

Photon Energy N.V.

Monthly Report for December 2020

For the period from 1 to 31 December 2020

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's power plants in the reporting period

In 2020, the Group's proprietary portfolio of PV power plants delivered a record electricity production of 69.98 GWh, compared to 43.8 GWh one year ago (+59.9%), exceeding our production guidance by 2.0%. This outstanding performance was driven by the addition of 23.0 MWp of new PV capacities in Hungary in 2020, as well as by a solid production experienced at our power plants in the Czech Republic and in Slovakia.

In December due to less favourable weather conditions, the overall performance of the power plants in Photon Energy's portfolio was below energy forecasts. The average performance of all power plants in Photon Energy's portfolio came in approximately 33.9% below expectations.

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

1.2 Photon Energy secures long-term financing for five PV power plants in Hungary

During the reporting period, the Company closed its first long-term non-recourse project financing agreement with the Hungarian CIB Bank for five of its proprietary PV power plants in Hungary. The portfolio to be refinanced is comprised of three individual KÁT-licensed PV power plants with a combined capacity of 2.1 MWp in the location of Nagyecséd and two individual METÁR-KÁT-licensed PV power plants with a combined capacity of 1.4 MWp in Kunszentmárton.

The Nagyecséd projects were commissioned in July 2019 and the projects in Kunszentmárton in November 2019. The financing amounting to HUF 1.0 billion (EUR 2.8 million) is being provided by CIB Bank, a subsidiary of the Italian Intesa Sanpaolo Group and the second-biggest commercial Hungarian bank for a period of 15 years. In addition to this transaction, Photon Energy is also in the process of finalizing the refinancing of another 10 METÁR-licensed PV power plants with a combined capacity of 14.1 MWp in Püspökladány, Hungary with CIB Bank.

Photon Energy delivered the engineering, procurement and construction services for all above-mentioned power plants through its subsidiary Photon Energy Solutions HU Kft. The Group's subsidiary Photon Energy Operations HU Kft is providing long-term monitoring as well as operations and maintenance services to the power plants.

1.3 Photon Energy makes debut on the regulated markets of the Warsaw and Prague Stock Exchanges

The admission to listing and trading of the Company's shares on the regulated markets of the Warsaw Stock Exchange (WSE) and Prague Stock Exchange (PSE) followed the approval of the Company's securities prospectus by the Dutch regulator, (Autoriteit Financiële Markten, the AFM) on 14 December 2020, allowing for the transfer of shares from the unregulated stock markets New-Connect (WSE) and Free Market (PSE).

The trading of the shares commenced on 5 January 2021 under the ISIN code NL0010391108; the listings do not involve any issuance of new shares.

Moving to the main markets is an essential step towards improving trading liquidity and providing a platform for institutional investors to participate in the world's transition to renewable energy and the development of clean water solutions.

1.4 Admission to listing and trading of the Company's shares on the Quotation Board of the Frankfurt Stock Exchange

Following a successful application submitted by Baader Bank, trading of the Company's shares commenced on the Quotation Board of the Open Market of the Frankfurt Stock Exchange (FSX) under the identification number 'A1T9KW' and ISIN code NL0010391108 on 11 January 2021.

The listing on the Frankfurt Stock Exchange will enable investors from the Eurozone to trade the Company's shares without currency risk. The listing does not involve any issuance of new shares.

1.5 Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (594.6 MWp), Hungary (96.6 MWp), Poland (4.6 MWp) and Romania (97.4 MWp), and is evaluating further markets for opportunities.

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

2. Proprietary PV power 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 2020

Project name	Capacity	Feed-in-Tariff	Prod. 2020 December	Proj. 2020 December	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	40,030	47,916	-16.5%	2,533,440	2,299,957	10.2%	-1.7%
Zvíkov I	2,031	CZK 14,821	43,724	50,945	-14.2%	2,368,378	2,040,446	16.1%	1.5%
Dolní Dvořiště	1,645	CZK 14,821	31,913	43,779	-27.1%	1,706,003	1,682,302	1.4%	-1.4%
Svatoslav	1,231	CZK 14,821	13,687	23,911	-42.8%	1,199,967	1,218,992	-1.6%	-1.2%
Slavkov	1,159	CZK 14,821	18,582	27,255	-31.8%	1,337,104	1,194,928	11.9%	-1.9%
Mostkovice SPV 1	210	CZK 14,821	3,218	5,015	-35.8%	216,392	185,971	16.4%	-4.8%
Mostkovice SPV 3	926	CZK 15,922	9,966	14,889	-33.1%	965,959	881,993	9.5%	-3.9%
Zdice I	1,499	CZK 14,821	32,499	41,340	-21.4%	1,725,258	1,485,803	16.1%	0.9%
Zdice II	1,499	CZK 14,821	33,141	42,324	-21.7%	1,753,034	1,487,868	17.8%	0.1%
Radvanice	2,305	CZK 14,821	40,178	45,721	-12.1%	2,479,235	2,276,677	8.9%	-5.1%
Břeclav rooftop	137	CZK 14,821	2,504	3,867	-35.2%	159,365	130,531	22.1%	23.3%
Total Czech PP	14,996		269,442	346,962	-22.3%	16,444,134	14,885,468	10.5%	-1.3%
Babíná II	999	EUR 425.12	11,722	19,156	-38.8%	960,661	937,783	2.4%	2.3%
Babina III	999	EUR 425.12	12,217	20,381	-40.1%	974,833	940,961	3.6%	0.2%
Prša I.	999	EUR 425.12	11,557	20,484	-43.6%	1,004,921	955,323	5.2%	-4.1%
Blatna	700	EUR 425.12	9,946	13,844	-28.2%	711,213	690,060	3.1%	-0.1%
Mokra Luka 1	963	EUR 382.61	17,195	30,133	-42.9%	1,157,862	1,009,979	14.6%	-1.0%
Mokra Luka 2	963	EUR 382.61	19,259	31,783	-39.4%	1,170,153	1,015,788	15.2%	-1.1%
Jovice 1	979	EUR 382.61	9,953	15,903	-37.4%	872,427	929,012	-6.1%	-5.0%
Jovice 2	979	EUR 382.61	9,769	15,642	-37.5%	866,422	927,763	-6.6%	-5.2%
Brestovec	850	EUR 382.61	12,388	19,813	-37.5%	1,034,152	847,782	22.0%	1.8%
Polianka	999	EUR 382.61	13,833	18,022	-23.2%	978,243	954,852	2.4%	1.1%
Myjava	999	EUR 382.61	16,363	23,281	-29.7%	1,144,737	1,002,977	14.1%	3.8%
Total Slovak PP	10,429		144,202	228,442	-36.9%	10,875,626	10,212,280	6.5%	-0.6%
Tiszaécske 1	689	HUF 33,360	14,746	22,835	-35.4%	855,079	851,990	0.4%	-0.5%
Tiszaécske 2	689	HUF 33,360	15,004	23,496	-36.1%	859,470	857,480	0.2%	-0.8%
Tiszaécske 3	689	HUF 33,360	12,970	20,541	-36.9%	834,223	834,185	0.0%	0.1%
Tiszaécske 4	689	HUF 33,360	15,217	23,496	-35.2%	861,553	857,480	0.5%	-0.8%
Tiszaécske 5	689	HUF 33,360	14,756	22,835	-35.4%	845,733	851,990	-0.7%	-1.9%
Tiszaécske 6	689	HUF 33,360	14,936	23,496	-36.4%	857,044	857,480	-0.1%	-0.6%
Tiszaécske 7	689	HUF 33,360	14,985	22,816	-34.3%	856,465	851,365	0.6%	-0.3%
Tiszaécske 8	689	HUF 33,360	14,491	22,016	-34.2%	849,802	848,515	0.2%	-0.9%
Almásfüzitő 1	695	HUF 33,360	11,307	23,240	-51.3%	832,601	847,242	-1.7%	9.6%
Almásfüzitő 2	695	HUF 33,360	10,942	23,172	-52.8%	812,649	846,643	-4.0%	9.3%
Almásfüzitő 3	695	HUF 33,360	11,955	22,816	-47.6%	803,019	842,547	-4.7%	7.6%
Almásfüzitő 4	695	HUF 33,360	11,380	23,438	-51.4%	838,208	849,279	-1.3%	8.6%
Almásfüzitő 5	695	HUF 33,360	12,110	22,896	-47.1%	849,837	843,641	0.7%	8.8%
Almásfüzitő 6	660	HUF 33,360	11,879	21,973	-45.9%	842,797	811,429	3.9%	8.8%
Almásfüzitő 7	691	HUF 33,360	11,477	22,730	-49.5%	841,252	838,683	0.3%	8.6%
Almásfüzitő 8	668	HUF 33,360	11,374	22,428	-49.3%	843,730	821,158	2.7%	7.8%
Nagyecsed 1	689	HUF 33,360	19,975	21,201	-5.8%	844,563	832,431	1.5%	98.2%
Nagyecsed 2	689	HUF 33,360	19,735	21,201	-6.9%	843,534	832,431	1.3%	96.0%
Nagyecsed 3	689	HUF 33,360	19,947	20,926	-4.7%	850,638	832,847	2.1%	98.3%
Fertod I	528	HUF 33,360	10,656	16,147	-34.0%	680,039	617,105	10.2%	2.2%

Project name	Capacity	Feed-in-Tariff	Prod. 2020 December	Proj. 2020 December	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Fertod II No 2	699	HUF 33,360	16,412	21,655	-24.2%	881,177	840,431	4.8%	nm
Fertod II No 3	699	HUF 33,360	16,550	21,655	-23.6%	881,500	840,431	4.9%	nm
Fertod II No 4	699	HUF 33,360	16,424	21,655	-24.2%	879,054	840,431	4.6%	nm
Fertod II No 5	691	HUF 33,360	16,329	23,595	-30.8%	876,033	845,163	3.7%	nm
Fertod II No 6	699	HUF 33,360	16,386	21,655	-24.3%	873,453	840,431	3.9%	nm
Kunszentmárton I No 1	697	HUF 33,360	17,073	24,006	-28.9%	885,707	892,642	-0.8%	nm
Kunszentmárton I No 2	697	HUF 33,360	16,274	24,039	-32.3%	879,637	892,779	-1.5%	nm
Kunszentmárton II No 1	693	HUF 33,360	16,743	19,701	-15.0%	521,697	600,149	-13.1%	nm
Kunszentmárton II No 2	693	HUF 33,360	16,873	19,801	-14.8%	587,897	600,149	-2.0%	nm
Taszár 1	701	HUF 33,360	15,720	26,483	-40.6%	894,561	892,456	0.2%	nm
Taszár 2	701	HUF 33,360	15,837	26,483	-40.2%	902,080	892,456	1.1%	nm
Taszár 3	701	HUF 33,360	15,753	26,483	-40.5%	898,453	892,456	0.7%	nm
Monor 1	688	HUF 33,360	12,226	20,235	-39.6%	846,661	859,230	-1.5%	nm
Monor 2	696	HUF 33,360	12,222	20,335	-39.9%	850,768	869,858	-2.2%	nm
Monor 3	696	HUF 33,360	11,843	20,335	-41.8%	849,069	869,858	-2.4%	nm
Monor 4	696	HUF 33,360	12,067	20,335	-40.7%	855,793	869,858	-1.6%	nm
Monor 5	688	HUF 33,360	12,224	20,102	-39.2%	856,828	853,271	0.4%	nm
Monor 6	696	HUF 33,360	12,291	20,335	-39.6%	859,776	869,858	-1.2%	nm
Monor 7	696	HUF 33,360	12,050	20,335	-40.7%	869,024	869,858	-0.1%	nm
Monor 8	696	HUF 33,360	11,988	20,335	-41.0%	854,896	869,858	-1.7%	nm
Tata 1	672	HUF 33,360	12,167	18,969	-35.9%	837,341	861,188	-2.8%	na
Tata 2	676	HUF 33,360	12,893	22,705	-43.2%	735,103	765,090	-3.9%	na
Tata 3	667	HUF 33,360	12,862	21,141	-39.2%	755,444	767,004	-1.5%	na
Tata 4	672	HUF 33,360	12,413	19,552	-36.5%	845,176	881,182	-4.1%	na
Tata 5	672	HUF 33,360	12,180	19,643	-38.0%	848,272	887,026	-4.4%	na
Tata 6	672	HUF 33,360	12,057	19,231	-37.3%	855,506	889,404	-3.8%	na
Tata 7	672	HUF 33,360	12,030	18,985	-36.6%	848,062	880,454	-3.7%	na
Tata 8	672	HUF 33,360	12,300	19,339	-36.4%	841,870	874,280	-3.7%	na
Malyi 1	695	HUF 33,360	13,324	20,080	-33.6%	558,751	586,724	-4.8%	na
Malyi 2	695	HUF 33,360	13,708	20,202	-32.1%	555,041	587,505	-5.5%	na
Malyi 3	695	HUF 33,360	13,639	20,202	-32.5%	562,711	587,505	-4.2%	na
Puspokladány 1*	1,406	HUF 33,360	30,741	51,243	-40.0%	46,226	88,655	-47.9%	na
Puspokladány 2	1,420	HUF 33,360	30,583	48,258	-36.6%	68,031	123,537	-44.9%	na
Puspokladány 3	1,420	HUF 33,360	29,418	46,467	-36.7%	64,638	119,268	-45.8%	na
Puspokladány 4	1,406	HUF 33,360	30,403	50,944	-40.3%	125,703	224,710	-44.1%	na
Puspokladány 5	1,420	HUF 33,360	30,858	48,258	-36.1%	123,120	216,082	-43.0%	na
Puspokladány 6	1,394	HUF 33,360	29,696	49,253	-39.7%	67,514	126,413	-46.6%	na
Puspokladány 7*	1,406	HUF 33,360	30,234	50,944	-40.7%	46,222	90,469	-48.9%	na
Puspokladány 8	1,420	HUF 33,360	29,540	46,765	-36.8%	65,969	119,904	-45.0%	na
Puspokladány 9	1,406	HUF 33,360	30,089	50,944	-40.9%	68,505	129,738	-47.2%	na
Puspokladány 10	1,420	HUF 33,360	28,760	46,467	-38.1%	64,838	119,268	-45.6%	na
Total Hungarian PP	46,287		1,013,023	1,592,848	-36.4%	42,490,343	43,352,949	-2.0%	165.2%
Symonston	144	AUD 301.60	21,656	22,709	-4.6%	169,277	179,613	-5.8%	6.1%
Total Australian PP	144		21,656	22,709	-4.6%	169,277	179,613	-5.8%	6.1%
Total	74,667		1,448,323	2,190,961	-33.9%	69,979,380	68,630,309	2.0%	59.9%

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 2020 / YTD proj. in 2020) - 1

YTD YOY: (YTD Prod. in 2020 / YTD Prod. in 2019) - 1.

* Puspokladány 1 and 7 were connected to the grid on 13 and 14 November 2020 respectively.

Chart 1.a Total production of the Czech portfolio

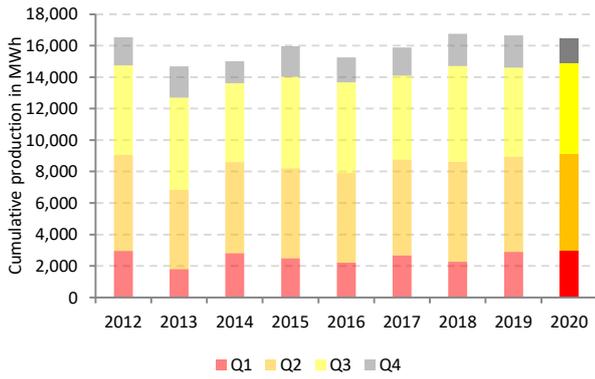


Chart 1.b Total production of the Slovak portfolio

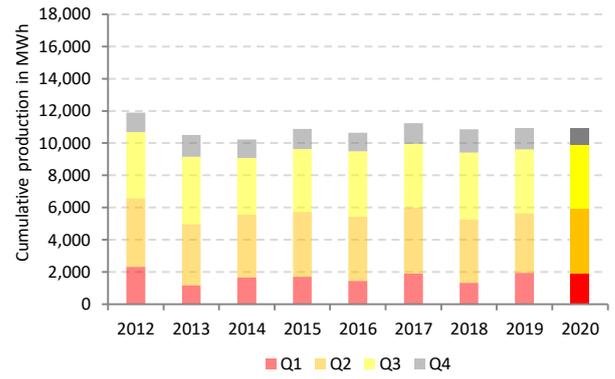


Chart 1.c Total production of Hungarian portfolio

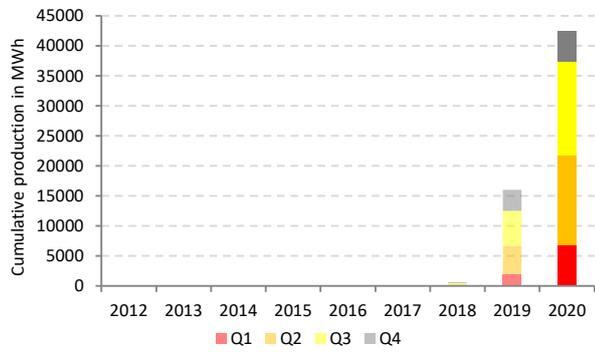


Chart 2. Generation results versus forecast between 1 January 2015 and 31 December 2020

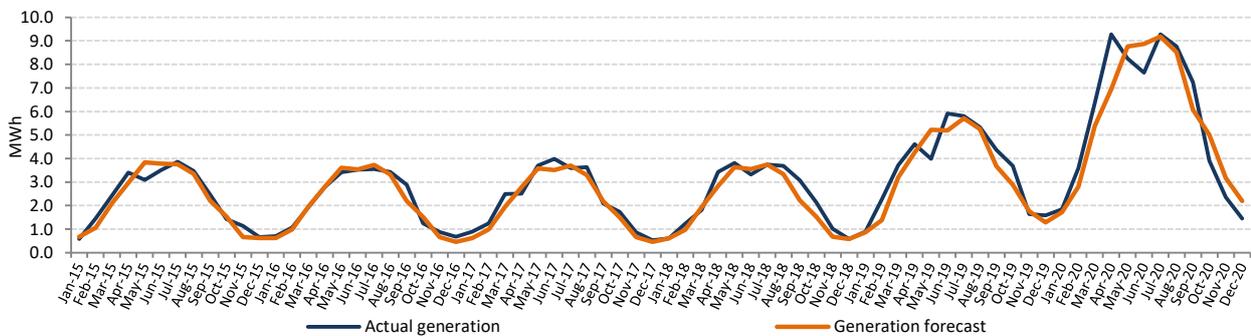
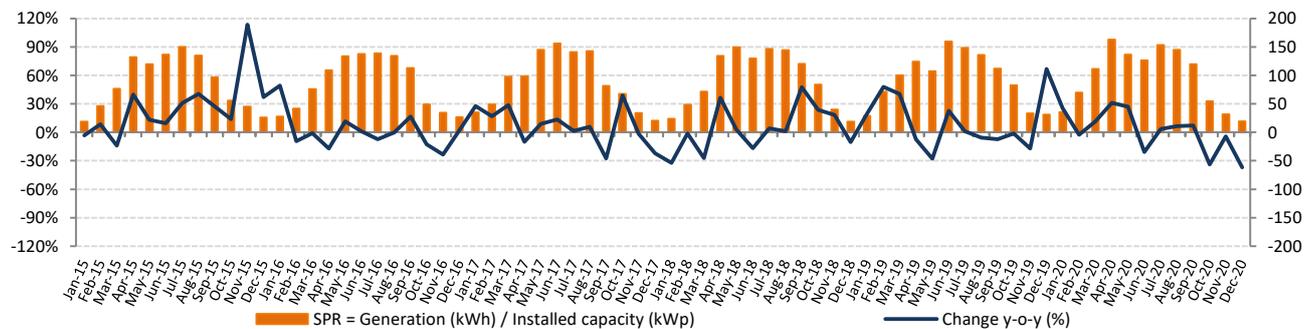


Chart 3. Specific Performance Ratio between 1 January 2015 and 31 December 2020



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 2020, the Group's proprietary portfolio of PV power plants exceeded our production guidance by 2.0% by delivering a record electricity production of 69.98 GWh, compared to 43.8 GWh one year ago (+59.9%). This outstanding growth was driven by the addition of 23.0 MWp of new PV capacity in Hungary in 2020, as well as by a solid performance experienced at our power plants in the Czech Republic and in Slovakia.

In December due to less favourable weather conditions, the overall performance of the power plants in Photon Energy's portfolio was below energy forecasts. The average performance of all power plants in Photon Energy's portfolio came in approximately 33.9% below expectations.

Our Czech, Slovak and Hungarian portfolios performed on average below expectations, by approximately 22.5%, 36.9% and 36.4%, respectively. On a year-to-date basis, the Czech and Slovak portfolios still outperformed forecasts by 10.5% and 6.5% respectively, whereas the Hungarian portfolio was slightly below expectations by 2.0%. Our Australian power plant was short of generation estimates by 4.6% in December and by 5.8% on a YTD basis.

The specific performance ratio of the proprietary portfolio (SPR) reached 19 kWh/kWp compared to 31 kWh/kWp one year ago (-36.8% year-on year).

3. Reporting on Photon Energy's project pipeline

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 project development activities is to expand the PV proprietary portfolio, 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 the goal 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 for Photon Energy's future growth. The Group's experience in project development and financing in the Czech Republic, Slovakia, Germany, Italy and Hungary is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Photon Energy is currently developing PV projects in Australia (594.6 MWp), Hungary (96.6 MWp), Romania (97.4 MWp) and Poland (4.6 MWp), and is evaluating further markets for opportunities.

Country	1. Feasibility*	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Australia	-	200.0	380.0	-	14.6	594.6
 Hungary	68.0	28.6	-	-	-	96.6
 Romania	19.9	77.5	-	-	-	97.4
 Poland	4.6	-	-	-	-	4.6
Total in MWp	92.6	306.1	380.0	-	14.6	793.2

*Development phases are described in the glossary available at the end of this chapter.

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.

Projects having reached an advanced development phase, as well as projects for which sufficient details can be disclosed are described in the table below:

Country	Location	Dvt Phase	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Australia	Leeton	5	Own portfolio	100%	7.3	Merchant	Secured	Secured	Secured	Under construction
Australia	Fivebough	5	Own Portfolio	100%	7.3	Merchant	Secured	Secured	Secured	
Total Own portfolio Australia					14.6					
Hungary	Tolna	2	Own portfolio	100%	28.6	All options open	Ongoing	Secured	Ongoing	Q3 2021
Total Own portfolio Hungary					28.6					
Total Own portfolio					43.2					
Australia	Gunning	3	Developer	49%	220.0	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	3	Developer	25%	160.0		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	2	Developer	25%	200.0		Ongoing	Ongoing	Ongoing	Q2 2021
Total Development Australia					580.0					

¹ Contr.-for-Diff stands for 'Contract for difference' and is a revenue model in form of electricity sales on the electricity spot market plus the compensation of the difference to a guaranteed Feed-in-Tariff.

Australia

As of the date of publishing this report, Photon Energy has five 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 595 MWp.

