

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.

In August 2019 Photon Energy's PV power plants' portfolio generated in total 5.3 GWh of electricity, which was 1.5% above the energy forecasts.

The above production results contributed positively to the cumulative outperformance on a year-to-date basis amounting to 32.5 GWh, i.e. 5.4% above the energy forecasts.

The year-on-year performance looks even more impressive (+50.1% YoY YTD), primarily triggered by the addition of 13.1 MWp of newly connected power plants in Hungary.

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

1.2 In total 14.6 MWp of PV power plants under construction in Hungary and Australia.

In Hungary, we continued the construction of 16 projects with a total capacity of 11.2 MWp in the locations of Fertöd II, Monor and Taszár and commenced the construction of two out of four projects in the location of Kunszentmárton with a total capacity of 1.4 MWp. This brings the total portfolio of projects under constructions from 11.2 MWp to 12.6 MWp in Hungary. In the reporting period, in Fertöd we finalized the installation of PV modules and low-voltage works and are currently carrying out the excavation works for the grid connection line. In Monor, we finalized the mounting of substructures and PV modules and started installing transformers and switch stations. In Taszár and Kunszentmárton we have advanced the land preparation works and the procurement of technology. All projects are expected to be built and grid-connected before the end of 2019.

In Australia, the Company successfully completed the construction of 26 out of 30 rooftop installations for ALDI, and grid-connected 14 of those with a capacity of 99 kWp each. The four remaining store rooftop projects and the rooftop PV installation on the chain's distribution center with a capacity of 1.6 MWp, are still under construction.

For more details please see chapter 3. Reporting on Photon Energy's pipeline.

1.3 New projects with the capacity of 6.2 MWp added to our O&M portfolio.

On 22 August 2019 Photon Energy Operations HU Kft., the Hungarian O&M subsidiary fully owned by Photon Energy N.V., signed an Operations & Maintenance (O&M) agreement assuming the provision of comprehensive O&M services, including preventive and corrective maintenance for power plants with a total capacity of 6.2 MWp PV, located in the vicinity of the town of Létavértes, Hungary.

Upon conclusion of the above agreement, the Group's O&M portfolio amounted to 259.2 MWp, out of which 33.1 MWp is provided in Hungary, making Hungary the second most important market for O&M services for the Group after the Czech Republic. This confirms that the Hungarian market provides us with substantial growth potential for our O&M business and we intend to replicate there our market-leading position held in the Czech Republic.

1.4 The second successful exit from a utility scale development project in Australia.

On 30 August 2019 Photon Energy NV sold its 25% stake in Gunnedah Solar Farm Pty Ltd., the project company which is holding all project rights and has obtained Development Approval for a 146 MWp PV power plant project in Gunnedah, New South Wales in Australia, to Canadian Solar Inc.

This transaction marks the successful completion of our project development work on the Gunnedah project and the successful conclusion of the second of our five projects jointly developed with Canadian Solar. We are very pleased to have reached this important milestone and are looking forward to completing the works on the remaining projects. Financial terms of the transaction were agreed not to be disclosed and the transaction is expected to be completed in 2019Q4 the latest.

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 August 2019

Project name	Capacity	Feed-in-Tariff	Prod. 2019 August	Proj. 2019 August	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Komorovice ¹	2,354	CZK 14,530	309,278	303,353	2.0%	2,022,047	1,845,654	9.6%	2.5%
Zvíkov I ¹	2,031	CZK 14,530	264,274	265,884	-0.6%	1,830,097	1,617,682	13.1%	2.4%
Dolní Dvořiště ¹	1,645	CZK 14,530	204,488	221,185	-7.5%	1,340,846	1,345,731	-0.4%	3.3%
Svatoslav ¹	1,231	CZK 14,530	154,511	164,274	-5.9%	963,368	999,474	-3.6%	-3.0%
Slavkov ¹	1,159	CZK 14,530	164,418	156,435	5.1%	1,055,174	951,780	10.9%	-0.1%
Mostkovice SPV 1 ¹	210	CZK 14,530	26,676	22,416	19.0%	177,317	145,987	21.5%	0.8%
Mostkovice SPV 3 ¹	926	CZK 15,610	117,878	116,257	1.4%	784,986	712,854	10.1%	0.7%
Zdice I	1,499	CZK 14,530	171,774	195,000	-11.9%	1,336,305	1,175,086	13.7%	-2.4%
Zdice II	1,499	CZK 14,530	196,623	195,000	0.8%	1,374,759	1,175,086	17.0%	-1.0%
Radvanice	2,305	CZK 14,530	317,686	300,266	5.8%	2,025,243	1,826,875	10.9%	1.7%
Břeclav rooftop	137	CZK 14,530	0	15,286	-100.0%	94,055	99,900	-5.9%	-22.7%
Total Czech PP	14,996		1,927,604	1,955,356	-1.4%	13,004,195	11,896,110	9.3%	0.5%
Babiná II	999	EUR 425.12	122,995	115,849	6.2%	738,435	752,815	-1.9%	-2.3%
Babina III	999	EUR 425.12	128,003	115,849	10.5%	767,229	752,815	1.9%	1.2%
Prša I.	999	EUR 425.12	134,694	116,748	15.4%	822,571	752,266	9.3%	1.5%
Blatna	700	EUR 425.12	89,880	85,379	5.3%	561,945	556,460	1.0%	-0.8%
Mokra Luka 1	963	EUR 382.61	134,683	118,832	13.3%	897,647	768,862	16.8%	26.7%
Mokra Luka 2	963	EUR 382.61	134,790	118,832	13.4%	904,445	768,862	17.6%	7.0%
Jovice 1	979	EUR 382.61	113,573	124,303	-8.6%	720,011	757,409	-4.9%	7.6%
Jovice 2	979	EUR 382.61	111,998	124,303	-9.9%	716,740	757,409	-5.4%	6.9%
Brestovec	850	EUR 382.61	122,871	101,521	21.0%	780,174	652,134	19.6%	0.0%
Polianka	999	EUR 382.61	128,391	126,841	1.2%	754,407	775,767	-2.8%	-1.8%
Myjava	999	EUR 382.61	137,901	124,721	10.6%	856,140	788,306	8.6%	-0.5%
Total Slovak PP	10,429		1,359,779	1,273,178	6.8%	8,519,744	8,083,103	5.4%	4.0%
Fertod 1	528	HUF 32,590	77,938	73,651	5.8%	512,299	485,301	5.6%	21.4%
Tizsakécske 1	689	HUF 32,590	105,251	103,237	2.0%	654,314	664,217	-1.5%	na
Tizsakécske 2	689	HUF 32,590	105,308	103,372	1.9%	656,059	667,176	-1.7%	na
Tizsakécske 3	689	HUF 32,590	99,288	103,206	-3.8%	651,000	663,891	-1.9%	na
Tizsakécske 4	689	HUF 32,590	105,623	103,372	2.2%	657,896	667,176	-1.4%	na
Tizsakécske 5	689	HUF 32,590	105,732	103,372	2.3%	659,377	667,176	-1.2%	na
Tizsakécske 6	689	HUF 32,590	105,403	103,237	2.1%	656,057	664,217	-1.2%	na
Tizsakécske 7	689	HUF 32,590	104,969	103,100	1.8%	653,852	662,296	-1.3%	na
Tizsakécske 8	689	HUF 32,590	104,468	102,607	1.8%	639,132	654,189	-2.3%	na
Almásfüzitő 1	695	HUF 32,590	98,226	101,494	-3.2%	557,983	580,770	-3.9%	na
Almásfüzitő 2	695	HUF 32,590	94,493	101,455	-6.9%	548,024	580,531	-5.6%	na
Almásfüzitő 3	695	HUF 32,590	93,409	101,306	-7.8%	543,451	579,540	-6.2%	na
Almásfüzitő 4	695	HUF 32,590	99,523	101,610	-2.1%	566,451	581,488	-2.6%	na
Almásfüzitő 5	695	HUF 32,590	99,744	101,355	-1.6%	568,113	579,862	-2.0%	na
Almásfüzitő 6	660	HUF 32,590	100,196	97,407	2.9%	564,987	558,101	1.2%	na
Almásfüzitő 7	691	HUF 32,590	99,569	100,784	-1.2%	566,229	576,701	-1.8%	na
Almásfüzitő 8	668	HUF 32,590	99,755	98,438	1.3%	576,362	563,908	2.2%	na

Project name	Capacity	Feed-in-Tariff	Prod. 2019 July	Proj. 2019 July	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Nagyecsed 1	689	HUF 32,590	108,320	101,821	6.4%	211,007	199,545	5.7%	na
Nagyecsed 2	689	HUF 32,590	110,304	101,821	8.3%	214,395	199,545	7.4%	na
Nagyecsed 3	689	HUF 32,590	110,331	101,986	8.2%	214,383	199,892	7.2%	na
Total Hungarian PP	13,602		2,027,850	2,008,631	1.0%	10,871,370	10,753,315	1.1%	na
Symonston	144	AUD 301.60	10,532	11,011	-4.4%	99,676	104,206	-4.3%	-2.7%
Total Australian PP	144		10,532	11,011	-4.4%	99,676	104,206	-4.3%	-2.7%
Total	39,171		5,325,766	5,248,176	1.5%	32,494,985	30,836,733	5.4%	50.1%

¹ The production data for those Czech power plants are measurements coming from the Company's monitoring system and not actual data provided by the distribution company i.e. E.ON.. The latter is not available due to the implementation of a new web portal by E.ON., which to date is not fully functional. The actual generation data will be published in Monthly report for September 2019 but should not differ materially from the measurements above.

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

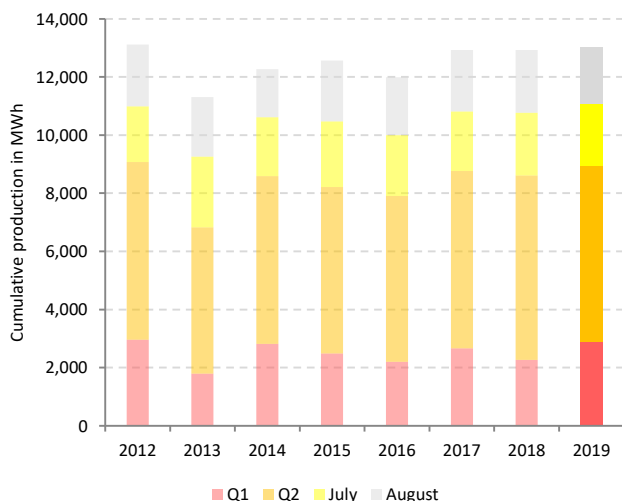


Chart 1.b Total production of the Slovak portfolio

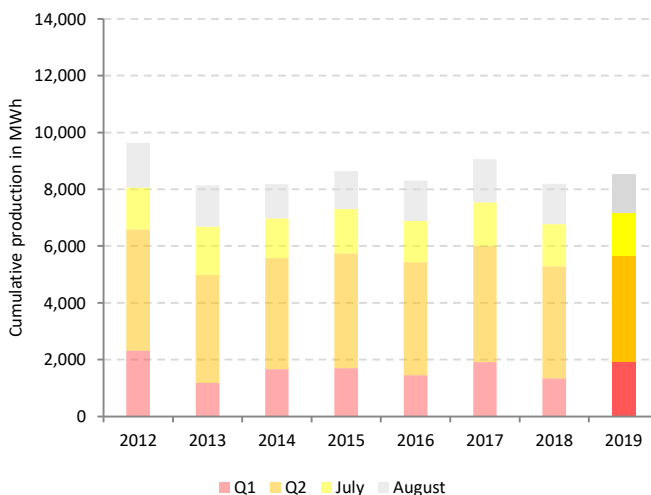


Chart 2. Generation results versus forecast between 1 January 2015 and 31 August 2019

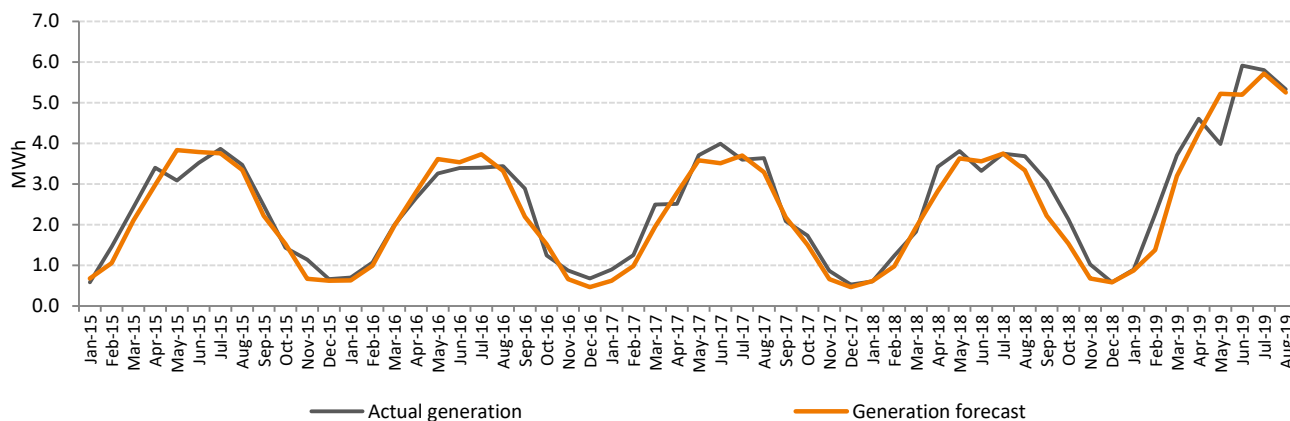
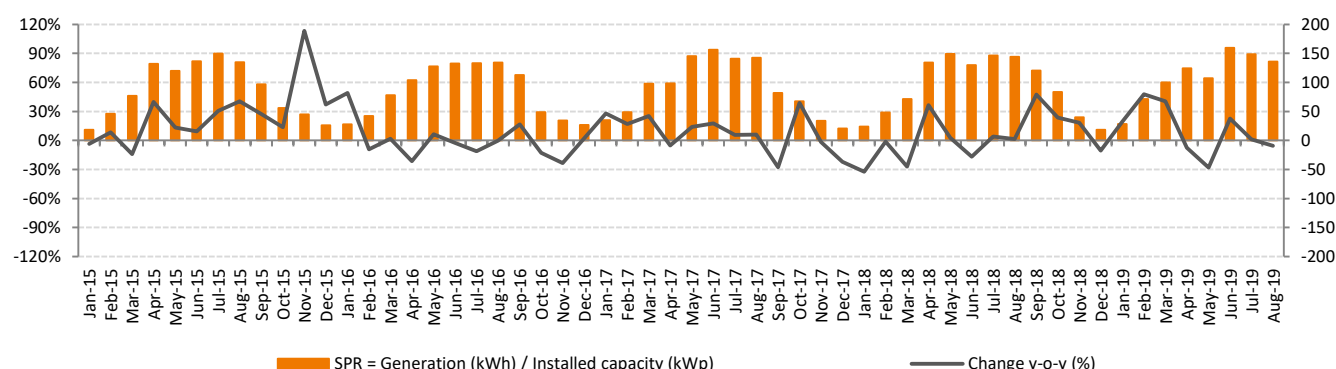


Chart 3. Specific Performance Ratio between 1 January 2015 and 31 August 2019



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.

In August 2019 Photon Energy’s PV power plants’ portfolio generated in total 5.3 GWh of electricity, which was 1.5% above the energy forecasts.

The above production results contributed positively to the cumulative outperformance on a year-to-date basis amounting to 32.5 GWh, i.e. 5.4% above the energy forecasts.

The year-on-year performance looks even more impressive (+50.1% YoY YTD), primarily triggered by the addition of 13.1 MWp of newly connected power plants in Hungary.

The Czech portfolio underperformed slightly in August, generating 1.4% electricity less than estimated. Those weaker results were driven primarily by the fact that the Břeclav power plant was still out of order due to the repair of the roof surface on

which the plant is mounted. The easement contract with the building owner includes a compensation mechanism for 50% of the lost production. The rooftop PV system has been put back into operation on 2 September.

The performance of the Slovak portfolio remains strong, exceeding the energy audits by 6.8%. The Hungarian power plants performed slightly above expectations by 1.0%, while the Australian power plant underperformed by 4.4%.

The specific performance ratio declined by 6% year-on-year, driven mainly by lower production of the Czech portfolio as explained above, and amounted to 136 kWh/kWp compared to 144 kWh/kWp a year ago.

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	2019Q3	
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	2019Q3	
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						

The project Gunnedah was excluded from the portfolio as it was sold to Canadian Solar on 30 August 2019.

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 of out of five projects jointly developed with Canadian Solar Inc. i.e.:

- 25% stake in the first co-developed project Suntop 1 with the total planned capacity of 189 MWp, which was sold to Canadian Solar Inc on 30 July 2019. This transaction is expected to be closed until the end of 2019Q3.
- 25% stake in the second co-developed project Gunnedah with the total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019. This transaction is expected to be completed in 2019Q4.

Both projects were excluded from the Company’s pipeline resulting in its downsizing to three projects with a remaining capacity of 580 MWp.

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 September 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 2019Q3. 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.

Glossary of terms	Definitions
Transgrid	<p>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.</p> <p>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.</p>
Australian Energy Market Operator (AEMO)	<p>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.</p>

Hungary

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

- Fertőd II (3.5MWp):** Upon construction and connecting to the grid 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 Almásfűzitő, 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. Construction of the projects is undergoing.

Fertőd II – Work in progress



Construction status:

Land preparation and civil works (road, fencing) have been finished. The mounting substructure has been assembled and low voltage electric works are now completed. PV Modules have been installed at all five power plants.

We obtained the binding grid connection and we started the construction of the grid connection line. 70% of the excavation works for the grid connection has been completed to date.

The next steps in the process will be the installation of transformers, the switch stations and the security systems. Commissioning of the projects to the grid is expected in 2019Q4.

- Taszár (2.1 MWp):** In March 2019 Photon Energy completed the acquisition of 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 land preparation works are finished. The construction work will start mid-September. Commissioning of the power plant is expected in 2019Q4.

- Tata (5.5 MWp):** In February 2018 Photon Energy announced the acquisition of 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 and construction will start in 2019Q4.

- 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 GWh 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 kWh over 25 years from the date of grid connection. Photon Energy successfully managed to extend all 8 KÁT licenses for an additional 3 years, so the new commercial operation deadline (COD) applicable for all 8 KÁTs is December 2021. Construction of the projects has started.

Monor – Work in progress



Construction status:

Land preparation and fencing works have been completed while road construction is in the progress.

The procurement of the major PV components has been finalized. The construction of substructures is completed. The modules installation on the substructure is completed. The low voltage works has been finished.

The remaining steps in the construction process include installation of the transformers, switch stations and security systems as well as the construction of the grid connection line, which is expected to take place in 2019Q3.

Commissioning of the projects to the grid is expected in 2019Q4.

- ▶ **Malyi (2.1 MWp):** In April 2019 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 them 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 and construction will start in 2019Q3.

- ▶ **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.

- ▶ **Kunszentmárton (2.8 MWp)** In July 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 the Company has started the land preparation and fencing of the power plant area. Procurement of the technology has been finalized. The power plant is expected to be commissioned in 2019Q4. The construction of the two KÁT-METÁR licensed projects is planned to start during 2020Q1.

The current project pipeline in Hungary consists of 41 projects with a total planned installed 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, thereby essentially reaching the announced target volume of 50 MWp. Therefore in July, Photon Energy announced the increase of its target portfolio size in Hungary to 75 MWp until year-end 2021, across both support schemes i.e. 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 31 August 2019, the share price (ISIN NL0010391108) closed at a price of PLN 2.92 (-3% MoM, +59% YTD), corresponding to a price to book ratio of 1.08x. The Company reports a monthly trading volume of 46,094 shares (vs. an average of 103,303 during the past twelve months).

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

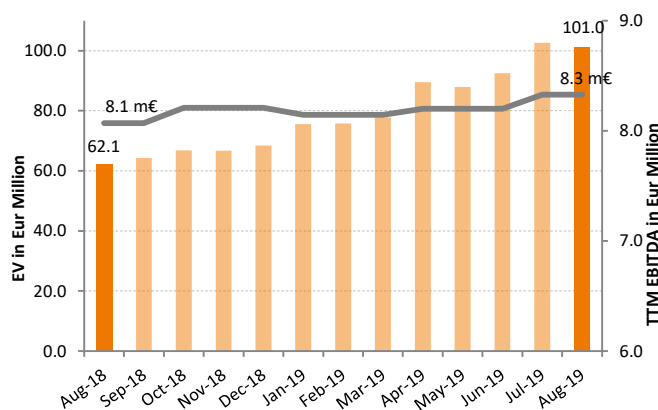
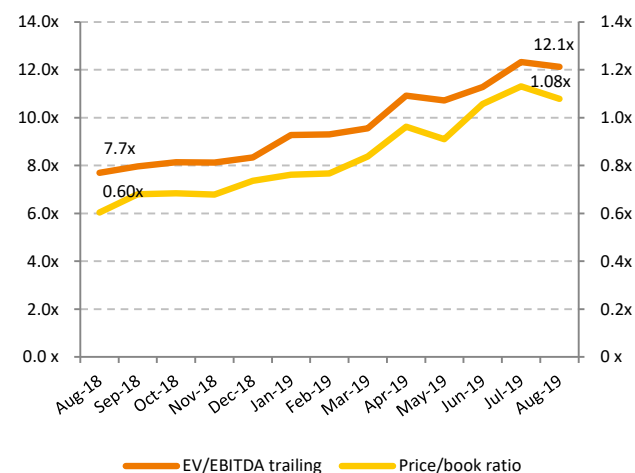


Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



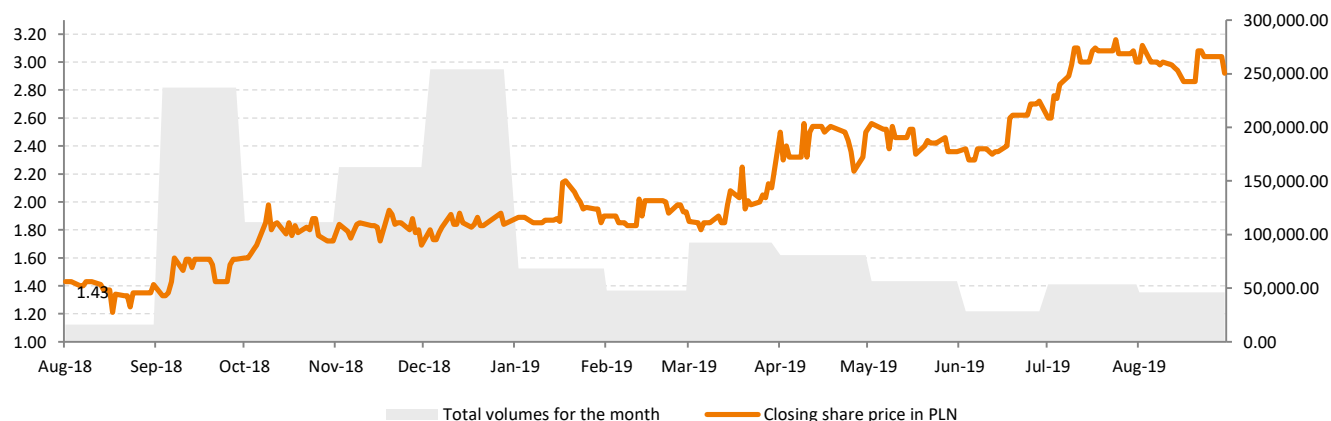
Notes:

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.

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.

+308% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 1.25x. The Company reports a monthly trading volume of 3,015 shares in August compared to an average monthly trading volume of 20,533 shares during the past twelve months.

On 31 August 2019 the share price (ISIN NL0010391108) closed at a price of CZK 20.00 (2.6% compared to last month,

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 7.75 million increasing the outstanding bond volume to a total of EUR 37.5 million. All other parameters remained 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 31 August 2019, the trading volume amounted to EUR 33.992 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 105.00 in Frankfurt. During this period the average daily turnover amounted to EUR 73,259.

EUR Bond 2017-22 trading performance in August 2019

In August 2019 the trading volume amounted to EUR 2,928,000 with an opening price of 103.95 and a closing price of 105.00 in Frankfurt. The average daily turnover amounted to EUR 133,091.

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

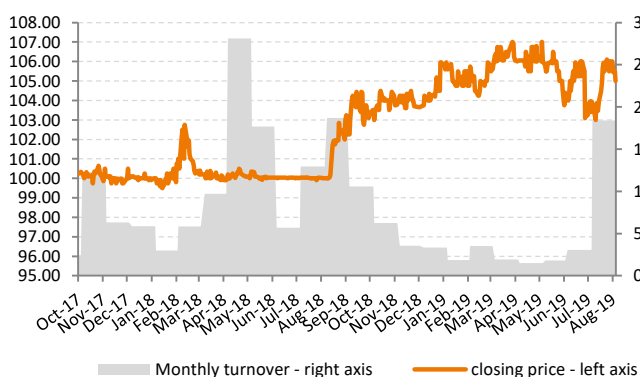
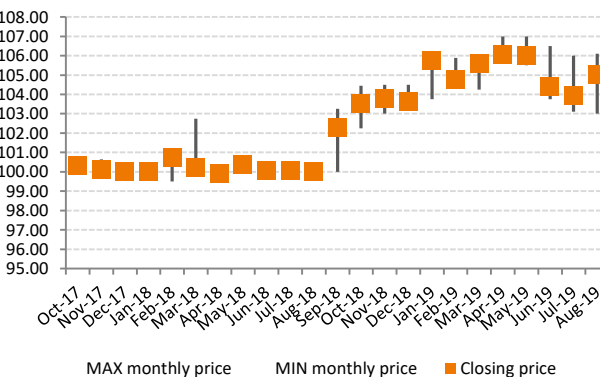


Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 31 August 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 14/2019** published on 7 August 2019: Quarterly report for 2019Q2
- ▶ **EBI 15/2019** published on 12 August 2019: Monthly report for July 2019
- ▶ **EBI 16/2019** published on 12 August 2019: Monthly report for July 2019 (with attachment)

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 the following current reports were published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange:

- ▶ **ESPI 19/2019** published on 1 August 2019: Photon Energy decided to increase its existing 7.75% bond 2017/2022.
- ▶ **ESPI 20/2019** published on 5 August 2019: Photon Energy increased its existing 7.75% bond 2017/2022 by additional EUR 7.5 million.
- ▶ **ESPI 21/2019** published on 19 August 2019: Insider Trading Notification
- ▶ **ESPI 22/2019** published on 20 August 2019: Change in substantial blocks of shares
- ▶ **ESPI 23/2019** published on 31 August 2019: Photon Energy sells its 25% stake in the Australian Gunnedah project to Canadian Solar.

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

- ▶ 9 October 2019 Monthly report for September 2019
- ▶ 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, 10 September 2019



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors