

PHOTON ENERGY N.V. MONTHLY REPORT

September 2019

for the period from 1 to 30 September 2019

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

NAME

TYPE

PS-PKI - PRA

1. Information on the occurrence of trends and events in the market environment of the Issuer, which in the Issuer's opinion may have important consequences in the future for the financial condition and results of the Issuer

1.1 Production results of Photon Energy N.V.'s power plants in the reporting period.

Generation results of Photon Energy's proprietary power plants in September were outstanding and amounted to 4.4 GWh of electricity, which was 19.0% above the energy forecasts.

Strong production results contributed positively to the expansion of the cumulative electricity generation on a year-to-date amounting to 36.9 GWh, i.e. 6.8% above the energy forecasts.

The year-on-year comparison looks even more impressive with electricity generation up by +49.1% year-to-date, and is primarily driven by the increase of our proprietary portfolio by 13.1 MWp of power plants connected to the grid in the course of the last year, in Hungary.

For more information, please refer to chapter 2 "Proprietary PV plants".

1.2 In total 18.1 MWp is currently under construction for our proprietary portfolio in Hungary.

In September we have advanced works on the construction of 18 power plants with a total capacity of 12.6 MWp in the locations of Fertöd II, Monor, Taszár and Kunszentmárton, in Hungary. Additionally we started the construction works on the projects in Tata with a projected capacity of 5.5 MWp, which brings our portfolio of projects under construction to a total capacity of 18.1 MWp.

The progress on individual projects is reported in detail in chapter 3. In summary, we have almost finalized the projects in the location of Fertöd II and Monor, where the grid connection lines, connection points and switch stations have been completed. We have also signed the feed-in-tariff agreements with the Transmission System Operator in Hungary (MAVIR).

In Kunszentmárton land preparation works have been completed, PV modules and inverters have been installed on the substructures and we managed to sign the contract for the feed-in-tariff with MAVIR as well.

In Taszár Photon Energy finalized the land preparation works and has started the construction works. The supporting substructures have been assembled at 90% while PV Modules have been installed at 35%. Low voltage electric works have been commenced and completed at almost 80% to date.

All the above projects are expected to be connected to the grid in the course of Q4 2019. The construction works on the Tata projects have started in September 2019 with the preparation of the grid line connection. This power plants are expected to be connected to the grid in 2020Q1

For more information, please refer to chapter 3. Reporting on Photon Energy's project pipeline.

1.3 Construction of 4.6 MWp for ALDI in Australia is almost completed.

In Australia the Company has successfully completed the construction of a large rooftop installation with a capacity of 1.6 MWp located on the ALDI's distribution center in New South Wales.

The remaining 3MWp, which consists of 30 small roof top power plants with a capacity of 99kWp each, is on the last stretch with 28 rooftop installations constructed and connected to the grid while the remaining two are expected to be completed in the course of November 2019. The 31 installations are designed to generate a total of more than 6.3 GWh of clean energy every year. Upon completion, Photon Energy will also provide operations and maintenance services to ensure the PV installations are highly reliable with the maximum positive impact for ALDI.

2. Proprietary PV plants

The table below represents power plants owned directly or indirectly by Photon Energy N.V. as of the date of the report.

Table 1. Production results in September 2019

Project name	Capacity	Feed-in-Tariff	Prod. 2019 September	Proj. 2019 September	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,530	241,381	188,155	28.3%	2,265,727	2,033,810	11.4%	0.1%
Zvíkov I	2,031	CZK 14,530	220,971	164,915	34.0%	2,054,965	1,782,597	15.3%	1.0%
Dolní Dvořiště	1,645	CZK 14,530	157,488	137,190	14.8%	1,497,149	1,482,922	1.0%	1.3%
Svatoslav	1,231	CZK 14,530	122,437	101,892	20.2%	1,085,578	1,101,366	-1.4%	-3.8%
Slavkov	1,159	CZK 14,530	136,505	97,030	40.7%	1,190,858	1,048,809	13.5%	-0.9%
Mostkovice SPV 1	210	CZK 14,530	22,014	16,577	32.8%	199,083	162,563	22.5%	-0.5%
Mostkovice SPV 3	926	CZK 15,610	101,454	73,720	37.6%	886,323	786,575	12.7%	-0.4%
Zdice I	1,499	CZK 14,530	167,144	120,949	38.2%	1,503,449	1,296,035	16.0%	-2.8%
Zdice II	1,499	CZK 14,530	167,227	120,949	38.3%	1,541,986	1,296,035	19.0%	-1.7%
Radvanice	2,305	CZK 14,530	253,475	186,241	36.1%	2,278,717	2,013,116	13.2%	0.8%
Břeclav rooftop	137	CZK 14,530	14,081	12,191	15.5%	108,136	112,091	-3.5%	-22.1%
Total Czech PP	14,996		1,604,176	1,219,809	31.5%	14,611,971	13,115,918	11.4%	-0.7%
Babiná II	999	EUR 425.12	90,618	86,561	4.7%	829,053	839,376	-1.2%	-3.7%
Babina III	999	EUR 425.12	90,970	86,561	5.1%	858,199	839,376	2.2%	-1.1%
Prša I.	999	EUR 425.12	101,848	91,181	11.7%	924,419	843,447	9.6%	0.1%
Blatna	700	EUR 425.12	70,281	61,130	15.0%	632,226	617,590	2.4%	-1.3%
Mokra Luka 1	963	EUR 382.61	116,023	92,709	25.1%	1,013,670	861,571	17.7%	21.4%
Mokra Luka 2	963	EUR 382.61	117,633	92,709	26.9%	1,022,078	861,571	18.6%	5.0%
Jovice 1	979	EUR 382.61	96,250	77,094	24.8%	816,261	834,502	-2.2%	5.8%
Jovice 2	979	EUR 382.61	94,953	77,094	23.2%	811,693	834,502	-2.7%	5.0%
Brestovec	850	EUR 382.61	104,148	78,334	33.0%	884,322	730,468	21.1%	-1.4%
Polianka	999	EUR 382.61	98,988	78,674	25.8%	853,395	854,440	-0.1%	-3.0%
Myjava	999	EUR 382.61	109,050	89,737	21.5%	965,190	878,044	9.9%	-2.0%
Total Slovak PP	10,429		1,090,762	911,784	19.6%	9,610,506	8,994,887	6.8%	2.2%
Fertod 1	528	HUF 32,590	67,688	56,709	19.4%	579,987	542,011	7.0%	18.0%
Tizsakécske 1	689	HUF 32,590	81,797	76,627	6.7%	736,111	740,844	-0.6%	na
Tizsakécske 2	689	HUF 32,590	81,768	76,749	6.5%	737,827	743,926	-0.8%	na
Tizsakécske 3	689	HUF 32,590	81,882	76,599	6.9%	732,882	740,490	-1.0%	na
Tizsakécske 4	689	HUF 32,590	82,155	76,749	7.0%	740,051	743,926	-0.5%	na
Tizsakécske 5	689	HUF 32,590	82,291	76,749	7.2%	741,668	743,926	-0.3%	na
Tizsakécske 6	689	HUF 32,590	81,932	76,627	6.9%	737,989	740,844	-0.4%	na
Tizsakécske 7	689	HUF 32,590	81,428	76,505	6.4%	735,280	738,800	-0.5%	na
Tizsakécske 8	689	HUF 32,590	80,440	75,435	6.6%	719,572	729,624	-1.4%	na
Almásfüzitő 1	695	HUF 32,590	83,455	78,736	6.0%	641,438	659,506	-2.7%	na
Almásfüzitő 2	695	HUF 32,590	82,523	78,700	4.9%	630,547	659,230	-4.4%	na
Almásfüzitő 3	695	HUF 32,590	82,051	78,557	4.4%	625,501	658,097	-5.0%	na
Almásfüzitő 4	695	HUF 32,590	85,113	78,849	7.9%	651,564	660,337	-1.3%	na
Almásfüzitő 5	695	HUF 32,590	85,579	78,605	8.9%	653,691	658,467	-0.7%	na
Almásfüzitő 6	660	HUF 32,590	85,500	75,215	13.7%	650,487	633,317	2.7%	na
Almásfüzitő 7	691	HUF 32,590	85,705	78,110	9.7%	651,935	654,811	-0.4%	na
Almásfüzitő 8	668	HUF 32,590	86,140	76,107	13.2%	662,502	640,015	3.5%	na

Project name	Capacity	Feed-in-Tariff	Prod. 2019 September	Proj.2019 September	Perf.	YTD. Prod.	YTD. Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Nagyecsed 1	689	HUF 32,590	87,315	77,546	12.6%	298,322	277,092	7.7%	na
Nagyecsed 2	689	HUF 32,590	87,832	77,546	13.3%	302,227	277,092	9.1%	na
Nagyecsed 3	689	HUF 32,590	88,147	77,698	13.4%	302,530	277,589	9.0%	na
Total Hungarian PP	13,602		1,660,741	1,524,419	8.9%	12,532,110	12,277,734	2.1%	na
Symonston	144	AUD 301.60	11,295	14,390	-21.5%	110,971	118,596	-6.4%	-5.5%
Total Australian PP	144	11,295	14,390	-21.5%	110,971	118,596	-6.4%	-5.5%	11,295
Total	39,171		4,366,974	3,670,402	19.0%	36,865,557	34,507,135	6.8%	49.1%

Notes:

Capacity: installed capacity of the power plant
 Prod.: production in the reporting month - Proj.: projection in the reporting month
 Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.
 YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.

YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month
 Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2019/ YTD proj. in 2019) - 1
 YoY ratio: (YTD Prod. in 2019/ YTD Prod. in 2018) - 1. YTD Prod. in 2019 includes the Hungarian production data.

Chart 1.a Total production of the Czech portfolio

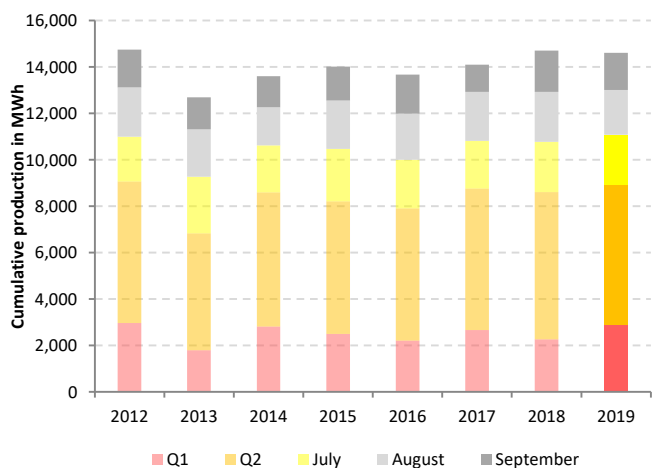


Chart 1.b Total production of the Slovak portfolio

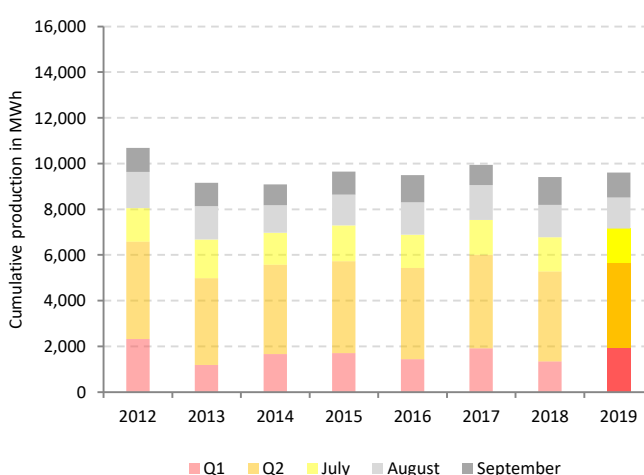


Chart 2. Generation results versus forecast between 1 January 2015 and 30 September 2019

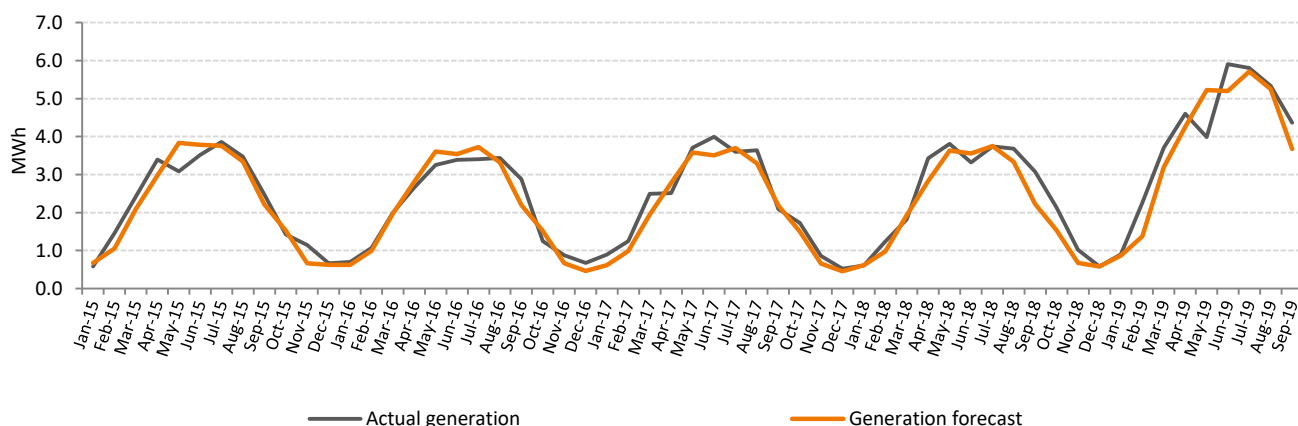
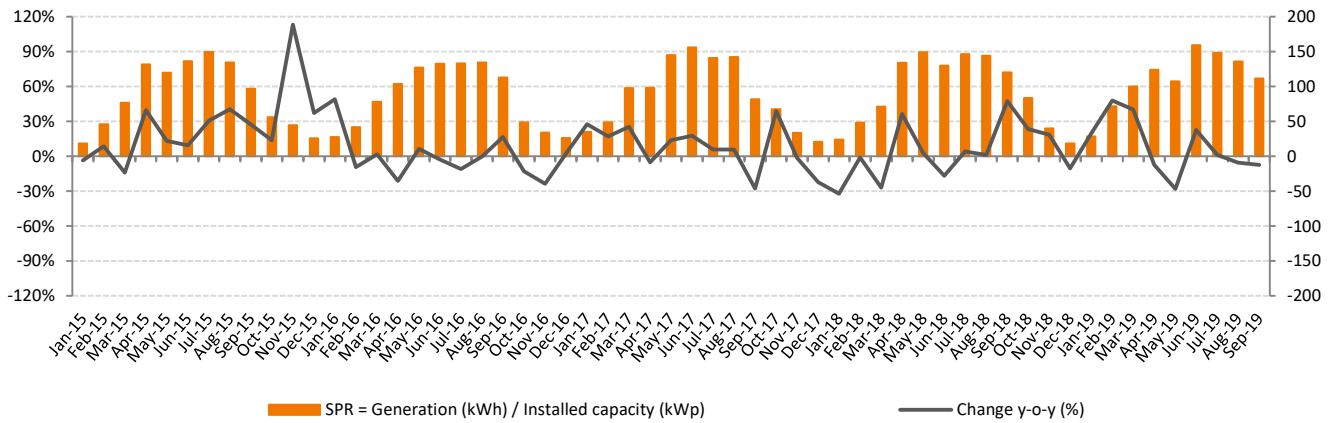


Chart 3. Specific Performance Ratio between 1 January 2015 and 30 September 2019



Specific Performance Ratio is a measure of efficiency which shows the amount of kWh generated per 1 kWp of installed capacity and enables the simple comparison of year-on-year results and seasonal fluctuations during the year.

Generation results of Photon Energy’s proprietary power plants in September were outstanding and amounted to 4.4 GWh of electricity, which was 19.0% above the energy forecasts.

Strong production results contributed positively to the expansion of the cumulative outperformance on a year-to-date basis amounting to 36.9 GWh, i.e. 6.8% above the energy forecasts.

The year-on-year performance looks even more impressive (+49.1% YoY YTD), primarily driven by the increase of our proprietary portfolio by 13.1 MWp of newly connected power plants in Hungary.

The Czech generation results were the strongest in our portfolio as the Czech power plants outperformed the energy forecasts by 31.5% in September. The performance of the Slovak and Hungarian power plants followed closely behind, exceeding the energy audits by 19.6% and 8.9%, respectively. The Australian power plant was the only one underperforming by 21.5%.

The specific performance ratio remained strong and amounted to 111 KWh/kWp compared to 120 KWh/kWp, down by 7% year-on-year.

3. Reporting on Photon Energy’s project pipeline

As of the publishing date of this report, Photon Energy is developing PV projects in Australia (884 MWp) and Hungary (35.8 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy’s business model of covering the entire value chain of PV power plants. The main objective of Photon Energy’s project development activities is to expand its proprietary portfolio of PV power plants for long-term ownership, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with a view of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver of Photon Energy’s future growth. The Group’s past experience in project development and financing in the Czech Republic, Slovakia, Germany and Italy is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Con-struction permit	Expected RTB
Hungary	Fertőd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Taszár	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Malyi	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	2019Q3
Hungary	Püspökladány	Own portfolio	100%	14.2	Licensed PPA	Secured	Secured	Secured	2019Q4
Hungary	Kunszentmárton	Own portfolio	100%	2.8	Licensed PPA	Secured	Secured	Secured	Under construction
Total Own portfolio Hungary				35.8					
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	2019Q4
Total Own portfolio Australia				14.0					
Total Own portfolio				49.8					
Australia	Gunning	Developer	49%	220	Co-develop-ment & finan-cing agreement with CS	Secured	Ongoing	Ongoing	2019Q4
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Ongoing	2019Q4
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	2020Q2
Australia	Carrick	Developer	51%	144	Options open	Secured	Ongoing	Ongoing	2020Q2
Australia	Brewongle	Developer	51%	146	Options open	Secured	Ongoing	Ongoing	2020Q2
Total Development Australia				870					

PV projects have two definitions of capacity. The grid connection capacity is expressed as the maximum of kilowatts or megawatts which can be fed into the grid at any point in time. Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore, for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

Australia

As of the date of publishing this report, Photon Energy has six large scale solar farms at different stages of development in New South Wales (“NSW”). The project pipeline is still among the largest pipelines of Solar projects in NSW representing a total planned capacity of 884 MWp.

In January 2018, as a result of its development partner selection process managed by its financial advisor Pottinger, the company has signed an agreement for the joint development of five utility-scale solar projects in New South Wales, Australia with Canadian Solar, one of the world’s largest solar power companies. Canadian Solar has become a co-shareholder in the project companies and is providing development financing to complete the development of these projects. Canadian Solar acquired a 51% shareholding in all five project companies. The equity capital contributed by Canadian Solar is subject to certain development milestones, joint management processes and other terms customary for project co-development and covers the development budgets to bring all five projects to the ready-to-build stage. Post-transaction, Photon Energy NV retains a 49% stake in the Gunning project and 24.99% stakes in the four other projects.

To date, Photon Energy sold stakes in two out of five projects jointly developed with Canadian Solar Inc. i.e.:

- 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp, which was sold to Canadian Solar Inc on 30 July 2019. This transaction was closed in 2019Q3.
- 25% stake in the second co-developed project Gunnedah with a total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019. This transaction was closed in 2019Q3 as well, completion will take until 2019Q4.

Both projects were excluded from the Company’s pipeline co-developed with Canadian Solar, resulting in its downsizing to three projects with a remaining capacity of 580 MWp. The capital gain following both transactions will be reported in 2019Q3 Quarterly Report which will be published on 7 November 2019.

The current status for other projects being co-developed with Canadian Solar is summarized below:

- ▶ **Gunning (220 MWp):** The process of securing construction permit is undergoing. Site assessments are performed to define the optimal project layout. The Environmental Impact Studies (EIS), which include public consultations and feasibility studies, are being carried out. In parallel we are in discussions with Transgrid regarding the grid connection specifications. However, the transition from fixed to single axis tracking system has resulted in a reduction of the installed capacity from 316 MWp to 220 MWp. GPS studies will start once the project design is finalized.
- ▶ **Maryvale (160 MWp):** The construction permitting process has started and EIS were submitted to NSW DP&E in November 2018. We are expecting the approval from the DP&E for this project in Q4 2019. The grid connection options are currently under review and in discussions with Essential Energy. GPS will start upon finalizations of those discussions.
- ▶ **Mumbil/Suntop 2 (200 MWp):** The feasibility studies, which are a part of the construction permitting process, have revealed significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. Consequently, Canadian Solar and Photon Energy have determined that the development of Mumbil Solar Farm will not be executed. However, the joint venture has lodged a preliminary environmental assessment to significantly expand the size of the Suntop Solar Farm project (“Suntop 2”) by a further 200 MWp. Both, development efforts and budget, for the Mumbil project were relocated to the Suntop 2 project. The application process for the construction permit is in the preparations. Upon completing feasibility studies and community consultations we will finalize EIS. We expect the project to be ready for submission in 2019Q4. The grid connection application will start upon completion of EIS.

The status of other projects developed by Photon Energy is summarized below:

- ▶ **Leeton (14 MWp):** The construction permitting process has not been started as the grid connection specifications are still under discussions. In response to tightening the grid connection standards, a revised system size of 2 times 5 MW AC each (7 MWp DC in total) has been re-designed for single axis tracking and is now being proposed to Transgrid. Consequently, the changes had to be incorporated into EIS and submitted to DP&E for review and approval.
- ▶ **Carrick (144 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Essential Energy.
- ▶ **Brewongle (146 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Transgrid.

Glossary of terms	Definitions
NSW Department for Planning and Environment (DP&E)	NSW DP&E is a government agency in charge of planning and development of New South Wales, to ensure the balance between the commercial business development and the needs of local communities. Each project submitted to DP&E must include environmental impact studies (EIS) and once it is reviewed by DP&E, the project is published and available for the public opinion to submit their comments. If the project is rejected by more than 25 people it is moved to Independent Planning Committee (IPC) for review. If there is no public opposition, the project is approved and DP&E issues the project Development Approval (DA)
Independent Planning Committee (IPC)	In case more than 25 public petitions against the project are submitted, IPC needs to investigate further into social and environmental impact of the project. IPC might make some recommendations to be made to the project plan to secure the issuance of DA.
Essential Energy	Essential Energy is Distribution Network Service Provider, which operates and manages low voltage electricity network in NSW. The process to secure the grid connection with Essential Energy includes GPS and AEMO’s license.
Transgrid	Transgrid is a Distribution Network Service Provider (DNSP), which operates and manages the NSW high voltage transmission network. Transgrid, in co-operation with Australian Energy Market Operator (AEMO, see description below), is in charge of grid connection approval. To issue its decision Transgrid requires Generation Protection Studies (GPS). GPS is a complete analysis and tests of the impact that a potential power plant would have on the grid. Each power plant is tested under different assumptions (extreme weather conditions, demand/supply changes etc.) and its performance/impact on the grid’s stability is thoroughly analysed. Once GPS are completed and accepted, Transgrid is issuing grid connection terms. Those terms are part of the agreement signed with Transgrid, which together with AEMO license secures and finalizes the grid connection process.

Glossary of terms Definitions

<p><i>Australian Energy Market Operator (AEMO)</i></p>	<p><i>AEMO is responsible for operating Australia’s largest gas and electricity markets and power systems. AEMO is overlooking all energy producers in NSW and is involved in the process of grid connection approval. AEMO reviews the grid connection terms and GPS studies and issues the license to feed electricity to the grid. AEMO also controls the on-going power generation to make sure that grid stability is maintained.</i></p>
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Hungary

As of the date of publishing this report, Photon Energy has forty projects in the pipeline with a total planned capacity of 35.8 MWp.

- Fertőd II (3.5MWp):** Upon the construction and connection to the grid of its first photovoltaic power plant in Hungary with an installed capacity of 528 KWp (referred to as Fertőd I), Photon Energy announced the expansion of its project pipeline by five additional projects in Fertőd (referred to as Fertőd II). Photon Energy’s fully-owned subsidiary Photon Energy HU SPV 1 Kft. managed to secure additional grid connection capacity of 2.5 MW AC and usage rights for over 5 hectares of land located right next to Fertőd I. Photon Energy HU SPV 1 Kft. moved its remaining three KÁT licenses not used in Monor to the secured land plots in Fertőd II. The fourth project will be realized by the Group’s subsidiary Ráció Master Kft., using its ninth KÁT license which could not be used in its primary location of Almásfüzitő, where eight PV power plants are already operating. Commercial operational deadline of all KÁT licenses has been successfully extended to 2021. All projects have final and binding construction permits of the PV power plants. The binding cable permit was issued in August 2019. The construction of the project is undergoing.

Fertőd II – Work in progress



Construction status:

Land preparation and civil works (road, fencing) are finished. The mounting of substructure, PV modules and inverters is finished and low voltage electric works are completed. In September we finalized the construction of the grid connection line, the connection point and the switch station. We also signed the contracts for the feed-in-tariffs with the Hungarian Transmission System Operator (TSO). The next steps in the process will be the installation of transformers and security systems. Commissioning of the projects to the grid is expected in November 2019.

- Taszár (2.1 MWp):** Photon Energy acquired 100% shares in Optisolar Kft., which owns three KÁT licenses, entitling it to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years, with a maximum approved and supported production of 16,475 MWh per license. The construction of the projects is undergoing.

Taszár – Work in progress



Construction status:

In September Photon Energy finalized the land preparation works and has started the construction works. The supporting substructure has been assembled at 90% while 35% of the PV Modules have been installed. Low voltage electric works have been commenced and completed at almost 80% to date. Commissioning of all three power plants is expected in 2019Q4.

- Tata (5.5 MWp):** Photon Energy acquired five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of eight PV power plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of Tata. Six of the eight projects will be build using tracking technology for the substructure. These projects have reached a ready-to-build stage. The construction works started in September 2019 with the preparation of the grid line connection. The power plants are expected to be connected to the grid in 2020Q1.

- ▶ **Monor (5.6 MWp):** In Monor Photon Energy has developed eight projects with a grid connection capacity of 498 KW AC each. In May 2017, Photon Energy received the energy production licenses under the KÁT support system, allowing each plant to feed a total volume of 16,950 MWh of electricity into the grid at the guaranteed price of HUF 32,590 per MWh (approx. EUR 100 per MWh), adjusted every year with inflation minus one percent, per MWh over 25 years from the date of grid connection. Photon Energy successfully managed to extend all 8 KÁT licenses for an additional three years, so the new commercial operation deadline (COD) applicable for all 8 KÁTs is December 2021. Construction of the projects is ongoing.

Monor – Work in progress



Construction status:

Land preparation and fencing works have been completed. The construction of substructures is completed. The modules installation on the substructure is completed. The low voltage works has been finished.

In September we finalized the grid connection line, the switch station and 50% of installation works of transformers' stations. The constructions of the grid connection line as well as the construction of the access road were both finalized.

Photon Energy has also signed the agreements for the feed-in-tariff with the Hungarian Transmission System Operator (TSO). Expected commissioning date is before the end of October.

- ▶ **Malyi (2.1 MWp):** Photon Energy NV acquired three PV projects with a total planned installed capacity of 2.1 MWp in the municipality of Malyi, close to Miskolc in the north of the country. Each project company owns a KÁT license entitling it to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years with a maximum approved and supported production of 16,500 MWh per license.

The acquired PV projects are ready-to-build. We have started the procurement of technology and are preparing to start the construction works which is planned for October 2019.

- ▶ **Püspökladány (14.2 MWp):** In May 2019 Photon Energy NV acquired ten additional PV projects with a total planned installed DC capacity of 14.2 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involves the acquisition of four project companies, owning ten METÁR licenses in total entitling them to a feed-in-tariff (in the form of electricity sales on the energy spot market plus a contract-for-difference) of HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 17 years and 11 months for five of the ten projects, with a maximum approved and supported production of 34,913 MWh for each license, and 15 years and 5 months for the remaining five projects, with a maximum approved and supported production of 29,955 MWh for each license.

The acquired PV projects are expected to be ready-to-build in 2019Q4 as we are still waiting for the mid-voltage construction permit, which is in-progress and expected to be finalized by the end of 2019.

- ▶ **Kunszentmárton (2.8 MWp):** In July 2019 Photon Energy NV acquired four additional PV projects with a total planned installed capacity of 2.8 MWp in the municipality of Kunszentmárton, in the Jász-Nagykun-Szolnok region in Central Hungary. The transaction involves the acquisition of one company owning two KÁT and two KÁT-METÁR licenses entitling to a feed in tariff of HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years for both of the KÁT licenses and of 17 years and 4 months for the KÁT-METÁR licenses. The maximum approved and supported production amounts to 14,998 MWh per KÁT license and to 13,832 MWh per KÁT-METÁR license respectively.

The two KÁT licensed projects with combined capacity of 1.4 MWp are at the ready-to-build stage and we have started the construction works. Land preparation and fencing works have been completed including the access road. Procurement of the technology has been finalized and modules and inverters were installed on the substructures. We also signed the contracts for the feed-in-tariffs with the Hungarian Transmission System Operator (TSO). The power plants are expected to be commissioned in 2019Q4. The construction of the two remaining KÁT-METÁR licensed projects is planned to start during 2020Q1.

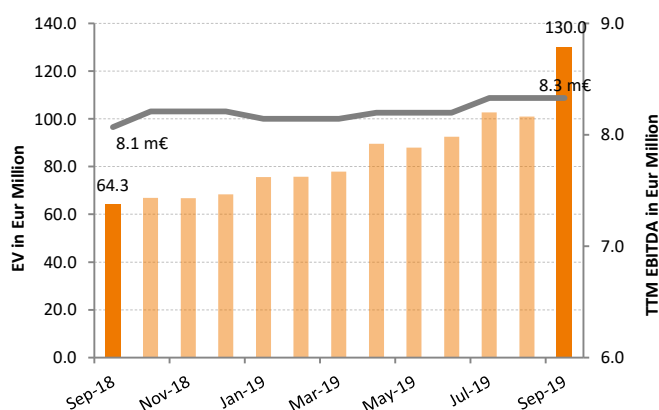
The current project pipeline in Hungary consists of 41 projects with a total planned capacity of 35.8 MWp. Together with our existing portfolio of operating PV plants of 13.6 MWp, we have secured a 49.4 MWp portfolio in Hungary. The new target assumes the expansion of our portfolio pipeline in Hungary up to 75MWp until year-end 2021, across the support schemes of KÁT, KÁT-METÁR and METÁR licenses. The company has also initiated efforts to develop ground-mounted projects for the upcoming auction mechanism for renewable energy sources, which is expected to commence in November 2019.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 30 September 2019, the share price (ISIN NL0010391108) closed at the level of PLN 5.40 (+85% MoM, +193% YTD), corresponding to a price to book ratio of 2.00x. The Company reports an exceptionally strong monthly trading volume of 478,392 shares (vs. an average of 123,414 during the past twelve months).

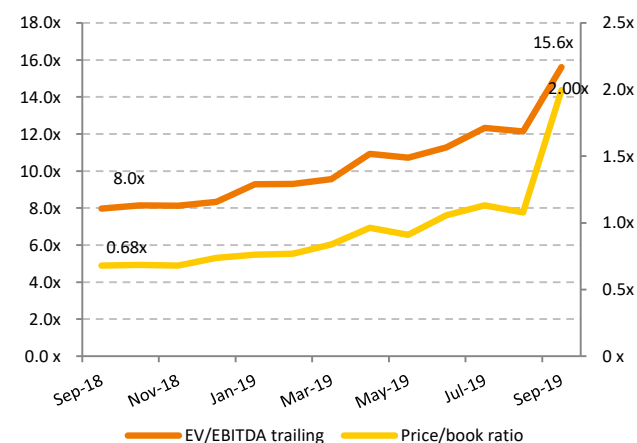
Chart 4. Enterprise value vs. trailing 12 months (TTM) EBITDA



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report. Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. as of 30.06.2019, the sum of EBITDA reported in 2018Q3, 2018Q4, 2019Q1, 2019Q2.

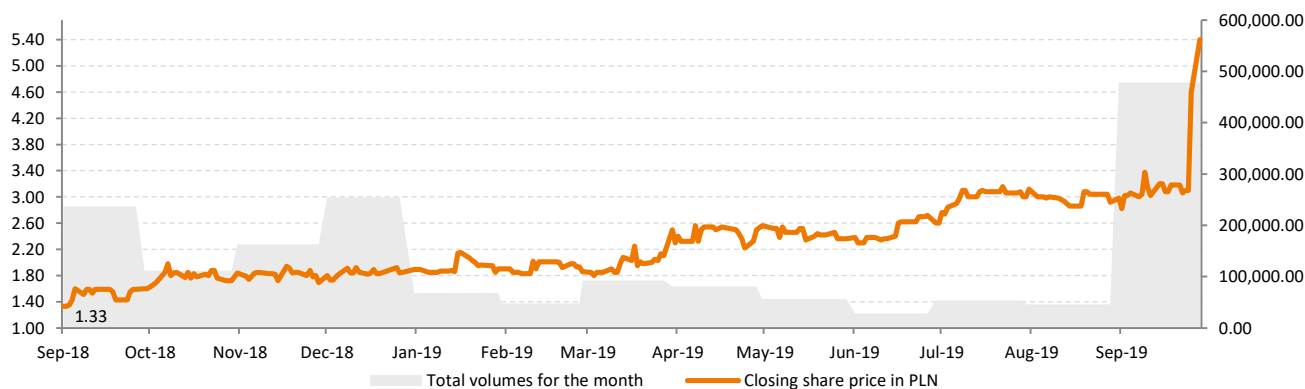
Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



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

EV/EBITDA ratio – is calculated by dividing the Enterprise Value by the Trailing 12 months (TTM) EBITDA.

Chart 6. Total monthly volumes vs. daily closing stock prices



4.2 Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the NewConnect segment of the Warsaw Stock Exchange, the Company's shares have also been traded on the Free Market of the Prague Stock Exchange. No additional shares have been issued, nor any new equity capital raised through this listing.

On 30 September 2019 the share price (ISIN NL0010391108) closed at a level of CZK 29.70 (48.5% compared to last month,

+506% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 1.86x. The Company reports a strong monthly trading volume of 43,215 shares in September compared to an average monthly trading volume of 23,356 shares during the past twelve months.

5. Bond trading performance

In December 2016 the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payment in the Czech Republic. The corporate bond, with a nominal value of CZK 30,000 (ISIN CZ0000000815), has been traded on the Free Market of the Prague Stock Exchange since 12 December 2016.

On 27 October 2017, the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. The target volume of EUR 30 million was subscribed to in full on 7 September 2018, before the end of the public placement, original-

ly set until 20 September 2018. The corporate bond, with a nominal value of EUR 1,000 (ISIN DE000A19MFH4), has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart.

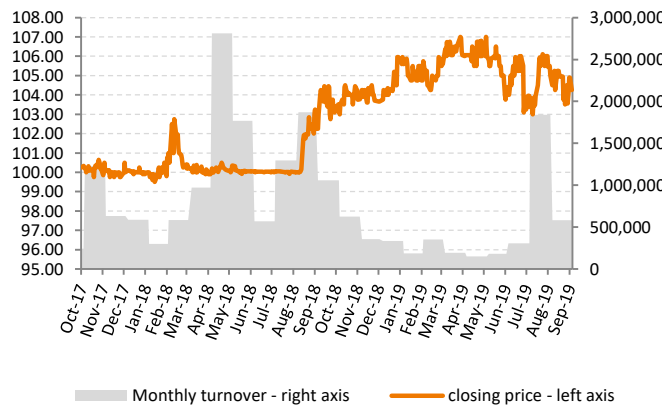
On 5 August 2019, the Company placed additional EUR 7.5 million increasing the outstanding bond volume to a total of EUR 37.5 million. All other parameters remain unchanged.

5.1 EUR Bond 2017-22 trading performance

EUR Bond 2017-22 trading performance to date

In the trading period from 25 October 2017 until 30 September 2019, the trading volume amounted to EUR 34.736 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 104.25 in Frankfurt. During this period the average daily turnover amounted to EUR 71,621.

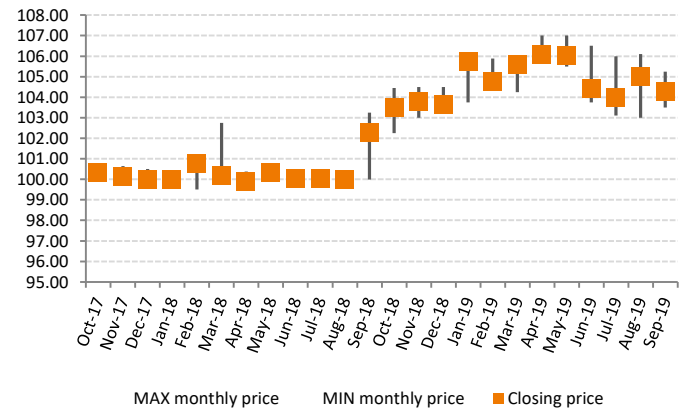
Chart 7. The Company's EUR bond 2017-2022 trading on the Frankfurt Stock Exchange in Germany



EUR Bond 2017-22 trading performance in September 2019

In September 2019 the trading volume amounted to EUR 744,000 with an opening price of 105.00 and a closing price of 104.25 in Frankfurt. The average daily turnover amounted to EUR 35,429.

Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 30 September 2019 the trading volume amounted to CZK 10.020 million with a closing price of 100.00.

6. Summary of all information published by the Issuer as current reports for the period covered by the report

In the period covered by this report the following current reports were published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- ▶ **EBI 17/2019** published on 10 September 2019: Monthly report for August 2019

After the period covered by this report there were no reports published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange.

In the period covered by this report there were no reports published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange.

After the period covered by this report there were no current reports published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange.

7. Information how the capital raised in the private placement was used in the calendar month covered by the report. If any of the contributed capital was spent in the given month

Not applicable.

8. Investors' calendar

- ▶ 7 November 2019 Entity and consolidated quarterly reports for 2019Q3
- ▶ 12 November 2019 Monthly report for October 2019
- ▶ 11 December 2019 Monthly report for November 2019.

9. Investor relations contact

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Amsterdam, 9 October 2019



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors