

SOLAR RESOURCES HOLDING S.À.R.L.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

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Report of the independent auditor
to the Board of Directors of
Solar Resources Holding S. à r. l.
Luxembourg

On your instructions, we have audited the financial statements of Solar Resources Holding S. à r. l., which comprise the statement of comprehensive income, balance sheet, statement of change in equity, cash flow statement and notes, for the years ended 31 December 2013 and 2012.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Solar Resources Holding S. à r. l. as at 31 December 2013 and 2012, and of its financial performance and cash flows for the years then ended in accordance with the International Financial Reporting Standards.

PricewaterhouseCoopers SA

A blue ink signature of Luc Schulthess is written over a light green grid background. To the right of the signature is a small, semi-transparent icon of a Swiss flag (a white cross on a red shield).

Luc Schulthess
Audit expert

A blue ink signature of Dondu Ipek is written over a light green grid background. To the right of the signature is a small, semi-transparent icon of a Swiss flag (a white cross on a red shield).

Dondu Ipek
Audit expert

Geneva, 19 May 2014

Enclosure:

- Financial statements (statement of comprehensive income, balance sheet, statement of change in equity, cash flow statement and notes)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000

| | Note | 2013 €'000 | 2012 €'000 |
|---|------|-----------------|-----------------|
| General and administrative expenses | 6 | (66) | (148) |
| Other income | | - | 57 |
| Operating loss | | (66) | (91) |
| Finance income | 7 | 652 | 2,081 |
| Finance costs | 7 | (2,704) | (3,218) |
| Net finance costs | | (2,052) | (1,137) |
| Loss for the year | | (2,118) | (1,228) |
| Basic and diluted loss per share | 8 | € (0.08) | € (0.05) |

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

AS AT DECEMBER 31, 2013 AND 2012

Expressed in €'000

| | Note | 2013 €'000 | 2012 €'000 | 2011 €'000 |
|--|------|-----------------|-----------------|-----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Investments in subsidiaries | 12 | 31,816 | 31,816 | 31,457 |
| Intangible assets | | 26 | 26 | 26 |
| Accounts receivables related parties | 13 | 21,966 | 32,462 | 42,148 |
| Total non-current assets | | 53,808 | 64,304 | 73,631 |
| Current assets | | | | |
| Cash and cash equivalents | | 215 | 347 | 1,155 |
| Total current assets | | 215 | 347 | 1,155 |
| Total assets | | 54,023 | 64,651 | 74,786 |
| Equity | | | | |
| Attributable to owners of the Company | | | | |
| Share capital | 10 | 2,657 | 2,657 | 2,657 |
| Accumulated deficit | | (19,260) | (17,142) | (15,914) |
| Total attributable to owners of the Company | | (16,603) | (14,485) | (13,257) |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Accounts payables related parties | 13 | 70,256 | 78,703 | 87,558 |
| Total non-current liabilities | | 70,256 | 78,703 | 87,558 |
| Current liabilities | | | | |
| Trade and other payables | | 370 | 433 | 485 |
| Total current liabilities | | 370 | 433 | 485 |
| Total liabilities | | 70,626 | 79,136 | 88,043 |
| Total equity and liabilities | | 54,023 | 64,651 | 74,786 |

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors:

"Jean Lambert"

Jean Lambert, Director

"Patrice Yande"

Patrice Yande, Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000

| | Share capital €'000 | Accumulated deficit €'000 | Total Equity €'000 |
|-------------------------------------|---------------------------|---------------------------------|--------------------------|
| Balance at January 1, 2012 | 2,657 | (15,914) | (13,257) |
| Comprehensive loss: | | | |
| - Loss for the year | - | (1,228) | (1,228) |
| Balance at December 31, 2012 | 2,657 | (17,142) | (14,485) |
| Comprehensive loss: | | | |
| - Loss for the year | - | (2,118) | (2,118) |
| Balance at December 31, 2013 | 2,657 | (19,260) | (16,603) |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOW

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000

| | Note | 2013 €'000 | 2012 €'000 |
|--|------|-----------------|-----------------|
| Cash flow from operating activities: | | | |
| Loss for the year | | (2,118) | (1,228) |
| Adjustments for: | | | |
| Interest expense | 7 | 2,695 | 3,210 |
| Interest income | 7 | (652) | (2,081) |
| Increase / (Decrease) in trade and other payables | | 90 | (55) |
| Total cash flow from (used in) operating activities | | 15 | (154) |
| Cash flow from investing activities: | | | |
| Proceeds from collection of loan principal and interest from related parties | 13 | 10,979 | 11,761 |
| Capital contribution to subsidiaries | | - | (359) |
| Total cash flow from investing activities | | 10,979 | 11,402 |
| Cash flow from financing activities: | | | |
| Repayment of loan principal and interest to related parties | 13 | (11,125) | (12,056) |
| Total cash flow used in financing activities | | (11,125) | (12,056) |
| Net decrease in cash and cash equivalents | | (131) | (808) |
| Cash and cash equivalents at the beginning of the year | | 347 | 1,155 |
| Cash and cash equivalents at the end of the year | | 216 | 347 |

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

1. GENERAL INFORMATION

Solar Resources Holding S.à.r.l. ("SRH" or the "Company") is incorporated under the laws of Luxembourg, Luxembourg. The address of its registered office is 19, Rue Eugène Ruppert, L-2453 Luxembourg.

SRH is an independent power investment vehicle that mainly owns participations in solar power generation entities and management service companies.

The Company is a 100% wholly-owned subsidiary of Etrion Corporation, its parent company, a Canadian entity listed in the Toronto Stock Exchange that regularly prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

These stand-alone financial statements were prepared to comply with the Norwegian Bond Exchange reporting requirements in connection with the issuance of a €80 million senior secured bond by SRH's parent company, Etrion Corporation. These financial statements are presented in Euros ("€") which is the functional currency of the Company.

The Company's Board of Directors approved these financial statements for issue on May 16, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) BASIS OF PREPARATION

The stand-alone financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and the IFRS Interpretations Committee that are effective or available for early adoption for accounting periods beginning on January 1, 2013. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in the process of applying the Company's accounting policies. For the years ended December 31, 2013 and 2012, Company's management did not identify critical accounting policies or estimates.

(b) GOING CONCERN

The Company's financial statements for the year ended December 31, 2013, have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they become due in the foreseeable future.

At December 31, 2013, the Company had a net negative equity position of €16.6 million (2012: €14.5) primarily due to accumulated losses during the first years of operation. However, the Company's management is confident that SRH will be able to fund its investments and working capital requirements for at least twelve months from the date of these financial statements, given the continuous financial support from its parent company and the expected cash distribution to be received in the form of dividends, repayment of shareholder loans and interest granted from its subsidiaries.

These financial statements for the year ended December 31, 2013, do not include the adjustments that would result if the Company were unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) INVESTMENTS IN SUBSIDIARIES

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether SRH controls another entity. Investments in subsidiaries are recognised at their purchase price, less possible accumulated impairment write-offs. Transaction costs are recognised in profit or loss.

The following companies are the direct subsidiaries of SRH, and their place of incorporation is the same as their place of business:

| Name | Location | Activity | December 31, 2013 Share % | December 31, 2012 Share % |
|-------------------------|-------------|----------------------------|---------------------------------|---------------------------------|
| Etrion Chile, SpA | Chile | Management services | 100 | 100 |
| Etrion Japan, KK | Japan | Management services | 100 | 100 |
| Etrion Hellas EPE | Greece | Management services | 99 | 99 |
| Etrion, SA | Switzerland | Management services | 100 | 100 |
| Etrion Italia Srl | Italy | Management services | 100 | 100 |
| Helios ITA, Srl | Italy | Solar power plant operator | 100 | 100 |
| Helios ITA 3, Srl | Italy | Solar power plant operator | 100 | 100 |
| Etrion Lazio, Srl | Italy | Solar power plant operator | 100 | 100 |
| Sagittario, Srl | Italy | Solar power plant operator | 100 | 100 |
| SVE, Srl | Italy | Solar power plant operator | 100 | 100 |
| Etrion Montalto 24, Srl | Italy | Solar power plant operator | 100 | 100 |
| Etrion Montalto 9, Srl | Italy | Solar power plant operator | 100 | 100 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The functional currency of the Company is the Euro. Foreign exchange gains and losses are presented within finance income or costs.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies translated at the year-end exchange rate are recognized in the profit or loss, except when deferred in other comprehensive income.

Exchange rates for the relevant currencies of the Company with respect to the Euro are as follows:

| | €/USD |
|---|--------------|
| Closing rate at December 31, 2013 | 1.3791 |
| Closing rate at December 31, 2012 | 1.3194 |
| Twelve month average rate December 31, 2013 | 1.3281 |
| Twelve month average rate December 31, 2012 | 1.2848 |

(e) INTANGIBLE ASSETS

Recognition and measurement

Intangible assets are initially measured at cost less accumulated amortization and accumulated impairment losses. Costs include expenditures directly attributable to the acquisition of the asset.

(f) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for possible impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the cost may not be recoverable. An impairment loss is recognised for the amount by which the asset's cost exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and the value in use of an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Management has not identified impairment indicators that could triggered an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) FINANCIAL ASSETS

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables; available-for-sale; and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired and the Company's management determines the classification of its financial assets at initial recognition as follows:

- **Loans and receivables:** This category includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets, except when the maturity is greater than twelve months from the reporting date, which are classified as non-current assets. The Company's loans and receivables are comprised of trade and other receivables and cash and cash equivalents.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date (i.e., the date on which the Company commits to purchase or sell the asset). Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed within finance income or costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value, except where the fair value cannot be measured reliably in which case the assets are carried at cost less impairment. Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using the effective interest method. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included within finance income or costs in the period in which they arise.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are only recognized if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (i.e., a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company uses the following criteria to determine whether there is objective evidence for the recognition of an impairment loss associated with financial assets:

- significant financial difficulty of the obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; and
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) FINANCIAL ASSETS (CONTINUED)

Assets carried at amortized cost

The Company first assesses whether objective evidence of impairment exists at the end of each reporting period and in the event such evidence exists, the amount of impairment is measured as the difference between the asset's cost and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's cost is reduced and the impairment loss is recognized in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a subsequent period, the fair value of the asset carried at amortized cost increases and the increase can be objectively related to an event occurring after the impairment loss was initially recognized (such as an improvement in the debtor's credit rating), the impairment loss is reversed in the profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and shown net in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less.

(i) SHARE CAPITAL

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

(j) TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after balance sheet date. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(k) INTEREST INCOME

Interest income is recognized using the effective interest method. When a loan or receivable is impaired, the Company reduces the cost to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognized using the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

3. FINANCIAL RISK MANAGEMENT

(a) CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to stakeholders by increasing its investments and cash flow returns from existing and new solar power projects. The capital structure of the Company consists of net debt (i.e., current and non-current borrowings with related parties less cash and cash equivalents) and negative equity (i.e., issued share capital, reserves and accumulated deficit).

The Company's objectives when managing the capital structure are to safeguard the Company's ability to continue as a going concern in order to provide returns to its unique shareholder and to maintain flexibility and liquidity for investment opportunities in the renewable energy segment. The Company's Board of Directors reviews the capital structure of the Company throughout the year and, as part of this review, considers the cost of capital and the risks associated with each class of capital. This review specifically focuses on the working capital requirements short-term liquidity. These objectives are primarily met through cash management and continuous review of attractive acquisition and development opportunities. SRH is an investment vehicle that is 100% owned by Etrion Corporation, and as such maintains large amounts of shareholder loans payables and receivables with its subsidiaries and shareholder. Etrion Corporation provides funding to SRH when it engages on investment opportunities in the solar renewable industry and the Company is not subject to external debt arrangements or third party debt obligations.

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company is exposed to a variety of financial risks relating to its investments in Italy, Japan and Chile. These risks include market risk (interest rate risk, foreign currency risk), credit risk and liquidity risk. The Company's overall risk management procedures focus on the unpredictability of financial markets, specifically changes in foreign currency exchange rates and interest rates, and seeks to minimize potential adverse effects on the Company's financial performance.

Market risk

Interest rate risk

The Company is highly leveraged through financing for the equity contribution necessary for the construction of its solar power projects investments. The Company enters shareholder loans with Etrion Corporation at fixed interest rates. The Company is not significantly exposed to interest rate risks associated with its shareholder loans as these are fixed-rate instruments.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc, US dollar, Japanese yen and Chilean peso. The Company's foreign currency exposure is due primarily to intercompany borrowings made in US dollars and Swiss franc, to subsidiaries that have a different functional currency. The Company does not undertake hedging arrangements to mitigate the foreign currency exposure on its net investments in foreign operations or on income from foreign operations in order to hedge the risk of foreign currency variations. However, the Company considers foreign currency risk limited due to the fact that monetary assets and liabilities held by the Company are primarily held in SRH's functional currency. Furthermore, monetary assets and liabilities held in currencies other than the functional currency are considered insignificant.

Credit risk

Credit risk mainly arises from cash and cash equivalents and account receivables from related parties, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high and medium rated institutions operating in local markets are accepted.

The cost of financial assets net of impairment represents the Company's maximum exposure to credit risk. The Company does not have policies in place to assign internal ratings or to set credit limits to its counterparties.

The credit risk on liquid funds (i.e., cash and cash equivalents) is considered to be limited due to the fact that counterparties are financial institutions with "A" credit ratings assigned by international credit agencies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Liquidity risk

The Company operates as an investment vehicle for solar power projects in various international jurisdictions. The Company makes investments by acquiring shares in solar power legal entities and by providing shareholder loans to these entities on market terms. The Company is dependent of cash flow generated by its operating subsidiaries in order to distribute funds by way of dividends, interest and/or repayment of shareholder loans, so that SRH recovers its equity investment and realize a reasonable return. The Company's management performs cash flow scenarios in order to ensure that sufficient cash is available to meet investments needs at all time, with cash flow short-falls being covered by Etrion Corporation. The Company's management monitors the Company's liquidity position taking into consideration the Company's investment and financing plans. Given its investment vehicle nature and its direct and unique relation with its parent company, the Company has flexibility to repay the shareholder loan obtained from Etrion Corporation and is not subject to future fixed payments based on contractual maturities.

(c) FAIR VALUE ESTIMATION

The Company does not have financial instruments carried at fair value that should be classified within the IFRS measurement hierarchies.

4. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies disclosed in [Note 2](#) have been applied consistently in preparing these annual financial statements for the years ended December 31, 2013 and 2012, and the preparation of an opening balance sheet at January 1, 2012, the transition date from Luxembourg GAAP to IFRS.

In preparing the opening IFRS balance sheet at January 1, 2012, and the financial statements for the year ended December 31, 2012, in accordance with IFRS, the Group has adjusted amounts previously reported in accordance with Luxembourg GAAP.

The guidance for the first time adoption of IFRS is set out in *IFRS 1, First-time Adoption of International Financial Reporting Standards*, which provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS.

An explanation of how the transition from Luxembourg GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

4. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Reconciliation of equity previously reported under Luxembourg GAAP to IFRS at January 1, 2012

| | Luxembourg GAAP | Adjustments | IFRS |
|--|-----------------|-------------|-----------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 31,182 | 275 | 31,457 |
| Intangible assets | 26 | - | 26 |
| Accounts receivables related parties | 42,423 | (275) | 42,148 |
| Total non-current assets | 73,631 | - | 75,631 |
| Current assets | | | |
| Cash and cash equivalents | 1,155 | - | 1,155 |
| Total current assets | 1,155 | - | 1,155 |
| Total assets | 74,786 | - | 74,786 |
| Equity and liabilities | | | |
| Attributable to owners of the Company | | | |
| Share capital | 2,657 | - | 2,657 |
| Accumulated deficit | (15,914) | - | (15,914) |
| Total equity | (13,257) | - | (13,257) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Accounts payable related parties | 87,558 | - | 87,558 |
| Total non-current liabilities | 87,558 | - | 87,558 |
| Current liabilities | | | |
| Trade and other payables | 485 | - | 485 |
| Total current liabilities | 485 | - | 485 |
| Total liabilities | 88,043 | - | 88,043 |
| Total equity and liabilities | 74,786 | - | 76,786 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

4. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) Reconciliation of equity previously reported under Luxembourg GAAP to IFRS at December 31, 2012

| | Luxembourg GAAP | Adjustments | IFRS |
|--|-----------------|-------------|-----------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 31,541 | 275 | 31,816 |
| Intangible assets | 26 | - | 26 |
| Accounts receivables related parties | 32,737 | (275) | 32,462 |
| Total non-current assets | 64,304 | - | 64,304 |
| Current assets | | | |
| Cash and cash equivalents | 347 | - | 347 |
| Total current assets | 347 | - | 347 |
| Total assets | 64,651 | - | 64,651 |
| Equity and liabilities | | | |
| Attributable to owners of the Company | | | |
| Share capital | 2,657 | - | 2,657 |
| Accumulated deficit | (17,142) | - | (17,142) |
| Total equity | (14,485) | - | (14,485) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Accounts payable related parties | 78,703 | - | 78,703 |
| Total non-current liabilities | 78,703 | - | 78,703 |
| Current liabilities | | | |
| Trade and other payables | 433 | - | 433 |
| Total current liabilities | 433 | - | 433 |
| Total liabilities | 79,136 | - | 79,136 |
| Total equity and liabilities | 64,651 | - | 64,651 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

4. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

(c) Reconciliation of comprehensive income as previously reported under Luxembourg GAAP to IFRS for the year ended December 31, 2012

| | Luxembourg GAAP | Adjustments | IFRS |
|---|-----------------|-------------|-----------------|
| General and administrative expenses | (148) | - | (148) |
| Other income | 57 | - | 57 |
| Operating loss | (91) | - | (91) |
| Finance income | 2,081 | - | 2,081 |
| Finance costs | (3,218) | - | (3,218) |
| Net finance costs | (1,137) | - | (1,137) |
| Loss for the year | (1,228) | - | (1,228) |
| Basic and diluted loss per share | € (0.05) | | € (0.05) |

(d) Impact of IFRS transition on the cash flow statement

There were no significant IFRS conversion adjustments affecting the cash flow statement for the year ended December 31, 2011.

5. SEGMENT REPORTING

SRH's Board of directors regularly reviews current management reports with regard to operating results as well as the validity of allocating investment expenditures. Based on the SRH business structure, the Board of Directors has identified only one operating segment.

6. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2013 €'000 | 2012 €'000 |
|--|---------------|---------------|
| Corporate and professional fees | 28 | 111 |
| Office, travel and other general and administrative expenses | 38 | 37 |
| Total general and administrative expenses | 66 | 148 |

7. FINANCE INCOME AND COSTS

| | 2013 €'000 | 2012 €'000 |
|-------------------------------------|----------------|----------------|
| Finance income: | | |
| Interest income: | | |
| - Associated with shareholder loans | 652 | 2,081 |
| Total finance income | 652 | 2,081 |
| Finance costs: | | |
| Interest expense: | | |
| - Associated with shareholder loans | (2,695) | (3,210) |
| Foreign exchange loss | (3) | (2) |
| Other finance costs | (6) | (6) |
| Total finance costs | (2,704) | (3,218) |
| Net finance costs | (2,052) | (1,137) |

The Company has several shareholder loan credit facilities outstanding with its subsidiaries and also with its parent company that is used to finance the construction of its operating solar power projects in Italy, Japan and Chile. These credit facilities are granted and received on market terms. [Note 13](#)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

8. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the net loss for the year attributable to owners of the Company by the weighted average number of shares outstanding during the year. The calculation of basic and diluted loss per share is as follows:

| | 2013 €'000 | 2012 €'000 |
|---|------------------|----------------|
| Loss attributable to owners of the Company | (2,118) | (1,228) |
| | Number of shares | |
| Weighted average number of shares outstanding | 23,137,500 | 23,137,500 |
| Basic and diluted loss per share | €(0.08) | €(0.05) |

9. FINANCIAL ASSETS

| | Loans and receivables €'000 |
|--|-----------------------------------|
| At December 31, 2013 | |
| Account receivables from related parties Note 13 | 21,966 |
| Cash and cash equivalents | 215 |
| Total current financial assets | 22,181 |
| Total financial assets | 22,181 |
| At December 31, 2012 | |
| Account receivables from related parties Note 13 | 32,462 |
| Cash and cash equivalents | 347 |
| Total current financial assets | 32,809 |
| Total financial assets | 32,809 |

10. SHARE CAPITAL

The Company has authorized capital consisting of 23,137,500 common shares issued and outstanding at December 31, 2013 and 2012. The common shares of the Company have no par value, are all of the same class, carry voting rights, and entitle shareholders to receive dividends as and when declared by the Board of Directors.

No dividends were declared in the years ended December 31, 2013 and 2012.

11. FINANCIAL LIABILITIES

| | Other financial liabilities €'000 |
|---|---|
| At December 31, 2013 | |
| Account payables to related parties Note 13 | 70,256 |
| Trade and other payables | 375 |
| Total financial liabilities | 70,631 |
| At December 31, 2012 | |
| Account payables to related parties Note 13 | 78,703 |
| Trade and other payables | 434 |
| Total financial liabilities | 79,137 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

12. INVESTMENTS IN SUBSIDIARIES

| | December 31, 2013 | | December 31, 2012 | |
|-------------------------|-------------------|---------|-------------------|---------|
| | Cost | Share % | Cost | Share % |
| Etrion Chile, SpA | 8 | 100 | 8 | 100 |
| Etrion Japan, KK | 50 | 100 | 50 | 100 |
| Etrion Hellas EPE | 18 | 99 | 18 | 99 |
| Etrion SA | 66 | 100 | 66 | 100 |
| Etrion Italia Srl | 2,045 | 100 | 2,045 | 100 |
| Helios ITA, Srl | 1,905 | 100 | 1,905 | 100 |
| Helios ITA 3, Srl | 6,377 | 100 | 6,377 | 100 |
| Etrion Lazio, Srl | 130 | 100 | 130 | 100 |
| Sagittario, Srl | 60 | 100 | 60 | 100 |
| SVE, Srl | 1,975 | 100 | 1,975 | 100 |
| Etrion Montalto 24, Srl | 12,222 | 100 | 12,222 | 100 |
| Etrion Montalto 9, Srl | 6,960 | 100 | 6,960 | 100 |
| | 31,816 | | 31,816 | |

As at December 31, 2013 and 2012, there were no changes in the composition in share participations held by SRH.

13. RELATED PARTIES

For the purposes of preparing the Company's financial statements, parties are considered to be related if one party has the ability to control the other party, under ordinary control, or if one party can exercise significant influence over the other party in making financial and operational decisions as defined by *IAS 24, Related Party Disclosures*. The Company's major shareholder is Etrion Corporation which owns 100% of the outstanding shares of the Company at December 31, 2013 and 2012.

Details of balances and transactions between the Company and its subsidiaries, which are related parties of the SRH, are disclosed below.

(a) RELATED PARTY TRANSACTIONS

The Group has entered into the following transactions with related parties:

| | 2013 €'000 | 2012 €'000 |
|---|---------------|---------------|
| Finance costs: | | |
| - Interest expense associated with shareholder loans: | | |
| Etrion Corporation | 2,695 | 3,201 |
| Finance income: | | |
| - Interest expense associated with shareholder loans: | | |
| Etrion Chile, SpA | 6 | 2 |
| Etrion Japan, KK | 8 | - |
| Etrion Italia Srl | 54 | 67 |
| Helios ITA, Srl | 146 | 146 |
| Helios ITA 3, Srl | 186 | 282 |
| Etrion Lazio, Srl | 66 | 195 |
| Sagittario, Srl | 21 | 39 |
| Etrion Montalto 24, Srl | - | 1,064 |
| Etrion Montalto 9, Srl | 164 | 277 |
| Total finance income | 651 | 2,072 |
| Net finance costs with related parties | 2,044 | 1,129 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

Expressed in €'000 unless otherwise stated

13. RELATED PARTIES (CONTINUED)

(a) RELATED PARTY TRANSACTIONS (CONTINUED)

Amounts outstanding to related parties at December 31, 2013 and 2012 are as follows:

| | 2013 €'000 | 2012 €'000 |
|--|---------------|---------------|
| Non-current assets: | | |
| Shareholder loans and accrued interest at fixed market rates: | | |
| Etrion Chile, SpA | 72 | 70 |
| Etrion Japan, KK | 128 | - |
| Etrion Hellas EPE | - | 44 |
| Etrion Italia Srl | 1,296 | 1,482 |
| Helios ITA, Srl | 3,769 | 3,623 |
| Helios ITA 3, Srl | 2,677 | 4,669 |
| Etrion Lazio, Srl | 624 | 3,169 |
| Sagittario, Srl | 141 | 652 |
| SVE, Srl | 884 | 2,416 |
| Etrion Montalto 24, Srl | 11,051 | 12,744 |
| Etrion Montalto 9, Srl | 1,324 | 3,593 |
| Total non-current assets | 21,966 | 32,462 |
| Non-current liabilities: | | |
| Shareholder loans and accrued interest at fixed market rates: | | |
| Etrion Corporation | 70,056 | 78,485 |
| Cassiopea, Srl | 200 | 200 |
| Etrion Hellas EPE | - | 18 |
| Total non-current liabilities | 70,256 | 78,703 |
| Total net amounts outstanding to related parties | 48,290 | 46,241 |

The Company provides long-term financing to its operating subsidiaries in accordance with the terms of the shareholder agreements subscribed with SRH. These shareholder agreements bear fixed-interest rates from 4.5% to 7.5%. During 2013, the Company received €11.0 million (2012: €11.8 million) as loan principal and interest repayments associated with this long term financing.

The Company obtains its financing from Etrion Corporation under the terms of the existing shareholder loan agreement and bears fixed-interest rate of 4.5%. During 2013, the Company repaid €11.1 million (2012: €12.1 million) of loan principal and interest associated with this long term financing.

(b) KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The key management of the Group includes members of the Board of Directors. During 2013 and 2012, no remuneration was given to the directors of the Company and no amounts were outstanding to or from directors at December 31, 2013 and 2012. The Company has no employees.

14. SUBSEQUENT EVENTS

On April 23, 2014, SRH's parent company successfully completed the issuance of new secured bonds for €80 million in the Norwegian bond market. The new bonds have an annual interest rate of 8.0% and a bullet maturity in April 2019. According to the terms of the bond agreement, SRH is the guarantor of the parent company in respect of the new €80 million bond issued.