

# PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

2018Q3

for the period from 1 July to 30 September 2018

5 November 2018 | Amsterdam | The Netherlands

# CONSOLIDATED AND ENTITY FINANCIAL REPORTS

## 1. Selected financial results

### 1.1. Selected financial results for Photon Energy Group, for the period of 1 July to 30 September 2018

in Thousands	EUR		PLN		CZK	
	2017 Q3	2018 Q3	2017 Q3	2018 Q3	2017 Q3	2018 Q3
<b>Total revenues</b>	<b>4,908</b>	<b>6,173</b>	<b>20,896</b>	<b>26,565</b>	<b>128,032</b>	<b>158,764</b>
Gross profit	4,021	4,696	17,119	20,209	104,890	120,774
<b>EBITDA</b>	<b>3,140</b>	<b>3,282</b>	<b>13,370</b>	<b>14,121</b>	<b>81,916</b>	<b>84,395</b>
<b>EBIT</b>	<b>1,229</b>	<b>1,371</b>	<b>5,234</b>	<b>5,901</b>	<b>32,066</b>	<b>35,267</b>
Profit / loss before taxation	883	1,543	3,758	6,639	23,023	39,679
Profit / loss from continuing operations	613	1,217	2,611	5,238	15,997	31,306
<b>Total comprehensive income</b>	<b>1,051</b>	<b>1,675</b>	<b>4,476</b>	<b>7,209</b>	<b>27,422</b>	<b>43,085</b>
Non-current assets	73,932	72,102	318,206	308,410	1,920,373	1,855,261
Current assets	13,403	34,493	57,687	147,542	348,140	887,552
Cash and cash equivalents	4,670	19,656	20,102	84,078	121,314	505,780
<b>Total assets</b>	<b>87,334</b>	<b>106,596</b>	<b>375,893</b>	<b>455,954</b>	<b>2,268,513</b>	<b>2,742,821</b>
<b>Total equity</b>	<b>26,832</b>	<b>29,633</b>	<b>115,485</b>	<b>126,753</b>	<b>696,951</b>	<b>762,491</b>
Current liabilities	17,539	8,346	75,490	35,700	455,580	214,753
Non-current liabilities	42,964	68,617	184,918	293,501	1,115,982	1,765,577
Operating cash flow	1,646	467	7,009	2,008	42,943	12,001
Investment cash flow	0	-871	0	-3,749	0	-22,407
Financial cash flow	-2,072	7,745	-8,821	33,328	-54,044	199,181
<b>Net change in cash</b>	<b>-426</b>	<b>7,340</b>	<b>-1,812</b>	<b>31,587</b>	<b>-11,101</b>	<b>188,776</b>
<i>EUR exchange rate - low</i>			4.202	4.252	25.965	25.434
<i>EUR exchange rate - average</i>			4.257	4.303	26.084	25.718
<i>EUR exchange rate - end of period</i>			4.304	4.277	25.975	25.731
<i>EUR exchange rate – high</i>			4.304	4.392	26.160	26.073

Note: Exchange rates provided by the European Central Bank

## 1.2. Selected financial results for Photon Energy Group, for the period of 1 January to 30 September 2018

in Thousands	EUR		PLN		CZK	
	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3
<b>Total revenues</b>	<b>12,939</b>	<b>16,640</b>	<b>55,192</b>	<b>70,701</b>	<b>343,574</b>	<b>425,564</b>
Gross profit	10,398	11,786	44,352	50,075	276,094	301,410
<b>EBITDA</b>	<b>7,333</b>	<b>7,692</b>	<b>31,279</b>	<b>32,682</b>	<b>194,713</b>	<b>196,721</b>
<b>EBIT</b>	<b>2,717</b>	<b>3,022</b>	<b>11,587</b>	<b>12,839</b>	<b>72,133</b>	<b>77,282</b>
Profit / loss before taxation	1,339	3,752	5,712	15,943	35,557	95,961
Profit / loss from continuing operations	695	2,949	2,966	12,529	18,462	75,412
<b>Total comprehensive income</b>	<b>2,652</b>	<b>2,443</b>	<b>11,313</b>	<b>10,379</b>	<b>70,426</b>	<b>62,472</b>
Non-current assets	73,932	72,102	318,206	308,410	1,920,373	1,855,261
Current assets	13,403	34,493	57,687	147,542	348,140	887,552
Cash and cash equivalents	4,670	19,656	20,102	84,078	121,314	505,780
<b>Total assets</b>	<b>87,334</b>	<b>106,596</b>	<b>375,893</b>	<b>455,954</b>	<b>2,268,513</b>	<b>2,742,821</b>
<b>Total equity</b>	<b>26,832</b>	<b>29,633</b>	<b>115,485</b>	<b>126,753</b>	<b>696,951</b>	<b>762,491</b>
Current liabilities	17,539	8,346	75,490	35,700	455,580	214,753
Non-current liabilities	42,964	68,617	184,918	293,501	1,115,982	1,765,577
Operating cash flow	2,537	4,508	10,822	19,153	67,367	115,288
Investment cash flow	0	-962	0	-4,086	0	-24,593
Financial cash flow	-4,990	8,776	-21,284	37,287	-132,494	224,437
<b>Net change in cash</b>	<b>-2,453</b>	<b>12,322</b>	<b>-10,462</b>	<b>52,355</b>	<b>-65,128</b>	<b>315,131</b>
<i>EUR exchange rate - low</i>			4.171	4.142	25.965	25.192
<i>EUR exchange rate - average</i>			4.266	4.249	26.553	25.574
<i>EUR exchange rate - end of period</i>			4.304	4.277	25.975	25.731
<i>EUR exchange rate - high</i>			4.413	4.392	27.060	26.073

### Financial highlights:

- ▶ Unaudited consolidated revenues increased by 25.8% YOY from EUR 4.908 million to EUR 6.173 million in 2018Q3. YTD, revenues increased 28.6% to EUR 16.640 million.
- ▶ Consolidated EBITDA increased to EUR 3.282 million (+4.5% YOY) in 2018Q3. YTD, EBITDA rose 4.9% to EUR 7.692 million.
- ▶ In 2018Q3 consolidated EBIT increased to EUR 1.371 million (11.6% YOY). YTD, EBIT grew by 11.2% to EUR 3.022 million.
- ▶ The Company recorded a profit before taxation of EUR 1.543 million in 2018Q3, compared to EUR 0.883 million for the same period last year (+74.8%). YTD, the Company nearly tripled its profit before taxation to EUR 3.752 million, compared to EUR 1.339 million for the same period last year(+180.2%).
- ▶ In 2018Q3, the Company nearly doubled its net profit to EUR 1.217 million compared to 2017Q3 (EUR 0.613 million). YTD, the Company's net profit came in at a record EUR 2.949 million, compared to EUR 0.695 million for the same period last year (+324.1%).
- ▶ Total equity increased to EUR 29.633 million at the end of 2018Q3, compared to EUR 26.832 million at the end of 2017Q3.
- ▶ The adjusted equity ratio<sup>1</sup> decreased from 40% at the end of 2017Q3 to 31% at the end of 2018Q3.

<sup>1</sup> Adjusted equity ratio is defined as total equity divided by total capital, being the sum of interest-bearing debt and equity.

### Other highlights:

- ▶ In 2018Q3, the proprietary portfolio of PV plants generated approximately 10.5 GWh of electricity, which was 12.9% above the energy forecasts and 12.7% higher compared to 2017Q3. The highest electricity generation in Q3 since 2013.
- ▶ Construction start on 11.0 MWp of new solar projects for our own portfolio in Tiszakécske and in Almásfüzitő, Hungary.
- ▶ The company successfully placed its EUR 30 million corporate bond in September.

### 1.3. Standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2018

in Thousands	EUR		PLN		CZK	
	2017 Q3	2018 Q3	2017 Q3	2018 Q3	2017 Q3	2018 Q3
<b>Revenues</b>	<b>418</b>	<b>468</b>	<b>1,778</b>	<b>2,014</b>	<b>10,892</b>	<b>12,039</b>
<b>EBITDA</b>	<b>1</b>	<b>-37</b>	<b>2</b>	<b>-159</b>	<b>15</b>	<b>-952</b>
<b>EBIT</b>	<b>-2</b>	<b>-37</b>	<b>-9</b>	<b>-159</b>	<b>-55</b>	<b>-952</b>
Profit / loss before taxation	480	-591	2,042	-2,543	12,513	-15,198
Total comprehensive income	480	-591	2,042	-2,543	12,513	-15,198
Non-current assets	27,529	37,686	118,487	161,197	715,071	969,693
Current assets	15,408	31,730	66,317	135,721	400,222	816,442
Cash and cash equivalents	1,260	10,330	5,424	44,186	32,736	265,802
<b>Total assets</b>	<b>42,937</b>	<b>69,416</b>	<b>184,804</b>	<b>296,919</b>	<b>1,115,293</b>	<b>1,786,135</b>
<b>Total equity</b>	<b>23,942</b>	<b>30,484</b>	<b>103,048</b>	<b>130,393</b>	<b>621,895</b>	<b>784,386</b>
Current liabilities	15,747	5,317	67,777	22,745	409,033	136,824
Non-current liabilities	3,248	33,614	13,979	143,781	84,365	864,925
<i>EUR exchange rate – low</i>			4.202	4.252	25.965	25.434
<i>EUR exchange rate – average</i>			4.257	4.303	26.084	25.718
<i>EUR exchange rate - end of period</i>			4.304	4.277	25.975	25.731
<i>EUR exchange rate – high</i>			4.304	4.392	26.160	26.073

**Notes:**

Exchange rates are provided by the European Central Bank.

All data quoted in this report refer to the current reporting period i.e. from 1 July until 30 September 2018, unless specified otherwise;

All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period;

Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI). According to IAS 16, Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.

EPC stands for Engineering, Procurement and Construction and refers to services related to project design, engineering, procurement and construction of solar power plants.

Throughout this report Photon Energy Group is referred to as the "Group", the "Company", the "Issuer" and/or "Photon Energy".

## 2. Management discussion and analysis

### 2.1 A note from the Management Board

Thanks to the dedicated efforts of our teams across the company, Photon Energy delivered outstanding third quarter 2018 financial results that include higher revenue, EBITDA, EBIT, resulting in an increase in all indicators all the way down to the bottom line. This strong outcome was driven by an extraordinary high electricity production and by a solid increase in other revenue streams. As well as successfully making progress with our projects in Hungary, we fully placed our corporate bond in September. We have clearly momentum building across many areas of our business and we are relentlessly focused on finding every opportunity to better serve our customers and stakeholders. Our strong, predictable cash flows and healthy balance sheet provide us with the financial flexibility necessary to fuel these efforts and to make investments that will continue to drive growth.

#### **Photon Energy achieved outstanding third-quarter results with each of our businesses turning in solid performances.**

Building on an already strong first half-year, our operating performance delivered an excellent set of financials. We continue to see solid growth this quarter in many areas, including electricity production, development and engineering businesses and water treatment services. For the seventh quarter in a row, total revenue accelerated YOY, reaching EUR 6.173 million in 2018Q3, a 25.8% growth compared to the same period last year, driven by the growth of our new activities and by the success of our shift towards recurring revenue. Consolidated EBITDA and EBIT increased at a slower pace to EUR 3.282 million (+4.5% YOY) and to EUR 1.371 million (11.6% YOY) respectively, due to increased human resources and administrative costs. Turning to nine month-results, revenues increased 28.6% to EUR 16.640 million, whereas EBITDA rose 4.9% to EUR 7.692 million and EBIT grew by 11.2% to EUR 3.022 million.

Reflecting the increased operational profitability, the Company recorded its highest profit before taxation in Q3, which amounted to EUR 1.543 million, compared to EUR 0.883 million for the same period last year (+74.8%). YTD, the Company nearly tripled its profit before taxation to EUR 3.752 million, compared to EUR 1.339 million for the same period last year(+180.2%). This substantial growth was driven largely by successful development efforts in the Company's Australian business that resulted in a capital gain of EUR 3.074 million coming from the transaction signed with Canadian Solar already in 2018Q1. Logically, the Company nearly doubled its net profit to EUR 1.217 million in 2018Q3 compared to 2017Q3 (EUR 0.613 million). YTD, the Company's net profit came in at a record EUR 2.949 million, compared to EUR 0.695 million for the same period last year(+324.1%).

In summary, the growing traction across many areas of our business is encouraging and we continued to deliver on our commitment for sustained long-term and profitable growth.

#### **Record electricity generation: Power plants produced 12.9% above predictions.**

The power plants in the company's portfolio showed excellent production results. In 2018Q3, the proprietary portfolio of PV plants generated approximately 10.5 GWh of electricity, which was 12.9% above plan and 12.7% higher compared to 2017Q3, in other words, the highest electricity generation in Q3 since 2013. As of today, the total production YTD is outperforming the plan for the full year 2018 already, suggesting a strong outlook for the full year. The construction start of an additional capacity of 11 MWp in Hungary is an important first step, which will boost our recurring revenue base, as from Q1 next year.

#### **Construction start on 11 MWp of solar projects for our own portfolio in Tiszakécske and in Almásfüzitő, Hungary.**

Our building activities are indeed well underway and progressing smoothly. After the reporting period, we announced that our subsidiary Photon Energy Solutions HU Kft broke ground as EPC contractor on 16 photovoltaic power plants with a total capacity of 11 MWp DC in Tiszakécske (eight power plants, 5.5 MWp) and in Almásfüzitő (eight power plants, 5.5 MWp), Hungary. Covering an area of 7.9 hectares, the

power plants in Tiszakécske will be made up of some 20,000 Jinko polycrystalline modules that are expected to produce around 6.7 GWh of electricity per year. The power plants in Almásfüzitő, also composed of 20,000 Jinko modules, will be covering an area of 7.0 hectares and should generate around 6.6 GWh of electricity per year. Subject to weather conditions, the power plants are expected to be connected to the grid of E.ON before the end of the year. Once connected to the grid, the Group's subsidiary Photon Energy Operations HU Kft will provide long-term monitoring as well as operations and maintenance services to the systems. All 16 power plants will become part of the Group's proprietary portfolio.

Following the pilot installation of our first power plant in Hungary, located in the municipality of Fertőd, earlier this year, the groundbreaking on an additional 16 solar projects in Tiszakécske and in Almásfüzitő underlines our strong commitment to the Hungarian market and our goal to build 50 MWp of photovoltaic power plants for long-term ownership in Hungary until 2020.

### **The company successfully placed its EUR 30 million corporate bond.**

The key event in 2018Q3 that should be highlighted has definitely been the successful placement of our EUR 30 million corporate bond on 7 September 2018. The target volume of EUR 30 million was subscribed to in full before the end of the public placement that took place in Germany, Austria and Luxembourg, originally set until 20 September 2018. We can now take advantage of our project development efforts to accelerate the Group's growth and are excited about the potential of our business in our target markets Australia and Hungary. Both markets will allow us to expand our power plant portfolio and to substantially grow our electricity generation as well as operations and maintenance services businesses. Based on our improved financial results, our successful track record as a bond issuer including the repayment of the company's first 8 % corporate bond earlier this year, as well as on a stable trading price and good trading liquidity, our EUR bond offers an attractive risk-return profile. Once again, we would like to thank our bond investors for the trust they placed in us. Investors can still purchase the bond on the Open Market of the Frankfurt Stock Exchange and other stock exchanges in Germany.

### **Best annual report award.**

Finally, we are proud and honoured to report that Photon Energy received the "Best Annual Report 2017 on NewConnect" award in a contest jointly organized by the Warsaw Stock Exchange and the Institute of Accountancy and Taxes. The aim of the contest is to reward high standards of disclosure and to encourage this outcome. Communications towards investors has always been more than a mere legal requirement at Photon Energy. We believe it is a means to build trust in our business practices, an opportunity to be transparent about our financial health and business achievements. Be assured that going forward, we will continue to provide regular updates in the exciting times coming ahead.

## 2.2. Strategy and its execution

The objective of our strategy remains the generation of recurring revenue streams while maximizing customer value. Photon Energy's focus remains on:

- ▶ Production of electricity from the Group's portfolio of PV plants
- ▶ Customised Energy Solutions
- ▶ Decentralised Energy Production, Energy Storage Solutions and Water purification systems
- ▶ Operations & Maintenance of PV plants and Energy Storage facilities
- ▶ PV technology trading

Our next steps are:

- ▶ The Photon Energy Operations team focuses on full O&M solutions in Central Europe and expands its Inverter Cardio services to additional inverter technologies covering the whole European market.
- ▶ Photon Energy's power plant control and monitoring solutions are planned to be offered as a standalone product.
- ▶ The Australian and Hungarian markets are our focus for the expansion of PV generation capacity. Other potential markets in Central and South America, the Middle East and Africa remain under investigation.

In order to reduce the dependence on government subsidies in the future, the Group's strategy mainly focuses on the expansion to markets which have already reached Grid Parity, i.e. the cost of PV-generated electricity is competitive with grid-supplied electricity from traditional and other renewable energy sources.

## 2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan has been implemented.

## 2.4. Proprietary portfolio, generation results and O&M services

### Proprietary portfolio

The table below presents the portfolio of operating power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 September 2018, consisting of 24 power plants in the Czech Republic, Slovakia, Australia & Hungary with a total installed capacity of 26.1 MWp. More information on the Group structure can be found in chapter 10. Group structure.

**Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 September 2018**

Nr	Proprietary portfolio	Legal entity	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 <sup>1</sup>	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec.09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec.10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec.10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec.10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec.10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec.10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun.11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun.11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun.11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun.11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun.11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun.11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun.11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb.13
24	Fertőd 1	Photon Energy HU SPV 1 Kft. b.a	HU	528	100%	528	Mar 18
<b>Total</b>				<b>26,097</b>		<b>24,674</b>	

<sup>1</sup>Photon SPV 3 owns two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp)



## Generation results

The cumulative average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2018Q3 amounted to 10.5 GWh, which was 12.9% above the energy forecasts and 12.7% higher YOY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

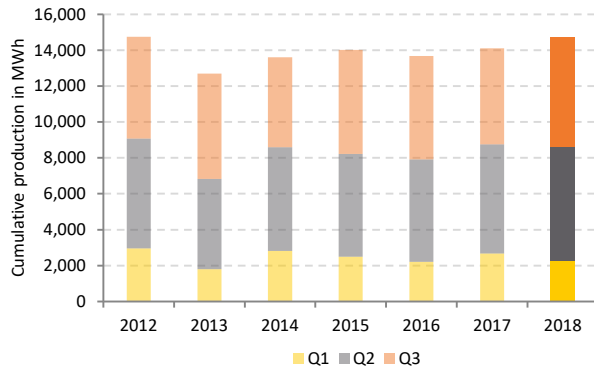
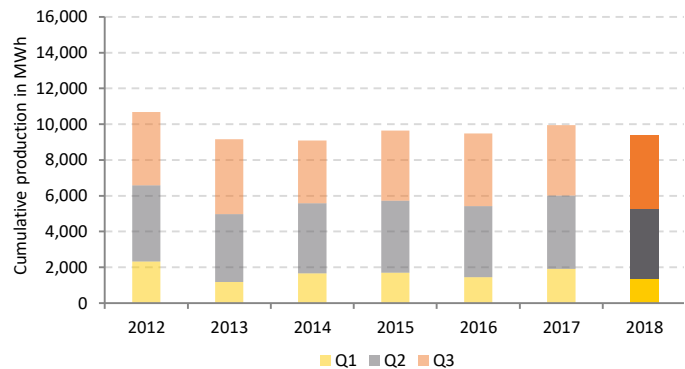
**Table 2. Generation results versus projections between 1 July and 30 September 2018**

Project name	Capacity	Feed-in-Tariff	Prod. 2018Q3	Proj. 2018Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD n-1	YTD YoY
Unit	kWp	per MWh, applicable in 2018	kWh	kWh	%	kWh	kWh	%	kWh	%
Komorovice	2,354	CZK 14,245	935,300	841,916	11.1%	2,262,662	2,050,211	10.4%	2,153,361	5.1%
Zvíkov I	2,031	CZK 14,245	836,735	737,924	13.4%	2,034,264	1,796,973	13.2%	1,997,046	1.9%
Dolní Dvořiště	1,645	CZK 14,245	642,194	613,870	4.6%	1,478,113	1,494,881	-1.1%	1,488,502	-0.7%
Svatoslav	1,231	CZK 14,245	483,187	455,922	6.0%	1,128,466	1,110,248	1.6%	1,053,068	7.2%
Slavkov	1,159	CZK 14,245	487,715	434,165	12.3%	1,202,283	1,057,267	13.7%	1,162,153	3.5%
Mostkovice SPV 1*	210	CZK 14,245	82,215	64,467	27.5%	200,091	163,875	22.1%	189,815	5.4%
Mostkovice SPV 3**	926	CZK 15,304	370,516	323,991	14.4%	889,641	792,918	12.2%	846,818	5.1%
Zdice I	1,499	CZK 14,245	630,376	541,196	16.5%	1,546,918	1,306,487	18.4%	1,438,559	7.5%
Zdice II	1,499	CZK 14,245	641,087	541,196	18.5%	1,568,603	1,306,487	20.1%	1,463,211	7.2%
Radvanice	2,305	CZK 14,245	930,773	833,350	11.7%	2,261,681	2,029,351	11.4%	2,171,134	4.2%
Břeclav rooftop*	137	CZK 14,245	58,116	44,714	30.0%	138,878	112,995	22.9%	140,242	-1.0%
<b>Total Czech PP</b>	<b>14,996</b>		<b>6,098,214</b>	<b>5,432,711</b>	<b>12.2%</b>	<b>14,711,599</b>	<b>13,221,693</b>	<b>11.3%</b>	<b>14,103,908</b>	<b>4.3%</b>
Babiná II	999	EUR 425.12	376,259	337,575	11.5%	860,876	846,145	1.7%	927,234	-7.2%
Babina III	999	EUR 425.12	386,142	337,575	14.4%	867,888	846,145	2.6%	927,735	-6.5%
Prša I.	999	EUR 425.12	403,557	342,157	17.9%	923,721	850,249	8.6%	968,943	-4.7%
Blatna	700	EUR 425.12	272,793	239,875	13.7%	640,368	622,570	2.9%	646,074	-0.9%
Mokra Luka 1	963	EUR 382.61	411,873	343,588	19.9%	834,832	868,519	-3.9%	1,029,904	-18.9%
Mokra Luka 2	963	EUR 382.61	415,034	343,588	20.8%	973,285	868,519	12.1%	1,042,867	-6.7%
Jovice 1	979	EUR 382.61	336,283	344,982	-2.5%	771,164	841,232	-8.3%	814,323	-5.3%
Jovice 2	979	EUR 382.61	340,161	344,982	-1.4%	772,767	841,232	-8.1%	809,635	-4.6%
Brestovec	850	EUR 382.61	380,061	291,858	30.2%	897,207	736,359	21.8%	906,429	-1.0%
Polianka	999	EUR 382.61	385,140	352,031	9.4%	879,840	861,331	2.1%	882,393	-0.3%
Myjava	999	EUR 382.61	417,561	351,880	18.7%	984,666	885,125	11.2%	994,533	-1.0%
<b>Total Slovak PP</b>	<b>10,429</b>		<b>4,124,864</b>	<b>3,630,091</b>	<b>13.6%</b>	<b>9,406,614</b>	<b>9,067,427</b>	<b>3.7%</b>	<b>9,950,070</b>	<b>-5.5%</b>
Symonston	144	AUD 301.60	34,896	34,980	-0.2%	117,434	123,120	-4.6%	124,650	-5.8%
<b>Total Australian PP</b>	<b>144</b>		<b>34,896</b>	<b>34,980</b>	<b>-0.2%</b>	<b>117,434</b>	<b>123,120</b>	<b>-4.6%</b>	<b>124,650</b>	<b>-5.8%</b>
Fertod		HUF 32,000	246,654	209,251	17.9%	491,533	433,098	13.5%	0	na
<b>Total Hungarian PP</b>	<b>528</b>		<b>246,654</b>	<b>209,251</b>	<b>17.9%</b>	<b>491,533</b>	<b>433,098</b>	<b>13.5%</b>	<b>0</b>	<b>na</b>
<b>Total</b>	<b>26,097</b>		<b>10,504,627</b>	<b>9,307,032</b>	<b>12.9%</b>	<b>24,727,180</b>	<b>22,845,337</b>	<b>8.2%</b>	<b>24,178,628</b>	<b>2.3%</b>

### Notes

\*Mostkovice SPV 1 & Břeclav rooftop power plants belong to the same legal entity.

\*\*Total result for Mostkovice SPV 3 and Mostkovice SPV 3R, as the same company "SPV3" owns both power plants.

**Chart 1.a Total production of the Czech portfolio****Chart 1.b Total production of the Slovak portfolio**

### O&M services

Photon Energy remained focused on further expanding its Operations and Maintenance business in Europe. As of the end of 2018Q3, full O&M services contracts amounted to approximately 160.6 MWp, up by 12.4% from the end of 2017Q3, and can be broken down geographically into 127.8 MWp operated in the Czech Republic, 15.9 MWp in Slovakia, 15.0 MWp in Romania, 1.4 MWp in Australia and 0.5 MWp in Hungary. The O&M portfolio divides into 26.1 MWp of PV capacity from the proprietary portfolio and 134.5 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 61.3 MWp of central inverters. In some countries like France or Germany the Group is holding a leading market position while in Belgium in particular, the Group is servicing all of the Satcon inverters ever installed. In detail, at the end of 2018Q3, the total capacity of central inverters serviced can be divided regionally into France (21.3 MWp), Italy (15.0 MWp), Belgium (10.2 MWp), Czech Republic (7.5 MWp), Slovakia (5.5 MWp) and Germany (1.8 MWp).

During the reporting period, Photon Energy closed a 4.0 MWp contract in Romania for full O&M services expanding Photon Energy Operations’ total O&M services portfolio to 221.9 MWp worldwide.

## 2.5. Reporting on Photon Energy’s project pipeline

As of the reporting date, Photon Energy is developing PV projects in Australia (1,473.9 MWp) and Hungary (25.6 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	Constructi on permit	Expected RTB
Australia	Leeton	Own portfolio	100%	29.9	Retailer PPA	Secured	Secured	Secured	2018Q2
Australia	Environa	Own portfolio	100%	19.0	Emarket + GC/PPA	Secured	Ongoing	Ongoing	On hold.
<b>Total Own portfolio Australia</b>				<b>48.9</b>					
Hungary	Fertőd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Ongoing	2018Q4
Hungary	Almásfüzitő	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	Construction started.
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Ongoing	2018Q4
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q4
Hungary	Tiszkécske	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	Construction started.
<b>Total Own portfolio Hungary</b>				<b>25.6</b>					
<b>Total Own portfolio</b>				<b>74.5</b>					
Australia	Gunning	Developer	49%	316.0		Secured	Ongoing	Ongoing	2019Q1
Australia	Gunnedah	Developer	25%	165.0	Co-development & co-financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	2018Q4
Australia	Suntop	Developer	25%	286.0		Secured	Ongoing	Ongoing	2018Q4
Australia	Maryvale	Developer	25%	196.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Mumbil	Developer	25%	178.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Carrick	Developer	51%	138.0	All options open	Secured	Ongoing	Ongoing	2019Q2
Australia	Brewongle	Developer	51%	146.0	All options open	Secured	Ongoing	Ongoing	2019Q4
<b>Total Development Australia</b>				<b>1,425.0</b>					

Note: Emarket = Electricity market, GC = Green certificates, PPA = Power Purchase Agreement, RTB = Ready-to-build

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

Photon Energy has nine large scale solar farms at different stages of development in New South Wales. The project pipeline is among the largest pipelines of Solar projects in NSW representing a total capacity of 1.473.9 GWp.

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 of its utility scale solar projects with a total capacity of 1.14 GWp 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 totalling 1.14 GWp, including the project in Gunning as well as four projects co-developed with a local partner, namely in Mumbil, Gunnedah, Suntop and Maryvale.

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.

According to the terms of the transaction, Photon Energy NV has recognized an AUD 4.73 million (EUR 3.07 million) realised capital gain and an additional contribution to consolidated equity of AUD 1.93 million (EUR 1.21 million) related to the increased value of the remaining equity stakes in the five project companies in its consolidated financial statements for 2018Q1.

The current status for these projects co-developed with Canadian Solar is:

**Gunnedah:** In April the Environmental Impact Study (EIS) for Gunnedah was submitted for public exhibition which expired at the end of May. After the exhibition period the project is currently under review by the NSW Department of Planning and Environment and is to be submitted to the Independent Planning Committee for determination which is expected in November 2018. Transaction summary GPS studies were submitted for review by Transgrid.

**Suntop:** The EIS for Suntop was on public exhibition until 6 July and is currently with the NSW Department of Planning and Environment for determination which is expected in November 2018. The GPS is in the final stages of completion and is in preparation for submission to Transgrid for due diligence and review.

**Gunning:** Site assessments are progressing and we are finalising the site layouts to complete the EIS. In parallel we are progressing with the Transaction Summary with Transgrid.

**Maryvale:** The GPS and grid connection options are currently under review and in discussions with Essential Energy. The EIS is currently submitted to the NSW Department of Planning and Environment for adequacy and we expect the project to go on public exhibition in November 2018.

**Mumbil:** The EIS has raised issues with the site which are currently being assessed. In the meantime the project development activities have been put temporarily on hold.

For the other projects, the status is:

**Leeton:** Due to tightening grid connection standards which require additional grid connection studies, our construction schedule will be delayed and pushed into 2019Q1.

**Carrick:** The EIS and GPS preparation process is underway and due to be ready for submission by early 2019Q2.

**Brewongle:** The EIS and GPS preparation process is underway and due to be ready for submission in 2019Q3.

**Environa:** The project has been put on hold until alternative connection options will have been identified and reviewed.

## Hungary

On 28 March 2018, Photon Energy announced the connection of its first solar power plant in the Hungarian town of **Fertőd**, in the Győr-Moson-Sopron region. The 528 kWp power plant project has been acquired by Photon Energy in July 2017 and built by the company's EPC subsidiary Photon Energy Solutions HU Kft. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of around EUR 1.5 million over the entire period.

In **Monor** Photon Energy is developing eight projects with a grid connection capacity of 498 KW 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 per kWh (approx. EUR 0.10 per kWh), adjusted every year with inflation minus one percent, per kWh over 25 years from the date of grid connection. The KÁT licenses provide Photon Energy with a 2-year period (extendable to 4 years) for the commissioning of all plants since the date of the application for the KÁT licenses. The projects are expected to be ready to build in 2018Q4.

In October 2017, Photon Energy announced the signing of a co-development and share purchase agreement for 100% of the shares of Ráció Master Oktatási Kft., which owns the KÁT licenses, grid connection and land usage rights for eight PV projects in the municipality of **Almásfüzitő**. Construction just started for an installed DC capacity (the total installed generating power of the PV modules) of 5.5 MWp. Covering an area of 7.0 hectares, the power plants will be composed of almost 20,000 Jinko modules that are designed to generate around 6.6 GWh of electricity per year. Subject to weather conditions, the power plants are expected to be connected to the grid of E.ON Észak-dunántúli Áramhálózati Zrt before the end of the year. Photon Energy will own and operate the projects through Ráció Master Kft., which owns eight KÁT licenses that entitle the power plants to a feed-in tariff of HUF 32 (approx. EUR 0.10) over a period of 25 years with a maximum approved and supported production of 15,500 MWh per license. Total annual revenues of all power plants are expected to amount to around EUR 650,000. The investment volume to build the eight power plants is estimated at around EUR 6.1 million.

In February 2018, Photon Energy announced the expansion of its project pipeline by five additional projects in Fertőd (referred to as **Fertőd II**), where the company's fully-owned subsidiary Fertőd Napenergia-Termelő Kft. has constructed the Group's first photovoltaic power plant in Hungary with an installed capacity of 528 KWp (referred to as Fertőd I). 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 the 528 KWp photovoltaic power plant built in Fertőd I. Photon Energy HU SPV 1 Kft. has moved its remaining three KÁT licenses not used in Monor to the secured land plots in Fertőd. The fourth project will be realized by the Group's subsidiary Ráció Master Kft., using its ninth KÁT license which cannot be used in its primary location of Almásfüzitő, where eight photovoltaic power plant projects have reached the ready-to-build stage in 2018Q3. Photon Energy NV has signed the acquisition of a project company with one KÁT license to be used for the fifth project in Fertőd II. The Fertőd II projects are expected to reach the ready-to-build stage in 2018Q4 and are planned to have a total combined installed capacity of 3.5 MWp.

Further in February 2018, Photon Energy also announced the acquisition of five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of eight PV plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of **Tata**. These projects have reached the ready-to-build stage in 2018Q3 and the feed in cable permit is expected by mid 2018Q4.

On 21 March 2018, Photon Energy announced the expansion of its Hungarian project pipeline by eight additional photovoltaic projects with a total installed capacity of 5.5 MWp in the municipality of **Tiszakecske** in Bács-Kiskun region through the acquisition of eight project companies. Construction started in October 2018 for an installed DC capacity (the total installed generating power of the PV modules) of 5.5 MWp. Covering an area of 7.9 hectares, the power plants will be made up of some 20,000 Jinko polycrystalline modules that are expected to produce around 6.7 GWh of electricity per year. Subject to weather conditions, the power plants are expected to be connected to the grid of E.ON Tiszántúli Áramhálózati Zrt before the end of the year. The Group will own and operate these projects through eight fully-owned subsidiaries that each own a KAT license entitling them to a feed-in-tariff of some 32 HUF per kWh (approx. EUR 0.1 per kWh) over a period of up to 25 years, with a maximum approved and supported production of 15,575 MWh per license. Total annual revenues of all eight power plants are expected to amount to EUR 660,000. The total construction cost of the eight power plants is estimated at around EUR 5.8 million.

These acquisitions marked an important step towards achieving the Company's goal of building 50 MWp of PV plants for its proprietary long-term portfolio in Hungary until year-end 2019.

Photon Energy's photovoltaic pipeline in Hungary is made of 37 projects with a total installed capacity of 25.6 MWp, coming on top of the 0.528 MWp power plant already constructed and connected in Fertőd I.

## 2.6. Enterprise Value & Share Price performance

### 2.6.1. NewConnect (Warsaw Stock Exchange)

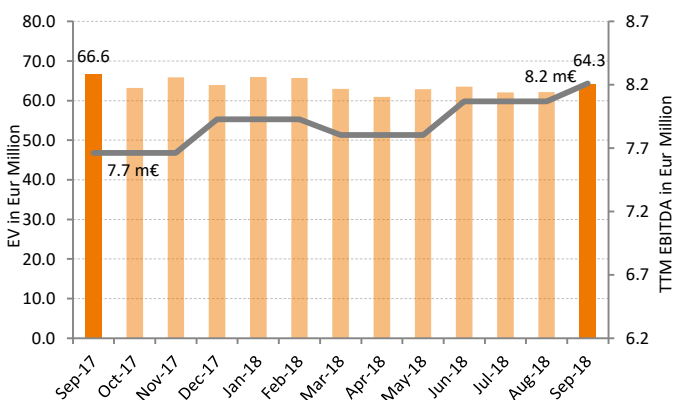
On 4 June 2013 Photon Energy NV shares commenced trading on the NewConnect market at a price of PLN 2.00, after a share swap for the minority investors in the Czech predecessor company, originally listed on New Connect in 2008.

The quarter closed at a price of PLN 1.59 on 30 September 2018 (+14% vs. 31 December 2017), corresponding to a price-to-book ratio of 0.68x. The Company also reports average monthly trading volume of 90,399 shares in 2018Q3, compared to an average monthly trading volume of 204,068 shares in 2017.

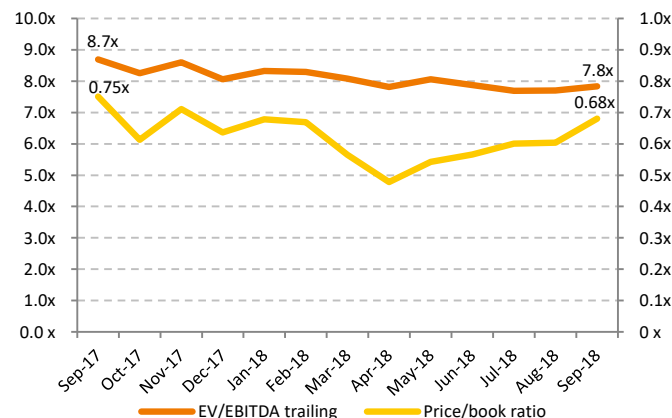
**Chart 2. Total monthly volumes vs. daily closing stock prices**



**Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA**



**Chart 4. Enterprise value / trailing 12 months EBITDA & 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.

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.

### 2.6.2. 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 were issued, nor capital raised through this listing.

On 30 September 2018, the shares (ISIN NL0010391108) closed at a price of CZK 7.70 (-17% vs 31 December 2017, +57% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.55x. The Company reports an average monthly trading volume of 6,408 shares in 2018Q3, compared to 43,176 shares in 2017.

### 2.7. Bond trading performance

On 12 March 2018 the Company fully repaid its 5-year corporate EUR bond issued in March 2013 with an 8% annual coupon and quarterly payments (ISIN DE000A1HELE2).

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

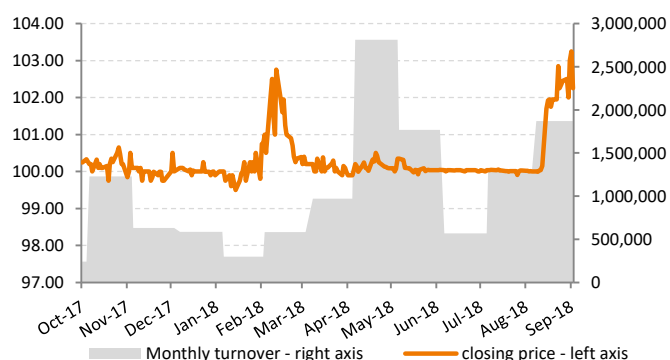
On 27 October 2017, the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. The target volume of EUR 30 million was subscribed to in full on 7 September 2018, before the end of the public placement that took place in Germany, Austria and Luxembourg, originally set until 20 September 2018. The corporate bond, with a denomination 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.

#### 2.7.1. CZK Bond trading performance in Prague

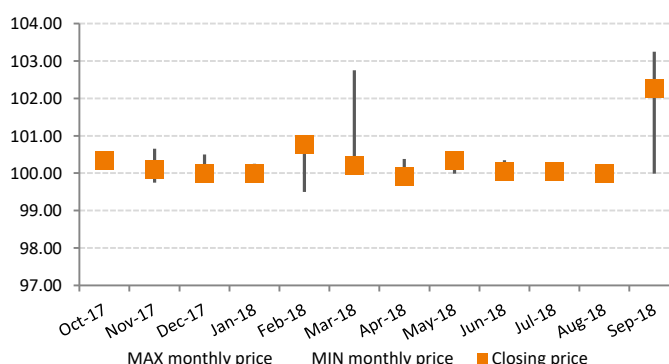
In the trading period from 12 December 2016 until 30 September 2018 the trading volume amounted to CZK 8.850 million (nominal value) with a closing price of 100.00. In 2018Q3, the trading volume amounted to CZK 0.450 million.

#### 2.7.2. EUR Bond 2017/22 trading performance

**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**



In the trading period from 25 October 2017 until 30 September 2018, the trading volume amounted to EUR 24.884 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 102.25 in Frankfurt. During this period the average daily turnover amounted to EUR 106,798. The target volume of EUR 30 million was subscribed to in full as of 7 September 2018.

In 2018Q3, the trading volume amounted to EUR 9,932,000 with an opening price of 100.05 and a closing price of 102.25 in Frankfurt. The average daily turnover amounted to EUR 152,800.

## 2.8. Financial statement analysis

### Profit and Loss statement

Unaudited consolidated revenues increased by 25.8% YOY from EUR 4.908 million to EUR 6.173 million in 2018Q3, thanks to higher revenue from electricity production, as well as to a substantial growth in the development and engineering businesses and in Water services. YTD, revenues increased 28.6% to EUR 16.640 million.

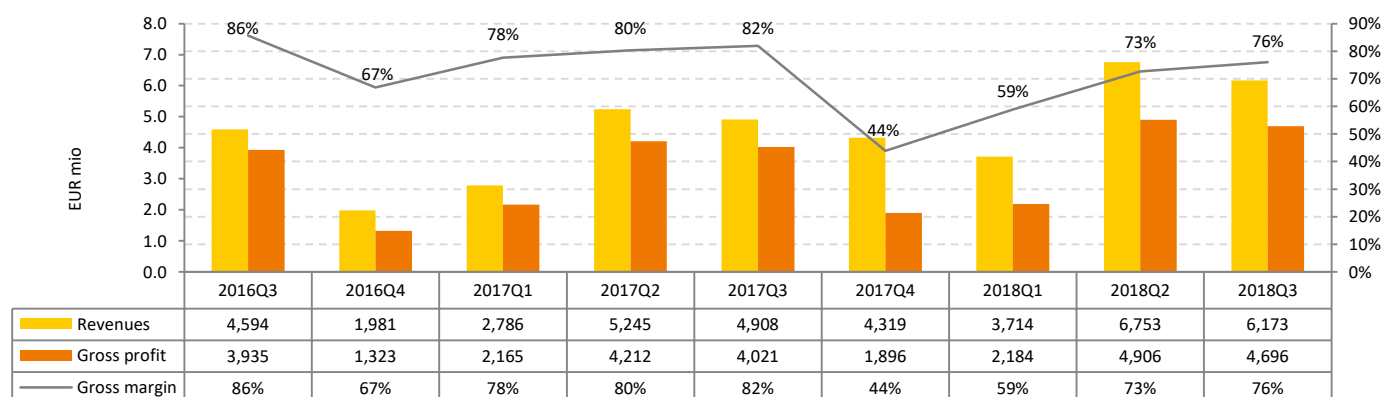
Consolidated EBITDA increased at a slower pace to EUR 3.282 million (+4.5% YOY) in 2018Q3, due to increased HR and administrative costs. YTD, EBITDA rose 4.9% to EUR 7.692 million.

Consolidated EBIT increased to EUR 1.371 million (11.6% YOY) in 2018Q3. YTD, EBIT grew by 11.2% to EUR 3.022 million.

In 2018Q3, the Company recorded a profit before taxation of EUR 1.543 million, compared to EUR 0.883 million for the same period last year (+74.8%). YTD, the Company nearly tripled its profit before taxation to EUR 3.752 million, compared to EUR 1.339 million for the same period last year(+180.2%), mainly driven by the results of the successful development work in Australia resulting in a capital gain of EUR 3.074 million coming from the transaction signed with Canadian Solar already in 2018Q1.

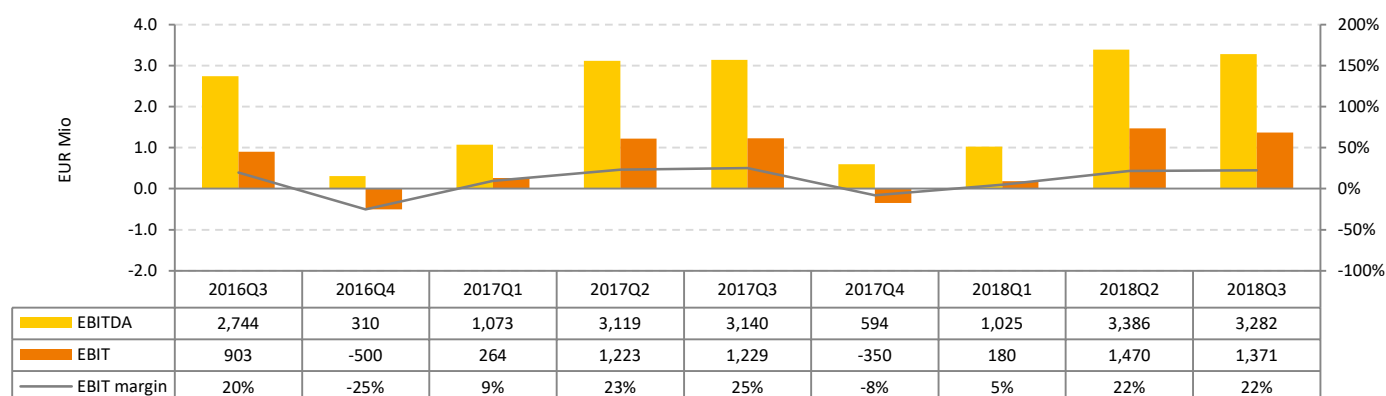
Logically, the Company nearly doubled its net profit to EUR 1.217 million in 2018Q3 compared to 2017Q3 (EUR 0.613 million). YTD, the Company's net profit came in at a record EUR 2.949 million, compared to EUR 0.695 million for the same period last year(+324.1%).

**Chart 9. Revenues, gross profit and gross margin**



The numbers presented above are based on published quarterly figures.

**Chart 10. EBITDA, EBIT and EBIT margin development**



The numbers presented above are based on published quarterly figures.



## Balance Sheet

Total fixed assets amounted to EUR 72.102 million at the end of 2018Q3, a EUR 0.509 million decrease compared to 2018Q2. The main reasons for the decrease in assets are the depreciation of assets and the impact of foreign exchange rate developments.

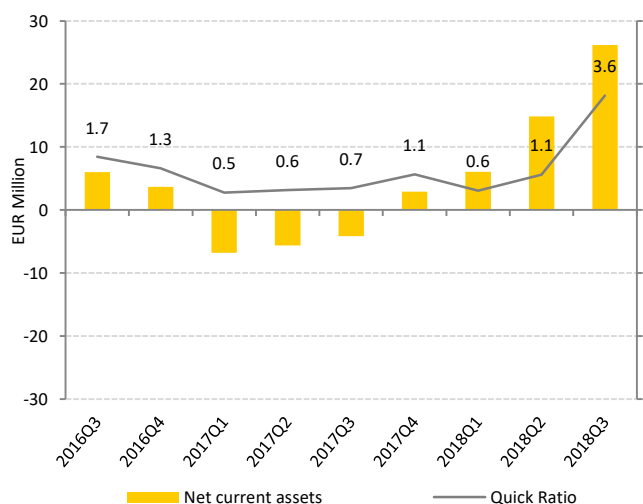
Current assets slightly increased from EUR 34.330 million as of 30 June 2018 to EUR 34.493 million as of 30 September 2018 mainly due an increase in cash connected to the EUR Bond 2017/22 placement which was compensated by a decrease in inventories (connected to a revision of the strategic purchase agreement with Jinko Solar for modules for our proprietary to-be-built power plants in Hungary as well as for the distribution of modules in the market, which entered the books in 2018Q1).

Total liabilities amounted to EUR 76.963 million as of the end of the reporting period compared to EUR 78.983 million as of the end of 2018Q2, resulting from our EUR bond placement, compensated by a decrease in liabilities towards Jinko, connected to a revision of the above mentioned purchase agreement for Jinko modules.

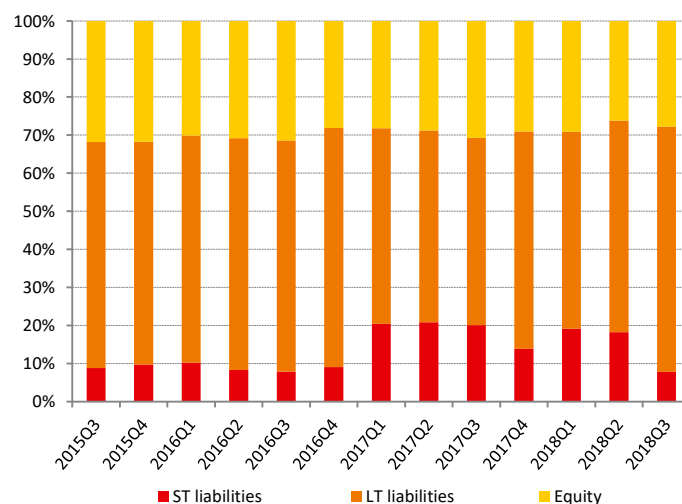
Current liabilities decreased from EUR 19.509 million in 2018Q2 to EUR 8.346 million in 2018Q3, mainly due to a reduction of other payables due to the amendment made to the above mentioned purchase agreement for Jinko modules.

Long term liabilities increased by EUR 9.143 million from EUR 59.474 million in 2018Q2 to EUR 68.617 million in 2018Q3. The main driver of the change in long term liabilities was the increase of the EUR bond 2017/22 partially compensated by the repayment of the long-term portion of bank loans.

**Chart 11. Net current assets**



**Chart 12. Break down of liabilities and equity**



## Changes in equity

Equity increased to EUR 29.633 million in 2018Q3 from EUR 27.958 million in 2018Q2, mainly due to the positive net result.

## Cash Flow

In 2018Q3 the Group posted a positive operating cash flow, which amounted to EUR 0.467 million. In 2017Q3 the Group had posted a positive operating cash flow, which amounted to EUR 1.646 million. The reduction of the operating cash flow was solely driven by a negative working capital effect compared to the corresponding period last year.

Financial cash flow was positive and amounted to EUR 7.745 million, driven primarily by the EUR Bond 2017/22 placement.

Investment cash flow equalled EUR -0.871 million in the reporting period, as a result of acquisitions of land and project rights in Hungary.

Overall, the cash position increased by EUR 7.340 million in total within the reporting period and amounted to EUR 19.657 million at the end of the reporting period (EUR 4.670 million one year ago).

## 2.9. Financial forecasts

The Company does not publish financial forecasts.

### 3. General information about the Issuer

The table below presents general information about Photon Energy NV, hereinafter referred to as the “PENV”, “Issuer”, “the Group” and/or the “Company”.

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands
Registration:	Dutch Chamber of Commerce ( <i>Kamer van Koophandel</i> )
Company number:	51447126
Tax-ID:	NL850020827B01
Ticker:	PEN
Web:	www.photonenergy.com

### 4. Share capital of the Issuer

The Company’s share capital is EUR 600,000 divided into 60,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up.

#### Share capital as of 30 September 2018

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (EUR)	Capital covered with
A	bearer	-	-	<u>60,000,000</u>	<u>600,000</u>	cash
<b>Total number of shares</b>				<b>60,000,000</b>		
<b>Total share capital</b>					<b>600,000</b>	
Nominal value per share = EUR 0.01						

In the reporting period there were no changes to the share capital.

### 5. Shareholder structure

As of the reporting date, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure was as follows:

Shareholdership as of 05.11.2018	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	26,467,000	44.11%	26,467,000	51.76%
Solar Future Cooperatief U.A.	8,590,683	14.32%	8,590,683	16.80%
Solar Power to the People Cooperatief U.A.	8,051,874	13.42%	8,051,874	15.75%
Photon Energy N.V.	8,862,941	14.77%	0	0.00%
Free float	8,027,502	13.38%	8,027,502	15.70%
<b>Total</b>	<b>60,000,000</b>	<b>100.00%</b>	<b>51,137,059</b>	<b>100.00%</b>

The free float includes shares allocated to the employee incentive programme. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

## 6. Statutory bodies of the Issuer

### Board of Directors as of 30 September 2018

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer's Board of Directors has the following members:

Name	Position	Date of birth	Term of office expiry date
Georg Hotar	Director ( <i>Bestuurder</i> )	21.04.1975	No term of expiry
Michael Gartner	Director ( <i>Bestuurder</i> )	29.06.1968	No term of expiry

### Supervisory Board

Under Dutch law, a public company is required to establish a supervisory board if:

- ▶ The issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- ▶ The company or a dependent company established a work council pursuant to a statutory obligation and,
- ▶ The company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three consecutive financial years. The Issuer does not meet the above described criteria and therefore is not required to create a supervisory board.

No Supervisory Board was established, however, the Issuer has the intention to appoint an independent Supervisory Board in the future.

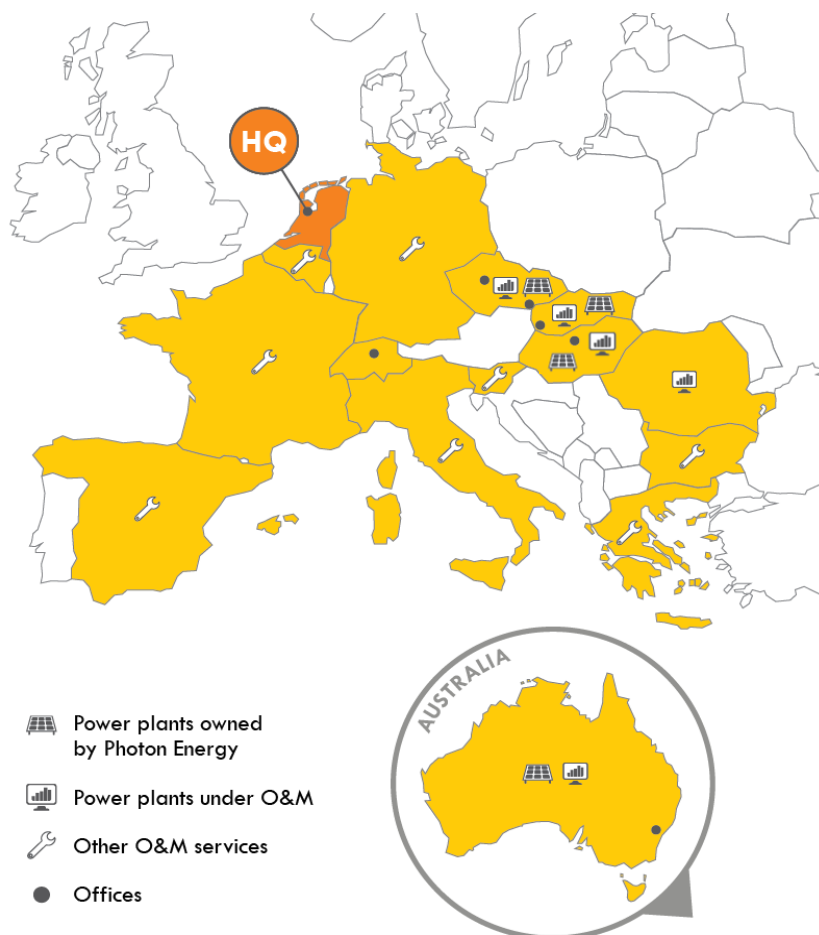
## 7. Description of the Issuer's business

Photon Energy NV ("Photon Energy", "PENV", "Issuer" or "Company") is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

The Group is vertically integrated in the downstream segment of the photovoltaic industry. The company focuses on life-cycle services and delivers:

- ▶ **Projects:** Project development for rooftop and green-field installations from 300 kW to 300 MW.
- ▶ **Solutions:** Design and construction of on-grid and off-grid installations, including battery storage solutions,
- ▶ **Technology:** Trading of PV-components (modules and inverters).
- ▶ **Investments:** Investments in PV power plants and sustainable production and sale of electricity.
- ▶ **Operations:** Operations and maintenance of PV power plants, including a proprietary control room and monitoring platform.

### Country-specific references



Currently Photon Energy is active with 86 professionals in six countries across two continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across five countries and more than 220 MWp of PV power plants under O&M management across two continents.

## 8. Implementation of innovative activities in the Company

Owners of photovoltaic power plants are beginning to recognize that their solar assets need remote monitoring to prevent financial loss. However, an incorrect implementation and choice of hardware components of the service often leads to decreased efficiency.

For this reason, Photon Energy designed and developed the cutting-edge Photon Energy ONE that combines expertise of a global manufacturer and distributor with dedicated service professionals to help clients identify needs of their solar system and take action regardless of the location of their solar power plant.

Perfectly customized to clients' specific needs, this smart remote solution was designed with a clear goal: provide operating efficiency, prolong longevity.

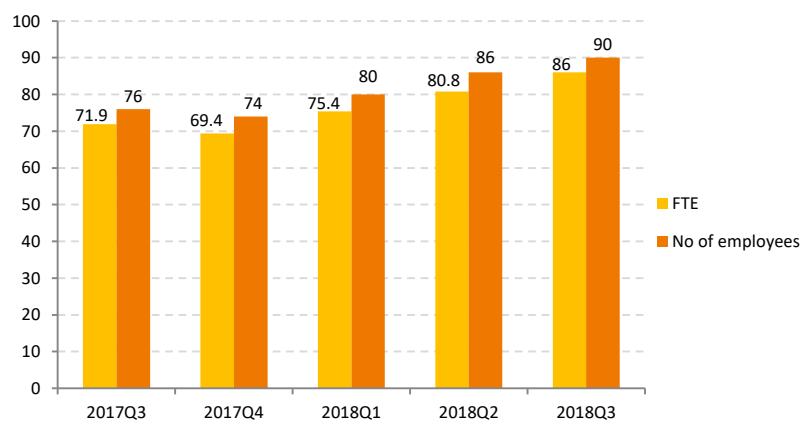
Photon Energy ONE is a fully-integrated solar monitoring solution with intelligent software that provides comprehensive monitoring and control of solar power plants. With our perfectly customized packages to suit every solar installation, we help our customers select the right mix of hardware and software components that combine to enable ultimate performance of their solar systems.

- ▶ Optimizes installation and hardware costs
- ▶ Enhances photovoltaic power plant efficiency
- ▶ Detects threats in a timely manner
- ▶ Used by industry-scale owners, operators and investors
- ▶ Connects to external systems (CSV, XML, Binary format, Rest API, GraphQL API, individual format) free of charge
- ▶ Expert technical support available 24/7.

## 9. Employees

As of the end of 2018Q3, Photon Energy had 90 employees (compared to 76 employees in 2017Q3) which translates into 86.0 FTE (compared to 71.9 FTE in 2017Q3).

**Chart 13. Total number of employees and full time equivalent employees per quarter**



<sup>1</sup> **Full-time equivalent (FTE)** is a unit that indicates the workload of a person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time.

### Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it operates an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for employees equal to 10% of their gross compensation. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

## 10. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of the reporting date.

	Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
1	Photon Energy N.V. (PENV)	Holding	NL	Full Cons.	-
2	Photon Directors B.V.	100%	NL	Full Cons.	PENV
3	Photon Energy Engineering B.V. (PEE BV)	100%	NL	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEO NV)	100%	NL	Full Cons.	PENV
5	Photon Energy Australia Pty Ltd.	100%	AUS	Full Cons.	PENV
6	Gunning Solar Farm Pty. Ltd. (former Photon Energy Generation Australia Pty. Ltd.)	49%	AUS	Equity	PENV
7	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AUS	Full Cons.	PENV
8	Photon Energy AUS SPV 2 Pty. Ltd.	100%	AUS	Full Cons.	PENV
9	Photon Energy AUS SPV 3 Pty. Ltd.	100%	AUS	Full Cons.	PENV
10	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AUS	Full Cons.	PENV
11	Mumbil Solar Farm Pty. Ltd.	25%	AUS	Equity	PENV
12	Photon Energy AUS SPV 6 Pty. Ltd.	51%	AUS	Equity	PENV
13	Gunnedah Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 7 Pty. Ltd.)	25%	AUS	Equity	PENV
14	Suntop Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 8 Pty. Ltd.)	25%	AUS	Equity	PENV
15	Photon Energy AUS SPV 9 Pty. Ltd.	51%	AUS	Equity	PENV
16	Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	25%	AUS	Equity	PENV
17	Photon Energy Operations Australia Pty.Ltd.	100%	AUS	Full Cons.	PEONV
18	Photon Energy Engineering Australia Pty Ltd	100%	AUS	Full Cons.	PEEBV
19	Global Investment Protection AG	100%	CH	Full Cons.	PENV
20	ALFEMO AG	100%	CH	Full Cons.	PENV
21	KORADOL AG	100%	CH	Full Cons.	PENV
22	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
23	Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	PENV
24	Photon Energy Operations CZ s.r.o. (PEOCZ) <sup>1</sup>	100%	CZ	Full Cons.	PEONV
25	Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
26	Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
27	Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
28	Photon Energy Solutions s.r.o.	100%	CZ	Full Cons.	PENV
29	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
30	Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
31	The Special One s.r.o.	100%	CZ	Full Cons.	PENV
32	Charles Bridge Services s.r.o.	100%	CZ	Full Cons.	PENV
33	Photon Energy Finance Europe GmbH	100%	DE	Full Cons.	PENV
34	Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
35	Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
36	EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
37	EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
38	Fotonika, s.r.o.	100%	SK	Full Cons.	PENV
39	Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
40	Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
41	Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
42	Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
43	Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
44	SUN4ENERGY ZVB, s.r.o.	100%	SK	Full Cons.	PENV
45	SUN4ENERGY ZVC, s.r.o.	100%	SK	Full Cons.	PENV
46	ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
47	Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
48	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	PEP
49	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	Alfemo AG
50	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
51	Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV
52	Future Solar Energy Kft	100%	HU	Full Cons.	Alfemo AG
53	Montagem Befektetési Kft.	100%	HU	Full Cons.	Alfemo AG
54	Solarkit Befektetesi Kft.	100%	HU	Full Cons.	Alfemo AG
55	Energy499 Invest Kft.	100%	HU	Full Cons.	Alfemo AG
56	SunCollector Kft.	100%	HU	Full Cons.	Alfemo AG
57	Green-symbol Invest Kft.	100%	HU	Full Cons.	Alfemo AG

	Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
58	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	Alfemo AG
59	Onyx-sun Kft.	100%	HU	Full Cons.	Alfemo AG
60	Tataimmo Kft.	100%	HU	Full Cons.	Alfemo AG
61	Öreghal Kft.	100%	HU	Full Cons.	Alfemo AG
62	European Sport Contact Kft.	100%	HU	Full Cons.	Alfemo AG
63	ALFEMO Alpha Kft.	100%	HU	Full Cons.	Alfemo AG
64	ALFEMO Beta Kft.	100%	HU	Full Cons.	Alfemo AG
65	ALFEMO Gamma Kft.	100%	HU	Full Cons.	Alfemo AG
66	Archway Solar Kft.	100%	HU	Full Cons.	PENV
67	Barbican Solar Kft.	100%	HU	Full Cons.	Alfemo AG
68	Belsize Solar Kft.	100%	HU	Full Cons.	Alfemo AG
69	Blackhorse Solar Kft.	100%	HU	Full Cons.	Alfemo AG
70	Caledonian Solar Kft.	100%	HU	Full Cons.	Alfemo AG
71	Camden Solar Kft.	100%	HU	Full Cons.	Alfemo AG
72	Hampstead Solar Kft.	100%	HU	Full Cons.	Alfemo AG
73	Ráció Master Oktatási	76%	HU	Equity	Alfemo AG
74	P&P Solar Immo Kft.	35%	HU	Equity	Alfemo AG

Notes:  
**Country of registration**  
 NL – the Netherlands  
 CZ – the Czech Republic  
 SK – Slovakia  
 DE – Germany  
 AUS – Australia  
 HU – Hungary  
 CH – Switzerland  
**Consolidation method:**  
 Full Cons. – Full Consolidation  
 Not Cons. – Not Consolidated  
 Equity – Equity Method

Photon Energy Operations CZ s.r.o. established a branch office in Romania.

In addition to the above subsidiaries, for the purposes of IFRS reporting, the Company consolidates the following entities:

	Name	% of Consolidated share	% of Ownership share	Country of registration	Consolidation method	Legal Owner
1	Photon SPV 3 s.r.o. (Mostkovice SPV3)	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o. (Zvikov I)	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o. (Komorovice)	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o. (Svatoslav)	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o. (Slavkov)	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o. (Zdice I)	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o. (Zdice II)	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o. (Dolní Dvořiště)	100%	0%	CZ	Full Cons.	RL
9	Photon SPV 11 s.r.o. (Radvanice)	100%	0%	CZ	Full Cons.	RL

Notes:  
 RL - Raiffeisen - Leasing, s.r.o.

#### In the reporting period, the following changes to the Group structure took place:

- On 4 July 2018 ALFEMO AG acquired 40% of the shares of the Hungarian SPV Ráció Master Oktatási Kft.
- On 23 August 2018 ALFEMO AG increased its shareholding from 40% to 76% in the Hungarian SPV Ráció Master Oktatási Kft.
- On 20 September 2018 ALFEMO AG acquired 34.52% of the shares of the Hungarian SPV P&P Solar Immo Kft. This company is the owner of part of the land we are going to build the Monor PVP on. The remaining shares are owned by Vidéki Rokonok Kft.

#### After the reporting period the following events occurred:

- On 9 October 2018 in an intra-group transaction ALFEMO AG acquired 100% of the shares of the Hungarian SPV Fertod Napenergia-Termelo Kft from Photon Energy Projects s.r.o.

## 11. Report on the key events material for the Group's operations

### 11.1. Summary of the key events from 1 July until 30 September 2018

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 19/2018** published on 12 July 2018: Monthly report for June 2018.
- ▶ **EBI 20/2018** published on 6 August 2018: Quarterly report for 2018Q2.
- ▶ **EBI 21/2018** published on 9 August 2018: Monthly report for July 2018.
- ▶ **EBI 22/2018** published on 7 September 2018: Photon Energy fully places 7.75% EUR bond 2017/22 with a total volume of EUR 30 million.
- ▶ **EBI 23/2018** published on 11 September 2018: Monthly report for August 2018.

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 16/2018** published on 30 July 2018: Change in substantial blocks of shares.
- ▶ **ESPI 17/2018** published on 5 September 2018: Insider trading notification.
- ▶ **ESPI 18/2018** published on 12 September 2018: Insider trading notification.
- ▶ **ESPI 19/2018** published on 21 September 2018: Insider trading notification.

### 11.2. Summary of the key events after 30 September 2018

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

- ▶ **EBI 24/2018** published on 9 October 2018: Monthly report for September 2018.

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

- ▶ **ESPI 20/2018** published on 3 October 2018: Insider trading notification.
- ▶ **ESPI 21/2018** published on 17 October 2018: Insider trading notification.
- ▶ **ESPI 22/2018** published on 22 October 2018: Insider trading notification.
- ▶ **ESPI 23/2018** published on 23 October 2018: Photon Energy starts construction on 5.5 MWp solar projects in Tiszakécske, Hungary.
- ▶ **ESPI 24/2018** published on 31 October 2018: Q&A Chat to be held in collaboration with Polish retail investors association SII on Friday, the 9th of November 2018 at 11:00am.
- ▶ **ESPI 25/2018** published on 5 November 2018: Photon Energy breaks ground on 5.5 MWp solar projects in Almásfüzitő, Hungary.



## 12. Detailed consolidated financial results for 2018Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 July 2018 and ending on 30 September 2018 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

### Statement of Comprehensive Income

in Thousands	EUR		PLN		CZK	
	2017Q3	2018Q3	2017Q3	2018Q3	2017Q3	2018Q3
<b>Total revenues</b>	<b>4,908</b>	<b>6,173</b>	<b>20,896</b>	<b>26,565</b>	<b>128,032</b>	<b>158,764</b>
<i>Out of that: Revenues from electricity generation</i>	4,050	4,626	17,240	19,906	105,633	118,965
<i>Out of that: Other revenues</i>	859	1,548	3,656	6,659	22,399	39,799
Cost of sales	-609	-1,157	-2,592	-4,978	-15,881	-29,752
Solar levy CZ	-278	-320	-1,185	-1,379	-7,262	-8,239
<b>Gross profit</b>	<b>4,021</b>	<b>4,696</b>	<b>17,119</b>	<b>20,209</b>	<b>104,890</b>	<b>120,774</b>
Other income	237	27	1,011	118	6,193	703
Administrative expenses	-489	-489	-2,082	-2,102	-12,758	-12,565
Personnel expenses	-619	-935	-2,637	-4,025	-16,155	-24,054
Other expenses	-10	-18	-41	-77	-253	-463
<b>EBITDA</b>	<b>3,140</b>	<b>3,282</b>	<b>13,370</b>	<b>14,121</b>	<b>81,916</b>	<b>84,395</b>
Depreciation	-1,911	-1,910	-8,136	-8,220	-49,850	-49,127
<b>EBIT</b>	<b>1,229</b>	<b>1,371</b>	<b>5,234</b>	<b>5,901</b>	<b>32,066</b>	<b>35,267</b>
Interests income	133	11	566	46	3,471	275
Financial revenues	0	0	0	0	0	0
Interests cost	-797	-986	-3,392	-4,244	-20,783	-25,364
Financial expenses	-166	771	-705	3,316	-4,320	19,816
Revaluation of derivatives	411	345	1,750	1,485	10,719	8,876
<b>Net finance expenses</b>	<b>-418</b>	<b>140</b>	<b>-1,781</b>	<b>603</b>	<b>-10,912</b>	<b>3,603</b>
Share of profit from associates / J-Vs	72	31	305	135	1,869	809
Disposal of investment	0	0	0	0	0	0
<b>Profit / loss before taxation</b>	<b>883</b>	<b>1,543</b>	<b>3,758</b>	<b>6,639</b>	<b>23,023</b>	<b>39,679</b>
Income tax – current	-266	-274	-1,131	-1,179	-6,927	-7,047
Income tax – deferred	-4	-52	-16	-222	-99	-1,327
<b>Profit/loss from continuing operations</b>	<b>613</b>	<b>1,217</b>	<b>2,611</b>	<b>5,238</b>	<b>15,997</b>	<b>31,306</b>
Profit/loss from discontinued operations	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>613</b>	<b>1,217</b>	<b>2,611</b>	<b>5,238</b>	<b>15,997</b>	<b>31,306</b>
Other comprehensive income for the period	438	458	1,865	1,971	11,425	11,779
<b>Total comprehensive income for the period</b>	<b>1,051</b>	<b>1,675</b>	<b>4,476</b>	<b>7,209</b>	<b>27,422</b>	<b>43,085</b>
<b>Profit/loss after taxation</b>	<b>613</b>	<b>1,217</b>	<b>2,611</b>	<b>5,238</b>	<b>15,997</b>	<b>31,306</b>
<i>Attributable to the equity holders</i>	624	1,238	2,655	5,330	16,270	31,851
<i>Attributable to minority interest</i>	-10	-21	-45	-91	-273	-545
<b>Total comprehensive income for the period</b>	<b>1,051</b>	<b>1,675</b>	<b>4,476</b>	<b>7,209</b>	<b>27,422</b>	<b>43,085</b>
<i>Attributable to the equity holders</i>	1,062	1,696	4,520	7,300	27,695	43,630
<i>Attributable to minority interest</i>	-10	-21	-45	-91	-273	-545
Average no. of shares outstanding (in thousand)	50,956	51,266	50,956	51,266	50,956	51,266
Earnings per share outstanding	0.012	0.024	0.051	0.102	0.314	0.611
Comprehensive income per share outstanding	0.021	0.033	0.088	0.141	0.538	0.840
<i>EUR exchange rate – low</i>			4.202	4.252	25.965	25.434
<i>EUR exchange rate – average</i>			4.257	4.303	26.084	25.718
<i>EUR exchange rate – high</i>			4.304	4.392	26.160	26.073

Note: Exchange rates provided by the European Central Bank

## Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	30.9.2017	30.9.2018	30.9.2017	30.9.2018	30.9.2017	30.9.2018
Intangibles	0	0	0	0	0	0
Property, plant and equipment	72,241	68,965	310,929	294,992	1,876,454	1,774,543
Investments in associates /joint ventures	1,682	3,128	7,241	13,382	43,698	80,498
Other investments	8	9	36	37	220	220
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
<b>Non-current assets</b>	<b>73,932</b>	<b>72,102</b>	<b>318,206</b>	<b>308,410</b>	<b>1,920,373</b>	<b>1,855,261</b>
Inventories – Goods	1,346	4,216	5,794	18,032	34,967	108,473
Trade receivables	3,025	2,984	13,021	12,764	78,581	76,784
Other receivables	2,224	5,046	9,570	21,582	57,757	129,830
Loans	755	717	3,250	3,068	19,611	18,459
Gross amount due from customers for contract work	531	675	2,284	2,885	13,787	17,357
Prepaid expenses	502	1,200	2,159	5,132	13,031	30,870
Cash and cash equivalents	4,670	19,656	20,102	84,078	121,314	505,780
Other S-T financial assets	350	0	1,506	0	9,091	0
Assets held for sale	0	0	0	0	0	0
<b>Current assets</b>	<b>13,403</b>	<b>34,493</b>	<b>57,687</b>	<b>147,542</b>	<b>348,140</b>	<b>887,552</b>
<b>Total assets</b>	<b>87,334</b>	<b>106,596</b>	<b>375,893</b>	<b>455,954</b>	<b>2,268,513</b>	<b>2,742,821</b>
Issued share capital	600	600	2,582	2,566	15,585	15,439
Share premium	23,760	23,760	102,264	101,631	617,166	611,369
Legal reserve fund	13	13	57	57	347	344
Reserves	23,491	21,723	101,106	92,917	610,172	558,948
Retained earnings	-21,011	-16,404	-90,433	-70,166	-545,761	-422,088
Equity attributable to owners of the Company	26,853	29,692	115,577	127,006	697,509	764,011
Non-controlling interests	-21	-59	-92	-253	-558	-1,520
<b>Total equity</b>	<b>26,832</b>	<b>29,633</b>	<b>115,485</b>	<b>126,753</b>	<b>696,951</b>	<b>762,491</b>
Bank loans	35,023	30,053	150,741	128,548	909,723	773,287
Other long-term liabilities	1,954	32,462	8,410	138,851	50,754	835,270
Other loans	0	0	0	0	0	0
Deferred tax liabilities	5,987	6,102	25,767	26,102	155,504	157,019
<b>Non-current liabilities</b>	<b>42,964</b>	<b>68,617</b>	<b>184,918</b>	<b>293,501</b>	<b>1,115,982</b>	<b>1,765,577</b>
Bank Loans	3,637	3,736	15,655	15,982	94,479	96,140
Other loans	314	0	1,354	0	8,168	0
Trade payables	747	2,151	3,215	9,202	19,405	55,353
Other payables	1,512	2,280	6,506	9,754	39,265	58,677
Other shortterm liabilities	10,592	0	45,589	0	275,127	0
Current tax liabilities (income tax)	649	178	2,791	762	16,846	4,583
Provisions	88	0	379	0	2,289	0
<b>Current liabilities</b>	<b>17,539</b>	<b>8,346</b>	<b>75,490</b>	<b>35,700</b>	<b>455,580</b>	<b>214,753</b>
<b>Total Liabilities</b>	<b>60,503</b>	<b>76,963</b>	<b>260,408</b>	<b>329,201</b>	<b>1,571,561</b>	<b>1,980,330</b>
<b>TOTAL Equity &amp; Liabilities</b>	<b>87,334</b>	<b>106,596</b>	<b>375,893</b>	<b>455,954</b>	<b>2,268,512</b>	<b>2,742,821</b>
<i>No. of shares outstanding in thousand</i>	50,956	51,176	50,956	51,176	50,956	51,176
<i>Book value per share outstanding</i>	0.527	0.579	2.266	2.477	13.678	14.899

## Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2017Q3	2018Q3	2017Q3	2018Q3	2017Q3	2018Q3
Profit/loss before taxation	883	1,543	3,759	6,639	23,032	39,679
Adjustments for:			0	0	0	0
Depreciation	1,911	1,910	8,136	8,220	49,850	49,127
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-72	-154	-305	-662	-1,869	-3,954
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	236	124	1,005	534	6,156	3,189
Net finance expenses	0	-140	0	-603	0	-3,603
Changes in:						
Trade and other receivables	-105	-537	-448	-2,311	-2,744	-13,810
Gross amount due from customers for contract work	-531	-202	-2,261	-869	-13,851	-5,193
Prepaid expenses	-155	-272	-662	-1,169	-4,055	-6,989
Inventories	-242	8,285	-1,030	35,651	-6,311	213,062
Trade and other payables	-862	-9,924	-3,668	-42,707	-22,475	-255,230
Other liabilities	583	-166	2,483	-716	15,213	-4,277
<b>Operating cash flow</b>	<b>1,646</b>	<b>467</b>	<b>7,009</b>	<b>2,008</b>	<b>42,943</b>	<b>12,001</b>
Acquisition of property, plant and equipment	0	-379	0	-1,629	0	-9,735
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	-434	0	-1,868	0	-11,161
Acquisition of other investments	0	-59	0	-253	0	-1,511
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
<b>Investment cash flow</b>	<b>0</b>	<b>-871</b>	<b>0</b>	<b>-3,749</b>	<b>0</b>	<b>-22,407</b>
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	0	-228	0	-981	0	-5,864
Repayment of borrowings	-1,616	-1,746	-6,878	-7,512	-42,143	-44,894
Proceeds from issuing bonds	341	10,705	1,450	46,067	8,882	275,315
Interest expenses	-798	-987	-3,396	-4,246	-20,809	-25,376
<b>Financing cash flow</b>	<b>-2,072</b>	<b>7,745</b>	<b>-8,821</b>	<b>33,328</b>	<b>-54,044</b>	<b>199,181</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-426</b>	<b>7,340</b>	<b>-1,812</b>	<b>31,587</b>	<b>-11,101</b>	<b>188,776</b>
<b>Cash at the beginning of the period</b>	<b>4,716</b>	<b>12,317</b>	<b>20,076</b>	<b>53,001</b>	<b>123,008</b>	<b>316,753</b>
Effect of exchange rate fluctuation	380	0	1,618	0	9,912	0
<b>Cash at the end of the period</b>	<b>4,670</b>	<b>19,657</b>	<b>19,882</b>	<b>84,588</b>	<b>121,819</b>	<b>505,528</b>
<i>EUR exchange rate – low</i>			4.202	4.252	25.965	25.434
<i>EUR exchange rate – average</i>			4.257	4.303	26.084	25.718
<i>EUR exchange rate – high</i>			4.304	4.392	26.160	26.073

### 13. Detailed accumulated consolidated financial results for 2018 Q1-Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2018 and ending on 30 September 2018 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

#### Statement of Comprehensive Income

in Thousands	EUR		PLN		CZK	
	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3
<b>Total revenues</b>	<b>12,939</b>	<b>16,640</b>	<b>55,192</b>	<b>70,701</b>	<b>343,574</b>	<b>425,564</b>
<i>Out of that: Revenues from electricity generation</i>	10,403	10,951	44,374	46,528	276,231	280,061
<i>Out of that: Other revenues</i>	2,536	5,689	10,818	24,173	67,343	145,504
Cost of sales	-1,807	-4,078	-7,709	-17,328	-47,991	-104,302
Solar levy CZ	-734	-776	-3,131	-3,298	-19,490	-19,852
<b>Gross profit</b>	<b>10,398</b>	<b>11,786</b>	<b>44,352</b>	<b>50,075</b>	<b>276,094</b>	<b>301,410</b>
Other income	295	146	1,260	622	7,845	3,743
Administrative expenses	-1,330	-1,525	-5,672	-6,480	-35,306	-39,005
Personnel expenses	-1,916	-2,544	-8,173	-10,809	-50,880	-65,062
Other expenses	-115	-171	-488	-725	-3,041	-4,364
<b>EBITDA</b>	<b>7,333</b>	<b>7,692</b>	<b>31,279</b>	<b>32,682</b>	<b>194,713</b>	<b>196,721</b>
Depreciation	-4,616	-4,670	-19,691	-19,843	-122,580	-119,439
<b>EBIT</b>	<b>2,717</b>	<b>3,022</b>	<b>11,587</b>	<b>12,839</b>	<b>72,133</b>	<b>77,282</b>
Interests income	162	109	689	463	4,290	2,784
Financial revenues	0	0	0	0	0	0
Interests cost	-2,062	-2,589	-8,794	-10,998	-54,745	-66,200
Financial expenses	-364	-394	-1,552	-1,674	-9,664	-10,078
Revaluation of derivatives	776	497	3,308	2,110	20,595	12,698
<b>Net finance expenses</b>	<b>-1,488</b>	<b>-2,377</b>	<b>-6,349</b>	<b>-10,100</b>	<b>-39,523</b>	<b>-60,797</b>
Share of profit from associates / J-Vs	111	34	474	144	2,948	869
Disposal of investments	0	3,074	0	13,059	0	78,606
<b>Profit / loss before taxation</b>	<b>1,339</b>	<b>3,752</b>	<b>5,712</b>	<b>15,943</b>	<b>35,557</b>	<b>95,961</b>
Income tax – current	-565	-665	-2,408	-2,825	-14,991	-17,007
Income tax – deferred	-79	-139	-338	-588	-2,105	-3,542
<b>Profit/loss from continuing operations</b>	<b>695</b>	<b>2,949</b>	<b>2,966</b>	<b>12,529</b>	<b>18,462</b>	<b>75,412</b>
Profit/loss from discontinued operations	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>695</b>	<b>2,949</b>	<b>2,966</b>	<b>12,529</b>	<b>18,462</b>	<b>75,412</b>
Other comprehensive income for the period	1,957	-506	8,348	-2,150	51,965	-12,941
<b>Total comprehensive income for the period</b>	<b>2,652</b>	<b>2,443</b>	<b>11,313</b>	<b>10,379</b>	<b>70,426</b>	<b>62,472</b>
<b>Profit/loss after taxation</b>	<b>695</b>	<b>2,949</b>	<b>2,966</b>	<b>12,529</b>	<b>18,462</b>	<b>75,412</b>
<i>Attributable to the equity holders</i>	717	2,970	3,057	12,619	19,032	75,954
<i>Attributable to minority interest</i>	-21	-21	-92	-90	-570	-542
<b>Total comprehensive income for the period</b>	<b>2,652</b>	<b>2,443</b>	<b>11,313</b>	<b>10,379</b>	<b>70,426</b>	<b>62,472</b>
<i>Attributable to the equity holders</i>	2,674	2,464	11,405	10,469	70,996	63,013
<i>Attributable to minority interest</i>	-21	-21	-92	-90	-570	-542
Average no. of shares outstanding (in thousand)	50,971	51,350	50,971	51,350	50,971	51,350
Earnings per share outstanding	0.014	0.057	0.058	0.244	0.362	1.469
Comprehensive income per share outstanding	0.052	0.048	0.222	0.202	1.382	1.217
<i>EUR exchange rate – low</i>			4.171	4.142	25.965	25.192
<i>EUR exchange rate – average</i>			4.266	4.249	26.553	25.574
<i>EUR exchange rate – high</i>			4.413	4.392	27.060	26.073

Note: Exchange rate provided by the European Central Bank

## Cash Flow Statement

in Thousands

	EUR		PLN		CZK	
	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3	2017Q1-Q3	2018Q1-Q3
Profit/loss before taxation	1,339	3,752	5,712	15,943	35,555	95,961
Adjustments for:			0	0	0	0
Depreciation	4,616	4,670	19,691	19,843	122,580	119,439
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-111	-34	-474	-144	-2,948	-869
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	156	-120	665	-510	4,142	-3,069
Capital gains	0	-3,074	0	-13,059	0	-78,606
Net finance expenses	0	2,377	0	10,100	0	60,797
Changes in:			0	0	0	0
Trade and other receivables	-1,728	-3,079	-7,371	-13,084	-45,885	-78,753
Gross amount due from customers for contract work	-531	-300	-2,265	-1,276	-14,100	-7,683
Prepaid expenses	-113	-485	-483	-2,061	-3,005	-12,407
Inventories	-224	-2,870	-956	-12,196	-5,954	-73,409
Trade and other payables	-1,255	3,962	-5,353	16,832	-33,323	101,315
Other liabilities	388	-290	1,654	-1,234	10,296	-7,428
<b>Operating cash flow</b>	<b>2,537</b>	<b>4,508</b>	<b>10,822</b>	<b>19,153</b>	<b>67,367</b>	<b>115,288</b>
Acquisition of property, plant and equipment	0	-2,039	0	-8,661	0	-52,134
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	-1,688	0	-7,172	0	-43,169
Acquisition of other investments	0	-309	0	-1,312	0	-7,896
Proceeds from sale of investments	0	3,074	0	13,059	0	78,606
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
<b>Investment cash flow</b>	<b>0</b>	<b>-962</b>	<b>0</b>	<b>-4,086</b>	<b>0</b>	<b>-24,593</b>
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	0	0	0	0	0	0
Repayment of borrowings	-3,919	-5,147	-16,715	-21,868	-104,053	-131,625
Proceeds from issuing bonds	991	23,045	4,225	97,912	26,304	589,351
Repayment of long term liabilities/bonds	0	-6,533	0	-27,758	0	-167,078
Interest expenses	-2,062	-2,589	-8,794	-11,000	-54,745	-66,212
<b>Financing cash flow</b>	<b>-4,990</b>	<b>8,776</b>	<b>-21,284</b>	<b>37,287</b>	<b>-132,494</b>	<b>224,437</b>
Net increase/decrease in cash and cash equivalents	-2,453	12,322	-10,462	52,355	-65,128	315,131
<b>Cash at the beginning of the period</b>	<b>5,420</b>	<b>7,333</b>	<b>23,119</b>	<b>31,157</b>	<b>143,918</b>	<b>187,537</b>
Effect of exchange rate fluctuation	1,703	0	7,264	0	45,220	0
<b>Cash at the end of the period</b>	<b>4,670</b>	<b>19,655</b>	<b>19,921</b>	<b>83,511</b>	<b>124,011</b>	<b>502,668</b>
<i>EUR exchange rate – low</i>			4.171	4.142	25.965	25.192
<i>EUR exchange rate – average</i>			4.266	4.249	26.553	25.574
<i>EUR exchange rate – high</i>			4.413	4.392	27.060	26.073

## Statement of Changes in Equity

in thousand EUR	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
<b>BALANCE at 31.12.2017</b>	<b>600</b>	<b>23,760</b>	<b>13</b>	<b>22,506</b>	<b>1,155</b>	<b>110</b>	<b>-22,143</b>	<b>26,001</b>	<b>-19</b>	<b>25,982</b>
Profit for the period 1.1.2018 – 30.9.2018							2,989	2,989	-40	2,949
Revaluation of PPE								0		0
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-643			-643		-643
Derivatives						137		137		137
Acquisition of JV								0		0
Total comprehensive income for the period	0	0	0	0	-643	137	2,989	2,483	-40	2,443
Equity effect of JV capital increase*							1,209	1,209		1,209
Move from revaluation reserve to retained				-1,542			1,542	0		0
Legal reserve fund – move to RE on entity disposal								0		0
<b>BALANCE at 30.9.2018</b>	<b>600</b>	<b>23,760</b>	<b>13</b>	<b>20,964</b>	<b>512</b>	<b>247</b>	<b>-16,404</b>	<b>29,692</b>	<b>-59</b>	<b>29,633</b>

\* Contribution to consolidated equity related to the increased value of the remaining equity stakes in the five project companies (Gunning Solar Farm Pty. Ltd., Mumbil Solar Farm Pty. Ltd., Gunnedah Solar Farm Pty. Ltd., Suntop Solar Farm Pty. Ltd. and Maryvale Solar Farm Pty. Ltd.) after capital increase by Canadian Solar.

## 14. Detailed entity financial results for 2018Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2018 and ending on 30 September 2018 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

### Income Statement

in Thousands (except EPS)	EUR		PLN		CZK	
	2017 Q3	2018 Q3	2017 Q3	2018 Q3	2017 Q3	2018 Q3
<b>Revenues from the sale of products, goods and services</b>	<b>418</b>	<b>468</b>	<b>1,778</b>	<b>2,014</b>	<b>10,892</b>	<b>12,039</b>
Cost of sales	-331	-359	-1,408	-1,545	-8,627	-9,236
Gross profit	87	109	370	469	2,265	2,802
Other administrative expenses	-85	-155	-360	-666	-2,208	-3,980
Other income	0	11	0	46	0	273
Other expenses	-2	-2	-7	-8	-42	-48
<b>EBITDA</b>	<b>1</b>	<b>-37</b>	<b>2</b>	<b>-159</b>	<b>15</b>	<b>-952</b>
Amortization & depreciation	-3	0	-11	0	-69	0
<b>EBIT</b>	<b>-2</b>	<b>-37</b>	<b>-9</b>	<b>-159</b>	<b>-55</b>	<b>-952</b>
Financial income	745	129	3,170	555	19,424	3,318
Financial costs	-263	-683	-1,119	-2,939	-6,856	-17,565
<b>Profit / loss before taxation</b>	<b>480</b>	<b>-591</b>	<b>2,042</b>	<b>-2,543</b>	<b>12,513</b>	<b>-15,198</b>
Income tax	0	0	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>480</b>	<b>-591</b>	<b>2,042</b>	<b>-2,543</b>	<b>12,513</b>	<b>-15,198</b>

## Balance Sheet

in Thousands	EUR		PLN		CZK	
	30.9.2017	30.9.2018	30.9.2017	30.9.2018	30.9.2017	30.9.2018
Intangibles	4	-2	18	-7	106	-41
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	27,443	37,604	118,116	160,849	712,832	967,601
Other investments	0	0	0	0	0	0
Longterm receivables	82	83	353	355	2,133	2,133
Deferred tax assets	0	0	0	0	0	0
<b>Non-current assets</b>	<b>27,529</b>	<b>37,686</b>	<b>118,487</b>	<b>161,197</b>	<b>715,071</b>	<b>969,693</b>
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	4,649	7,742	20,008	33,116	120,749	199,211
Loans	9,191	12,678	39,561	54,231	238,749	326,229
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	308	979	1,324	4,189	7,989	25,200
Cash and cash equivalents	1,260	10,330	5,424	44,186	32,736	265,802
<b>Current assets</b>	<b>15,408</b>	<b>31,730</b>	<b>66,317</b>	<b>135,721</b>	<b>400,222</b>	<b>816,442</b>
<b>Total assets</b>	<b>42,937</b>	<b>69,416</b>	<b>184,804</b>	<b>296,919</b>	<b>1,115,293</b>	<b>1,786,135</b>
Issued share capital	600	600	2,582	2,566	15,585	15,439
Share premium	36,871	36,871	158,695	157,712	957,724	948,728
Legal reserve fund	0	0	0	0	0	0
Reserves	14,713	17,315	63,325	74,063	382,169	445,531
Retained earnings	-27,997	-26,097	-120,501	-111,626	-727,225	-671,492
Profit/loss for the current period	-245	1,795	-1,054	7,677	-6,358	46,181
Equity attributable to owners of the Company	23,942	30,484	103,048	130,393	621,895	784,386
Non-controlling interests	0	0	0	0	0	0
<b>Total equity</b>	<b>23,942</b>	<b>30,484</b>	<b>103,048</b>	<b>130,393</b>	<b>621,895</b>	<b>784,386</b>
<b>Non-current liabilities</b>	<b>3,248</b>	<b>33,614</b>	<b>13,979</b>	<b>143,781</b>	<b>84,365</b>	<b>864,925</b>
Bank Loan	0	0	0	0	0	0
Other long term liabilities	3,248	33,614	13,979	143,781	84,365	864,925
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
<b>Current liabilities</b>	<b>15,747</b>	<b>5,317</b>	<b>67,777</b>	<b>22,745</b>	<b>409,033</b>	<b>136,824</b>
Bank Loans	0	0	0	0	0	0
Other loans	314	3,271	1,351	13,992	8,156	84,167
Trade and other payables	4,753	2,046	20,458	8,753	123,464	52,657
Other short term liabilities	10,592	0	45,589	0	275,127	0
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	88	0	379	0	2,286	0
<b>Total Equity &amp; Liabilities</b>	<b>42,937</b>	<b>69,416</b>	<b>184,804</b>	<b>296,919</b>	<b>1,115,293</b>	<b>1,786,135</b>
<i>No. of shares outstanding in thousand</i>	<i>50,956</i>	<i>51,266</i>	<i>50,956</i>	<i>51,266</i>	<i>50,956</i>	<i>51,266</i>
<i>Book value per share outstanding</i>	<i>0.470</i>	<i>0.595</i>	<i>2.022</i>	<i>2.543</i>	<i>12.204</i>	<i>15.300</i>

## 15. Detailed accumulated entity financial results for 2018Q1-Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2018 and ending on 30 September 2018 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS).

in Thousands (except EPS)	EUR		PLN		CZK	
	2017 Q1-Q3	2018 Q1-Q3	2017 Q1-Q3	2018 Q1-Q3	2017 Q1-Q3	2018 Q1-Q3
<b>Revenues from the sale of products, goods and services</b>	<b>1,292</b>	<b>1,355</b>	<b>5,510</b>	<b>5,756</b>	<b>34,303</b>	<b>34,647</b>
Cost of sales	-941	-1,069	-4,014	-4,542	-24,989	-27,341
Gross profit	351	286	1,496	1,214	9,314	7,307
Other administrative expenses	-361	-393	-85	-1,668	-9,580	-10,040
Other income	3	3,084	1	13,104	67	78,878
Other expenses	-5	-29	-1	-122	-143	-732
<b>EBITDA</b>	<b>-13</b>	<b>2,949</b>	<b>1,411</b>	<b>12,529</b>	<b>-342</b>	<b>75,413</b>
Amortization&depreciation	-8	-3	-2	-12	-212	-70
<b>EBIT</b>	<b>-21</b>	<b>2,946</b>	<b>1,409</b>	<b>12,517</b>	<b>-554</b>	<b>75,344</b>
Financial income	866	347	203	1,476	23,007	8,882
Financial costs	-1,090	-1,499	-256	-6,369	-28,953	-38,335
<b>Profit / loss before taxation</b>	<b>-245</b>	<b>1,794</b>	<b>1,357</b>	<b>7,624</b>	<b>-6,500</b>	<b>45,891</b>
Income tax	0	0	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>-245</b>	<b>1,794</b>	<b>1,357</b>	<b>7,624</b>	<b>-6,500</b>	<b>45,891</b>



## 16. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Photon Energy N.V. for the period starting on 1 January 2018 and ending on 30 September 2018 and the corresponding period of the previous year. The reported data are presented in accordance with **International Financial and Reporting Standards (IFRS)**.

### Results of the operating segments for the period from 1 January 2018 to 30 September 2018

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
<b>External revenues from sale of products, goods &amp; services</b>	<b>4,005</b>	<b>10,951</b>	<b>1,511</b>	<b>0</b>	<b>174</b>	<b>16,640</b>	<b>0</b>	<b>16,640</b>
Revenues within segments from sale of products, goods, services	1,600	301	764	0	2,432	5,097	-5,097	0
Cost of sale	-4,326	-960	-1,050	0	-102	-6,438	2,359	-4,078
Levy	0	-776	0	0	0	-776	0	-776
<b>Gross profit</b>	<b>1,279</b>	<b>9,515</b>	<b>1,225</b>	<b>0</b>	<b>2,504</b>	<b>14,524</b>	<b>-2,738</b>	<b>11,786</b>
Other external income	2	118	2	0	24	146	0	146
Administrative and other expenses	-395	-349	-1,304	0	-3,347	-5,394	1,154	-4,240
Depreciation	-8	-4,577	-55	0	-29	-4,670	0	-4,670
<b>Operating income</b>	<b>878</b>	<b>4,707</b>	<b>-133</b>	<b>0</b>	<b>-848</b>	<b>4,606</b>	<b>-1,583</b>	<b>3,022</b>
Interest income	52	224	32	0	377	685	-576	109
Interest expenses	-6	-1,268	-89	0	-1,802	-3,165	576	-2,589
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-147	-27	-32	0	-189	-394	0	-394
Revaluation of derivatives	0	497	0	0	0	497	0	497
Profit/loss share in entities in equivalency	0	0	0	34	0	34	0	34
Disposal of investment	0	0	0	0	3,074	3,074	0	3,074
Income tax	0	-665	0	0	0	-665	0	-665
Deferred tax	0	-139	0	0	0	-139	0	-139
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>777</b>	<b>3,330</b>	<b>-222</b>	<b>34</b>	<b>613</b>	<b>4,533</b>	<b>-1,583</b>	<b>2,949</b>
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	-643	0	-643	0	-643
Share of revaluation of PPE of associates /joint venture	0	0	0	0	0	0	0	0
Share of currency translation diff. of associates / JV	0	0	0	0	0	0	0	0
Derivatives (hedging)	0	0	0	137	0	137	0	137
<b>Total comprehensive income</b>	<b>777</b>	<b>3,330</b>	<b>-222</b>	<b>-472</b>	<b>613</b>	<b>4,026</b>	<b>-1,583</b>	<b>2,443</b>
<b>Assets, of which</b>	<b>13,269</b>	<b>82,100</b>	<b>5,461</b>	<b>3,128</b>	<b>40,805</b>	<b>144,763</b>	<b>-38,167</b>	<b>106,596</b>
PPE – Lands	0	3,222	0	0	759	3,980	0	3,980
PPE – Photovoltaic power plants	0	63,833	0	0	0	63,833	0	63,833
PPE – Equipment	3	0	173	0	27	203	0	203
PPE – Assets in progress	59	274	358	0	256	948	0	948
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	8,860	8,408	4,221	0	24,709	46,198	-38,167	8,030
Loans	0	0	0	0	717	717	0	717
Gross amount due from customers for contract work	354	0	0	0	320	675	0	675
Inventories – Goods	3,445	250	470	0	51	4,216	0	4,216
Investments in associates, JV, other	0	0	9	3,128	0	3,137	0	3,137
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	24	98	39	0	1,039	1,200	0	1,200
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	523	6,015	192	0	12,926	19,656	0	19,656
Other S-T financial assets	0	0	0	0	0	0	0	0
<b>Liabilities, of which</b>	<b>-13,172</b>	<b>-44,109</b>	<b>-9,297</b>	<b>0</b>	<b>-48,553</b>	<b>-115,131</b>	<b>38,167</b>	<b>-76,964</b>
Trade and other payables	-13,172	-3,462	-9,090	0	-16,875	-42,600	38,167	-4,432
Bank Loans and other loans	0	-33,789	0	0	0	-33,789	0	-33,789
Other long term liabilities	0	-577	-207	0	-31,678	-32,462	0	-32,462
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	-178	0	0	0	-178	0	-178
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-6,102	0	0	0	-6,102	0	-6,102

**Results of the operating segments for the period from 1 January 2017 to 30 September 2017**

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
<b>External revenues from sale of products, goods and services</b>	<b>913</b>	<b>10,403</b>	<b>1,542</b>	<b>0</b>	<b>81</b>	<b>12,939</b>	<b>0</b>	<b>12,939</b>
Revenues within segments from sale of products, goods, services	104	0	765	0	2,225	3,094	-3,094	0
Cost of sale	-948	-703	-1,039	0	-86	-2,776	969	-1,807
Energy levy	0	-734	0	0	0	-734	0	-734
<b>Gross profit</b>	<b>69</b>	<b>8,973</b>	<b>1,268</b>	<b>0</b>	<b>2,220</b>	<b>12,523</b>	<b>-2,125</b>	<b>10,398</b>
Other external income	0	290	0	0	5	296	0	296
Administrative and other expenses	-260	-191	-215	0	-3,527	-4,193	833	-3,360
Depreciation	0	-4,548	-45	0	-23	-4,616	0	-4,616
<b>Operating income</b>	<b>-191</b>	<b>4,524</b>	<b>1,008</b>	<b>0</b>	<b>-1,324</b>	<b>4,009</b>	<b>-1,292</b>	<b>2,717</b>
Interest income	25	173	19	0	886	1,104	-942	162
Interest expenses	-51	-1,907	-70	0	-977	-3,004	942	-2,062
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-11	-3	-3	0	-347	-364	0	-364
Revaluation of derivatives	0	776	0	0	0	776	0	776
Profit/loss share in entities in equivalency	0	0	0	111	0	111	0	111
Income tax	0	-565	0	0	0	-565	0	-565
Deferred tax	0	-79	0	0	0	-79	0	-79
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>-227</b>	<b>2,918</b>	<b>954</b>	<b>111</b>	<b>-1,762</b>	<b>1,987</b>	<b>-1,292</b>	<b>695</b>
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	1,703	0	1,703	0	1,703
Share of revaluation of PPE of associates /joint venture	0	0	0	0	0	0	0	0
Share of currency translation diff. of associates / JV	0	0	0	0	0	0	0	0
Derivatives (hedging)	0	0	0	254	0	254	0	254
<b>Total comprehensive income</b>	<b>-227</b>	<b>2,918</b>	<b>954</b>	<b>2,068</b>	<b>-1,762</b>	<b>3,944</b>	<b>-1,292</b>	<b>2,652</b>
<b>Assets, of which</b>	<b>3,407</b>	<b>85,483</b>	<b>3,534</b>	<b>1,682</b>	<b>16,275</b>	<b>110,382</b>	<b>-23,047</b>	<b>87,334</b>
PPE – Lands	0	2,961	0	0	0	2,961	0	2,961
PPE – Photovoltaic power plants	0	68,832	0	0	0	68,832	0	68,832
PPE – Equipment	0	0	142	0	114	257	0	257
PPE – Assets in progress	0	0	0	0	192	192	0	192
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	2,385	9,607	2,808	0	13,497	28,296	-23,047	5,249
Loans	0	0	0	0	755	755	0	755
Gross amount due from customers for contract work	531	0	0	0	0	531	0	531
Inventories – Goods	377	550	404	0	15	1,346	0	1,346
Investments in associates, JV, other	0	0	0	1,682	8	1,691	0	1,691
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	13	107	38	0	344	502	0	502
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	101	3,427	142	0	1,000	4,670	0	4,670
Other S-T financial assets	0	0	0	0	350	350	0	350
<b>Liabilities, of which</b>	<b>-5,331</b>	<b>-47,058</b>	<b>-6,752</b>	<b>0</b>	<b>-23,969</b>	<b>-83,109</b>	<b>22,607</b>	<b>-60,503</b>
Trade and other payables	-5,331	-1,300	-6,595	0	-11,641	-24,866	22,607	-2,259
Bank Loans and other loans	0	-38,660	0	0	-314	-38,974	0	-38,974
Other long term liabilities	0	-462	-158	0	-1,334	-1,954	0	-1,954
Other short term liabilities	0	0	0	0	-10,592	-10,592	0	-10,592
Current tax liabilities (income tax)	0	-649	0	0	0	-649	0	-649
Provisions	0	0	0	0	-88	-88	0	-88
Deferred tax liabilities	0	-5,987	0	0	0	-5,987	0	-5,987

## 17. Summary of significant accounting policies

### Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by the European Union and were authorised for publication by the Board of Directors.

The following main standards are applied by Group:

- ▶ IAS 1 – Presentation of financial information
- ▶ IAS 2 – Inventories
- ▶ IAS 12 – Income Taxes
- ▶ IAS 16 – Property, plant and equipment
- ▶ IAS 18 – Revenues
- ▶ IAS 21 - The effects of changes in foreign exchange rates
- ▶ IAS 24 – Related transactions presentation
- ▶ IAS 27 – Consolidated and separate financial information
- ▶ IAS 28 - Investments in Associates
- ▶ IAS 33 - Earnings per Share
- ▶ IAS 36 – Impairment
- ▶ IAS 37 – Provisions
- ▶ IAS 38 – Intangible Assets
- ▶ IFRS 3 – Business combinations
- ▶ IFRS 5 – Non-current assets held-for-sale and discontinued operations
- ▶ IFRS 8 - Operating segments

### Use of estimates and judgments

In preparing the financial information, the Company's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognised in the financial information. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial information and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

### Provisions

A provision is recognised, if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### Presentation of Financial information

Financial information is presented based on historical costs with exemptions when IFRS requires different evaluation methods as described below in accounting policies. The statement of comprehensive income is presented with revenues and expenses classified by purpose (function). The cash flow statement is prepared using an indirect method.

The functional currency is the EURO (EUR) and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organised by the Warsaw Stock Exchange - NewConnect, the balances are retranslated into PLN currency.

## Consolidation

### (a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of more than 20% and less than 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The cost of the investment includes transaction costs.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Company's Management has assessed the Group's business from the segment reporting perspective and decided that they financial results of Photon Energy Group to be reported per segments from an objective perspective starting 1 January 2010.

As of 31 December 2013, the Management Board decided to decrease the number of segments reported.

The Management identified the following segments:

- ▶ Energy Solutions (wholesale and import of FVE components, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy),
- ▶ Production of electricity (includes SPE that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity)

- ▶ PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV producing electricity and it is related to project companies that generate revenues as shown in the segment Production of electricity.
- ▶ Operations, maintenance and PVPP supervision
- ▶ Other, not related to any of the above mentioned segments.

Other operations include financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2017 or 2018.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, and intangible assets other than goodwill.

## Foreign currency translation

### (a) Functional and presentation currency

Items included in the consolidated financial information of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in EUR, which is the company's functional and the Group's presentation currency.

The consolidated financial information is presented in EUR, however, for presentation purposes the financial information is translated into PLN and CZK as presentation currencies. Effects from these translations are presented in Equity - in the Fund for currency conversions.

Exchange rates as shown in table below were applied. All exchange rates were provided by the European Central Bank. The statement of financial position applicable exchange rate represents the exchange rate as of the last day of the reporting date as according to IAS 21. The statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN		CZK	
	2017Q3	2018Q3	2017Q3	2018Q3
EUR exchange rate – low	4.202	4.252	25.965	25.434
EUR exchange rate – high	4.304	4.392	26.160	26.073
EUR exchange rate – average	4.257	4.303	26.084	25.718
EUR exchange rate – end of period	4.304	4.277	25.975	25.731

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### (c) Group companies

In case of entities, whose functional currency is CZK, CHF or AUD, the financial statements are retranslated during consolidation into EUR using year-end rates for the balance sheet and average rates for profit/loss items.

## Property, plant and equipment

Property, plant and equipment are carried at their fair values, with the exemption of fixed assets under construction which are carried at cost.

## Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average principle, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

## Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement: the revenues related to development projects (PV power stations) are measured by the percentage of completion method (refer below to Construction contracts).

## Trade receivables

Trade receivables are recognised at nominal value, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable becomes uncollectible it is written off.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and bank term deposits.

## Share capital

Ordinary shares are classified in equity as Issued share capital. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium.

## Trade payables

Trade payables are recognised at nominal value.

## Loans and Borrowings

Loan and Borrowings are classified as short-term liabilities (due within 12 months after the reporting date) or long-term liabilities (due more than 12 months after the reporting date).

Financial costs related to the construction period of internal non-current assets are capitalised (refer to Property, plant and equipment).

## Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. Deferred income tax asset is recognised by the Group in case the Management anticipates the future profits will offset the current income tax asset.

## 18. Management Board declaration

We hereby confirm that according to our best knowledge the information about Photon Energy NV contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

## 19. Investor Relations Contact

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Amsterdam, 5 November 2018

A handwritten signature in blue ink, appearing to read 'Georg Hotar', written over a horizontal line.

Georg Hotar  
Member of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Michael Gartner', written over a horizontal line.

Michael Gartner  
Member of the Board of Director



MATERIAL	THINFILM	INSPECTION 100%	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X