A large, high-angle photograph of a solar farm, showing rows of solar panels stretching into the distance under a clear sky. The panels are dark and have a grid pattern. The image is partially obscured by a white diagonal shape on the right side.

PHOTON ENERGY N.V.

Consolidated And Entity Financial Reports

Q1 2020

for the period from 1 January to 31 March 2020

CONSOLIDATED AND ENTITY FINANCIAL REPORTS

1. Selected financial results

1.1. Selected financial results for Photon Energy Group, for the period of 1 January to 31 March 2020

in Thousands	EUR		PLN		CZK	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Total revenues	4,198	5,316	18,058	22,986	107,812	136,255
Gross profit	2,609	3,310	11,223	14,312	67,004	84,839
EBITDA	1,079	1,391	4,643	6,014	27,723	35,651
EBIT	93	113	399	487	2,384	2,886
Profit / loss before taxation	-955	-1,846	-4,110	-7,984	-24,537	-47,325
Profit / loss from continuing operations	-1,278	-1,710	-5,498	-7,392	-32,826	-43,818
Total comprehensive income	1,174	-4,325	5,052	-18,702	30,160	-110,861
Non-current assets	88,358	105,905	380,064	481,907	2,279,626	2,893,853
Current assets	20,141	21,151	86,636	96,246	519,642	577,957
Cash and cash equivalents	7,802	9,725	33,559	44,253	201,288	265,742
Total assets	108,499	127,056	466,700	578,152	2,799,268	3,471,802
Total equity	30,940	33,496	133,085	152,417	798,244	915,266
Current liabilities	8,605	10,072	37,016	45,832	222,021	275,220
Non-current liabilities	68,954	83,489	296,600	379,904	1,779,007	2,281,326
Operating cash flow	-1,044	-324	-4,489	-1,402	-26,802	-8,311
Investment cash flow	-1,483	-3,061	-6,377	-13,237	-38,075	-78,467
Financial cash flow	-2,009	-1,993	-8,643	-8,618	-51,600	-51,085
Net change in cash	-4,535	-5,379	-19,509	-23,258	-116,478	-137,864
EUR exchange rate - low	-	-	4.273	4.222	25.535	24.795
EUR exchange rate - average	-	-	4.302	4.324	25.682	25.631
EUR exchange rate - end of period	-	-	4.301	4.550	25.800	27.325
EUR exchange rate - high	-	-	4.344	4.614	25.870	27.810

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Unaudited consolidated revenues of EUR 5.316 million, an increase of 26.6% YoY and an all-time high for a first quarter.
- All-time Q1 record EBITDA of EUR 1.391 million (+ 28.9% YoY).
- EBIT of EUR 0.113 million in Q1 2020 (+21.3% YoY).
- Total comprehensive income of EUR -4.325 million compared to EUR 1.174 million a year earlier, caused by the impact of the COVID-19 pandemic on the currency market, which translated into an unrealized foreign currency translation difference of EUR -4.709 million shown in OCI.
- Excluding this unrealized currency translation impact, Total Comprehensive Income would amount to EUR 0.348 million.
- The adjusted equity ratio¹ remained however at a sound level of 30.1%.

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 Q1 2020, the proprietary portfolio of PV power plants generated approximately 11.7 GWh compared to 6.9 GWh one year ago (+70.9%).
- 5.4 MWp of solar projects for our own portfolio in Tata, Hungary connected to the grid.
- 33 MWp of new O&M contracts added in Q1 2020.

After the reporting period:

- Photon Energy invested in RayGen Resources and won a tender to construct a 3 MWp hybrid solar power plant in Victoria, Australia.
- 3.5 MWp of solar projects for our own portfolio in Mályi and Kunszentmárton, Hungary connected to the grid, growing the proprietary portfolio to 60.6 MWp.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 January to 31 March 2020

in Thousands	EUR		PLN		CZK	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Revenues	564	683	2,427	2,953	14,487	17,505
EBITDA	68	-194	291	-838	1,739	-4,970
EBIT	68	-194	291	-838	1,739	-4,970
Profit / loss before taxation	-499	-758	-2,145	-3,279	-12,806	-19,436
Total comprehensive income	-499	-758	-2,145	-3,279	-12,806	-19,436
Non-current assets	44,172	25,923	190,003	117,959	1,139,637	708,341
Current assets	32,309	56,377	138,976	256,537	833,581	1,540,504
Cash and cash equivalents	1,998	1,594	8,594	7,252	51,550	43,549
Total assets	76,481	82,300	328,979	374,495	1,973,218	2,248,843
Total equity	37,130	36,977	159,714	168,260	957,964	1,010,402
Current liabilities	5,532	4,081	23,796	18,572	142,727	111,526
Non-current liabilities	33,817	41,241	145,461	187,663	872,477	1,126,918
<i>EUR exchange rate – low</i>			4.273	4.222	25.535	24.795
<i>EUR exchange rate – average</i>			4.302	4.324	25.682	25.631
<i>EUR exchange rate - end of period</i>			4.301	4.550	25.800	27.325
<i>EUR exchange rate – high</i>			4.344	4.614	25.870	27.810

Notes:

Exchange rates are provided by the European Central Bank.

All data quoted in this report refer to the current reporting period i.e. from 1 October until 31 December 2019, unless specified otherwise;

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

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

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

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

2. Management discussion and analysis

2.1. A note from the Management Board

Foremost we would like to thank everyone for their hard work that contributed to a very solid start into 2020. The commitment of our teams has been even more observable over the last couple of months as we face the unprecedented challenges related to the COVID-19 pandemic. During this period of uncertainty, we ensured uninterrupted service to our clients and made sensible progress against our key strategic goals. We added eight PV power plants with a total capacity of 5.4 MWp in Tata, Hungary, managed continued growth in the O&M segment and continued growing our business in Australia, where we won another milestone EPC project just after the reporting period.

Financial results

We are glad to report quarterly revenues of EUR 5.316 million, an increase of 26.6% YoY and an all-time high for a first quarter, building on record revenues of EUR 30.154 million posted in 2019. During the first quarter of 2020, our proprietary portfolio generated 11.7 GWh of electricity (+70.9% YoY) driven by the expansion of our proprietary portfolio in Hungary (+20.1 MWp over the past 12 months), and a sound generation output from our existing power plants in the Czech Republic and Slovakia. In addition, the slowdown of Technology trading revenues resulting from the Coronavirus crisis was more than offset by an outstanding growth in revenues from our engineering business (EPC) in Australia and from O&M services in Europe.

Our strong business performance drove an all-time Q1 record EBITDA of EUR 1.391 million (+28.9% YoY), with increased operating expenses - reflecting the Company's expansion plans - absorbed in a timely manner. Depreciation increased by 29.6% as a result of the above mentioned power plants newly connected in Hungary over the past 12 months, leading to an EBIT of EUR 0.113 million in Q1 2020 (+21.3% YoY). Interest costs related to the refinancing of our Hungarian portfolio, combined with an additional placement of our EUR Bond and with a negative revaluation of derivative instruments (unrealized accounting effect with no incidence on cash) resulted in a 99.7% increase in net financial expenses, which carried through to a net loss of EUR -1.710 million in Q1 2020 compared to EUR -1.278 million a year earlier.

Further to the grid-connection of our power plants in Tata, a positive revaluation difference of EUR 2.086 million was recorded in Other Comprehensive Income (OCI) in accordance with IAS 16. The other way round, volatility of the Czech crown (CZK) and of the Hungarian Forint (HUF) at the end of the reporting period generated an unrealized negative foreign currency difference on our balance sheet of EUR -4.709 million shown in OCI. While this currency translation effect is a non cash item, the high volatility in the currency market is one of the numerous challenges brought by the Coronavirus crisis. As a result, we ended the first quarter of 2020 with a Total Comprehensive Income of EUR -4.325 million compared to EUR 1.174 million a year earlier. Excluding this unrealized

currency translation effect, Total Comprehensive Income would have amounted to EUR 0.348 million. The adjusted equity ratio remained, however, at a sound level of 30.1%.

To sum up, we have successfully navigated an unusual quarter. With regards to the COVID-19 pandemic, we believe that our strong core of diversified and recurring revenues reduce the potential negative impact on our business and represents a solid foundation to weather the difficult times ahead.

Other key highlights of this first quarter:

Outstanding Production of Photon Energy's power plants

The addition of new Hungarian power plants over the past 12 months (installed capacity of 57.1 MWp as of the end of March 2020 vs. 37.0 MWp one year ago) has boosted electricity generation to 11.7 GWh compared to 6.9 GWh one year ago (+70.9%). When compared to the performance of the subset of power plants in operation in March 2019, i.e. on a like-for-like basis, the total volume of electricity generation increased by 10.6%.

5.4 MWp of solar projects for our own portfolio connected in Tata, Hungary.

In March, we successfully connected eight power plants to the grid of E.ON Észak-dunántúli Áramhálózati Zrt., which are expected to generate around 7.4 GWh of electricity per year. The power plants are operated through five fully-owned project companies that own eight KÁT licenses. Following the revaluation of the Group's proprietary portfolio according to IAS 16, EUR 2.086 million have been recorded in Other Comprehensive Income in Q1 2020. The long term financing for these projects has been secured with K&H Bank for a period of 15 years. At the date of publication of this report, five additional power plants with an installed capacity of 3.5 MWp have been successfully built and grid-connected in the municipalities of Mályi and Kunszentmárton in Hungary. These latest additions expand the Group's installed base in Hungary to 35.0 MWp and its total proprietary portfolio of PV power plants to 60.6 MWp.

33.1 MWp of new O&M contracts added in Q1 2020

The first quarter of 2020 was as well prosperous in terms of growing our customer base for Operations & Maintenance of solar power plants. In January 2020 Photon Energy Operations signed an agreement for the provision of operations and maintenance services for a 17.6 MWp PV power plant located in Hungary. With this latest addition, Photon Energy Group is currently providing O&M services to 77.1 MWp of PV power plants in Hungary, reinforcing its position in its second largest O&M market after the Czech Republic. In total, 33.1 MWp of PV capacity have been added in Q1 2020, bringing the Company's O&M services portfolio to 308.6 MWp worldwide.

Photon Energy invests in RayGen Resources and wins tender for a 3 MWp hybrid solar power plant in Victoria, Australia

The last quarter has also been an exciting time in Australia, where we have had some strong accomplishments during the quarter. In early April 2020, Photon Energy entered into a strategic partnership with the Melbourne-based technology company RayGen Resources to develop global renewable energy projects suitable for the roll-out of RayGen's unique solar power and electricity storage technology. Photon Energy will act as a project developer, EPC contractor and – where suitable – as a project equity investor. As part of the partnership Photon Energy has also become a minority shareholder of RayGen Resources.

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.

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.

At the same time, Photon Energy won a tender for the design and construction of a 3 MWp solar power plant in the city of Wodonga in Victoria, Australia. The off-grid-capable PV power plant will supply a wastewater treatment facility operated by the regional water utility, North East Water. The AUD 7.3 million (EUR 4.1 million, PLN 18.7 million) project represents another milestone for Photon Energy as an EPC contractor for complex off-grid-enabled solar-based energy systems in the Australian market.

- Photon Energy's power plant control and monitoring solutions are planned to be offered as a standalone product.
- The Australian and Hungarian markets are our focus for the expansion of PV generation capacity. Other potential markets in Central 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.

2.4. 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 31 March 2020, consisting of 69 power

plants in the Czech Republic, Slovakia, Hungary and Australia with a total installed capacity of 57.1 MWp. More information on the Group structure can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 31 March 2020

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 ¹	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec.09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec.10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec.10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec.10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec.10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec.10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun.11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun.11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun.11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun.11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun.11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun.11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun.11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb.13
24	Tizakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
25	Tizakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
26	Tizakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
27	Tizakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
28	Tizakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
29	Tizakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
30	Tizakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
31	Tizakécske 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
46	Fertőd II No 4	Alfemo Alpha Kft.	HU	699	100%	699	Nov-19

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata	Completed
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	Taszár 1	Optisolar Kft.	HU	701	100%	701	Dec-19
52	Taszár 2	Optisolar Kft.	HU	701	100%	701	Dec-19
53	Taszár 3	Optisolar Kft.	HU	701	100%	701	Dec-19
54	Monor 1	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
55	Monor 2	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
56	Monor 3	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
57	Monor 4	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
58	Monor 5	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
59	Monor 6	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
60	Monor 7	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
61	Monor 8	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
62	Tata 1	Tataimmo Kft.	HU	672	100%	696	Mar-20
63	Tata 2	ALFEMO Beta Kft.	HU	676	100%	696	Mar-20
64	Tata 3	ALFEMO Gamma Kft.	HU	667	100%	696	Feb-20
65	Tata 4	Tataimmo Kft.	HU	672	100%	696	Mar-20
66	Tata 5	Öreghal Kft.	HU	672	100%	696	Mar-20
67	Tata 6	Tataimmo Kft.	HU	672	100%	696	Feb-20
68	Tata 7	European Sport Contact Kft.	HU	672	100%	696	Feb-20
69	Tata 8	Tataimmo Kft.	HU	672	100%	696	Mar-20
Total				57,079			

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 Q1 2020 amounted to 11.7 GWh, which was 19.1% above energy forecasts

and 70.9% higher YOY on a cumulative YTD basis. 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 January and 31 March 2020

Project name Unit	Capacity kWp	Feed-in-Tariff per MWh, in 2019	Prod. Q1 2020 kWh	Proj. Q1 2020 kWh	Perf. %	Prod. Q1 2019 kWh	Var. YoY %
Komorovice	2,354	CZK 14,821	449,217	291,974	53.9%	428,694	4.8%
Zvíkov I	2,031	CZK 14,821	440,157	255,910	72.0%	448,024	-1.8%
Dolní Dvořiště	1,645	CZK 14,821	303,313	212,889	42.5%	292,993	3.5%
Svatoslav	1,231	CZK 14,821	206,390	158,112	30.5%	200,831	2.8%
Slavkov	1,159	CZK 14,821	250,074	150,567	66.1%	241,498	3.6%
Mostkovice SPV 1	210	CZK 14,821	40,350	31,300	28.9%	39,809	1.4%
Mostkovice SPV 3*	926	CZK 15,922	176,286	117,675	49.8%	173,729	1.5%
Zdice I	1,499	CZK 14,821	304,067	187,686	62.0%	298,168	2.0%
Zdice II	1,499	CZK 14,821	313,815	187,686	67.2%	301,033	4.2%
Radvanice	2,305	CZK 14,821	438,913	289,004	51.9%	441,277	-0.5%
Břeclav rooftop	137	CZK 14,821	29,837	22,168	34.6%	28,897	3.3%
Total Czech PP	14,996		2,952,418	1,904,971	55.0%	2,894,954	2.0%
Babiná II	999	EUR 425.12	154,912	137,633	12.6%	156,542	-1.0%
Babina III	999	EUR 425.12	160,892	137,633	16.9%	163,435	-1.6%
Prša I.	999	EUR 425.12	162,671	137,964	17.9%	177,006	-8.1%
Blatna	700	EUR 425.12	116,261	114,408	1.6%	115,257	0.9%
Mokra Luka 1	963	EUR 382.61	226,183	159,857	41.5%	245,801	-8.0%
Mokra Luka 2	963	EUR 382.61	233,878	159,857	46.3%	254,516	-8.1%
Jovice 1	979	EUR 382.61	143,934	120,606	19.3%	164,131	-12.3%
Jovice 2	979	EUR 382.61	143,100	120,606	18.7%	163,411	-12.4%
Brestovec	850	EUR 382.61	196,208	135,361	45.0%	182,760	7.4%
Polianka	999	EUR 382.61	162,963	123,068	32.4%	147,540	10.5%
Myjava	999	EUR 382.61	205,522	155,900	31.8%	181,233	13.4%
Total Slovak PP	10,429		1,906,524	1,502,894	26.9%	1,951,632	-2.3%
Tiszakécske 1	689	HUF 33,360	162,271	153,273	5.9%	161,000	0.8%
Tiszakécske 2	689	HUF 33,360	164,029	155,524	5.5%	162,597	0.9%
Tiszakécske 3	689	HUF 33,360	153,519	146,585	4.7%	148,864	3.1%
Tiszakécske 4	689	HUF 33,360	165,163	155,524	6.2%	163,368	1.1%
Tiszakécske 5	689	HUF 33,360	162,260	153,273	5.9%	161,376	0.5%
Tiszakécske 6	689	HUF 33,360	163,369	155,524	5.0%	162,114	0.8%
Tiszakécske 7	689	HUF 33,360	162,830	153,111	6.3%	162,586	0.1%
Tiszakécske 8	689	HUF 33,360	161,335	152,089	6.1%	160,456	0.5%
Almásfüzitő 1	695	HUF 33,360	156,486	153,425	2.0%	69,103	126.5%
Almásfüzitő 2	695	HUF 33,360	152,499	153,252	-0.5%	67,968	124.4%
Almásfüzitő 3	695	HUF 33,360	146,492	151,734	-3.5%	67,651	116.5%
Almásfüzitő 4	695	HUF 33,360	159,512	153,987	3.6%	70,150	127.4%
Almásfüzitő 5	695	HUF 33,360	165,315	152,221	8.6%	70,368	134.9%
Almásfüzitő 6	660	HUF 33,360	162,996	146,460	11.3%	69,867	133.3%
Almásfüzitő 7	691	HUF 33,360	162,197	151,270	7.2%	70,070	131.5%
Almásfüzitő 8	668	HUF 33,360	160,349	148,499	8.0%	77,627	106.6%
Nagyecsed 1	689	HUF 33,360	153,187	147,777	3.7%	0	na
Nagyecsed 2	689	HUF 33,360	155,188	147,777	5.0%	0	na
Nagyecsed 3	689	HUF 33,360	156,397	147,576	6.0%	0	na

Project name	Capacity	Feed-in-Tariff	Prod. Q1 2020	Proj. Q1 2020	Perf.	Prod. Q1 2019	Var. YoY
Unit	kWp	per MWh, in 2019	kWh	kWh	%	kWh	%
Fertod I	528	HUF 33,360	128,217	111,478	15.0%	121,488	5.5%
Fertod II No 2	699	HUF 33,360	166,499	151,551	9.9%	0	na
Fertod II No 3	699	HUF 33,360	166,023	151,551	9.5%	0	na
Fertod II No 4	699	HUF 33,360	166,682	151,551	10.0%	0	na
Fertod II No 5	691	HUF 33,360	165,773	153,929	7.7%	0	na
Fertod II No 6	699	HUF 33,360	165,217	151,551	9.0%	0	na
Ventiterra I No 1	697	HUF 33,360	170,349	158,902	7.2%	0	na
Ventiterra I No 2	697	HUF 33,360	167,073	158,946	5.1%	0	na
Taszár 1	701	HUF 33,360	176,819	164,276	7.6%	0	na
Taszár 2	701	HUF 33,360	177,166	164,276	7.8%	0	na
Taszár 3	701	HUF 33,360	177,833	164,276	8.3%	0	na
Monor 1	688	HUF 33,360	163,946	152,102	7.8%	0	na
Monor 2	696	HUF 33,360	165,503	156,946	5.5%	0	na
Monor 3	696	HUF 33,360	162,758	156,946	3.7%	0	na
Monor 4	696	HUF 33,360	164,798	156,946	5.0%	0	na
Monor 5	688	HUF 33,360	165,668	153,437	8.0%	0	na
Monor 6	696	HUF 33,360	165,861	156,946	5.7%	0	na
Monor 7	696	HUF 33,360	165,289	156,946	5.3%	0	na
Monor 8	696	HUF 33,360	164,123	156,946	4.6%	0	na
Tata 1	672	HUF 33,360	83,782	72,708	15.2%	0	na
Tata 2	676	HUF 33,360	84,386	70,202	20.2%	0	na
Tata 3	667	HUF 33,360	84,276	69,087	22.0%	0	na
Tata 4	672	HUF 33,360	82,672	74,480	11.0%	0	na
Tata 5	672	HUF 33,360	84,418	74,723	13.0%	0	na
Tata 6	672	HUF 33,360	83,538	73,583	13.5%	0	na
Tata 7	672	HUF 33,360	79,363	72,760	9.1%	0	na
Tata 8	672	HUF 33,360	81,328	73,911	10.0%	0	na
Total Hungarian PP	31,510		6,834,755	6,389,843	7.0%	1,966,651	247.5%
Symonston	144	AUD 301.60	47,461	57,090	-16.9%	55,231	-14.1%
Total Australian PP	144		47,461	57,090	-16.9%	55,231	-14.1%
Total	57,079		11,741,157	9,854,799	19.1%	6,868,468	70.9%

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

Chart 1.a Total production of the Czech portfolio

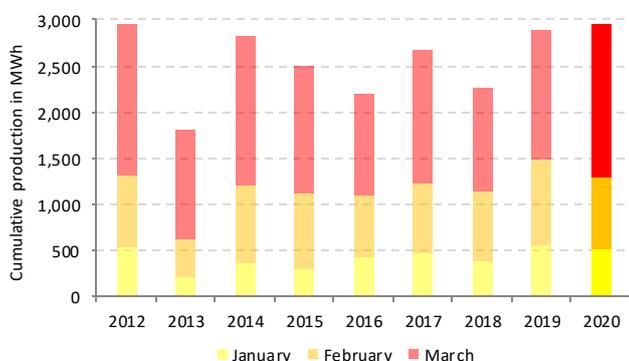
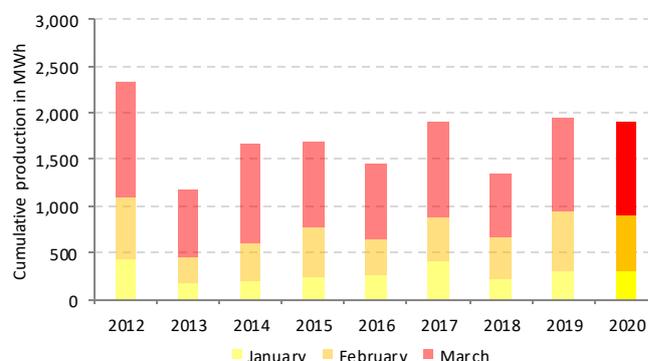


Chart 1.b Total production of the Slovak portfolio



O&M services

Photon Energy remained focused on further expanding its Operations & Maintenance business in Europe. As of the end of Q1 2020, full O&M services contracts amounted to approximately 248.3 MWp, up by 42.4% YOY. This can be broken down geographically into 133.9 MWp operated in the Czech Republic, 77.1 MWp in Hungary, 15.9 MWp in Slovakia, 15.0 MWp in Romania, 4.5 MWp in Australia and 2.0 MWp in Slovenia. In Q1 2020 Photon Energy acquired 29.5 MWp of full O&M contracts in Hungary (of which 5.3 MWp are the proprietary power plants connected in Tata) and 3.6 MWp in the Czech Republic. The O&M portfolio divides into 57.1 MWp of PV capacity from the proprietary portfolio and 191.2 MWp serviced for external clients.

2.5. Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (738 MWp) and Hungary (17.7 MWp, of which 3.5 MWp have been successfully commissioned after the reporting period) 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

As far as the "Inverter Cardio" services contracts are concerned, the Group is servicing 60.3 MWp of central inverters and there were no new additions in the reporting period. In detail, at the end of Q1 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) 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.

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	Mályi	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	Grid-connected
Hungary	Püspökladány	Own portfolio	100%	14.2	Contr.-for-Diff. ¹	Secured	Secured	Secured	Q 2020
Hungary	Kunszentmárton II	Own portfolio	100%	1.4	Contr.-for-Diff. ¹	Secured	Secured	Secured	Grid-connected
Total Own portfolio Hungary				17.7					
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	Q2 2020
Total Own portfolio Australia				14.0					
Total Own portfolio				31.7					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q3 2020
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Secured	Q3 2020
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	Q3 2020
Australia	Carrick ²	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.*

² *For the Carrick project an agreement to sell the shares in the project was signed after the reporting period. However closing of the transaction is expected to happen during the course of Q2 2020.*

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's old 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. This transaction was concluded and settled in Q3 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. This transaction was concluded in Q3 2019 and settled in Q4 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) in Q2 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, a 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 May 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 MWp):** In response to tightening the grid connection standards, a revised system size of 2 times 5 MW AC each (7 MWp DC in total) has been re-designed for single axis tracking and is now being proposed to Transgrid. Consequently, the changes had to be incorporated into EIS and submitted to the local council for review and approval, which was granted in February 2019. The grid connection specifications have also been finalized. Currently we are in the process of negotiating with potential parties conditions of Power Purchase Agreements and long-term project financing. Once this is secured we will start construction works.
- ▶ **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. After the reporting period an agreement to sell the shares in the project was signed after. However closing of the transaction is expected to happen during the course of Q2 2020.

Glossary of terms	Definitions
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 (17.7 MWp of which 3.5 MWp have been successfully commissioned after the reporting period) and the progress achieved in the reporting period.

- Mályi (2.1 MWp):** After the reporting period, Photon Energy completed and grid-connected three photovoltaic power plants with a total installed capacity of 2.1 MWp in the municipality of Mályi, Hungary.

The three power plants are connected to the grid of ÉMÁSZ Hálózati Kft. and are expected to generate around 2.5 GWh of electricity per year.

The Group owns and operates the power plants through three wholly owned project companies that own one KÁT license each. The licenses entitle each power plant to a feed-in tariff of 33,360 HUF per MWh (approx. EUR 95 per MWh) over a period of 25 years with a maximum approved and supported production of approximately 16,500 MWh per license. Total annual revenues of all three power plants are expected to amount to EUR 240,000.

Following the revaluation of the Group's proprietary portfolio according to IAS 16, approximately EUR 0.5 million will be recorded as the Group's Other Comprehensive Income in the Q2 2020 Consolidated Income Statement.



Construction status: Connected to the grid on 6 May 2020.

- Kunszentmárton II (1.4 MWp):** After the reporting period, Photon Energy completed and grid-connected two photovoltaic power plants with a total installed capacity of 1.4 MWp in the municipality of Kunszentmárton, Hungary.

The two power plants are connected to the grid of E.ON Tiszántúli Áramhálózati Zrt. and are expected to generate around 1.7 GWh of electricity per year.

The Group owns and operates the power plants through two wholly owned project companies that own one KÁT-METÁR license each. The licenses entitle each power plant to a feed-in tariff of 33,360 HUF per MWh (approx. EUR 95 per MWh) over a period of 17 years and 4 months with a maximum approved and supported production of 13,832 MWh per license. Total annual revenues of those two power plants are expected to amount to EUR 165,000.

Following the revaluation of the Group's proprietary portfolio according to IAS 16, approximately EUR 0.3 million will be recorded as the Group's Other Comprehensive Income in the Q2 2020 Consolidated Income Statement.



Construction status: Connected to the grid on 8 May 2020.

- ▶ **Püspökladány (14.2 MWp):** In May 2019 Photon Energy acquired ten additional PV projects with a total planned installed DC capacity of 14.2 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involves the acquisition of four project companies, owning ten METÁR licenses in total entitling them to a feed-in-tariff (in the form of electricity sales on the energy spot market plus a contract-for-difference) of HUF 33,360 per MWh (approx. EUR 95 per MWh) over a period of 17 years and 11 months for five of the ten projects, with a maximum approved and supported production of 34,913 MWh for each license, and 15 years and 5 months for the remaining five projects, with a maximum approved and supported production of 29,955 MWh for each license.

The construction permits are now available with discussions ongoing to finalize the grid connection agreements. The acquired PV projects are expected to be ready-to-build in Q2 2020.

At the date of publication of this report, the current project pipeline in Hungary consists of 10 projects with a total planned capacity of 14.2 MWp. Together with our existing portfolio of 35.0 MWp operating PV power plants, we have secured a 49.2 MWp portfolio in Hungary. The Group's updated target assumes the expansion of our portfolio pipeline in Hungary up to 75MWp until year-end 2021, across the support schemes of KÁT, KÁT-METÁR and METÁR licenses.

2.6. Enterprise Value & Share Price performance

2.6.1. NewConnect (Warsaw Stock Exchange)

On 31 March 2020 the share price (ISIN NL0010391108) closed at a price of PLN 3.40 (-28.9% YTD), corresponding to a price to book ratio of 1.06. The Company also reports average monthly trading volume of 630,236 shares in Q1 2020, compared to an average monthly trading volume of 69,542 shares in Q1 2019 and to an average of 338,777 during the past twelve months.

The share price, certainly negatively affected by the rising uncertainty caused by the COVID-19 outbreak, is progressively recovering after hitting a bottom price of PLN 2.92 on 13 March 2020 (closing price of PLN 5.50 as of 12 May 2020).

