

# PHOTON ENERGY INVESTMENTS N.V. CONSOLIDATED FINANCIAL REPORT

Q2 2013

for the period from 1 April to 30 June 2013

22 August 2013 | Amsterdam | Netherlands

# CONSOLIDATED FINANCIAL REPORT

## LETTER FROM THE MANAGEMENT

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Dear Investors,

*We are pleased to present you with our consolidated financial report for Q2 2013 including a description of the key performance drivers and events. During Q2 2013 we paid the first coupon on our corporate bond and continued our expansion into the Australian market.*

*With our quarterly reports we are following the same transparency standards as our parent Company Photon Energy NV, which in June 2013 went public through a listing on the New Connect segment of the Warsaw Stock Exchange. Throughout the Photon Energy Group we understand the importance of regular and open communication with our investors and are committed to maintaining the highest possible standards.*

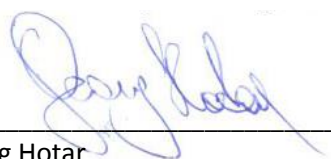
*In the light of significant volatility on the German Mittelstand bond market we are very satisfied with the stable trading performance of our corporate bond with the majority of trades during the past months taking place above nominal value. We remain dedicated to strengthen investor perception of our Company as a reliable issuer with stable and planable cash flows.*

Kind regards,

Amsterdam, 22 August 2013



Michal Gärtner  
Member of the Management Board



Georg Hotar  
Member of the Management Board

# CONSOLIDATED FINANCIAL REPORT

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# CONSOLIDATED FINANCIAL REPORT

## 1. SELECTED FINANCIAL RESULTS

### Selected financial results for the period of 1 April to 30 June 2013

<i>in TEUR</i>	Q2 2013
<b>Revenues</b>	<b>4 274</b>
Gross Profit	2 978
<b>EBITDA</b>	<b>3 251</b>
EBIT	1 575
Profit / loss before taxation	891
<b>Total comprehensive income</b>	<b>807</b>
Non-current assets	89 457
Current assets	9 827
Cash and cash equivalents	4 616
<b>Total assets</b>	<b>99 284</b>
<b>Total equity</b>	<b>39 242</b>
Current liabilities	5 548
Non-current liabilities	54 494
<b>Equity ratio<sup>1</sup></b>	<b>39%</b>
Operating cash flow	778
Investment cash flow	0
Financial cash flow	-1 048
Net change in cash	-270

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

#### Financial highlights:

- Revenues reached EUR 4,274 thousand;
- EBITDA amounted to EUR 3,251 thousand;
- Profit before taxation came in at EUR 891 thousand;
- Equity amounted to EUR 39.2 million;
- Equity ratio was 39%;

#### Other highlights:

- Unfavourable weather conditions affected the performance of a part of the Company's proprietary portfolio which amounted to 9.3 GWp and was some 13% below plan;
- First coupon payment by Photon Energy Investments N.V.;
- Acquisition of the first power plant in Australia;

#### Notes:

- All data quoted in this report refer to the current reporting period i.e. from 1 April until 30 June 2013, unless specified otherwise. There are no references to growth rate percentages comparing the results of the reporting period to those of the prior year comparable period as the entity was founded on June 1, 2012.
- The 26% levy is a retroactively introduced levy charged on the revenues generated by PV power plants in the Czech Republic connected to the grid in 2009 and 2010, payable in the years 2011 to 2013;
- 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.
- For simplicity, throughout this report following separators were used: point "." for decimals, comma "," for thousand and million.
- Throughout this report Photon Energy Investments N.V. is referred to as the "Photon Energy Investments", "PE Investments", "the Issuer" or/and the "Company" along with its subsidiaries the "PE Investments Group".
- Photon Energy Investments N.V. is a company domiciled in Barbara Strozilaan 201, 1083 HN Amsterdam, Netherlands, registered in the local court under the number 55423515.

