

1. Information on the occurrence of trends and events in the market environment of the Issuer, which in the Issuer's opinion may have important consequences in the future for the financial condition and results of the Issuer

1.1 Production results of Photon Energy's power plants in the reporting period

In July the average performance of all power plants in Photon Energy's portfolio came in approximately 1.1% above expectations and the overall performance of the proprietary portfolio exceeded forecasts by 5.9% year-to-date (YTD).

The addition of new Hungarian power plants over the past year (installed capacity of 60.6 MWp as of July 2020 vs 39.2 MWp one year ago) has boosted electricity generation to 46.3 GWh of electricity produced YTD compared to 27.2 GWh one year ago (+70.3%).

When comparing the performance of the subset of power plants in operation in July 2019, i.e. on a like-for-like basis, the total volume of electricity generation YTD increased by 10.6%.

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

1.2 Photon Energy Increases Its Outstanding 7.75% Bond 2017/2022 to EUR 43 Million

At the beginning of the reporting period, the Company announced the successful placement of an additional EUR 5.4 million, increasing the total outstanding volume of our EUR bond to EUR 43.0 million. The new notes were placed through a private placement with institutional investors exclusively. The transaction was managed by Bankhaus Scheich Wertpapierspezialist AG, Frankfurt am Main, acting as the sole global coordinator. The net proceeds will be used to finance the construction of power plants in Hungary and Australia for the Company's proprietary portfolio as well as to strengthen the Group's financial standing. The new notes are traded on the Open Market of the Frankfurt Stock Exchange under the existing ISIN.

1.3 Photon Energy Submits Prospectus to AFM to Move to the Main Markets in Warsaw and Prague

In connection with the Company's intention to move to the main markets of the Warsaw and Prague Stock Exchanges, a securities prospectus has been submitted to the Dutch financial market regulator (AFM) on 8 July 2020. At a later stage, the Company also plans to list its shares on the Quotation Board of the Frankfurt Stock Exchange, which will allow investors in the Eurozone to buy the Company's shares without bearing currency risk.

The prospectus, upon approval by AFM, will be made public and will be available on Photon Energy's website. Changing markets will not involve any offering of new or existing shares. The Company has secured funds to further develop in the upcoming years.

1.4 Reporting on Photon Energy's project pipeline

As of the reporting date, Photon Energy is developing PV projects in Australia (738 MWp), Hungary (42.6 MWp) and is evaluating further markets for opportunities.

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

2. Proprietary PV power plants

The table below represents power plants owned directly or indirectly by Photon Energy N.V. as of the date of the report.

Table 1. Production results in July 2020

Project name	Capacity	Feed-in-Tariff	Prod. 2020 July	Proj. 2020 July	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	333,131	340,923	-2.3%	1,736,445	1,529,962	13.5%	1.4%
Zvíkov I	2,031	CZK 14,821	303,058	298,812	1.4%	1,599,247	1,340,984	19.3%	2.1%
Dolní Dvořiště	1,645	CZK 14,821	227,096	248,578	-8.6%	1,137,215	1,115,550	1.9%	0.1%
Svatoslav	1,231	CZK 14,821	167,152	184,620	-9.5%	823,511	828,518	-0.6%	1.8%
Slavkov	1,159	CZK 14,821	168,430	175,809	-4.2%	925,556	788,982	17.3%	3.9%
Mostkovice SPV 1	210	CZK 14,821	28,981	24,759	17.1%	152,770	122,582	24.6%	1.4%
Mostkovice SPV 3	926	CZK 15,922	130,111	130,370	-0.2%	679,672	591,825	14.8%	1.9%
Zdice I	1,499	CZK 14,821	222,854	219,150	1.7%	1,173,471	972,246	20.7%	0.8%
Zdice II	1,499	CZK 14,821	226,119	219,150	3.2%	1,192,849	972,246	22.7%	1.2%
Radvanice	2,305	CZK 14,821	333,293	337,455	-1.2%	1,733,613	1,514,396	14.5%	1.5%
Břeclav rooftop	137	CZK 14,821	21,447	16,745	28.1%	111,030	83,937	32.3%	18.0%
Total Czech PP	14,996		2,161,672	2,196,371	-1.6%	11,265,379	9,861,228	14.2%	1.7%
Babiná II	999	EUR 425.12	136,576	131,405	3.9%	653,090	631,871	3.4%	6.1%
Babina III	999	EUR 425.12	126,673	131,405	-3.6%	661,222	631,871	4.6%	3.4%
Prša I.	999	EUR 425.12	141,080	130,439	8.2%	681,015	630,435	8.0%	-1.0%
Blatna	700	EUR 425.12	103,261	90,715	13.8%	492,449	467,312	5.4%	4.3%
Mokra Luka 1	963	EUR 382.61	138,912	128,264	8.3%	785,903	644,829	21.9%	3.0%
Mokra Luka 2	963	EUR 382.61	136,176	128,264	6.2%	791,373	644,829	22.7%	2.8%
Jovice 1	979	EUR 382.61	116,053	139,698	-16.9%	587,260	628,041	-6.5%	-3.2%
Jovice 2	979	EUR 382.61	114,976	139,698	-17.7%	585,892	628,041	-6.7%	-3.1%
Brestovec	850	EUR 382.61	140,565	108,790	29.2%	718,227	546,207	31.5%	9.3%
Polianka	999	EUR 382.61	142,898	142,550	0.2%	674,976	643,734	4.9%	7.8%
Myjava	999	EUR 382.61	159,211	133,530	19.2%	795,879	658,277	20.9%	10.8%
Total Slovak PP	10,429		1,456,381	1,404,759	3.7%	7,427,283	6,755,446	9.9%	3.7%
Tiszkécske 1	689	HUF 33,360	107,623	107,763	-0.1%	573,230	556,492	3.0%	4.4%
Tiszkécske 2	689	HUF 33,360	108,077	107,903	0.2%	576,076	559,294	3.0%	4.3%
Tiszkécske 3	689	HUF 33,360	107,328	107,118	0.2%	561,157	547,168	2.6%	5.0%
Tiszkécske 4	689	HUF 33,360	108,125	107,903	0.2%	577,424	559,294	3.2%	4.3%
Tiszkécske 5	689	HUF 33,360	103,785	107,763	-3.7%	567,418	556,492	2.0%	3.0%
Tiszkécske 6	689	HUF 33,360	107,740	107,903	-0.2%	574,598	559,294	2.7%	4.3%
Tiszkécske 7	689	HUF 33,360	107,948	107,729	0.2%	573,640	556,199	3.1%	4.0%
Tiszkécske 8	689	HUF 33,360	107,624	107,611	0.0%	570,966	554,722	2.9%	4.0%
Almásfüzitő 1	695	HUF 33,360	112,531	104,830	7.3%	566,021	552,856	2.4%	23.1%
Almásfüzitő 2	695	HUF 33,360	110,004	104,787	5.0%	554,469	552,520	0.4%	22.3%
Almásfüzitő 3	695	HUF 33,360	108,947	104,619	4.1%	542,527	550,365	-1.4%	20.6%
Almásfüzitő 4	695	HUF 33,360	112,731	104,958	7.4%	571,018	553,909	3.1%	22.3%
Almásfüzitő 5	695	HUF 33,360	113,056	104,675	8.0%	578,121	551,062	4.9%	23.4%
Almásfüzitő 6	660	HUF 33,360	112,725	100,552	12.1%	575,489	530,505	8.5%	23.8%
Almásfüzitő 7	691	HUF 33,360	112,909	104,076	8.5%	574,651	547,962	4.9%	23.1%
Almásfüzitő 8	668	HUF 33,360	113,709	101,635	11.9%	575,435	536,478	7.3%	20.7%
Nagyecsed 1	689	HUF 33,360	105,398	100,174	5.2%	560,424	541,912	3.4%	na
Nagyecsed 2	689	HUF 33,360	105,232	100,174	5.0%	562,050	541,912	3.7%	na
Nagyecsed 3	689	HUF 33,360	105,948	100,360	5.6%	565,018	542,433	4.2%	na
Fertod I	528	HUF 33,360	88,279	76,598	15.2%	468,296	408,357	14.7%	7.8%

Project name	Capacity	Feed-in-Tariff	Prod. 2020 June	Proj. 2020 June	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Fertod II No 2	699	HUF 33,360	110,949	104,672	6.0%	592,905	554,409	6.9%	na
Fertod II No 3	699	HUF 33,360	111,201	104,672	6.2%	593,108	554,409	7.0%	na
Fertod II No 4	699	HUF 33,360	110,506	104,672	5.6%	591,680	554,409	6.7%	na
Fertod II No 5	691	HUF 33,360	110,489	104,733	5.5%	590,186	557,609	5.8%	na
Fertod II No 6	699	HUF 33,360	109,710	104,672	4.8%	587,687	554,409	6.0%	na
Kunszentmárton I No 1	697	HUF 33,360	108,608	112,352	-3.3%	590,952	580,025	1.9%	na
Kunszentmárton I No 2	697	HUF 33,360	108,473	112,358	-3.5%	585,708	580,091	1.0%	na
Kunszentmárton II No 1	693	HUF 33,360	104,652	112,236	-6.8%	218,255	291,500	-25.1%	na
Kunszentmárton II No 2	693	HUF 33,360	109,749	112,236	-2.2%	283,348	291,500	-2.8%	na
Taszár 1	701	HUF 33,360	111,015	110,744	0.2%	595,236	581,403	2.4%	na
Taszár 2	701	HUF 33,360	111,991	110,744	1.1%	597,683	581,403	2.8%	na
Taszár 3	701	HUF 33,360	112,051	110,744	1.2%	593,644	581,403	2.1%	na
Monor 1	688	HUF 33,360	104,660	110,142	-5.0%	566,450	562,687	0.7%	na
Monor 2	696	HUF 33,360	100,334	109,736	-8.6%	570,102	571,061	-0.2%	na
Monor 3	696	HUF 33,360	105,100	109,736	-4.2%	569,483	571,061	-0.3%	na
Monor 4	696	HUF 33,360	105,699	109,736	-3.7%	574,115	571,061	0.5%	na
Monor 5	688	HUF 33,360	105,994	109,641	-3.3%	577,277	560,789	2.9%	na
Monor 6	696	HUF 33,360	106,627	109,736	-2.8%	577,320	571,061	1.1%	na
Monor 7	696	HUF 33,360	109,399	109,736	-0.3%	582,718	571,061	2.0%	na
Monor 8	696	HUF 33,360	106,820	109,736	-2.7%	576,137	571,061	0.9%	na
Tata 1	672	HUF 33,360	132,583	129,907	2.1%	556,206	557,438	-0.2%	na
Tata 2	676	HUF 33,360	107,800	105,837	1.9%	475,792	475,035	0.2%	na
Tata 3	667	HUF 33,360	107,463	104,076	3.3%	495,569	484,972	2.2%	na
Tata 4	672	HUF 33,360	134,158	132,540	1.2%	560,928	569,226	-1.5%	na
Tata 5	672	HUF 33,360	134,246	132,935	1.0%	564,055	573,860	-1.7%	na
Tata 6	672	HUF 33,360	132,672	131,059	1.2%	573,371	581,874	-1.5%	na
Tata 7	672	HUF 33,360	133,058	129,973	2.4%	568,027	576,481	-1.5%	na
Tata 8	672	HUF 33,360	134,261	131,565	2.0%	557,482	565,209	-1.4%	na
Malyi 1	695	HUF 33,360	105,410	106,021	-0.6%	283,639	301,479	-5.9%	na
Malyi 2	695	HUF 33,360	99,256	106,126	-6.5%	278,549	301,771	-7.7%	na
Malyi 3	695	HUF 33,360	105,694	106,126	-0.4%	285,921	301,771	-5.3%	na
Total Hungarian PP	34,981		5,650,344	5,568,328	1.5%	27,481,558	26,960,759	1.9%	210.8%
Symonston	144	AUD 301.60	7,929	8,219	-3.5%	84,278	92,449	-8.8%	-5.5%
Total Australian PP	144		7,929	8,219	-3.5%	84,278	92,449	-8.8%	-5.5%
Total	60,550		9,276,326	9,177,677	1.1%	46,258,497	43,669,882	5.9%	70.3%

Notes:

Capacity: installed capacity of the power plant
 Prod.: production in the reporting month - Proj.: projection in the reporting month
 Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.
 YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.

YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month
 Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2020 / YTD proj. in 2020) - 1
 YTD YOY: (YTD Prod. in 2020 / YTD Prod. in 2019) - 1.

Chart 1.a Total production of the Czech portfolio

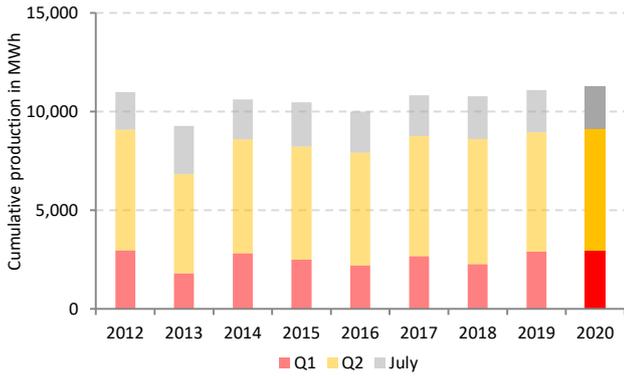


Chart 1.b Total production of the Slovak portfolio

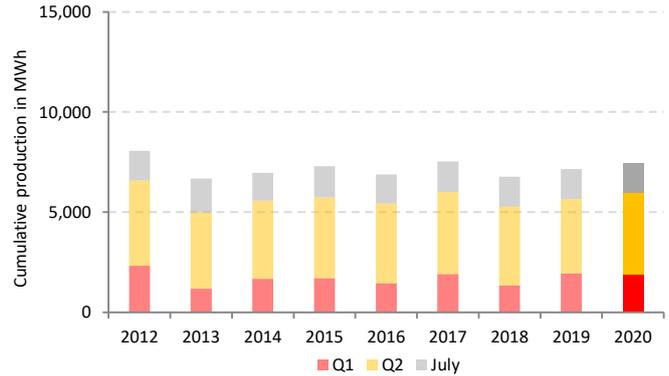


Chart 1.c Total production of Hungarian portfolio

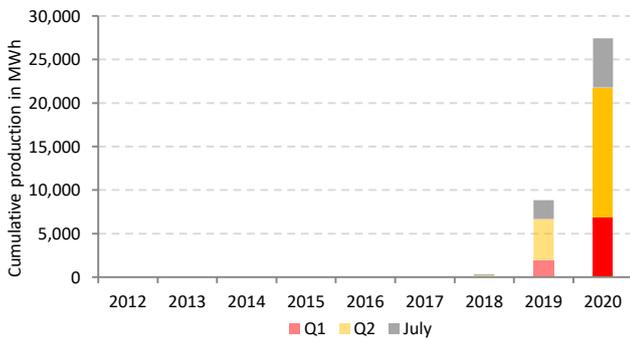


Chart 2. Generation results versus forecast between 1 January 2016 and 31 July 2020

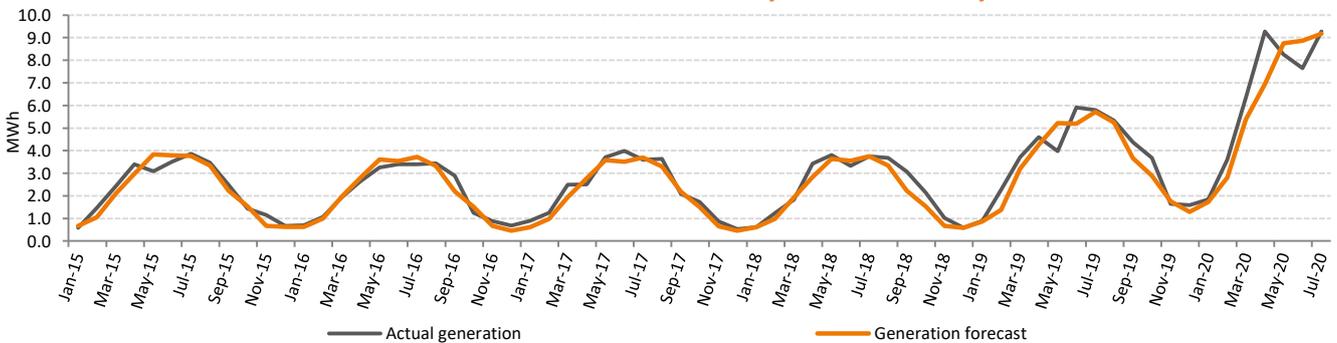
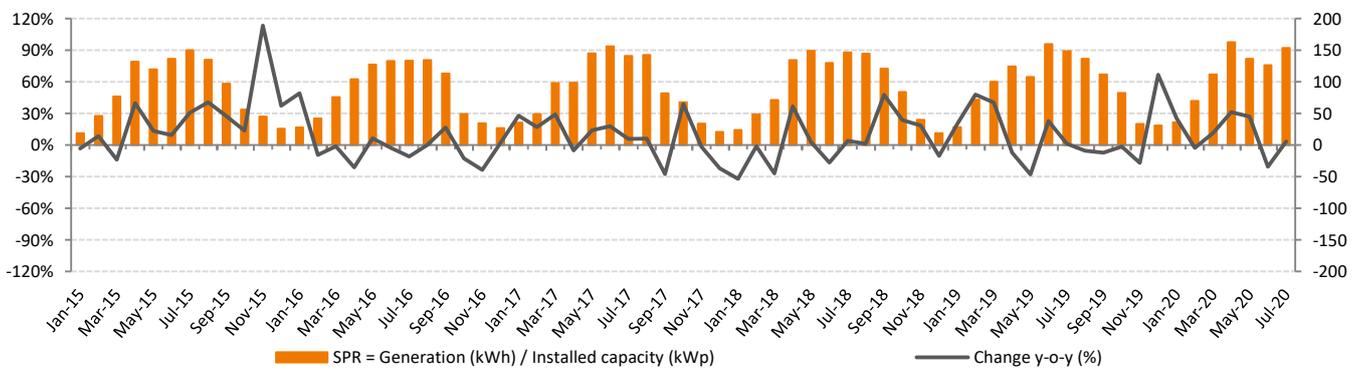


Chart 3. Specific Performance Ratio between 1 January 2016 and 31 July 2020



Specific Performance Ratio is a measure of efficiency which shows the amount of kWh generated per 1 kWp of installed capacity and enables the simple comparison of year-on-year results and seasonal fluctuations during the year.

In July the average performance of all power plants in Photon Energy's portfolio came in approximately 1.1% above expectations and the overall performance of the proprietary portfolio exceeded forecasts by 5.9% year-to-date (YTD).

The best performance was recorded by our Slovak portfolio, which exceeded energy forecasts by 3.7% and then by our Hungarian portfolio, which outperformed the audits by 1.5%. In contrast, the Czech and Australian power plants were short of generation estimates by 1.6% and 3.5%, respectively.

The addition of new Hungarian power plants over the past year (installed capacity of 60.6 MWp as of July 2020 vs 39.2 MWp one year ago) has boosted electricity generation to 46.3 GWh of electricity produced YTD compared to 27.2 GWh one year ago (+70.3%).

When comparing the performance of the subset of power plants in operation in July 2019, i.e. on a like-for-like basis, the total volume of electricity generation YTD increased by 10.6%.

The specific performance ratio of the proprietary portfolio (SPR) reached 153 kWh/kWp compared to 148 kWh/kWp one year ago (+3.0% year-on year).

3. Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (738 MWp) and Hungary (42.6 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of 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 a 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 of 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.

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Püspökladány	Own portfolio	100%	14.1	Contr.-for-Diff. ¹	Secured	Secured	Secured	Under construction
Hungary	Tolna	Own portfolio	100%	28.5	All options open	Ongoing	Secured	Ongoing	Q1 2021
Total Own portfolio Hungary				42.6					
Australia	Leeton	Own portfolio	100%	14.6	Retailer PPA	Secured	Secured	Secured	Under construction
Total Own portfolio Australia				14.6					
Total Own portfolio				57.2					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	Q2 2021
Australia	Carrick	Developer	51%	144		All options open	Secured	Ongoing	Ongoing
Total Development Australia				724					

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.

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

in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

Australia

As of the date of publishing this report, Photon Energy has 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 738 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 now plan to submit the Environmental Impact Studies (EIS) in 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 Q4 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.

- ▶ **Carrick (144 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Essential Energy. In May 2020 an agreement to sell the shares in the project was signed. Closing of the transaction is expected to happen in Q3 2020.

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

Hungary

Below is a short summary of projects in the pipeline (42.6 MWp) and of the progress achieved in the reporting period.

- ▶ 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 97 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:** Our team is now focused on the land preparation. The fencing of the power plant is in progress, inner road works have started mid-July and production cable lines have been installed. The completion of the first two power plants is scheduled for September and in the fourth quarter of 2020 for the remaining eight power plants.

- ▶ **Tolna (28.5 MWp):** The eleven projects with a total planned installed DC capacity of 28.5 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 each of the other nine projects. As the project development has recently accelerated to reach an advanced stage of development, these projects have logically been included to our pipeline. The grid connection point has now been secured and the negotiations for the land 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.

The projects, involving seven fully-owned project companies, will be submitted to the just announced auction process, which will be organized from September to December 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.

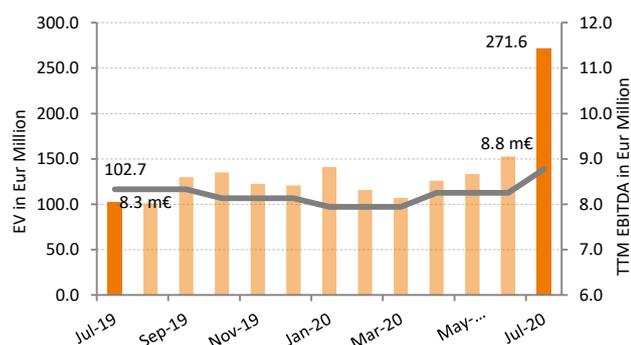
At the date of publication of this report, the current project pipeline in Hungary consists of 21 projects with a total planned capacity of 42.6 MWp. Together with our existing portfolio of 35.0 MWp operating PV power plants, we have secured a 77.6 MWp portfolio in Hungary, which would exceed the Group's target for expansion of its portfolio in Hungary to up to 75MWp until year-end 2021.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 31 July 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 17.00 (+142.9% MoM, +255.6% YTD), corresponding to a price to book ratio of 5.70. The monthly trading volume amounted to 4,259,819 shares (vs. an average monthly volume of 1,129,713 YTD).

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

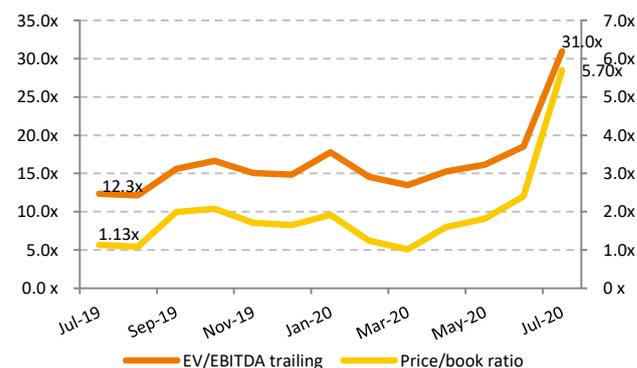


Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.
Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. the sum of EBITDA reported in Q3 2019, Q4 2019, Q1 2020 and Q2 2020.

During the reporting period 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 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the latest quarterly report.

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

Chart 6. Total monthly volumes vs. daily closing stock prices



4.2 Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the New Connect segment of the Warsaw Stock Exchange, the Company's shares have also been traded on the Free Market of the Prague Stock Exchange. No additional shares have been issued, nor any new equity capital raised through this listing. On 31 July 2020 the share price (ISIN NL0010391108) closed at a

level of CZK 99.50 (+99.8% compared to last month, +136.9% YTD and 20.3x the reference price of CZK 4.90 on the first trading day on 17 October 2016), corresponding to a price to book ratio of 5.62x. The Company reports a monthly trading volume of 135,668 shares in July, compared to an average monthly trading volume of 46,373 YTD.

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 Luxemburg. The original target volume of EUR 30 million has been subscribed to in full on 7 September 2018, before the end of the public placement

period originally set until 20 September 2018. The corporate bond (ISIN DE000A19MFH4) with a nominal value of EUR 1,000 has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The Group has successfully increased the bond placement by EUR 7.5 million on 5 August 2019 and by another EUR 5.4 million on 3 July 2020 with all parameters unchanged.

The total outstanding bond volume amounts to EUR 43.0 million as of the end of the reporting period.

5.1 EUR Bond 2017-22 trading performance

EUR Bond 2017-22 trading performance to date

In the trading period from 25 October 2017 until 31 July 2020, the trading volume amounted to EUR 44.646 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) 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 64,147.

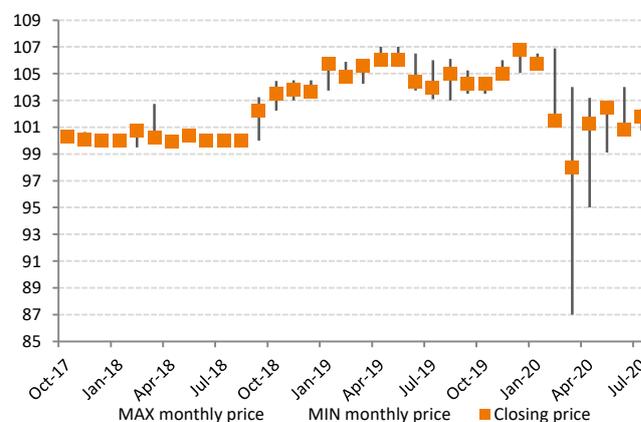
EUR Bond 2017-22 trading performance in July 2020

In July 2020 the trading volume amounted to EUR 1,579,000 with an opening price of 100.85 and a closing price of 101.75 in Frankfurt. The average daily turnover amounted to EUR 68,652.

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



Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 31 July 2020 the trading volume amounted to CZK 14.160 million with a closing price of 100.00.

6. Summary of all information published by the Issuer as current reports for the period covered by the report

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

- ▶ **EBI 13/2020** published on 14 July 2020: Monthly report for June 2020.

After the reporting period the following reports have been published in the EBI (Electronic Database Information) system of the Warsaw Stock Exchange:

- ▶ **EBI 14/2020** published on 12 August 2020: Quarterly report for Q2 2020.

In the period covered by this report the following current reports have been published in the ESPI (Electronic Infor-

mation Transmission System) system of the 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.

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

7. Information how the capital raised in the private placement was used in the calendar month covered by the report. If any of the contributed capital was spent in the given month

Not applicable.

8. Investors' calendar

- ▶ 14 September 2020 Monthly report for August 2020
- ▶ 14 October 2020 Monthly report for September 2020
- ▶ 12 November 2020 Entity and consolidated quarterly reports for Q3 2020
- ▶ 13 November 2020 Monthly report for October 2020
- ▶ 14 December 2020 Monthly report for November 2020

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Amsterdam, 14 August 2020



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors