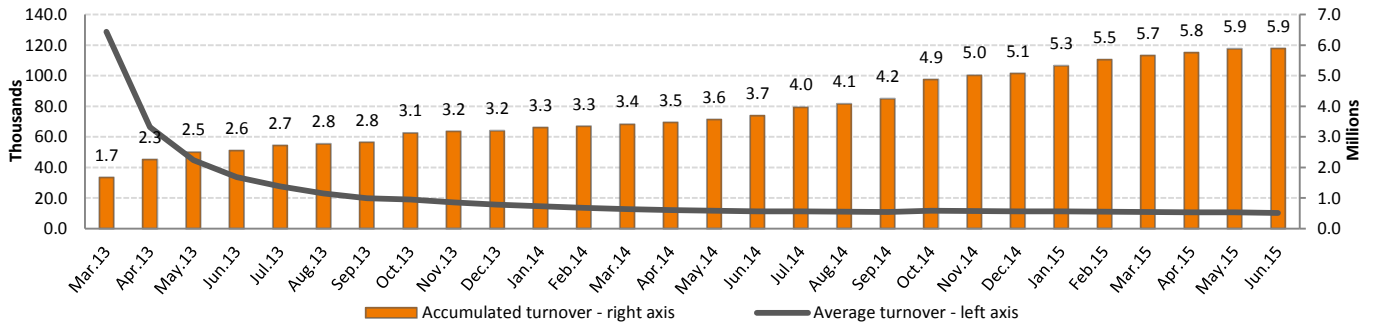
**2.6. Bond trading performance**

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

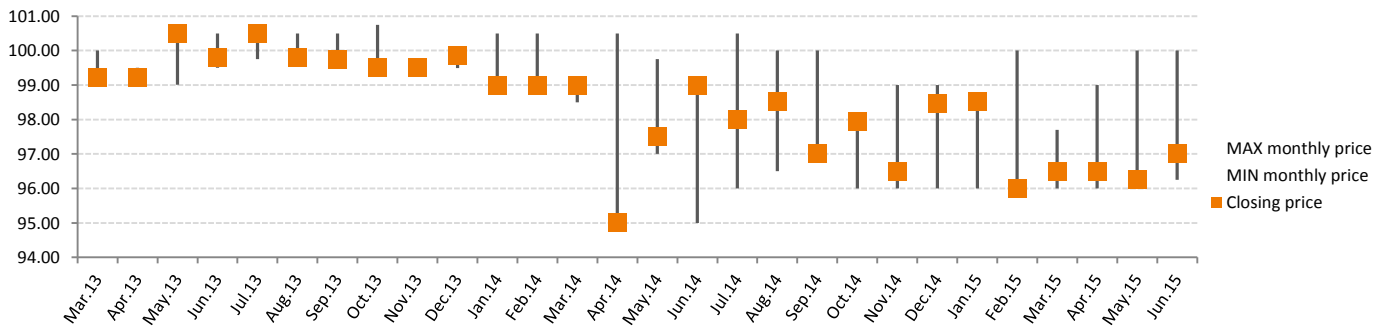
**Chart 5. The Company’s bond trading on the Frankfurt Stock Exchange in Germany between 1 July 2014 and 30 June 2015, on a daily basis**



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



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



In the trading period from 12 March 2013 until 30 June 2015 the trading volume amounted to EUR 5.895 Mio (nominal value) with an opening price of 100.00 and a closing price of 97.01. During this period the average daily turnover amounted to EUR 10,164.

**Bond trading performance in 2015 Q2**

In 2015 Q2 the trading volume amounted to EUR 228,000 (592,000 in 2015 Q1) with an opening price of 96.50 and a closing price of 97.01. The average daily turnover amounted to EUR 3,738 (EUR 9,397 in 2015 Q1).

## 2.7. Financial statement analysis

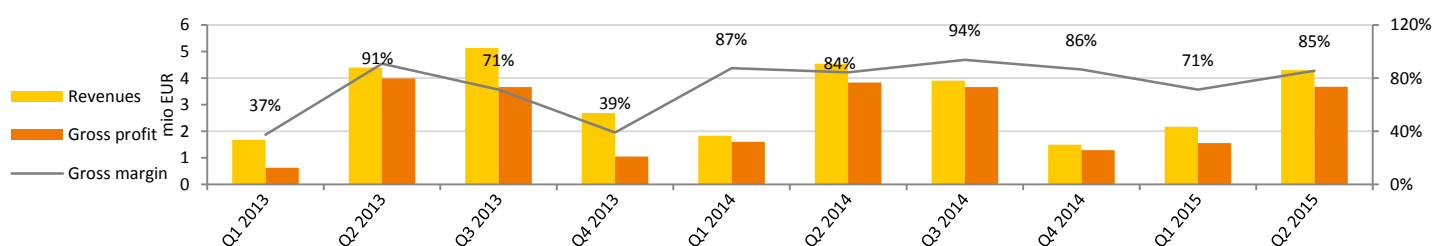
### Profit and Loss statement

Consolidated revenues decreased in 2015 Q2 compared to the same period of the previous year, from EUR 4.537 million to 4.298 million, down by 5.3% YOY. The decrease in revenues in 2015 Q2 is primarily connected to the loss in revenues from the Italian plants sold on 1 April. Thanks to successful cost saving initiatives, consolidated EBITDA nevertheless increased by 3.1% from EUR 2.566 million in 2014 Q2 to EUR 2.646 million in the reporting period. EBIT decreased by 14% from a profit of EUR 1.029 million to EUR 0.885 million. The lower profit in operating activities can be attributed to the higher depreciation coming from the portfolio revaluation performed at the end of 2014.

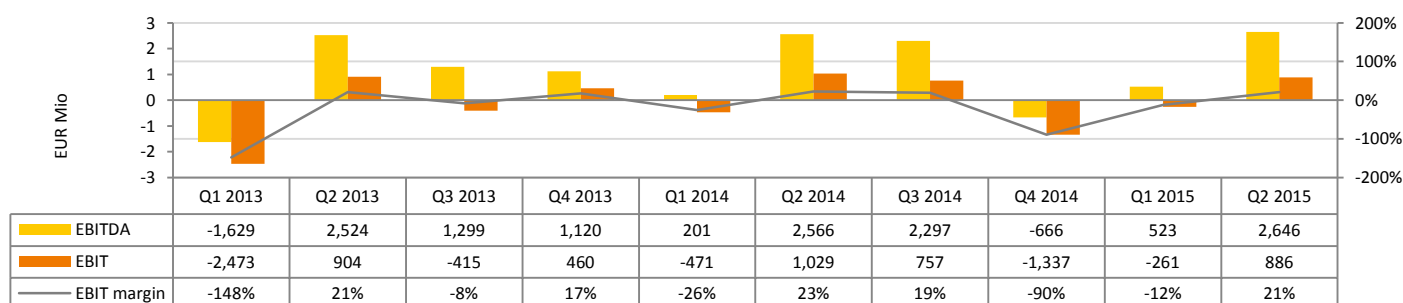
The Company recorded a profit before taxation of EUR 1.552 million, compared to a EUR 0.608 million loss for the same period last year.

Total comprehensive income improved dramatically to a profit of EUR 2.640 million in 2015 Q2 (vs. a loss of EUR 0.308 million a year ago).

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



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



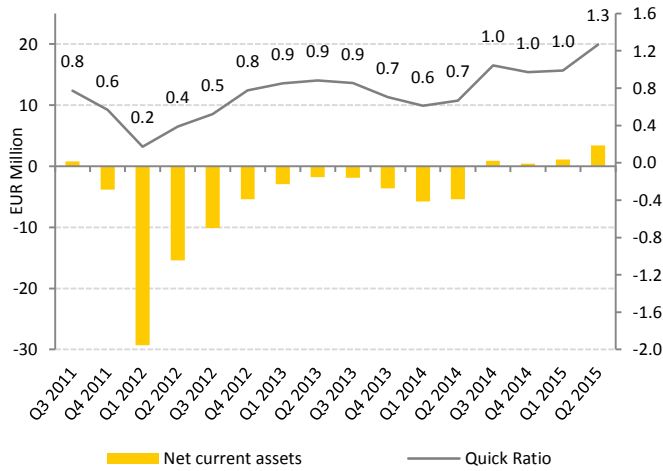
### Balance Sheet

Total assets amounted to EUR 91.760 million at the end of 2015 Q2 and increased by EUR 0.822 million compared to 2014 Q2. The main reason for the increase in assets is the revaluation of power plants performed at the end of the year 2014, which led to an increase in their fair value by EUR 6.013 million. The impact of this revaluation is however partially offset by the regular depreciation and by the sale of our two Italian powerplants executed at the beginning of 2015 Q2.

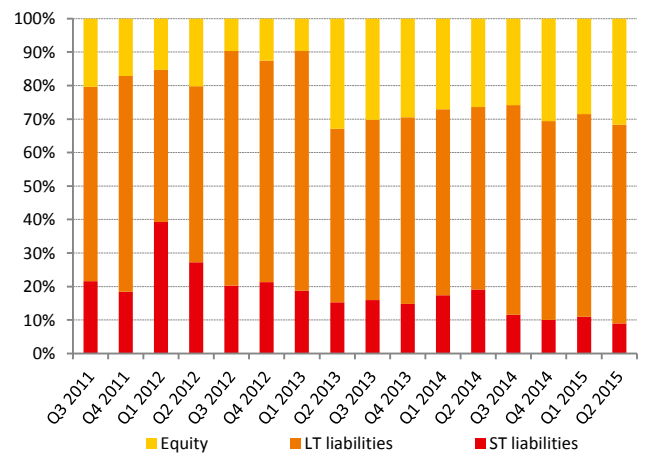
Current assets decreased from EUR 11.971 million as of 30 June 2014 to EUR 11.634 million as of 30 June 2015 mainly due to lower trade and other receivables, lower prepaid expenses and lower cash.

Total liabilities amounted to EUR 62.660 million as of the end of the reporting period compared to EUR 66.903 million as of the end of 2014 Q2. Short term liabilities decreased significantly by EUR 9.133 million (down from EUR 17.352 million in 2014 Q2 to EUR 8.219 million in 2015 Q2) mainly due to the repayment of a short-term loan (see also below), and to a reduction in "trade and other payables". Long term liabilities increased by EUR 4.889 million from EUR 49.552 million in 2014 Q2 to EUR 54.441 million in 2015 Q2. The main drivers of the decrease in short term liabilities was the partial repayment and restructuring of a short-term loan in the amount of EUR 6 million, out of which EUR 2 million was converted into the Group's corporate bond, approximately EUR 3.1 million was repaid in cash, while the remaining amount was converted into an amortising loan with a final maturity in March 2018 (see more details in EBI report 27/2014). The above mentioned credit restructuring was also the main reason for the increase in long term liabilities together with the higher other long-term liabilities containing the bond.

**Chart 10. Net current assets**



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



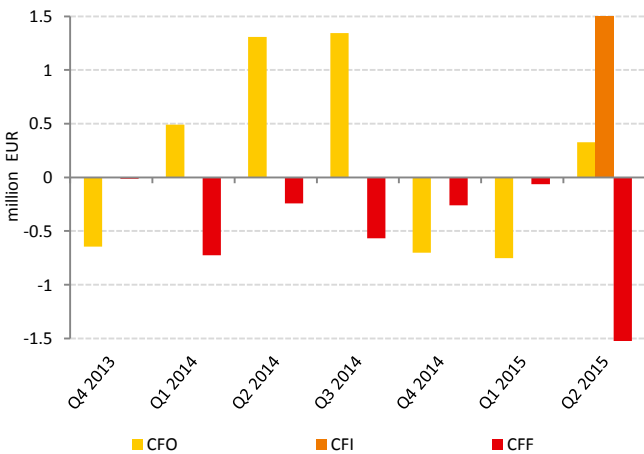
**Changes in equity**

Equity increased to EUR 29.100 million in 2015 Q2 compared to EUR 24.035 million in 2014 Q2 mainly as a result of the positive impact of the revaluation as described in Balance sheet section and supported also by positive movements in derivatives and currency reserves.

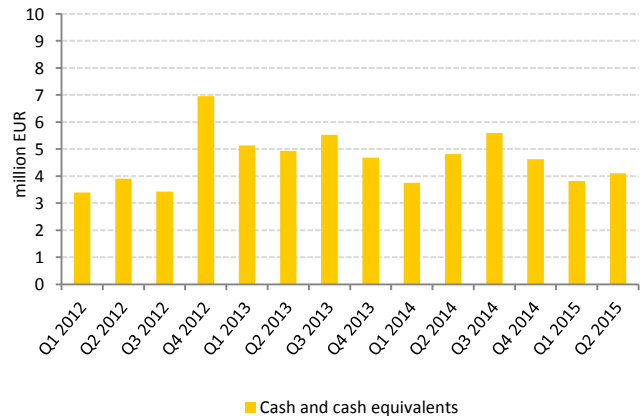
**Cash Flow**

The Group posted positive operating cash flows in 2015 Q2, which amounted to EUR 0.204 million. Financial cash flows were negative and amounted to EUR 1.995 million driven primarily by the repayment of borrowings and by the payment of the Photon Energy bond coupon. Investment cash flows were positive (EUR 2.086 million) thanks to the sale of the Italian SPVs. Overall, the cash position increased by EUR 0.294 million over the quarter and ended at EUR 4.110 million at the end of the reporting period.

**Chart 12. Operating, investment and financing cash flow**



**Chart 13. Cash position at the end of the period**



**2.8. Financial forecasts**

The Company does not publish financial forecasts.

### 3. General information about the Issuer

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

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozzilaan 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 June 2015

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

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

### 5. Shareholder structure

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

Shareholdership as of 30.06.2015	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,974	47.1%	28,263,974	55.7%
Solar Future Cooperatief U.A.	8,590,739	14.3%	8,590,739	16.9%
Solar Power to the People Cooperatief U.A.	8,051,919	13.4%	8,051,919	15.9%
Photon Energy N.V.	9,238,686	15.4%	0	0.0%
Free float	5,674,504	9.8%	5,674,504	11.5%
<b>Total</b>	<b>60,000,000</b>	<b>100.0%</b>	<b>50,761,314</b>	<b>100.0%</b>

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

## 6. Statutory bodies of the Issuer

### Board of Directors as of 30 June 2015

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

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

### Supervisory Board

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

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

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

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

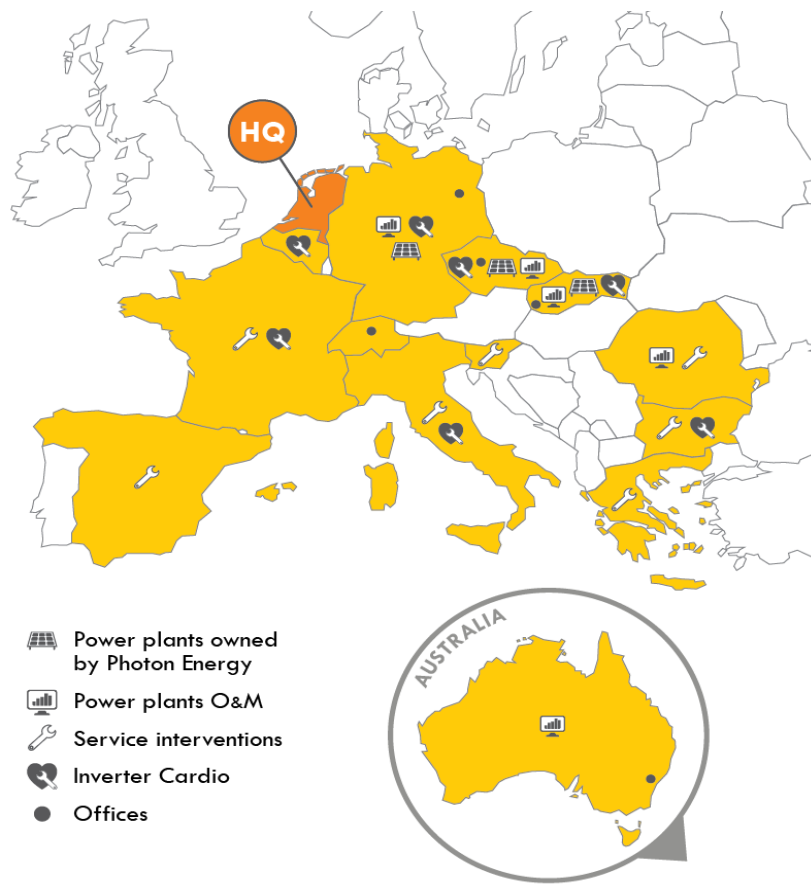
## 7. Description of the Issuer's business

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

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

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

## Country-specific references



Currently the Photon Energy Group is active with 58 professionals in 6 countries across 2 continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and some 150 MWp of PV power plants under O&M management across two continents.

## 8. Implementation of innovative activities in the Company

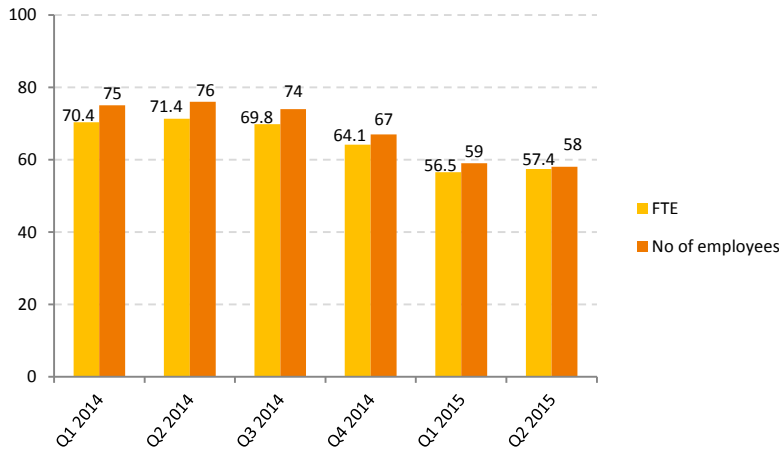
### Using monitoring data to predict failures

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

## 9. Employees

As of the end of 2015 Q2 the Photon Energy Group had 58 employees (compared to 59 employees in 2015 Q1) which translates into 57.4 FTE<sup>1</sup> (compared to 56.5 FTE in 2015 Q1).

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



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

### Employee Share Purchase Programme

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



## 10. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of 30 June 2015.

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

Notes:

**Country of registration**

NL – the Netherlands

SK – Slovakia

CZ – the Czech Republic

DE – Germany

AUS – Australia

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.

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

On 8 May 2015, the Group sold its two Italian plants (Photon IT SPV 1 s.r.l. & Photon IT SPV 2 s.r.l.) with effective date of 1 April 2015.

### After the reporting period the following events occurred:

None.

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

### 11.1. Summary of the key events from 1 April until 30 June 2015

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

- ▶ **EBI 10/2015** published on 14 April 2015: Monthly report for March 2015.
- ▶ **EBI 11/2015** published on 14 April 2015: Supplement to report nr 10/2015 - Monthly report for March 2015.
- ▶ **EBI 12/2015** published on 8 May 2015: Photon Energy sells its two Italian power plants in reaction to retroactive cuts by Italian government.
- ▶ **EBI 13/2015** published on 14 May 2015: Photon Energy will participate in the Wall Street conference in Karpacz (Poland) on 29 May.
- ▶ **EBI 14/2015** published on 14 May 2015: Monthly report for April 2015.
- ▶ **EBI 15/2015** published on 15 May 2015: Quarterly report for Q1 2015.
- ▶ **EBI 16/2015** published on 20 May 2015: Annual report for the year 2014.
- ▶ **EBI 17/2015** published on 20 May 2015: Convocation of the Annual General Meeting of Shareholders on 30 June 2015.
- ▶ **EBI 18/2015** published on 20 May 2015: The draft of resolutions of AGM on 30 June 2015.
- ▶ **EBI 19/2015** published on 26 May 2015: Photon Energy's CEO Georg Hotar interviewed in Polish e-magazine „Akcjonariusz“.
- ▶ **EBI 20/2015** published on 12 June 2015: Monthly report for May 2015.
- ▶ **EBI 21/2015** published on 18 June 2015: Photon Energy develops and sells a 347 KWp project in Australia.
- ▶ **EBI 22/2015** published on 30 June 2015: The Minutes of the AGM of shareholders held on 30 June 2015.

### 11.2. Summary of the key events after 30 June 2015

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

- ▶ **EBI 23/2015** published on 14 July 2015: Monthly report for June 2015.
- ▶ **EBI 24/2015** published on 21 July 2015: PHOTON ENERGY N.V. Photon Energy expands to Romania with 11 MWp new O&M contracts.

## 12. Detailed consolidated financial results for 2015 Q2

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 April 2015 and ending on 30 June 2015 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

### Statement of Comprehensive Income

in Thousands	EUR		PLN	
	2014 Q2	2015 Q2	2014 Q2	2015 Q2
<b>Total revenues</b>	<b>4 537</b>	<b>4 298</b>	<b>18 927</b>	<b>17 682</b>
Out of that: Revenues from electricity generation	3 966	3 831	16 524	15 773
Out of that: Other revenues	571	467	2 379	1 910
Cost of sales	-462	-371	-1 928	-1 508
Solar levy CZ	-253	-259	-1 054	-1 066
<b>Gross profit</b>	<b>3 822</b>	<b>3 668</b>	<b>15 945</b>	<b>15 108</b>
Salaries and compensation - administration expenses	-635	-623	-2 645	-2 544
Other administrative expenses	-789	-332	-3 290	-1 351
Other income	0	-60	0	-256
Other expenses	167	-8	701	-29
<b>EBITDA</b>	<b>2 566</b>	<b>2 646</b>	<b>10 711</b>	<b>10 929</b>
Depreciation	-1 537	-1 760	-6 411	-7 248
<b>EBIT</b>	<b>1 029</b>	<b>885</b>	<b>4 300</b>	<b>3 682</b>
Interest income	23	37	97	152
Interest cost	-952	-804	-3 967	-3 288
Financial income	0	713	0	2 948
Financial expense	-37	2	-155	10
Revaluation of derivatives	-765	633	-3 187	2 630
<b>Net finance expenses</b>	<b>-1 731</b>	<b>580</b>	<b>-7 216</b>	<b>2 451</b>
Share of profit from associates / J-Vs	95	86	395	357
<b>Profit / loss before taxation</b>	<b>-608</b>	<b>1 552</b>	<b>-2 521</b>	<b>6 490</b>
Income tax – current	-15	-31	-65	-128
Income tax – deferred	-70	-121	-291	-507
<b>Profit/loss from continuing operations</b>	<b>-693</b>	<b>1 400</b>	<b>-2 877</b>	<b>5 854</b>
<b>Other comprehensive income for the period</b>	<b>385</b>	<b>1 240</b>	<b>1 613</b>	<b>5 167</b>
<b>Total comprehensive income for the period</b>	<b>-308</b>	<b>2 640</b>	<b>-1 264</b>	<b>11 022</b>
<b>Profit/loss from continuing operations</b>	<b>-693</b>	<b>1 400</b>	<b>-2 877</b>	<b>5 854</b>
Attributable to the equity holders	-2 489	1 394	-10 391	5 830
Attributable to minority interest	1 796	6	7 515	24
<b>Total comprehensive income for the period</b>	<b>-308</b>	<b>2 640</b>	<b>-1 264</b>	<b>11 022</b>
Attributable to the equity holders	-2 684	918	-11 206	10 998
Attributable to minority interest	2 376	1 722	9 942	24
Average no. of shares outstanding in thousand	50 022	50 733	50 022	50 733
Earnings per share outstanding	-0,014	0,028	-0,058	0,115
Comprehensive income per share outstanding	-0,006	0,052	-0,025	0,217
EUR exchange rate – low	-	-	4,099	3,968
EUR exchange rate – average	-	-	4,166	4,088
EUR exchange rate – high	-	-	4,209	4,191

Note: Exchange rate provided by the European Central Bank

## Statement of Financial Position

in Thousands	EUR		PLN	
	30.6.2014	30.6.2015	30.6.2014	30.6.2015
PPE – Lands	2 820	2 838	11 721	11 892
PPE – Photovoltaic power plants	72 775	74 337	302 496	311 492
PPE – Other equipment	631	750	2 621	3 142
PPE – Assets in progress	305	32	1 266	133
Intangible assets	0	0	0	0
Investments in associates	2 427	2 168	10 087	9 085
Other investments	10	0	41	0
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Long term loans and other receivables	0	0	0	0
Other assets	0	0	0	0
<b>Non-current assets</b>	<b>78 967</b>	<b>80 126</b>	<b>328 232</b>	<b>335 749</b>
Cash and cash equivalents	4 813	4 110	20 007	17 223
Trade and other receivables	5 803	5 555	24 121	23 278
Gross amount due from customers for contract work	0	28	0	119
Inventories – Goods	412	1 235	1 714	5 173
Assets held for sale	0	0	0	0
Prepaid expenses	943	706	3 919	2 958
<b>Current assets</b>	<b>11 971</b>	<b>11 634</b>	<b>49 760</b>	<b>48 750</b>
<b>Total assets</b>	<b>90 938</b>	<b>91 760</b>	<b>377 992</b>	<b>384 495</b>
Issued share capital	600	600	2 494	2 494
Share premium	23 760	23 760	98 760	98 760
Legal Reserve fund	27	10	111	43
Retained earnings	-17 282	-20 306	-71 832	-85 089
Fund for currency conversions	0	0	0	0
Other comprehensive income from previous periods	19 475	23 974	80 947	100 456
Other comprehensive income	-195	601	-811	2 520
Profit/loss-current year	-2 489	313	-10 345	1 312
Equity in associates, joint ventures	0	0	0	0
<b>Equity attributable to equity holders</b>	<b>23 896</b>	<b>28 952</b>	<b>99 325</b>	<b>121 316</b>
Minority interests	139	148	578	620
<b>Total equity</b>	<b>24 035</b>	<b>29 100</b>	<b>99 903</b>	<b>121 936</b>
<b>Non-current liabilities</b>	<b>49 552</b>	<b>54 441</b>	<b>205 965</b>	<b>228 121</b>
Bank loan	41 149	40 279	171 037	168 780
Other long-term liabilities	4 892	8 270	20 334	34 653
Other loans	0	538	0	2 256
Deferred tax liabilities	3 511	5 353	14 594	22 431
<b>Current liabilities</b>	<b>17 352</b>	<b>8 219</b>	<b>72 123</b>	<b>34 440</b>
Trade and other payables	8 065	4 342	33 520	18 195
Bank loan	3 203	3 564	13 312	14 932
Other Loans	6 000	269	24 939	1 128
Other short-term liabilities	0	0	0	0
Tax liabilities (CIT)	84	44	351	185
<b>Total Liabilities</b>	<b>66 903</b>	<b>62 660</b>	<b>278 088</b>	<b>262 560</b>
<b>TOTAL Equity &amp; Liabilities</b>	<b>90 938</b>	<b>91 760</b>	<b>377 991</b>	<b>384 495</b>
No. of shares outstanding in thousand	50 051	50 761	50 051	50 761
Book value per share outstanding	0.477	0.570	1.984	2.390

## Cash Flow Statement

in Thousands	EUR		PLN	
	2014 Q2	2015 Q2	2014 Q2	2015 Q2
<b>Profit for the period</b>	-693	1 552	-2 877	6 490
Adjustments for:				
Depreciation	1 537	1 760	6 411	7 248
Net finance costs	1 731	-580	7 216	-2 451
Share of profit of equity accounted investees	-95	-86	-395	-357
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	4	14	17	56
Income tax expense	81	138	339	579
Changes in:	0	0	0	0
Trade and other receivables	-882	146	-3 678	920
Gross amount due from customers for contract work	0	-232	0	-974
Prepaid expenses	-57	72	-232	295
Inventories	-51	636	-215	2 697
Trade and other payables	6	-1 226	55	-4 688
Other assets	0	0	0	410
Other liabilities	-91	-1 689	-382	-6 682
Interests paid	-131	-251	-637	-619
Income tax paid	-50	-49	-209	-201
<b>Operating cash flow</b>	<b>1 309</b>	<b>204</b>	<b>5 414</b>	<b>2 484</b>
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments	0	2 086	0	8 636
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
<b>Investment cash flow</b>	<b>0</b>	<b>2 086</b>	<b>0</b>	<b>8 636</b>
Proceeds from borrowings	0	0	0	0
Proceeds from issuing bonds	447	-49	1 866	-222
Payment of bond coupons	-94	-157	-390	-642
Proceeds from issuing of ordinary shares	0	0	0	0
Repayment of borrowings	-595	-1 789	-2 477	-7 395
<b>Financial cash flow</b>	<b>-241</b>	<b>-1 995</b>	<b>-1 000</b>	<b>-8 260</b>
<b>Net change in cash</b>	<b>1 068</b>	<b>294</b>	<b>4 414</b>	<b>2 861</b>
Cash at the beginning of the period	3 746	3 817	15 629	14 362
Effect of exchange rate fluctuation	-	-	-36	-
Cash at the end of the period	4 814	4 110	20 007	17 223
EUR exchange rate – low	-	-	4,099	3,968
EUR exchange rate – average	-	-	4,166	4,088
EUR exchange rate – high	-	-	4,209	4,191

Note: Exchange rate provided by the European Central bank

### 13 Detailed accumulated consolidated financial results for 2015 Q1-Q2

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2015 and ending on 30 June 2015 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

#### Statement of Comprehensive Income

in Thousands	EUR		PLN	
	2014 Q1-Q2	2015 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
<b>Total revenues</b>	<b>6 367</b>	<b>6 466</b>	<b>26 584</b>	<b>26 773</b>
Out of that: Revenues from electricity generation	5 738	5 537	23 958	22 927
Out of that: Other revenues	629	929	2 626	3 846
Cost of sales	-565	-871	-2 359	-3 605
Solar levy CZ	-379	-380	-1 582	-1 573
<b>Gross profit</b>	<b>5 423</b>	<b>5 215</b>	<b>22 644</b>	<b>21 595</b>
Salaries and compensation - administration expenses	-1 421	-1 289	-5 934	-5 336
Other administrative expenses	-1 092	-796	-4 558	-3 297
Other income	0	108	0	446
Other expenses	-143	-69	-598	-286
<b>EBITDA</b>	<b>2 767</b>	<b>3 169</b>	<b>11 554</b>	<b>13 123</b>
Depreciation	-2 209	-2 545	-9 223	-10 538
<b>EBIT</b>	<b>558</b>	<b>624</b>	<b>2 331</b>	<b>2 586</b>
Interest income	59	55	247	227
Interest cost	-1 798	-1 612	-7 506	-6 674
Financial income	3	793	12	3 285
Financial expense	-180	-14	-751	-59
Revaluation of derivatives	-1 141	442	-4 764	1 831
<b>Net finance expenses</b>	<b>-3 056</b>	<b>-336</b>	<b>-12 762</b>	<b>-1 390</b>
Share of profit from associates / J-Vs	91	38	378	157
<b>Profit / loss before taxation</b>	<b>-2 408</b>	<b>327</b>	<b>-10 052</b>	<b>1 353</b>
Income tax – current	-15	-31	-65	-128
Income tax – deferred	-66	17	-274	72
<b>Profit/loss from continuing operations</b>	<b>-2 489</b>	<b>313</b>	<b>-10 391</b>	<b>1 296</b>
<b>Other comprehensive income for the period</b>	<b>-195</b>	<b>601</b>	<b>-814</b>	<b>2 490</b>
<b>Total comprehensive income for the period</b>	<b>-2 684</b>	<b>914</b>	<b>-11 206</b>	<b>3 787</b>
<b>Profit/loss from continuing operations</b>	<b>-2 489</b>	<b>313</b>	<b>-10 391</b>	<b>1 296</b>
Attributable to the equity holders	-2 489	312	-10 391	1 292
Attributable to minority interest	0	1	0	4
<b>Total comprehensive income for the period</b>	<b>-2 684</b>	<b>914</b>	<b>-11 206</b>	<b>3 787</b>
Attributable to the equity holders	-2 684	913	-11 206	3 783
Attributable to minority interest	0	1	0	4
Average no. of shares outstanding in thousand	50 011	50 650	50 011	50 650
Earnings per share outstanding	-0,050	0,006	-0,208	0,026
Comprehensive income per share outstanding	-0,054	0,018	-0,224	0,075
EUR exchange rate - low	-	-	4,099	3,968
EUR exchange rate - average	-	-	4,175	4,141
EUR exchange rate - high	-	-	4,250	4,326

Note: Exchange rate provided by the European Central Bank

## Cash Flow Statement

in Thousands	EUR		PLN	
	2014Q1-Q2	2015 Q1-Q2	2014Q1-Q2	2015 Q1-Q2
Profit for the year	-2 489	327	-10 391	1 353
Adjustments for:			0	0
Depreciation	2 209	2 545	9 223	10 538
Net finance costs	3 056	336	12 762	1 390
Share of profit of equity accounted investees	-91	-38	-378	-157
Profit /Loss on sale of property, plant and equipment	0	0	0	0
Receivables write-off	0	14	0	56
Income tax expense	81	0	339	0
Changes in:			0	0
Trade and other receivables	-1 194	-2 053	-4 986	-8 298
Gross amount due from customers for contract work	0	1	0	3
Prepaid expenses	-800	113	-3 339	466
Inventories	-23	-552	-98	-2 284
Trade and other payables	1 439	-830	6 006	-3 438
Other assets	0	0	0	0
Other liabilities	75	157	313	648
Interests paid	-368	-474	-1 630	-1 963
Income tax paid	-95	-91	-397	-376
<b>Operating cash flow</b>	<b>1 800</b>	<b>-547</b>	<b>7 423</b>	<b>-2 062</b>
Acquisition of property, plant and equipment	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0
Acquisition of other investments	0	0	0	0
Proceeds from sale of investments	0	2 086	0	8 636
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0
Other investments	0	0	0	0
Interest received	0	0	0	0
<b>Investment cash flow</b>	<b>0</b>	<b>2 086</b>	<b>0</b>	<b>8 636</b>
Proceeds from borrowings	0	0	0	0
Proceeds from issuing bonds	477	326	1 992	1 350
Payment of bond coupons	-179	-313	-746	-1 296
Proceeds from issuing of ordinary shares	0	0	0	0
Repayment of borrowings	-1 264	-2 072	-5 276	-8 581
<b>Financial cash flow</b>	<b>-965</b>	<b>-2 059</b>	<b>-4 030</b>	<b>-8 528</b>
<b>Net change in cash</b>	<b>835</b>	<b>-521</b>	<b>3 393</b>	<b>-1 953</b>
Cash at the beginning of the period	3 979	4 631	16 614	19 176
Effect of exchange rate fluctuation	0	0	0	0
<b>Cash at the end of the period</b>	<b>4 814</b>	<b>4 110</b>	<b>20 007</b>	<b>17 223</b>
EUR exchange rate - low	-	-	4,099	3,968
EUR exchange rate - average	-	-	4,175	4,141
EUR exchange rate - high	-	-	4,250	4,326

Note: Exchange rate provided by the European Central Bank

## Statement of Changes in Equity

in thousand EUR	Combined equity	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
<b>BALANCE at 31.12.2014</b>	<b>0</b>	<b>600</b>	<b>23 760</b>	<b>10</b>	<b>27 704</b>	<b>-1 778</b>	<b>-582</b>	<b>-21 675</b>	<b>28 038</b>	<b>147</b>	<b>28 185</b>
Profit for the period 1.1.2015 – 30.6.2015								<b>312</b>	<b>312</b>	<b>2</b>	<b>314</b>
Revaluation of PPE									0		0
Share on revaluation of PPE of associates, JV									0		0
Foreign currency translation differences						447			447		447
Derivatives							144		144		144
Share on derivatives JV							10		10		10
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>447</b>	<b>154</b>	<b>312</b>	<b>913</b>	<b>2</b>	<b>915</b>
new shares									0	0	0
Move from revaluation reserve to retained earnings					-1 370			1 370	0	0	0
Legal reserve fund – move to RE on entity disposal											
<b>BALANCE at 30.6.2015</b>	<b>0</b>	<b>600</b>	<b>23 760</b>	<b>10</b>	<b>26 334</b>	<b>-1 331</b>	<b>-428</b>	<b>-19 993</b>	<b>28 952</b>	<b>148</b>	<b>29 100</b>

## 13. Detailed entity financial results for Q2 2015

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

### Income Statement

in Thousands (except EPS)	EUR		PLN	
	2014 Q2	2015 Q2	2014 Q2	2015 Q2
<b>Revenues from the sale of products, goods and services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of sales		0		0
Other administrative expenses	-699	-188	-2 923	-771
Other income	3	0	11	0
Other expenses	582	-5	2 425	-22
<b>EBITDA</b>	<b>-115</b>	<b>-194</b>	<b>-487</b>	<b>-793</b>
Amortization&depreciation	0	3	0	11
<b>EBIT</b>	<b>-115</b>	<b>-192</b>	<b>-487</b>	<b>-782</b>
Financial income	335	911	1 399	3 766
Financial costs	-489	-352	-2 046	-1 443
<b>Profit / loss before taxation</b>	<b>-269</b>	<b>369</b>	<b>-1 134</b>	<b>1 542</b>
Income tax	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>-269</b>	<b>369</b>	<b>-1 134</b>	<b>1 542</b>



## Balance Sheet

in Thousands	EUR		PLN	
	30.6.2014	30.6.2015	30.6.2014	30.6.2015
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	42	28	175	116
Investments in associates	30 944	31 681	128 620	132 750
Other investments	0	0	0	0
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
<b>Non-current assets</b>	<b>30 986</b>	<b>31 708</b>	<b>128 794</b>	<b>132 866</b>
Cash and cash equivalents	51	91	214	380
Trade and other receivables	11 291	8 139	46 932	34 105
Inventories – Goods	0	0	0	0
Prepaid expenses	759	572	3 153	2 398
<b>Current assets</b>	<b>12 101</b>	<b>8 802</b>	<b>50 299</b>	<b>36 883</b>
<b>Total assets</b>	<b>43 087</b>	<b>40 510</b>	<b>179 093</b>	<b>169 749</b>
Issued share capital	600	600	2 494	2 514
Share premium	36 871	36 871	153 257	154 499
Legal Reserve fund	0	0	0	0
Retained earnings	-19 217	-7 655	-79 877	-32 077
Reserves	8 972	-1 778	37 292	-7 450
Profit/loss-current year	1 508	67	6 268	280
<b>Total equity</b>	<b>28 734</b>	<b>28 105</b>	<b>119 433</b>	<b>117 765</b>
<b>Non-current liabilities</b>	<b>4 720</b>	<b>7 851</b>	<b>19 619</b>	<b>32 898</b>
Bank loan	0	0	0	0
Other long-term liabilities	4 720	7 851	19 619	32 898
<b>Current liabilities</b>	<b>9 633</b>	<b>4 555</b>	<b>40 041</b>	<b>19 086</b>
Trade and other payables	3 365	3 748	13 988	15 705
Other Loans	6 268	807	26 052	3 382
Tax liabilities (CIT)	0	0	0	0
<b>TOTAL Equity &amp; Liabilities</b>	<b>43 087</b>	<b>40 510</b>	<b>179 093</b>	<b>169 749</b>

## 15 Detailed accumulated entity financial results for 2015 Q1-Q2

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

### Income Statement

in Thousands (except EPS)	EUR		PLN	
	2014 Q1-Q2	2015 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
<b>Revenues from the sale of products, goods and services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of sales	0	0	0	0
Other administrative expenses	-1 061	-376	-4 431	-1 558
Other income	3	0	11	0
Other expenses	0	-5	0	-22
<b>EBITDA</b>	<b>-1 059</b>	<b>-382</b>	<b>-4 421</b>	<b>-1 580</b>
Amortization&depreciation	0	0	0	0
<b>EBIT</b>	<b>-1 059</b>	<b>-382</b>	<b>-4 421</b>	<b>-1 580</b>
Financial income	344	1 050	1 437	4 349
Financial costs	-793	-602	-3 312	-2 492
<b>Profit / loss before taxation</b>	<b>-1 508</b>	<b>67</b>	<b>-6 296</b>	<b>277</b>
Income tax	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>-1 508</b>	<b>67</b>	<b>-6 296</b>	<b>277</b>

### Balance Sheet

in Thousands	EUR		PLN	
	30.6.2014	30.6.2015	30.6.2014	30.6.2015
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	0	0	0	0
Intangible assets	42	28	175	116
Investments in associates	30 944	31 681	128 620	132 750
Other investments	0	0	0	0
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
<b>Non-current assets</b>	<b>30 986</b>	<b>31 708</b>	<b>128 794</b>	<b>132 866</b>
Cash and cash equivalents	51	91	214	380
Trade and other receivables	11 291	8 139	46 932	34 105
Inventories – Goods	0	0	0	0
Prepaid expenses	759	572	3 153	2 398
<b>Current assets</b>	<b>12 101</b>	<b>8 802</b>	<b>50 299</b>	<b>36 883</b>
<b>Total assets</b>	<b>43 087</b>	<b>40 510</b>	<b>179 093</b>	<b>169 749</b>
Issued share capital	600	600	2 494	2 514
Share premium	36 871	36 871	153 257	154 499
Legal Reserve fund	0	0	0	0
Retained earnings	-19 217	-7 655	-79 877	-32 077
Reserves	8 972	-1 778	37 292	-7 450
Profit/loss-current year	1 508	67	6 268	280
<b>Total equity</b>	<b>28 734</b>	<b>28 105</b>	<b>119 433</b>	<b>117 765</b>
<b>Non-current liabilities</b>	<b>4 720</b>	<b>7 851</b>	<b>19 619</b>	<b>32 898</b>
Bank loan	0	0	0	0
Other long-term liabilities	4 720	7 851	19 619	32 898
<b>Current liabilities</b>	<b>9 633</b>	<b>4 555</b>	<b>40 041</b>	<b>19 086</b>
Trade and other payables	3 365	3 748	13 988	15 705
Other Loans	6 268	807	26 052	3 382
Tax liabilities (CIT)	0	0	0	0
<b>TOTAL Equity &amp; Liabilities</b>	<b>43 087</b>	<b>40 510</b>	<b>179 093</b>	<b>169 749</b>

## 14. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Photon Energy N.V. for the period starting on 1 January 2015 and ending on 30 June 2015 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

### Results of the operating segments for the period from 1 January 2015 to 30 June 2015

	in Thousands EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services		484	5 537	444	0	0	6 466	0	6 466
Revenues within segments from the sale of products, goods, services		1	0	369	0	0	370	-370	0
Cost of sale		-359	-162	-319	0	-56	-896	25	-871
Energy tax		0	-380	0	0	0	-380	0	-380
Gross profit		126	4 996	494	0	-56	5 559	-344	5 215
Other external income		0	0	0	0	108	108	0	108
Administrative and other expenses		-354	-760	-615	0	-769	-2 499	344	-2 154
Depreciation		-1	-2 520	-13	0	-12	-2 545	0	-2 545
<b>Operating income</b>		<b>-229</b>	<b>1 715</b>	<b>-133</b>	<b>0</b>	<b>-730</b>	<b>623</b>	<b>0</b>	<b>623</b>
Interest income		9	150	16	0	74	249	-194	55
Interest expenses		-18	-1 119	-36	0	-245	-1 419	194	-1 612
Other financial revenues		0	0	0	0	793	793	0	793
Other financial expenses		-3	-2	-3	0	-7	-14	0	-14
Revaluation of derivatives		0	442	0	0	0	442	0	442
Profit/loss share in entities in equivalency		0	0	0	38	0	38	0	38
Income tax		0	-14	0	0	0	-14	0	-14
<b>Profit/loss after taxation</b>		<b>-241</b>	<b>1 172</b>	<b>-156</b>	<b>38</b>	<b>-115</b>	<b>698</b>	<b>0</b>	<b>313</b>
Revaluation of property, plant and equipment		0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations		0	0	0	0	447	447	0	447
Share of revaluation of PPE of associates /joint venture		0	0	0	0	0	0	0	0
Share of currency translation diff. Of associates / JV		0	0	0	0	0	0	0	0
Derivatives (hedging)		0	144	0	10	0	154	0	154
<b>Total comprehensive income</b>		<b>-241</b>	<b>1 316</b>	<b>-156</b>	<b>48</b>	<b>332</b>	<b>1 299</b>	<b>0</b>	<b>914</b>
Assets, of which		1 423	87 671	2 836	2 168	11 043	105 141	-13 382	91 760
PPE – Lands		0	2,838	0	0	0	2,838	0	2,838
PPE – Photovoltaic power plants		0	74 337	0	0	0	74 337	0	74 337
PPE – Equipment		0	0	650	0	100	750	0	750
PPE – Assets in progress		0	0	32	0	0	32	0	32
Intangibles		0	0	0	0	0	0	0	0
Trade and other receivables		907	5 908	1 925	0	10 197	18 937	-13 382	5 555
Loans		0	0	0	0	0	0	0	0
Gross amount due from customers for contract work		20	0	0	0	9	28	0	28
Inventories – Goods		475	544	199	0	17	1 235	0	1 235
Investments in associates, JV, other		0	0	1	2 168	0	2 169	0	2 169
Deferred tax receivables		0	0	0	0	0	0	0	0
Long term receivables		0	0	0	0	0	0	0	0
Prepaid expenses		0	88	14	0	604	706	0	706
Assets held for sale		0	0	0	0	0	0	0	0
Cash and cash equivalents		22	3 956	17	0	116	4 110	0	4 110
Liabilities, of which		-4 245	-52 787	-4 373	0	-14 636	-76 041	13,382	-62 660
Trade and other payables		-4 243	-3 591	-4 286	0	-5 603	-17 724	13,382	-4 342
Bank Loans and other loans		0	-43 843	0	0	-808	-44 651	0	-44 651
Other long term liabilities		0	0	-58	0	-8 212	-8 270	0	-8 270
Other short term liabilities		0	0	0	0	0	0	0	0
Current tax liabilities (income tax)		-2	0	-28	0	-14	-44	0	-44
Provisions		0	0	0	0	0	0	0	0
Deferred tax liabilities		0	-5 353	0	0	0	-5 353	0	-5 353