# CONSOLIDATED FINANCIAL REPORT

## 2. MANAGEMENT DISCUSSION AND ANALYSIS

### 2.1. A note from the Management Board

Following the placement of our corporate bond in the first quarter, in Q2 2013 our Company embarked on the implementation of our strategy. After it became apparent that the regulatory regime in Romania had become unstable PEI together with the rest of the Photon Energy Group decided to discontinue its efforts in that market. Fortunately, this was possible without any financial losses for the Company.

In line with our stated focus, we entered the Australian market by acquiring our first power plant in April. The rooftop installation in Symonston has a capacity of 144 kWp and was – at the time of commissioning earlier this year – the largest power plant of its kind in the region. With its vast opportunities for off-grid solutions and grid-parity projects Australia will definitely play a pivotal role in our future expansion. PEI is evaluating an extensive pipeline of grid-parity projects following the Independent Power Producer model.

In Europe Q2 2013 saw the continuation of unusually unfavourable weather conditions, particularly in the Czech Republic and Slovakia. Low overall sunshine put a damper on energy production in Central Europe, leading to exceptionally low results of our power plants. Even our regular uptime exceeding 99%, thanks to our sister company Photon Energy Operations' best-in-class maintenance and monitoring services, was not enough to avoid shortfalls on a year-on-year comparison. As we write this introduction we are, however, glad to report, that in July our portfolio of power plants produced record amounts of energy and in August so far performance is equally satisfying.

In the Czech Republic – one of our core markets as far as our portfolio is concerned – politicians and the media continued their negative campaign against Renewable Energy and Solar Investors. In Q2 2013 the Czech Environment Ministry passed a directive under which owners of power plants have to register with a recycling system and pay a fee of CZK 8.50 (EUR 0,30) per kilogram. With the introduction of a fee far above market prices and comparable fees in other countries, the government's decision has aroused suspicion as to what the government's true intentions are. In reaction to the introduction of the recycling fee our sister company Photon Energy Operations and other leading players from the Czech PV Industry as well as the PV industry association CZEPHO have joined forces and founded REsolar. As a collective system of PV module recycling REsolar will look after the interests of owners of PV power plants, something the Czech state has failed to do in the past years. All of PEI's in the Czech Republic power plants were registered with REsolar by the 30 June 2013 deadline.

As if introducing a controversial recycling fee under suspicious circumstances had not been bad enough to tarnish the reputation of the Czech Republic, the government has set out to damage investor confidence even further. Following weeks of discussion, the Czech Republic broke previous promises and - shortly after the reporting period, on 16 August – Czech Parliament passed a bill limiting the support for Renewable Energy starting 1 January 2014 and simultaneously - in yet another retroactive measure - extending the Solar Levy for the remainder of the applicable Feed-in-Tariff period for PV plants connected in 2010 at the level of 10% of revenues (down from 26% for the years 2011 to 2013).

Considering this Bill and the energy production in 2011 and 2012, the lower Solar Levy would lead to an additional pre-tax cash flow of approximately EUR 1.25 million annually. On the other hand the Company would have to impair the value of its PV plants in the Czech Republic representing 14.2 MWp. This impairment would negatively affect the Company's Equity by approximately EUR 5.25 million. Before becoming Law this Bill will need to be approved by the Senate and signed by the Czech president. Photon Energy Group is working with industry representatives in the Czech Republic to convince members of the senate to strike the Bill down.

Financially, Q2 2013 was a successful period with consolidated revenues amounting to EUR 4.3 million. Despite below-plan production by 13% caused by bad weather, most of our revenue came from the sale of 9.3 GWh of PV-generated electricity. Higher production also meant that, compared to the previous quarter, the amount of 26% levy also increased accordingly and amounted to EUR 736 thousand. EBITDA increased by 913% compared to the previous quarter and amounted to EUR 3.251 million (EUR 3.987 million without the levy) whereas EBIT jumped from negative EUR 399 thousand to positive EUR 1,575 thousand (EUR 2.311 million without the levy). We can report a pre-tax profit of EUR 891 thousand, which without the 26% levy on the revenues of our Czech PV plants, would have been EUR 1,627 million. Total comprehensive income reached EUR 807 thousand and would have been EUR 1,543 million without the levy. Based on record energy production in July 2013 and a strong start into August we are looking forward to a positive Q3 2013.

