

PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

2019Q3

for the period from 1 July to 30 September 2019

7 November 2019 | 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 2019

in Thousands	EUR		PLN		CZK	
	2018Q3	2019Q3	2018Q3	2019Q3	2018Q3	2019Q3
Total revenues	6,173	10,267	26,565	44,336	158,764	264,206
Gross profit	4,696	5,309	20,209	22,925	120,774	136,614
EBITDA	3,282	3,088	14,121	13,334	84,395	79,461
EBIT	1,371	734	5,901	3,171	35,267	18,895
Profit / loss before taxation	1,543	3,365	6,639	14,530	39,679	86,586
Profit / loss from continuing operations	1,217	2,966	5,238	12,807	31,306	76,321
Total comprehensive income	1,675	3,189	7,209	13,773	43,085	82,076
Non-current assets	72,102	95,883	308,409	419,795	1,861,387	2,475,319
Current assets	34,493	35,530	147,542	155,556	890,484	917,232
Cash and cash equivalents	19,656	16,721	84,078	73,209	507,451	431,676
Total assets	106,596	131,413	455,954	575,351	2,751,881	3,392,550
Total equity	29,633	34,744	126,753	152,117	765,009	896,955
Current liabilities	8,346	13,361	35,700	58,499	215,463	344,939
Non-current liabilities	68,617	83,308	293,501	364,737	1,771,409	2,150,669
Operating cash flow	467	6,556	2,008	28,311	12,001	168,711
Investment cash flow	-871	-3,961	-3,749	-17,104	-22,407	-101,924
Financial cash flow	7,745	7,724	33,328	33,356	199,181	198,774
Net change in cash	7,340	10,319	31,587	44,563	188,776	265,561
EUR exchange rate - low			4.252	4.243	25.434	25.434
EUR exchange rate - average			4.303	4.318	25.718	25.734
EUR exchange rate - end of period			4.277	4.378	25.731	25.816
EUR exchange rate - high			4.392	4.392	26.073	25.919

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- ▶ Unaudited consolidated revenues increased 66.3% YOY from EUR 6.173 million to EUR 10.267 million in 2019Q3.
- ▶ Gross profit increased by 13.0% YOY from EUR 4.696 million to EUR 5.309 million in 2019Q3.
- ▶ Consolidated EBITDA declined slightly from 3.282 million to EUR 3.088 million in 2019Q3, down by 5.9% YOY.
- ▶ Consolidated EBIT decreased from EUR 1.371 million to EUR 0.734 million, down by 46.5% YOY.
- ▶ The Group recorded a net profit of EUR 2.966 million compared to EUR 1.217 million in 2018Q3, up by 143.6% YOY.
- ▶ Total Comprehensive Income amounted to EUR 3.189 million and increased equity to EUR 34.744 million at the end of 2019Q3, compared to EUR 29.633 million a year earlier.
- ▶ The adjusted equity ratio¹ remained unchanged at 31% at the end of 2019Q3.

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

Other highlights:

- ▶ In 2019Q3 the proprietary portfolio of PV power plants generated approximately 15.5 GWh of electricity, which was 49.1% higher YOY and 6.8% higher than the energy forecast.
- ▶ In 2019Q3 Photon Energy constructed and grid-connected 2.1 MWp in Nagyecséd, Hungary. After the reporting period additional 10.5 MWp were commissioned in Fertőd, Monor and Kunszentmárton, bringing the total proprietary portfolio of PV power plants to 49.7 MWp.
- ▶ In 2019Q3 Photon Energy sold its 25% stakes in two utility-scale projects, i.e. Suntop 1 and Gunnadeh, with a total capacity of 339 MWp and realized a capital gain of EUR 4.1 million on top of the book value of EUR 1.1 million, which proves that project development can generate sound returns and provide a great boost to profitability in addition to other recurring business lines.
- ▶ In 2019Q3 PV roof-top installations for ALDI Stores Australia are at the advanced stage of construction with only two out of 31 projects left to be completed and connected to the grid during November.

- ▶ In 2019Q3 Photon Energy won a tender to design and build an integrated solar (1.2MWp) and battery storage (3.2 MWp) system on the pristine Lord Howe Island, New South Wales, reducing the local community's reliance on diesel-generated power.
- ▶ After the reporting period, Photon Energy in consortium with Polish partner RenCraft sp. z o.o., won a public tender to design and build a 950 kWp PV power plant next to a sewage treatment plant in the location of Jamno, Northern Poland, marking a first step on the Polish solar market.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2019

in Thousands	EUR		PLN		CZK	
	2018Q3	2019Q3	2018Q3	2019Q3	2018Q3	2019Q3
Revenues	468	649	2,014	2,801	12,039	16,693
EBITDA	-37	4,427	-159	19,117	-952	113,921
EBIT	-37	4,427	-159	19,117	-952	113,921
Profit / loss before taxation	-591	4,229	-2,543	18,263	-15,198	108,836
Total comprehensive income	-591	4,230	-2,543	18,266	-15,198	108,851
Non-current assets	37,686	9,664	161,197	42,311	969,693	249,483
Current assets	31,730	81,407	135,721	356,415	816,442	2,101,596
Cash and cash equivalents	10,330	8,521	44,186	37,309	265,802	219,991
Total assets	69,416	91,071	296,919	398,725	1,786,135	2,351,079
Total equity	30,484	40,966	130,393	179,359	784,386	1,057,591
Current liabilities	5,317	8,774	22,745	38,415	136,824	226,516
Non-current liabilities	33,614	41,330	143,781	180,950	864,925	1,066,971
<i>EUR exchange rate – low</i>			4.252	4.243	25.434	25.434
<i>EUR exchange rate – average</i>			4.303	4.318	25.718	25.734
<i>EUR exchange rate - end of period</i>			4.277	4.378	25.731	25.816
<i>EUR exchange rate – high</i>			4.392	4.392	26.073	25.919

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 July until 30 September 2019, 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

The reporting period and the time since have been an exciting period for us with many ongoing projects converting into tangible assets either in form of newly grid-connected power plants (+12.6 MWp in Hungary) or cash-based capital gains realized on the sale of utility-scale projects developed in Australia. We have also explored new opportunities expanding our day-to-day business scope and winning two important public tenders: a) for the construction of an integrated hybrid solution system (a 1.2 MWp PV installation combined with 3.2 MWp battery storage) on Lord Howe Island, Australia, and b) for the design and construction of a 950 kWp photovoltaic PV plant next to a sewage treatment power plant in Jamno, Northern Poland. The first project sets ambitious goals for our engineering department to design an energy system managing peak load, energy consumption and energy costs, which could be easily replicable on other islands and for further commercial use in mining, agriculture or other industries. The latter represents an important step of marking our entry to the Polish solar market, which we are keen to explore further.

We are happy to notice that our investors share our excitement for solar energy and the opportunities it represents globally as our stock price started reflecting that enthusiasm. We believe that 2019 will prove to be another successful year for our business, providing us with a sound financial base and new opportunities to embark on in 2020.

Record breaking revenues and net profit

Our 2019Q3 results are the reflection of our efforts over the last few years. On the top line the Group recorded a 66.3% revenue growth YOY, with consolidated unaudited revenues amounting to EUR 10.267 million, up from EUR 6.173 million a year earlier. This would not be possible without the diversification of our revenue streams across various business lines. We recorded a strong increase in electricity generation (+49.1% YOY) driven primarily by the expansion of our proprietary portfolio in Hungary (+13.7 MWp) as well as sound generation output from the remaining power plants in the Czech Republic and Slovakia. Additionally, revenues from the engineering business (EPC), technology trading and Operations & Maintenance services contributed to that growth, proving that our vertically integrated business model allows us to generate revenue streams from various areas of the photovoltaic project life cycle.

EBITDA amounted to EUR 3.088 million in 2019Q3 and recorded a mild compression compared to EUR 3.282 million a year earlier. This however, shall be looked at in the wider context of our business model and project life-cycle, as we generate growing overhead cost related to project development works in Australia and investments in Hungary, which shall be off-set with future capital gains and other comprehensive income (OCI) as well as growth in electricity generation revenues.

EBIT declined from EUR 1.371 million in 2018Q3 to EUR 0.734 million as a result of our growing proprietary portfolio of power plants and depreciation expenses related to it.

Below the operating line the Group booked a one-off capital gain of EUR 4.121 million on top of the book value of EUR 1.109 million realized on the exit from two utility-scale projects (ca. 339 MWp of planned capacity) developed and sold to Canadian Solar Inc. Those exits prove the Group's capabilities to design and execute very large scale project development works and generate sound returns, boosting our profitability beyond our other recurring business lines.

Net interest expenses amounted to EUR 1.578 million and their growth is driven primarily by the project financing costs of our growing proprietary portfolio in Hungary as well as our bonds.

The consolidated net profit amounted to EUR 2.966 million, compared to EUR 1.217 million in 2018Q3 (+143.6% YOY). Total comprehensive income was slightly higher at EUR 3.189 million, with EUR 0.798 million relating to a positive proprietary portfolio revaluation according to IAS 16 (after the connection of the three Nagyecséd power plants) and offset partially by mainly non-cash relevant negative foreign currency translation difference bookings in the amount of EUR 0.585 million. This has driven growth in our consolidated equity by EUR 5.1 million YOY, which reached EUR 34.744 million in 2019Q3 and resulted in a sound adjusted equity ratio of 31%.

EUR 4.1 million capital gain from the sale of two utility-scale projects in Australia

Almost two years after starting the co-operation with Canadian Solar on the project development of the biggest utility scale pipeline in Australia, two of those projects have reached the ready-to-build stage (RTB). As our intentions have always been to develop and sell those projects, we have started to execute our exit strategy as soon as the RTB stage of projects had been reached. In the reporting period we successfully sold our stakes in two of the five projects co-developed with Canadian Solar i.e.:

- ▶ 25% stake in Suntop Solar Farm Pty Ltd., holding all project rights for the construction of a 189 MWp PV power plant near Wellington, New South Wales in Australia (report ESP 18 published on 30 July 2019)
- ▶ 25% stake in Gunnedah Solar Farm Pty Ltd., holding all project rights for the construction of a 146 MWp PV power plant in Gunnedah, New South Wales, Australia (report ESPI 23 published on 31 August 2019)

The total capital gain realised on the above transactions amounted to EUR 4.121 million on top of the book value of EUR 1.109 million and has been booked below the operating line as “Disposal of investments”.

12.6 MWp built and connected to the grid during and after the reporting period

In the reporting period Photon Energy grid-connected three photovoltaic power plants with a total installed capacity of 2.1 MWp located in Nagyecséd, Hungary. These power plants will contribute approximately EUR 0.250 million in electricity generation revenues while the Other Comprehensive Income booked in the Group’s Consolidated Income Statement amounted to EUR 0.798 million (ESPI 14 published on 2 July 2019).

After the reporting period Photon Energy grid-connected 15 more PV power plants with a total capacity of 10.5 MWp, namely:

- ▶ eight photovoltaic power plants with a total installed capacity of 5.6 MWp in Monor (ESPI 25 published on 21 October 2019),
- ▶ five photovoltaic power plants with a total installed capacity of 3.5 MWp in Fertöd (ESPI 27 published on 4 November 2019) and
- ▶ two photovoltaic power plants with a total installed capacity of 1.4 MWp in Kunszentmárton (ESPI 27 published on 4 November 2019).

The above photovoltaic power plants expanded the Group’s proprietary portfolio to 49.7 MWp. We expect these 15 PV power plants to contribute EUR 1.280 million to consolidated revenues annually. Following the revaluation of the Group’s proprietary portfolio according to IAS 16, approximately EUR 5.0 million will be booked as the Group’s Other Comprehensive Income in the 2019Q4 Income Statement related to the commissioning of these 15 PV power plants.

We reiterate our commitment to our increased target of 75 MWp of assets to be added to our portfolio in Hungary before year-end 2021. The target increase from our original goal of 50 MWp has been primarily driven by our success on the Hungarian market achieved to-date, where we have been able to build and grid-connect PV power plants with a total installed capacity of 24.1 MWp and while still having 25.3 MWp under development or construction. We expect the Hungarian market to continue being a key driver in the growth of our proprietary portfolio of PV power plants over the next two years, while in the meantime we are exploring opportunities in other markets.

Hybrid solar and storage system to be constructed on Lord Howe Island

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

First EPC project acquired through public tender in Northern Poland

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

Photon’s Energy role in the project is to provide engineering know-how and experience, procure the technology and ensure operations and maintenance services during the warranty period.

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 2019, consisting of 43 power plants in the Czech Republic, Slovakia, Hungary & Australia with a total installed capacity of 39.2 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 2019

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 ¹	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
25	Tizsakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
26	Tizsakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
27	Tizsakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
28	Tizsakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
29	Tizsakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
30	Tizsakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
31	Tizsakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
32	Tizsakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
33	Almásfüzitő 1	Ráció Master Kft.	HU	695	100%	695	Mar-19
34	Almásfüzitő 2	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfüzitő 3	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfüzitő 4	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfüzitő 5	Ráció Master Kft.	HU	695	100%	695	Mar-19
38	Almásfüzitő 6	Ráció Master Kft.	HU	660	100%	660	Mar-19
39	Almásfüzitő 7	Ráció Master Kft.	HU	691	100%	691	Mar-19
40	Almásfüzitő 8	Ráció Master Kft.	HU	668	100%	668	Mar-19
41	Nagyecsed 1	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
42	Nagyecsed 2	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
43	Nagyecsed 3	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
Total				39,171		37,747	

¹ Photon SPV 3 owns two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp).

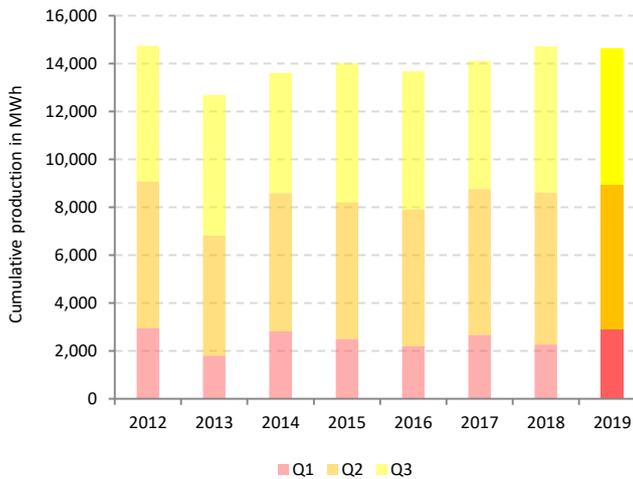
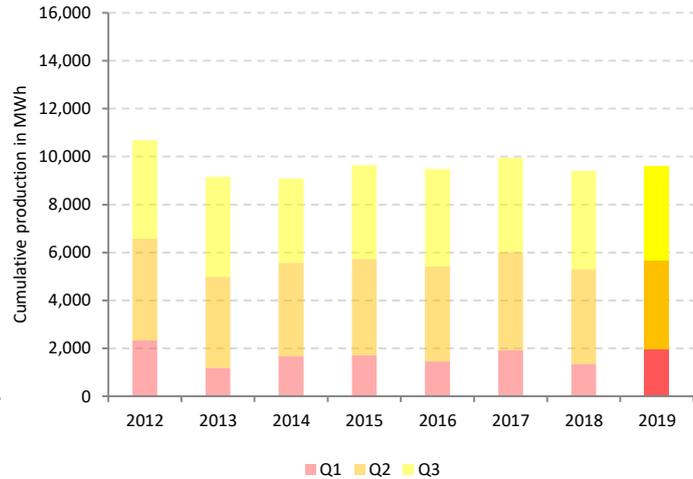
Generation results

The cumulative generation of the power plants in the portfolio connected and feeding electricity to the grid in 2019Q3 amounted to 15.5 GWh, which was 5.9% above the energy forecasts and 49.1% higher YOY based on data accumulated YTD. 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 2019

Project name	Capacity	Feed-in-Tariff	Prod. 2019Q3	Proj. 2019Q3	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2019	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,530	886,528	835,181	6.1%	2,265,727	2,033,810	11.4%	0.1%
Zvíkov I	2,031	CZK 14,530	785,185	732,021	7.3%	2,054,965	1,782,597	15.3%	1.0%
Dolní Dvořiště	1,645	CZK 14,530	588,972	608,959	-3.3%	1,497,149	1,482,922	1.0%	1.3%
Svatoslav	1,231	CZK 14,530	447,438	452,275	-1.1%	1,085,578	1,101,366	-1.4%	-3.8%
Slavkov	1,159	CZK 14,530	469,416	430,691	9.0%	1,190,858	1,048,809	13.5%	-0.9%
Mostkovice SPV 1	210	CZK 14,530	77,715	63,952	21.5%	199,083	162,563	22.5%	-0.5%
Mostkovice SPV 3	926	CZK 15,610	350,007	321,399	8.9%	886,323	786,575	12.7%	-0.4%
Zdice I	1,499	CZK 14,530	553,532	536,866	3.1%	1,503,449	1,296,035	16.0%	-2.8%
Zdice II	1,499	CZK 14,530	580,939	536,866	8.2%	1,541,986	1,296,035	19.0%	-1.7%
Radvanice	2,305	CZK 14,530	904,962	826,683	9.5%	2,278,717	2,013,116	13.2%	0.8%
Břeclav rooftop	137	CZK 14,530	25,097	44,356	-43.4%	108,180	112,091	-3.5%	-22.1%
Total Czech PP	14,996		5,669,790	5,389,249	5.2%	14,612,015	13,115,918	11.4%	-0.7%
Babiná II	999	EUR 425.12	353,229	334,874	5.5%	829,053	839,376	-1.2%	-3.7%
Babina III	999	EUR 425.12	364,458	334,874	8.8%	858,199	839,376	2.2%	-1.1%
Prša I.	999	EUR 425.12	385,169	339,420	13.5%	924,419	843,447	9.6%	0.1%
Blatna	700	EUR 425.12	264,783	237,956	11.3%	632,226	617,590	2.4%	-1.3%
Mokra Luka 1	963	EUR 382.61	396,671	340,840	16.4%	1,013,670	861,571	17.7%	21.4%
Mokra Luka 2	963	EUR 382.61	397,076	340,840	16.5%	1,022,078	861,571	18.6%	5.0%
Jovice 1	979	EUR 382.61	336,356	342,222	-1.7%	816,261	834,502	-2.2%	5.8%
Jovice 2	979	EUR 382.61	332,581	342,222	-2.8%	811,693	834,502	-2.7%	5.0%
Brestovec	850	EUR 382.61	361,188	289,523	24.8%	884,322	730,468	21.1%	-1.4%
Polianka	999	EUR 382.61	364,635	349,215	4.4%	853,395	854,440	-0.1%	-3.0%
Myjava	999	EUR 382.61	397,203	349,065	13.8%	965,190	878,044	9.9%	-2.0%
Total Slovak PP	10,429		3,953,349	3,601,050	9.8%	9,610,506	8,994,887	6.8%	2.2%
Fertőd 1	528	HUF 32,590	233,491	207,577	12.5%	579,987	542,011	7.0%	18.0%
Tiszakécske 1	689	HUF 32,590	294,562	288,496	2.1%	736,111	740,844	-0.6%	na
Tiszakécske 2	689	HUF 32,590	294,716	288,894	2.0%	737,827	743,926	-0.8%	na
Tiszakécske 3	689	HUF 32,590	288,883	288,403	0.2%	732,882	740,490	-1.0%	na
Tiszakécske 4	689	HUF 32,590	295,709	288,894	2.4%	740,051	743,926	-0.5%	na
Tiszakécske 5	689	HUF 32,590	296,082	288,894	2.5%	741,668	743,926	-0.3%	na
Tiszakécske 6	689	HUF 32,590	295,196	288,496	2.3%	737,989	740,844	-0.4%	na
Tiszakécske 7	689	HUF 32,590	293,970	288,083	2.0%	735,280	738,800	-0.5%	na
Tiszakécske 8	689	HUF 32,590	292,075	286,024	2.1%	719,572	729,624	-1.4%	na
Almásfüzitő 1	695	HUF 32,590	294,495	285,905	3.0%	641,438	659,506	-2.7%	na
Almásfüzitő 2	695	HUF 32,590	287,162	285,787	0.5%	630,547	659,230	-4.4%	na
Almásfüzitő 3	695	HUF 32,590	285,368	285,326	0.0%	625,501	658,097	-5.0%	na
Almásfüzitő 4	695	HUF 32,590	298,043	286,263	4.1%	651,564	660,337	-1.3%	na
Almásfüzitő 5	695	HUF 32,590	299,040	285,478	4.8%	653,691	658,467	-0.7%	na
Almásfüzitő 6	660	HUF 32,590	298,400	273,984	8.9%	650,487	633,317	2.7%	na
Almásfüzitő 7	691	HUF 32,590	298,538	283,810	5.2%	651,935	654,811	-0.4%	na
Almásfüzitő 8	668	HUF 32,590	299,969	276,999	8.3%	662,502	640,015	3.5%	na
Nagyecsed 1	689	HUF 32,590	298,322	277,092	7.7%	298,322	277,092	7.7%	na
Nagyecsed 2	689	HUF 32,590	302,227	277,092	9.1%	302,227	277,092	9.1%	na
Nagyecsed 3	689	HUF 32,590	302,530	277,589	9.0%	302,530	277,589	9.0%	na
Total Hungarian PP	13,602		5,848,778	5,609,088	4.3%	12,532,110	12,277,734	2.1%	na
Symonston	144	AUD 301.60	30,026	33,686	-10.9%	110,971	118,596	-6.4%	-5.5%
Total Australian PP	144		30,026	33,686	-10.9%	110,971	118,596	-6.4%	-5.5%
Total	37,104		15,501,943	14,633,073	5.9%	36,865,602	34,507,135	6.8%	49.1%

Notes: ** 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 & Maintenance business in Europe. As of the end of 2019Q3, full O&M services contracts amounted to approximately 199.0 MWp, up by 23.9% from 160.6 MWp the end of 2018Q3. This can be broken down geographically into 128.6 MWp operated in the Czech Republic, 33.0 MWp in Hungary, 15.9 MWp in Slovakia, 15.0 MWp in Romania, 4.5 MWp in Australia and 2.0 MWp in Slovenia. In 2019Q3 Photon Energy acquired additional 21.5 MWp of full O&M contracts in Hungary and 3.1 MWp in Australia. The O&M portfolio divides into 39.1 MWp of PV capacity from the proprietary portfolio and 159.9 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 60.3 MWp of central inverters and there were no new additions in the reporting period. In detail, at the end of 2019Q3, the total capacity of central inverters serviced can be divided regionally into France (21.3 MWp), Italy (14.0 MWp), Belgium (10.2 MWp), Czech Republic (7.5 MWp), Slovakia (5.5 MWp) and Germany (1.8 MWp). 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.

2.5. Reporting on Photon Energy’s project pipeline

As of the publishing date of this report, Photon Energy is developing PV projects in Australia (884 MWp) and Hungary (25.3 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy’s business model of covering the entire value chain of PV power plants. The main objective of Photon Energy’s project development activities is to expand its proprietary portfolio of PV power plants for long-term ownership, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with a view of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver of Photon Energy’s future growth. The Group’s past experience in project development and financing in the Czech Republic, Slovakia, Germany and Italy is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Secured	Connected
Hungary	Fertöd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Secured	Connected
Hungary	Kunszentmárton I	Own portfolio	100%	1.4	Licensed PPA	Secured	Secured	Secured	Connected
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Taszár	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Malyi	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	Under construction
Hungary	Püspökladány	Own portfolio	100%	14.2	Licensed PPA	Secured	Secured	Secured	2019Q4
Hungary	Kunszentmárton II	Own portfolio	100%	1.4	Licensed PPA	Secured	Secured	Secured	2019Q4
Total Own portfolio Hungary				35.8					
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	2019Q4
Total Own portfolio Australia				49.8					
Total Own portfolio				37.3					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	2019Q4
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Ongoing	2019Q4
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	2020Q2
Australia	Carrick	Developer	51%	144	All options open	Secured	Ongoing	Ongoing	2020Q2
Australia	Brewongle	Developer	51%	146	All options open	Secured	Ongoing	Ongoing	2020Q2
Total Development Australia				870					

The eight PV plants in Monor with a combined capacity of 5.6 MWp were connected to the grid after the reporting period on 18 October 2019 and further five PV plants with a combined capacity of 3.5 MWp in Fertöd II and two PV plants with a combined capacity of 1.4 MWp in Kunszentmárton I, respectively, were connected to the grid after the reporting period on 4 November 2019. Thus the development pipeline of the remaining projects in Hungary is currently 25.3 MWp.

PV projects have two definitions of capacity. The grid connection capacity is expressed as the maximum of kilowatts or megawatts which can be fed into the grid at any point in time. Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore, for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

Australia

As of the date of publishing this report, Photon Energy has six large scale solar farms at different stages of development in New South Wales (“NSW”). The project pipeline is still among the largest pipelines of Solar projects in NSW representing a total planned capacity of 884 MWp.

In January 2018, as a result of its development partner selection process managed by its financial advisor Pottinger, the company has signed an agreement for the joint development of five utility-scale solar projects in New South Wales, Australia with Canadian Solar, one of the world’s largest solar power companies. Canadian Solar has become a co-shareholder in the project companies and is providing development financing to complete the development of these projects. Canadian Solar acquired a 51% shareholding in all five project companies. The equity capital contributed by Canadian Solar is subject to certain development milestones, joint management processes and other terms customary for project co-development and covers the development budgets to bring all five projects to the ready-to-build stage. Post-transaction, Photon Energy NV retains a 49% stake in the Gunning project and 24.99% stakes in the four other projects.

To date, Photon Energy sold stakes in two out of five projects jointly developed with Canadian Solar Inc. i.e.:

- 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp, which was sold to Canadian Solar Inc on 30 July 2019. This transaction was concluded and settled in 2019Q3.
- 25% stake in the second co-developed project Gunedah with a total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019. This transaction was concluded in 2019Q3 and settled in 2019Q4.

The capital gain realised on both transactions amounted to EUR 4.121 million on top of the book value of EUR 1.109 million and was booked below the operating line as “Disposal of investments”. Both projects were excluded from the Company’s pipeline co-developed with Canadian Solar, resulting in its reduction to three projects with a remaining capacity of 580 MWp.

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

- ▶ **Gunning (220 MWp):** The process of securing construction permit is undergoing. Site assessments are performed to define the optimal project layout. The Environmental Impact Studies (EIS), which include public consultations and feasibility studies, are continuing and we plan to carry out public consultations in November/December. In parallel we are in discussions with Transgrid regarding the grid connection specifications. However, the transition from fixed to single axis tracking system has resulted in a reduction of the installed capacity from 316 MWp to 220 MWp. GPS studies will start once the project design is finalized.
- ▶ **Maryvale (160 MWp):** The construction permitting process has started and EIS were submitted to NSW DP&E in November 2018. We are expecting the approval from the DP&E for this project in 2019Q4. The grid connection options are still under review and in discussions with Essential Energy. We are currently completing the electrical connection process, which is continuing. GPS will start upon finalizations of those discussions.
- ▶ **Suntop 2 (200 MWp):** The feasibility studies, which are a part of the construction permitting process, have revealed significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. Consequently, Canadian Solar and Photon Energy have determined that the development of Mumbil Solar Farm will not be executed. However, the joint venture has lodged a preliminary environmental assessment to significantly expand the size of the Suntop Solar Farm project (“Suntop 2”) by a further 200 MWp. Both, development efforts and budget, for the Mumbil project were relocated to the Suntop 2 project. The application process for the construction permit is in the preparations. Feasibility studies and community consultations are being finalized. Afterwards we will submit EIS for comments to NSW DP&E. We expect the project to be ready for submission in 2019Q4. The grid connection application will start upon completion of EIS.

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

- ▶ **Leeton (14 MWp):** The construction permitting process has not been started as the grid connection specifications are still under discussions. In response to tightening the grid connection standards, a revised system size of 2 times 5 MW AC each (7 MWp DC in total) has been re-designed for single axis tracking and is now being proposed to Transgrid. Consequently, the changes had to be incorporated into EIS and submitted to DP&E for review and approval.
- ▶ **Carrick (144 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Essential Energy.
- ▶ **Brewongle (146 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Transgrid.

Glossary of terms	Definitions
<i>NSW Department for Planning and Environment (DP&E)</i>	<i>NSW DP&E is a government agency in charge of planning and development of New South Wales, to ensure the balance between the commercial business development and the needs of local communities. Each project submitted to DP&E must include environmental impact studies (EIS) and once it is reviewed by DP&E, the project is published and available for the public opinion to submit their comments. If the project is rejected by more than 25 people it is moved to Independent Planning Committee (IPC) for review. If there is no public opposition, the project is approved and DP&E issues the project Development Approval (DA)</i>
<i>Independent Planning Committee (IPC)</i>	<i>In case more than 25 public petitions against the project are submitted, IPC needs to investigate further into social and environmental impact of the project. IPC might make some recommendations to be made to the project plan to secure the issuance of DA.</i>
<i>Essential Energy</i>	<i>Essential Energy is Distribution Network Service Provider, which operates and manages low voltage electricity network in NSW. The process to secure the grid connection with Essential Energy includes GPS and AEMO’s license.</i>
<i>Transgrid</i>	<i>Transgrid is a Distribution Network Service Provider (DNSP), which operates and manages the NSW high voltage transmission network. Transgrid, in co-operation with Australian Energy Market Operator (AEMO, see description below), is in charge of grid connection approval. To issue its decision Transgrid requires Generation Protection Studies (GPS). GPS is a complete analysis and tests of the impact that a potential power plant would have on the grid. Each power plant is tested under different assumptions (extreme weather conditions, demand/supply changes etc.) and its performance/impact on the grid’s stability is thoroughly analysed. Once GPS are completed and accepted, Transgrid is issuing grid connection terms. Those terms are part of the agreement signed with Transgrid, which together with AEMO license secures and finalizes the grid connection process.</i>
<i>Australian Energy Market Operator (AEMO)</i>	<i>AEMO is responsible for operating Australia’s largest gas and electricity markets and power systems. AEMO is overlooking all energy producers in NSW and is involved in the process of grid connection approval. AEMO reviews the grid connection terms and GPS studies and issues the license to feed electricity to the grid. AEMO also controls the on-going power generation to make sure that grid stability is maintained.</i>

Hungary

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

- Taszár (2.1 MWp):** Photon Energy owns 100% shares in Optisolar Kft., which holds three KÁT licenses, entitling it to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years, with a maximum approved and supported production of 16,475 MWh per license.

Taszár – Work in progress



Construction status:

After land preparation works during summer, the construction of the PV plants in Tata started in September 2019. Till date the supporting substructure has been assembled fully and PV modules have been installed on the substructures. Low voltage electric works have been almost completed till date. Security system will be finalized closer to the connection date.

The remaining steps include installations of transformers and switch stations, which have been procured and are currently in the production process. Delivery of the technology is due in the second half of November.

Commissioning of the power plants is scheduled for 2019Q4.

- Tata (5.5 MWp):** Photon Energy owns five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of eight PV power plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of Tata. Six of the eight projects will be build using tracking technology for the substructure. These projects have reached a ready-to-build stage and are currently under construction.

Tata – Work in progress



Construction status:

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

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

- Malyi (2.1 MWp):** Photon Energy NV owns three PV projects with a total planned capacity of 2.1 MWp in the municipality of Malyi, close to Miskolc in the north of the country. Each project company owns a KÁT license entitling it to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years with a maximum approved and supported production of 16,500 MWh per license. The acquired PV projects are ready-to-build and the construction is undergoing.

Malyi – Work in progress



Construction status:

The construction works commenced in October with the land preparation works and the construction of the access road. We have procured the technology, which is expected to be delivered in the second half of November.

The projects are to be completed and grid-connected in 2020Q1

- ▶ **Püspökladány (14.2 MWp):** In May 2019 Photon Energy NV acquired ten additional PV projects with a total planned installed DC capacity of 14.2 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involves the acquisition of four project companies, owning ten METÁR licenses in total entitling them to a feed-in-tariff (in the form of electricity sales on the energy spot market plus a contract-for-difference) of HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 17 years and 11 months for five of the ten projects, with a maximum approved and supported production of 34,913 MWh for each license, and 15 years and 5 months for the remaining five projects, with a maximum approved and supported production of 29,955 MWh for each license.

The acquired PV projects are expected to be ready-to-build in 2019Q4 as we are still waiting for the mid-voltage construction permit, which is in-progress and expected to be finalized by the end of 2019.

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

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

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

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.

On 30 September 2019, the share price (ISIN NL0010391108) closed at the level of PLN 5.40 (+193% YTD), corresponding to a price to book ratio of 2.00x. The Company also reports an average monthly trading volume of 192,670 shares in 2019Q3 compared to an average monthly trading volume of 90,399 shares in 2018Q3.

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

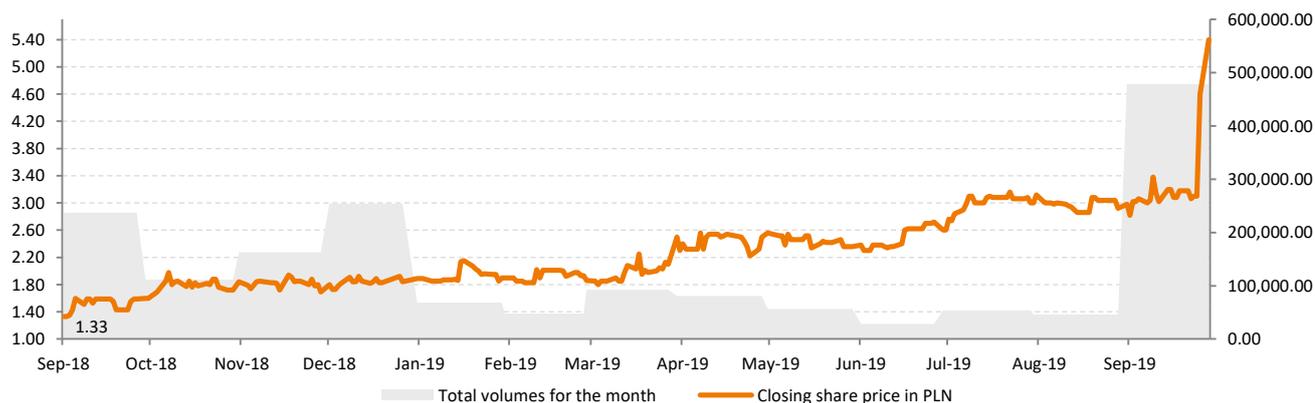


Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA

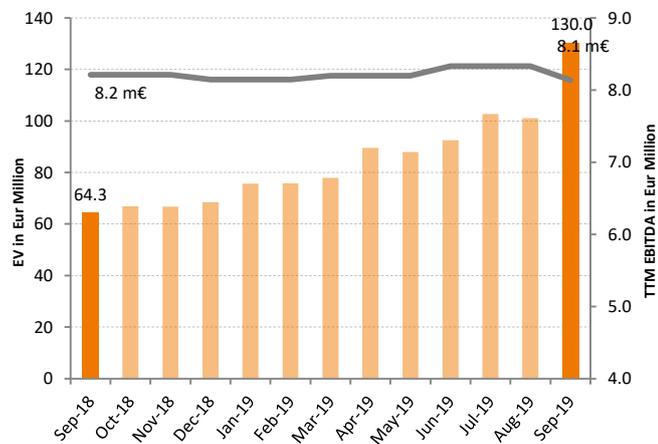
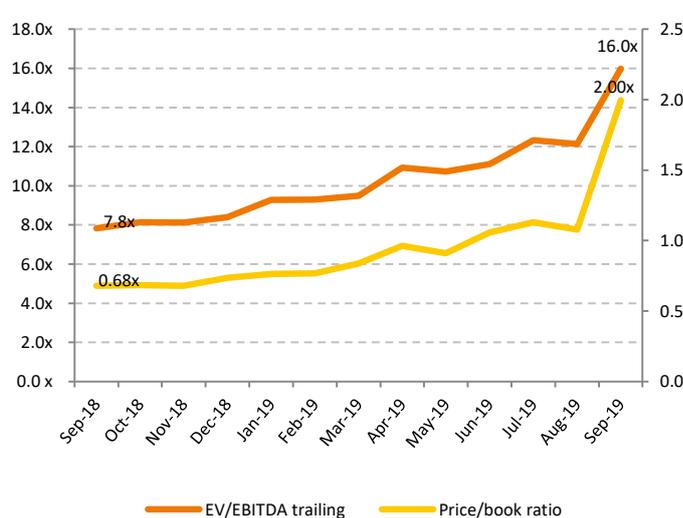


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



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 month EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports, ie. 2018Q4, 2019Q1, 2019Q2, 2019Q3.

The trailing 12 month EBITDA will be adjusted to EUR 8.1 million, the sum of EBITDA reported in the last four quarterly reports including this reporting period, ie. 2018Q4, 2019Q1, 2019Q2, 2019Q3 in the next reporting documents.

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 2019 the share price (ISIN NL0010391108) closed at a price of CZK 29.70 (+48.5% compared to 30 June 2018, +506% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 1.86x. The Company reports a quarterly trading volume of 16,942 shares in 2019Q3 compared to 6,407 shares in 2018Q3.

2.7. Bond trading performance

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.

In October 2017, the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxembourg. The 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.

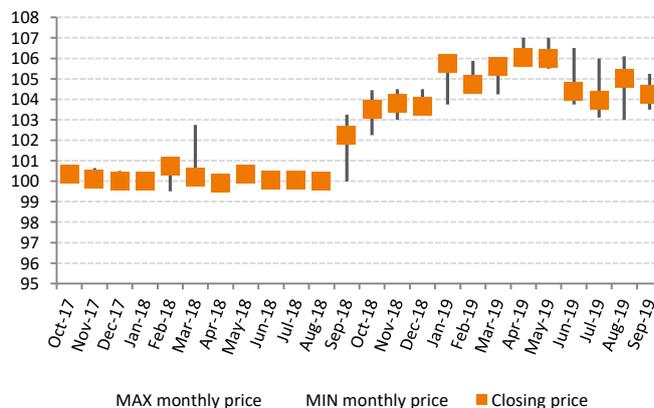
On 5 August 2019 Photon Energy announced that it successfully increased its 5-year, 7.75% coupon corporate EUR bond by additional EUR 7.5 million, up to EUR 37.5 million.

2.7.1. 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 2019, the trading volume amounted to EUR 34.736 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 104.25 in Frankfurt. During this period the average daily turnover amounted to EUR 72,621.

In 2019Q3, the trading volume amounted to EUR 4,543,000 with an opening price of 104.40 and a closing price of 104.25 in Frankfurt. The average daily turnover amounted to EUR 68,833.

2.7.2. CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 30 September 2019 the trading volume amounted to CZK 10.020 million (nominal value) with a closing price of 100.00.

2.8. Financial statement analysis

Profit and Loss statement

Unaudited consolidated revenues increased by EUR 4.093 million to EUR 10.267 million, up by 66.3% YOY. This robust double-digit growth would not be possible without diversification of our revenue streams across various business lines. We recorded a strong increase of electricity generation (+49.1% YOY) driven primarily by the expansion of our proprietary portfolio in Hungary (+13.7 MWp) as well as sound generation output from the remaining power plants in the Czech Republic and Slovakia. Additionally, revenues from the engineering business (EPC), technology trading and O&M contributed to that growth, proving that our vertically integrated business model allows us to generate revenue streams from various areas of a photovoltaic project lifespan.

Gross profit amounted to EUR 5.309 million versus EUR 4.696 million a year earlier, up by 13.0% YOY.

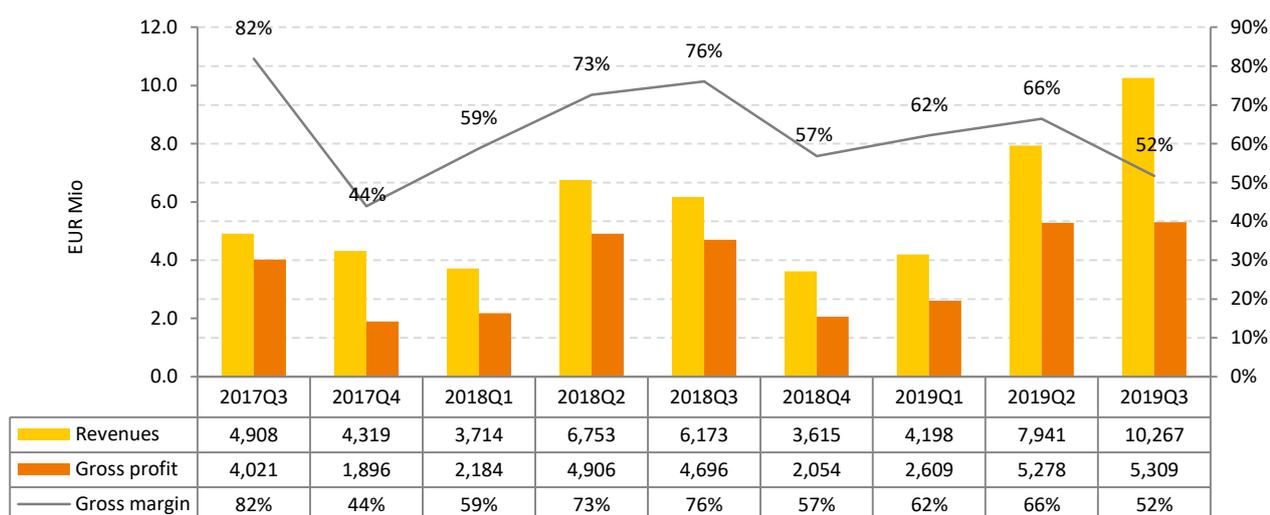
EBITDA amounted to EUR 3.088 million in 2019Q3 and recorded a mild compression compared to EUR 3.282 million a year earlier. This however, shall be looked at in the wider context of our business model and project life-cycle, as we incur growing overhead cost related to project development works in Australia and investments in Hungary, which shall be off-set against future capital gains and other comprehensive income (OCI). In course of this EBIT declined from EUR 1.371 million in 2018Q3 to EUR 0.734 million as a result of growing proprietary portfolio of power plants and depreciation expense related to it.

Below operating line the Group booked a one-off capital gain of EUR 4.121 million on top of the book value of EUR 1.109 million realized on the exit from two utility-scale projects (ca. 339 MWp of planned capacity) developed and sold to Canadian Solar Inc. Those exits prove the Group's capabilities to design and execute very large scale project development works and generate sound returns, boosting profitability of our other recurring business lines.

Net interest expense amounted to EUR 1.578 million and its expansion is driven primarily by refinancing costs of our growing proprietary portfolio in Hungary and our bond.

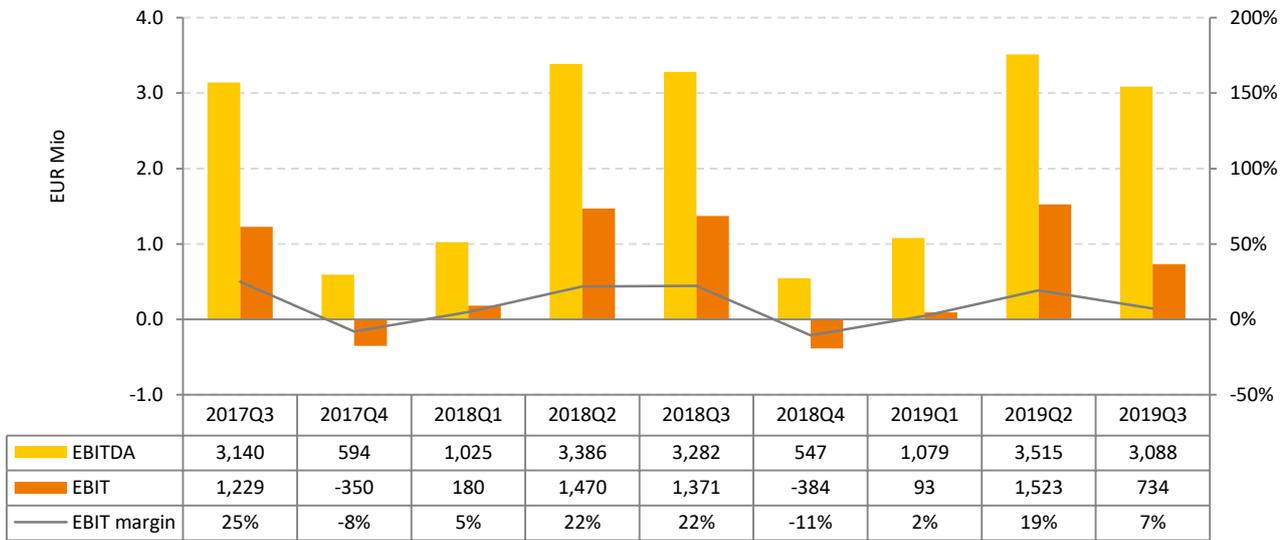
The consolidated net profit amounted to EUR 2.966 million compared to EUR 1.217 million in 2018Q3 (+143.6% YOY). Total comprehensive income was slightly higher at EUR 3.189 million, with EUR 0.798 million reflecting a positive proprietary portfolio revaluation according to IAS 16 (connection of Nagyecsed power plant) and offset partially by mainly non-cash relevant negative foreign currency translation difference bookings in the amount of EUR -0.585 million. This has driven an equity expansion by EUR 5.111 million YOY, amounting to EUR 34.744 million in 2019Q3 and resulting in a sound adjusted equity ratio of 31%.

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 95.883 million at the end of 2019Q3, and increased by EUR 9.261 million compared to 2019Q2 mainly due to the activation of the PV power plant in Nagysced and increase of assets in progress caused by the ongoing construction work for the PV power plants in Monor, Fertöd II, Taszar, Malyi and Tata.

Current assets increased by EUR 7.280 million, from EUR 28.250 million in 2019Q2 to EUR 35.530 million as of the end of the reporting period. The increase was driven primarily by the cash proceeds from bond issue and the sales price realized on the exit of the first project in Australia.

Current liabilities amounted to EUR 13.361 million at the end of 2019Q3 and increased by EUR 5.875 million due to increase of trade payables and short-term loans.

Long term liabilities increased by EUR 7.075 million, from EUR 75.801 million in 2019Q2 to EUR 83.308 million, which was primarily driven by the additional proceeds from the bond placement.

Chart 11. Net current assets

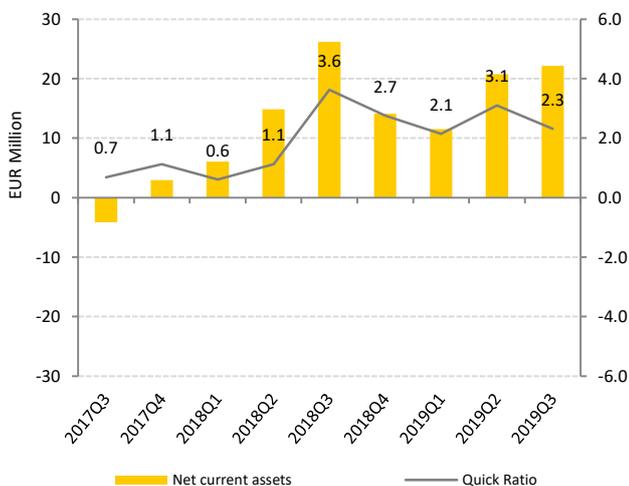
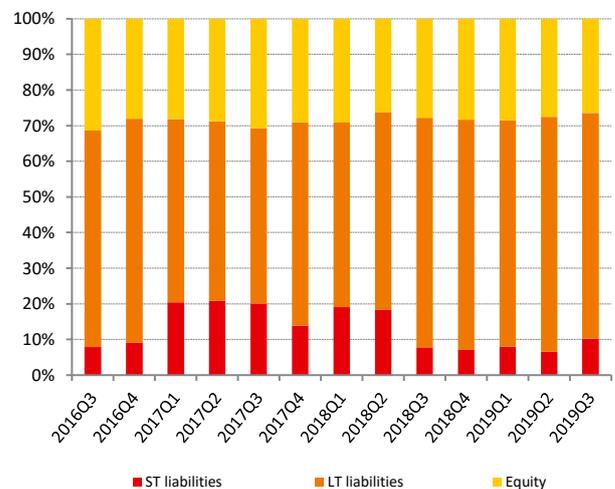


Chart 12. Break down of liabilities and equity



Changes in equity

Equity increased and amounted to EUR 34.744 million compared to EUR 31.584 million in 2019Q2.

Cash Flow

In 2019Q3, the Group posted a positive operating cash flow, which amounted to EUR 6.556 million, driven primarily by net profit and increasing trade payables.

Financial cash flow was positive and amounted to EUR 7.724 million, due to additional EUR 7.500 million raised in the additional bond placement carried out in the reporting period.

Investment cash flow was negative and equalled to EUR -3.961 million in the reporting period, mainly as a result of project development and investment activities in Hungary and Australia.

Overall, the cash position increased by EUR 10.319 million in 2019Q3 and amounted to EUR 16.721 million at the end of the reporting period, compared to EUR 6.402 million at the end of 2019Q2.

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 2019

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
Total number of shares				60,000,000		
Total share capital					600,000	
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 30.06.2019	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Future Cooperatief U.A.	22,266,166	37.11%	22,266,166	43.54%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.76%
Photon Energy N.V.	8,866,242	14.78%	0	0.00%
Free float	8,024,217	13.37%	8,024,217	15.69%
Total	60,000,000	100.00%	51,133,758	100.00%

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 June 2019

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

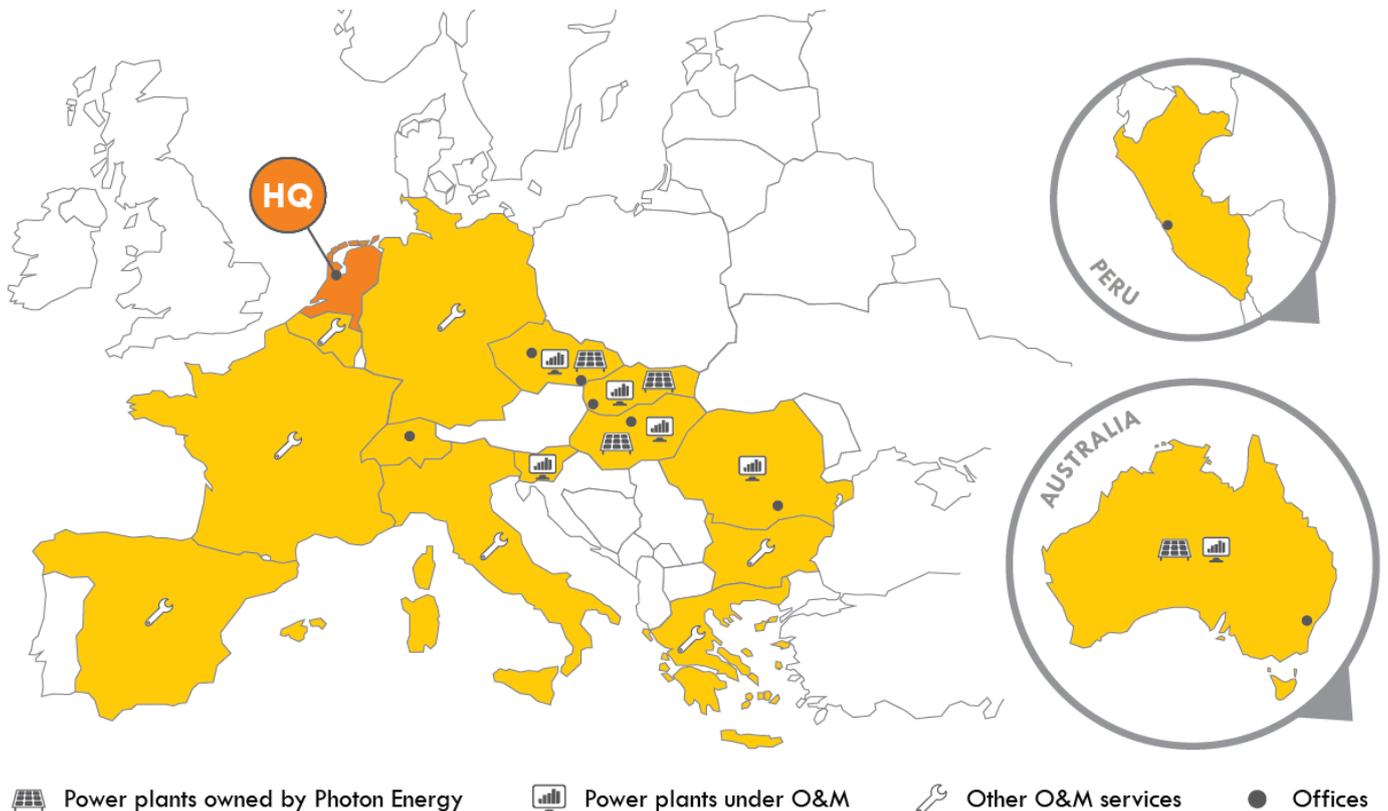
Photon Energy NV ("Photon Energy", "PENV", "Issuer" or "Company") is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") offers comprehensive solutions and maintenance services for photovoltaic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

In addition the company launched a new service Line **Water** which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification.

Country-specific references



Currently Photon Energy is active with 108 professionals in six countries across two continents (headquartered in Amsterdam), with a track record of building more than 70 MWp of grid-connected PV plants across five countries, a proprietary portfolio of 49,7 MWp of PV plants and more than 260 MWp of PV power plants under O&M management across two continents.

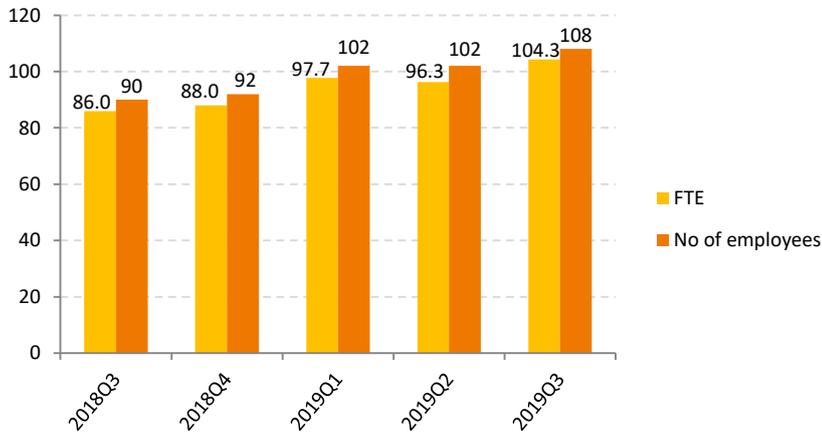
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of 2019Q3, Photon Energy had 108 employees (compared to 90 employees in 2018Q3) which translate into 104.3 FTE (compared to 86 FTE in 2018Q3).

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



¹ **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	Suntop Stage 2 Solar Farm Pty. Ltd. (former Mumbil Solar Farm Pty. Ltd.)	25%	AUS	Equity	PENV
12	Photon Energy AUS SPV 6 Pty. Ltd.	51%	AUS	Equity	PENV
13	Photon Energy AUS SPV 9 Pty. Ltd.	51%	AUS	Equity	PENV
14	Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	25%	AUS	Equity	PENV
15	Photon Energy Operations Australia Pty.Ltd.	100%	AUS	Full Cons.	PEONV
16	Photon Energy Engineering Australia Pty Ltd	100%	AUS	Full Cons.	PEEBV
17	Global Investment Protection AG (GIP)	100%	CH	Full Cons.	PENV
18	ALFEMO AG (ALFEMO)	100%	CH	Full Cons.	PENV
19	KORADOL AG (KORADOL)	100%	CH	Full Cons.	PENV
20	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
21	Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	PENV
22	Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KORADOL
23	Photon Energy Operations CZ s.r.o. (PEOCZ) ¹	100%	CZ	Full Cons.	PEONV
24	Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
25	Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
26	Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
27	Photon Energy Solutions s.r.o.	100%	CZ	Full Cons.	PENV
28	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
29	Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
30	The Special One s.r.o.	100%	CZ	Full Cons.	PENV
31	Charles Bridge Services s.r.o.	100%	CZ	Full Cons.	PENV
32	Photon Energy Finance Europe GmbH	100%	DE	Full Cons.	PENV
33	Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
34	Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
35	EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
36	EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
37	Fotonika, s.r.o.	100%	SK	Full Cons.	PENV
38	Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
39	Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
40	Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
41	Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
42	Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
43	SUN4ENERGY ZVB, s.r.o.	100%	SK	Full Cons.	PENV
44	SUN4ENERGY ZVC, s.r.o.	100%	SK	Full Cons.	PENV
45	ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
46	Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
47	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	ALFEMO
48	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	ALFEMO
49	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
50	Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV
51	Future Solar Energy Kft	100%	HU	Full Cons.	ALFEMO
52	Montagem Befektetési Kft.	100%	HU	Full Cons.	ALFEMO
53	Solarkit Befektetesi Kft.	100%	HU	Full Cons.	ALFEMO
54	Energy499 Invest Kft.	100%	HU	Full Cons.	ALFEMO
55	SunCollector Kft.	100%	HU	Full Cons.	ALFEMO
56	Green-symbol Invest Kft.	100%	HU	Full Cons.	ALFEMO

Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner	
57	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
58	Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
59	Tataimmo Kft	100%	HU	Full Cons.	ALFEMO
60	Öreghal Kft.	100%	HU	Full Cons.	ALFEMO
61	European Sport Contact Kft.	100%	HU	Full Cons.	ALFEMO
62	ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
63	ALFEMO Beta Kft.	100%	HU	Full Cons.	ALFEMO
64	ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO
65	Archway Solar Kft.	100%	HU	Full Cons.	PENV
66	Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
67	Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
68	Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
69	Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
70	Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
71	Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
72	Ráció Master Oktatási	100%	HU	Full Cons.	ALFEMO
73	P&P Solar Immo Kft.	35%	HU	Equity	ALFEMO
74	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
75	MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	ALFEMO
76	PROMA Mátra Ingatlanfejlesztési Kft.	100%	HU	Full Cons.	ALFEMO
77	Optisolar Kft.	100%	HU	Full Cons.	ALFEMO
78	Ladány Solar Alpha Kft.	100%	HU	Full Cons.	PEP
79	Ladány Solar Beta Kft.	100%	HU	Full Cons.	PEP
80	Ladány Solar Gamma Kft.	100%	HU	Full Cons.	PEP
81	Ladány Solar Delta Kft.	100%	HU	Full Cons.	PEP
82	ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cobs.	ALFEMO
83	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kft	100%	HU	Full Cobs.	ALFEMO
84	ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cobs.	ALFEMO
85	Ventiterra Környezetgazdálkodási és Szolgáltató Kft.	100%	HU	Full Cobs.	ALFEMO
86	Photon Energy Peru S.C.A.	99%	PE	Full Cons.	GIP
87	PE SOLAR TECHNOLOGY LTD.	100%	UK	Full Cons.	PENV

Notes:
Country of registration
 NL – the Netherlands CZ – the Czech Republic DE – German CH – Switzerland
 SK – Slovakia AUS – Australia HU – Hungary PE – Peru
 UK – United Kingdom
 Photon Energy Operations CZ s.r.o. established a branch office in Romania.

Consolidation method:
 Full Cons. – Full Consolidation Not Cons. – Not Consolidated
 Equity – Equity Method

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	Kaliope s.r.o.	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 12 July 2019, ALFEMO AG, fully owned by the Group, became legal owner of the three companies ÉGÉSPART Energiatermelő és Szolgáltató Kft., ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kft, ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft, located in the municipality of Malyi, Central Hungary, which own the rights to PV projects with a total planned capacity of 2.1 MWp.
- On 24 July 2019, ALFEMO AG, fully owned by the Group, acquired 100% shares in Ventiterra Környezetgazdálkodási és Szolgáltató Kft., which owns the rights to four PV projects with the total planned capacity of 2.8 MWp.

- ▶ On 31 July 2019, Photon Energy NV sold its 25% stake in Suntop Solar Farm Pty Ltd., the project company which is holding all project rights for the 189 MWp PV power plant project in Suntop, New South Wales, Australia.
- ▶ On 31 August 2019, Photon Energy NV sold its 25% stake in in Gunnedah Solar Farm Pty Ltd., the project company which is holding all project rights for the 146 MWp PV power plant project in Gunnedah New South Wales, Australia.

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 2019

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 13/2019** published on 10 July 2019: Monthly report for June 2019
- ▶ **EBI 14/2019** published on 7 August 2019: Quarterly report for 2019Q2
- ▶ **EBI 15/2019** published on 12 August 2019: Monthly report for July 2019
- ▶ **EBI 16/2019** published on 12 August 2019: Monthly report for July 2019 (with attachment)
- ▶ **EBI 17/2019** published on 10 September 2019: Monthly report for August 2019

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 14/2019** published on 2 July 2019: Photon Energy connects three PV power plants with 2.1 MWp to grid in Hungary
- ▶ **ESPI 15/2019** published on 8 July 2019: Insider Trading Notification
- ▶ **ESPI 16/2019** published on 22 July 2019: Photon Energy considers additional bond issuance
- ▶ **ESPI 17/2019** published on 24 July 2019: Photon Energy acquires four projects with a total capacity of 2.8 MWp and raises its portfolio target in Hungary to 75 MWp by year-end 2021
- ▶ **ESPI 18/2019** published on 31 July 2019: Photon Energy sells its 25% stake in the Australian Suntop 1 project to Canadian Solar
- ▶ **ESPI 19/2019** published on 1 August 2019: Photon Energy decided to increase its existing 7.75% bond 2017/2022
- ▶ **ESPI 20/2019** published on 5 August 2019: Photon Energy increased its existing 7.75% bond 2017/2022 by additional EUR 7.5 million
- ▶ **ESPI 21/2019** published on 19 August 2019: Insider Trading Notification
- ▶ **ESPI 22/2019** published on 20 August 2019: Change in substantial blocks of shares
- ▶ **ESPI 23/2019** published on 31 August 2019: Photon Energy sells its 25% stake in the Australian Gunnedah project to Canadian Solar

11.2. Summary of the key events after 30 September 2019

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

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 24/2019** published on 10 October 2019: Photon Energy Replaces Diesel with Hybrid Solar and Storage System on Lord Howe Island
- ▶ **ESPI 25/2019** published on 21 October 2019: Photon Energy commissions eight PV power plants with a capacity of 5.6 MWp in Hungary
- ▶ **ESPI 26/2019** published on 25 October 2019: Photon Energy wins tender to build 950 kWp PV power plant in Northern Poland
- ▶ **ESPI 27/2019** published on 4 November 2019: Photon Energy commissions seven PV power plants with 4.9 MWp in Hungary

12. Detailed consolidated financial results for 2019Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 July 2019 and ending on 30 September 2019 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	
	2018Q3	2019Q3	2018Q3	2019Q3	2018Q3	2019Q3
Total revenues	6,173	10,267	26,565	44,336	158,764	264,206
<i>Out of that: Revenues from electricity generation</i>	4,626	4,955	19,906	21,396	118,965	127,502
<i>Out of that: Other revenues</i>	1,548	5,312	6,659	22,940	39,799	136,704
Cost of sales	-1,157	-4,655	-4,978	-20,103	-29,752	-119,800
Solar levy CZ	-320	-303	-1,379	-1,308	-8,239	-7,792
Gross profit	4,696	5,309	20,209	22,925	120,774	136,614
Other income	27	-7	118	-32	703	-190
Administrative expenses	-489	-1,063	-2,102	-4,592	-12,565	-27,363
Personnel expenses	-935	-1,138	-4,025	-4,916	-24,054	-29,298
Other expenses	-18	-12	-77	-51	-463	-302
EBITDA	3,282	3,088	14,121	13,334	84,395	79,461
Depreciation	-1,910	-2,354	-8,220	-10,164	-49,127	-60,567
EBIT	1,371	734	5,901	3,171	35,267	18,895
Interests income	11	137	46	591	275	3,519
Financial revenues	0	8	0	35	0	210
Interests cost	-986	-1,273	-4,244	-5,498	-25,364	-32,766
Financial expenses	771	-215	3,316	-930	19,816	-5,542
Revaluation of derivatives	345	-235	1,485	-1,013	8,876	-6,037
Net finance expenses	140	-1,578	603	-6,816	3,603	-40,616
Share of profit from associates / J-Vs	31	88	135	379	809	2,261
Disposal of investments	0	4,121	0	17,795	0	106,047
Profit / loss before taxation	1,543	3,365	6,639	14,530	39,679	86,586
Income tax – current	-274	-359	-1,179	-1,550	-7,047	-9,239
Income tax – deferred	-52	-40	-222	-172	-1,327	-1,026
Profit/loss from continuing operations	1,217	2,966	5,238	12,807	31,306	76,321
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	1,217	2,966	5,238	12,807	31,306	76,321
Other comprehensive income for the period	458	224	1,971	966	11,779	5,755
Total comprehensive income for the period	1,675	3,189	7,209	13,773	43,085	82,076
Profit/loss after taxation	1,217	2,966	5,238	12,807	31,306	76,321
<i>Attributable to the equity holders</i>	1,238	2,995	5,330	12,933	31,851	77,070
<i>Attributable to minority interest</i>	-21	-29	-91	-126	-545	-749
Total comprehensive income for the period	1,675	3,189	7,209	13,773	43,085	82,076
<i>Attributable to the equity holders</i>	1,696	3,218	7,300	13,899	43,630	82,825
<i>Attributable to minority interest</i>	-21	-29	-91	-126	-545	-749
Average no. of shares outstanding (in thousand)	51,266	51,136	51,266	51,136	51,266	51,136
Earnings per share outstanding	0.024	0.058	0.102	0.250	0.611	1.493
Comprehensive income per share outstanding	0.033	0.062	0.141	0.269	0.840	1.605
<i>EUR exchange rate – low</i>			4.252	4.243	25.434	25.434
<i>EUR exchange rate – average</i>			4.303	4.318	25.718	25.734
<i>EUR exchange rate – high</i>			4.392	4.392	26.073	25.919

Note: Exchange rates provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019
Intangibles	0	0	0	0	0	0
Property, plant and equipment of which:	68,965	89,361	294,992	391,241	1,774,543	2,306,948
<i>PPE – Lands</i>	3,980	4,204	17,025	18,405	102,417	108,523
<i>PPE – Photovoltaic power plants</i>	63,833	77,750	273,041	340,404	1,642,499	2,007,186
<i>PPE - Equipment</i>	203	798	870	3,496	5,232	20,613
<i>PPE – Assets in progress</i>	948	6,609	4,055	28,937	24,391	170,626
Right of use -leased asset	0	3,849	0	16,850	0	99,353
Investments in associates /joint ventures	3,128	2,673	13,382	11,705	80,498	69,018
Other investments	9	0	37	0	220	0
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	72,102	95,883	308,409	419,795	1,855,258	2,475,319
Inventories – Goods	4,216	4,613	18,032	20,195	108,473	119,077
Trade receivables	2,984	5,955	12,764	26,072	76,784	153,731
Other receivables	5,046	4,520	21,582	19,789	129,830	116,688
Loans to related parties	717	893	3,068	3,911	17,357	23,063
Contracted work in progress	675	1,612	2,885	7,057	17,459	41,609
Prepaid expenses	1,200	1,216	5,132	5,323	30,870	31,388
Cash and cash equivalents	19,656	16,721	84,078	73,209	505,780	431,676
Other S-T financial assets	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Current assets	34,493	35,530	147,542	155,556	887,552	917,232
Total assets	106,596	131,413	455,954	575,351	2,742,821	3,392,550
Issued share capital	600	600	2,566	2,627	15,439	15,490
Share premium	23,760	23,760	101,631	104,026	611,369	613,388
Legal reserve fund	13	13	57	56	344	333
Reserves	21,723	24,710	92,917	108,187	558,948	637,923
Retained earnings	-16,404	-14,237	-70,166	-62,332	-422,088	-367,538
Equity attributable to owners of the Company	29,692	34,846	127,006	152,565	764,011	899,596
Non-controlling interests	-59	-102	-253	-448	-1,520	-2,641
Total equity	29,633	34,744	126,753	152,117	762,491	896,955
Bank loan	30,053	32,787	128,548	143,547	773,287	846,424
Other long-term liabilities	32,462	39,958	138,851	174,946	835,270	1,031,565
Lease liability	0	3,849	0	16,850	0	99,353
Other loans	0	0	0	0	0	0
Deferred tax liabilities	6,102	6,714	26,102	29,395	157,019	173,328
Non-current liabilities	68,617	83,308	293,501	364,737	1,765,577	2,150,669
Bank Loans	3,736	3,354	15,982	14,683	96,140	86,575
Other loans	0	3,000	0	13,135	0	77,448
Trade payables	2,151	3,398	9,202	14,875	55,353	87,711
Other payables	2,280	3,494	9,754	15,297	58,677	90,201
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	178	116	762	509	4,583	3,004
Provisions	0	0	0	0	0	0
Current liabilities	8,346	13,361	35,700	58,499	214,753	344,939
Total Liabilities	76,963	96,669	329,201	423,236	1,980,330	2,495,608
TOTAL Equity & Liabilities	106,596	131,413	455,954	575,353	2,742,821	3,392,563
No. of shares outstanding in thousand	51,176	51,134	51,176	51,134	51,176	51,134
Book value per share outstanding	0.579	0.679	2.477	2.975	14.949	17.541

Statement of Changes in Equity

	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
in thousand EUR										
BALANCE at 31.12.2018	600	23,760	13	22,935	698	223	-18,411	29,819	-40	29,779
Loss/profit for the period 1.1.2019– 30.9.2019							1,896	1,896	-63	1,833
Revaluation of PPE				3,426				3,426		3,426
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-258			-258		-258
Derivatives						-36		-36		-36
Acquisition of JV								0		0
Total comprehensive income for the year	0	0	0	3,426	-258	-36	1,896	5,028	-63	4,965
new shares								0		0
acquired retained earnings								0		0
Move from revaluation reserve to retained earnings				-2,278			2,278	0		0
Legal reserve fund release								0		0
Move of RE due to entity disposal/change of cons. method								0		0
BALANCE at 30.9.2019	600	23,760	13	24,083	440	187	-14,237	34,846	-102	34,744

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2018Q3	2019Q3	2018Q3	2019Q3	2018Q3	2019Q3
Profit/loss before taxation	1,543	3,365	6,639	14,530	39,679	86,586
Adjustments for:						
Depreciation	1,910	2,354	8,220	10,164	49,127	60,567
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-154	-88	-662	-379	-3,954	-2,261
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	124	-165	534	-713	3,189	-4,246
Capital gains	0	-4,121	0	-17,795	0	-106,047
net finance costs	-140	1,578	-603	6,816	-3,603	40,616
Changes in:						
Trade and other receivables	-537	106	-2,311	456	-13,810	2,717
Gross amount due from customers for contract work	-202	-601	-869	-2,594	-5,193	-15,459
Prepaid expenses	-272	-115	-1,169	-495	-6,989	-2,950
Inventories	8,285	470	35,651	2,029	213,062	12,091
Trade and other payables	-9,924	3,885	-42,707	16,778	-255,230	99,981
Other liabilities	-166	-112	-716	-484	-4,277	-2,885
Operating cash flow	467	6,556	2,008	28,311	12,001	168,711
Acquisition of property, plant and equipment	-379	-6,576	-1,629	-28,398	-9,735	-169,229
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-434	-595	-1,868	-2,571	-11,161	-15,318
Acquisition of other investments	-59	-10	-253	-45	-1,511	-267
Proceeds from sale of investments	0	3,221	0	13,909	0	82,890
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Investment cash flow	-871	-3,961	-3,749	-17,104	-22,407	-101,924
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	-228	3,000	-981	12,955	-5,864	77,203
Repayment of borrowings	-1,746	-1,369	-7,512	-5,914	-44,894	-35,242
Proceeds from issuing bonds	10,705	7,320	46,067	31,610	275,315	188,370
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-987	-1,226	-4,246	-5,295	-25,376	-31,557
Financing cash flow	7,745	7,724	33,328	33,356	199,181	198,774
Net increase/decrease in cash and cash equivalents	7,340	10,319	31,587	44,563	188,776	265,561
Cash at the beginning of the period	12,317	6,402	53,001	27,647	316,753	164,753
Effect of exchange rate fluctuation	0	0	0	0	0	0
Cash at the end of the period	19,657	16,721	84,588	72,209	505,528	430,313
<i>EUR exchange rate - low</i>			4.252	4.243	25.434	25.434
<i>EUR exchange rate - average</i>			4.303	4.318	25.718	25.734
<i>EUR exchange rate - high</i>			4.392	4.392	26.073	25.919

13. Detailed accumulated consolidated financial results for Q1-Q3 2019

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2019 and ending on 30 September 2019 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	
	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3
Total revenues	16,640	22,405	70,701	96,368	425,564	575,851
<i>Out of that: Revenues from electricity generation</i>	10,951	12,391	46,528	53,296	280,061	318,472
<i>Out of that: Other revenues</i>	5,689	10,014	24,173	43,072	145,504	257,379
Cost of sales	-4,078	-8,428	-17,328	-36,249	-104,302	-216,610
Solar levy CZ	-776	-782	-3,298	-3,363	-19,852	-20,097
Gross profit	11,786	13,195	50,075	56,755	301,410	339,145
Other income	146	22	622	97	3,743	577
Administrative expenses	-1,525	-2,214	-6,480	-9,524	-39,005	-56,909
Personnel expenses	-2,544	-3,272	-10,809	-14,071	-65,062	-84,085
Other expenses	-171	-50	-725	-214	-4,364	-1,278
EBITDA	7,692	7,682	32,682	33,043	196,721	197,451
Depreciation	-4,670	-5,332	-19,843	-22,934	-119,439	-137,044
EBIT	3,022	2,350	12,839	10,109	77,282	60,406
Interests income	109	197	463	847	2,784	5,060
Financial revenues	0	200	0	858	0	5,129
Interests cost	-2,589	-3,361	-10,998	-14,456	-66,200	-86,384
Financial expenses	-394	-445	-1,674	-1,915	-10,078	-11,441
Revaluation of derivatives	497	-40	2,110	-173	12,698	-1,035
Net finance expenses	-2,377	-3,450	-10,100	-14,839	-60,797	-88,671
Share of profit from associates / J-Vs	34	14	144	61	869	362
Disposal of investments	3,074	4,121	13,059	17,724	78,606	105,913
Profit / loss before taxation	3,752	3,035	15,943	13,055	95,961	78,010
Income tax – current	-665	-915	-2,825	-3,936	-17,007	-23,517
Income tax – deferred	-139	-224	-588	-965	-3,542	-5,764
Profit/loss from continuing operations	2,949	1,896	12,529	8,155	75,412	48,728
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	2,949	1,896	12,529	8,155	75,412	48,728
Other comprehensive income for the period	-506	3,132	-2,150	13,472	-12,941	80,501
Total comprehensive income for the period	2,443	5,028	10,379	21,626	62,472	129,230
Profit/loss after taxation	2,949	1,896	12,529	8,155	75,412	48,728
<i>Attributable to the equity holders</i>	2,970	1,959	12,619	8,425	75,954	50,342
<i>Attributable to minority interest</i>	-21	63	-90	270	-542	1,614
Total comprehensive income for the period	2,443	5,028	10,379	21,626	62,472	129,230
<i>Attributable to the equity holders</i>	2,464	5,091	10,469	21,896	63,013	130,843
<i>Attributable to minority interest</i>	-21	-63	-90	-270	-542	-1,614
Average no. of shares outstanding (in thousand)	51,350	51,089	51,350	51,089	51,350	51,089
Earnings per share outstanding	0.057	0.037	0.244	0.160	1.469	0.954
Comprehensive income per share outstanding	0.048	0.098	0.202	0.423	1.217	2.530
<i>EUR exchange rate – low</i>			4.142	4.243	25.192	25.434
<i>EUR exchange rate – average</i>			4.249	4.301	25.574	25.702
<i>EUR exchange rate – high</i>			4.392	4.392	26.073	25.919

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands

	EUR		PLN		CZK	
	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3
Profit/loss before taxation	3,752	3,035	15,943	13,055	95,961	78,010
Adjustments for:						
Depreciation	4,670	5,332	19,843	22,934	119,439	137,044
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-34	-14	-144	-61	-869	-362
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	-120	-1	-510	-4	-3,069	-26
Capital gains	-3,074	-4,121	-13,059	-17,724	-78,606	-105,913
net finance costs	2,377	3,450	10,100	14,839	60,797	88,671
Changes in:						
Trade and other receivables	-3,079	-256	-13,084	-1,100	-78,753	-6,576
Gross amount due from customers for contract work	-300	-1,025	-1,276	-4,407	-7,683	-26,337
Prepaid expenses	-485	-40	-2,061	-171	-12,407	-1,023
Inventories	-2,870	-3,464	-12,196	-14,900	-73,409	-89,035
Trade and other payables	3,962	2,549	16,832	10,962	101,315	65,502
Other liabilities	-290	-314	-1,234	-1,348	-7,428	-8,058
Operating cash flow	4,508	5,132	19,153	22,073	115,288	131,898
Acquisition of property, plant and equipment	-2,039	-12,286	-8,661	-52,845	-52,134	-315,781
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-1,688	-1,866	-7,172	-8,026	-43,169	-47,962
Acquisition of other investments	-309	-101	-1,312	-432	-7,896	-2,583
Proceeds from sale of investments	3,074	3,221	13,059	13,854	78,606	82,785
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Investment cash flow	-962	-11,032	-4,086	-47,450	-24,593	-283,541
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	13,333	0	57,348	0	342,689
Repayment of borrowings	-5,147	-7,239	-21,868	-31,135	-131,625	-186,048
Proceeds from issuing long term liabilities/bonds	23,045	7,551	97,912	32,478	589,351	194,076
Repayment of long term liabilities/bonds	-6,533	0	-27,758	0	-167,078	0
Interest expenses	-2,589	-3,361	-11,000	-14,456	-66,212	-86,384
Financing cash flow	8,776	10,285	37,287	44,236	224,437	264,333
Net increase/decrease in cash and cash equivalents	12,322	4,385	52,355	18,859	315,131	112,690
Cash at the beginning of the period	7,333	12,337	31,157	53,063	187,537	317,080
Effect of exchange rate fluctuation	0	0	0	0	0	0
Cash at the end of the period	19,655	16,721	83,511	71,921	502,668	429,770
<i>EUR exchange rate - low</i>			4.142	4.243	25.192	25.434
<i>EUR exchange rate - average</i>			4.249	4.301	25.574	25.702
<i>EUR exchange rate - high</i>			4.392	4.392	26.073	25.919

14. Detailed entity financial results for 2019Q3

The tables below present the **entity** and **unaudited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2019 and ending on 30 September 2019 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	
	2018Q3	2019Q3	2018Q3	2019Q3	2018Q3	2019Q3
Revenues from the sale of products, goods and services	468	649	2,014	2,801	12,039	16,693
Cost of sales	-359	-439	-1,545	-1,894	-9,236	-11,285
Gross profit	109	210	469	907	2,802	5,408
Other administrative expenses	-155	-210	-666	-905	-3,980	-5,396
Other income	11	5,346	46	23,085	273	137,566
Other expenses	-2	-919	-8	-3,970	-48	-23,657
EBITDA	-37	4,427	-159	19,117	-952	113,921
Amortization&depreciation	0	0	0	0	0	0
EBIT	-37	4,427	-159	19,117	-952	113,921
Financial income	129	623	555	2,689	3,318	16,023
Financial costs	-683	-820	-2,939	-3,542	-17,565	-21,108
Profit / loss before taxation	-591	4,229	-2,543	18,263	-15,198	108,836
Income tax	0	1	0	2	0	14
Profit/loss for the period (net income)	-591	4,230	-2,543	18,266	-15,198	108,851

Balance Sheet

in Thousands	EUR		PLN		CZK	
	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019
Intangibles	-2	0	-7	0	-41	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	37,604	9,664	160,849	42,311	967,601	249,483
Other investments	0	0	0	0	0	0
Longterm receivables	83	0	355	0	2,133	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	37,686	9,664	161,197	42,311	969,693	249,483
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	7,742	10,735	33,116	46,999	199,211	277,128
Loans	12,678	61,101	54,231	267,514	326,229	1,577,396
from customers for contract work	0	0	0	0	0	0
Prepaid expenses	979	1,049	4,189	4,593	25,200	27,081
Cash and cash equivalents	10,330	8,521	44,186	37,309	265,802	219,991
Current assets	31,730	81,407	135,721	356,415	816,442	2,101,596
Total assets	69,416	91,071	296,919	398,725	1,786,135	2,351,079
Issued share capital	600	600	2,566	2,627	15,439	15,490
Share premium	36,871	36,871	157,712	161,429	948,728	951,862
Legal reserve fund	0	0	0	0	0	0
Reserves	17,315	16,565	74,063	72,525	445,531	427,640
Retained earnings	-26,097	-16,407	-111,626	-71,833	-671,492	-423,562
Profit/loss for the current period	1,795	3,337	7,677	14,612	46,181	86,161
Equity attributable to owners of the Company	30,484	40,966	130,393	179,359	784,386	1,057,591
Non-controlling interests	0	0	0	0	0	0
Total equity	30,484	40,966	130,393	179,359	784,386	1,057,591
Non-current liabilities	33,614	41,330	143,781	180,950	864,925	1,066,971
Bank Loan	0	0	0	0	0	0
Other long term liabilities	33,614	41,330	143,781	180,950	864,925	1,066,971
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	5,317	8,774	22,745	38,415	136,824	226,516
Bank Loans	0	0	0	0	0	0
Other loans	3,271	6,211	13,992	27,192	84,167	160,335
Trade and other payables	2,046	2,019	8,753	8,840	52,657	52,123
Other shortterm liabilities	0	545	0	2,384	0	14,058
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	69,416	91,071	296,919	398,725	1,786,135	2,351,078
<i>No. of shares outstanding in thousand</i>	51,266	51,134	51,266	51,134	51,266	51,134
<i>Book value per share outstanding</i>	0.595	0.801	2.543	3.508	15.300	20.683

15. Detailed accumulated entity financial results for 2019 Q1-Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2019 and ending on 30 September 2019 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	
	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3	2018Q1-Q3	2019Q1-Q3
Revenues from the sale of products, goods and services	1,355	1,781	5,756	7,659	34,647	45,768
Cost of sales	-1,069	-1,281	-4,542	-5,511	-27,341	-32,934
Gross profit	286	499	1,214	2,148	7,307	12,835
Other administrative expenses	-393	-501	-1,668	-2,156	-10,040	-12,880
Other income	3,084	5,310	13,104	22,840	78,878	136,482
Other expenses	-29	-924	-122	-3,973	-732	-23,742
EBITDA	2,949	4,385	12,529	18,859	75,413	112,694
Amortization&depreciation	-3	0	-12	0	-70	0
EBIT	2,946	4,385	12,517	18,859	75,344	112,694
Financial income	347	1,290	1,476	5,546	8,882	33,143
Financial costs	-1,499	-2,337	-6,369	-10,053	-38,335	-60,073
Profit / loss before taxation	1,794	3,337	7,624	14,353	45,891	85,765
Income tax	0	1	0	2	0	1
Profit/loss for the period (net income)	1,794	3,337	7,624	14,355	45,891	85,765

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 2019 and ending on 30 September 2019 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 to 30 September 2019

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	8,043	12,391	1,819	0	152	22,405	0	22,405
Revenues within segments from sale of products, goods & services	16,832	0	806	0	3,975	21,612	-21,612	0
Cost of sale	-18,968	-695	-1,365	0	-196	-21,224	12,797	-8,428
Energy tax	0	-782	0	0	0	-782	0	-782
Gross profit	5,907	10,914	1,260	0	3,930	22,011	-8,816	13,195
Other external income	8	2	8	0	5	23	-1	22
Administrative and other expenses	-1,091	-443	-1,390	0	-6,733	-9,656	4,121	-5,535
Depreciation	-17	-5,104	-172	0	-39	-5,332	0	-5,332
Operating income	4,807	5,369	-293	0	-2,836	7,046	-4,697	2,350
Interest income	61	288	68	0	2,941	3,358	-3,161	197
Interest expenses	-200	-1,503	-135	0	-3,077	-4,914	1,553	-3,361
Other financial revenues	14	11	17	0	157	200	0	200
Other financial expenses	-52	-150	-28	0	-214	-445	0	-445
Revaluation of derivatives	0	-40	0	0	0	-40	0	-40
Profit/loss share in entities in equivalency	0	0	0	14	0	14	0	14
Disposal of investments	4,121	0	0	0	0	4,121	0	4,121
Income tax	-225	-690	0	0	0	-915	0	-915
Deferred tax	0	-224	0	0	0	-224	0	-224
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	8,527	3,060	-371	14	-3,029	8,200	-6,303	1,896
Revaluation of property, plant and equipment	0	3,426	0	0	0	3,426	0	3,426
Foreign currency translation diff. - foreign operations	0	-258	0	0	0	-258	0	-258
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	-36	0	0	0	-36	0	-36
Total comprehensive income	8,527	6,192	-371	14	-3,029	11,332	-6,303	5,028
Assets, of which	32,080	106,750	8,685	2,673	108,617	258,806	-127,393	131,413
PPE – Lands	0	4,204	0	0	0	4,204	0	4,204
PPE – Photovoltaic power plants	0	77,750	0	0	0	77,750	0	77,750
PPE - Equipment	50	0	590	0	158	798	0	798
PPE – Assets in progress	1	6,196	412	0	0	6,609	0	6,609
Intangibles	0	0	0	0	0	0	0	0
Right of use-leased asset	0	1,797	0	0	2,051	3,849	0	3,849
Trade and other receivables	25,533	10,380	6,737	0	95,218	137,868	-127,393	10,475
Loans	0	0	0	0	893	893	0	893
Gross amount due from customers for contract work	1,084	74	0	0	454	1,612	0	1,612
Inventories – Goods	3,889	222	474	0	27	4,613	0	4,613
Investments in associates, JV, other	0	0	0	2,673	0	2,673	0	2,673
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	29	75	29	0	1,083	1,216	0	1,216
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	1,495	6,051	443	0	8,732	16,721	0	16,721
Other S-T financial assets	0	0	0	0	0	0	0	0
Liabilities, of which	-29,926	-57,476	-13,203	0	-122,833	-223,438	126,770	-96,669
Trade and other payables	-29,732	-12,332	-13,027	0	-78,571	-133,661	126,770	-6,892
Bank Loans and other loans	0	-36,140	0	0	-3,000	-39,140	0	-39,140
Lease liability	0	-1,797	0	0	-2,051	-3,849	0	-3,849
Other long term liabilities	0	-583	-125	0	-39,250	-39,958	0	-39,958
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-194	90	-51	0	39	-116	0	-116
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-6,714	0	0	0	-6,714	0	-6,714

Results of the operating segments for the period from 1 January 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
External revenues from sale of products, goods & services	4,005	10,951	1,511	0	174	16,640	0	16,640
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
Gross profit	1,279	9,515	1,225	0	2,504	14,524	-2,738	11,786
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
Operating income	878	4,707	-133	0	-848	4,606	-1,583	3,022
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
Profit/loss after taxation	777	3,330	-222	34	613	4,533	-1,583	2,949
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
Total comprehensive income	777	3,330	-222	-472	613	4,026	-1,583	2,443
Assets, of which	13,269	82,100	5,461	3,128	40,805	144,763	-38,167	106,596
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
Liabilities, of which	-13,172	-44,109	-9,297	0	-48,553	-115,131	38,167	-76,964
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

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
- ▶ IFRS 19 - Leasing

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, development, 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 2018 or 2019.

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	
	2018Q3	2019Q3	2018Q3	2019Q3
EUR exchange rate – low	4.252	4.243	25.434	25.434
EUR exchange rate – high	4.303	4.318	25.718	25.734
EUR exchange rate – average	4.277	4.378	25.731	25.816
EUR exchange rate – end of period	4.392	4.392	26.073	25.919

(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, AUD, HUF or PEN, 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, 7 November 2019

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