In January 2018, Photon Energy 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 acquired a 51% shareholding in all five project companies and has contributed development capital to the projects. To date two of the projects Suntop 1 with 189MW and Gunnedah with 146MW have been successfully developed and closed PPA's. Post-transaction, Photon Energy NV retained a 49% stake in the Gunning project and 24.99% stakes in Maryvale and Suntop 2. After completing development, Photon Energy sold its:

- ▶ 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.
- ▶ 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.

Photon Energy also sold its:

- ▶ 51% stake in the project company holding all project rights for the Brewongle Solar Farm to an undisclosed buyer on 27 December 2019.

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

- ▶ **Gunning (220 MWp):** The process of securing construction permit is ongoing. We have redefined and redesigned the project layout to include battery storage. This had an impact on the site assessment and hence feasibility studies and public consultations had to be postponed. In parallel we are

in discussions with Transgrid regarding the grid connection specifications. GPS studies will follow.

- ▶ **Maryvale (160 MWp):** Development Approval was granted on 4 December 2019. The grid connection options are still in progress with Essential Energy. We are currently preparing for Grid Protection Study (GPS) and it is expected that project development can be completed by mid 2021.
- ▶ **Suntop 2 (200 MWp):** Suntop 2 is the replacement of the Mumbil Solar Farm project which development was stopped due to significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. For the Suntop 2 project the construction permitting process is still underway. Feasibility studies and community consultations have been finalized and EIS were submitted to NSW DP&E in November 2019. We received the first comments and are providing additional information to complete the EIS. The grid connection application will start upon completion of EIS.

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

- ▶ **Leeton and Fivebough (Total capacity 14.6 MWp):** In May 2020, Photon Energy announced the conclusion of an agreement with Infradebt for the project debt financing of the two PV power plants we are developing in Leeton, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7.3 MWp DC each.

Photon Energy Engineering Australia Pty Ltd. is acting as engineering, procurement and construction (EPC) contractor for both projects. Commissioning is expected in December 2020, after which long-term O&M services will be provided by Photon Energy Operations Australia Pty Ltd.

The plants' bi-facial PV modules will be mounted on single-axis trackers and will supply the produced electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of

both PV power plants is forecast to be 27.8 GWh, and will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plants. No power purchase agreements (PPAs) have been entered into by Photon Energy.

These are the two largest projects to be added to Photon Energy’s portfolio to date, and our first merchant projects providing competitive energy into the market. The experience we gain in operating the power plants will be used to maximise revenues in the energy market.



- ▶ **Construction status:** The project works are now completed and we are finalising the commissioning process. We intend to connect both plants by the end of January 2021 and begin injection to the grid by February 2021.

Glossary of terms	Definitions
Development phase 1: “Feasibility”	LOI or MOU signed, location scouted and analyzed, working on land lease/purchase, environmental assessment and application for grid connection.
Development phase 2: “Early development”	Signing of land option, lease or purchase agreement, Environmental assessment (environmental impact studies “EIS” for Australia), preliminary design. Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.). Specific to Australia: community consultation, technical studies.
Development phase 3: “Advanced development”	In Europe: Finishing work on construction permitting, Receiving of MGT (HU)/ATR (ROM) Letter, Finishing work on permitting for connection line, etc. In Australia: Site footprint and layout finalised, Environmental Impact Statement and development application lodged. Grid connection studies and design submitted.
Development phase 4: “Ready-to-build technical”	In Europe: Project is technical ready to build, we work on offtake model (if not FIT or auction), securing financing (internal/external). In Australia: Development application approved, offer to connect to grid received and detailed design commenced. Financing and off-take models/arrangements (internal/external) under negotiation.
Development phase 5: “Under construction”	Procurement of components, site construction until the connection to the grid. On top for Australian projects, signature of Financing and off-take agreements, reception of Construction certificate, conclusion of connection agreement, EPC agreement, Grid connection works agreements.
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

Below is a short summary of projects in the pipeline and of the progress achieved in the reporting period.

- ▶ **Tolna (28.6 MWp):** The eleven projects with a total planned installed DC capacity of 28.6 MWp are located in the Tolna region in the south of Hungary. Two power plants have a grid connection capacity of 5.0 MW AC each, whereas 1 MW AC have been secured for each of seven projects and 2 MW AC for each of the remaining two projects. The grid connection points have been secured and the negotiations for suitable land plots have been finalized for several projects. Grid connection plans have been initiated and already partially approved, to allow us to conclude grid connection agreements with E.ON. with a validity of two years.

Some of these projects have been submitted to the second METAR tender process, which took place in September and October 2020 in Hungary. During the reporting period, on 8 December 2020, one of the 1MW AC project was granted a METAR premium of 24,470 HUF/MWh (approx. EUR 68 per MWh) with a maximum supported production of 21,585 MWh over a period of up to 15 years. This achievement results from the approval of the project application to the first pilot tender for the METAR system organized in September 2019.

The revenue model will either take the form of a contract-for-difference based on METÁR licenses (for projects proving successful through the auction process), a PPA, or the direct sale of electricity through a trader on the Hungarian electricity market. Construction plans include the use of tracking technology allowing bi-facial solar modules to follow the course of the sun, which are expected to achieve a 15-20% higher specific performance than fixed installations.

Now the team has solidified grid capacity, land, and a commercial structure, the projects will continue to take shape as they move towards construction and realization.

The current project pipeline in Hungary consists of 12 projects with a total planned capacity of 96.6 MWp. Taking into account with our existing portfolio of 49.1 MWp operating PV power plants, we are well positioned to meet the Group's target for expansion of its portfolio in Hungary to up to 75 MWp until year-end 2021.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

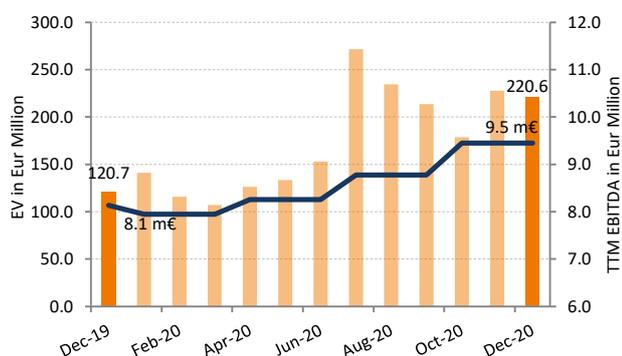
On 31 December 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 12.70 (-3.8% MoM, +165.7% YTD), corresponding to a price to book ratio of 3.70. The monthly trading volume amounted to 373,237 shares (vs. an average monthly volume of 839,328 YTD).

On 14 December 2020, the Dutch financial market regulating authority (Autoriteit Financiële Markten, "AFM") approved the prospectus for listing of Photon Energy N.V. shares on the regulated markets of the Warsaw and Prague Stock Exchanges.

Trading of the Company's shares on the regulated markets of the Warsaw Stock Exchange (WSE) (Giełda Papierów Wartościowych w Warszawie) and Prague Stock Exchange (PSE) (Burza cenných papírů Praha) commenced on 5 January 2021.

The admission to listing and trading of the Company's shares on the Quotation Board of the Frankfurt Stock Exchange followed on 11 January 2021.

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

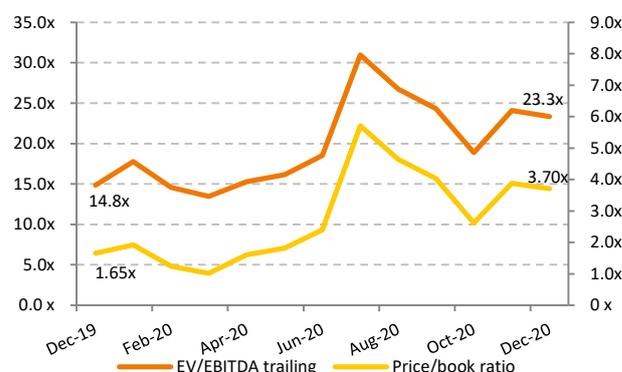


Notes:

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. the sum of EBITDA reported in Q4 2019, Q1 2020, Q2 2020 and Q3 2020.

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 December 2020 the share price (ISIN NL0010391108) closed at a level of

CZK 80.00 (-6.4% compared to last month, +90.5% YTD and 16.3x the reference price of CZK 4.90 on the first trading day on 17 October 2016), corresponding to a price to book ratio of 4.05x. The Company reports a monthly trading volume of 54,395 shares in December, compared to an average monthly trading volume of 42,209 YTD.

4.3 Freiverkehr (Munich Stock Exchange)

Since 28 July 2020, in addition to the listings presented above, the Company's shares have also been traded on the Free Market (Freiverkehr) of the Munich Stock Exchange through a so-called unsponsored listing initiated by Baader Bank, a leading brokerage active on the German financial market. No additional shares have been issued, nor any new equity capital raised through this listing.

On 31 December 2020 the share price (ISIN NL0010391108) closed at a level of EUR 2.82 (-9.6% compared to last month, -32.2% compared to the opening price of EUR 4.16 on 28 July 2020), corresponding to a price to book ratio of 3.75x. The Company reports a monthly trading volume of 23,500 shares in December, compared to an average monthly trading volume of 121,824 YTD.

5. Bond trading performance

In December 2016 the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payments 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 Luxembourg. 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 period originally 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. The Group has successfully increased the bond placement by EUR 7.5 million in 2019, and EUR 7.4 million in 2020 with all parameters unchanged. The total outstanding bond volume amounts to EUR 45.0 million as of the end of the reporting period.