The most important non-operational events in Q2 2013 that should be highlighted were: a) PEI's parent company Photon Energy N.V. listed on the NewConnect market of the Warsaw Stock Exchange, completed a capital increase by EUR 24 million and announced plans for IPO, b) the first coupon payment by Photon Energy Investments N.V. and c) the acquisition of the first power plant in Australia by PEI.

**a) PEI's parent company Photon Energy N.V. listed on the NewConnect market of the Warsaw Stock Exchange, completed a capital increase by EUR 24 million and announced plans for IPO**

On 4 June 2013 our parent company Photon Energy N.V. listed its shares on the NewConnect market of the Warsaw Stock Exchange. With this step the company concluded its restructuring process started in 2010, which transformed the company from a Czech PV system integrator to a global photovoltaic solutions provider headquartered in Amsterdam.

On 30 June 2013 the parent company Photon Energy N.V. executed a EUR 24 million capital increase substantially strengthening its balance sheet and laying the foundation for further capital increases, including a planned public offering and listing on the main market of the Warsaw Stock Exchange.

The management board of the parent company Photon Energy N.V. is evaluating various options for equity and debt financing, including but not limited to, a further capital increase by private placement, a public offer of shares in combination with a listing on the main market of the Warsaw Stock Exchange and a bond issue. If market conditions allow for it, the company is aiming at a public offering and main market listing by 2014 Q1.

**b) First coupon payment by Photon Energy Investments**

On 12 June 2013 PEI paid the first quarterly coupon for its 8% corporate bond. The bond was placed in March 2013 with a term of 5 years and an 8% p.a. coupon, paid quarterly. The bond (ISIN DE000A1HELE2) with a EUR 1,000 face value was placed in Germany, Austria, the Czech Republic, Slovakia and Poland and is currently listed on the Open Market of the Frankfurt Stock Exchange. Since its introduction to trading in March the price of the bond remained stable at around 100 per cent and currently stands above par value at 100.50 (end of June 2013).

**c) Acquisition of the first power plant in Australia by Photon Energy Investments N.V.**

In April 2013 PEI added its first Australian power plant, located in Symonston in the Australian Capital Territory, to its portfolio. Australia offers the highest average solar irradiation by square meter of any continent and has long been seen as an ideal market for solar power. The rooftop power plant, developed by its sister company Photon Energy Projects in Australia, was the largest rooftop installation in the region at the date of installation with an installed capacity of 144 kWp and had been already connected to the electricity grid in March 2013.

The project was acquired in line with the Company's low risk strategy based on entering new markets by first realising smaller pilot projects developed by on-location subsidiaries or project partners. Further Australian projects are in the pipeline.

## 2.2. Proprietary portfolio and generation

The table below presents the portfolio of power plants consolidated under Photon Energy Investments at the end of the reporting period i.e. as of 30 June 2013, consisted of 26 power plants in Czech Republic, Slovakia, Italy and Australia with the total installed capacity of 26.8 MWp.

**Table 1. The proprietary portfolio of Photon Energy Investments N.V. as of 30 June 2013**

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	1 640	100%	1 640	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	209	100%	209	Dec 2010
7	Mostkovice SPV 3	CZ	795	100%	795	Dec 2009
8	Mostkovice SPV3R	CZ	131	100%	131	Dec 2010
9	Zdice I	CZ	1 498	100%	1 498	Dec 2010
10	Zdice II	CZ	1 498	100%	1 498	Dec 2010
11	Radvanice	CZ	2 305	100%	2 305	Dec 2010
12	Břeclav rooftop	CZ	137	100%	137	Dec 2010
13	Babiná II	SK	999	100%	999	Dec 2010
14	Babina III	SK	999	100%	999	Dec 2010
15	Prša I.	SK	999	60%	599	Dec 2010
16	Blatna	SK	700	70%	490	Dec 2010
17	Mokra Luka 1	SK	963	100%	990	Jun 2011
18	Mokra Luka 2	SK	963	100%	990	Jun 2011
19	Jovice 1	SK	979	100%	990	Jun 2011
20	Jovice 2	SK	979	100%	990	Jun 2011
21	Brestovec	SK	850	50%	425	Jun 2011
22	Polianka	SK	999	50%	500	Jun 2011
23	Myjava	SK	999	50%	500	Jun 2011
24	Verderio	IT	261	100%	261	Nov 2011
25	Biella, Verrone	IT	993	100%	993	Jun 2012
26	Symonston	AUS	144	100%	144	Feb 2013
	<b>Total</b>	-	<b>26 815</b>	-	<b>24 858</b>	-

In the reporting period in April 2013 there was one major event, which resulted in a material change to the proprietary portfolio of the Issuer, namely the acquisition of the first power plant with an installed capacity of 144kWp located in Symonston in Australia.

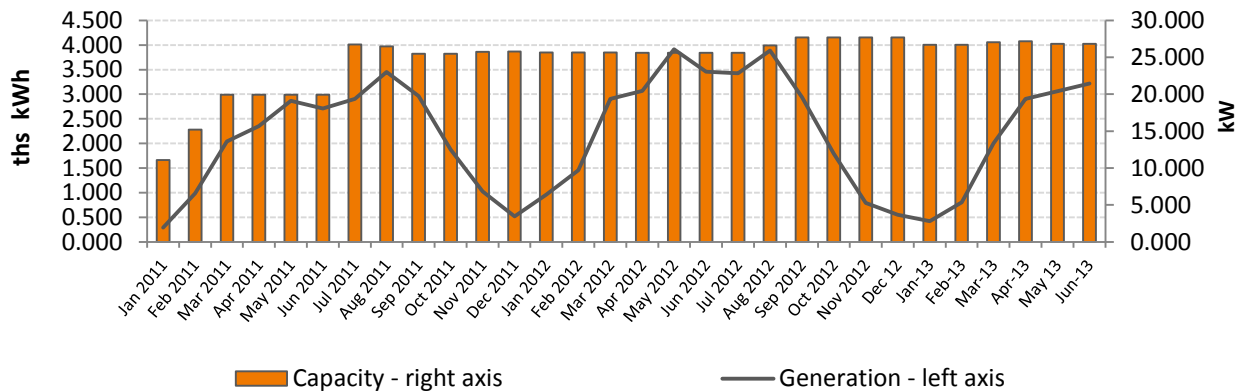
The accumulated generation results of the proprietary power plants connected and feeding electricity to the grid in Q2 2013 amounted to 9.3 GWh, which is below the year-to-date forecast by 12.6% (and also 20.3% lower than in Q2 2012). Detailed generation results for each power plant are being published on a monthly basis in our monthly reports. The low results are due to unusually bad weather conditions in Central Europe.

**Table 2. Generation results versus projections between 1 April and 30 June 2013**

Project name	Capacity	Prod. Q2	Proj. Q2	Perf.	YTD Prod.	YTD Proj.	Perf.	YOY
Unit	kWp	(kWh)	(kWh)	%	(kWh)	(kWh)	%	%
Komorovice	2 354	779,352	948,948	-17.9%	1,041,599	1,257,808	-17.2%	-23.0%
Zvíkov I	2 031	577,566	831,735	-30.6%	828,457	1,102,447	-24.9%	-34.5%
Dolní Dvořiště	1 640	548,649	691,911	-20.7%	725,673	917,113	-20.9%	-22.1%
Svatoslav	1 231	389,992	513,882	-24.1%	514,187	681,139	-24.5%	-26.5%
Slavkov	1 159	438,665	489,361	-10.4%	598,935	648,636	-7.7%	-20.1%
Mostkovice SPV 1	209	74,741	70,371	6.2%	101,359	103,481	-2.1%	-22.0%
Mostkovice SPV 3 <sup>1</sup>	926	327,765	363,662	-9.9%	443,370	488,143	-9.2%	-22.4%
Zdice I	1 498	507,526	598,111	-15.1%	695,832	796,652	-12.7%	-26.0%
Zdice II	1 498	502,977	598,111	-15.9%	689,743	796,652	-13.4%	-25.3%
Radvanice	2 305	802,937	939,292	-14.5%	1,083,522	1,245,011	-13.0%	-21.3%
Břeclav rooftop	137	52,139	47,629	9.5%	69,832	71,079	-1.8%	-19.5%
<b>Total Czech PP</b>	<b>14 988</b>	<b>5,002,308</b>	<b>6,093,013</b>	<b>-17.9%</b>	<b>6,792,508</b>	<b>8,108,160</b>	<b>-16.2%</b>	<b>-24.7%</b>
Babiná II	999	340,359	383,817	-11.3%	425,571	529,411	-19.6%	-27.4%
Babina III	999	338,760	383,817	-11.7%	425,481	529,411	-19.6%	-28.8%
Prša I.	999	381,315	382,969	-0.4%	505,770	528,913	-4.4%	-22.9%
Blatna	700	272,130	277,353	-1.9%	347,994	398,378	-12.6%	-17.3%
Mokra Luka 1	963	370,548	377,339	-1.8%	507,806	546,441	-7.1%	-26.9%
Mokra Luka 2	963	375,070	377,339	-0.6%	520,373	546,441	-4.8%	-26.0%
Jovice 1	979	337,518	389,005	-13.2%	443,766	516,586	-14.1%	-21.1%
Jovice 2	979	334,403	389,005	-14.0%	437,273	516,586	-15.4%	-20.8%
Brestovec	850	331,254	319,525	3.7%	451,257	462,715	-2.5%	-23.7%
Polianka	999	339,441	399,984	-15.1%	428,418	530,170	-19.2%	-25.4%
Myjava	999	377,214	390,179	-3.3%	487,347	555,096	-12.2%	-24.5%
<b>Total Slovak PP</b>	<b>10,429</b>	<b>3,798,011</b>	<b>4,070,333</b>	<b>-6.7%</b>	<b>4,981,056</b>	<b>5,660,148</b>	<b>-12.0%</b>	<b>-24.3%</b>
Verderio	261	94,738	102,487	-7.6%	126,303	147,192	-14.2%	-17.5%
Biella, Verrone	993	410,190	395,000	3.8%	629,110	602,800	4.4%	N/A
<b>Total Italian PP</b>	<b>1 254</b>	<b>504,928</b>	<b>497,487</b>	<b>1.5%</b>	<b>755,413</b>	<b>749,992</b>	<b>0.7%</b>	<b>-17.5%</b>
Symonston	144	33,095	29,114	13.7%	33,095	29,114	13.7%	N/A
<b>Australia</b>	<b>144</b>	<b>33,095</b>	<b>29,114</b>	<b>13.7%</b>	<b>33,095</b>	<b>29,114</b>	<b>13.7%</b>	<b>N/A</b>
<b>Total</b>	<b>26 815</b>	<b>9,338,342</b>	<b>10,689,947</b>	<b>-12.6%</b>	<b>12,562,073</b>	<b>14,547,415</b>	<b>-13.6%</b>	<b>-20.3%</b>

<sup>1</sup> 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 2012 - Jun 2013**

### 2.3. Project pipeline

Photon Energy Projects, the Issuer's affiliate, supports a number of projects in the development stage in markets that are of interest to PEI and which are referred to as the project pipeline. In particular, Photon Energy Projects currently develops projects that could be of interest for the company, depending on project size, financial resources and satisfactory Due Diligence.

Following the placement of the corporate bond in March 2013, the project pipeline is currently being adjusted according to the amount of funds raised in the placement. Following recent developments in the regulatory framework for Renewable Energy producers in the Romanian market, the management decided to discontinue its activities in this market and focuses on the other target markets Australia, Canada, USA and Turkey while other markets are being continuously analysed.

## 2.4. Financial statement analysis

### Profit and Loss statement

The Group's revenues in Q2 2013 amounted to EUR 4,274 thousand. As the entity was founded on 1 June 2012, there is no corresponding full period for the previous year. The revenues in Q2 2013 reflect the seasonal impact of the weather conditions.

Costs of sales amounted to EUR 560 thousand in Q2 2013 and were mainly related to production related costs, such as operations, maintenance, cost of material and related services.

The Company recorded EBITDA of EUR 3,251 thousand and a net profit of EUR 832 thousand for Q2 2013.

### Balance Sheet

Total fixed assets amounted to EUR 89,457 thousand at the end of Q2 2013, representing a contraction by 2 % compared to the end of the previous quarter. The main reason for the decrease is the regular depreciation charged on the value of assets.

The Group's current assets grew by EUR 479 thousand quarter-to-quarter to EUR 9,827 thousand, primarily caused by higher trade and other receivables.

Total equity attributable to shareholders increased by EUR 1,072 thousand on a quarter-to-quarter basis mainly as a result of revaluation of derivatives and better retained earnings position.

### Cash Flow & Cash Position

The Company posted a positive operating cash flow of EUR 778 thousand in Q2 2013 and had a cash position of EUR 4,616 thousand at the end of the period.

## CONSOLIDATED FINANCIAL REPORT

### 3. 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 2013.

	Name	% of share	% of votes	Country of regist.	Consolid. method	Legal Owner
1	Photon Energy Investments N.V.	Holding Company	-	NL	full	Photon Energy N.V.
2	SUN4Energy ZVB s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
3	SUN4ENERGY ZVC s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
4	ATS Energy s.r.o.	70%	100%	SK	full	Photon Energy Investments N.V.
5	Eco Plan 2 s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
6	Eco Plan 3 s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
7	Photon SK SPV 2 s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
8	Photon SK SPV 3 s.r.o.	100%	100%	SK	full	Photon Energy Investments N.V.
9	Photon SK SPV 1 s.r.o.	50%	50%	SK	equity	Photon Energy Investments N.V.
10	Solarpark Myjava s.r.o.	50%	50%	SK	equity	Photon Energy Investments N.V.
11	Solarpark Polianka s.r.o.	50%	50%	SK	equity	Photon Energy Investments N.V.
12	Fotonika s.r.o.	60%	60%	SK	equity	Photon Energy Investments N.V.
13	Photon SPV 1 s.r.o.	100%	100%	CZ	full	Photon Energy Investments N.V.
14	Photon IT SPV 1 srl	100%	100%	IT	full	Photon Energy Investments N.V.
15	Photon IT SPV 2 srl	100%	100%	IT	full	Photon Energy Investments N.V.
16	Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	AUS	full	Photon Energy Investments N.V.

**Notes:**

**Country of registration**

NL – the Netherlands

SK – Slovakia

CZ - the Czech Republic

IT – Italy

AUS - Australia

**Consolidation method:**

Full - Full Consolidation

In the reporting period, on 11 April 2013, Photon Energy Investments N.V. bought from its sister company Photon Energy Projects B.V. the entity Photon Energy AUS SPV 1 Pty. Ltd. (project Symonston) for AUD 3 thousand. This is the Australian first power plant in the proprietary portfolio of the Company with an installed of 144kWp. The rooftop plant, developed by Photon Energy Projects in Australia, is the largest rooftop installation in the region and was already ready to be connected in March 2013.

In addition to the above subsidiaries, for the purposes of **IFRS reporting**, the Company consolidates the following entities (these companies were consolidated until their sale, the figures as of 30.06.2013 contain proportionate part of their result):

	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	RLRE
2	Photon SPV 8 s.r.o.	100%	0	CZ	full	RLRE
3	Exit 90 SPV s.r.o.	100%	0	CZ	full	RLRE
4	Photon SPV 4 s.r.o.	100%	0	CZ	full	RLRE
5	Photon SPV 6 s.r.o.	100%	0	CZ	full	RLRE
6	Onyx Energy s.r.o.	100%	0	CZ	full	RLRE
7	Onyx Energy projekt II s.r.o.	100%	0	CZ	full	RLRE
8	Photon SPV 10 s.r.o.	100%	0	CZ	full	RLRE
9	Photon SPV 11 s.r.o.	100%	0	CZ	full	RLRE

**Notes:**

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

## CONSOLIDATED FINANCIAL REPORT

### 4. DETAILED CONSOLIDATED FINANCIAL RESULTS FOR Q2 2013

The tables below present the consolidated and un-audited financial statements of Photon Energy Investments N.V. for the three-month period starting on 1 April 2013 and ending on 30 June 2013. The corresponding period of the previous year is not available as the entity was founded on 1 June 2012. The reported data is presented in accordance with International Financial and Reporting Standards (IFRS).

#### Statement of Comprehensive Income

<i>in thousand EUR</i>	<b>Q4 2012</b>	<b>Q1 2013</b>	<b>Q2 2013</b>
Revenues from the sale of products, goods and services	1 182	965	4 274
Costs of sale	-183	-122	-560
Energy tax	-231	-155	-736
<b>Gross profit</b>	<b>768</b>	<b>688</b>	<b>2 978</b>
Other income	-221	1	0
Administrative expenses	-428	-343	300
Personnel expenses	-3	0	0
Other expenses	-67	-25	-27
<b>EBITDA</b>	<b>49</b>	<b>321</b>	<b>3 251</b>
Depreciation	-1 386	-720	-1 676
<b>EBIT</b>	<b>-1 337</b>	<b>-399</b>	<b>1 575</b>
Interests income	52	16	44
Interests cost	-543	-223	-348
Financial revenues	103	58	-58
Financial expenses	181	-537	-386
<b>Net finance expenses</b>	<b>-207</b>	<b>-686</b>	<b>748</b>
Share of profit/loss of associates /joint venture	-105	-32	64
<b>Profit /loss before taxation</b>	<b>-1649</b>	<b>-1 117</b>	<b>891</b>
Income tax – due	-191	0	-33
Income tax – deferred	65	41	-26
<b>Profit/loss after taxation</b>	<b>-1 775</b>	<b>-1 076</b>	<b>832</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Revaluation of property, plant and equipment	0	0	0
Share of revaluation of PPE of associates /joint venture	0	0	0
<b>Items that may be reclassified subsequently to profit or loss</b>			

<i>in thousand EUR</i>	<b>Q4 2012</b>	<b>Q1 2013</b>	<b>Q2 2013</b>
Hedging (derivatives)	-288	0	602
Share on hedging of associates /joint venture			-82
Foreign currency translation differences for foreign operations	443	-209	-545
<b>Other comprehensive income, net of tax</b>	155	-209	-25
<b>Total comprehensive income</b>	<b>-1 620</b>	<b>-1 285</b>	<b>807</b>
<b>Profit attributable to:</b>			
Attributable to the equity holders	-1 754	-1 073	827
Attributable to non-controlling interests	-21	-3	5
<b>Profit for the period</b>	<b>-1 775</b>	<b>-1 076</b>	<b>832</b>
<b>Total comprehensive income attributable to:</b>			
Attributable to the equity holders	-1 594	-1 282	796
Attributable to non-controlling interests	-26	-3	11
<b>Total comprehensive income for the period</b>	<b>-1 620</b>	<b>-1 285</b>	<b>807</b>

## Statement of Financial Position

<i>in thousand EUR</i>	<b>31.12.2012</b>	<b>31.3.2013</b>	<b>30.6.2013</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	90 832	88 632	86 465
Investments in associates /joint ventures	2 380	2 573	2 316
Long-term receivables	0	0	676
<b>Total fixed assets</b>	<b>93 212</b>	<b>91 205</b>	<b>89 457</b>
<b>Current assets</b>			
Trade receivables	447	1 366	1 858
Other receivables	1 657	3 017	3 275
Prepaid expenses	444	79	78
Cash and cash equivalents	5 230	4 886	4 616
<b>Total current assets</b>	<b>7 778</b>	<b>9 348</b>	<b>9 827</b>
<b>TOTAL ASSETS</b>	<b>100 990</b>	<b>100 553</b>	<b>99 284</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued share capital	1 125	1 125	1 125
Share premium	20 633	20 633	20 633
Retained earnings	-982	-2 182	-738
Derivatives	-283	-283	231
Reserves	19 119	18 756	17 870
<b>Equity attributable to owners of the Company</b>	<b>39 612</b>	<b>38 049</b>	<b>39 121</b>
Non-controlling interests	113	110	121
<b>Total equity</b>	<b>39 725</b>	<b>38 159</b>	<b>39 242</b>
<b>Non-current liabilities</b>			
Bank Loan	46 426	44 035	45 910
Other long-term liabilities	0	3 968	4 035
Deferred tax liabilities	4 685	4 552	4 549
<b>Total non-current liabilities</b>	<b>51 111</b>	<b>52 555</b>	<b>54 494</b>
<b>Current liabilities</b>			
Bank Loans	4 864	3 438	3 167
Other loans	0	0	0
Trade payables	3 124	2 155	549
Other payables	2 135	4 246	1 832
Other short term liabilities	0	0	0
Current tax liabilities (income tax)	31	0	0
<b>Total current payables</b>	<b>10 154</b>	<b>9 839</b>	<b>5 548</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100 990</b>	<b>100 553</b>	<b>99 284</b>

## Cash Flow Statement

<i>in thousand EUR</i>	<b>Q4 2012</b>	<b>Q1 2013</b>	<b>Q2 2013</b>
<b>Cash flows from operating activities</b>			
Profit/loss	-1,775	-1,076	832
Adjustments for:			
Depreciation	1,386	720	1,676
Net finance costs	207	686	748
Net exchange rate profits / losses	145	0	0
Share of profit of equity accounted investees	105	32	-64
Profit /Loss on sale of property, plant and equipment	0	0	0
Receivables write-off	0	0	0
Dividends	-35	-81	0
Income tax expense	126	-41	59
Changes in:			
Trade and other receivables	1,022	-1,913	12
Trade and other payables	-1,556	-1,251	-2,147
Interests paid	130	-150	-233
Income tax paid	-265	-60	-105
<b>Net cash from operating activities</b>	<b>-510</b>	<b>-3,134</b>	<b>778</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-3,137	0	0
Acquisition of other investments	0	0	0
Proceeds from sale of investments (net of cash disposed)	0	0	0
Proceeds from sale of property, plant and equipment	0	0	0
Interests received	0	0	0
<b>Net cash from investing activities</b>	<b>-3,137</b>	<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	6,279	0	0
Repayment of borrowings	-709	-1,178	-1,035
Proceeds from issuing the bond	0	3,968	67
Payment of bond coupon	0	0	-80
<b>Net cash from financing activities</b>	<b>5,570</b>	<b>2,790</b>	<b>-1,048</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1,923</b>	<b>-344</b>	<b>-270</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,307</b>	<b>5,230</b>	<b>4,886</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,230</b>	<b>4,886</b>	<b>4,616</b>

## CONSOLIDATED FINANCIAL REPORT

### 5. IR CALENDAR

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PEI seeks to comply with best practices in investors relations and hence in addition to ad-hoc and quarterly reports also publishes monthly reports. Please kindly find the IR calendar as well as the schedule for coupon payments for the year 2013 below:

#### September 2013

12 Sept. 2013	2nd coupon payment
18 Sept. 2013	Monthly report August 2013

#### October 2013

16 Oct. 2013	Monthly report September 2013
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#### November 2013

18 Nov. 2013	Monthly report October 2013
22 Nov. 2013	Quarterly report Q3 2013

#### December 2013

12 Dec. 2013	3rd coupon payment
18 Dec. 2013	Monthly report November 2013



## CONSOLIDATED FINANCIAL REPORT

### 6. IMPRINT

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