

PHOTON ENERGY N.V. MONTHLY REPORT

December 2016

for the period from 1 to 31 December 2016

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

INDEX	AMEND.
X	X
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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 Power plants produce 46% above predictions

December proved to be a very favorable month in terms of weather conditions, which resulted in an average performance of the proprietary power plants coming in 46.0% above expectations. On a year-to-date basis, the accumulated average generation of the power plants in the portfolio was +2.6% above expectations and slightly below the exceptional production levels recorded one year ago (-3.4% YoY).

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

1.2 Photon Energy exceeds 100 MWp in the Czech Republic by adding further 10.6 MWp to its O&M portfolio

In December, Photon Energy signed new contracts for operations and maintenance of solar PV power plants in the Czech Republic. With the new contracts worth 10.6 MWp, Photon Energy has exceeded the 100 MWp milestone in the Czech Republic (108.3 total MWp) and now services almost 200 MWp of solar PV plants worldwide. Of the new power plants under contract, 7.3 MWp run on Siemens central inverters and will be serviced by the company's Cardio team which specialises on servicing central PV inverters. In total Photon Energy grew its O&M portfolio by approximately 40 MWp in 2016.

1.3 Photon Energy bonds admitted to trading on the Free Market of the Prague Stock Exchange

Shortly after having obtained the approval of the Czech National Bank for a public offering of a CZK-denominated 7-year corporate bond of CZK 30,000 nominal value with a 6% annual coupon with monthly payments, the instrument commenced trading on the Free Market of the Prague Stock Exchange on December 12. The main use of the proceeds is the investment in to-be-built photovoltaic power plants to be added to Photon Energy's proprietary portfolio in Australia. All related information can be found on the Company's website www.photonenergy.com.

1.4 BAI Wins Award for Photon Energy Solar Battery System

The international trade association for suppliers of broadcast and media technology IABM has given its International Award for Excellence in Sustainability to Broadcast Australia for installing a solar battery solution designed and delivered by Photon Energy. In 2014, Photon Energy commissioned a unique 39 kWp / 215 kWh solar storage system, which delivers clean energy to a radio antenna in Muswellbrook, Australia.

The now award-winning pilot project has demonstrated the reliability of solar power in demanding conditions. The radio broadcast tower delivers broadcasting, radio, and critical emergency services for over 50,000 end users within a 500 km radius. The project was installed in cooperation with the German Energy Agency dena.

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 December 2016

Project name	Capacity	Feed-in-Tariff	Prod. 2016 Dec.	Proj. 2016 Dec.	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 13,692	43,181	33,042	30.7%	2,345,030	2,293,266	2.3%	-4.7%
Zvíkov I	2,031	CZK 13,692	36,125	28,961	24.7%	2,178,724	2,009,937	8.4%	2.0%
Dolní Dvořiště	1,645	CZK 13,692	48,725	24,092	102.2%	1,582,647	1,672,102	-5.3%	-5.6%
Svatoslav	1,231	CZK 13,692	24,431	17,893	36.5%	1,121,593	1,241,870	-9.7%	-3.9%
Slavkov	1,159	CZK 13,692	28,666	17,040	68.2%	1,263,379	1,182,609	6.8%	-2.3%
Mostkovice SPV 1	210	CZK 13,692	5,769	4,564	26.4%	210,575	191,884	9.7%	-3.8%
Mostkovice SPV 3	926	CZK 14,710	16,486	13,973	18.0%	928,094	892,217	4.0%	-3.6%
Zdice I	1,499	CZK 13,692	41,567	21,240	95.7%	1,575,763	1,462,544	7.7%	-8.1%
Zdice II	1,499	CZK 13,692	43,814	21,240	106.3%	1,519,770	1,462,544	3.9%	-9.7%
Radvanice	2,305	CZK 13,692	51,669	32,706	58.0%	2,370,121	2,269,935	4.4%	-4.6%
Břeclav rooftop	137	CZK 13,692	4,402	3,295	33.6%	155,682	132,692	17.3%	-1.3%
Total Czech PP	14,996		344,835	218,043	58.1%	15,251,378	14,811,600	3.0%	-4.4%
Babiná II	999	EUR 425.12	27,312	22,792	19.8%	931,062	979,568	-5.0%	-2.7%
Babina III	999	EUR 425.12	28,740	22,792	26.1%	942,186	979,568	-3.8%	-1.3%
Prša I.	999	EUR 425.12	27,693	17,096	62.0%	1,066,428	974,420	9.4%	-0.3%
Blatna	700	EUR 425.12	17,295	16,571	4.4%	721,053	716,645	0.6%	0.5%
Mokra Luka 1	963	EUR 382.61	37,713	27,627	36.5%	1,139,150	1,020,953	11.6%	-2.9%
Mokra Luka 2	963	EUR 382.61	39,878	27,627	44.3%	1,153,423	1,020,953	13.0%	-2.8%
Jovice 1	979	EUR 382.61	25,233	13,539	86.4%	859,519	940,846	-8.6%	-0.9%
Jovice 2	979	EUR 382.61	24,968	13,539	84.4%	828,311	940,846	-12.0%	-0.7%
Brestovec	850	EUR 382.61	26,181	21,185	23.6%	972,285	856,775	13.5%	-3.9%
Polianka	999	EUR 382.61	23,181	13,816	67.8%	954,408	963,027	-0.9%	-3.0%
Myjava	999	EUR 382.61	30,963	24,150	28.2%	1,081,701	1,021,767	5.9%	-3.1%
Total Slovak PP	10,429		309,157	220,735	40.1%	10,649,526	10,415,370	2.2%	-2.0%
Symonston	144	AUD 301.60	22,330	24,334	-8.2%	187,990	192,671	-2.4%	-1.0%
Total Australian PP	144		22,330	24,334	-8.2%	187,990	192,671	-2.4%	-1.0%
Total	25,569		676,322	463,112	46.0%	26,088,894	25,419,641	2.6%	-3.4%

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 2016/ YTD proj. in 2016) - 1

YoY ratio: (YTD Prod. in 2016/ YTD Prod. in 2015) - 1.

The FIT for the Czech Republic is an indicative figure only. As of 2016 Photon Energy has switched to the "Green Bonus" system, under which energy from our power plants is sold under a different system, at a combined price slightly higher than the FIT.

Chart 1.a Total production of the Czech portfolio

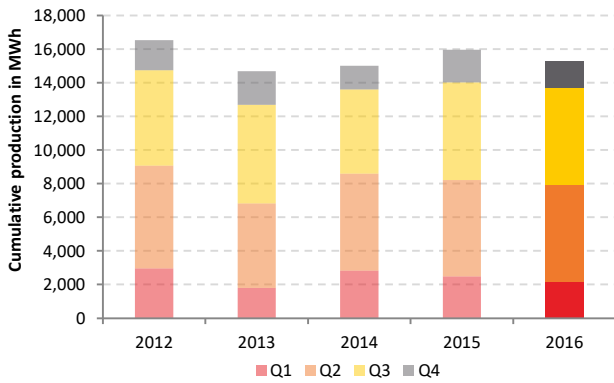


Chart 1.b Total production of the Slovak portfolio

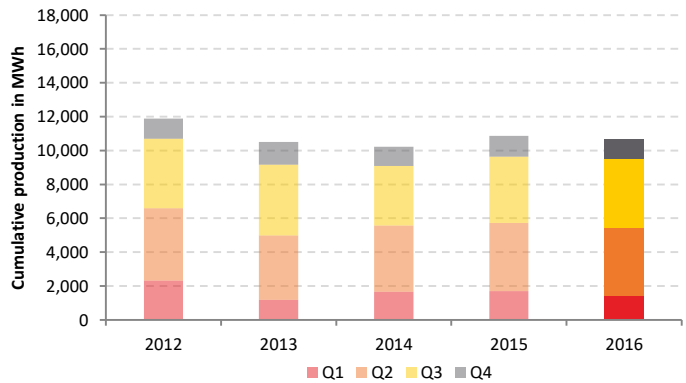


Chart 2. Generation results versus forecast between 1 January 2013 and 31 December 2016

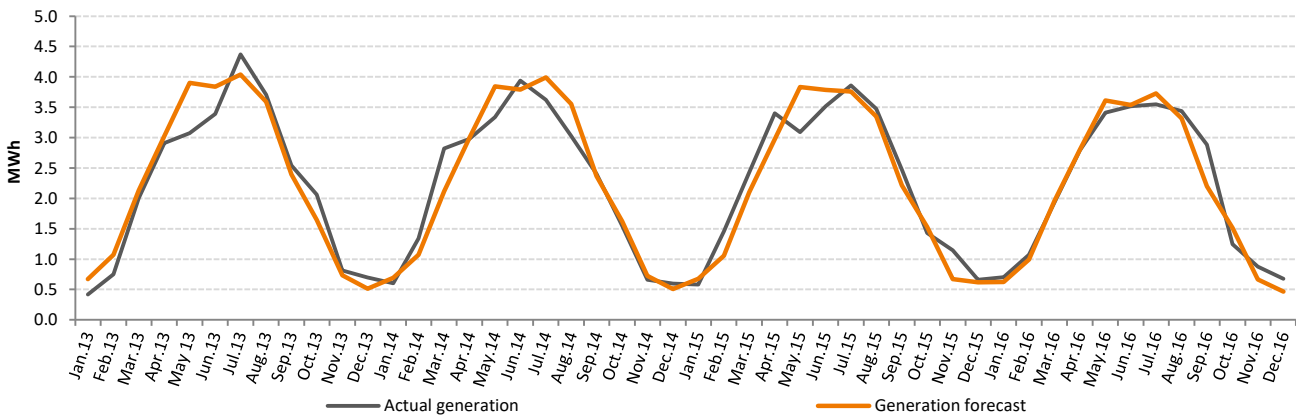
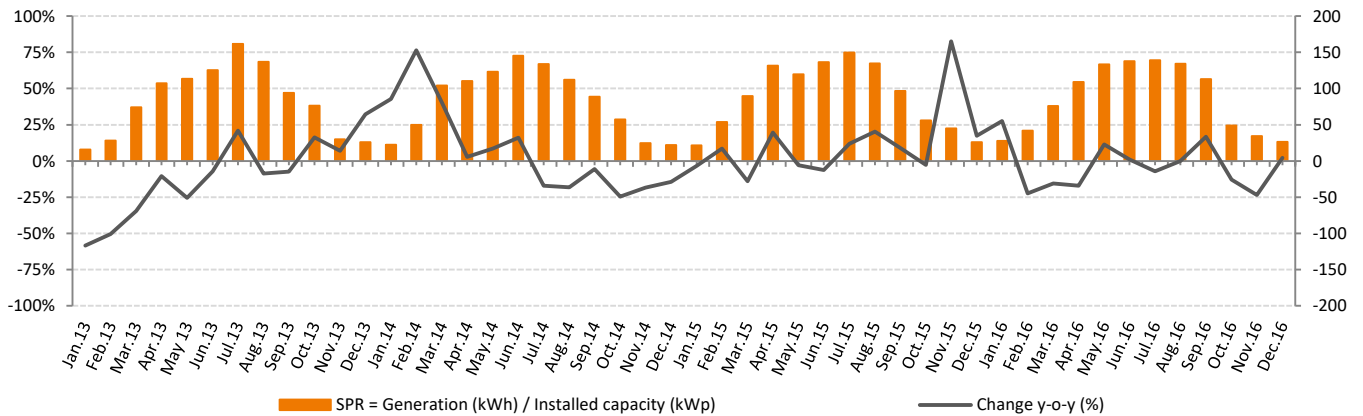


Chart 3. Specific Performance



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.

December proved to be a very favorable month in terms of weather conditions, which resulted in an average performance of the proprietary power plants coming in 46.0% above expectations. On a year-to-date basis, the accumulated average generation of the power plants in the portfolio was +2.6% above expectations and slightly below the outstanding production levels recorded one year ago (-3.4% YoY).

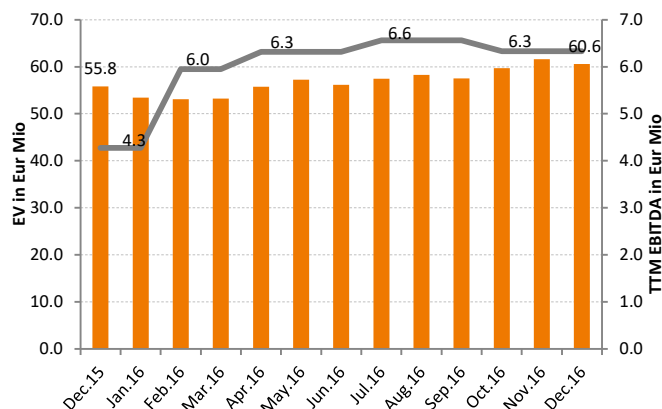
The best performance was recorded by power plants in the Czech Republic (+58.1%). The Slovak portfolio exceeded energy forecasts by 40.1% and the Australian plant was short of generation estimates by 8.2%. Specific performance in December increased by 2% compared to a year ago to 26 kWh/kWp.

3. Enterprise value & Share price performance.

3.1 NewConnect (Warsaw Stock Exchange)

On 31 December 2016, the share price (ISIN NL0010391108) closed at a price of PLN 1.09 (-8% MoM & +40% YTD), corresponding to a price to book ratio of 0.45x. The Company reports a monthly trading volume of 229,016 shares (+40% MoM).

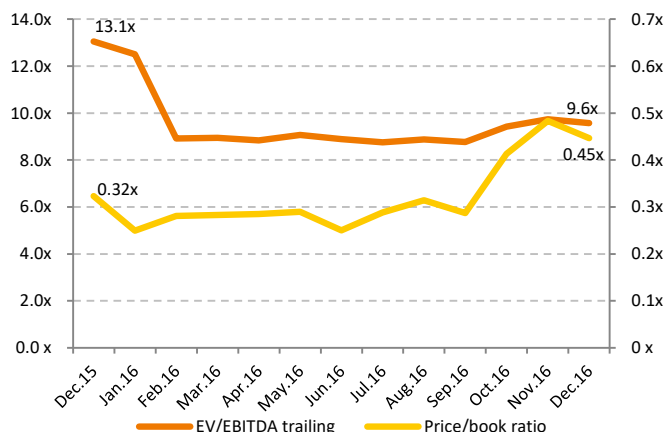
Chart 4. Enterprise value vs. trailing 12 months (TTM) EBITDA



Notes:

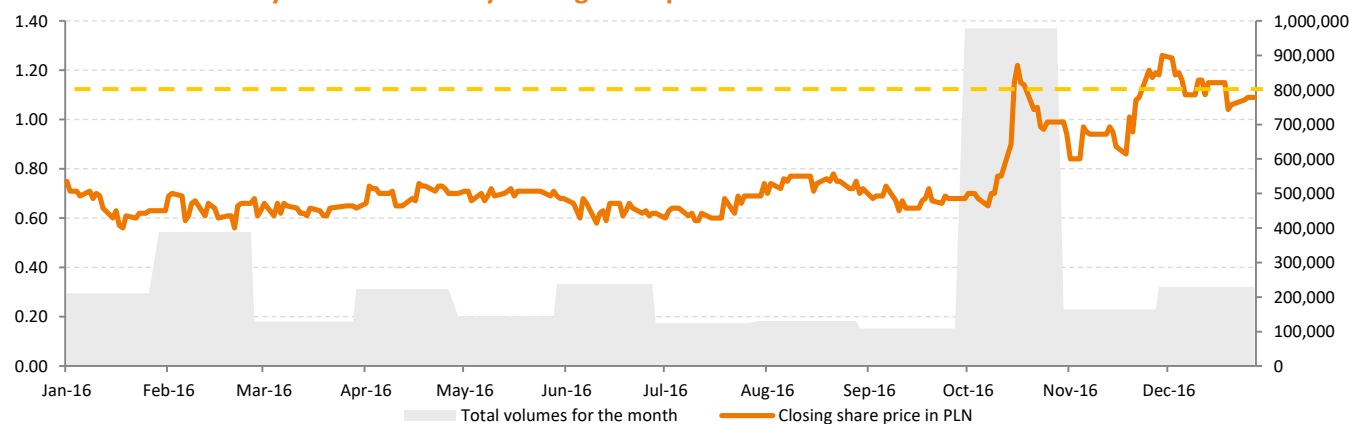
EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.
 Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. as of 31.12.2016, the sum of EBITDA reported in 2016 Q4, 2016 Q1, Q2 and Q3.

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.

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



3.2 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 now also been traded on the PSE Free Market. No additional shares have been issued, nor capital raised through this listing.

On 31 December 2016, the share price (ISIN NL0010391108) closed at a price of CZK 7.00 (+5% MoM, +43% vs CZK 4.90, the reference price on the first trading day on 17 October), corresponding to a price to book ratio of 0.47x. The Company reports a monthly trading volume of 29,956 shares (-94% MoM).

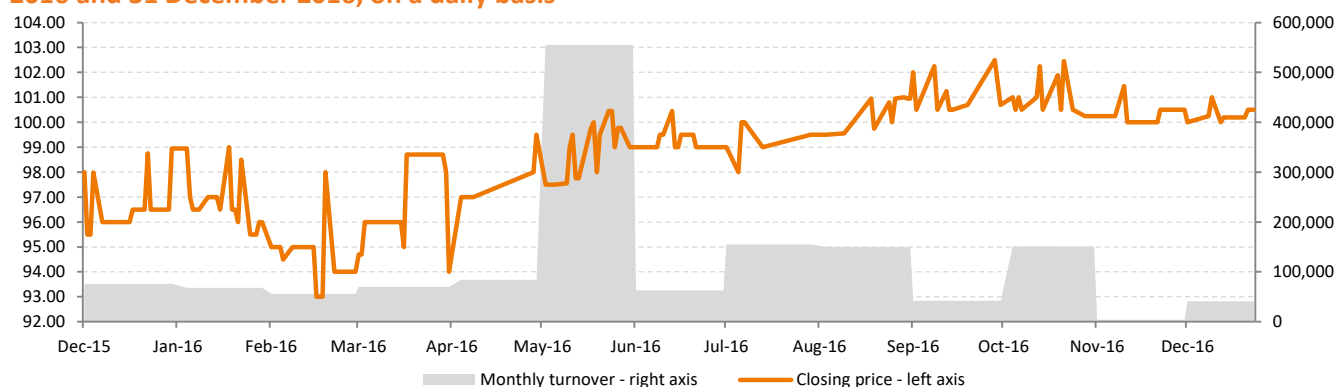
4. Bond trading performance.

In March 2013, the Company issued a 5-year corporate bond with an 8% annual coupon and quarterly payment. The corporate bond, with a denomination of 1,000 EUR (ISIN DE000A1HELE2), is being traded in the Open Market of the Frankfurt Stock Exchange. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 93% and 102.49%.

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

4.1 Bond trading performance in Frankfurt

Chart 7. The Company's bond trading on the Frankfurt Stock Exchange in Germany between 1 December 2016 and 31 December 2016, on a daily basis



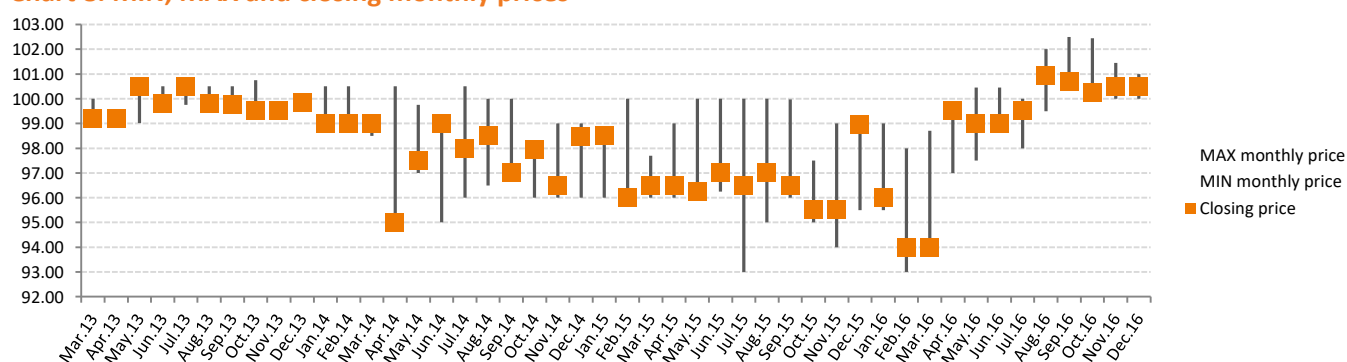
Bond trading performance to date

In the trading period from 12 March 2013 until 31 December 2016 the trading volume amounted to EUR 7.886 Mio (nominal value) with an opening price of 100.00 and a closing price of 100.50. During this period the average daily turnover amounted to EUR 8,215.

Bond trading performance in December 2016

In December 2016 the trading volume amounted to EUR 41,000 with an opening price of 100.50 and a closing price of 100.50. The average daily turnover amounted to EUR 1,952. Since the beginning of the year, the Company issued an additional 2,060 bonds with a corresponding nominal value of EUR 2.060 million, bringing the total amount of subscribed bonds to EUR 10.120 million as of the end of December.

Chart 8. MIN, MAX and closing monthly prices



4.2 Bond trading performance in Prague

In the trading period from 12 December until 31 December 2016 the trading volume amounted to CZK 390,000 (nominal value) with a closing price of 100.00.

5. 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 32/2016 published on 1 December 2016: Photon Energy announces 34 MWp Australian projects ready-to-build by mid-2017.
- ▶ EBI 33/2016 published on 8 December 2016: Photon Energy exceeds 100 MWp in the Czech Republic by adding further 8.3 MWp to its O&M portfolio.
- ▶ EBI 34/2016 published on 12 December 2016: Monthly report for November 2016.

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

- ▶ EBI 1/2017 published on 6 January 2017: Publication dates of periodic reports in 2017.

In the period covered by this report the following current report was published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange:

- ▶ None.

6. 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.

7. Investors' calendar.

- ▶ 6 February 2017 Entity and consolidated quarterly reports for 2016Q4
- ▶ 10 February 2017 Monthly report for January 2017
- ▶ 9 March 2017 Monthly report for February 2017
- ▶ 11 April 2017 Monthly report for March 2017
- ▶ 9 May 2017 Entity and consolidated quarterly reports for 2017Q1
- ▶ 11 May 2017 Monthly report for April 2017
- ▶ 12 June 2017 Monthly report for May 2017
- ▶ 12 July 2017 Monthly report for June 2017
- ▶ 7 August 2017 Entity and consolidated quarterly reports for 2017Q2
- ▶ 9 August 2017 Monthly report for July 2017
- ▶ 11 September 2017 Monthly report for August 2017
- ▶ 10 October 2017 Monthly report for September 2017
- ▶ 6 November 2017 Entity and consolidated quarterly reports for 2017Q3
- ▶ 9 November 2017 Monthly report for October 2017
- ▶ 11 December 2017 Monthly report for November 2017

The publication date for the annual report will be communicated at a later stage.

8. Investor relations contact.

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Amsterdam, 11 January 2017



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