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

in Thousand EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	167	5 738	431	0	5	6 341	0	6 341
Revenues within segments from the sale of products, goods and services	7	0	795	0	914	1 716	-1 691	26
Cost of sale	-228	-257	-136	0	-63	-685	120	-565
Energy tax	0	-379	0	0	0	-379	0	-379
<b>Gross profit</b>	<b>-54</b>	<b>5 102</b>	<b>1 090</b>	<b>0</b>	<b>855</b>	<b>6 994</b>	<b>-1 571</b>	<b>5 423</b>
Other external income	0	0	0	0	0	0	0	0
Administrative and other expenses	-127	-429	-922	0	-2 338	-3 817	1 160	-2 656
Depreciation	-2	-2 194	-5	0	-8	-2 209	0	-2 209
<b>Operating income</b>	<b>-182</b>	<b>2 480</b>	<b>162</b>	<b>0</b>	<b>-1 491</b>	<b>969</b>	<b>-410</b>	<b>558</b>
Interest income	1	10	10	0	346	367	-308	59
Interest expenses	-13	-1 443	-15	0	-634	-2 105	308	-1 798
Other financial revenues	0	3	0	0	0	3	0	3
Other financial expenses	-5	-1 148	-6	0	-162	-1 321	0	-1 321
Disposal of investments	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	91	0	91	0	91
Income tax	0	-34	-11	0	-36	-81	0	-81
<b>Profit/loss after taxation</b>	<b>-199</b>	<b>-133</b>	<b>140</b>	<b>91</b>	<b>-1 977</b>	<b>-2 078</b>	<b>-410</b>	<b>-2 489</b>
Other comprehensive income	0	23	0	0	0	23	0	23
Foreign currency translation diff. - foreign operations	0	146	0	0	0	146	0	146
Derivatives (hedging)	0	-273	0	-91	0	-364	0	-364
<b>Total comprehensive income</b>	<b>-199</b>	<b>-237</b>	<b>140</b>	<b>0</b>	<b>-1 977</b>	<b>-2 273</b>	<b>-410</b>	<b>-2 684</b>
Assets, of which	<b>1 471</b>	<b>91 712</b>	<b>1 885</b>	<b>2 427</b>	<b>10 120</b>	<b>107 614</b>	<b>-16 675</b>	<b>90 938</b>
PPE – Lands	0	2 820	0	0	0	2 820	0	2 820
PPE – Photovoltaic power plants	0	72 775	0	0	0	72 775	0	72 775
PPE - Equipment	4	0	559	0	68	631	0	631
PPE – Assets in progress	66	0	0	0	239	305	0	305
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	1 122	10 459	1 187	0	9 811	22 579	-16 775	5 803
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	272	58	111	0	-128	312	100	412
Investments in associates, JV, other	0	0	10	2 427	0	2 437	0	2 437
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	0	861	9	0	72	943	0	943
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	7	4 738	10	0	58	4 813	0	4 813
Liabilities, of which	<b>-2 126</b>	<b>-62 248</b>	<b>-3 113</b>	<b>0</b>	<b>-16 231</b>	<b>-83 717</b>	<b>16 815</b>	<b>-66 903</b>
Trade and other payables	-2 090	-7 498	-2 922	0	-11 896	-24 406	16 342	-8 064
Bank Loans and other loans	0	-44 351	0	0	-6 000	-50 351	0	-50 351
Other long term liabilities	0	-5 280	-84	0	0	-5 364	472	-4 892
Other short term liabilities	-19	-0	-60	0	-97	-176	0	-176
Current tax liabilities (income tax)	-16	170	-47	0	-15	92	0	92
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-5 288	0	0	1 777	-3 511	0	-3 511

## 15. Summary of significant accounting policies

### Basis of preparation

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

The following main standards are applied by Group:

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

### Use of estimates and judgments

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

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

### Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### Presentation of Financial information

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

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

## Consolidation

### (a) Subsidiaries

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

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

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

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

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

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

### (b) Associates

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

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

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

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

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

## Segment reporting

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

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

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

The Management identified the following segments:

- ▶ Energy Solutions (wholesale and import of FVE components, engineering and construction services -turn-key photovoltaic systems' installations for external clients and Photon Energy),
- ▶ Production of electricity (includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity)

- ▶ PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV producing the electricity and it is related to project companies that generate the revenues as shown in segment Production of electricity.
- ▶ Operations, maintenance and PVPP supervision
- ▶ Other, not related to any of the above mentioned segments.

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

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

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

## Foreign currency translation

### (a) Functional and presentation currency

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

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

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

	PLN	
	2014 Q2	2015 Q2
EUR exchange rate – low	4.099	3.968
EUR exchange rate – high	4.209	4.191
EUR exchange rate – average	4.166	4.088
EUR exchange rate – end of period	4.157	4.190

### (b) Transactions and balances

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

### (c) Group companies

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

## Property, plant and equipment

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

## Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production

or conversion costs and other costs incurred in bringing them to their existing location and condition.

### Revenue recognition

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

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

### Trade receivables

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

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

### Cash and cash equivalents

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

### Share capital

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

### Trade payables

Trade payables are recognised at nominal value.

### Loans and Borrowings

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

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

### Current and deferred income tax

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

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

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



## 16. Management Board declaration

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

## 17. Investor Relations Contact

Emeline Parry, Investor relations manager

Phone: +420 702 206 574

E-mail: [ir@photonenergy.com](mailto:ir@photonenergy.com)

Photon Energy N.V.

Barbara Strozzi laan 201

1083 HN Amsterdam

The Netherlands

Phone: +420 277 002 910

Fax: +420 277 002 911

E-mail: [ir@photonenergy.com](mailto:ir@photonenergy.com)

Web: [www.photonenergy.com](http://www.photonenergy.com)

Amsterdam, 14 August 2015

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

Georg Hotar  
Member of the Board of Directors

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

Michael Gartner  
Member of the Board of Director



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