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



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

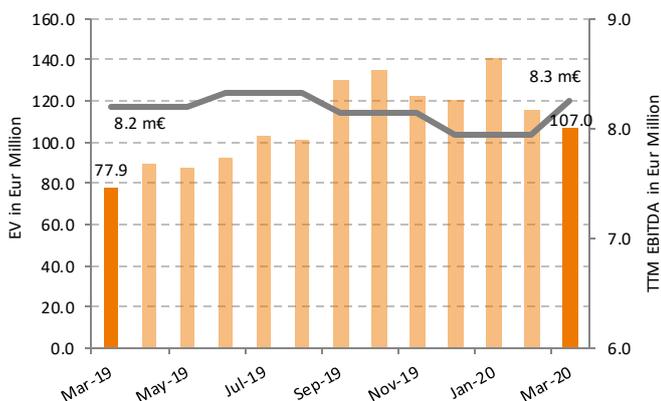
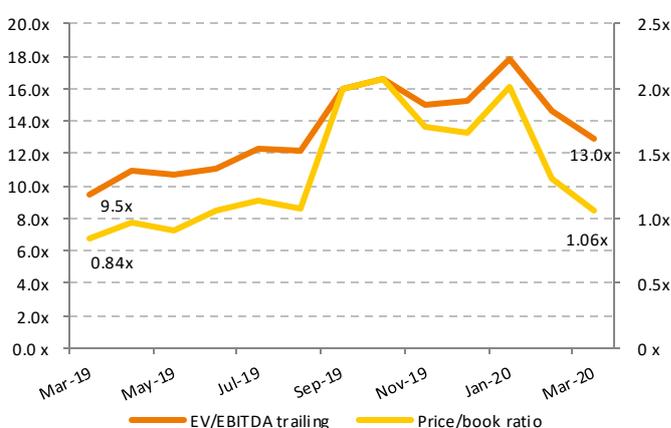


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.

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. Q2 2019, Q3 2019, Q4 2019 & Q1 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 latest quarterly report.

2.6.2. Free Market (Prague Stock Exchange)

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

2.7. Bond trading performance

In December 2016 the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payment 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

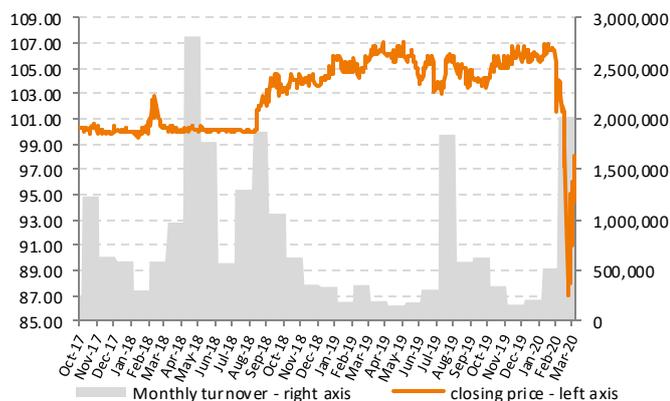
On 31 March 2020 the share price (ISIN NL0010391108) closed at a level of CZK 29.00 (-31.0% YTD, +491.8% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 1.51x. The Company reports an average monthly trading volume of 28,881 shares in Q1 2020 compared to 32,430 shares in Q1 2019 and to an average of 19,321 during the past twelve months.

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. On 5 August 2019 the Company placed an additional EUR 7.5 million. All other parameters remain unchanged.

The total outstanding bond volume amounts to EUR 37.6 million as of the end of the reporting period.

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

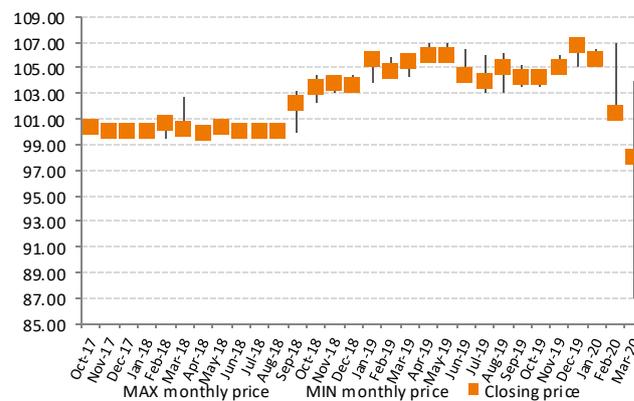


In the trading period from 25 October 2017 until 31 March 2020, the trading volume amounted to EUR 40.398 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 98.00 in Frankfurt. During this period the average daily turnover amounted to EUR 66,118.

2.7.2. CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 31 March 2020 the trading volume amounted to CZK 10.500 million with a closing price of 100.00.

Chart 8. MIN, MAX and closing monthly prices



In Q1 2020, the trading volume amounted to EUR 3,833,000 with an opening price of 106.75 and a closing price of 98.00 in Frankfurt. The average daily turnover in Q1 2020 amounted to EUR 59,891.

2.8. Financial statement analysis

Profit and Loss statement

Unaudited consolidated revenues increased by an impressive 26.6% YoY to EUR 5.316 million. An all-time record for a first quarter, partly attributable to a strong electricity generation (+70.9% YOY) driven by the expansion of our proprietary portfolio in Hungary (+20.1 MWp over the past 12 months), and by a sound generation output from the existing power plants in the Czech Republic and Slovakia.

In addition we could record an outstanding growth in revenues from our engineering business (EPC) in Australia and from O&M services in Europe, which was partly offset by the slowdown of Technology trading revenues resulting from the Coronavirus crisis.

Gross profit increased consistently from EUR 2.609 million to EUR 3.310 million in Q1 2020 (+26.9% YOY).

This strong business performance drove an all-time EBITDA record of EUR 1.391 million in Q1 2020 (+ 28.9% YoY), with increased operating expenses - reflecting the Company's expansion - absorbed in a timely manner. Depreciation increased as a result of the above mentioned newly connected power plants in Hungary, leading to an EBIT of EUR 0.113 million in Q1 2020 (+21.3% YoY).

Overall net financial expenses increased by 99.7% to EUR -1.792 million in Q1 2020. This development is connected to the refinancing of our Hungarian portfolio and additional EUR 7.5

million placement of four EUR Bond in 2019. Aside from that, the position was affected by a negative revaluation of derivative instruments in accounting, which is an unrealized cost with no incidence on cash.

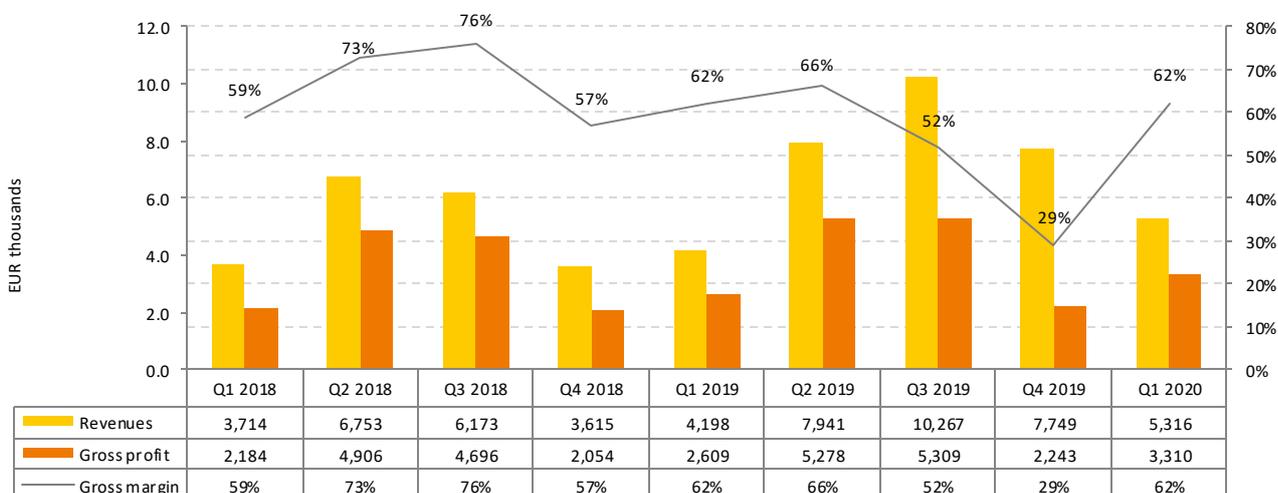
As a result, the Group recorded a consolidated net loss of EUR -1.710 million in Q1 2020 compared to EUR -1.278 million a year earlier.

Further to the grid-connection of our power plants in Tata, a positive revaluation difference of EUR 2.086 million was recorded in Other Comprehensive Income (OCI) in accordance with IAS 16. The other way round, volatility of the Czech crown (CZK) and of the Hungarian Forint (HUF) at the end of the reporting period generated an unrealized negative foreign currency difference on our balance sheet of EUR -4.709 million recognized in OCI. While this currency translation effect is a non cash item, the high volatility in the currency market is one of the numerous challenges brought by the Coronavirus crisis. As a result, we ended the first quarter of 2020 with a Total comprehensive income of EUR -4.325 million compared to EUR 1.174 million a year earlier.

Excluding this unrealized currency translation impact, Total Comprehensive Income would amount to EUR 0.348 million.

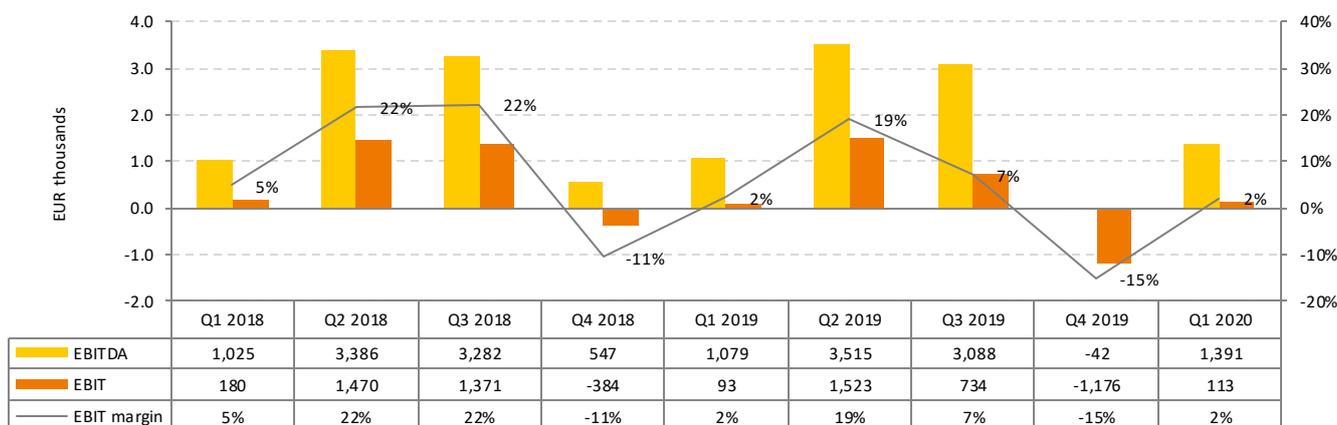
The adjusted equity ratio remained at a sound level of 30.1%.

Chart 9. Revenues, gross profit and gross margin



The numbers presented above are based on published quarterly figures.

Chart 10. EBITDA, EBIT and EBIT margin development



The numbers presented above are based on published quarterly figures.

Balance Sheet

Total fixed assets amounted to EUR 105.905 million at the end of Q1 2020, and decreased by EUR 0.572 million compared to Q4 2019 (-0.5% QoQ). This slight decrease is resulting from an increase of our asset base with the newly connected power plants in Hungary, which was mainly offset by the negative currency translation effect of the Czech crown and of the Hungarian Forint on our asset base detailed in the Profit & Loss analysis and by the ongoing depreciation of our portfolio power plants.

Current assets decreased by EUR 10.634 million, from EUR 31.786 million in Q4 2019 to EUR 21.151 million as of the end of Q1 2020. This development was due in part to a decrease in Work in Progress incurred by the completion and grid-connection of our power plants in Tata, Hungary, to the seasonality of our activity, where electricity

generation from our proprietary portfolio is traditionally lower in Q1 and to the release of withheld revenues connected to SPV 11 (please refer to the Subsequent events described in our annual report 2019 for more details).

Current liabilities amounted to EUR 10.072 million at the end of Q1 2020 compared to EUR 12.348 million three months earlier, mainly due to decrease in trade and other payables.

Long term liabilities decreased by EUR 4.584 million to EUR 83.489 in Q1 2020, partly due to bank loan repayment in accordance with project financing plans, but to a larger extent because of the translation of balances based on the weakened Czech Crown and Hungarian Forint in comparison to the Euro.

Chart 11. Net current assets

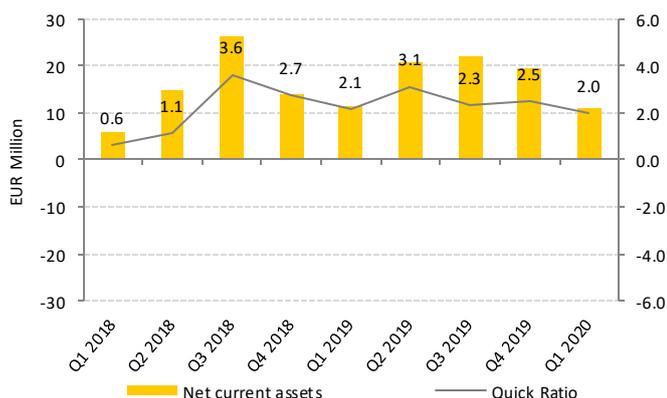
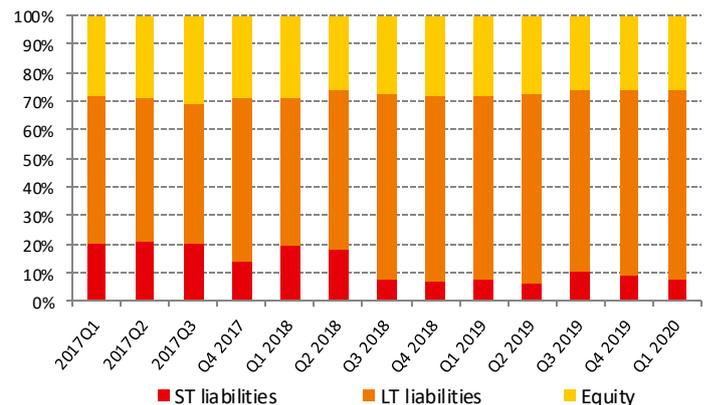


Chart 12. Break down of liabilities and equity



Changes in equity

Equity decreased by EUR 4.348 million and amounted to EUR 33.495 million in Q1 2020, reflecting the negative currency translation effect described in the Profit & Loss analysis. The adjusted equity ratio remained at a sound level of 30.1%.

Cash Flow

In Q1 2020, the Group posted a negative operating cash flow, which amounted to EUR -1.175 million, compared to EUR -1.044 in Q1 2019, driven primarily by the decrease in the net working capital.

Financial cash flow was stable compared to last year's first quarter, and amounted to EUR -1.993 million (-0.8% YoY) and comprised

bank loans repayment and interest expenses. Refinancing drawdowns for our power plants in Tata and Taszar occurred after the reporting period in accordance with the financing secured in Q4 2019.

Investment cash flow was negative and equalled to EUR -2.210 million in the reporting period, mainly as a result of project

development and investment activities in Hungary.

Overall, the cash position decreased by EUR 5.379 million in Q1 2020 but still remained sound at the level of EUR 9.725 million at the end of the reporting period, compared to EUR 15.104 million at the end of Q4 2019.

2.9. Financial forecasts

The Company does not publish financial forecasts.

3. General information about the Issuer

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

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

4. Share capital of the Issuer

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

Share capital as of 31 March 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	-	-	<u>60,000,000</u>	<u>600,000</u>	cash
Total number of shares				60,000,000		
Total share capital					600,000	
Nominal value per share = EUR 0.01						

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

5. Shareholder structure

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

Shareholdership as of 31.03.2020	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Future Cooperatief U.A.	22,266,166	37.11%	22,266,166	43.50%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.72%
Photon Energy N.V.	8,813,264	14.69%	0	0.00%
Free float	8,077,195	13.46%	8,077,195	15.78%
Total	60,000,000	100.00%	51,186,736	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 31 March 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, the Issuer has the intention to appoint an independent Supervisory Board in the future.

7. Description of the Issuer's business

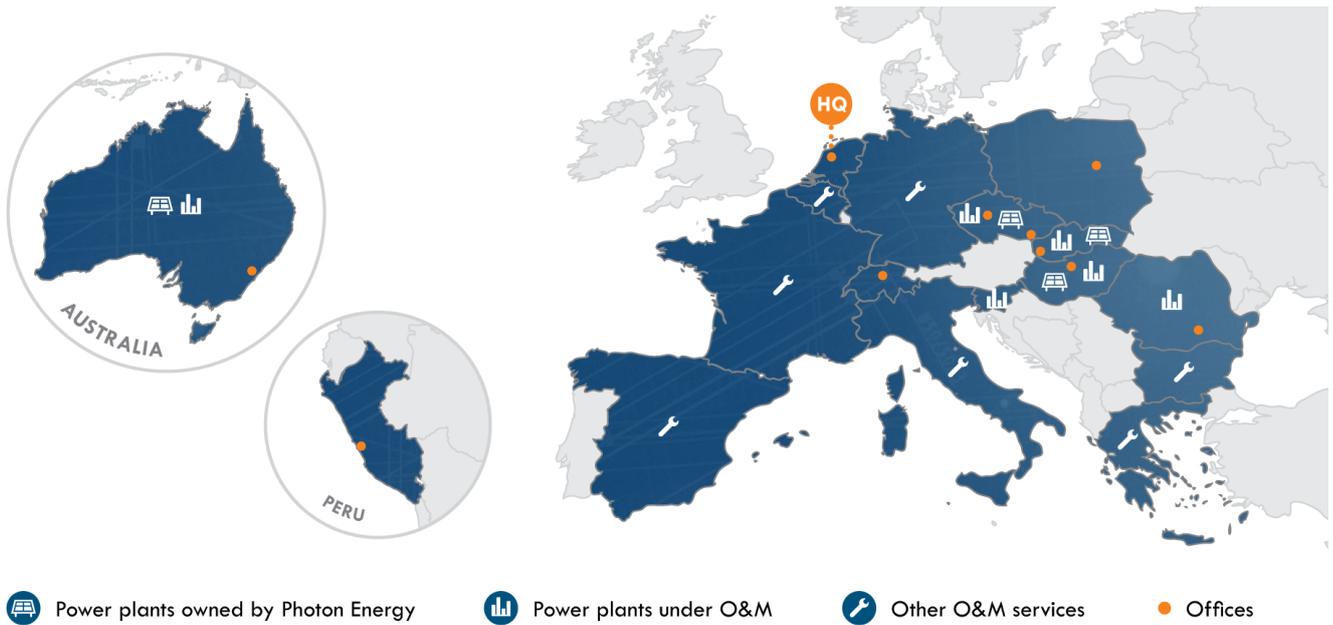
Photon Energy NV ("Photon Energy", "PENV", "Issuer" or "Company") is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group" or "PE Group") offers comprehensive solutions and maintenance services for photovoltaic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

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

- **Projects:** Project development for rooftop and green-field installations from 300 kW to 300 MW.

- **Solutions:** Design and construction of on-grid and off-grid installations, including battery storage solutions,
- **Technology:** Trading of PV-components (modules and inverters).
- **Investments:** Investments in PV power plants and sustainable production and sale of electricity.
- **Operations:** Operations and maintenance of PV power plants, including a proprietary control room and monitoring platform.

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



Country-specific references

Currently Photon Energy is active with 118 professionals in six countries across two continents (headquartered in Amsterdam), with a track record of building more than 80 MWp of grid-connected PV plants across five countries, a proprietary portfolio of

57.1 MWp of PV plants (60.6 MWp at the publication date of this report) and more than 300 MWp of PV power plants under O&M management across two continents.

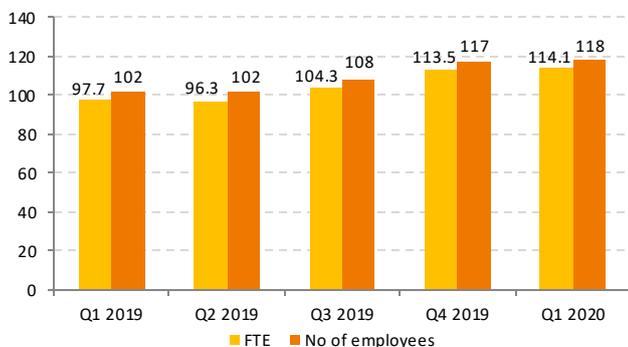
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of Q1 2020, Photon Energy had 118 employees (compared to 102 employees in Q1 2019) which translates into 114.1 FTE (compared to 97.7 FTE in Q1 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 a person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time.

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it operates an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for employees equal to 10% of their gross compensation.

The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

10. Group structure

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

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

	Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner
57	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
58	Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
59	Tataimmo Kft	100%	HU	Full Cons.	ALFEMO
60	Öreghal Kft.	100%	HU	Full Cons.	ALFEMO
61	European Sport Contact Kft.	100%	HU	Full Cons.	ALFEMO
62	ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
63	ALFEMO Beta Kft.	100%	HU	Full Cons.	ALFEMO
64	ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO
65	Archway Solar Kft.	100%	HU	Full Cons.	PENV
66	Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
67	Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
68	Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
69	Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
70	Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
71	Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
72	Ráció Master Oktatási	100%	HU	Full Cons.	ALFEMO
73	P&P Solar Immo Kft.	33,52%	HU	Equity	ALFEMO
74	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
75	MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	ALFEMO
76	PROMA Mátra Ingatlanfejlesztési Kft.	100%	HU	Full Cons.	ALFEMO
77	Optisolar Kft.	100%	HU	Full Cons.	ALFEMO
78	Ladány Solar Alpha Kft.	100%	HU	Full Cons.	PEP
79	Ladány Solar Beta Kft.	100%	HU	Full Cons.	PEP
80	Ladány Solar Gamma Kft.	100%	HU	Full Cons.	PEP
81	Ladány Solar Delta Kft.	100%	HU	Full Cons.	PEP
82	ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
83	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kf	100%	HU	Full Cons.	ALFEMO
84	ZUGGÓ-DÜLLŐ 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	Timassile Investments Sp. z o.o.	100%	PL	Full cons.	PEONV
92	Stanford Solar Srl.	100%	RO	Full cons.	PEP & PESZ
93	Halton Solar Srl.	100%	RO	Full cons.	PEP & PESZ
94	Aldgate Solar Srl	100%	RO	Full cons.	PEP & PESZ
95	Holloway Solar Srl.	100%	RO	Full cons.	PEP & PESZ
96	Moorgate Solar Srl.	100%	RO	Full cons.	PEP & PESZ
97	Redbridge Solar Srl.	100%	RO	Full cons.	PEP & PESZ
98	Watford Solar Srl	100%	RO	Full cons.	PEP & PESZ
99	Becontree Solar Srl.	100%	RO	Full cons.	PEP & PESZ
100	Greenford Solar Srl.	100%	RO	Full cons.	PEP & PESZ
101	Chesham Solar Srl.	100%	RO	Full cons.	PEP & PESZ
102	PE SOLAR TECHNOLOGY LTD.	100%	UK	Full Cons.	PENV

Notes:

Country of registration

AU – Australia

DE – Germany

PE – Peru

SK – Slovakia

CH – Switzerland

HU – Hungary

PL – Poland

UK – United Kingdom

CZ – Czech Republic

NL – Netherlands

RO – Romania

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 & PESZ – 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 January 2020, Charles Bridge Services s.r.o. was renamed to Photon Remediation Technology Europe s.r.o.
- On 17 January 2020, Photon Energy N.V became 100% shareholder of Holbee Investments Sp. z o.o. and Photon Energy Operations N.V became 100% shareholder of Timassile Investments Sp. z o.o., both in Poland.
- On 18 February 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Stanford Solar Srl. In Romania.
- On 25 February 2020, Photon Energy AUS SPV 2 Pty Ltd. was renamed to Leeton Solar Farm Pty Ltd. and Photon Energy AUS SPV 3 Pty Ltd. was renamed to Fivebough Solar Farm Pty Ltd.
- On 27 February 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Halton Solar Srl. In Romania
- On 2 March 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Aldgate Solar Srl., Holloway Solar Srl., Moorgate Solar Srl., Redbridge Solar Srl., and Watford Solar Srl., all in Romania.
- On 4 March 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Becontree Solar Srl. in Romania.
- On 5 March 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Greenford Solar Srl. in Romania.
- On 6 March 2020, Photon Energy Projects, s.r.o. became 95% shareholder and Photon Energy Solutions, s.r.o. became 5% shareholder of Chesham Solar Srl. in Romania.

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

- On 16 April 2020, Ektalion Investments S.A. was successfully renamed to Solar Age Polska S.A. in Poland.
- On 20 April 2020, Holbee Investments Sp. Z o.o. was successfully renamed to Photon Energy Polska Sp. Z o.o. in Poland.
- On 22 April 2020, the court maintaining the commercial register registered KORADOL AG as 100% shareholder of Photon SPV 1 s.r.o. in the Czech Republic. The change is valid as of 11 March 2020.

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

11.1. Summary of the key events from 1 January until 31 March 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 1/2020** published on 14 January 2020: Monthly report for December 2019.
- **EBI 2/2020** published on 12 February 2020: Quarterly report for Q4 2019.
- **EBI 3/2020** published on 14 February 2020: Monthly report for January 2020.
- **EBI 4/2020** published on 9 March 2020: Publication dates of periodic reports in 2020 - updated publication schedule.
- **EBI 5/2020** published on 12 March 2020: Monthly report for February 2020.

11.2. Summary of the key events after 31 March 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 6/2020** published on 14 April 2020: Monthly report for March 2020.
- **EBI 7/2020** published on 15 April 2020: Annual report 2019.

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:

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 1/2020** published on 18 February 2020: Photon Energy commissions three PV power plants with a total capacity of 2.0 MWp in Hungary.
- **ESPI 2/2020** published on 19 February 2020: Change in substantial blocks of shares.
- **ESPI 3/2020** published on 3 March 2020: Photon Energy Grows its Global Portfolio to 57.1 MWp with the Commissioning of Eight PV Power Plants in Hungary.
- **ESPI 4/2020** published on 25 March 2020: COVID-19: Information for stakeholders.
- **ESPI 5/2020** published on 7 April 2020: Photon Energy invests in RayGen Resources.
- **ESPI 6/2020** published on 7 April 2020: Photon Energy wins tender to design, build and commission a 3 MWp hybrid solar power plant for a Waste Water Treatment Plant in Victoria, Australia.
- **ESPI 7/2020** published on 6 May 2020: Photon Energy connects 2.1 MWp to Hungarian grid.
- **ESPI 8/2020** published on 9 May 2020: Photon Energy connects 1.4 MWp to Hungarian grid.

12. Detailed consolidated financial results for Q1 2020

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 January 2020 and ending on 31 March 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 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Total revenues	4,198	5,316	18,058	22,986	107,812	136,255
<i>Out of that: Revenues from electricity generation</i>	2,440	2,928	10,496	12,661	62,662	75,048
<i>Out of that: Other revenues</i>	1,758	2,388	7,562	10,326	45,150	61,207
Costs of sale	-1,434	-1,845	-6,168	-7,978	-36,827	-47,288
Solar levy CZ	-155	-161	-667	-696	-3,981	-4,128
Gross profit	2,609	3,310	11,223	14,312	67,004	84,839
Other income	19	17	82	72	489	426
Administrative expenses	-499	-601	-2,147	-2,598	-12,820	-15,402
Personnel expenses	-1,031	-1,282	-4,434	-5,544	-26,475	-32,864
Other expenses	-19	-53	-80	-227	-475	-1,348
EBITDA	1,079	1,391	4,643	6,014	27,723	35,651
Depreciation	-987	-1,278	-4,244	-5,527	-25,339	-32,765
EBIT	93	113	399	487	2,384	2,886
Interests income	36	17	156	73	933	435
Financial revenues	187	0	804	0	4,798	0
Interests cost	-1,045	-1,184	-4,495	-5,120	-26,836	-30,350
Financial expenses	-76	-164	-326	-711	-1,947	-4,212
Revaluation of derivatives	0	-461	0	-1,992	0	-11,810
Net finance expenses	-898	-1,792	-3,861	-7,750	-23,052	-45,937
Share of profit from associates / J-Vs	-151	-167	-648	-721	-3,869	-4,274
Disposal of investments	0	0	0	0	0	0
Profit / loss before taxation	-955	-1,846	-4,110	-7,984	-24,537	-47,325
Income tax – current	-197	-238	-847	-1,030	-5,059	-6,103
Income tax – deferred	-126	375	-541	1,621	-3,230	9,610
Profit/loss from continuing operations	-1,278	-1,710	-5,498	-7,392	-32,826	-43,818
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	-1,278	-1,710	-5,498	-7,392	-32,826	-43,818
Other comprehensive income for the period	2,453	-2,616	10,550	-11,310	62,986	-67,044
Total comprehensive income for the period	1,174	-4,325	5,052	-18,702	30,160	-110,861
Profit/loss after taxation	-1,278	-1,710	-5,498	-7,392	-32,826	-43,818
<i>Attributable to the equity holders</i>	-1,264	-1,688	-5,438	-7,297	-32,469	-43,254
<i>Attributable to minority interest</i>	-14	-22	-60	-95	-357	-564
Total comprehensive income for the period	1,174	-4,325	5,052	-18,702	30,160	-110,861
<i>Attributable to the equity holders</i>	1,188	-4,303	5,111	-18,607	30,517	-110,298
<i>Attributable to minority interest</i>	-14	-22	-60	-95	-357	-564
Average no. of shares outstanding (in thousand)	51,066	51,176	51,066	51,176	51,066	51,176
Earnings per share outstanding	-0.025	-0.033	-0.108	-0.144	-0.643	-0.856
Comprehensive income per share outstanding	0.023	-0.085	0.099	-0.365	0.591	-2.166
<i>EUR exchange rate – low</i>			4.273	4.222	25.535	24.795
<i>EUR exchange rate – average</i>			4.302	4.324	25.682	25.631
<i>EUR exchange rate – high</i>			4.344	4.614	25.870	27.810

Note: Exchange rates provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.1.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020
Intangibles	0	244	0	1,111	0	6,670
Property, plant and equipment	82,876	100,070	356,488	455,355	2,138,212	2,734,404
<i>PPE – Lands</i>	4.107	4,245	17.666	19,315	105.962	115,988
<i>PPE – Photovoltaic powerplants</i>	75.993	92,268	326.877	419,853	1.960.608	2,521,216
<i>PPE – Equipment</i>	396	536	1.705	2,439	10.225	14,647
<i>PPE – Assets in progress</i>	2.380	3,021	10.239	13,747	61.411	82,553
Right of use -leased asset	2,172	2,951	9,344	13,426	56,046	80,624
Investments in associates /joint ventures	3,306	2,641	14,220	12,016	85,291	72,155
Other investments	3	0	13	0	77	0
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	88,358	105,905	380,064	481,907	2,279,626	2,893,853
Inventories – Goods	1,663	1,240	7,152	5,644	42,898	33,895
Trade receivables	3,026	3,104	13,015	14,126	78,067	84,825
Other receivables	4,451	3,364	19,145	15,306	114,832	91,914
Loans to related parties	868	1,056	3,732	4,805	22,382	28,857
Contracted work in progress	1,193	1,350	5,133	6,145	30,790	36,898
Prepaid expenses	1,139	1,311	4,899	5,966	29,385	35,826
Cash and cash equivalents	7,802	9,725	33,559	44,253	201,288	265,742
Other S-T financial assets	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Current assets	20,141	21,151	86,636	96,246	519,642	577,957
Total assets	108,499	127,056	466,700	578,152	2,799,268	3,471,802
Issued share capital	600	600	2,581	2,730	15,480	16,395
Share premium	23,760	23,760	102,202	108,117	613,008	649,242
Legal reserve fund	13	13	57	59	345	355
Reserves	25,968	25,659	111,699	116,756	669,968	701,123
Retained earnings	-19,348	-16,432	-83,224	-74,770	-499,176	-448,996
Equity attributable to owners of the Company	30,993	33,600	133,315	152,892	799,625	918,119
Non-controlling interests	-54	-105	-230	-477	-1,381	-2,863
Total equity	30,940	33,495	133,085	152,416	798,244	915,256
Bank Loan	27,578	33,824	118,625	153,910	711,511	924,232
Other long term liabilities	32,639	39,973	140,394	181,893	842,081	1,092,269
Lease liability	2,172	3,073	9,344	13,985	56,046	83,979
Other loans	0	0	0	0	0	0
Deferred tax liabilities	6,565	6,618	28,238	30,116	169,369	180,847
Non-current liabilities	68,954	83,489	296,600	379,904	1,779,007	2,281,326
Bank Loans	5,188	3,970	22,314	18,067	133,838	108,490
Other loans	0	0	0	0	0	0
Trade payables	1,060	2,898	4,561	13,186	27,357	79,182
Other payables	2,028	3,204	8,723	14,579	52,323	87,547
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	330	0	1,418	0	8,503	0
Provisions	0	0	0	0	0	0
Current liabilities	8,605	10,072	37,016	45,832	222,021	275,220
Total Liabilities	77,559	93,561	333,616	425,736	2,001,028	2,556,546
TOTAL Equity & Liabilities	108,499	127,056	466,700	578,152	2,799,268	3,471,802
No. of shares outstanding in thousand	51,089	51,187	51,089	51,187	51,089	51,187
Book value per share outstanding	0.607	0.654	2.609	2.978	15.652	17.881

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 1.1.2020–31.3.2020								0		0
Revaluation of PPE				2,086			-1,710	377	-22	354
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-4,709			-4,709		-4,709
Derivatives						7		7		7
Acquisition of JV								0		0
Total comprehensive income for the year	0	0	0	2,086	-4,709	7	-1,710	-4,325	-22	-4,347
new shares								0		0
acquired retained earnings								0		0
Move from revaluation reserve				-2,107			2,107	0		0
Legal reserve fund release								0		0
Move of RE due to entity disposal/change of cons. meth.								0		0
BALANCE at 31.3.2020	600	23,760	13	29,198	-1,129	240	-19,083	33,600	-105	33,496

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Cash Flow from Operation						
Profit/loss before taxation	-955	-1,846	-4,110	-7,984	-24,537	-47,325
Adjustments for:						
Depreciation	987	1,278	4,244	5,527	25,339	32,765
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	151	167	648	721	3,869	4,274
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	55	-440	237	-1,903	1,413	-11,278
Capital gains	0	0	0	0	0	0
net finance costs	898	1,792	3,861	7,750	23,052	45,937
Changes in:						
Trade and other receivables	260	364	1,121	1,576	6,690	9,341
Gross amount due from customers for contract work	-606	256	-2,608	1,106	-15,573	6,557
Prepaid expenses	37	-83	160	-360	953	-2,132
Inventories	-514	-29	-2,213	-125	-13,210	-740
Trade and other payables	-1,255	-2,509	-5,397	-10,851	-32,221	-64,318
Other liabilities	-100	-125	-431	-541	-2,576	-3,205
Total Operating cash flow	-1,044	-1,175	-4,489	-5,082	-26,802	-30,123
Cash Flow from Investments						
Acquisition of property, plant and equipment	-797	-2,164	-3,430	-9,359	-20,479	-55,477
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-656	-23	-2,823	-99	-16,853	-586
Acquisition of other investments	-29	-23	-124	-100	-743	-591
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Total Investment cash flow	-1,483	-2,210	-6,377	-9,558	-38,075	-56,655
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	0	0	0	0	0	0
Repayment of borrowings	-1,168	-921	-5,024	-3,982	-29,997	-23,606
Proceeds from issuing long term liabilities/bonds	204	112	877	484	5,233	2,871
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-1,045	-1,184	-4,495	-5,120	-26,836	-30,350
Total Financing cash flow	-2,009	-1,993	-8,643	-8,618	-51,600	-51,085
Net increase/decrease in cash and cash equivalents	-4,535	-5,379	-19,509	-23,258	-116,478	-137,864
Cash at the beginning of the period	12,337	15,104	53,069	65,309	316,841	387,126
Effect of exchange rate fluctuation	0	0	0	0	0	0
Cash at the end of the period	7,802	9,725	33,560	42,051	200,364	249,263
<i>EUR exchange rate - low</i>			4.273	4.222	25.535	24.795
<i>EUR exchange rate - average</i>			4.302	4.324	25.682	25.631
<i>EUR exchange rate - high</i>			4.344	4.614	25.870	27.810

13. Detailed entity financial results for Q1 2020

The tables below present the **entity** and **unaudited** financial statements of Photon Energy N.V. for the three-month period starting on 1 January 2020 and ending on 31 March 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	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Revenues from the sale of products, goods and services	564	683	2,427	2,953	14,487	17,505
Cost of sales	-418	-515	-1,797	-2,226	-10,726	-13,193
Gross profit	146	168	630	727	3,761	4,311
Other administrative expenses	-146	-168	-630	-728	-3,760	-4,318
Other income	70	0	301	0	1,797	0
Other expenses	-2	-194	-10	-837	-58	-4,963
EBITDA	68	-194	291	-838	1,739	-4,970
Amortization & depreciation	0	0	0	0	0	0
EBIT	68	-194	291	-838	1,739	-4,970
Financial income	179	304	771	1,313	4,604	7,785
Financial costs	-746	-868	-3,207	-3,754	-19,149	-22,251
Profit / loss before taxation	-499	-758	-2,145	-3,279	-12,806	-19,436
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	-499	-758	-2,145	-3,279	-12,806	-19,436

Balance Sheet

in Thousands	EUR		PLN		CZK	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020
Intangibles	0	0	0	0	0	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	44,060	25,923	189,523	117,959	1,136,758	708,341
Other investments	29	0	124	0	746	0
Longterm receivables	83	27,256	356	124,025	2,133	744,772
Deferred tax assets	0	0	0	0	0	0
Non-current assets	44,172	53,179	190,003	241,984	1,139,637	1,453,114
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	9,505	8,724	40,884	39,697	245,222	238,380
Loans	19,842	17,911	85,348	81,502	511,920	489,418
from customers for contract work	0	0	0	0	0	0
Prepaid expenses	965	892	4,150	4,061	24,889	24,385
Cash and cash equivalents	1,998	1,594	8,594	7,252	51,550	43,549
Current assets	32,309	29,121	138,976	132,511	833,581	795,732
Total assets	76,481	82,300	328,979	374,495	1,973,218	2,248,843
Issued share capital	600	600	2,581	2,730	15,480	16,395
Share premium	36,871	36,871	158,598	167,777	951,272	1,007,500
Legal reserve fund	0	0	0	0	0	0
Reserves	16,565	16,565	71,253	75,377	427,375	452,637
Retained earnings	-16,407	-16,300	-70,573	-74,173	-423,299	-445,409
Profit/loss for the current period	-499	-758	-2,145	-3,451	-12,864	-20,721
Equity attributable to owners of the Company	37,130	36,977	159,714	168,260	957,964	1,010,402
Non-controlling interests	0	0	0	0	0	0
Total equity	37,130	36,977	159,714	168,260	957,964	1,010,402
Non-current liabilities	33,817	41,241	145,461	187,663	872,477	1,126,918
Bank Loan	0	0	0	0	0	0
Other long term liabilities	33,817	41,241	145,461	187,663	872,477	1,126,918
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	5,532	4,081	23,796	18,572	142,727	111,526
Bank Loans	0	0	0	0	0	0
Other loans	277	3,004	1,190	13,668	7,135	82,074
Trade and other payables	4,787	541	20,591	2,463	123,507	14,791
Other shortterm liabilities	468	537	2,015	2,442	12,086	14,661
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	76,481	82,300	328,979	374,495	1,973,218	2,248,843
<i>No. of shares outstanding in thousand</i>	51,089	51,187	51,089	51,187	51,089	51,187
<i>Book value per share outstanding</i>	0.727	0.722	3.126	3.287	18.751	19.740

14. 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 31 March 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 31 March 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	1,538	319	2,928	519	13	5,316	0	5,316
Revenues within seg. from the sale of products, goods & services	3,598	0	0	387	1,425	5,409	-5,409	0
Cost of sale	-4,147	-255	-303	-605	11	-5,300	3,455	-1,845
Solar levy	0	0	-161	0	0	-161	0	-161
Gross profit	989	64	2,464	300	1,448	5,265	-1,955	3,310
Other external income	0	4	3	8	2	17	0	17
Administrative and other expenses	-476	-45	-157	-539	-1,460	-2,677	741	-1,936
EBITDA	513	22	2,310	-231	-10	2,604	-1,213	1,391
Depreciation	-7	0	-1,146	-61	-64	-1,278	0	-1,278
EBIT	507	22	1,163	-292	-75	1,325	-1,213	113
Interest income	67	2	119	40	473	701	-684	17
Interest expenses	-93	-46	-487	-75	-1,167	-1,868	684	-1,184
Other financial revenues	0	0	-1	1	0	0	0	0
Other financial expenses	-9	-9	-82	-19	-44	-163	0	-163
Revaluation of derivatives	0	0	-460	0	0	-460	0	-460
Net finance expenses	-35	-53	-911	-54	-738	-1,790	0	-1,790
Profit/loss share in entities in equivalency	0	0	-167	0	0	-167	0	-167
Disposal of investments	0	0	0	0	0	0	0	0
Income tax	-138	0	-100	0	0	-237	0	-237
Deferred tax	0	0	375	0	0	375	0	375
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	333	-31	361	-346	-812	-494	-1,213	-1,710
Revaluation of property, plant and equipment	0	0	2,086	0	0	2,086	0	2,086
Foreign currency translation diff. - foreign operations	113	0	-4,097	-251	-473	-4,709	0	-4,709
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	7	0	0	7	0	7
Total comprehensive income	446	-31	-1,643	-597	-1,286	-3,110	-1,213	-4,325
Assets, of which	27,340	7,685	117,851	9,237	107,942	270,055	-143,000	126,812
Intangibles	0	0	0	244	0	244	0	244
PPE – Lands	0	0	4,245	0	0	4,245	0	4,245
PPE – Photovoltaic power plants	0	0	92,268	0	0	92,268	0	92,268
PPE - Equipment	113	0	0	200	223	536	0	536
PPE – Assets in progress	0	1	2,429	592	0	3,021	0	3,021
Right of use-leased asset	0	0	1,678	0	1,272	2,951	0	2,951
Investments in associates, JV, other	0	0	2,641	0	0	2,641	0	2,641
Long term receivables	0	0	0	0	0	0	0	0
Deferred tax receivables	0	0	0	0	0	0	0	0
Inventories – Goods	320	334	214	338	35	1,240	0	1,240
Trade and other receivables	24,888	6,610	8,349	7,449	102,172	149,468	-143,000	6,468
Loans	0	0	0	0	1,056	1,056	0	1,056
"Gross amount due from customers for contract work"	878	0	70	0	402	1,350	0	1,350
Prepaid expenses	53	1	153	29	1,075	1,311	0	1,311
Cash and cash equivalents	1,088	740	5,804	385	1,708	9,725	0	9,725
Other S-T financial assets	0	0	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	0
Liabilities, of which	-23,853	-7,984	-77,502	-15,946	-111,272	-236,557	142,996	-93,561
Bank Loans and other loans	0	0	-37,794	0	0	-37,794	0	-37,794
Other long term liabilities	0	0	-551	-116	-39,306	-39,973	0	-39,973
Lease liability	0	0	-1,784	0	-1,289	-3,073	0	-3,073
Deferred tax liabilities	0	0	-6,618	0	0	-6,618	0	-6,618
Trade and other payables	-23,895	-7,984	-30,755	-15,777	-70,687	-149,098	142,996	-6,102
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	42	0	0	-52	10	0	0	0
Provisions	0	0	0	0	0	0	0	0

Results of the operating segments for the period from 1 January to 31 March 2019*

EUR thousand	Energy solutions	Production of electricity	Operations maintenance and PVPP supervisor	PV Invest.	Other	Total for segments	Elimination	Cons. financial information
External revenues from sale of products, goods & services	1,240	2,440	492	0	26	4,198	0	4,198
Revenues within segments from sale of products, goods, services	41	0	207	0	949	1,197	-1,197	0
Cost of sale	-1,142	-161	-290	0	-34	-1,628	193	-1,435
Levy	0	-155	0	0	0	-155	0	-155
Gross profit	139	2,124	409	0	940	3,612	-1,004	2,609
Other external income	8	-12	1	0	22	19	0	19
Administrative and other expenses	-374	-72	-575	0	-945	-1,967	418	-1,549
Depreciation	-5	-949	-15	0	-18	-987	0	-987
Operating income	-232	1,091	-180	0	-1	677	-586	93
Interest income	25	97	27	0	277	426	389	815
Interest expenses	-52	-446	-51	0	-884	-1,434	-389	-1,823
Other financial revenues	57	28	17	0	86	187	0	187
Other financial expenses	-3	-59	-1	0	-13	-76	0	-76
Revaluation of derivatives	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	-151	0	-151	0	-151
Disposal of investment	0	0	0	0	0	0	0	0
Income tax	0	-197	0	0	0	-197	0	-197
Deferred tax	0	-126	0	0	0	-126	0	-126
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	-206	387	-189	-151	-535	-693	-586	-1,278
Revaluation of property, plant and equipment	0	2,629	0	0	0	2,629	0	2,629
Foreign currency translation diff. - foreign operations	0	-149	0	0	0	-149	0	-149
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	-27	0	0	0	-27	0	-27
Total comprehensive income	-206	2,840	-189	-151	-535	1,760	-586	1,174
Assets, of which	13,354	97,892	7,055	3,306	47,785	169,392	-60,893	108,499
PPE – Lands	0	3,630	0	0	477	4,107	0	4,107
PPE – Photovoltaic power plants	0	75,993	0	0	0	75,993	0	75,993
PPE – Equipment	52	0	227	0	117	396	0	396
PPE – Assets in progress	0	1,633	491	0	256	2,380	0	2,380
Intangibles	0	0	0	0	0	0	0	0
Right of use-leased asset	61	1,792	0	0	319	2,172	0	2,172
Trade and other receivables	10,984	9,508	5,731	0	42,147	68,370	-60,893	7,477
Loans	0	0	0	0	868	868	0	868
Gross amount due from customers for contract work	876	0	0	0	317	1,193	0	1,193
Inventories – Goods	942	322	357	0	41	1,663	0	1,663
Investments in associates, JV, other	0	0	0	3,306	3	3,309	0	3,309
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	34	32	20	0	1,053	1,139	0	1,139
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	404	4,983	228	0	2,186	7,802	0	7,802
Other S-T financial assets	0	0	0	0	0	0	0	0
Liabilities, of which	12,973	53,321	11,607	0	60,480	138,381	-60,823	77,559
Trade and other payables	12,916	11,356	11,413	0	28,226	63,911	-60,823	3,088
Bank Loans and other loans	0	32,765	0	0	0	32,765	0	32,765
Lease liability	61	1,792	0	0	319	2,172	0	2,172
Other long term liabilities	0	593	103	0	31,944	32,639	0	32,639
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-4	251	92	0	-9	330	0	330
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	6,565	0	0	0	6,565	0	6,565

In 2020 management decided to adjust the segments according to 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 15 Summary of significant accounting policies under Segment reporting).

15. 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,

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.

- **Investments:** Investment into photovoltaic power plants and creation of OCI of the Group flowing from the 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	
	Q1 2019	Q1 2020	Q1 2019	Q1 2020
EUR exchange rate – low	4.273	4.222	25.535	24.795
EUR exchange rate – high	4.344	4.614	25.870	27.810
EUR exchange rate – average	4.302	4.324	25.682	25.631
EUR exchange rate – end of period	4.301	4.550	25.800	27.325

(b) Transactions and balances

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

(c) Group companies

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

Property, plant and equipment

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

Inventories

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

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

Revenue recognition

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

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each

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

Trade receivables

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

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the

debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable becomes uncollectible it is written off.

Cash and cash equivalents

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

Share capital

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

shares is classified in equity as Share premium.

Trade payables

Trade payables are recognised at nominal value.

Loans and Borrowings

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

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

Current and deferred income tax

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

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

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

16. 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.

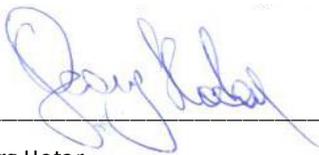
17. Investor Relations Contact

Emeline Parry
E-mail: ir@photonenergy.com

Photon Energy N.V.
Barbara Strozzi laan 201
1083 HN Amsterdam
The Netherlands

Phone: +420 277 002 910
Fax: +420 277 002 911
Web: www.photonenergy.com

Amsterdam, 12 May 2020

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

Georg Hotar
Member of the Board of Directors

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

Michael Gartner
Member of the Board of Director

