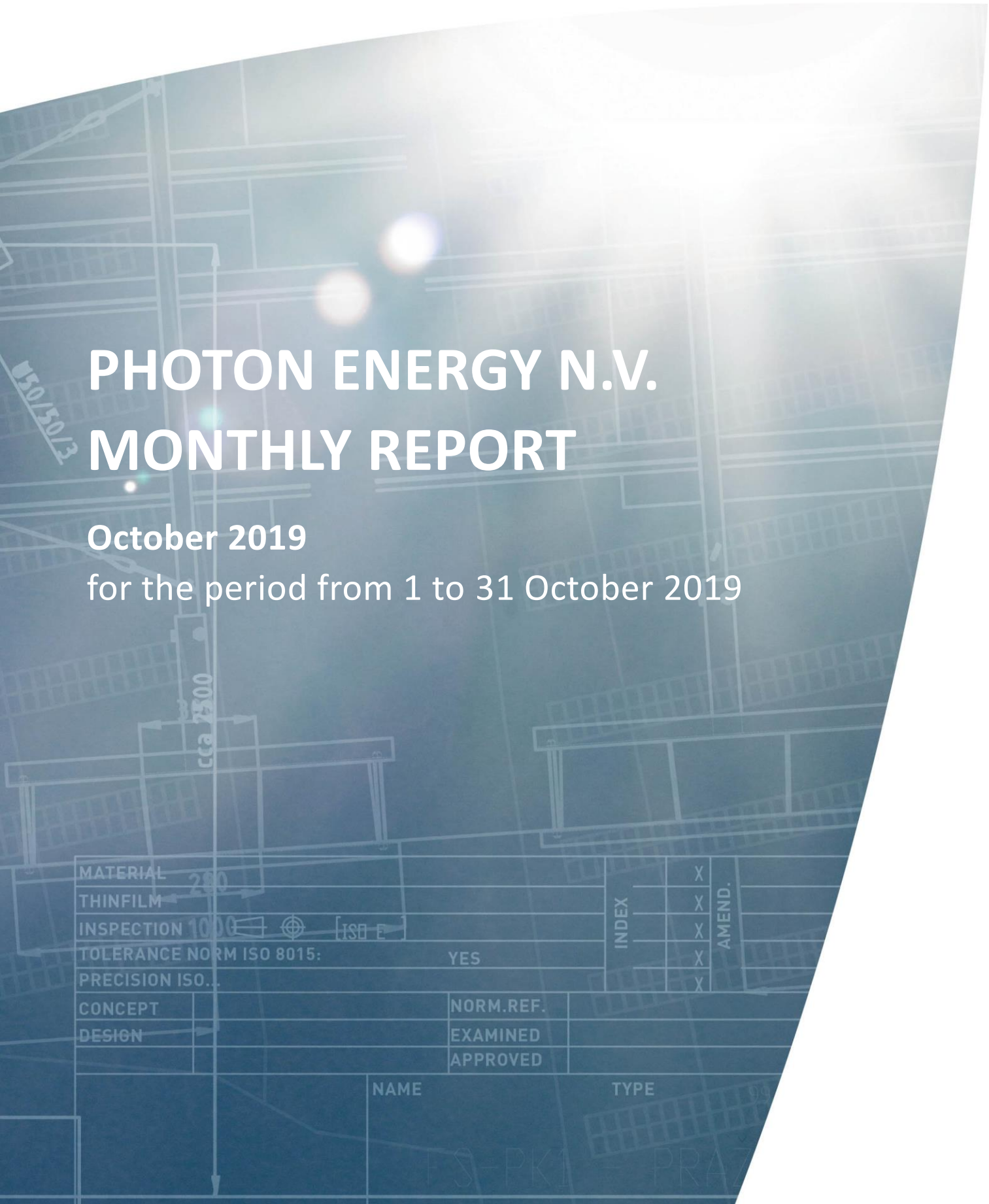
PHOTON ENERGY N.V.
MONTHLY REPORT

October 2019

for the period from 1 to 31 October 2019



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 October generation results of Photon Energy's proprietary power plants were outstanding and amounted to 3.5 GWh of electricity, which was 30.1% above the energy forecasts.

Strong production results contributed positively to the expansion of the cumulative electricity generation on a year-to-date basis amounting to 40.3 GWh, i.e. 8.5% above the energy forecasts.

The year-on-year comparison looks even more impressive with electricity generation up by +50.1% 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 Hungary in the course of the last year.

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

1.2 Proprietary portfolio increased by 10.5 MWp in Hungary, expanding the total to 49.7 MWp.

In October Photon Energy completed and grid-connected eight photovoltaic power plants with a total installed capacity of 5.6 MWp in Monor, Hungary. The plants are expected to generate around 6.9 GWh of electricity per year and generate annual revenues of EUR 680,000. Following the revaluation of the Group's proprietary portfolio according to IAS 16 approximately EUR 3.1 million will be recorded as the Group's Other Comprehensive Income in the 2019Q4 Consolidated Income Statement.

After the reporting period, Photon Energy completed and grid-connected another seven photovoltaic power plants with a total installed capacity of 4.9 MWp in the municipalities of Fertőd and Kuszentmárton, Hungary. The seven PV power plants are expected to generate around 6.0GWh of electricity per year and total annual revenues of EUR 600,000. Following the revaluation of the Group's proprietary portfolio according to IAS 16, approximately EUR 1.9 million will be recorded as the Group's Other Comprehensive Income in the 2019Q4 Consolidated Income Statement.

This latest addition expands the Group's installed base in Hungary to 24.1 MWp and its total proprietary portfolio of PV power plants to 49.7 MWp.

Another 9.7 MWp of PV power plants are under construction, namely projects located in Taszár, Tata and Malyi. For more information, please refer to chapter 3. Reporting on Photon Energy's project pipeline.

1.3 Photon Energy wins public tender to construct 950 kWp power plant in Northern Poland

On 25 October 2019 Photon Energy in consortium with Ren-Craft Sp. z o.o. signed an agreement with Miejskie Wodociągi i Kanalizacja w Koszalinie sp. z o.o.(a water utility company located in the north of Poland) for the construction of a 950 kWp photovoltaic power plant on the location of the sewage treatment plant in Jamno. The total net value of the project is PLN 3.36 million. The scope of the project includes project development, technology procurement, engineering and construction works as well as the provision of maintenance services during the warranty period of 60 months from power plant commissioning. The project shall be completed and grid connected within seven months from the date of signing the agreement with the investor i.e. by 25May 2020.

1.4 Photon Energy wins public tender to install 1.2 MWp hybrid solar and 3.2 MWp batter storage system on Lord Howe Island.

Photon Energy Engineering Australia will install a hybrid solar and battery storage system on Lord Howe Island, New South Wales, Australia. The project includes a minimum of 1.2 MWp solar PV array and a battery storage system with over 3.2 MWh capacity and will soon be built on the World Heritage-listed island, located in the Tasman Sea 700km north-east of Sydney. The integrated solar and storage system, purposely designed for a small and remote location, will provide more than two thirds of Lord Howe Island's electricity, currently powered by diesel generation, reducing the local community's reliance on diesel-generated power. Photon Energy is proud to have been successful in the Lord Howe Island Board's rigorous tender process and to be given the opportunity to help the island's community not only to massively save on diesel and greenhouse gas emissions but also to prevent spills and pollution in a pristine environment. Through the Australian Renewable Energy Agency, the federal government has provided AUD 4.5 million towards this AUD 11.1 million project, with the NSW government also providing a loan facility of AUD 5.9 million to the Lord Howe Island Board, responsible for care, control and management of the island. The ground-mounted PV power facility combined with solar battery storage will be integrated with the local micro-grid and diesel generators, which currently form the main power source for the island's community. Construction on the hybrid solar and battery system project will commence early next year and is expected to be completed by June 2020.

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 October 2019

Project name	Capacity	Feed-in-Tariff	Prod. 2019 October	Proj. 2019 October	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,530	195,882	124,797	57.0%	2,461,609	2,158,606	14.0%	-0.1%
Zvíkov I	2,031	CZK 14,530	166,590	109,383	52.3%	2,221,555	1,891,980	17.4%	0.7%
Dolní Dvořiště	1,645	CZK 14,530	129,076	90,994	41.9%	1,626,225	1,573,916	3.3%	1.6%
Svatoslav	1,231	CZK 14,530	80,969	67,582	19.8%	1,166,547	1,168,948	-0.2%	-4.8%
Slavkov	1,159	CZK 14,530	101,955	64,356	58.4%	1,292,813	1,113,165	16.1%	-1.4%
Mostkovice SPV 1	210	CZK 14,530	16,336	13,939	17.2%	215,419	176,503	22.0%	-0.7%
Mostkovice SPV 3	926	CZK 15,610	76,065	50,719	50.0%	962,388	837,293	14.9%	-0.4%
Zdice I	1,499	CZK 14,530	119,249	80,222	48.6%	1,622,698	1,376,257	17.9%	-3.2%
Zdice II	1,499	CZK 14,530	120,396	80,222	50.1%	1,662,382	1,376,257	20.8%	-2.2%
Radvanice	2,305	CZK 14,530	203,359	123,527	64.6%	2,482,076	2,136,643	16.2%	1.3%
Břeclav rooftop	137	CZK 14,530	11,747	9,565	22.8%	119,927	121,656	-1.4%	-20.9%
Total Czech PP	**14,996**		**1,221,624**	**815,305**	**49.8%**	**15,833,639**	**13,931,223**	**13.7%**	**-0.8%**
Babiná II	999	EUR 425.12	69,452	63,605	9.2%	898,505	902,981	-0.5%	-2.8%
Babina III	999	EUR 425.12	72,037	63,605	13.3%	930,236	902,981	3.0%	-0.4%
Prša I.	999	EUR 425.12	77,144	62,365	23.7%	1,001,563	905,812	10.6%	0.3%
Blatna	700	EUR 425.12	45,612	43,023	6.0%	677,838	660,613	2.6%	-1.4%
Mokra Luka 1	963	EUR 382.61	96,710	68,943	40.3%	1,110,380	930,514	19.3%	19.8%
Mokra Luka 2	963	EUR 382.61	98,653	68,943	43.1%	1,120,731	930,514	20.4%	4.9%
Jovice 1	979	EUR 382.61	65,760	51,137	28.6%	882,021	885,639	-0.4%	5.1%
Jovice 2	979	EUR 382.61	66,463	51,137	30.0%	878,156	885,639	-0.8%	4.6%
Brestovec	850	EUR 382.61	83,442	56,401	47.9%	967,764	786,869	23.0%	-1.3%
Polianka	999	EUR 382.61	72,177	52,182	38.3%	925,572	906,622	2.1%	-2.7%
Myjava	999	EUR 382.61	84,966	64,642	31.4%	1,050,156	942,685	11.4%	-1.8%
Total Slovak PP	**10,429**		**832,416**	**645,983**	**28.9%**	**10,442,922**	**9,640,870**	**8.3%**	**2.2%**
Fertod 1	528	HUF 32,590	46,186	41,130	12.3%	626,174	583,141	7.4%	15.9%
Tiszakécske 1	689	HUF 32,590	70,206	61,319	14.5%	806,318	802,163	0.5%	na
Tiszakécske 2	689	HUF 32,590	70,577	61,907	14.0%	808,404	805,833	0.3%	na
Tiszakécske 3	689	HUF 32,590	70,709	61,102	15.7%	803,591	801,592	0.2%	na
Tiszakécske 4	689	HUF 32,590	70,984	61,907	14.7%	811,034	805,833	0.6%	na
Tiszakécske 5	689	HUF 32,590	71,365	61,907	15.3%	813,033	805,833	0.9%	na
Tiszakécske 6	689	HUF 32,590	70,456	61,319	14.9%	808,444	802,163	0.8%	na
Tiszakécske 7	689	HUF 32,590	69,542	60,936	14.1%	804,822	799,736	0.6%	na
Tiszakécske 8	689	HUF 32,590	66,616	58,971	13.0%	786,188	788,594	-0.3%	na
Almásfüzitő 1	695	HUF 32,590	70,285	60,429	16.3%	711,723	719,935	-1.1%	na
Almásfüzitő 2	695	HUF 32,590	67,801	60,378	12.3%	698,348	719,608	-3.0%	na
Almásfüzitő 3	695	HUF 32,590	68,824	59,754	15.2%	694,325	717,851	-3.3%	na
Almásfüzitő 4	695	HUF 32,590	71,876	60,696	18.4%	723,440	721,033	0.3%	na
Almásfüzitő 5	695	HUF 32,590	72,947	59,886	21.8%	726,638	718,353	1.2%	na
Almásfüzitő 6	660	HUF 32,590	72,382	57,490	25.9%	722,869	690,807	4.6%	na
Almásfüzitő 7	691	HUF 32,590	72,098	59,480	21.2%	724,033	714,292	1.4%	na
Almásfüzitő 8	668	HUF 32,590	72,301	58,333	23.9%	734,803	698,348	5.2%	na

Project name	Capacity	Feed-in-Tariff	Prod. 2019 October	Proj.2019 October	Perf.	YTD. Prod.	YTD. Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, 2019	kWh	kWh	%	kWh	kWh	%	%
Nagyecsed 1	689	HUF 32,590	74,645	58,171	28.3%	372,967	335,262	11.2%	na
Nagyecsed 2	689	HUF 32,590	74,993	58,171	28.9%	377,220	335,262	12.5%	na
Nagyecsed 3	689	HUF 32,590	75,345	58,266	29.3%	377,875	335,855	12.5%	na
Total Hungarian PP	**13,602**		**1,400,136**	**1,181,550**	**18.5%**	**13,932,246**	**13,459,284**	**3.5%**	**na**
Symonston	144	AUD 301.60	8,992	18,533	-51.5%	119,963	137,129	-12.5%	-12.2%
Total Australian PP	**144**	**11,295**	**8,992**	**18,533**	**-51.5%**	**119,963**	**137,129**	**-12.5%**	**-12.2%**
Total	**39,171**[1]		**3,463,167**	**2,661,371**	**30.1%**	**40,328,769**	**37,168,506**	**8.5%**	**50.1%**

[1] *The eight PV plants in Monor with a combined capacity of 5.6 Mwp were connected to the grid in the reporting period on 18 October 2019 and will be shown in the November report in the production statistics.*

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

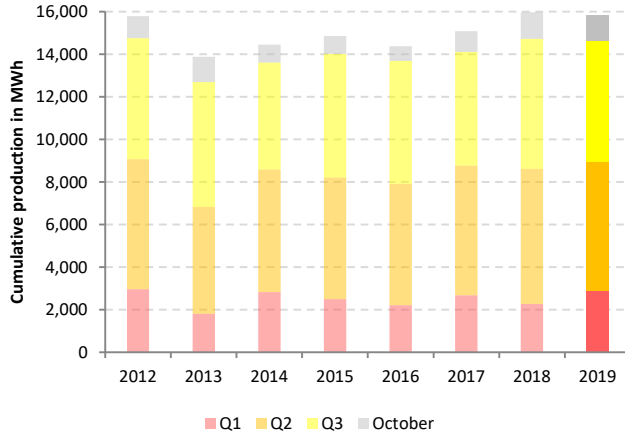


Chart 1.b Total production of the Slovak portfolio

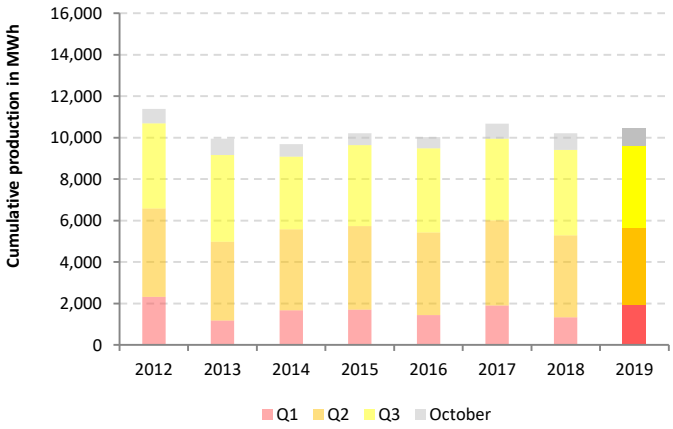


Chart 2. Generation results versus forecast between 1 January 2015 and 31 October 2019

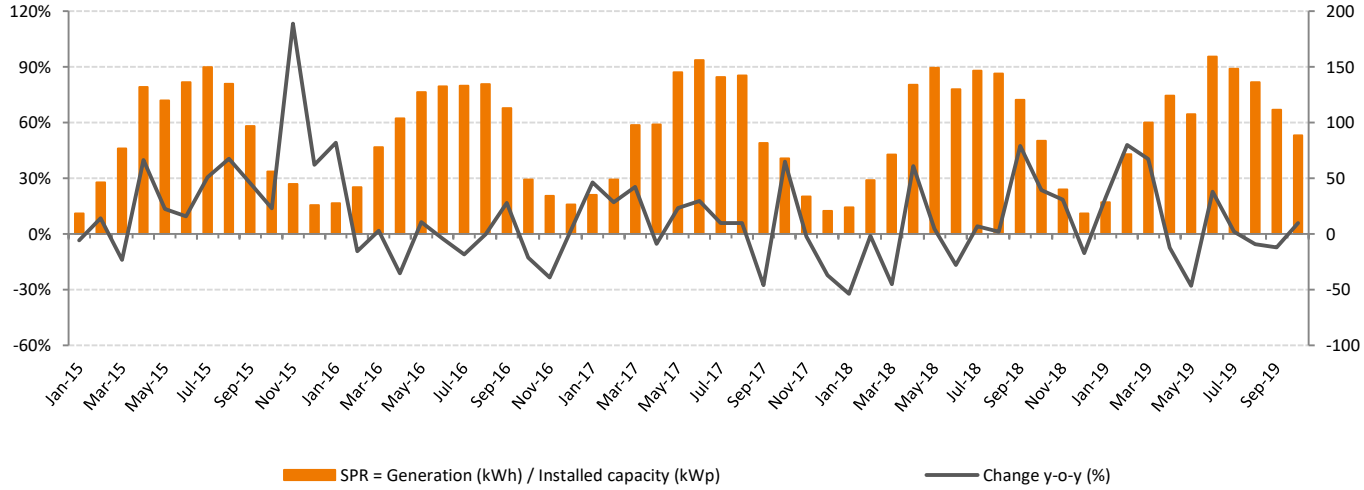
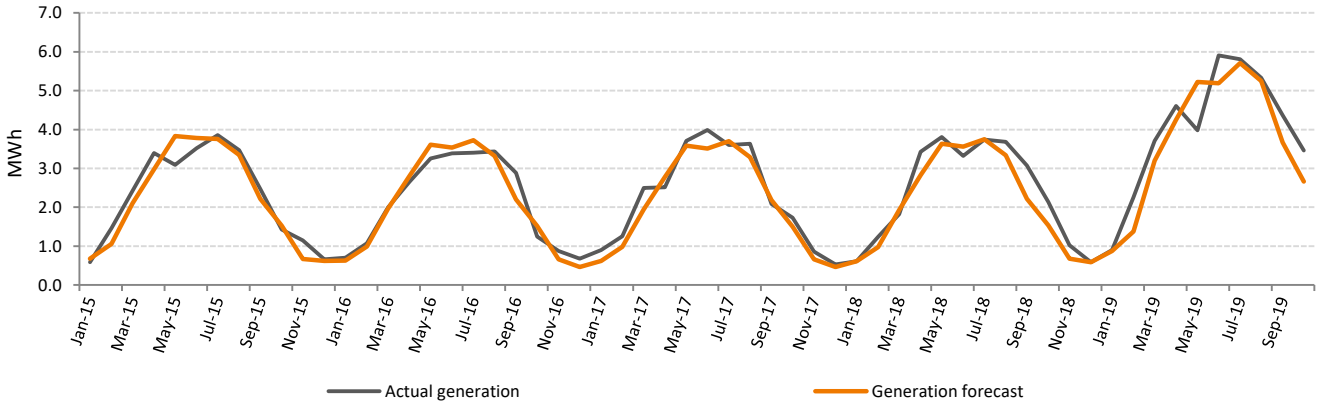


Chart 3. Specific Performance Ratio between 1 January 2015 and 31 October 2019



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 October generation results of Photon Energy's proprietary power plants were outstanding and amounted to 3.5 GWh of electricity, which was 30.1% above the energy forecasts.

Strong production results contributed positively to the expansion of the cumulative outperformance on a year-to-date basis amounting to 40.3 GWh, i.e. 8.5% above the energy forecasts.

The year-on-year performance looks even more impressive (+50.1% 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 49.8% in October. The performance of the Slovak and Hungarian power plants followed closely behind, exceeding the energy audits by 28.9% and 18.5%, respectively. The Australian power plant in Symonston was the only one underperforming by -51.5% due to technical problems.

The specific performance ratio of the proprietary portfolio (SPR) amounted to 88 KWh/kWp compared to 84 KWh/kWp, up by 5.8% 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 (25.3 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	Construction permit	Expected RTB
Hungary	*Fertöd II*[1]	*Own portfolio*	*100%*	*3.5*	*Licensed PPA*	*Secured*	*Secured*	*Secured*	*Connected*
Hungary	*Kunszentmárton I*[1]	*Own portfolio*	*100%*	*1.4*	*Licensed PPA*	*Secured*	*Secured*	*Secured*	*Connected*
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	Under construction
Hungary	Püspökladány	Own portfolio	100%	14.2	Licensed PPA	Secured	Secured	Secured	2019Q4
Hungary	Kunszentmárton II	Own portfolio	100%	1.4	Licensed PPA	Secured	Secured	Secured	2019Q4
Total Own portfolio Hungary				**30.2**					
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	2019Q4
Total Own portfolio Australia				**14.0**					
Total Own portfolio				**44.2**					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	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	All options open	Secured	Ongoing	Ongoing	2020Q2
Australia	Brewongle	Developer	51%	146	All options open	Secured	Ongoing	Ongoing	2020Q2
Total Development Australia				**870**					

[1] *The five PV plants with a combined capacity of 3.5 MWp in Fertöd II and two PV plants with a combined capacity of 1.4 MWp in Kunszentmárton I, respectively, were connected to the grid after the reporting period on 4 November 2019 and will be consequently shown in the production statistics in the future as well. Thus the development pipeline of the remaining projects in Hungary is currently 25.3 MWp.*

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 concluded and settled 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 concluded in 2019Q3 and settled in 2019Q4.

The capital gain realised on both transactions amounted to EUR 4.121 million on top of the book value of EUR 1.109 million and was booked below the operating line as "Disposal of investments" in 2019Q3. Both projects were excluded from the Company's pipeline co-developed with Canadian Solar, resulting in its reduction 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 continuing and we plan to carry out public consultations in November/December. 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 2019Q4. The grid connection options are still under review and in discussions with Essential Energy. We are currently completing the electrical connection process, which is continuing. GPS will start upon finalizations of those discussions.
- **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. Feasibility studies and community consultations are being finalized. Afterwards we will submit EIS for comments to NSW DP&E. 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.*
*Australian Energy Market Operator (**AEMO**)*	*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.*

Hungary

As of the date of publishing this report, Photon Energy has twenty six projects in the pipeline with a total planned capacity of 25.3 MWp. Below is a short summary of projects in the pipeline and the progress achieved in the reporting period.

- **Taszár (2.1 MWp):** Photon Energy owns 100% shares in Optisolar Kft., which holds 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.

Taszár – Work in progress

Construction status:

After land preparation works during summer, the construction of the PV plants in Tata started in September 2019. To date the mounting structures have been assembled fully and PV modules have been installed. Low voltage electric works have been almost completed. The security system will be finalized closer to the connection date.
The remaining steps include the installation of the transformers and switch stations, which have been procured and are currently in the production process. Delivery of the technology is due in the second half of November.
Commissioning of the power plants is scheduled for 2019Q4.

- **Tata (5.5 MWp):** Photon Energy owns 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 mounting structures. These projects have reached the ready-to-build stage and are currently under construction.

Tata – Work in progress

Construction status:

The land preparation works are undergoing. The ramming of the piles for the mounting structures has been finished (visible on the picture on the left). The excavation works have been completed and the grid connection line has been constructed. The low voltage electrical works are still undergoing. The technology has been procured and part of the modules have already been delivered to the site and will be installed on the mounting structures in the course of 2019Q4.

The projects are scheduled to be grid-connected in 2020Q1.

- **Malyi (2.1 MWp):** Photon Energy NV owns three PV projects with a total planned 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 and the construction is undergoing.

Malyi – Work in progress

Construction status:

The construction works commenced in October with the land preparation works and the construction of the access road. We have procured the technology, which is expected to be delivered in the second half of November.
The projects are to be completed and grid-connected in 2020Q1

- **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 in-

volves 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 II (1.4 MWp):** Photon Energy NV acquired four PV projects with a total planned capacity of 2.8 MWp in the municipality of Kunszentmárton, in Central Hungary. After the reporting period Photon Energy constructed and grid connected two out of four projects, which owned KÁT license (ESPI 27/2019). The remaining two projects (hereafter named Kunszentmárton II) owning KÁT-METÁR licenses and entitling them to a feed-in-tariff of HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 17 years and 4 months are still in the pipeline. The maximum approved and supported production amounts to 13,832 MWh per KÁT-METÁR license.

  The construction of the two remaining KÁT-METÁR licensed projects is planned to start during 2020Q1.

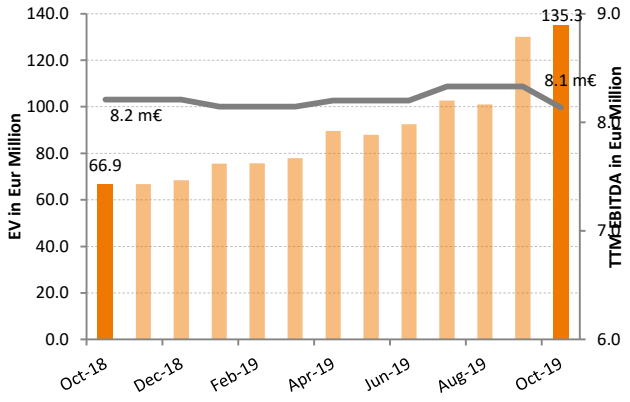
The current project pipeline in Hungary consists of twenty six projects with a total planned capacity of 25.3 MWp. Together with our existing portfolio of operating PV plants of 24.1 MWp, we have secured a 49.4 MWp portfolio in Hungary. The new target assumes the expansion of our operating portfolio across the support schemes of KÁT, KÁT-METÁR and METÁR in Hungary up to 75MWp until year-end 2021. The company has also initiated efforts to develop ground-mounted projects for the auction mechanism for renewable energy sources. The first auction for an annual volume of 200 GWh of renewable energy generation will close in early December 2019.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 31 October 2019, the share price (ISIN NL0010391108) closed at the level of PLN 6.00 (+11% MoM, +226% YTD), corresponding to a price to book ratio of 2.07x. The Company reports an exceptionally strong monthly trading volume of 865,805 shares (vs. an average of 186,267 during the past twelve months).

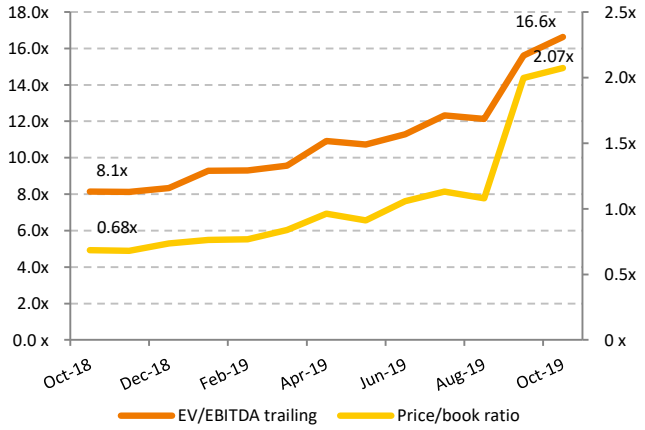
Chart 4. Enterprise value vs. trailing 12 months (TTM) EBITDA



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 30.09.2019, the sum of EBITDA reported in 2018Q4, 2019Q1, 2019Q2 and 2019Q3.

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 New-Connect 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 31 October 2019 the share price (ISIN NL0010391108) closed at a level of CZK 30.00 (1.0% compared to last month, +512.2% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 1.73x. The Company reports a monthly trading volume of 22,152 shares in October compared to an average monthly trading volume of 24,308 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 (ISIN CZ0000000815) with a nominal value of CZK 30,000 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 original target volume of EUR 30 million has been subscribed to in full on 7 September 2018, before the end of the public placement periodoriginally set until 20 September 2018. The corporate bond (ISIN DE000A19MFH4)with a nominal value of EUR 1,000 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 31 October 2019, the trading volume amounted to EUR 35.711 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 70,297.

EUR Bond 2017-22 trading performance in September 2019

In October 2019 the trading volume amounted to EUR 975,000 with an opening price of 104.25 and a closing price of 104.25 in Frankfurt. The average daily turnover amounted to EUR 42,391.

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

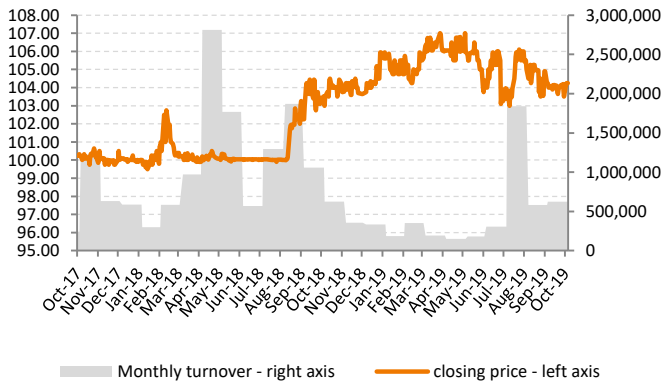
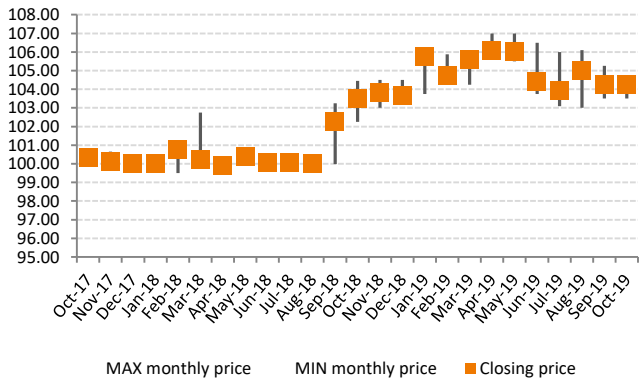


Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 31 October 2019 the trading volume amounted to CZK 10.050 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 report has been published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- **EBI 18/2019** published on 9 October 2019: Monthly report for September 2019

After the period covered by this report the following report has been published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange.

- **EBI 19/2019** published on 7 November 2019: Quarterly report for 2019Q3.

In the period covered by this report the following reports have been published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange.

- **ESPI 24/2019** published on 10 October 2019: Photon Energy Replaces Diesel with Hybrid Solar and Storage System on Lord Howe Island
- **ESPI 25/2019** published on 21 October 2019: Photon Energy commissions eight PV power plants with a capacity of 5.6 MWp in Hungary.
- **ESPI 26/2019** published on 25 October 2019: Photon Energy wins tender to build 950 kWp PV power plant in Northern Poland.

After the period covered by this report the following current reports have been published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange.

- **ESPI 27/2019** published on 4 November 2019: Photon Energy commissions seven PV power plants with 4.9 MWp in Hungary.
- **ESPI 28/2019** published on 10 November 2019: Change in substantial blocks of shares.

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

- 11 December 2019 Monthly report for November 2019.

9. Investor relations contact

Joanna Rzesiewska

E-mail: ir@photonenergy.com

Photon Energy N.V.

Barbara Strozzilaan 201

1083 HN Amsterdam

The Netherlands

Web: www.photonenergy.com

Amsterdam, 12 November 2019

Georg Hotar, Member of the Board of Directors

Michael Gartner, Member of the Board of Directors