



certiq

Added value

2012 Annual Report





CertiQ B.V. 2012 Annual Report

| | | |
|-----|--|----|
| 1 | Added value | 3 |
| 2 | Corporate Governance Code | 4 |
| 3 | Results for 2012 | 5 |
| 3.1 | Key figures | 5 |
| 3.2 | Guarantees of Origin imported and exported | 6 |
| 3.3 | Financial results | 7 |
| 4 | Financial statements for 2012 | 9 |
| | Appendix: CertiQ works together with ... | 21 |
| | Contact details and publication details | 23 |

(clickable table of content)

In this translation an attempt has been made to be as literal as possible without jeopardizing the overall continuity. In the event of discrepancies or ambiguity between the original Dutch version of the 2012 Annual Report of CertiQ B.V. and this English translation, the Dutch text shall prevail.



Added value

The added value of energy certificates is the reliability and transparency they provide on the origin of energy. In 2012, these were the key words in CertiQ's efforts for energy certificates in the Netherlands and abroad.

A number of key developments in 2012:

- The number of certificates issued for green electricity generated in the Netherlands increased by 15% compared to 2011. Biomass showed the largest increase.
- Over 4% more certificates were cancelled compared to the previous year. This means that the demand for renewable electricity has increased again in 2012.
- The number of solar installations registered with CertiQ increased by more than 1,000, as a result of which the total production capacity has increased to more than 70 MW.
- In 2012, CertiQ received tens of applications for renewable heat; we support Agentschap NL (NL Agency) with the registration and technical assessment of the installations which also qualify for the SDE(+) scheme.

The Netherlands has always been a large importer of certificates for green electricity. Increasingly more European countries are now introducing Guarantees of Origin as proof that the electricity has been generated in a sustainable manner.

This is the result of European agreements. CertiQ welcomes this development, because it contributes to the reliability of information on green electricity and it streamlines the exchange with countries surrounding us. These are crucial conditions for a well-functioning European market for renewable electricity. Now that the number of countries applying the same standards for the issuance of and trade in certificates is increasing, certificates become exchangeable within a larger area. It is interesting to see what the effect will be on the international demand for certificates.

In 2012, CertiQ worked hard on myCertiQ, a new electronic registration system. The new system has been available for traders and grid operators since September 2012. Users are now able to carry out more tasks themselves and have easier access to the system through the internet. The most significant benefit is that it is now possible for the end-user to directly access information on the origin of the certificates that a trader has cancelled for him. In this way, the end-user is able to see, for example, in which country the certificates were issued and which source was used to generate the energy. Moreover, the system allows for the issuance of certificates for renewable heat. In 2013, this application will be further optimised.

At the end of 2012, the Minister of Economic Affairs submitted a legislative bill to the Lower House. The bill proposes to regulate the responsibility as issuing body by means of a mandate with effect from 2014. This is currently governed by a legal designation. It is not intended to change the aim and implementation of the system in practice. Underlying regulation will be introduced in 2013.

2013 will once again see many developments in the area of energy and certificates in the Netherlands and in Europe. Creating added value by reinforcing the reliability and transparency will this year again be our main focus.

[Ir. J. van der Lee](#)
Manager CertiQ B.V.

[Ir. B.G.M. Voorhorst](#)
Chief Operational Officer TenneT TSO B.V.



Corporate Governance Code

CertiQ has chosen, just like TenneT – the sole shareholder of CertiQ – to comply with the Corporate Governance Code where possible, despite the fact that it is not obliged to do so. In CertiQ's opinion, the Code's principles and best practice provisions serve as a guideline for running its business.

Management

CertiQ's management is responsible for the strategic and organisational policies and for issuing and registering energy certificates, for which it renders accountability to TenneT.

TenneT sets the framework for the internal risk management and control systems. Within this framework, CertiQ's management is responsible for the management of these systems.

CertiQ prepares an annual plan, including its operational budget, its investment budget and its funding needs. This annual plan is approved by the shareholder and serves as a mandate for management. CertiQ reports to the shareholder on the execution of its annual plan at least every quarter. The financial results and operational developments are reported periodically.

Financial reporting

CertiQ's management is of the opinion that the financial statements for 2012 do not contain any errors of material significance. Management believes, to the best of their knowledge and conviction, that there are no further indications that CertiQ's internal risk management and control systems have not operated adequately with regard to the financial reporting risks in the year under review and that they would not provide a reasonable degree of assurance that the financial reporting does not contain any errors of material significance.

External auditor

The external auditor of CertiQ, PricewaterhouseCoopers Accountants N.V., has been charged with the audit of the financial statements and reports to CertiQ's management. The external auditor issues the auditor's opinion for the financial statements.

For more information on TenneT's Corporate Governance Code, please refer to www.tennet.eu.



Results for 2012

3.1 Key figures

At the end of 2012, a total of 11,876 production plants for renewable electricity were registered with CertiQ, which is 14.5% more than in 2011. Table 1 provides an overview of the number of participants in our E-certification system.

Table 1 Participants in the system for Guarantees of Origin

| | 31 December 2012 | 31 December 2011 |
|-----------------------------|------------------|------------------|
| Number of production plants | 11,876 | 10,371 |
| Number of traders | 61 | 50 |

In 2012, CertiQ issued Guarantees of Origin for a total of 12.8 terawatt-hours of renewable electricity generated in the Netherlands. These certificates relate predominantly to generation in 2012, with a smaller contribution from generation in previous years. The apportionment of the various energy sources is set out in table 2.

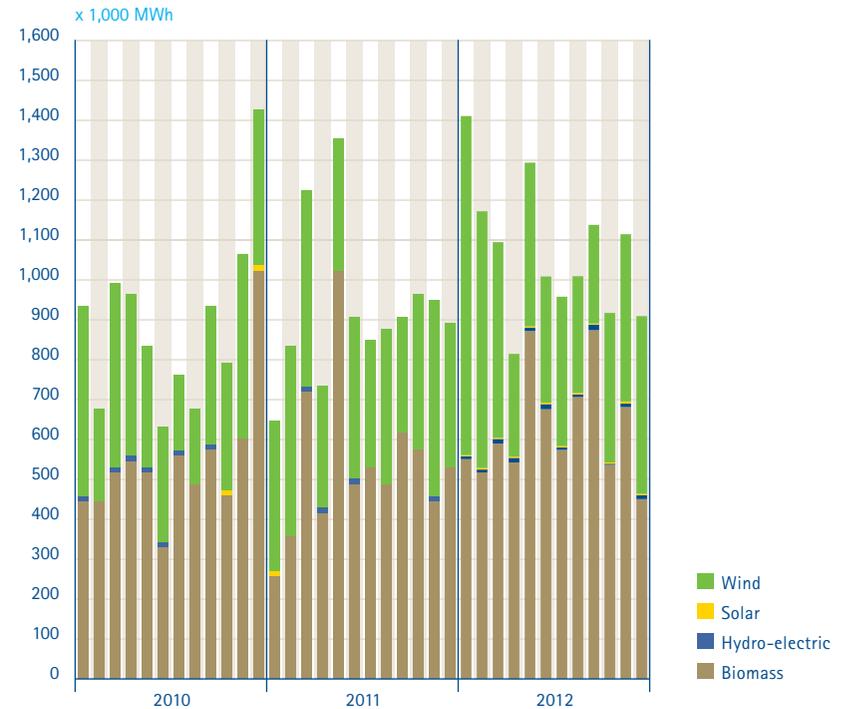
Table 2 Guarantees of Origin (MWh) issued in 2011 and 2012

| Guarantees of Origin issued in | 2012 | 2011 |
|--------------------------------|-------------------|-------------------|
| Biomass | 7,570,861 | 6,420,707 |
| Wind | 5,121,865 | 4,621,012 |
| Hydro-electric | 104,726 | 63,560 |
| Solar | 42,411 | 22,141 |
| Total | 12,839,863 | 11,127,420 |

In 2012, 15% more certificates were issued compared to 2011. The biomass volume increased by nearly 18% in comparison to 2011. The volume contributed by the energy source wind increased by 10.8%.

Figure 1 shows the number of certificates issued per month for each energy source.

Figure 1 Certificates issued for Dutch sustainable electricity





In the year under review, the number of cancelled certificates at CertiQ (i.e. the total consumption of renewable electricity in the Netherlands by private and industrial users) increased from 33.5 terawatt-hours in 2011 to 35.0 terawatt-hours in 2012. This is an increase of 4.4%.

3.2 Guarantees of Origin imported and exported

The import of sustainable electricity increased by more than 7 terawatt-hours to a total of 32,774,471 megawatt-hours in the year under review. Exports in 2012 grew to 3,817,412 megawatt-hours. It is not clear whether there is a clear reason for the increased exports. Contrary to imports, for CertiQ it is not possible to see whether and when exported Guarantees of Origin have been cancelled in the country of destination, or whether they have been traded to another country.

Table 3 Overview of imports and exports

| Imports / Exports in MWh | 2012 | 2011 |
|--------------------------|------------|------------|
| Imports | 32,774,471 | 25,533,863 |
| Exports | 3,817,412 | 3,293,122 |

Figure 2 shows that the certificates imported in 2012 again related mainly to hydro-electric power, which is by far the most important source of sustainably generated electricity in Europe.

Figure 2 Imports of sustainable electricity

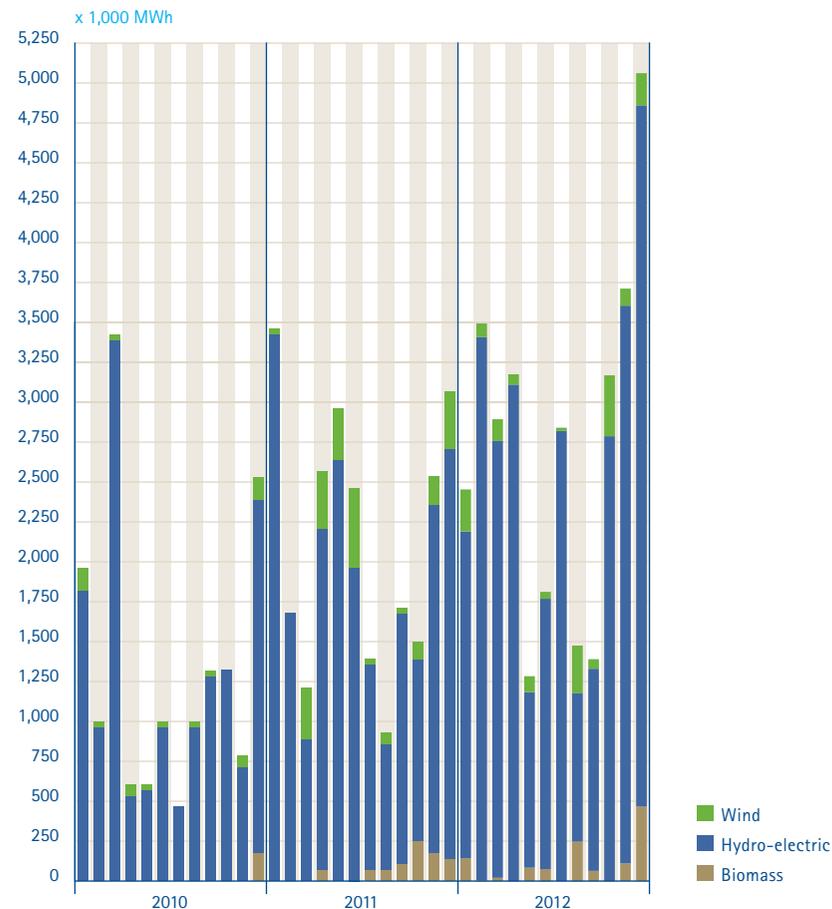
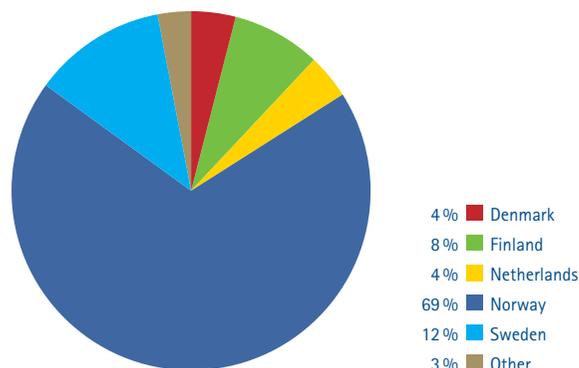




Figure 3 Imports of Guarantees of Origin by country of origin



Guarantees of Origin issued for sustainable electricity can be traded within Europe. Figure 3 shows in which country the Guarantees of Origin imported by the Netherlands in 2012 were originally issued. The 4% of Guarantees of Origin issued in the Netherlands have first been exported and later on imported again.

3.3 Financial results

The financial income and expenses for 2012 (x EUR 1,000) can be summarised as follows:

| | 2012 | 2011 |
|---|-------|-------|
| Revenue | 1,864 | 1,982 |
| To be adjusted in tariffs | 435 | - 437 |
| Release of myCertiQ.I investment contribution | 37 | - |
| Other income | 61 | 109 |
| | 2,397 | 1,654 |
| Operating costs | 2,397 | 1,669 |
| Operating results | 0 | - 15 |
| Financial income and expenses | 0 | 15 |
| Result | - | - |

Invoiced revenue in 2012 was 7.9% lower than in 2011. This is a result of measures taken in 2012 in order to be able to realise a decrease in revenue. These measures were already agreed with the Management Board of TenneT and the Participants' Council in 2011. The entry of 'To be adjusted in tariffs' is decreased by:

- making the temporary discount on tariffs permanent;
- fully abolishing the membership costs for solar installations;
- reducing the membership costs and making them the same for all traders;
- the long-term implementation of a methodology to calculate the actual costs (pro rata restitution) for 2012, 2013 and 2014. If at year-end the actual position 'to be adjusted in tariffs' differs by more than EUR 100,000 with the estimated position, this will be settled with the participants. This was not the case for 2012.

Table 4 Changes in stock of certificates in MWh

| | 2012 | 2011 |
|---------------------------------------|------------|------------|
| Certificates issued | 12,839,863 | 11,127,420 |
| Imports | 32,774,471 | 25,533,863 |
| Increase in the stock of certificates | 45,614,334 | 36,661,283 |
| Domestic transfers | 11,059,594 | 9,255,721 |
| Cancellations | 34,952,615 | 33,478,114 |
| Certificates issued for own use | 745,370 | 589,044 |
| Exports | 3,817,412 | 3,293,122 |
| Expired | 666,077 | 408,439 |
| Decrease in the stock of certificates | 40,181,474 | 37,768,719 |
| Changes in the stock of certificates | 5,432,860 | -1,107,436 |



If these measures had not been implemented, CertiQ would have seen an increase in revenue in 2012, because of increases in the number of participants and the volume of certificates issued and traded.

Compared to 2011 the operating costs increased by 43.6% in the year under review, as a result of:

- higher personnel costs. CertiQ staff no longer contributed to TenneT projects, as a result of which no recovery was received in 2012;
- higher costs for process automation. The increase in these costs is mainly caused by the preparation costs and management costs of the myCertiQ I project;
- higher depreciation costs, caused by the activation of the myCertiQ I project in 2012 (commissioned in September 2012).

CertiQ sets its tariffs at a cost-recovery basis. Any difference between CertiQ's invoiced revenues and operating costs is cleared by adjusting tariffs in later years. For 2012, this difference amounts to EUR 435,000 and will be deducted from the 'To be adjusted in tariffs' position.

At the end of 2012, the balance to be adjusted in tariffs amounted to EUR 1,326,000. In consultation with the Participants' Council, an amount of EUR 750,000 was deducted from this balance and allocated to Investment contributions. Investment contributions were used for updating the E-certification system (myCertiQ I). In addition, in 2012 CertiQ was granted a subsidy worth EUR 70,000 by the Ministry of Economic Affairs for the preparation of the certification of renewable heat (myCertiQ II).

For more detailed notes to the financial results, please refer to chapter 4.



Financial statements for 2012

| | |
|--|----|
| Balance sheet as at 31 December 2012 after appropriation of profits | 10 |
| Profit and loss account for 2012 | 11 |
| General notes | 11 |
| Notes to the balance sheet as at 31 December 2012 after appropriation of profits | 14 |
| Notes to the profit and loss account for 2012 | 17 |
| Other information | 19 |
| Auditor's opinion | 19 |



Balance sheet as at 31 December 2012 after appropriation of profits (x EUR 1,000)

| Assets | Note | 31 December 2012 | 31 December 2011 |
|-------------------------|------|------------------|------------------|
| Fixed assets | 1 | | |
| Intangible fixed assets | | 2,946 | 1,577 |
| | | 2,946 | 1,577 |
| Current assets | | | |
| Receivables | 2 | | |
| Accounts receivable | | 762 | 299 |
| Associated companies | | - | 784 |
| | | 762 | 1,083 |
| Liquid assets | 3 | - | - |
| | | 3,708 | 2,660 |

| Liabilities | Note | 31 December 2012 | 31 December 2011 |
|------------------------------|------|------------------|------------------|
| Equity | 4 | | |
| Paid up capital | | 18 | 18 |
| | | 18 | 18 |
| Long term liabilities | 5 | | |
| Investment contributions | | 562 | - |
| Government subsidies | | 57 | - |
| | | 619 | - |
| Current liabilities | 6 | | |
| Accounts payable | | - | 10 |
| Associated companies | | 1,414 | - |
| Prepayments received | | 1,489 | 2,511 |
| Accrued liabilities | | 168 | 121 |
| | | 3,071 | 2,642 |
| | | 3,708 | 2,660 |



Profit and loss account for 2012 (x EUR 1,000)

| | Note | 2012 | 2011 |
|---|------|--------------|--------------|
| Revenue | 7 | | |
| Revenue | | 2,299 | 1,545 |
| Other operating income | | 98 | 109 |
| | | <u>2,397</u> | <u>1,654</u> |
| Operating costs | 8 | | |
| Wages, salaries and social security costs | | 933 | 574 |
| Depreciation of intangible fixed assets | | 167 | 133 |
| Other operating costs | | 1,297 | 962 |
| | | <u>2,397</u> | <u>1,669</u> |
| Operating result | | 0 | - 15 |
| Financial income and expenses | 9 | | |
| Interest received | | 0 | 15 |
| Result after tax | | - | - |

General notes

Nature of the business activities

TenneT TSO B.V. (hereinafter referred to as TenneT), the Transmission System Operator and administrator of the national high-voltage grid, has been designated by the Minister of Economic Affairs through a ministerial order, to establish an E-certification system. TenneT established CertiQ B.V. to set up this system and implement the activities associated with it.

The aim of CertiQ is to facilitate trading in sustainably generated energy by issuing and managing production certificates. Production certificates, such as Guarantees of Origin, are issued for the production of energy generated with the sustainable sources solar, hydro-electric, wind and biomass. Guarantees of Origin which are provided electronically are the only valid proof in the Netherlands that energy has been generated in a sustainable manner. The certificates for renewable electricity are eligible for subsidies under two legally established schemes: the Sustainable Energy Production Incentives (SDE(+)) scheme and the Environmental Quality of Electricity Generation Act (MEP). They are also nationally and internationally tradable.

All shares in CertiQ are held by TenneT.

Estimates

In applying the principles and regulations for drawing up the financial statements, CertiQ B.V.'s management makes various assessments and estimates that may be essential for the amounts shown in the financial statements. Where the nature of these assessments and estimates must be disclosed to offer the reader the level of understanding required under Article 2:362, sub 1 of the Netherlands Civil Code ('Burgerlijk Wetboek'), the notes to the relevant entry in the financial statements explain the nature of the assessments and estimates, including the corresponding assumptions.



Principles for the valuation of assets and liabilities

General

The financial statements are drawn up in accordance with the provisions of Part 9, Book 2, of the Netherlands Civil Code ('Burgerlijk Wetboek'), and the Accounting Standards for small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). The valuation principles are based on historical cost and cost price.

Assets and liabilities (with the exception of equity) are, in general, valued at the acquisition cost or manufacturing cost, or the actual value.

Comparison to previous year

The accounting principles are the same as those used in the previous year.

Intangible fixed assets

The intangible fixed assets are valued at the original acquisition cost or production cost, after deducting linear depreciation based on the asset's economic life. Expected long-term loss of value at the balance sheet date is taken into account.

At the balance sheet date, CertiQ B.V. assesses whether there are any indications that a fixed asset may be subject to impairment. If such indications exist, the realisable value of the individual asset is determined. If it is not possible to determine the realisable value for the individual asset, the realisable value of the cashflow generating unit of which the asset is part will be determined. Impairment exists when the book value of an asset is higher than the realisable value; the realisable value is the higher of the net realisable value and value in use. The net realisable value is determined with the aid of the active market. An impairment loss is directly recognised as a cost in the profit and loss account.

If it is determined that an impairment accounted for in the past no longer exists or has decreased, the increased book value of the asset concerned will not be recognised for a value higher than the book value which would have been determined if the impairment of the asset had not been accounted for.

Current assets

Upon initial entry, receivables are valued at the real value of the consideration. After the initial entry, trading receivables are valued at amortised cost price. If payment on the accounts receivable is postponed under an agreement extending the payment deadline, its real value is determined on the basis of the cash value of the expected receivables, and adjustments are made to the 'interest received' entry in the profit and loss account. Provisions for bad debts are subtracted from the book value of the receivable.

Liquid assets

Liquid assets consist of bank balances with a term of less than twelve months and are valued at their nominal value.

Long-term liabilities

Long-term liabilities consist of investment contributions and government subsidies.

After approval by the Participants' Council, the investment contributions were deducted from the entry 'to be adjusted in tariffs' and used for investments in (intangible) fixed assets. An annual amount equal to the depreciation cost is released and recognised under Other income. The current part of the investment contributions is recognised under current liabilities.

Government subsidies received are accounted for on the balance sheet. Simultaneously to the economic life of the asset to which the subsidy relates, an amount is released annually and added to Other income.



Current liabilities

Upon initial entry, Current liabilities are valued at nominal value. After the initial entry they are valued at amortised cost price.

Current liabilities comprise the entries 'to be adjusted in tariffs' and the current part of the 'Investment contributions' and 'Government subsidies'. To be adjusted in tariffs relates to the difference between Invoiced revenue and Operating cost, which is settled through tariffs of subsequent years with the market parties.

Principles for determining profit and loss

Revenue

In accordance with article 6, paragraph 6 of the Ministerial regulation on Guarantees of Origin for renewable electricity, the national grid operator may charge the cost of managing production certificates to producers, customers, suppliers and traders. An exception applies to a number of categories, for which the Minister of Economic Affairs bears the costs (see article 6, paragraph 7 of the Ministerial regulation on Guarantees of Origin for renewable electricity).

TenneT's Board sets the tariffs every year after consulting the Participants' Council. The difference between actual cost and invoiced revenue is adjusted in tariffs of subsequent years.

Other income comprises the annual release of investment contributions and government subsidies.

Operating costs

Operating costs are determined on a historical basis and allocated to the reporting year to which they relate.

Depreciation of intangible fixed assets

The depreciation of intangible fixed assets is determined in line with the asset's expected economic life, using the linear method.

Financial income and expenses

Interest received and Interest charges are allocated in proportion to time, taking into account the effective interest rate of the assets and liabilities concerned.

Taxes

Because CertiQ adjusts the difference between Invoiced revenue and Operating costs in the tariffs of subsequent years, there can be no fiscal result. The tax to be paid is therefore nil at all times.

Financial instruments and risk management

Price risks

CertiQ is not subject to any price risks.

Credit risks

CertiQ does not have any significant concentrations of credit risk. The credit risk is limited because the payment of invoices is a precondition for trading in certificates. The write-offs of Receivables are negligible.

Liquidity risks

The liquidity risk for CertiQ is minimal. CertiQ has a current account with TenneT Holding B.V.



Notes to the balance sheet as at 31 December 2012 after appropriation of profits
(x EUR 1,000)

1 Fixed assets

Intangible fixed assets

The website and the E-certification system (myCertiQ I) are recognised under Intangible fixed assets. An amortisation period of three years applies to the website. An amortisation period of five years is applicable to myCertiQ I.

The preparation for the new E-certification system for the certification of renewable heat systems (myCertiQ II) is recognised under Intangible fixed assets in formation. Depreciation of myCertiQ II shall commence upon being taken into service.

The book value of Intangible fixed assets can be specified as follows (x EUR 1,000):

| | Intangible fixed assets | Intangible fixed assets in formation | Total |
|-------------------------------|-------------------------|--------------------------------------|--------------|
| Purchase price | | | |
| As at 1 January 2011 | - | - | - |
| Capitalisations | - | 1,582 | - |
| Taken into service | 91 | - 91 | - |
| As at 31 December 2011 | 91 | 1,491 | 1,582 |
| Capitalisations | - | 1,536 | 1,536 |
| Taken into service | 2,740 | - 2,740 | - |
| As at 31 December 2012 | 2,831 | 287 | 3,118 |
| Depreciation | | | |
| As at 1 January 2011 | - | - | - |
| Depreciation for the year | 5 | - | 5 |
| As at 31 December 2011 | 5 | - | 5 |
| Depreciation for the year | 167 | - | 167 |
| As at 31 December 2012 | 172 | - | 172 |
| Book values | | | |
| As at 1 January 2011 | - | - | - |
| As at 31 December 2011 | 86 | 1,491 | 1,577 |
| As at 31 December 2012 | 2,659 | 287 | 2,946 |



2 Receivables

Accounts receivable

Accounts receivable consist of all claims with a remaining term of less than one year. As the credit risk is estimated to be nil, no provisions for bad debts have been deducted from this entry.

Accounts receivable for 2012 comprise EUR 762,000 worth of invoices yet to be sent for the period September up to and including December.

Associated companies

This entry refers to the current account with TenneT. As at the end of the year under review, the current account showed a negative balance. Interest is charged to the balance on the current account with TenneT.

3 Liquid assets

The liquid assets consist of bank balances with a term shorter than twelve months.

Surplus liquid assets are automatically transferred to the current account with TenneT through a daily cash pool.

The liquid assets are at the disposal of the company.

4 Equity

Paid up capital

The authorised capital of the company amounts to EUR 90,000, divided into 900 shares of EUR 100 each. Of these shares, 180 shares have been issued and paid up.

5 Long-term liabilities

Investment contributions

In 2010 it was agreed with the Participants' Council that an amount of EUR 750,000 be deducted from the above-mentioned entry 'to be adjusted in tariffs'. The balance of this entry has been used for the new E-certification system. An amount equal to the amortisation cost is released each year and allocated to Revenue. The current part is accounted for under Current liabilities. The remaining term of the investment contributions is between one year and five years.

Government subsidies

In 2012, CertiQ received a government subsidy of EUR 70,000 from the Ministry of Economic Affairs for the preparation of the certification of renewable heat (myCertiQ II). An amount equal to the amortisation cost is released each year and allocated to Revenue. The current part is accounted for under Current liabilities. The remaining term of the government subsidies is between one year and five years.

6 Current liabilities

Accounts payable

Accounts payable comprise loans with a remaining term of less than one year.

Associated companies

This entry refers to the current account with TenneT. The balance on the current account with TenneT is interest-bearing.



Prepayments received

This relates to the difference between Invoiced revenue and Operating costs (EUR 1,326,000). This amount will be adjusted in tariffs of subsequent years with the market parties.

Tariffs are set annually in consultation with the Participants' Council and the Board of TenneT. Prepayments received also include the current part of the investment contributions and government subsidies.

The balance of Prepayments received, including the amount which is adjusted in tariffs for subsequent years, can be specified as follows (x EUR 1,000):

| | 2012 | 2011 |
|----------------------------------|----------------|----------------|
| To be adjusted in tariffs | - 1,326 | - 2,511 |
| Investment contributions | - 150 | - |
| Government subsidies | - 13 | - |
| Balance as at 31 December | - 1,489 | - 2,511 |

Accrued liabilities

Accrued liabilities relate to annual leave to be paid and costs to be paid, mainly consisting of provisions for auditor's costs, costs for the annual report and costs for hiring personnel.

Off-balance sheet rights and obligations

CertiQ, with TenneT and its subsidiaries, is part of one fiscal entity for company tax and turnover tax purposes. On the basis of the standard conditions as issued by the Dutch tax authorities at the time the fiscal entity was established, CertiQ is jointly and severally liable for the company tax and turnover tax liabilities of the whole fiscal entity.

CertiQ has concluded three agreements to hire staff from other employers:

- an agreement for the structural provision of legal advice (term: January - December 2013);
- an agreement for external technical advice (term: January - December 2013); and
- an agreement for hiring an internal account manager (term: January - June 2013).

These agreements stipulate the rate per hour to be charged for the use of these services. No minimum number of hours is stipulated.



Notes to the profit and loss account for 2012 (x EUR 1,000)

7 Revenue

In the year under review, participants were invoiced on the basis of preset tariffs. The amount needed to cover costs was EUR 2,397,000.

Revenue

Fully abolishing the membership costs for solar installations, and reducing the membership costs and making them the same for all traders ensure a decline in revenue. The revenue growth upon the issuance, transfer and cancellation of certificates is mainly caused by a larger number of transactions. This growth was anticipated. The negative difference in relation to Invoiced revenue will be accumulated with differences brought forward from previous years.

Revenue can be specified as follows (x EUR 1,000):

| | 2012 | 2011 |
|---------------------------|--------------|--------------|
| Memberships | 75 | 373 |
| Issuance of certificates | 386 | 325 |
| Issuance of certificates | 375 | 305 |
| Certificate cancellations | 1,028 | 979 |
| To be adjusted in tariffs | 435 | - 437 |
| Total | 2,299 | 1,545 |

Other operating income

Other operating income comprises income to be settled with the myCertiQ I investment contribution and other income. Other income consists of a contribution by the Ministry of Economic Affairs for our operational activities with regard to the certification of renewable heat. In addition, CertiQ receives a compensation from Agentschap NL for the work undertaken in connection with the Concerted Action on the Renewable Energy Sources Directive (CA-RES).

Other operational income can be specified as follows (x EUR 1,000):

| | 2012 | 2011 |
|---|-----------|------------|
| Release of myCertiQ I investment contribution | 37 | - |
| Other income | 61 | 109 |
| Total | 98 | 109 |

8 Operating costs

Wages, salaries and social security costs

The company does not employ any employees. In 2012, the average number of hired employees amounted to 12 fte (2011: 11.6 fte). These employees have all been hired from TenneT. The number of employees amounted to 12.4f fte (2011: 11.7 fte) at the end of 2012.

Personnel costs increased due to a small recovery being deducted because CertiQ employees hardly contributed to TenneT projects or projects for third parties.



Personnel costs can be specified as follows (x EUR 1,000):

| | 2012 | 2011 |
|--------------------------|------------|------------|
| Hired from TenneT | 886 | 512 |
| Hired from third parties | 47 | 62 |
| Total | 933 | 574 |

Amortisation of intangible fixed assets

The increase in the amortisation of fixed assets is caused by the fact that the new E-certification system myCertiQ I was commissioned in September 2012 and that the amortisation started from October 2012. myCertiQ II, which includes the modifications for the certification of renewable heat, has not yet been commissioned (expected in January 2013).

Other operating costs

Other operating costs consist of costs of systems for process automation and various costs. The various costs relate to all costs incurred for office premises, consultation, travelling and accommodation. The costs of systems and of process automation increased mainly because of the preparation costs and indirect management costs for the myCertiQ I project. However, fewer hours were spent on the existing E-certification system. The hours spent by the Information Technology Supply department were predominantly spent on the new E-certification system (myCertiQ) and not on the existing application.

9 Financial income and expenses

Interest received

The entry relates to the interest received on the balance at the current account with TenneT. The decline in Interest received is caused by a lower average interest rate compared to 2011.

Arnhem, 27 June 2013

CertiQ B.V.

Ir. J. van der Lee
Manager

TenneT TSO B.V.
On behalf

Ir. B.G.M. Voorhorst
Chief Operational Officer



Other information

Appropriation of profits

The appropriation of profits is stipulated in article 29 of the Articles of Association.

This article reads as follows:

- 1 Profits will be distributed in accordance with the provisions of this article, after adoption of the financial statements, showing that this is justified.
- 2 The profits are at the disposal of the general meeting.
- 3 The company may only make distributions to the shareholders and other persons entitled to the profits intended for distribution to the extent that the shareholders' equity exceeds the subscribed capital plus the reserves which must be maintained by law.
- 4 A deficit may only be offset against the reserves prescribed by law to the extent permitted by law.

Auditor's opinion

To the General Meeting of the shareholders of CertiQ B.V.

Opinion concerning the annual accounts

We have audited the annual accounts of CertiQ B.V. Arnhem for 2012, included on pages 9 to 18 of this annual report and consisting of the balance sheet as at December 31, 2012, the statement of profit and loss for 2012, and the notes, including an overview of the accounting principles used in the financial reports and other notes.

Responsibility of the management

The management of the company is responsible for preparing financial statements, which must faithfully represent the assets and results of the company, and for preparing the annual report. Both must be in accordance with Part 9, Book 2, of the Netherlands Civil Code (BW). The management is also responsible for whatever internal management it considers necessary to ensure that the annual accounts can be prepared in such a way that they contain no inaccuracies of tangible importance as a result of fraud or error.

Responsibility of the auditor

Our responsibility is to issue an opinion on the financial statements based on our audit. We have conducted our audit in accordance with Dutch law, including Dutch audit standards. These require us to comply with the ethical norms applicable to us and to plan and perform the audit in such a way as to obtain reasonable assurance that the financial statements are free of material misstatements.



An audit includes activities to obtain audit information about the amounts and the notes to the financial statements. The choice of activities to be performed depends on the professional judgement of the auditor, including his evaluation of the risk of misstatements of material importance resulting from fraud or errors.

For purposes of this risk evaluation, the auditor considers the internal control system that is relevant for the preparation and fair presentation in the annual accounts, in order to plan audit activities suited to the circumstances. However his purpose is not to produce an opinion about the effectiveness of the internal management of the company. An audit also includes an evaluation of the suitability of the accounting principles used for financial reporting and of the reasonableness of estimates made by the company's management, as well as evaluating the overall presentation in the financial statements.

We believe that the audit information that we have obtained is adequate and suitable as a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the magnitude and composition of the assets of CertiQ B.V. as of 31 December 2012 and of its result for 2012, in accordance with Part 9, Book 2, of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 parts (e) and (f) of the Netherlands Civil Code, we report that we have examined whether the annual report has been prepared in accordance with Part 9 of Volume 2 of the Netherlands Civil Code and whether the information required under Section 2:392 sub 1 paragraphs (b) to (h) has been annexed to the annual report and, so far as we can form a judgement, we have found no deficiencies. We also state that the annual report, in so far as we can form a judgement, is in line with the requirements regarding annual financial statements, as set out in Section 2:391 sub 4 of the Netherlands Civil Code.

Arnhem, 27 June 2013

PricewaterhouseCoopers Accountants NV
Original signed by C.J.A.M. Romme, MA, RA



Appendix: CertiQ works together with ...

CertiQ has active partnerships with a number of parties in the sustainable energy sector. To name a few:

TenneT TSO B.V.

TenneT TSO B.V. is Europe's first cross-border electricity transmission system operator. With 20,000 kilometres of high voltage lines and 35 million end-users in the Netherlands and Germany, TenneT ranks among the top five grid operators in Europe. Their focus is to develop a Northwest European energy market and to integrate renewable energy. On behalf of the Ministry of Economic Affairs, TenneT established the E-certification system for renewable energy. CertiQ manages this system, which is linked to TenneT's electronic infrastructure, on behalf of TenneT. TenneT is the only shareholder in its subsidiary CertiQ.

The NL Agency

The NL Agency (Agentschap NL) is part of the Ministry of Economic Affairs. Agentschap NL implements government policies on innovation and sustainable development, and manages the SDE(+) and MEP subsidy schemes, which subsidises the generation of renewable energy that is certified by CertiQ.

Ministry of Economic Affairs

The Ministry of Economic Affairs is responsible for, amongst others, policy making in relation to sustainably generated electricity. CertiQ consults regularly with the Ministry to align its policies regarding developments that affect CertiQ.

The Office of Energy Regulation of the Netherlands Competition Authority (NMA)

The Office of Energy Regulation ('Energiekamer') is the regulator for the Dutch energy sector. Among its duties are to supervise the correct implementation and compliance with the Electricity Act of 1998 and the statutory schemes implemented by CertiQ.

Regional grid operators

Regional grid operators are responsible for the transmission of electricity over the public electric grid. In relation to CertiQ, the grid managers are responsible for assessing applications to register generating plants and for periodically submitting electricity production metering data to CertiQ.

Metering companies

Metering companies are responsible for installing and maintaining electricity meters, collecting the data from the meters and submitting this information to the regional grid operator.

Electricity producers

The producers generate electricity and supply it to the electric grid, or consume it on site. CertiQ issues Guarantees of Origin for renewable electricity. In addition, CertiQ can issue Guarantees of Origin for electricity generated in high-efficiency Combined Heat and Power plants. For electricity from other sources, CertiQ can, on request, issue energy labelling certificates.

Renewable heat producers

Renewable heat producers register the renewable heat with CertiQ for the SDE(+) subsidy scheme. With effect from 2013, CertiQ issues Guarantees of Origin for renewable heat.

Traders

Traders enter into agreements with producers in connection with the purchase of Guarantees of Origin or other certificates. A producer of sustainable energy informs CertiQ of the trader it does business with. CertiQ credits the corresponding Guarantees of Origin to the account of this trader. A trader can trade the certificates or use them as proof of delivery to end-users.



Energy suppliers

Energy suppliers are companies that purchase energy (including grey and green power) and sell it to commercial and private users. It is therefore the energy supplier who has the supply contract with the electricity customer. Every energy supplier in the Netherlands that wishes to supply green electricity must have a certificate account with CertiQ.

Participants' Council

CertiQ established the Participants' Council for an optimal alignment with the needs of its participants. Its members represent the interests of all participants in the E-certification system. The Participants' Council comprises producers, traders (including foreign traders operating in the Netherlands) and representatives of several large energy suppliers. In drawing up its annual plan, CertiQ explicitly takes into account the Council's advice.

Association of Issuing Bodies (AIB)

The AIB is an international partnership of certification management bodies, of which CertiQ is a member. The members of the AIB issue Guarantees of Origin. The AIB seeks to standardise certification systems to facilitate international trade. For this purpose it has developed a common standard: the EECS Standard. In its new Renewable Energy Directive of 2009, the European Commission made many elements of the EECS Standard mandatory. CertiQ mainly exchanges certificates with the following national issuing bodies: VREG (Belgium), Energinet.dk (Denmark), Grexel (Finland and Sweden) and Statnett (Norway).

Statistics Netherlands (CBS)

CertiQ sends statistics on the electricity generation it has certified to the CBS on a monthly basis, in accordance with an agreement concluded between TenneT/CertiQ and the CBS. The CBS processes the data for its publications.



certiq

CertiQ B.V. is a subsidiary of TenneT TSO B.V., the Dutch Transmission System Operator and network manager of the national electric grid.

CertiQ B.V. is responsible for the certification of sustainably generated electricity, on behalf of the Dutch government. It issues certificates, also called Guarantees of Origin, which enable end users to verify the origin of the green power supplied to them. In addition, this certification is an important instrument for facilitating the trade in sustainably generated electricity, and producers of this electricity can use the certificates to obtain subsidies.

CertiQ B.V.

Utrechtseweg 310

6812 AR Arnhem

PO Box 718

6800 AS Arnhem

The Netherlands

T +31 (0)26 373 16 58

F +31 (0)26 373 11 58

servicedesk@certiq.nl

www.certiq.nl

| | |
|-------------|--|
| © | This annual report is a digital publication by CertiQ B.V., Arnhem |
| Text | Jan van der Lee (CertiQ), Ben Voorhorst (TenneT) |
| Translation | Ray Vertaalservices |
| Design | Loep ontwerp, Arnhem |
| Published | June 2013 |