

PHOTON ENERGY N.V. Consolidated And Entity Financial Reports

Q3 2020

for the period from 1 July to 30 September 2020

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 2020

in Thousands	EUR		PLN		CZK	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
Total revenues	10,267	8,965	44,336	39,796	264,206	237,256
Gross profit	5,309	6,279	22,925	27,875	136,614	166,181
EBITDA	3,088	3,766	13,334	16,718	79,461	99,665
EBIT	734	1,087	3,171	4,827	18,895	28,780
Profit / loss before taxation	3,365	-619	14,530	-2,748	86,586	-16,380
Profit / loss from continuing operations	2,966	-1,653	12,807	-7,339	76,321	-43,753
Total comprehensive income	3,189	4,304	13,773	19,106	82,076	113,906
Operating cash flow	6,556	3,088	28,311	13,708	168,711	81,724
Investment cash flow	-3,961	-8,457	-17,104	-37,542	-101,924	-223,815
Financial cash flow	7,724	3,037	33,356	13,482	198,774	80,374
Net change in cash	10,319	-2,332	44,563	-10,352	265,561	-61,717
EUR exchange rate - low	-	-	4.243	4.387	25.434	26.060
EUR exchange rate - average	-	-	4.318	4.439	25.734	26.465
EUR exchange rate - end of period	-	-	4.378	4.546	25.816	27.210
EUR exchange rate - high	-	-	4.392	4.555	25.919	27.210
	31.12.2019	30.9.2020	31.12.2019	30.9.2020	31.12.2019	30.9.2020
Non-current assets	106,477	115,388	453,197	524,597	2,705,584	3,139,712
Current assets	31,786	33,257	135,288	151,200	807,671	904,932
Cash and cash equivalents	15,104	14,542	64,286	66,111	383,786	395,676
Total assets	138,263	148,645	588,485	675,797	3,513,255	4,044,644
Total equity	37,843	38,932	161,071	177,000	961,592	1,059,346
Current liabilities	12,348	12,990	52,557	59,056	313,763	353,451
Non-current liabilities	88,073	96,724	374,863	439,742	2,237,931	2,631,859
EUR exchange rate - low	-	-	4.253	4.387	25.410	26.060
EUR exchange rate - average	-	-	4.288	4.439	25.580	26.465
EUR exchange rate - end of period	-	-	4.256	4.546	25.410	27.210
EUR exchange rate - high	-	-	4.378	4.555	25.890	27.210

Notes: Exchange rates provided by the European Central Bank

All balance sheet data as of 31.12.2019 have been extracted from audited figures for FY 2019.

Financial highlights:

- Unaudited consolidated revenues of EUR 8.965 million, a decrease of 12.7% YoY.
- Continuous EBITDA growth, which amounted to EUR 3.766 million (+ 22.0% YoY).
- EBIT of EUR 1.087 million in Q3 2020 (+48.1% YoY).
- Total comprehensive income of EUR 4.304 million compared to EUR 3.189 million a year earlier and increased equity to EUR 38.932 million at the end of Q3 2020, compared to EUR 34.744 million a year earlier.
- The adjusted equity ratio¹ remained at a sound level of 30.3%.

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 Q3 2020, the proprietary portfolio of PV power plants generated approximately 25.3 GWh compared to 15.5 GWh one year ago (+63.0%).
- Photon Energy announced its market entry in Poland.
- Photon Energy started the construction of the two biggest power plants for its proprietary portfolio with a combined capacity of 14.6 MWp in Australia.
- Photon Water announced a trial with the Australian government for the treatment of PFAS contaminated groundwater.
- Photon Energy submitted a Securities Prospectus to move to the main markets of the Warsaw and Prague Stock Exchanges.
- Photon Energy listed on the Freiverkehr segment of the Munich Stock Exchange (Börse München).

After the reporting period:

- Photon Energy connected the first eight of ten PV Power Plants in Püspökladány, Hungary to the grid.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2020

in Thousands	EUR		PLN		CZK	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
Revenues	649	714	2,801	3,168	16,693	18,885
EBITDA	4,427	-289	19,117	-1,282	113,921	-7,646
EBIT	4,427	-289	19,117	-1,282	113,921	-7,646
Profit / loss before taxation	4,229	-956	18,263	-4,245	108,836	-25,307
Total comprehensive income	4,230	-956	18,266	-4,245	108,851	-25,307
	31.12.2019	30.9.2020	31.12.2019	30.9.2020	31.12.2019	30.9.2020
Non-current assets	25,661	53,362	109,220	242,602	652,046	1,451,975
Current assets	57,210	33,674	243,503	153,096	1,453,714	916,278
Cash and cash equivalents	5,831	1,617	24,820	7,353	148,174	44,010
Total assets	82,871	87,036	352,724	395,698	2,105,760	2,368,253
Total equity	37,735	35,567	160,611	161,700	958,846	967,776
Current liabilities	3,742	4,163	15,927	18,927	95,084	113,278
Non-current liabilities	41,394	47,306	176,180	215,071	1,051,822	1,287,198
<i>EUR exchange rate – low</i>			4.253	4.387	25.410	26.060
<i>EUR exchange rate – average</i>			4.288	4.439	25.580	26.465
<i>EUR exchange rate - end of period</i>			4.256	4.546	25.410	27.210
<i>EUR exchange rate – high</i>			4.378	4.555	25.890	27.210

Notes:

Exchange rates are provided by the European Central Bank.

All balance sheet data as of 31.12.2019 have been extracted from audited figures for FY 2019.

All data quoted in this report refer to the current reporting period i.e. from 1 July until 30 September 2020, 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

Coming off a strong first half year, Photon Energy delivered an even more robust financial performance in the third quarter of 2020, which underscores the solidity of our business as we adapt and perform in an environment challenged by the COVID-19 pandemic.

Beyond financial results, we continued to advance our highest value projects. The past quarter has been full of important highlights starting with the ongoing construction of ten PV power plants with a total capacity of 14.1 MWp in Püspökladány, Hungary (of which 11.3 MWp have been connected to the grid as of the publishing date). Down Under in Australia, the two largest projects to be added to the Group's portfolio (14.6 MWp) are currently being built and the installation of a hybrid solar and battery storage system on Lord Howe Island, New South Wales, is in the final stages of construction.

As well as successfully making progress in Australia and Hungary, we entered promising markets, including Romania and Poland, where our project development is very active. Speaking about Poland, we officially announced our market entry there, and are currently working on our first pilot EPC project in the north of the country.

Last but not least, we have also been active on the capital markets. We have increased our EUR bond through the placement of EUR 5.9 million during the reporting period and, as previously announced, are engaged in the process of listing our shares on the main markets in Warsaw and Prague. In addition, Photon Energy won the 'Best Annual Report' award for 2019 on the NewConnect market. We would like to thank the Warsaw Stock Exchange (GPW) and the Institute of Accountancy and Taxes (Instytut Rachunkowości i Podatków - IRiP) for recognizing our commitment to high reporting standards and transparency towards investors and shareholders.

Moving forward, communications with investors will be ramped up, as the last quarter of 2020 will be a very busy one. As reflected in our dynamic project pipeline, we have an attractive set of investment opportunities which is continuing to grow. This will enable us to build on our progress and take our business to the next level.

For now, here are the key highlights of this third quarter:

Financial results

Revenues from our growing proprietary portfolio increased by 19.0% compared to Q3 2019, leading to an outstanding 22.0% EBITDA growth thanks to strong electricity production, compensating a decline in sales of Technology and higher operating costs. While EBIT increased to a record EUR 1.087 million (+48.1% YoY), higher financial expenses resulting from our business expansion in Hungary and an additional placement of our EUR Bond generated a EUR-0.619 million loss at the pre-tax level. Bottom line, contrasted effects, consisting in an unrealized EUR -1.642 million negative foreign currency translation difference connected to high market volatility for the Hungarian Forint (HUF) and the Czech

crown (CZK) and a positive EUR 7.168 million revaluation difference stemming from an adjustment to our portfolio revaluation model, incurred a Total Comprehensive Income of EUR 4.304 million comparing to EUR 3.189 million a year earlier.

Year-to-date, Photon Energy's first nine month revenues increased by 3.4% to EUR 23.163 million, while EBITDA and EBIT both rose 19.7% to EUR 9.192 million and EUR 2.813 million, respectively. Photon Energy recorded a net loss of EUR -4.332 million compared to a net profit of EUR 1.896 million in the first nine months of 2019 and TCI amounted to EUR 1.162 million compared to EUR 5.028 million a year ago.

Photon Energy connected First eight of ten PV Power Plants in Püspökladány, Hungary to grid

After the reporting period, Photon Energy completed and grid-connected eight PV power plants with a total installed capacity of 11.3 MWp in the town of Püspökladány, Hungary, expanding the Group's current installed base in Hungary to 46.3 MWp. In total, there will be ten power plants constructed and commissioned by the Group in Püspökladány. Another two, with a combined capacity of 2.8 MWp, are in the final stages of construction and are set to be grid-connected very shortly after the release of this report. We are proud that even in these unprecedented times, under the shadow of the pandemic, our dedicated team safely managed to stay right on schedule, taking Photon Energy one step closer to the goal of 75 MWp of PV power plants in Hungary within our proprietary portfolio by the end of 2021.

Photon Energy to add 14.6 MWp to its PV portfolio in Australia

Turning our attention to the other side of the globe, Photon Energy Engineering Australia Pty Ltd. is currently constructing the two largest projects to be added to the Group's portfolio to date, and its first merchant projects providing competitive energy into the market, paving the way for other grid-competitive assets to be developed and added in our European markets and elsewhere in the world.

The power plants will be located on the outskirts of Leeton, in the heart of the Murrumbidgee Irrigation Area. The area is one of the most diverse agriculture regions in Australia, famous for the production of citrus fruits, rice, cotton and wine. It is also an area of significant energy use. We are very proud that with the Leeton solar farms we will help the area and its residents reduce their reliance on energy imported from large coal power plants hundreds of kilometres away.

Each power plant has a grid connection capacity of 4.95 MW AC and an installed capacity of 7.3 MWp. The power plants will extend over 37 hectares and supply power to the grid of Essential Energy as non-scheduled generators. Together they are expected to generate

approximately 27.8 GWh of clean energy per year.

Upon completion, scheduled for the end of this year, these new additions will expand the Company's global portfolio of PV power plants to 89.3 MWp. Long-term O&M services will be provided in-house.

Photon Water announced a trial with the Australian Government, Department of Defence, for the treatment of PFAS contaminated groundwater.

The Group's division Photon Water entered into a contract with the Australian Government, Department of Defence, with the commencement of a trial phase PFAS remediation program. This program is designed to demonstrate the in-situ removal of PFAS from groundwater without the need for pumping and surface treatment or disposal processes.

The Department of Defence and Photon Water reviewed site specific factors including hydrogeology, soil characteristics, contamination levels and exposure pathways across multiple contaminated sites. The Jervis Bay Range Facility within HMAS Creswell and the marine park has been selected as a site appropriate for Photon Water's in-situ nano-remediation technology.

Nano-remediation is a core technology in our vision of clean energy and water for everyone. We have successfully utilised the technology to remediate sites impacted by chlorinated compounds in Europe and the results of testing on PFAS are very encouraging. With this trial we aim to prove the effectiveness and benefits of in-situ nano-remediation to remove PFAS contamination from the environment.

Photon Energy announced Market Entry in Poland

After almost a year of detailed market analysis and intensive on-the-ground preparations, Photon Energy has entered the fastest-growing and largest solar market in the CEE region with the intention of deploying its integrated business model while also exploring market opportunities for its Photon Water business unit. Photon Energy is managing its activities on the Polish market through its fully owned subsidiary Photon Energy Polska Sp. z o.o. headquartered in Warsaw, and is currently in the process of launching its operations & maintenance services in the city of Łódź in central Poland.

Our first EPC project won through a public tender in Northern Poland is progressing as well. At the end of 2019, an agreement was signed with Miejskie Wodociągi i Kanalizacja w Koszalinie sp. z o.o. (a water utility company located in the North of Poland) in consortium with RenCraft Sp. z o.o. for the construction of a 950 kWp photovoltaic power plant in the location of the sewage treatment plant in Jamno. This small pilot project is a great opportunity to learn more about the Polish market specificities.

Photon Energy submitted prospectus to move the listing of its shares from NewConnect to the main markets in Warsaw and Prague.

As a reminder, there are two main drivers behind this decision. Firstly, many institutional investors are not allowed to invest in companies listed in an alternative system of trading. Secondly, for some investors in the eurozone, currency risk has been an issue and they were not willing to invest in Photon Energy shares traded in PLN or CZK. We believe that those steps - listing on the regulated market and listing in the eurozone in Frankfurt - will remove these two barriers, increasing the pool of our investor base significantly. We are not raising any capital and will not offer shares.

As for the timeframe, the Company is undergoing the review process after a securities prospectus had been submitted to the Dutch financial market regulator (AFM) earlier in July 2020. In parallel, the Board of Directors has published the convocation notice for an Extraordinary General Meeting of shareholders to be held on 4 December 2020, to vote for the establishment of a Supervisory Board and an Audit Committee, as required by Dutch regulations. The listing is expected to take place shortly after the approval of the prospectus.

Photon Energy listed on the Freiverkehr segment of the Munich Stock Exchange (Börse München).

Baader Bank, a leading brokerage active on the German financial markets, applied for Photon Energy's shares to be admitted for trading without the Company's involvement through a so-called unsponsored listing. As a result, Photon Energy shares can now be traded in euros on the Munich Stock Exchange. The unsponsored listing on the Munich Stock Exchange does not affect the management board's intention to list the Company's shares on the Open Market of the Frankfurt Stock Exchange after the planned transition to the regulated markets of the Warsaw and Prague Stock Exchanges.

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, Hungarian, Polish and Romanian markets are our focus for the expansion of PV generation capacity. Other potential markets in Central Europe, 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 2020, consisting of 74 power plants in the Czech Republic, Slovakia, Hungary and Australia

with a total installed capacity of 60.6 MWp (71.9 MWp as of the publishing date). 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 2020

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	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	Tizsakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
25	Tizsakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
26	Tizsakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
27	Tizsakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
28	Tizsakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
29	Tizsakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
30	Tizsakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
31	Tizsakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
32	Almásfüzitő 1	Ráció Master Kft.	HU	695	100%	695	Mar-19
33	Almásfüzitő 2	Ráció Master Kft.	HU	695	100%	695	Mar-19
34	Almásfüzitő 3	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfüzitő 4	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfüzitő 5	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfüzitő 6	Ráció Master Kft.	HU	660	100%	660	Mar-19
38	Almásfüzitő 7	Ráció Master Kft.	HU	691	100%	691	Mar-19
39	Almásfüzitő 8	Ráció Master Kft.	HU	668	100%	668	Mar-19
40	Nagyecséd 1	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
41	Nagyecséd 2	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
42	Nagyecséd 3	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
43	Fertőd I No 1	Fertőd Napenergia-Termelő Kft.	HU	528	100%	528	Mar 18
44	Fertőd II No 2	Photon Energy HU SPV 1 Kft	HU	699	100%	699	Nov-19
45	Fertőd II No 3	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
46	Fertőd II No 4	Alfemo Alpha Kft.	HU	699	100%	699	Nov-19
47	Fertőd II No 5	Ráció Master Kft.	HU	691	100%	691	Nov-19
48	Fertőd II No 6	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
49	Kunszentmárton I No 1	Ventiterra Kft.	HU	697	100%	697	Nov-19
50	Kunszentmárton I No 2	Ventiterra Kft.	HU	697	100%	697	Nov-19
51	Kunszentmárton II No 1	Ventiterra Alpha Kft.	HU	693	100%	693	May-20
52	Kunszentmárton II No 2	Ventiterra Beta Kft.	HU	693	100%	693	May-20
53	Taszár 1	Optisolar Kft.	HU	701	100%	701	Dec-19
54	Taszár 2	Optisolar Kft.	HU	701	100%	701	Dec-19
55	Taszár 3	Optisolar Kft.	HU	701	100%	701	Dec-19
56	Monor 1	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
57	Monor 2	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
58	Monor 3	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
59	Monor 4	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
60	Monor 5	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
61	Monor 6	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
62	Monor 7	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
63	Monor 8	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
64	Tata 1	Tataimmo Kft.	HU	672	100%	696	Mar-20
65	Tata 2	ALFEMO Beta Kft.	HU	676	100%	696	Mar-20
66	Tata 3	ALFEMO Gamma Kft.	HU	667	100%	696	Feb-20
67	Tata 4	Tataimmo Kft.	HU	672	100%	696	Mar-20
68	Tata 5	Öregfal Kft.	HU	672	100%	696	Mar-20
69	Tata 6	Tataimmo Kft.	HU	672	100%	696	Feb-20
70	Tata 7	European Sport Contact Kft.	HU	672	100%	696	Feb-20
71	Tata 8	Tataimmo Kft.	HU	672	100%	696	Mar-20
72	Malyi 1	Zuggo - Dulo Kft.	HU	695	100%	695	May-20
73	Malyi 2	Egespart Kft.	HU	695	100%	695	May-20
74	Malyi 3	Zemplenimpex Kft.	HU	695	100%	695	May-20
Total				60,550			

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

Generation results

The cumulative generation results of the power plants in the portfolio connected and feeding electricity to the grid in Q3 2020 amounted to 25.3 GWh, which was 6.3% above energy forecasts

and 63.0% higher YOY (+68.9% YOY YTD). Detailed generation results for each power plant are published on a monthly basis in our monthly reports.

Table 2. Generation results versus projections between 1 July and 30 September 2020

Project name	Capacity	Feed-in-Tariff	Prod. Q3 2020	Proj. Q3 2020	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	887,790	828,500	7.2%	2,291,104	2,017,539	13.6%	1.1%
Zvíkov I	2,031	CZK 14,821	819,331	726,165	12.8%	2,115,520	1,768,336	19.6%	2.9%
Dolní Dvořiště	1,645	CZK 14,821	601,187	604,087	-0.5%	1,511,306	1,471,058	2.7%	0.9%
Svatoslav	1,231	CZK 14,821	444,788	448,656	-0.9%	1,101,147	1,092,555	0.8%	1.4%
Slavkov	1,159	CZK 14,821	454,685	427,246	6.4%	1,211,811	1,040,419	16.5%	1.8%
Mostkovice SPV 1	210	CZK 14,821	74,627	63,440	17.6%	198,416	161,263	23.0%	-0.3%
Mostkovice SPV 3*	926	CZK 15,922	339,797	318,828	6.6%	889,358	780,282	14.0%	0.3%
Zdice I	1,499	CZK 14,821	600,355	532,571	12.7%	1,550,971	1,285,667	20.6%	3.2%
Zdice II	1,499	CZK 14,821	609,132	532,571	14.4%	1,575,861	1,285,667	22.6%	2.2%
Radvanice	2,305	CZK 14,821	867,799	820,069	5.8%	2,268,120	1,997,011	13.6%	-0.5%
Břeclav rooftop	137	CZK 14,821	54,430	44,001	23.7%	144,013	111,194	29.5%	33.1%
Total Czech PP	14,996		5,753,920	5,346,135	7.6%	14,857,627	13,010,992	14.2%	1.7%
Babiná II	999	EUR 425.12	363,590	332,195	9.5%	880,104	832,661	5.7%	6.2%
Babina III	999	EUR 425.12	357,435	332,195	7.6%	891,984	832,661	7.1%	3.9%
Prša I.	999	EUR 425.12	381,224	336,704	13.2%	921,158	836,700	10.1%	-0.4%
Blatna	700	EUR 425.12	260,747	236,052	10.5%	649,935	612,649	6.1%	2.8%
Mokra Luka 1	963	EUR 382.61	388,959	338,113	15.0%	1,035,950	854,678	21.2%	2.2%
Mokra Luka 2	963	EUR 382.61	394,804	338,113	16.8%	1,050,000	854,678	22.9%	2.7%
Jovice 1	979	EUR 382.61	325,490	339,484	-4.1%	796,697	827,826	-3.8%	-2.4%
Jovice 2	979	EUR 382.61	321,083	339,484	-5.4%	791,999	827,826	-4.3%	-2.4%
Brestovec	850	EUR 382.61	363,955	287,207	26.7%	941,616	724,624	29.9%	6.5%
Polianka	999	EUR 382.61	360,607	346,421	4.1%	892,684	847,605	5.3%	4.6%
Myjava	999	EUR 382.61	402,466	346,272	16.2%	1,039,134	871,019	19.3%	7.7%
Total Slovak PP	10,429		3,920,360	3,572,241	9.7%	9,891,262	8,922,928	10.9%	2.9%
Tizsakécske 1	689	HUF 33,360	303,650	286,188	6.1%	769,258	734,917	4.7%	4.5%
Tizsakécske 2	689	HUF 33,360	304,641	286,583	6.3%	772,640	737,974	4.7%	4.4%
Tizsakécske 3	689	HUF 33,360	300,512	283,736	5.9%	754,340	723,786	4.2%	4.8%
Tizsakécske 4	689	HUF 33,360	304,723	286,583	6.3%	774,023	737,974	4.9%	4.4%
Tizsakécske 5	689	HUF 33,360	296,070	286,188	3.5%	759,703	734,918	3.4%	2.9%
Tizsakécske 6	689	HUF 33,360	303,767	286,583	6.0%	770,625	737,974	4.4%	4.4%
Tizsakécske 7	689	HUF 33,360	304,153	286,096	6.3%	769,844	734,566	4.8%	5.0%
Tizsakécske 8	689	HUF 33,360	301,745	285,779	5.6%	765,088	732,890	4.4%	4.1%
Almásfüzitő 1	695	HUF 33,360	302,348	283,618	6.6%	755,837	731,645	3.3%	17.8%
Almásfüzitő 2	695	HUF 33,360	294,891	283,501	4.0%	739,356	731,233	1.1%	17.3%
Almásfüzitő 3	695	HUF 33,360	292,704	283,044	3.4%	726,284	728,790	-0.3%	16.1%
Almásfüzitő 4	695	HUF 33,360	302,858	283,973	6.7%	761,145	732,925	3.9%	16.8%
Almásfüzitő 5	695	HUF 33,360	303,771	283,195	7.3%	768,837	729,582	5.4%	17.6%
Almásfüzitő 6	660	HUF 33,360	300,505	271,792	10.6%	763,268	701,746	8.8%	17.3%
Almásfüzitő 7	691	HUF 33,360	301,510	281,539	7.1%	763,251	725,425	5.2%	17.1%
Almásfüzitő 8	668	HUF 33,360	304,900	274,783	11.0%	766,626	709,626	8.0%	15.7%

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

Project name	Capacity	Feed-in-Tariff	Prod. Q3 2020	Proj. Q3 2020	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Nagyecsed 1	689	HUF 33,360	298,718	278,106	7.4%	753,744	719,845	4.7%	152.7%
Nagyecsed 2	689	HUF 33,360	295,287	278,106	6.2%	752,105	719,845	4.5%	148.9%
Nagyecsed 3	689	HUF 33,360	299,533	278,606	7.5%	758,604	720,678	5.3%	150.8%
Fertod I	528	HUF 33,360	234,258	205,916	13.8%	614,276	537,675	14.2%	5.9%
Fertod II No 2	699	HUF 33,360	303,709	281,818	7.8%	785,664	731,555	7.4%	na
Fertod II No 3	699	HUF 33,360	303,900	281,818	7.8%	785,808	731,555	7.4%	na
Fertod II No 4	699	HUF 33,360	302,511	281,818	7.3%	783,686	731,555	7.1%	na
Fertod II No 5	691	HUF 33,360	301,686	281,179	7.3%	781,383	734,055	6.4%	na
Fertod II No 6	699	HUF 33,360	300,491	281,818	6.6%	778,468	731,555	6.4%	na
Kunszentmárton I No 1	697	HUF 33,360	308,639	301,791	2.3%	790,983	769,464	2.8%	na
Kunszentmárton I No 2	697	HUF 33,360	312,002	301,791	3.4%	789,238	769,524	2.6%	na
Kunszentmárton II No 1	693	HUF 33,360	311,827	304,769	2.3%	425,431	484,032	-12.1%	na
Kunszentmárton II No 2	693	HUF 33,360	317,854	304,570	4.4%	491,453	483,833	1.6%	na
Taszár 1	701	HUF 33,360	303,414	291,223	4.2%	787,636	761,881	3.4%	na
Taszár 2	701	HUF 33,360	309,054	291,223	6.1%	794,747	761,881	4.3%	na
Taszár 3	701	HUF 33,360	309,773	291,223	6.4%	791,366	761,881	3.9%	na
Monor 1	688	HUF 33,360	299,576	293,758	2.0%	761,367	746,304	2.0%	na
Monor 2	696	HUF 33,360	295,283	292,494	1.0%	765,051	753,820	1.5%	na
Monor 3	696	HUF 33,360	300,029	292,494	2.6%	764,411	753,820	1.4%	na
Monor 4	696	HUF 33,360	302,012	292,494	3.3%	770,428	753,820	2.2%	na
Monor 5	688	HUF 33,360	301,853	292,296	3.3%	773,136	743,444	4.0%	na
Monor 6	696	HUF 33,360	303,280	292,494	3.7%	773,973	753,820	2.7%	na
Monor 7	696	HUF 33,360	310,633	292,494	6.2%	783,952	753,820	4.0%	na
Monor 8	696	HUF 33,360	302,577	292,494	3.4%	771,893	753,820	2.4%	na
Tata 1	672	HUF 33,360	338,195	330,980	2.2%	761,818	758,511	0.4%	na
Tata 2	676	HUF 33,360	287,303	281,288	2.1%	655,295	650,487	0.7%	na
Tata 3	667	HUF 33,360	287,502	276,354	4.0%	675,607	657,250	2.8%	na
Tata 4	672	HUF 33,360	341,158	338,621	0.7%	767,928	775,308	-1.0%	na
Tata 5	672	HUF 33,360	342,143	339,733	0.7%	771,951	780,658	-1.1%	na
Tata 6	672	HUF 33,360	339,537	334,478	1.5%	780,236	785,293	-0.6%	na
Tata 7	672	HUF 33,360	338,276	331,185	2.1%	773,245	777,693	-0.6%	na
Tata 8	672	HUF 33,360	342,054	335,919	1.8%	765,275	769,563	-0.6%	na
Malyi 1	695	HUF 33,360	302,039	282,804	6.8%	480,267	478,261	0.4%	na
Malyi 2	695	HUF 33,360	296,300	283,078	4.7%	475,593	478,724	-0.7%	na
Malyi 3	695	HUF 33,360	302,816	283,078	7.0%	483,043	478,724	0.9%	na
Total Hungarian PP	34,981		15,567,970	14,827,493	5.0%	37,399,183	36,219,924	3.3%	198.4%
Symonston	144	AUD 301.60	33,374	33,417	-0.1%	109,722	117,647	-6.7%	-1.1%
Total Australian PP	144		33,374	33,417	-0.1%	109,722	117,647	-6.7%	-1.1%
Total	60,550		25,275,623	23,779,286	6.3%	62,257,794	58,271,491	6.8%	68.9%

Chart 1.a Total production of the Czech portfolio

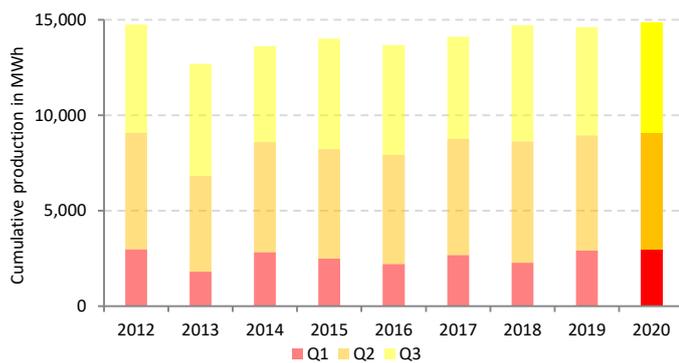


Chart 1.b Total production of the Slovak portfolio

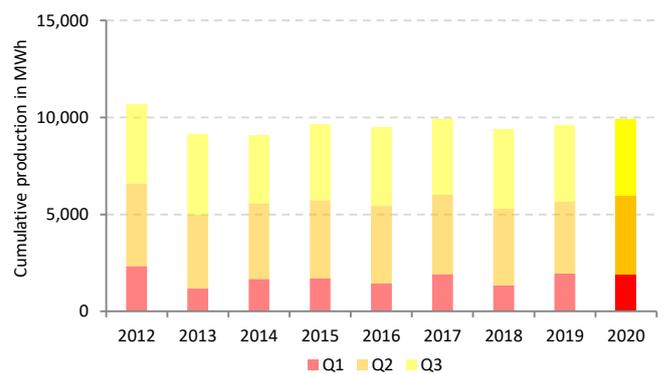
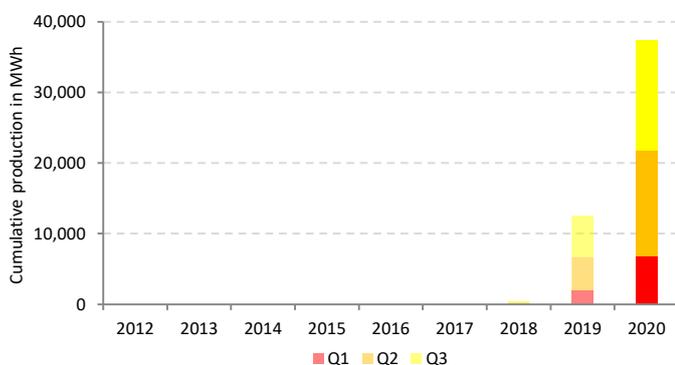


Chart 1.c Total production of Hungarian portfolio



O&M services

Photon Energy remained focused on further expanding its Operations & Maintenance business in Europe. As of the end of Q3 2020, full O&M services contracts amounted to approximately 233.0 MWp, up by 17.1% YOY. This can be broken down geographically into 135.3 MWp operated in the Czech Republic, 63.0 MWp in Hungary, 15.3 MWp in Slovakia, 15.0 MWp in Romania and 4.5 MWp in Australia. A 2.0 MWp contract in Slovenia has been transferred to our “Inverter Cardio” services. In Q3 2020, a 17.6 MWp contract was terminated in Hungary, which will be partially compensated by the proprietary power plants connected in Püspökladány (11.3 MWp commissioned in October and another 2.8 MWp to be connected to the grid in November). The O&M portfolio divides into 60.6 MWp of PV capacity from the proprietary portfolio and 172.5 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 62.2 MWp of central inverters, including an additional 2.0 MWp contract in Slovenia that was transferred from our full O&M contracts at the end of the reporting period. In detail, at the end of Q3 2020, 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), Slovenia (2.0 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

The Group has introduced for the first time in its monthly report for September 2020 a new presentation of its project pipeline. The presentation has been redefined to provide investors with a better insight to our business and to reflect the dynamics of our project development activities, noticeably in the promising new markets Poland and Romania.

Project development is indeed a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of project development activities is to expand the PV proprietary portfolio, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with the goal of exiting the projects to such investors entirely. Ownership of project rights

provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver for Photon Energy's future growth. The Group's experience in project development and financing in the Czech Republic, Slovakia, Germany, Italy and Hungary is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Based on this revised presentation, Photon Energy is currently developing PV projects in Australia (594.6 MWp), Hungary (41.8 MWp), Poland (4.6 MWp) and Romania (87.0 MWp), and is evaluating further markets for opportunities.

Country	1.Feasibility*	2.Early development	3.Advanced development	4.Ready-to-build technical	5.Under construction	Total in MWp
 Australia	-	200.0	380.0	-	14.6	594.6
 Hungary	7.5	31.5	-	-	2.8	41.8
 Poland	4.6	-	-	-	-	4.6
 Romania	87.0	-	-	-	-	87.0
Total in MWp	99.1	231.5	380.0	-	17.4	728.0

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

PV projects have two definitions of capacity. The grid connection capacity is expressed as the maximum of kilowatts or megawatts which can be fed into the grid at any point in time. Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore,

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

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.

Country	Location	Dvt Phase	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Püspökladány	5	Own portfolio	100%	2.8	Contr.-for-Diff. ¹	Secured	Secured	Secured	Under construction
Hungary	Tolna	2	Own portfolio	100%	31.5	All options open	Ongoing	Secured	Ongoing	Q1 2021
Total Own portfolio Hungary					34.3					
Australia	Leeton	5	Own portfolio	100%	14.6	Market	Secured	Secured	Secured	Under construction
Total Own portfolio Australia					14.6					
Total Own portfolio					48.9					
Australia	Gunning	3	Developer	49%	220.0	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	3	Developer	25%	160.0		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	2	Developer	25%	200.0		Ongoing	Ongoing	Ongoing	Q2 2021
Total Development Australia					580.0					

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

Australia

As of the date of publishing this report, Photon Energy has five large scale solar farms at different stages of development in New South Wales ("NSW"). The project pipeline is still among the largest pipelines of Solar projects in NSW representing a total planned capacity of 595 MWp.

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

To date, Photon Energy sold stakes in two of the five projects jointly developed with Canadian Solar Inc. and one project jointly developed with another developer, 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.
- 25% stake in the second co-developed project Gunnedah with a total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019.
- 51% stake in the project company holding all project rights for the Brewongle Solar Farm to an undisclosed buyer on 27 December 2019.

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

- ▶ **Gunning (220 MWp):** The process of securing construction permit is ongoing. We have redefined and redesigned the project layout to include battery storage. This had an impact on the site assessment and hence feasibility studies and public consultations had to be postponed. We plan to submit the Environmental Impact Studies (EIS) by the end of Q4 2020. In parallel we are in discussions with Transgrid regarding the grid connection specifications. GPS studies will follow.
- ▶ **Maryvale (160 MWp):** The construction permitting process has been finalized and Development Approval was granted on 4 December 2019. The grid connection options are still under review and in discussion with Essential Energy. We are currently completing the electrical connection process, which

is continuing. GPS will start once those discussions will be finalized.

- ▶ **Suntop 2 (200 MWp):** Suntop 2 is the replacement of the Mumbil Solar Farm project which development was stopped due to significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. For the Suntop 2 project the construction permitting process is still underway. Feasibility studies and community consultations have been finalized and EIS were submitted to NSW DP&E in November 2019. We received the first comments and are providing additional information to complete EIS that we plan to resubmit it in December 2020. The grid connection application will start upon completion of EIS.

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

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

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

The plants' bi-facial PV modules will be mounted on single-axis trackers and will supply the produced electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of both PV power plants is forecast to be 27.8 GWh, and will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plants. No power purchase agreements (PPAs) have been entered into by Photon Energy.

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



Construction status: Modules have arrived on site and rammings has been finalised. Piling and electrical works are ongoing.

- ▶ **Carrick (144 MWp):** Following a thorough feasibility process, Photon Energy has determined that the proposed Carrick Solar Farm will not be proceeding. Since conditions precedent could not be met, the agreement to sell the shares in the project, which was signed in May 2020, has therefore been terminated.

Glossary of terms	Definitions
Development phase 1: “Feasibility”	LOI or MOU signed, location scouted and analyzed, working on land lease/purchase, environmental assessment and application for grid connection.
Development phase 2: “Early development”	Signing of land option, lease or purchase agreement, Environmental assessment (environmental impact studies “EIS” for Australia), preliminary design. Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.). Specific to Australia: community consultation, technical studies.
Development phase 3: “Advanced development”	In Europe: Finishing work on construction permitting, Receiving of MGT (HU)/ATR (ROM) Letter, Finishing work on permitting for connection line, etc. In Australia: Site footprint and layout finalised, Environmental Impact Statement and development application lodged. Grid connection studies and design submitted.
Development phase 4: “Ready-to-build technical”	In Europe: Project is technical ready to build, we work on offtake model (if not FIT or auction), securing financing (internal/external) In Australia: Development application approved, offer to connect to grid received and detailed design commenced. Financing and off-take models/arrangements (internal/external) under negotiation.
Development phase 5: “Under construction”	Procurement of components, site construction until the connection to the grid. On top for Australian projects, signature of Financing and off-take agreements, reception of Construction certificate, conclusion of connection agreement, EPC agreement, Grid connection works agreements.
NSW Department for Planning and Environment (DP&E)	NSW DP&E is a government agency in charge of planning and development of New South Wales, to ensure the balance between the commercial business development and the needs of local communities. Each project submitted to DP&E must include environmental impact studies (EIS) and once it is reviewed by DP&E, the project is published and available for the public opinion to submit their comments. If the project is rejected by more than 25 people it is moved to Independent Planning Committee (IPC) for review. If there is no public opposition, the project is approved and DP&E issues the project Development Approval (DA)
Independent Planning Committee (IPC)	In case more than 25 public petitions against the project are submitted, IPC needs to investigate further into social and environmental impact of the project. IPC might make some recommendations to be made to the project plan to secure the issuance of DA.
Essential Energy	Essential Energy is Distribution Network Service Provider, which operates and manages low voltage electricity network in NSW. The process to secure the grid connection with Essential Energy includes GPS and AEMO’s license.
Transgrid	Transgrid is a Distribution Network Service Provider (DNSP), which operates and manages the NSW high voltage transmission network. Transgrid, in co-operation with Australian Energy Market Operator (AEMO, see description below), is in charge of grid connection approval. To issue its decision Transgrid requires Generation Protection Studies (GPS). GPS is a complete analysis and tests of the impact that a potential power plant would have on the grid. Each power plant is tested under different assumptions (extreme weather conditions, demand/supply changes etc.) and its performance/impact on the grid’s stability is thoroughly analysed. Once GPS are completed and accepted, Transgrid is issuing grid connection terms. Those terms are part of the agreement signed with Transgrid, which together with AEMO license secures and finalizes the grid connection process.
Australian Energy Market Operator (AEMO)	AEMO is responsible for operating Australia’s largest gas and electricity markets and power systems. AEMO is overlooking all energy producers in NSW and is involved in the process of grid connection approval. AEMO reviews the grid connection terms and GPS studies and issues the license to feed electricity to the grid. AEMO also controls the on-going power generation to make sure that grid stability is maintained.

Hungary

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

- ▶ **Püspökladány (2.8 MWp under construction, 11.3 MWp connected to the grid):** In May 2019 Photon Energy acquired ten additional PV projects with a total planned installed DC capacity of 14.1 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The

transaction involved 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 33,360 per MWh (approx. EUR 93 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 34,813 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. Total annual revenues of all ten power plants are expected to be EUR 1.9 million.



Construction status: After the end of the reporting period, the eight first power plants with a combined capacity of 11.3 MWp have successfully been connected to the grid of E.ON Tiszántúli Áramhálózati Zrt. The grid connection of the remaining two power plants expected to be commissioned very soon after the release of this report in November 2020.

- **Tolna (31.5 MWp):** The eleven projects with a total planned installed DC capacity of 31.5 MWp are located in the Tolna region in the south of Hungary. Two power plants have a grid connection capacity of 5.0 MW AC each, whereas 1 MW AC have been secured for seven projects and 2 MW AC for the

remaining two projects. The grid connection points have been secured and the negotiations for suitable land plots are currently being finalized. Grid connection plans have been initiated and, once approved, will allow us to conclude grid connection agreements with E.ON. with a validity of two years.

Most of these projects have been submitted to the auction process, which took place in September and October 2020 in Hungary. The revenue model will either take the form of a contract-for-difference based on METÁR licenses (if the auction proves successful), a PPA, or the direct sale of electricity through a trader on the Hungarian electricity market. Construction plans include the use of tracking technology allowing bi-facial solar modules to follow the course of the sun, which are expected to achieve a 15-20% higher specific performance than fixed installations.

The current project pipeline in Hungary consists of 14 projects with a total planned capacity of 41.8 MWp. Together with our existing portfolio of 46.3 MWp operating PV power plants (35.0 MWp as of the end of the reporting period), we have secured a 88.1 MWp portfolio in Hungary, which would exceed the Group's target for expansion of its portfolio in Hungary to up to 75 MWp until year-end 2021.

2.6. Enterprise Value & Share Price performance

2.6.1. NewConnect (Warsaw Stock Exchange)

On 30 September 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 12.40 (+77.1% compared to last quarter, +159.4% YTD), corresponding to a price to book ratio of 4.03. The Company also reports an average monthly trading volume of 1,777,183 shares in Q3 2020, compared to an average monthly

trading volume of 585,822 shares in Q2 2020 and to an average of 867,552 during the past twelve months.

In July 2020, the Company announced the filing of a prospectus with the Dutch financial market regulator (AFM) to move to the main markets of the Warsaw and Prague Stock Exchanges.

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



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

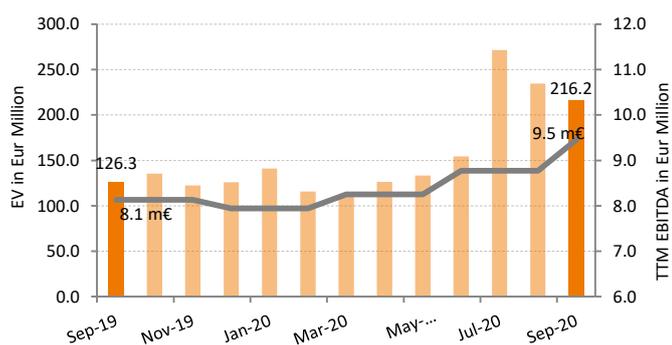
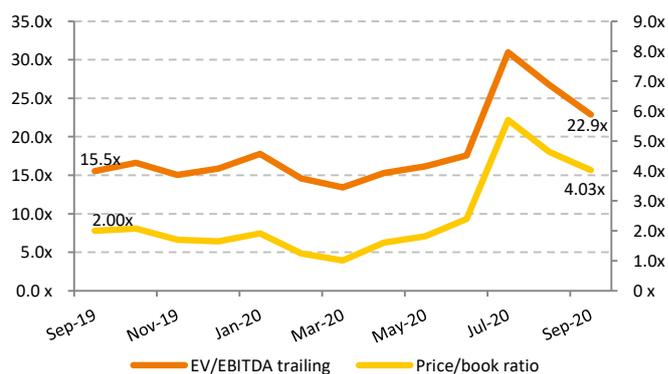


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus net debt, defined as Non current liabilities, plus Current liabilities, minus Current assets. All the balance sheet data are taken from the last quarterly report.

The trailing 12 month EBITDA was adjusted to EUR 8.3 million, the sum of EBITDA reported in the last four quarterly reports including this reporting period, ie. Q4 2019, Q1 2020, Q2 2020 & Q3 2020.

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 previous quarterly report.

EV/EBITDA ratio – is calculated by dividing the Enterprise Value by the Trailing 12 months (TTM) EBITDA.

2.6.2. Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the New Connect segment of the Warsaw Stock Exchange, the Company's shares have also been traded on the Free Market of the Prague Stock Exchange. No additional shares have been issued, nor any new equity capital raised through this listing.

On 30 September 2020 the share price (ISIN NL0010391108) closed at a level of CZK 85.00 (+70.7% compared to last quarter, +102.4% YTD and 17.4x the reference price of CZK 4.90 on the first trading day on 17 October 2016), corresponding to a price to book ratio of 4.61.

2.6.3. Freiverkehr (Munich Stock Exchange)

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

2.7. Bond trading performance

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

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

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



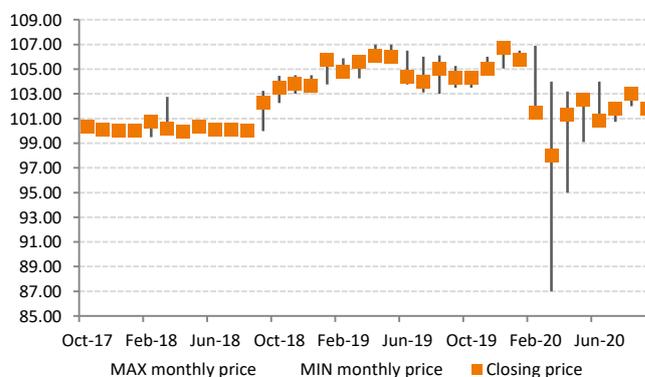
In the trading period from 25 October 2017 until 30 September 2020, the trading volume amounted to EUR 46.142 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart)

The Company reports an average monthly trading volume of 71,397 shares in Q3 2020 compared to 34,100 shares in Q2 2020 and to an average of 39,061 during the past twelve months.

On 30 September 2020 the share price (ISIN NL0010391108) closed at a level of EUR 2.82 (-32.2% compared to the opening price of EUR 4.16 on 28 July 2020), corresponding to a price to book ratio of 4.17x. The Company reports a monthly trading volume of 305,810 shares in September, compared to 1,340 in August.

September 2018. The corporate bond (ISIN DE000A19MFH4) with a nominal value of EUR 1,000 has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The Group has successfully increased the bond placement by EUR 7.5 million in 2019, and EUR 5.9 million in 2020 with all parameters unchanged. The total outstanding bond volume amounts to EUR 43.5 million as of the end of the reporting period.

Chart 8. MIN, MAX and closing monthly prices



with an opening price of 100.00 and a closing price of 101.75 in Frankfurt. During this period the average daily turnover amounted to EUR 62,438.

In Q3 2020, the trading volume amounted to EUR 3,075,000 with an opening price of 100.85 and a closing price of 101.75 in Frankfurt. The average daily turnover in Q3 2020 amounted to EUR 46,591.

2.7.2. CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 30 September 2020 the trading volume amounted to CZK 14.7 million with a closing price of 100.00.

2.8. Financial statement analysis

Profit and Loss statement

For the third quarter of 2020, Photon Energy reported EUR 5.896 million in revenue from its proprietary portfolio, a 19% jump over the same quarter a year ago. This is attributable to a strong electricity generation (+63.0% YOY) driven by the expansion of our proprietary portfolio in Hungary (+21.4 MWp over the past 12 months), and by a sound generation output from the existing power plants in the Czech Republic and Slovakia. A slowdown of lower margin Technology trading revenues resulting from the Coronavirus crisis affected the development of other revenue streams during the quarter and led to a 12.7% decrease in total unaudited consolidated revenues, which amounted to EUR 8.965 million in Q3 2020.

Marginally impacted by the contraction of this low-margin business, Gross profit grew by a solid 18.3%, from EUR 5.309 million to EUR 6.279 million in Q3 2020.

Despite higher operating costs mainly related to the expansion of our project development activities in new markets such as Poland and Romania and of our engineering team in Australia, EBITDA grew consistently by an outstanding 22.0% YoY to EUR 3.766 million in Q3 2020.

Depreciation increased as a result of the power plants connected in Hungary over the past 12 months (+21.4 MWp), leading to a record quarterly EBIT of EUR 1.087 million in Q3 2020 (+48.1% YoY).

Overall net financial expenses increased by 11.1% to EUR -1.753 million in Q3 2020 as a result of our business expansion in Hungary, which includes the refinancing of our Hungarian portfolio. An additional placement of our EUR Bond for EUR 5.9 million at the beginning of the reporting period also contributed to that increase.

At the pre-tax level, the Company recorded a EUR-0.619 million loss, which compares to a EUR 3.365 million profit one year ago, positively impacted by a EUR 4.121 million capital gain from the sale of the Gunnedah and Suntop projects in Australia at that time.

The Company further reports a swing from a EUR 2.966 million net profit in Q3 2019 to a consolidated net loss of EUR -1.653 million in Q3 2020, resulting from an increase in accrued taxation.

As experienced during the first quarter of 2020, concerns over the

second wave of COVID-19 have triggered major disruptions for exchange rates, including high market volatility for the Hungarian Forint (HUF) and the Czech crown (CZK). As a result, a EUR 1.642 million unrealized negative foreign currency difference was recognized in Other Comprehensive Income (OCI), after a negative EUR -4.709 million was booked in Q1 2020, followed by a positive EUR 1.534 million in Q2 2020. While it is hard to predict exactly what will happen in the currency market throughout the remainder of 2020 and 2021, we continue to believe that this exceptional situation is mainly connected with the pandemic-induced uncertainty and that more stability will come once the crisis is over. As a reminder, these book entries have no cash impact.

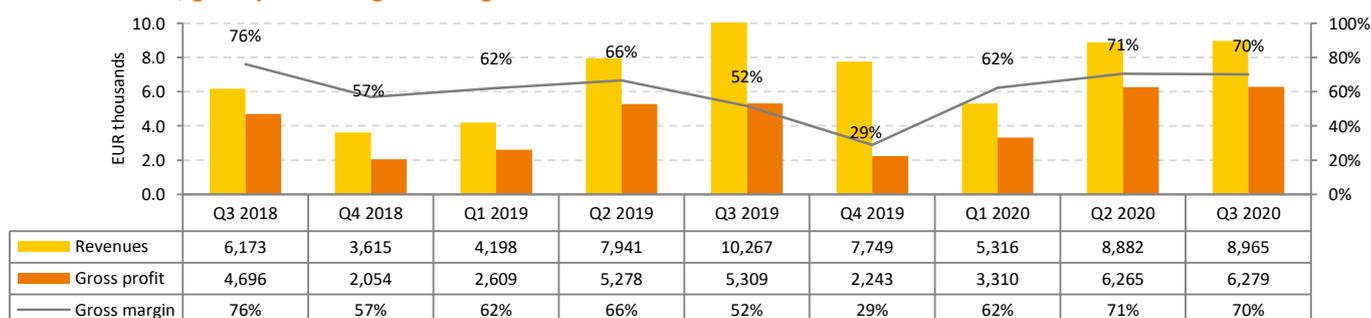
During this quarter, the revaluation model for our proprietary portfolio has been thoroughly analyzed. When compared to the audits established at the time of our PV power plants' grid connection, the production deviation experienced at our Czech and Slovak portfolio over the past several years led us to revise our revaluation model for both of these portfolios as of the end of the reporting period. Starting from October 2020, future cash flows will no longer be calculated based on these audits, but will be based on the average production and costs experienced over the past five years. The purpose of this adjustment is to consider a more accurate picture of our portfolio. As a result, a positive revaluation difference of EUR 7.168 million, mainly connected to our Czech portfolio, was recorded in OCI.

Hence, at the bottom line, Photon Energy ended the third quarter of 2020 with a Total Comprehensive Income (TCI) of EUR 4.304 million compared to EUR 3.189 million a year earlier.

Year-to-date, Photon Energy's first nine month revenues increased by 3.4% to EUR 23.163 million, while EBITDA and EBIT both rose 19.7% to EUR 9.192 million and EUR 2.813 million respectively. Photon Energy recorded a net loss of EUR -4.332 million compared to a net profit of EUR 1.896 million in the first nine months of 2019 and TCI amounted to EUR 1.162 million compared to EUR 5.028 million a year ago.

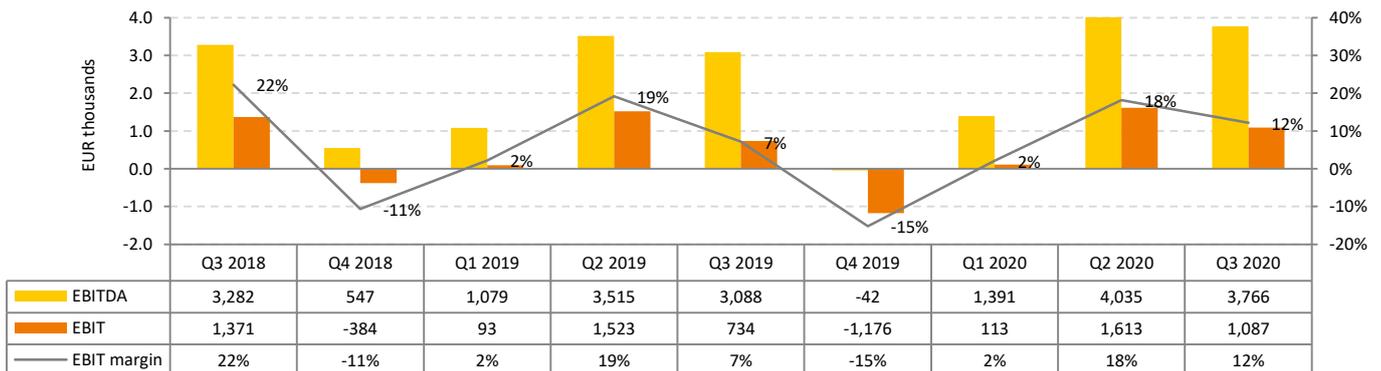
The adjusted equity ratio remained at a sound level of 30.3%.

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

Switching to the balance sheet, Total fixed assets amounted to EUR 115.388 million at the end of Q3 2020, and increased by EUR 6.873 million compared to Q2 2020 (+6.3% QoQ). This increase is resulting from an increase of our assets in progress in Hungary (Puspokladany power plants) and in Australia (Leeton project), the adjustment made to our revaluation model and, which were partly offset by the ongoing depreciation of our portfolio power plants.

Current assets increased by EUR 2.778 million, from EUR 30.479 million in Q2 2020 to EUR 33.257 million as of the end of Q3 2020. This development was mainly due to an increase in Work in progress connected to the power plants under construction for our own portfolio.

Current liabilities amounted to EUR 12.990 million at the end of Q3

2020 compared to EUR 10.927 million three months earlier, mainly due to an increase in bank loans and trade payables.

Long term liabilities increased by EUR 3.317 million to EUR 96.724 in Q3 2020, partly due to the additional bond placement of EUR 5.9 million above mentioned, offset by bank loans repayments in accordance with our project refinancing schedule. As a reminder, our business model involves a large part of bank financing at the project level, where debt/equity ratios reach up to 80/20. Non-recourse financing is aligned with the life cycle of the power plants and is very long term, up to 15 years. Thus a higher level of debt is a specific of our industry.

Chart 11. Net current assets

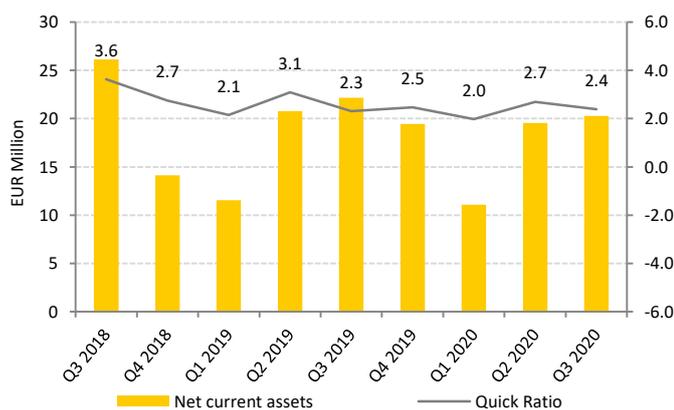
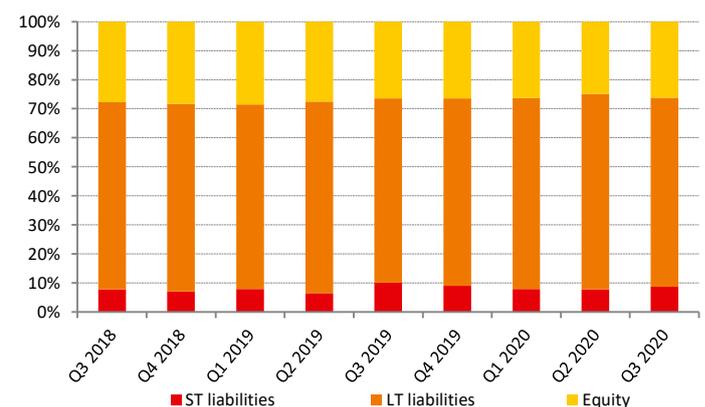


Chart 12. Break down of liabilities and equity



Changes in equity

Equity increased by 12.1% and amounted to EUR 38.932 million in Q3 2020, reflecting the Total Comprehensive Income for the period. The adjusted equity ratio remained at a sound level of 30.3%.

Cash Flow

In Q3 2020, the Group posted a positive operating cash flow, which amounted to EUR 3.088 million, compared to EUR 6.556 million in Q3 2019 (-52.9%), driven primarily by an adjustment in the net working capital.

Financial cash flow decreased by 60.7% YoY to EUR 3.037 million due to borrowing repayment and cash in from additional bond placements.

Investment cash flow was negative and equalled to EUR -8.457 million in the reporting period, compared to EUR 3.961 million in Q3 2019, as a result of project development activities in Australia and Hungary for power plants under construction.

Overall, the cash position was stable compared to Q3 2019 (+0.9%), amounting to EUR 14.541 million at the end of Q3 2020.

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 Strozilaan 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 2020

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	-	-	60,000,000	600,000	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 publishing date, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure was as follows:

Shareholdership as of 12.11.2020	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Future Cooperatief U.A.	21,775,116	36.29%	21,775,116	42.52%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.70%
Photon Energy N.V.	8,784,000	14.64%	0	0.00%
Free float	8,597,509	14.33%	8,597,509	16.79%
Total	60,000,000	100.00%	51,216,000	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 September 2020

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, on 23 October 2020, the Board of Directors published the convocation notice of an Extraordinary General Meeting of shareholders to be held on 4 December 2020. The agenda of the General Meeting assumes among others, the establishment of a Supervisory Board and an Audit Committee.

7. Description of the Issuer’s business

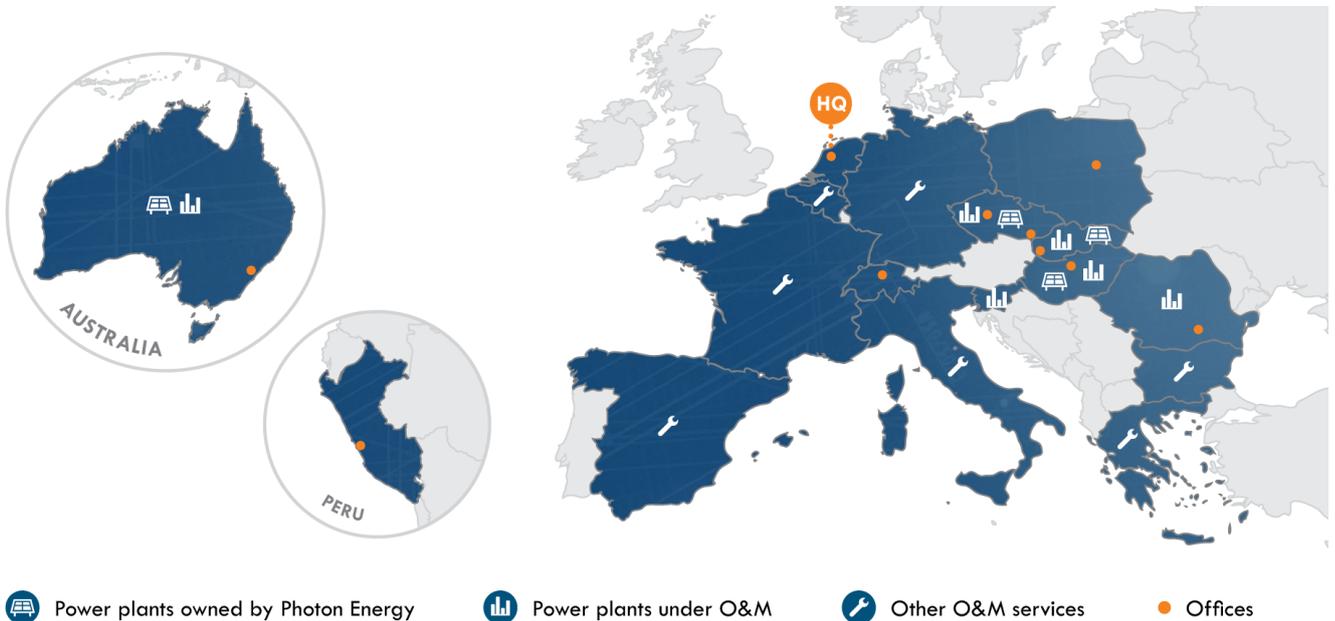
Photon Energy NV is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group (“Group”) offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

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 134 professionals in nine countries across three continents (headquartered in Amsterdam), with a track record of building more than 100 MWp of grid-

connected PV plants across five countries, a proprietary portfolio of 71.9 MWp of PV plants and more than 300 MWp of PV power plants under O&M management across two continents.

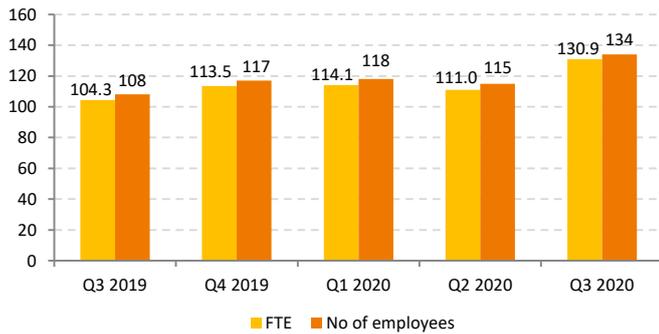
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of Q3 2020, Photon Energy had 134 employees (compared to 108 employees in Q3 2019) which translates into 130.9 FTE (compared to 104.3 FTE in Q3 2019).

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



Full-time equivalent (FTE) is a unit that indicates the workload of an 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 Energy Operations NL B.V. (PEONL, former Photon Directors B.V.)	100%	NL	Full Cons.	PEONV
3	Photon Energy Engineering B.V. (PEEBV)	100%	NL	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEONV)	100%	NL	Full Cons.	PENV
5	Photon Remediation Technology N.V. (PRTNV)	100%	NL	Full Cons.	KORADOL
6	Photon Energy Australia Pty Ltd.	100%	AU	Full Cons.	PENV
7	Gunning Solar Farm Pty. Ltd. (former Photon Energy Generation Australia Pty. Ltd.)	49%	AU	Equity	PENV
8	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Full Cons.	PENV
9	Leeton Solar Farm Pty Ltd (former Photon Energy AUS SPV 2 Pty. Ltd.)	100%	AU	Full Cons.	PENV
10	Fivebough Solar Farm Pty Ltd. (former Photon Energy AUS SPV 3 Pty. Ltd.)	100%	AU	Full Cons.	PENV
11	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Full Cons.	PENV
12	Suntop Stage 2 Solar Farm Pty. Ltd. (former Mumbil Solar Farm Pty. Ltd.)	25%	AU	Equity	PENV
13	Photon Energy AUS SPV 6 Pty. Ltd.	51%	AU	Equity	PENV
14	Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	25%	AU	Equity	PENV
15	Photon Energy Operations Australia Pty.Ltd.	100%	AU	Full Cons.	PEONV
16	Photon Energy Engineering Australia Pty Ltd	100%	AU	Full Cons.	PEEBV
17	Photon Remediation Technology Australia Pty Ltd.	100%	AU	Full Cons.	PRTNV
18	Global Investment Protection AG (GIP)	100%	CH	Full Cons.	PENV
19	ALFEMO AG (ALFEMO)	100%	CH	Full Cons.	PENV
20	KORADOL AG (KORADOL)	100%	CH	Full Cons.	PENV
21	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
22	Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	KORADOL
23	Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KORADOL
24	Photon Energy Operations CZ s.r.o. (PEOCZ) ¹	100%	CZ	Full Cons.	PEONV
25	Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
26	Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
27	Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
28	Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Full Cons.	PE NV
29	Photon Energy Solutions s.r.o. (PES CZ)	100%	CZ	Full Cons.	PENV
30	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
31	Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
32	Photon Maintenance s.r.o. (former The Special One s.r.o.)	100%	CZ	Full Cons.	PENV
33	Photon Energy Technology EU GmbH	100%	DE	Full Cons.	PENV
34	Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
35	Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
36	EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
37	EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
38	Fotonika s.r.o.	100%	SK	Full Cons.	PENV
39	Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
40	Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
41	Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
42	Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
43	Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
44	SUN4ENERGY ZVB s.r.o.	100%	SK	Full Cons.	PENV
45	SUN4ENERGY ZVC s.r.o.	100%	SK	Full Cons.	PENV
46	ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
47	Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
48	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	ALFEMO
49	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	ALFEMO
50	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
51	Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV
52	Future Solar Energy Kft	100%	HU	Full Cons.	ALFEMO
53	Montagem Befektetési Kft.	100%	HU	Full Cons.	ALFEMO
54	Solarkit Befektetesi Kft.	100%	HU	Full Cons.	ALFEMO
55	Energy499 Invest Kft.	100%	HU	Full Cons.	ALFEMO
56	SunCollector Kft.	100%	HU	Full Cons.	ALFEMO

Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner	
57	Green-symbol Invest Kft.	100%	HU	Full Cons.	ALFEMO
58	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
59	Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
60	Tataimmo Kft	100%	HU	Full Cons.	ALFEMO
61	Öreghal Kft.	100%	HU	Full Cons.	ALFEMO
62	European Sport Contact Kft.	100%	HU	Full Cons.	ALFEMO
63	ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
64	ALFEMO Beta Kft.	100%	HU	Full Cons.	ALFEMO
65	ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO
66	Archway Solar Kft.	100%	HU	Full Cons.	PENV
67	Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
68	Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
69	Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
70	Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
71	Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
72	Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
73	Ráció Master Oktatási	100%	HU	Full Cons.	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 Cons.	ALFEMO
83	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kf	100%	HU	Full Cons.	ALFEMO
84	ZUGGÓ-DÜLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
85	Ventiterra Környezetgazdálkodási és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
86	VENTITERRA ALFA Kft.	100%	HU	Full Cons.	ALFEMO
87	VENTITERRA BETA Kft.	100%	HU	Full Cons.	ALFEMO
88	Photon Energy Peru S.C.A.	99%	PE	Full Cons.	GIP
89	Solar Age Polska S.A. (former Ektalion Investments S.A.)	100%	PL	Full Cons.	PENV
90	Photon Energy Polska Sp. Z o.o. (former Holbee Investments Sp. z o.o.)	100%	PL	Full cons.	PENV
91	Photon Energy Operations PL Sp. z o.o. (former Timassile Investments Sp. z o.o.)	100%	PL	Full cons.	PEONV
92	Stanford Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
93	Halton Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
94	Aldgate Solar Srl	100%	RO	Full cons.	PEP & PES CZ
95	Holloway Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
96	Moorgate Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
97	Redbridge Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
98	Watford Solar Srl	100%	RO	Full cons.	PEP & PES CZ
99	Becontree Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
100	Greenford Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
101	Chesham Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
102	Photon Energy Romania SRL	100%	RO	Full cons.	PENV & PEONL
103	PE Solar Technology Ltd.	100%	UK	Full Cons.	PENV

Notes:

Country of registration

AU – Australia
CH – Switzerland
CZ – Czech Republic

DE – Germany
HU – Hungary
NL – Netherlands

PE – Peru
PL – Poland
RO – Romania

SK – Slovakia
UK – United Kingdom

Consolidation method:

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

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

PEP & PES CZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

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	Kaliopé Property, 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 1 July 2020, Photon Remediation Technology N.V. became 100% shareholder of Photon Remediation Technology Australia Pty Ltd.
- On 9 July 2020, Photon Directors B.V. was successfully renamed to Photon Energy Operations NL B.V.
- On 9 July 2020, Photon Energy Operations N.V. became 100% shareholder of Photon Energy Operations NL B.V.
- On 17 August 2020, The Special One s.r.o. was successfully renamed to Photon Maintenance s.r.o.

- On 25 September 2020, Photon Energy HU SPV 1 Kft. has sold its 33.52% interests in P&P Solar Immo Kft.

After the reporting period, the following events occurred from the beginning of October 2020

- None

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

11.1. Summary of the key events from 1 April until 30 June 2020

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 13/2020** published on 14 July 2020: Monthly report for June 2020.
- **EBI 14/2020** published on 12 August 2020: Quarterly report for Q2 2020.
- **EBI 15/2020** published on 14 August 2020: Monthly report for July 2020.
- **EBI 16/2020** published on 14 September 2020: Monthly report for August 2020.

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 17/2020** published on 3 July 2020: Photon Energy Increases Its Outstanding 7.75% Bond 2017/2022 to EUR 43 Million.
- **ESPI 18/2020** published on 9 July 2020: Photon Energy Submits Prospectus to AFM to Move to the Main Markets in Warsaw and Prague.

- **ESPI 19/2020** published on 17 August 2020: Photon Energy Announces Market Entry in Poland and Appointment of Maciej Górski as Country Head.
- **ESPI 20/2020** published on 17 August 2020: Photon Energy listed on the Freiverkehr segment of the Munich Stock Exchange (Börse München).
- **ESPI 21/2020** published on 7 September 2020: Photon Water launches in-situ remediation technology to clean PFAS contamination in the environment.
- **ESPI 22/2020** published on 12 September 2020: Insider Trading Notification.
- **ESPI 23/2020** published on 12 September 2020: Change in substantial blocks of shares.
- **ESPI 24/2020** published on 28 September 2020: Insider Trading Notification.
- **ESPI 25/2020** published on 29 September 2020: Photon Water announces a trial with the Australian Government, Department of Defence, for the treatment of PFAS contaminated groundwater.
- **ESPI 26/2020** published on 29 September 2020:

11.2. Summary of the key events after 30 September 2020

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 17/2020** published on 14 October 2020: Monthly report for September 2020.
- **EBI 18/2020** published on 23 October 2020: Convocation of an Extraordinary General Meeting of Shareholders on 4 December 2020.

After 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 26/2020** published on 5 October 2020: Insider Trading Notification.

- **ESPI 27/2020** published on 9 October 2020: Insider Trading Notification.
- **ESPI 28/2020** published on 12 October 2020: Photon Energy Connects First Two of Ten PV Power Plants in Püspökladány, Hungary to Grid.
- **ESPI 29/2020** published on 5 October 2020: Insider Trading Notification.
- **ESPI 30/2020** published on 2 November 2020: Photon Energy commissions an additional six PV power plants in Püspökladány, Hungary.

12. Detailed consolidated financial results for Q3 2020

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 July 2020 and ending on 30 September 2020 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	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
Total revenues	10,267	8,965	44,336	39,796	264,206	237,256
<i>Out of that: Revenues from electricity generation</i>	4,955	5,896	21,396	26,173	127,502	156,033
<i>Out of that: Other revenues</i>	5,312	3,069	22,940	13,624	136,704	81,222
Costs of sale	-4,655	-2,380	-20,103	-10,565	-119,800	-62,986
Solar levy CZ	-303	-306	-1,308	-1,357	-7,792	-8,088
Gross profit	5,309	6,279	22,925	27,875	136,614	166,181
Other income	-7	102	-32	452	-190	2,693
Administrative expenses	-1,063	-917	-4,592	-4,071	-27,363	-24,272
Personnel expenses	-1,138	-1,435	-4,916	-6,368	-29,298	-37,964
Other expenses	-12	-263	-51	-1,169	-302	-6,972
EBITDA	3,088	3,766	13,334	16,718	79,461	99,665
Depreciation	-2,354	-2,679	-10,164	-11,890	-60,567	-70,886
EBIT	734	1,087	3,171	4,827	18,895	28,780
Interests income	137	53	591	235	3,519	1,404
Financial revenues	8	0	35	0	210	0
Interests cost	-1,273	-1,604	-5,498	-7,122	-32,766	-42,461
Financial expenses	-215	-287	-930	-1,274	-5,542	-7,597
Revaluation of derivatives	-235	86	-1,013	380	-6,037	2,266
Net finance expenses	-1,578	-1,753	-6,816	-7,781	-40,616	-46,388
Share of profit from associates / J-Vs	88	46	379	206	2,261	1,229
Disposal of investments	4,121	0	17,795	0	106,047	0
Profit / loss before taxation	3,365	-619	14,530	-2,748	86,586	-16,380
Income tax – current	-359	-945	-1,550	-4,196	-9,239	-25,016
Income tax – deferred	-40	-89	-172	-395	-1,026	-2,357
Profit/loss from continuing operations	2,966	-1,653	12,807	-7,339	76,321	-43,753
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	2,966	-1,653	12,807	-7,339	76,321	-43,753
Other comprehensive income for the period	224	5,957	966	26,445	5,755	157,658
Total comprehensive income for the period	3,189	4,304	13,773	19,106	82,076	113,906
Profit/loss after taxation	2,966	-1,653	12,807	-7,339	76,321	-43,753
<i>Attributable to the equity holders</i>	2,995	-1,621	12,933	-7,196	77,070	-42,898
<i>Attributable to minority interest</i>	-29	-32	-126	-143	-749	-855
Total comprehensive income for the period	3,189	4,304	13,773	19,106	82,076	113,906
<i>Attributable to the equity holders</i>	3,218	4,336	13,899	19,250	82,825	114,760
<i>Attributable to minority interest</i>	-29	-32	-126	-143	-749	-855
Average no. of shares outstanding (in thousand)	51,136	51,214	51,136	51,214	51,136	51,214
Earnings per share outstanding	0.058	-0.032	0.250	-0.143	1.493	-0.854
Comprehensive income per share outstanding	0.062	0.084	0.269	0.373	1.605	2.224
<i>EUR exchange rate – low</i>			4.243	4.387	25.434	26.060
<i>EUR exchange rate – average</i>			4.318	4.439	25.734	26.465
<i>EUR exchange rate – high</i>			4.392	4.555	25.919	27.210

Note: Exchange rates provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.12.2019	30.9.2020	31.12.2019	30.9.2020	31.12.2019	30.9.2020
Intangibles	0	1,667	0	7,578	0	45,357
Property, plant and equipment	100,797	107,351	429,020	488,059	2,561,252	2,921,030
<i>PPE – Lands</i>	4,554	4,362	19,381	19,831	115,705	118,691
<i>PPE – Photovoltaic power plants</i>	91,886	95,173	391,091	432,689	2,334,814	2,589,645
<i>PPE - Equipment</i>	610	992	2,598	4,511	15,511	27,001
<i>PPE – Assets in progress</i>	3,747	6,824	15,950	31,026	95,222	185,694
Right of use -leased asset	3,014	2,582	12,831	11,738	76,598	70,249
Investments in associates /joint ventures	2,666	2,650	11,346	12,049	67,734	72,116
Other investments	0	1,138	0	5,173	0	30,959
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	106,477	115,388	453,197	524,597	2,705,584	3,139,712
Inventories – Goods	1,212	2,282	5,157	10,374	30,786	62,087
Trade receivables	4,573	4,322	19,462	19,651	116,189	117,614
Other receivables	6,186	2,871	26,329	13,052	157,186	78,117
Loans to related parties	1,027	948	4,369	4,310	26,085	25,797
Contracted work in progress	2,457	6,635	10,458	30,166	62,437	180,541
Prepaid expenses	1,228	1,355	5,226	6,160	31,201	36,869
Cash and cash equivalents	15,104	14,542	64,286	66,111	383,786	395,676
Other S-T financial assets	0	302	0	1,375	0	8,231
Assets held for sale	0	0	0	0	0	0
Current assets	31,786	33,257	135,288	151,200	807,671	904,932
Total assets	138,263	148,645	588,485	675,797	3,513,255	4,044,644
Issued share capital	600	600	2,554	2,728	15,246	16,326
Share premium	23,760	23,760	101,129	108,022	603,742	646,510
Legal reserve fund	13	13	55	61	328	363
Reserves	30,382	33,501	129,313	152,307	772,001	911,556
Retained earnings	-16,830	-18,786	-71,631	-85,409	-427,639	-511,175
Equity attributable to owners of the Company	37,926	39,088	161,422	177,708	963,689	1,063,580
Non-controlling interests	-83	-156	-351	-707	-2,097	-4,234
Total equity	37,843	38,932	161,071	177,000	961,592	1,059,346
Bank Loan	37,589	38,618	159,990	175,570	955,139	1,050,788
Other long term liabilities	40,072	46,052	170,560	209,368	1,018,241	1,253,066
Lease liability	3,042	2,318	12,948	10,539	77,297	63,074
Other loans	0	0	0	0	0	0
Deferred tax liabilities	7,369	9,737	31,366	44,266	187,254	264,930
Non-current liabilities	88,073	96,724	374,863	439,742	2,237,931	2,631,859
Bank Loans	3,649	4,889	15,529	22,226	92,710	133,021
Other loans	0	0	0	0	0	0
Trade payables	3,484	4,329	14,831	19,680	88,539	117,786
Other payables	5,090	3,102	21,664	14,105	129,336	84,417
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	125	670	532	3,045	3,178	18,227
Provisions	0	0	0	0	0	0
Current liabilities	12,348	12,990	52,557	59,056	313,763	353,451
Total Liabilities	100,421	109,714	427,420	498,799	2,551,695	2,985,310
TOTAL Equity & Liabilities	138,264	148,646	588,490	675,799	3,513,286	4,044,656
No. of shares outstanding in thousand	51,166	51,218	51,166	51,218	51,166	51,218
Book value per share outstanding	0.740	0.760	3.148	3.456	18.794	20.683

Statement of Changes in Equity

in thousand EUR	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 31.12.2019	600	23,760	13	29,220	929	233	-16,830	37,926	-83	37,843
Loss/profit for the period 1.1.2020– 30.9.2020							-4,332	-4,332	-73	-4,405
Revaluation of PPE				9,895				9,895		9,895
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-4,817			-4,817		-4,817
Derivatives						415		415		415
Acquisition of JV								0		0
Total comprehensive income for the year	0	0	0	9,895	-4,817	415	-4,332	1,162	-73	1,089
new shares								0		0
acquired retained earnings								0		0
Move from revaluation reserve				-2,375			2,375	0		0
Legal reserve fund release								0		0
Move of RE due to entity disposal/change of cons. meth.								0		0
BALANCE at 30.9.2020	600	23,760	13	36,740	-3,888	648	-18,786	39,088	-156	38,932

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
Cash Flow from Operation						
Profit/loss before taxation	3,365	-619	14,530	-2,748	86,586	-16,380
Adjustments for:						
Depreciation	2,354	2,679	10,164	11,890	60,567	70,886
Other changes in fixed assets	0	-1	0	-4	0	-26
Share of profit of equity accounted investees	-88	-46	-379	-206	-2,261	-1,229
Profit /Loss on sale of property, plant and equipment	0	48	0	211	0	1,259
Other non-cash items	-165	-209	-713	-928	-4,246	-5,531
Capital gains	-4,121	0	-17,795	0	-106,047	0
net finance costs	1,578	1,753	6,816	7,781	40,616	46,388
Changes in:						
Trade and other receivables	106	3,248	456	14,420	2,717	85,968
Other financial asset	0	0	0	0	0	0
Gross amount due from customers for contract work	-601	-3,749	-2,594	-16,642	-15,459	-99,215
Prepaid expenses	-115	-65	-495	-290	-2,950	-1,730
Inventories	470	-1,211	2,029	-5,374	12,091	-32,040
Trade and other payables	3,885	705	16,778	3,128	99,981	18,646
Other liabilities	-112	557	-484	2,470	-2,885	14,728
Total Operating cash flow	6,556	3,088	28,311	13,708	168,711	81,724
Cash Flow from Investments						
Acquisition of property, plant and equipment	-6,576	-8,431	-28,398	-37,425	-169,229	-223,119
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-595	0	-2,571	0	-15,318	0
Acquisition of other investments	-10	-26	-45	-117	-267	-696
Proceeds from sale of investments	3,221	0	13,909	0	82,890	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Total Investment cash flow	-3,961	-8,457	-17,104	-37,542	-101,924	-223,815
Cash Flow from Financing						
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	3,000	0	12,955	0	77,203	0
Repayment of borrowings	-1,369	-1,359	-5,914	-6,032	-35,242	-35,960
Proceeds from issuing long term liabilities/bonds	7,320	6,000	31,610	26,636	188,370	158,796
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-1,226	-1,604	-5,295	-7,122	-31,557	-42,461
Total Financing cash flow	7,724	3,037	33,356	13,482	198,774	80,374
Net increase/decrease in cash and cash equivalents	10,319	-2,332	44,563	-10,352	265,561	-61,717
Cash at the beginning of the period	6,402	16,874	27,647	74,903	164,753	446,553
Cash at the end of the period	16,721	14,541	72,209	64,551	430,313	384,836
EUR exchange rate - low			4.243	4.387	25.434	26.060
EUR exchange rate - average			4.318	4.439	25.734	26.465
EUR exchange rate - high			4.392	4.555	25.919	27.210

13. Detailed accumulated consolidated financial results for Q1-Q3 2020

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2020 and ending on 30 September 2020 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	
	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020
Total revenues	22,405	23,163	96,368	102,388	575,851	610,859
<i>Out of that: Revenues from electricity generation</i>	<i>12,391</i>	<i>14,754</i>	<i>53,296</i>	<i>65,218</i>	<i>318,472</i>	<i>389,100</i>
<i>Out of that: Other revenues</i>	<i>10,014</i>	<i>8,409</i>	<i>43,072</i>	<i>37,170</i>	<i>257,379</i>	<i>221,760</i>
Costs of sale	-8,428	-6,517	-36,249	-28,810	-216,610	-171,883
Solar levy CZ	-782	-791	-3,363	-3,496	-20,097	-20,855
Gross profit	13,195	15,854	56,755	70,083	339,145	418,122
Other income	22	206	97	912	577	5,440
Administrative expenses	-2,214	-2,215	-9,524	-9,791	-56,909	-58,414
Personnel expenses	-3,272	-4,183	-14,071	-18,491	-84,085	-110,320
Other expenses	-50	-470	-214	-2,079	-1,278	-12,406
EBITDA	7,682	9,192	33,043	40,633	197,451	242,422
Depreciation	-5,332	-6,379	-22,934	-28,196	-137,044	-168,224
EBIT	2,350	2,813	10,109	12,437	60,406	74,198
Interests income	197	85	847	377	5,060	2,247
Financial revenues	200	0	858	0	5,129	0
Interests cost	-3,361	-4,039	-14,456	-17,854	-86,384	-106,520
Financial expenses	-445	-607	-1,915	-2,684	-11,441	-16,013
Revaluation of derivatives	-40	-575	-173	-2,543	-1,035	-15,173
Net finance expenses	-3,450	-5,136	-14,839	-22,705	-88,671	-135,459
Share of profit from associates / J-Vs	14	6	61	29	362	170
Disposal of investments	4,121	0	17,724	0	105,913	0
Profit / loss before taxation	3,035	-2,316	13,055	-10,239	78,010	-61,090
Income tax – current	-915	-1,626	-3,936	-7,189	-23,517	-42,892
Income tax – deferred	-224	-389	-965	-1,719	-5,764	-10,257
Profit/loss from continuing operations	1,896	-4,332	8,155	-19,148	48,728	-114,239
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	1,896	-4,332	8,155	-19,148	48,728	-114,239
Other comprehensive income for the period	3,132	5,494	13,472	24,286	80,501	144,891
Total comprehensive income for the period	5,028	1,162	21,626	5,138	129,230	30,652
Profit/loss after taxation	1,896	-4,332	8,155	-19,148	48,728	-114,239
<i>Attributable to the equity holders</i>	<i>1,959</i>	<i>-4,259</i>	<i>8,425</i>	<i>-18,825</i>	<i>50,342</i>	<i>-112,313</i>
<i>Attributable to minority interest</i>	<i>63</i>	<i>-73</i>	<i>270</i>	<i>-323</i>	<i>1,614</i>	<i>-1,927</i>
Total comprehensive income for the period	5,028	1,162	21,626	5,138	129,230	30,652
<i>Attributable to the equity holders</i>	<i>5,091</i>	<i>1,235</i>	<i>21,896</i>	<i>5,461</i>	<i>130,843</i>	<i>32,578</i>
<i>Attributable to minority interest</i>	<i>-63</i>	<i>-73</i>	<i>-270</i>	<i>-323</i>	<i>-1,614</i>	<i>-1,927</i>
Average no. of shares outstanding (in thousand)	51,089	51,196	51,089	51,196	51,089	51,196
Earnings per share outstanding	0.037	-0.085	0.160	-0.374	0.954	-2.231
Comprehensive income per share outstanding	0.098	0.023	0.423	0.105	2.530	0.631
<i>EUR exchange rate – low</i>			<i>4.243</i>	<i>4.222</i>	<i>25.434</i>	<i>24.795</i>
<i>EUR exchange rate – average</i>			<i>4.301</i>	<i>4.420</i>	<i>25.702</i>	<i>26.373</i>
<i>EUR exchange rate – high</i>			<i>4.392</i>	<i>4.614</i>	<i>25.919</i>	<i>27.810</i>

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020
Profit/loss before taxation	3,035	-2,316	13,055	-10,239	78,010	-61,090
Adjustments for:						
Depreciation	5,332	6,379	22,934	28,196	137,044	168,224
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-14	-6	-61	-29	-362	-170
Profit /Loss on sale of property, plant and equipment	0	48	0	210	0	1,255
Other non-cash items	-1	-272	-4	-1,202	-26	-7,173
Capital gains	-4,121	0	-17,724	0	-105,913	0
net finance costs	3,450	5,136	14,839	22,705	88,671	135,459
Changes in:						
Trade and other receivables	-256	2,349	-1,100	10,382	-6,576	61,942
Other financial asset	0	-297	0	-1,313	0	-7,833
Gross amount due from customers for contract work	-1,025	-4,178	-4,407	-18,468	-26,337	-110,183
Prepaid expenses	-40	-127	-171	-562	-1,023	-3,351
Inventories	-3,464	-1,070	-14,900	-4,731	-89,035	-28,224
Trade and other payables	2,549	-1,143	10,962	-5,053	65,502	-30,149
Other liabilities	-314	545	-1,348	2,408	-8,058	14,368
Total Operating cash flow	5,132	5,046	22,073	22,305	131,898	133,074
Cash Flow from Investments						
Acquisition of property, plant and equipment	-12,286	-13,086	-52,845	-57,846	-315,781	-345,116
Acquisition of subsidiary (net of cash acquired), associates, JV	-1,866	-6	-8,026	-26	-47,962	-154
Acquisition of other investments	-101	-1,307	-432	-5,776	-2,583	-34,460
Proceeds from sale of investments	3,221	0	13,854	0	82,785	0
Proceeds from sale of property, plant and equipment, other invests	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Total Investment cash flow	-11,032	-14,399	-47,450	-63,648	-283,541	-379,730
Cash Flow from Financing						
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	13,333	10,235	57,348	45,243	342,689	269,924
Repayment of borrowings	-7,239	-3,575	-31,135	-15,802	-186,048	-94,277
Proceeds from issuing long term liabilities/bonds	7,551	6,169	32,478	27,271	194,076	162,701
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-3,361	-4,039	-14,456	-17,854	-86,384	-106,520
Total Financing cash flow	10,285	8,790	44,236	38,857	264,333	231,828
Net increase/decrease in cash and cash equivalents	4,385	-562	18,859	-2,485	112,690	-14,828
Cash at the beginning of the period	12,337	15,104	53,063	66,766	317,080	398,333
Cash at the end of the period	16,721	14,542	71,921	64,280	429,770	383,505
<i>EUR exchange rate - low</i>			4.243	4.222	25.434	24.795
<i>EUR exchange rate - average</i>			4.301	4.420	25.702	26.373
<i>EUR exchange rate - high</i>			4.392	4.614	25.919	27.810

14. Detailed entity financial results for Q3 2020

The tables below present the **entity** and **unaudited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2020 and ending on 30 September 2020 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	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
Revenues from the sale of products, goods and services	649	714	2,801	3,168	16,693	18,885
Cost of sales	-439	-479	-1,894	-2,128	-11,285	-12,686
Gross profit	210	234	907	1,040	5,408	6,199
Other administrative expenses	-210	-234	-905	-1,038	-5,396	-6,188
Other income	5,346	0	23,085	0	137,566	0
Other expenses	-919	-289	-3,970	-1,282	-23,657	-7,646
EBITDA	4,427	-289	19,117	-1,282	113,921	-7,646
Amortization&depreciation	0	0	0	0	0	0
EBIT	4,427	-289	19,117	-1,282	113,921	-7,646
Financial income	623	352	2,689	1,564	16,023	9,324
Financial costs	-820	-1,020	-3,542	-4,527	-21,108	-26,986
Profit / loss before taxation	4,229	-956	18,263	-4,245	108,836	-25,307
Income tax	1	0	2	0	14	0
Profit/loss for the period (net income)	4,230	-956	18,266	-4,245	108,851	-25,307

Balance Sheet

in Thousands	EUR		PLN		CZK	
	31.12.2019	30.9.2020	31.12.2019	30.9.2020	31.12.2019	30.9.2020
Intangibles	0	0	0	0	0	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	25,661	24,968	109,220	113,513	652,046	679,378
Other investments	0	1,138	0	5,173	0	30,959
Longterm receivables	0	27,256	0	123,916	0	741,638
Deferred tax assets	0	0	0	0	0	0
Non-current assets	25,661	53,362	109,220	242,602	652,046	1,451,975
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	9,336	9,368	39,737	42,591	237,228	254,904
Loans	42,043	21,775	178,947	98,998	1,068,313	592,506
from customers for contract work	0	0	0	0	0	0
Prepaid expenses	0	914	0	4,153	0	24,858
Cash and cash equivalents	5,831	1,617	24,820	7,353	148,174	44,010
Current assets	57,210	33,674	243,503	153,096	1,453,714	916,278
Total assets	82,871	87,036	352,724	395,698	2,105,760	2,368,253
Issued share capital	600	600	2,554	2,728	15,246	16,326
Share premium	36,871	36,871	156,933	167,629	936,892	1,003,260
Legal reserve fund	0	0	0	0	0	0
Reserves	16,806	16,565	71,531	75,310	427,040	450,732
Retained earnings	-24,068	-16,300	-102,440	-74,108	-611,568	-443,535
Profit/loss for the current period	7,526	-2,169	32,033	-9,859	191,236	-59,007
Equity attributable to owners of the Company	37,735	35,567	160,611	161,700	958,846	967,776
Non-controlling interests	0	0	0	0	0	0
Total equity	37,735	35,567	160,611	161,700	958,846	967,776
Non-current liabilities	41,394	47,306	176,180	215,071	1,051,822	1,287,198
Bank Loan	0	0	0	0	0	0
Other long term liabilities	39,266	47,306	167,127	215,071	997,749	1,287,198
Other loans	2,127	0	9,053	0	54,047	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	3,742	4,163	15,927	18,927	95,084	113,278
Bank Loans	0	0	0	0	0	0
Other loans	3,016	2,949	12,837	13,409	76,637	80,252
Trade and other payables	726	586	3,090	2,666	18,448	15,956
Other shortterm liabilities	0	627	0	2,852	0	17,070
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	82,871	87,036	352,722	395,698	2,105,752	2,368,253
<i>No. of shares outstanding in thousand</i>	51,166	51,218	51,166	51,218	51,166	51,218
<i>Book value per share outstanding</i>	0.738	0.694	3.139	3.157	18.740	18.895

15. Detailed accumulated entity financial results for Q1-Q3 2020

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2020 and ending on 30 September 2020 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	
	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020
Revenues from the sale of products, goods and services	1,781	2,041	7,659	9,004	45,768	53,741
Cost of sales	-1,281	-1,487	-5,511	-6,559	-32,934	-39,147
Gross profit	499	554	2,148	2,445	12,835	14,595
Other administrative expenses	-501	-554	-2,156	-2,445	-12,880	-14,591
Other income	5,310	8	22,840	33	136,482	198
Other expenses	-924	-394	-3,973	-1,739	-23,742	-10,377
EBITDA	4,385	-387	18,859	-1,705	112,694	-10,179
Amortization&depreciation	0	0	0	0	0	0
EBIT	4,385	-387	18,859	-1,705	112,694	-10,179
Financial income	1,290	980	5,546	4,323	33,143	25,802
Financial costs	-2,337	-2,764	-10,053	-12,190	-60,073	-72,756
Profit / loss before taxation	3,337	-2,170	14,353	-9,573	85,765	-57,134
Income tax	1	0	2	0	1	0
Profit/loss for the period (net income)	3,337	-2,170	14,355	-9,573	85,765	-57,134

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 2020 and ending on 30 September 2020 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 2020

EUR thousand	Solutions	Technology	Investments	Operations & Maintenance	Others	Total for segments	Elimination	Cons. financial information
External revenues from the sale of products, goods & services	4,198	2,145	14,754	1,963	103	23,163	0	23,163
Revenues within seg. from the sale of products, goods & services	17,128	3,414	0	1,100	3,650	25,291	-25,291	0
Cost of sale	-11,876	-4,994	-1,568	-1,348	-96	-19,883	13,365	-6,517
Solar levy	0	0	-791	0	0	-791	0	-791
Gross profit	9,449	565	12,395	1,715	3,657	27,781	-11,926	15,854
Other external income	55	4	3	39	104	206	0	206
Administrative and other expenses	-1,627	-143	-313	-1,754	-4,885	-8,722	1,854	-6,868
EBITDA	7,877	426	12,086	0	-1,124	19,265	-10,072	9,192
Depreciation	-28	-1	-5,869	-242	-237	-6,379	0	-6,379
EBIT	7,849	424	6,217	-242	-1,361	12,886	-10,072	2,813
Interest income	206	71	259	135	1,547	2,218	-2,133	85
Interest expenses	-298	-126	-1,888	-242	-3,618	-6,172	2,133	-4,039
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-167	-107	-134	-135	-65	-607	0	-607
Revaluation of derivatives	0	0	-575	0	0	-575	0	-575
Net finance expenses	-258	-162	-2,338	-242	-2,136	-5,136	0	-5,136
Profit/loss share in entities in equivalency	0	0	6	0	0	6	0	6
Disposal of investments	0	0	0	0	0	0	0	0
Profit/loss before taxation	7,590	262	3,885	-485	-3,497	7,756	-10,072	-2,317
Income tax	-643	0	-984	0	0	-1,626	0	-1,626
Deferred tax	0	0	-389	0	0	-389	0	-389
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	6,948	262	2,512	-485	-3,497	5,741	-10,072	-4,332
Revaluation of property, plant and equipment	0	0	9,895	0	0	9,895	0	9,895
Foreign currency translation diff. - foreign operations	-390	0	-3,662	-345	-419	-4,817	0	-4,817
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	415	0	0	415	0	415
Total comprehensive income	6,558	262	9,160	-830	-3,916	11,234	-10,072	1,162

EUR thousand	Solutions	Technology	Investments	Operations & Maintenance	Others	Total for segments	Elimination	Cons. financial information
Assets, of which	37,820	6,922	138,989	11,857	111,341	306,929	-157,983	148,645
Intangibles	0	0	0	1,667	0	1,667	0	1,667
PPE – Lands	0	0	4,362	0	0	4,362	0	4,362
PPE – Photovoltaic power plants	0	0	95,173	0	0	95,173	0	95,173
PPE - Equipment	105	27	0	497	362	992	0	992
PPE – Assets in progress	0	0	14,080	6	0	14,085	-7,261	6,824
Right of use-leased asset	0	0	1,682	0	900	2,582	0	2,582
Investments in associates, JV, other	0	0	2,650	0	0	2,650	0	2,650
Other investments	0	0	0	0	1,138	1,138	0	1,138
Long term receivables	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0
Non-current assets	105	27	117,947	2,170	2,400	122,649	-7,261	115,388
Inventories – Goods	346	1,285	290	365	296	2,582	0	2,282
Trade and other receivables	29,323	5,186	10,637	8,965	103,805	157,916	-150,723	7,193
Loans to related parties	0	0	0	0	948	948	0	948
Contracted work in progress	6,148	0	0	0	487	6,635	0	6,635
Prepaid expenses	94	2	155	46	1,058	1,355	0	1,355
Cash and cash equivalents	1,805	422	9,961	311	2,044	14,542	0	14,542
Other S-T financial assets	0	0	0	0	302	302	0	302
Assets held for sale	0	0	0	0	0	0	0	0
Current assets	37,715	6,895	21,043	9,687	108,941	184,281	-150,723	33,257
Liabilities, of which	-29,094	-6,652	-91,045	-17,895	-113,667	-258,353	148,640	-109,714
Bank Loans and other loans	0	0	-43,506	0	0	-43,506	0	-43,506
Other long term liabilities	-17	0	-543	-125	-45,366	-46,052	0	-46,052
Lease liability	0	0	-1,636	0	-682	-2,318	0	-2,318
Deferred tax liabilities	0	0	-9,737	0	0	-9,737	0	-9,737
Trade and other payables	-28,671	-6,652	-35,319	-17,769	-67,660	-156,071	148,640	-7,431
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-406	0	-305	0	41	-670	0	-670
Provisions	0	0	0	0	0	0	0	0

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

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
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

* In 2020 management decided to adjust the segments according the current operational business segmentation and revenue relevance to the Group. Therefore Technology (wholesale, import and export of PV components) was taken out of Energy solutions in a separate segment. Production of Electricity and PV Invest was combined into one segment under Investments. Project development was taken out as well from Energy solutions into Others until it will meet the revenue criteria to be shown in a separate segment (further information see below in chapter 17 Summary of significant accounting policies under Segment reporting).

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.

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 1 January 2020, the Management Board decided to adjust the segments reported.

The Management identified the following segments to be reported:

- **Solutions:** Development, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy),
- **Technology:** Wholesale, import and export of FVE components,
- **Investments:** Investment into photovoltaic power plants and creation of OCI of the Group flowing from the

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.

revaluation of the PV plants according IAS 16 and production of electricity (this segment includes SPE that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity)

- **Operations & Maintenance:** Operations, maintenance and PVPP supervision. This segment includes also the services of Inverter Cardio and Monitoring and Control.
- **Others:** Other, not related to any of the above mentioned segments.

Others include project development, financing and insurance solutions for PV investors, water technology and remediation services and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2019 up to date.

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	
	Q3 2019	Q3 2020	Q3 2019	Q3 2020
EUR exchange rate – low	4.243	4.387	25.434	26.060
EUR exchange rate – high	4.392	4.555	25.919	27.210
EUR exchange rate – average	4.318	4.439	25.734	26.465
EUR exchange rate – end of period	4.378	4.546	25.816	27.210

(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, PLN 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.

Fair value assessment of the all connected and revalued power plants is done by the Company each quarter as of the reporting date. All the key inputs used in the DCF models used for revaluation are reviewed as of this date and if there is any change in those, update in DCF model is done. Cash flows were calculated for the period equal to the duration of the Feed-in-Tariff (period with guaranteed sales prices), which are 20 years in Czech Republic, 15 years in Slovak Republic and up to 25 years in Hungary, and expected production output based on independent external technical advisors evaluations for an individual power plant in a given country. Running cost are planned based on contracted services, generally adjusted by expected inflation rates. Subsequently, the impact of the potential change in the value is assessed by the management of the Company and based on its materiality, it is decided whether the power plant will be revalued or not. The valuation methodology for the revaluation of the power

plants is based on the Levered Free Cash Flow to Equity (FCFE) basis of the power plants (this is the Cash Flow after repayment of bank loans, interest and tax). The discount rates are based on the Capital Asset Pricing Model adjusted by the Miller-Modigliani formula ("CAPMMM"). The CAPMMM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that assets non-diversifiable risk.

Since the power plants in the Czech Republic and Slovakia are connected for almost 10 years and have a proven track record of actual production data and cost incurred, management decided to use instead of the original external technical advisors evaluations the average production data and actual operating cost of the last five years of operation as a basis for the prediction of future revenues and operating cost of the power plants as of the end of the reporting date. For the newer Hungarian portfolio with limited history the external technical advisors evaluations remain in place.

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.

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

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

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).

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.

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.

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).

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.

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

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

Emeline Parry

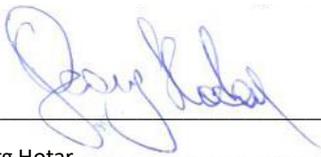
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Amsterdam, 12 November 2020



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Member of the Board of Directors



Michael Gartner
Member of the Board of Director