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 December 2020, the trading volume amounted to EUR 48.653 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 102.50 in Frankfurt. During this period the average daily turnover amounted to EUR 60,665.

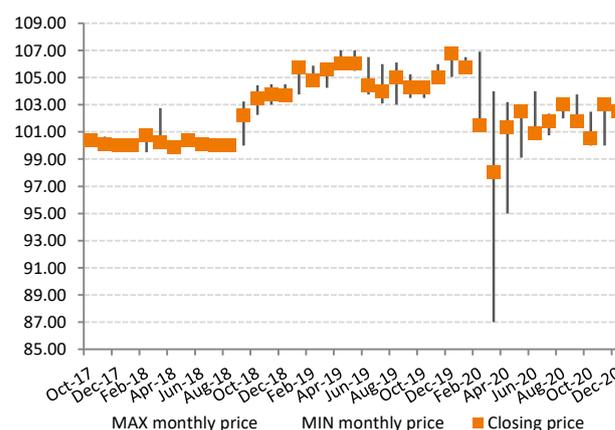
EUR Bond 2017-22 trading performance in December 2020

In December 2020 the trading volume amounted to EUR 509,000 with an opening price of 103.00 and a closing price of 102.50 in Frankfurt. The average daily turnover amounted to EUR 25,450.

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 December 2020 the trading volume amounted to CZK 15.090 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 have been published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- ▶ **EBI 21/2020** published on 4 December 2020: Minutes of the EGM of shareholders held on 4 December 2020.
- ▶ **EBI 22/2020** published on 14 December 2020: Monthly report for November 2020.
- ▶ **EBI 23/2020** published on 16 December 2020: Publication dates of periodic reports in 2021.

After the reporting period, no reports have been published in the EBI (Electronic Database Information) system of the Warsaw Stock Exchange.

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

- ▶ **ESPI 32/2020** published on 3 December 2020: Non public report - List of all Shareholders entitled to vote on Extraordinary General Meeting of shareholders to be held on 4 December 2020.
- ▶ **ESPI 33/2020** published on 4 December 2020: Non public report - Correction made to the list of Shareholders entitled to vote on Extraordinary General Meeting of shareholders to be held on 4 December 2020.
- ▶ **ESPI 34/2020** published on 4 December 2020: List of shareholders holding at least 5 percent of votes at the Extraordinary General Meeting of shareholders held on 4 December 2020.

- ▶ **ESPI 35/2020** published on 14 December 2020: Photon Energy receives prospectus approval for listing on regulated markets of the Warsaw and Prague Stock Exchanges.
- ▶ **ESPI 36/2020** published on 16 December 2020: Photon Energy secures long-term financing for five PV power plants in Hungary.
- ▶ **ESPI 37/2020** published on 30 December 2020: Registration of series A shares in the National Securities Depository (KDPW).
- ▶ **ESPI 38/2020** published on 31 December 2020: Admission of securities to trading on the regulated market of the WSE and exclusion of shares from trading on NewConnect.

After the reporting period, the following report has been published in the ESPI (Electronic Information Transmission System) system of the Warsaw Stock Exchange:

- ▶ **ESPI 1/2021** published on 4 January 2021: Admission of securities to trading on the regulated market of the Stock Exchange in Prague and exclusion of shares from trading on Free Market.
- ▶ **ESPI 2/2021** published on 11 January 2021: Shares of Photon Energy are listed on the Quotation Board of Frankfurt Stock Exchange.
- ▶ **ESPI 3/2021** published on 11 January 2021: Photon Energy receives an access to Electronic Information Transfer System.

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 February 2021: Entity and consolidated quarterly reports for Q4 2020
- ▶ 15 February 2021: Monthly report for January 2021
- ▶ 11 March 2021: Monthly report for February 2021
- ▶ 14 April 2021: Monthly report for March 2021
- ▶ 11 May 2021: Entity and consolidated quarterly reports for Q1 2021
- ▶ 13 May 2021: Monthly report for April 2021
- ▶ 17-19 May 2021: Frühjahrskonferenz (Spring Conference) 2021 in Frankfurt
- ▶ 10 June 2021: Monthly report for May 2021
- ▶ 14 July 2021: Monthly report for June 2021
- ▶ 10 August 2021: Entity and consolidated quarterly reports for Q2 2021/H1 2021
- ▶ 12 August 2021: Monthly report for July 2021
- ▶ 14 September 2021: Monthly report for August 2021
- ▶ 14 October 2021: Monthly report for September 2021
- ▶ 10 November 2021: Entity and consolidated quarterly reports for Q3 2021
- ▶ 15 November 2021: Monthly report for October 2021
- ▶ 22-24 November 2021: Deutsches Eigenkapitalforum in Frankfurt
- ▶ 14 December 2021: Monthly report for November 2021

9. Investor relations contact

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Amsterdam, 14 January 2021



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors