

European CleanTech I SE
Société Européenne
40, avenue Monterey L-2163 Luxembourg
R.C.S. Luxembourg B 155.076

Annual accounts
and
independent auditor's report

For the year ending 31 December 2011

European CleanTech I SE

Index to the annual accounts

For the year ending 31 December 2011

C O N T E N T S

| | <u>Page</u> |
|---|-------------|
| Management Report by the Management Board | 3 |
| Statement of responsibility | 6 |
| Independent auditor's report | 7 |
| Statement of comprehensive income | 9 |
| Statement of the financial position | 10 |
| Statement of changes in equity | 11 |
| Statement of cash flow | 12 |
| Notes to the annual accounts | 13 - 31 |

European CleanTech I SE

Report by the Management Board

The management board (“Management Board”) presents its report and annual accounts for the financial year ended 31 December 2011.

European CleanTech I SE (the “Company”) is a *société européenne* (SE) incorporated under the laws of Luxembourg, established for the purpose of acquiring one or more operating businesses with principal business operations in member states of the European Economic Area (EEA) through a merger, share exchange, share purchase, asset acquisition, reorganization or similar transaction or group of such transactions (a “Business Combination”).

The Company went public on October 20, 2010, when it raised EUR 115 000 000 through an IPO of 11 500 000 Units at a Unit price of EUR 10. Each Unit consists of one redeemable Class A share of the Company, with no nominal value (a “Public Share”), and one Class A warrant with a stated exercise price of EUR 11.50 (a “Public Warrant”). The Public Warrants may be exercised, at the Company’s option, either in cash or on a “cashless basis” and will become exercisable on the later of (i) the closing due date of the Business Combination and (ii) one year after the date on which trading in the Public Shares and Public Warrants on the Frankfurt Stock Exchange commences.

The Public Shares and Public Warrants are listed on the Frankfurt Stock Exchange under the ISIN LU0538936351 and LU0538952044, respectively.

The Company is currently seeking to consummate a Business Combination and is focused on the “clean technology” sector, in particular in the areas of energy substitution (the substitution of fossil energy by renewable energy). The Company has until 19 October 2012 to consummate a Business Combination. Otherwise, the Management Board will propose to the shareholders to resolve upon the liquidation of the Company, in the course of which the Company will distribute substantially all of its assets to its public shareholders.

The Management Board is confident that a Business Combination will be completed before 19 October 2012 as the Company is currently in discussions with likely Business Combination targets, which have indicated valuation expectations which the Management Board considers being compatible with current capital market conditions. The Management Board currently anticipates at least two “windows” for announcing an agreed Business Combination, either based upon 2011 year end figures in the period March-May 2012 or based on Q2 2012 figures from September to October 2012.

The Management Board has identified many companies since its IPO in 2010 that potentially fulfill the Company’s search criteria for a Business Combination target. The Company has been discussing and investigating several Business Combination opportunities in detail with selected target companies during 2011. Based on ongoing discussions, the Management Board is confident to consummate a Business Combination before 19 October 2012. A Business Combination with European CleanTech I SE will offer a target company the opportunity to access new financing sources and become publically traded without undertaking a traditional IPO.

The Management Board believes that the Company represents an attractive and innovative financing alternative for operating cleantech businesses in an IPO market and environment that has become increasingly difficult for many mid-sized companies.

At the balance sheet date, the share capital of the Company was EUR 345 000, divided into 11 500 000 Public Shares (representing 80 % of the total share capital), and the unlisted class B shares, divided into 958 333 Class B1 shares (representing c. 6.66 % of the total share capital), 958 333 Class B2 shares (representing c. 6.66 % of the total share capital) and 958 334 Class B3 shares (representing c. 6.68 % of the total share capital) (the class B shares, together, are also referred to as the “Sponsor Shares”).

European CleanTech I SE

Holders of the Public Shares have the right to vote for the election of the members of the supervisory board of the Company and on all other matters requiring shareholder action. Public Shares convey one vote per Share and entitle the holder thereof to receive dividends, if any, as may be declared from time to time by the Management Board of the Company and decided by the general shareholders' meeting in its discretion out of funds legally available therefore. Upon the liquidation of the Company, Public Shares will be entitled to receive pro rata all or substantially all assets remaining available for distribution to Public Shareholders after payment of all liabilities. The Sponsor Shares bear the same rights as the Public Shares except that in certain circumstances, including the approval of the initial Business Combination, the general shareholders' meeting can only adopt a resolution with a certain majority of the votes validly cast by Public Shareholders, and except that after a Business Combination, Sponsor Shares are not entitled to receive any distribution by the Company in excess of EUR 0.01 per Share, and liquidation rights of Sponsor Shares are limited to EUR 0.024 per Sponsor Share. Finally the Sponsor Shares are automatically converted into Public Shares, at a ratio of one Public Share for each Sponsor Share (subject to customary anti-dilution provisions) as follows:

- one third of the Sponsor Shares will be automatically converted into Public Shares upon consummation of a Business Combination.
- one third of the Sponsor Shares will be automatically converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive trading days following consummation of a Business Combination equals or exceeds EUR 11.00.
- one third of the Sponsor Shares will be automatically converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive trading days following consummation of a Business Combination equals or exceeds EUR 12.00.

The "Daily VWAP" means, for any trading day, the per Public Share volume-weighted average price on Xetra® for such Trading Day as reported on Bloomberg (or if such volume weighted average price is not available from Bloomberg, the volume weighted average share price of the Public Shares on such trading day determined by an internationally recognized investment bank selected by the Company).

Subject to certain exemptions, each of Dr. Helmut Vorndran, Willi Mannheims and Sven-Roger von Schilling (together, the "Sponsors"), Prof. Dr. Peter Woditsch (the "Additional Investor") and European CleanTech I Holding S.à r.l. have agreed not to sell or otherwise transfer, without the prior consent of the underwriting banks in the IPO, its or his Sponsor Shares or its or his portion of the Public Shares that may be issued upon conversion of the Sponsor Shares for a period of 12 months following the consummation of a Business Combination.

Promptly upon the IPO, the Company transferred all of the proceeds received from the sale of Public Shares in connection with the IPO as well as part of the proceeds received from the private placement of the Sponsor Warrants immediately prior to the IPO into an escrow account maintained with Deutsche Bank, London branch, and held through an Irish branch of the Company. Funds in the escrow account may only be used in connection with a Business Combination. If the Company does not consummate a Business Combination by the relevant deadline, the remaining amounts in the escrow account will be distributed by the Company to the holders of Public Shares in the liquidation process.

Current significant shareholdings notified to the Company in accordance with the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Transparency Law"), are:

- Dr. Helmut Vorndran, Germany: indirect holding of 378 100 Public Shares and of 2 875 000 Sponsor Shares, representing 14.93 % of the outstanding shares of the Company. (i) 2.63 % (378 100 Public Shares) are attributable to Dr. Vorndran through Altizz Vermögensverwaltungsgesellschaft GmbH & Co. KG, where he is managing director of the general partner, and (ii) 12.3 % (2 875 000 Sponsor Shares) are attributable to him through European CleanTech I Holding S.à r.l., in which he holds a 61.5 % interest through his wholly-

European CleanTech I SE

owned company Vorndran Beteiligungs GmbH.

- AQR Capital Management, LLC, Greenwich, U.S.A.: 1 150 000 Public Shares, representing 8 % of the outstanding shares of the Company.
- Loeb Management Holding LLC, New York, U.S.A.: indirect holding of 750 000 Public Shares, representing 5.22 % of the outstanding shares of the Company. Loeb Management Holding LLC is the general partner of Loeb Arbitrage Management LP and Loeb Offshore Management LP, both Delaware partnerships. The voting rights are held by funds and accounts managed by Loeb Arbitrage Management LP and Loeb Offshore Management LP. Loeb Arbitrage Management LP and Loeb Offshore Management LP have investment discretion as to such funds and accounts.

Post Balance Sheet events

To the best of our knowledge, we are not aware of any events which would have a material bearing on the accounts since 31 December 2011.


Existence of Branches


The Company has one Irish branch.

Corporate governance statement

In accordance with article 68 bis 2 of the Luxembourg law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings (the "2002 Law"), the Management Board has resolved to establish a separate report on the declaration of corporate governance referred to in article 68 bis of the 2002 Law. This separate report will be made available on the Company's website (www.ectse.com).

Luxembourg, 14 March 2012



Mr Sven-Roger von Schilling
Class A director

Mr Onno Bouwmeister
Class B director

Mr Michel van Krimpen
Class B director

European CleanTech I SE

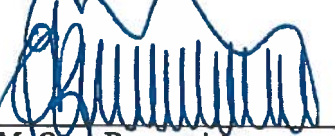
Statement of responsibility

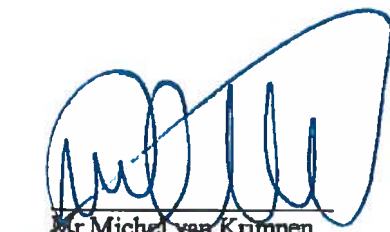
In accordance with Article 3(2) c) of the Luxembourg Transparency Law , the undersigned confirm that to the best of their knowledge, the annual accounts covering the period ended 31 December 2011, which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company for such period.

Furthermore, the undersigned confirm that to the best of their knowledge, the management report covering the year ended 31 December 2011 includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 14 March 2012



Mr Sven-Roger von Schilling
Class A director

Mr Onno Bouwmeister
Class B director

Mr Michel van Krimpen
Class B director

Independent auditor's report

To the Shareholders of
European CleanTech I SE
Société Européenne
40 avenue Monterey
L-2163 Luxembourg

Report on the annual accounts

We have audited the accompanying annual accounts of European CleanTech I SE, which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Board's responsibility for the annual accounts

The Management Board is responsible for the preparation and fair presentation of these annual accounts in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

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

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 annual accounts give a true and fair view of the financial position of European CleanTech I SE as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

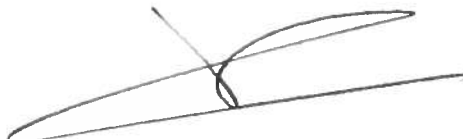
We draw attention to Note 2 (f) to the annual accounts which describes that in the absence of the completion of the successful business combination prior to 20 October 2012, the articles of incorporation require that the Management Board convenes a general meeting of shareholders for the purpose of resolving on the Company's dissolution and liquidation.

On the basis of the current negotiations with potential targets, the Management Board is confident that a business combination will occur within the given timeframe. However this contractual obligation indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Management Board, is consistent with the annual accounts.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

A handwritten signature in dark ink, appearing to read 'Bruno DI BARTOLOMEO', written over a horizontal line.

Bruno DI BARTOLOMEO

Luxembourg, 20 March 2012

European CleanTech I SE

STATEMENT OF COMPREHENSIVE INCOME

For the year ending 31 December 2011

| | | Year from 01/01/2011 to 31/12/2011 EUR | Period from 09/08/2010 to 31/12/2010 EUR |
|--|------|--|--|
| | Note | | |
| OPERATING ACTIVITIES | | | |
| Other income | | 6 762 | - |
| Other expenses | 5 | <u>(857 196)</u> | <u>(459 926)</u> |
| Result from operating activities | | <u>(850 434)</u> | <u>(459 926)</u> |
| FINANCE COSTS | | | |
| Finance income | 6 | 4 195 683 | 3 387 246 |
| Finance expenses | 7 | <u>(2 774 050)</u> | <u>(419 379)</u> |
| Net finance costs | | <u>1 421 633</u> | <u>2 967 867</u> |
| Profit before tax | | <u>571 199</u> | <u>2 507 941</u> |
| Tax expenses | 8 | <u>(7 415)</u> | - |
| Other Comprehensive Income for the year / period | | - | - |
| Total Comprehensive Income for the period attributable to the equity holders of European CleanTech 1 SE | | <u>563 784</u> | <u>2 507 941</u> |
| Earnings per share | | | |
| Basic | 10 | 0.039 | 0.174 |
| Diluted | 10 | 0.013 | (0.007) |

The notes on pages 12 to 31 are an integral part of these annual accounts.

European CleanTech I SE

STATEMENT OF THE FINANCIAL POSITION

AS AT 31 DECEMBER 2011

| | Note | 31/12/2011 EUR | 31/12/2010 EUR |
|--|------|---------------------------|---------------------------|
| ASSETS | | | |
| Current assets | | | |
| Financial assets at fair value through profit and loss | 9 | 116 269 890 | 115 346 425 |
| Other receivables | | 8 460 | 8 690 |
| Cash and cash equivalents | | <u>569 302</u> | <u>1 189 257</u> |
| Total assets | | <u>116 847 652</u> | <u>116 544 372</u> |
| EQUITY | 10 | | |
| Share capital | | 345 000 | 345 000 |
| Other reserves | | 107 342 413 | 107 342 413 |
| Profit brought forward | | 2 507 941 | - |
| Profit for the year / period | | <u>563 784</u> | <u>2 507 941</u> |
| Total equity | | <u>110 759 138</u> | <u>110 195 354</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | 11 | <u>5 462 500</u> | <u>5 612 000</u> |
| Current liabilities | | | |
| Amounts owned to affiliated undertakings | | 111 000 | 111 000 |
| Trade and other payables | | <u>515 014</u> | <u>626 018</u> |
| Total current liabilities | | 626 014 | 737 018 |
| Total liabilities | | <u>6 088 514</u> | <u>6 349 018</u> |
| Total equity and liabilities | | <u>116 847 652</u> | <u>116 544 372</u> |

The notes on pages 12 to 31 are an integral part of these annual accounts.

European CleanTech I SE

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

| | Share capital EUR | Other reserves EUR | Profit brought forward EUR | Profit for the period EUR | Total EUR |
|------------------------------------|-------------------------|---------------------------|----------------------------------|---------------------------------|---------------------------|
| Balance at 09 August 2010 | 180 000 | - | - | - | 180 000 |
| Capital increase from IPO | 276 000 | 108 974 000 | - | - | 109 250 000 |
| Cost directly attributable to IPO | - | (6 600 265) | - | - | (6 600 265) |
| Founding warrants | - | 4 968 678 | - | - | 4 968 678 |
| Decrease of share capital | (111 000) | - | - | - | (111 000) |
| Profit for the period | <u>-</u> | <u>-</u> | <u>-</u> | <u>2 507 941</u> | <u>2 507 941</u> |
| Balance at 31 December 2010 | <u>345 000</u> | <u>107 342 413</u> | <u>-</u> | <u>2 507 941</u> | <u>110 195 354</u> |

| | Share capital EUR | Other reserves EUR | Profit brought forward EUR | Profit for the year EUR | Total EUR |
|------------------------------------|-------------------------|---------------------------|----------------------------------|-------------------------------|---------------------------|
| Balance at 31 December 2010 | 345 000 | 107 342 413 | - | 2 507 941 | 110 195 354 |
| Cost directly attributable to IPO | - | - | - | - | - |
| Profit brought forward | - | - | 2 507 941 | (2 507 941) | - |
| Profit for the year | <u>-</u> | <u>-</u> | <u>-</u> | <u>563 784</u> | <u>563 784</u> |
| Balance at 31 December 2011 | <u>345 000</u> | <u>107 342 413</u> | <u>2 507 941</u> | <u>563 784</u> | <u>110 759 138</u> |

The notes on pages 12 to 31 are an integral part of these annual accounts.

European CleanTech I SE

STATEMENT OF CASH FLOW

For the year ended 31 December 2011

| | Year from 01/01/2011 to 31/12/2011 EUR | Period from 09/08/2010 to 31/12/2010 EUR |
|--|--|--|
| Profit before taxation for the year / period | 571 199 | 2 507 941 |
| Adjustments for: | | |
| Change in fair value of financial liabilities | (149 500) | (2 725 500) |
| Change in fair value of financial assets | 2 731 330 | 411 767 |
| Interest income from financial assets | (4 042 806) | - |
| Taxes not paid | <u>(5 840)</u> | <u>-</u> |
| | (895 617) | 194 208 |
| Decrease /(Increase) in and other receivables | 230 | (8 690) |
| Increase / (Decrease) in trade and other payables | <u>(111 004)</u> | <u>737 018</u> |
| Cash generated from / (used in) operations | (1 006 391) | 922 536 |
| Income taxes paid | (1 575) | - |
| Net cash from / (used in) operating activities | <u>(1 007 966)</u> | <u>922 536</u> |
| Cash flows from investing activities | <u>-</u> | <u>-</u> |
| Issuance of new shares | - | 456 000 |
| Premium on share capital | - | 108 974 000 |
| Issuance of Warrants | - | 10 718 678 |
| Issue cost paid | - | (4 765 789) |
| Purchase of Bonds | (231 234 639) | (115 116 168) |
| Proceeds from Bonds | 223 790 000 | - |
| Interest received | <u>7 832 650</u> | <u>-</u> |
| Cash flows from financing activities | <u>388 011</u> | <u>266 721</u> |
| Net increase / (decrease) in cash and cash equivalents | (619 955) | 1 189 257 |
| Cash and cash equivalents at the beginning of the year / period | <u>1 189 257</u> | <u>-</u> |
| Cash and cash equivalents at the end of the year / period | <u>569 302</u> | <u>1 189 257</u> |

The notes on pages 12 to 31 are an integral part of these annual accounts.

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS

For the year ended 31 December 2011

1. INCORPORATION AND PRINCIPAL ACTIVITIES

European CleanTech I SE (the “Company”) was incorporated in Luxembourg on 9 August 2010 as a Société Européenne. The Company has its registered office at 40, avenue Monterey, L-2163 Luxembourg and is registered at the Luxembourg Commercial Register under number R.C.S Luxembourg n° 155 076.

The Company was established with the purpose of acquiring one or more operating businesses with principal business operations in member states of the European Economic Area (EEA) through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction or group of such transactions (a “Business Combination”).

The Company carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on 20 October 2010.

The Company's financial year starts from 1 January to 31 December, except for its first year, which starts from 09 August 2010 (date of incorporation) to 31 December 2010. Thus as a result the comparative figures cover the period from 9 August to 31 December 2010.

2. BASIS OF PREPARATION

(a) Statement of compliance

The present annual accounts as at 31 December 2011 were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the EU.

These annual accounts were authorized by the Management Board on 14 March 2012 and approved by the Supervisory Board on 20 March 2012.

(b) Basis of measurement

The annual accounts have been prepared on a going concern basis under historical cost basis except for the following items:

- Financial assets at fair value through profit or loss are measured at fair value
- Financial liabilities at fair value through profit or loss are measured at fair value

(c) Functional and presentation currency

These annual accounts are presented in Euro (EUR), which is also the Company's functional currency.

(d) Change of comparative figures

In accordance with the International Financial Reporting Standards certain reclassifications have been made to the comparative figures as of 31 December 2010 in order to allow a better comparison between both exercises. These reclassifications neither impact the net equity as of 31 December 2010 nor the result for the year then ended.

(e) Adoption of new and revised International Financial Reporting Standards

The following Standards, Amendments to Standards and Interpretations have been issued but are not effective for the year ended 31 December 2011:

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

2. BASIS OF PREPARATION (continued)

**Effective for periods
beginning on or after**

Interpretations

| | |
|--|----------------|
| IFRIC 14 Prepayments of a minimum funding requirements | 1 January 2011 |
| IFRIC 19 Extinguishing Financial liabilities with Equity instruments | 1 July 2010 |

Amendments

| | |
|--|------------------|
| IAS 32 Financial Instrument: Presentation | 1 February 2011* |
| IAS 24 Related Party Disclosures (rev. 2009) | 1 January 2011 |

* Retrospective adoption is required

Furthermore, the IASB published the following Standards, Interpretations and Amendments to existing Standards, which have not yet been adopted by the European Union and have, thus, not been applied in the present annual accounts.

| | IASB Effective Date | Endorsement expected |
|--|--------------------------------|---------------------------------|
| <u>Standards</u> | | |
| IFRS 7: Financial Instrument disclosures (offsetting financial assets and liabilities) | 1 January 2013 | Open |
| IFRS 9: Financial Instruments | 1 January 2013 | Open |
| IFRS 10: Consolidated Financial Statements | 1 January 2013 | Open |
| IFRS 11 Joint Arrangements | 1 January 2013 | Open |
| IFRS 12 Disclosures of Involvement with Other Entities | 1 January 2013 | Open |
| IFRS 13 Fair Value Measurement | 1 January 2013 | Open |
| <u>Amendments</u> | | |
| IAS 1 Presentation of items of Other Comprehensive Income | 1 July 2011 | Open |
| <u>Revisions</u> | | |
| IAS 19 Employee Benefits | 1 January 2013 | Open |

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

2. BASIS OF PREPARATION (continued)

Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Company except for:

- IFRS 9 Financial Instruments, which becomes mandatory for the Company's 2013 annual accounts and could change the classification and measurement of financial assets.
- IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

(f) Use of estimates and judgements

The preparation of annual accounts in accordance with IFRS as adopted by the EU requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates. Such estimates and underlying assumptions are reviewed on an ongoing base and revisions to these are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual accounts are:

Share-based payment

The Sponsors have subscribed for Sponsor Warrants and Sponsor Shares that are exercisable / convertible into Public Shares depending on various conditions, including the occurrence of a Business Combination. The Sponsor Warrants and Sponsor Shares have been analysed as consideration received in exchange of services rendered by the Sponsors to the Company. While the Sponsors have performed some "research" activity before identification of a partner and completion of a Business Combination, no significant services have been actually received by the Company before a partner for a Business Combination has been identified and accepted by the public shareholders. As a consequence, the Company concluded that the relevant measurement date of these instruments in accordance with IFRS 2 will occur once a partner for a Business Combination has been identified and the Business Combination has been approved by the public shareholders. The measurement of services received will be made in reference to the fair value of instruments granted because fair value of services received cannot be measured reliably.

Deferred tax asset

A deferred tax asset in respect of the loss incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Company can utilise the benefits from the deferred tax asset.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

2. BASIS OF PREPARATION (continued)

Going concern

The Company has up to 24 months from 20 October 2010 to consummate a Business Combination. If a Business Combination is not executed after 24 month, the articles of incorporation require that the Management Board convene a general meeting of shareholders for the purpose of resolving on the Company's dissolution and liquidation. As a result of potential liquidation, the assets of the Company would be liquidated, including amounts held in Escrow account, and substantially all of the liquidation surplus after satisfaction of creditors' claims would be distributed to holders of Public Shares. The Management Board's underlying assumption for the preparation the annual accounts is based on a successful completion of a business combination within the given timeframe.

In its meeting dated 27 January 2012, the Management Board concluded that the application of the going concern assumption is appropriate for the preparation of the annual accounts as of 31 December 2011. Such assessment is based on the Management Board's unanimous expectation that a successful business combination will be completed prior 19 October 2012 on the basis of the current negotiations with potential business combination targets.

Deferred underwriting fees

The Company has deferred underwriting commissions in relation to the IPO, payable on completion of a Business Combination (please refer to note 10). These liabilities are conditional, but management is of the opinion that this amount should be accounted for as a liability in the balance sheet as the services of the underwriters have effectively been fully provided and a Business Combination is assessed as a highly probable event.

Contractual arrangements with potential target entities

In the course of its activities as blank-cheque company (SPAC), the Management Board is in constant negotiation with potential business combination target companies in view of identifying an accurate target to submit for shareholders' approval in view of consummating the business combination.

In the context of such negotiations, the Company might be required to execute terms sheets in view of a potential transaction. As of 31 December 2011, the Management Board considers that such agreements do not impact the annual accounts as the resulting obligations are subject to a number of future uncertain events outside the control of the entity. As the Company has no present obligation resulting from the execution of such non-binding agreements, IAS 37 does not require to disclose these contingencies and the Management Board has decided not to provide any further information on a voluntary basis for obvious confidentiality reasons.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these annual accounts are set out below:

Financial instruments

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Initial recognition and measurement (continued)

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulations or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables and quoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when: (i) The rights to receive cash flows from the asset have expired, (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (iii) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss: these include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement.

Loans and borrowings: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the terms of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Shares and Warrants

The Company raised up EUR 115 000 000 through an initial public offering ("IPO") of so called "units" on 20 October 2010. Each unit consists of one Class A share (a "Public Share") and one Class A warrant (a "Public Warrant"). Each Public Warrant gives the right to subscribe for one Public Share for EUR 10 per share. Public Warrants are exercisable on the later of: consummation of a Business Combination or one year after the admission date.

Public Shares have been assessed as equity as their redemption can only be requested upon consummation of a Business Combination (which involves approval of such Business Combination by a general shareholder meeting) or will result from liquidation of the Company decided by the shareholders in a general meeting (if no Business Combination occurs prior to the end of a certain period). The Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore, they are treated as liabilities under IAS 32.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Company (continued)

Shares and Warrants(continued)

Immediately prior to the IPO, the Company raised further funds through a private placement of 4 968 678 class B warrants ("Sponsor Warrants") with the founding shareholders. The Sponsor Warrants are identical to the Public Warrants except that, as long as the Sponsor Warrants are held by the founding shareholders or their affiliates: they will not be redeemable and they may be exercised on a cashless basis at the holder's option, but cashless exercise will not be required. According to these conditions Sponsor Warrants are treated as equity under IFRS 2. The Sponsor Warrants are not being offered for purchase in the offering and are not listed on a stock exchange.

If no Business Combination occurs, the proceeds from the sale of the Sponsor Warrants will become part of the distribution of the Escrow Account funds to the Public Shareholders, and the Sponsor Warrants will expire worthless.

Determination of fair value

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Financial assets at fair value through profit and loss

The investments in government bonds were designated as financial assets at fair value through profit or loss (fair value option) upon initial recognition. Determination of fair value is based on quoted market prices.

Financial liabilities at fair value through profit and loss

Financial liabilities correspond to the Public Warrants issued which are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit or loss. The fair value is determined by the rating of the warrants on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) at the reporting date.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial risk factors

The Management Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has conducted no operations so far and currently does not generate revenue. Additionally, the Company does not have major foreign currency transactions. Hence, the Company does not face foreign currency or major default risks.

Credit risk

The credit risk arises principally from the financial assets consisting of German Government Bonds as the Company does not own any other assets apart the cash at bank. Management considers that the credit risk is adequately mitigated through the quality of the issuer.

The maximal exposure to credit risk for the government bonds from Germany is considered to be the carrying amount corresponding to the fair value of the bonds.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The funds available outside of the escrow account amounted to EUR 149 813 as of 31 December 2011. This is sufficient to settle the Company's current financial liabilities as well as trade and other payables. Public Warrants are not included in the liquidity risk management as they will be settled net in shares (not in cash).

The contractual maturities of the current financial liabilities and the trade and other payables are as follows:

| EUR | Carrying amount | Contractual cash flows | 6 month or less | 6 – 12 month | More than 1 year |
|--|-----------------|------------------------|-----------------|--------------|------------------|
| Financial liability resulting from Public Warrants | 2 875 000 | N/A | N/A | N/A | N/A |
| Financial liability resulting from deferred underwriting commissions | 2 587 500 | 2 587 500 | 2 587 500 | - | - |
| Trade and other payables | 626 014 | 626 014 | 626 014 | - | - |

* The Public Warrants will be settled net in shares (not in cash).

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

Fair value risk Public Warrants

The Company's Public Warrants are accounted for as financial liability recognised at fair value through profit or loss. The fair value is based on the quoted marked price of the Public Warrants. A change in the market price of the Public Warrants will impact the profit or loss and the equity as well as the amount of the liability.

Sensitivity analysis

The closing price for the Public Warrants for the year ended 31 December 2011 was quoted at EUR 0.25. An increase/decrease of the market price of 10% would result in a loss/gain and a negative/positive equity impact of EUR 287 500 corresponding to the number of public warrants outstanding amounting to 11 500 000 times the impact of EUR 0.025.

Interest rate risk and fair value risk of German government bonds

The Company does not have any interest bearing liabilities and hence is not exposed to risk of increasing future interest expenses from such liabilities.

The main financial assets held by the Company are the amounts held in the Escrow Account. The main characteristics of those assets are as following:

| EUR | Amount invested | Maturity | Fair Value Changes | | Interest Rate |
|------------------------|-----------------|--------------|--------------------|------------|---------------|
| | | | realized | unrealized | |
| Government bonds | | | | | |
| Germany (DE0001141513) | 115 716 132 | October 2012 | 960 733 | (406 975) | 4.25% |

The government bonds are affected by interest changes as their fair value will change as interest rates change. The Company adopts a cautious investment mode rather than intends to operate an active position management on the government bonds. Based on the issuer and interest risk significant fair value changes are negligible.

Capital Management

The Management Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. In particular, the ability to complete a Business Combination by 19 October 2012 must be insured. The Management Board monitors the return of cash per unit in the event no Business Combination will take place and the Company is able as of 31 December 2011 to pay back the nominal amount of the shares and more.

5. OTHER EXPENSES

In the financial year 2011 other expenses mainly comprise of legal fees (EUR 452 100), travel and accommodation expenses (EUR 95 279), fees for compensation of management and advisory board (EUR 87 350), advisory fees (EUR 84 625) and audit fees (EUR 20 700).

In the period from 09 August 2010 to 31 December 2010 other expenses included expenses for the initial public offering of the Company, as 5% of these expenses are allocated to the offering of Public Warrants. Please refer for further details to note 10. The total amount of these expenses amounted to EUR 347 381.

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

6. FINANCE INCOME

| | 31/12/2011 EUR | 31/12/2010 EUR |
|---|-------------------------|-------------------------|
| Interest income on bonds | 4 042 806 | 642 024 |
| Net change in fair value of financial liabilities at fair value through profit and loss | 149 500 | 2 725 500 |
| Other interest receivable | <u>3 377</u> | <u>19 722</u> |
| Finance income | <u>4 195 683</u> | <u>3 387 246</u> |

7. FINANCE EXPENSES

| | 31/12/2011 EUR | 31/12/2010 EUR |
|--|-------------------------|-----------------------|
| Other finance expenses | 42 720 | 7 612 |
| Net change in fair value of financial assets at fair value through profit and loss | <u>2 731 330</u> | <u>411 767</u> |
| Finance expenses | <u>2 774 050</u> | <u>419 379</u> |

8. INCOME TAXES

The current income tax amounts to EUR 7 415. The income tax consists of a Luxembourgish flat income tax of EUR 1 575 and Net Worth Tax amounting to EUR 5 840. No deferred tax was recognised.

The difference between the current and the expected income tax expenditure is due to the following:

| | 31/12/2011 EUR | 31/12/2010 EUR |
|------------------------------------|-----------------------|-------------------|
| Profit for the year / period | 571 199 | 2 507 974 |
| Company's domestic income tax rate | 28.88% | 28.59% |
| Expected income tax | 164 962 | 717 020 |
| Tax paid in Luxembourg | (7 415) | - |
| Deferred Tax asset not recognised | 547 287 | 988 931 |
| Non taxable income | (837 088) | (2 151 348) |
| Non deductible expenses | <u>124 839</u> | <u>445 397</u> |
| Domestic income tax basis | <u>(7 415)</u> | <u>-</u> |

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

8. INCOME TAXES (continued)

Deferred tax assets have not been recognised in respect of the loss incurred within the reporting year ended 31 December 2011 because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Unused tax losses for which no deferred tax asset is recognised in the statement of financial position amount to EUR 1 895 039 (2010: EUR 3 459 009). An amount of Deferred tax asset of EUR 547 287 (2010: EUR 988 931) have also not been recognised.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

| | Amount invested | | Fair value | | Fair value change | |
|--------------------------------|-----------------|-------------|---------------------------|---------------------------|-------------------|------------|
| | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| German government bonds | 115 716 132 | 112 901 183 | 115 218 525 | 112 489 416 | 406 975 | 411 767 |
| Interest acquired | | | 90 632 | 2 214 985 | | |
| Interest for the year / period | | | <u>960 733</u> | <u>642 024</u> | | |
| Total | | | <u>116 269 890</u> | <u>115 346 425</u> | | |

10. EQUITY

IPO proceeds

European CleanTech I SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on 20 October 2010. The size of the offering was 15 000 000 units at a price of EUR 10 each and resulted in the placement of 11 500 000 units for EUR 115 000 000. Each unit comprises of one Class A share ("Public Share") and one Class A warrant ("Public Warrant").

The gross proceeds from the emission of the Units amounted to EUR 115 000 000 (before deduction of fees). Public Warrants are classified as financial liabilities and Public Shares are classified as equity instruments (Share Capital based on a nominal subscription price of EUR 0.024 per Public Share).

IPO costs

Total costs directly attributable to the initial public offering amounted to EUR 6 947 646 which comprise of the following;

| | Total | Allocated to Public Shares 95% | Allocated to Public Warrants 5% |
|------------------------|-------------------------|-----------------------------------|------------------------------------|
| IPO Bank commission | 2 759 873 | 2 621 879 | 137 994 |
| Legal fees | 881 973 | 837 875 | 44 098 |
| Audit fees | 109 759 | 104 271 | 5 488 |
| Insurance | 469 016 | 445 566 | 23 450 |
| Underwriting fees | 2 587 500 | 2 458 125 | 129 375 |
| Other | <u>139 525</u> | <u>132 549</u> | <u>6 976</u> |
| Total IPO costs | <u>6 947 646</u> | <u>6 600 265</u> | <u>347 381</u> |

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

10. EQUITY (continued)

In accordance with the accounting policies of IAS 32, the IPO costs were allocated to the Public Shares (equity instruments) and Public Warrants (financial liabilities) in proportion to the allocation of proceeds. IPO costs allocated to Public Shares were recorded against the share premium. IPO costs allocated to Public Warrants were recorded in the Statement of Comprehensive Income.

Share Capital

| | 31/12/2011 | 31/12/2011 | 31/12/2010 | 31/12/2010 |
|---|---------------------|------------------|---------------------|------------------|
| | Number of shares | EUR | Number of shares | EUR |
| Authorised | | | | |
| Class A and B shares | <u>84 000 000</u> | <u>2 016 000</u> | <u>84 000 000</u> | <u>2 016 000</u> |
| Issued and fully paid | | | | |
| Balance at the end of the year / period | <u>14 375 000</u> | <u>345 000</u> | <u>14 375 000</u> | <u>345 000</u> |

As of the date of incorporation, the Company issued 7 500 000 class B shares without designation of a nominal value. The Company received EUR 180 000 for these shares.

On 30 September 2010, the shareholders, at an Extraordinary General Meeting, resolved to decrease the initial issued share capital by cancelling 2 343 750 Class B shares. It has been decided to reimburse EUR 0.024 for each share cancelled.

In addition, the general meeting of the shareholders resolved to create three new additional classes of redeemable shares called "Class B1 Shares", "Class B2 Shares" and "Class B3 Shares". As of the date of the Balance Sheet there are 1 718 750 Class B1 Shares, 1 718 750 Class B2 Shares and 1 718 750 Class B3 Shares.

On 20 October 2010, the Company received EUR 276 000 by issuing 11 500 000 new Class A shares. The share capital then increased to EUR 399 750. The Company subsequently cancelled 760 417 Class B1 shares, 760 417 Class B2 shares and 760 416 Class B3 shares and reimbursed an amount of EUR 54 750 in relation to these cancelled shares.

The share capital at Balance Sheet date is EUR 345 000 represented by 11 500 000 Class A shares, 958 333 Class B1 shares, 958 333 Class B2 shares and 958 334 Class B3 shares.

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

10. EQUITY (continued)

Conversion into Public Shares.

The Sponsor Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Sponsor Share as follows:

- the Class B1 redeemable shares, with no nominal value, being one third of the Sponsor Shares (representing 6.66% of our Initial Share Capital) will be converted into Public Shares upon consummation of a Business Combination,
- the Class B2 redeemable shares, with no nominal value, being one third of the Sponsor Shares (representing 6.66% of our Initial Share Capital) will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination equals or exceeds to EUR 11.00,
- the Class B3 redeemable shares, with no nominal value, being one third of the Sponsor Shares (representing 6.66% of our Initial Share Capital) will be converted into Public Shares if the Daily VWAP on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination equals or exceeds EUR 12.00.

For this purpose, the “Daily VWAP” is the average, over any 20 Trading Days in a period of 30 consecutive Trading Days after the date of consummation of a Business Combination, of the volume weighted average price of the Public Shares on the Frankfurt Stock Exchange. If the applicable Daily VWAP threshold is met prior to the consummation of a Business Combination, the conversion will take place on the date of consummation of a Business Combination. In connection with the aforementioned conversion, the Management Board shall be given all powers to implement the conversion of the Sponsor Shares into Public Shares and to make any statement, cast votes, sign all minutes of meetings and other documents, appear in front of a Luxembourg notary to state the occurrence of the conversion and make relevant amendments to the Articles of Association, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of such conversion.

Dividend Rights

Prior to the consummation of a Business Combination, the Sponsor Shares and the Public Shares will have the same rights to dividends and distributions. In the event that distributions are made after the date of consummation of the Business Combination, (i) each Sponsor Share and Public Share shall be entitled to receive the same amount to the extent that such amount does not exceed one euro cent (EUR 0.01) per Share, and (ii) each Public Share shall be entitled to the same fraction of (and the Sponsor Shares shall be entitled to none of) any distribution in excess of one euro cent (EUR 0.01).

Voting Rights

Each Sponsor Share is entitled to one vote at any ordinary or extraordinary general meeting of shareholders, except in cases, including approval of initial Business Combination, where the Articles of Association provide for a separate class vote of the Public Shareholders. Any Sponsor Shares that are not converted to Public Shares on or prior to the fifth anniversary of the consummation of a Business Combination will no longer be convertible into Public Shares and will be redeemed within six months of such date at a price equal to EUR 0.024 per Sponsor Share (subject to availability of sufficient funds). The Sponsors have agreed not to vote their Sponsor Shares after such fifth anniversary on any matter other than those requiring a class vote of the Sponsor Shares under the Articles of Association.

Liquidation Rights

If the Company is liquidated before the Sponsor Shares are converted, holders of the Sponsor Shares will receive liquidation proceeds equal to EUR 0.024 per Sponsor Share.

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

10. EQUITY (continued)

Transfer Restrictions

The Sponsor Shares may not be transferred prior to their conversion into Public Shares (subject to limited exceptions for transfers among the Sponsors and their affiliates). In addition, each of our Sponsors has agreed not to sell or otherwise transfer its or his portion of the Public Shares that may be issued upon conversion of the Sponsor Shares at least 12 months following the consummation of the Business Combination (subject to certain limited exceptions described in the IPO Prospectus).

Listing

The Sponsor Shares are not listed on a stock exchange.

Sponsor Warrants

Immediately prior to the IPO closing date, the Sponsors purchased 4 968 678 Sponsor Warrants at a purchase price of EUR 1.00 per Sponsor Warrant.

The Sponsor Warrants are identical to the Public Warrants except that, so long as they are held by the Sponsor Shareholders or their affiliates: (i) they will not be redeemable and (ii) they may be exercised on a cashless basis at the holder's option, but cashless exercise will not be required.

If no Business Combination occurs, the proceeds from the sale of the Sponsor Warrants will become part of the distribution of the Escrow Account funds to the Public Shareholders, and the Sponsor Warrants will expire worthless.

Other reserves

| | 31/12/2011 | 31/12/2010 |
|---|--------------------|--------------------|
| | EUR | EUR |
| Balance at the beginning of the year / period | 107 342 413 | - |
| Share premium from IPO (Public Shares) | - | 108 974 000 |
| Sponsors Warrants | - | 4 968 678 |
| IPO costs | - | (6 660 265) |
| Balance at the end of the year / period | <u>107 342 413</u> | <u>107 342 413</u> |

The total amount included in the Other reserves is comprised as follows:

| | EUR |
|--|--------------------|
| Share premium from IPO (Public Shares) | 108 974 000 |
| Sponsors Warrants | 4 968 678 |
| IPO costs | <u>(6 660 265)</u> |
| Balance | <u>107 342 413</u> |

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

10. EQUITY (continued)

Earnings per share

The calculation of basic earnings per share (EPS) at 31 December 2011 was based on the profit attributable to ordinary equity holders of the parent entity of EUR 563 784 (2010: EUR 2 507 941) and the weighted average number of ordinary shares outstanding of 14 375 000 (2010: 14 375 000) which have been calculated as follows:

| | | |
|---|--------------------------|--------------------------|
| Total number of ordinary shares (basic) | 31/12/2011 | 31/12/2010 |
| Issued ordinary shares at the beginning of the year /period | 14 375 000 | 7 500 000 |
| Effect of share restructuring on 30 September 2010 | - | (2 343 750) |
| Effect of shares issued on IPO | - | 11 500 000 |
| Effect of share restructuring on 20 October 2010 | <u>-</u> | <u>(2 281 250)</u> |
| Total number of ordinary shares at the end of the year / period | <u>14 375 000</u> | <u>14 375 000</u> |

The calculation of dilutive earnings per share at 31 December 2011 was based on the profit attributable to ordinary equity holders of the parent entity adjusted for the fair value effect of the Public Warrants.

| | | |
|--|-----------------------|-------------------------|
| Profit attributable to ordinary shareholders (diluted) | 31/12/2011 EUR | 31/12/2010 EUR |
| Profit attributable to ordinary shareholders (basic) | 563 784 | 2 507 941 |
| Less fair value change of public warrant | <u>(149 500)</u> | <u>(2 725 500)</u> |
| Profit/(Loss) attributable to ordinary shareholders | <u>414 284</u> | <u>(217 559)</u> |

The total number of ordinary shares (dilutive) was calculated as follows:

| | | |
|--|--------------------------|--------------------------|
| Total number of ordinary shares (dilutive) | 31/12/2011 | 31/12/2010 |
| Total number of ordinary shares (basic) | 14 375 000 | 14 375 000 |
| Effect of public warrant | 11 500 000 | 11 500 000 |
| Effect of founding warrants | <u>4 968 678</u> | <u>4 968 678</u> |
| Total number of ordinary shares (dilutive) | <u>30 843 678</u> | <u>30 843 678</u> |

European CleanTech I SE

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

11. FINANCIAL LIABILITIES

| | 31/12/2011 EUR | 31/12/2010 EUR |
|---|-------------------------|-------------------------|
| Financial liability resulting from Public Warrants | 3 024 500 | 5 750 000 |
| Net change in fair value of financial liabilities at fair value through profit and loss | (149 500) | (2 725 500) |
| Underwriting Fees | <u>2 587 500</u> | <u>2 587 500</u> |
| Total financial liabilities | <u>5 462 500</u> | <u>5 612 000</u> |

Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit and loss.

12. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

Net gain and losses

The following table, which is classified according to the measurement categories of IAS 39, presents the net gains and losses (before taxes) from financial instruments reported in the financial statement of comprehensive income:

| | 31/12/2011 EUR | 31/12/2010 EUR |
|--|---------------------------|-------------------------|
| Financial assets and liabilities recorded at fair value through profit and loss: | | |
| - designated at Fair Value | (2 581 830) | 2 313 733 |
| Financial (expenses)/income | <u>(2 581 830)</u> | <u>2 313 733</u> |

Accounting classifications and fair value

Fair value vs carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

| EUR | Note | Fair value through profit and loss | | Total carrying amount | | Fair value | |
|------------------------------|------|------------------------------------|------------|-----------------------|-------------|-------------|-------------|
| | | Designated at fair value | | | | | |
| | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| Financial Assets | | | | | | | |
| German government bonds | 9 | (2 731 330) | (411 767) | 115 218 525 | 112 489 416 | 115 218 525 | 112 489 416 |
| Financial liabilities | | | | | | | |
| Public Warrants | 11 | 149 500 | 2 725 500 | 2 875 000 | 3 024 500 | 2 875 000 | 3 024 500 |

NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended 31 December 2011

12. SEGMENT REPORTING

The Company has no activities, except for seeking to accomplish a Business Combination, therefore, segment reporting is not applicable for these annual accounts. Information used by the Chief Operating Decision Maker is based on the format of the present annual accounts.

13. POST BALANCE SHEET EVENTS

There were no important events since the year end which could influence the presentation of the current annual accounts. The company is expected to develop in line with current performance.

14. ULTIMATE CONTROLLING PARTIES AND RELATED DISCLOSURES

The Company has no ultimate controlling party.

The supervisory board member Dr. Helmut Vorndran, controls 14.93% of the voting rights in European CleanTech I S.E.. Of these voting rights, (i) 2.63% (378 100 voting rights, corresponding to 378 100 class A shares) are attributable to Dr. Vorndran through Altizz Vermögensverwaltungsgesellschaft GmbH & Co. KG, where he is managing director of the general partner, and (ii) 12.3% (2 875 000 voting rights, corresponding to 2 875 000 class B shares) through European CleanTech Holding S.à r.l., in which he holds a 61.5% interest through his wholly owned company Vorndran Beteiligungs GmbH. In addition, Mr. Willi Mannheims holds 6.3% through Mannheims Beteiligungs GmbH, Dr. Peter Woditsch holds, 0.2% and Mr. von Schilling holds 1.2%.

In 2010, the Founding Shareholders (European CleanTech I Holding S.à r.l.) acquired an aggregate of 2 875 000 Founding Shares at an aggregate purchase price of EUR 70 000 (please refer to Note 11).

The Company will pay an amount of EUR 25 000 p.a. to Mr. von Schilling as chairman of the Management Board and chief executive officer for his services on the board. The other Management Board members will not receive a compensation for their services on the board; however, the Company will pay an aggregate amount of EUR 25 000 p.a. to Orangefield Trust (Luxembourg) S.A. for management and domiciliation services rendered to the Company by the other Management Board members.

Other than as described above, in no event will the Company pay its Sponsors or any entity with which they are affiliated any finder's fee or other compensation prior to or in connection with the consummation of a Business Combination. However, these individuals will be reimbursed for any out-of pocket expenses, such as travel expenses, incurred in connection with activities on our behalf to identify a potential Target Business and perform due diligence on suitable Target Businesses, provided, however, that the amounts of any such reimbursements will be limited to the extent they exceed the amount available from the funds held outside the escrow account. After a Business Combination, the Sponsors who remain with the Company may be paid consulting, management or other fees which will be disclosed, in the materials furnished to its Shareholders in connection with the Business Combination if known at such time. It is unlikely the amount of such compensation will be known at the time of a general shareholders' meeting held to consider a Business Combination, as it will be to the Management Board members of the post-combination business to determine officer and director compensation.

The Company has an outstanding liability of EUR 111 000 with European CleanTech I Holding S.à r.l.. This is due to the two capital decreases that the Company made in 2010.