


# PHOTON ENERGY N.V. MONTHLY REPORT

March 2017

for the period from 1 to 31 March 2017

MATERIAL							X	
THINFILM	200						X	
INSPECTION	1000		[ISO E]				X	
TOLERANCE NORM ISO 8015:				YES			X	
PRECISION ISO...							X	
CONCEPT				NORM.REF.				AMEND.
DESIGN				EXAMINED				
				APPROVED				

NAME

TYPE

PS-PKI - PRA

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

### 1.1 Power plants produce 27.1% above predictions

March proved to be another very favorable month in terms of weather conditions, which resulted in the aggregate performance of the proprietary power plants coming in 27.6% above expectations (+28.4% YoY, +25.0 YoY YTD).

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

### 1.2 Publication of the annual report 2016

On Monday 13 March the Company published its annual report, outlining its performance over the past year and the strategy for the years ahead. The company's FY 2016 revenues of EUR 13.089 million remained stable compared to 2015 (EUR 13.321 million), and both EBITDA and EBIT show encouraging progress year-on-year, amounting respectively to EUR 6.551 million (+6.6% YoY) and to EUR 1.286 million (+15.6%). Lower bottom line results in 2016 are attributable in part to a largely positive adjustment in the revaluation of derivatives last year, as well as to the release of an allowance also recorded in 2015Q2. The report can be found on the Company's website in the [Investor relations section](#).

### 1.3 Photon Energy enters Hungarian market

Photon Energy today announced that after several months of preparation the Company is entering the Hungarian PV market, where it has several PV projects under development in addition to ongoing negotiations with local project developers.

A set of factors make Hungary a promising market for solar energy. With a share of 11% of electricity consumption being generated from renewable energy sources in 2016, Hungary falls significantly short of its EU commitment of 20% by 2020. With limited potential for other renewable energy sources and thanks to the material decline in investment costs for PV plants and local financing costs, the functioning support mechanisms provide for the commercial viability of PV plants in Hungary. Off-take prices for renewable energy around EUR 100 per MWh for up to 25 years allow for attractive returns for investors, while local banks have a strong mandate and appetite to provide long-term project financing on attractive terms.

The aim is to expand Photon Energy's own portfolio of power plants. Furthermore the Company also wants to be active through its EPC division and as a provider of operations and maintenance of PV power plants to third parties.

In a first step, through the fully-owned subsidiary Photon Energy HU SPV 1 Kft., Photon Energy is developing projects with a total installed capacity of some 6 MWp in a location near Budapest (details withheld for competitive reasons for now). At the same time Photon Energy is evaluating other locations for greenfield development as well as the cooperation with several local developers.

Photon Energy intends to commence the construction of PV plants still in 2017 and aims to build 50 MWp of PV plants until 2020.

### 1.4 Photon Energy continues development in Australia

During the reporting period the Company received for its project in Environa confirmation from ActewAGL (local utility) that it can connect 14 MW AC generation capacity to the network substation. This will allow installing approximately 19 MWp (DC) of solar PV capacity on the site. The Company is now progressing with the Network Technical Study to finalise the Grid Connection Offer to enable to progress to the construction phase. In parallel the Development Application was published on the NSW Government development website and is being considered by the Joint Regional Council.

On the project in Leeton the Network Technical Study is progressing. The company is currently expecting that a Grid Connection Capacity of approximately 20 MW AC and an installation of about 22.6 MWp (DC) of Solar PV capacity on the site. In the meantime the Development Application has been posted on the NSW Government development website and is being considered by the Joint Regional Council.

Based on the updated expected grid connection capacities the combined installed capacity (DC) of Leeton and Environa have grown to 41.6 MWp compared to the previously announced 34 MWp, thus improving the financial parameters of both projects.

### 1.5 Reporting on Photon Energy's project pipeline

Starting with the April 2017 monthly report, Photon Energy will initiate reporting the status of its project development pipeline in Hungary, Australia and other future markets in order to allow investors to assess the company's progress in adequate detail.

## 2. Proprietary PV plants.

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

**Table 1. Production results in March 2017**

Project name	Capacity	Feed-in-Tariff	Prod. 2017 Mar.	Proj. 2017 Mar.	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, applicable in 2017	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 13,966	224,115	171,692	30.5%	405,307	299,095	35.5%	22.3%
Zvíkov I	2,031	CZK 13,966	202,746	150,485	34.7%	406,250	262,152	55.0%	17.3%
Dolní Dvořiště	1,645	CZK 13,966	147,392	125,187	17.7%	283,881	218,082	30.2%	18.0%
Svatoslav	1,231	CZK 13,966	87,784	92,976	-5.6%	159,689	161,968	-1.4%	3.1%
Slavkov	1,159	CZK 13,966	123,279	88,540	39.2%	223,821	154,240	45.1%	25.7%
Mostkovice SPV 1	210	CZK 13,966	19,909	15,888	25.3%	36,207	32,063	12.9%	23.0%
Mostkovice SPV 3	926	CZK 15,004	88,706	67,774	30.9%	154,338	120,545	28.0%	21.1%
Zdice I	1,499	CZK 13,966	153,662	110,367	39.2%	283,399	192,263	47.4%	24.5%
Zdice II	1,499	CZK 13,966	153,473	110,367	39.1%	286,884	192,263	49.2%	25.0%
Radvanice	2,305	CZK 13,966	222,913	169,945	31.2%	399,661	296,052	35.0%	26.8%
Břeclav rooftop	137	CZK 13,966	14,760	11,150	32.4%	27,930	22,709	23.0%	24.9%
<b>Total Czech PP</b>	<b>14,996</b>		<b>1,438,738</b>	<b>1,114,371</b>	<b>29.1%</b>	<b>2,667,366</b>	<b>1,951,432</b>	<b>36.7%</b>	<b>21.1%</b>
Babiná II	999	EUR 425.12	86,889	73,640	18.0%	162,753	140,990	15.4%	41.2%
Babina III	999	EUR 425.12	91,311	73,640	24.0%	172,341	140,990	22.2%	49.6%
Prša I.	999	EUR 425.12	99,726	80,664	23.6%	177,909	141,329	25.9%	18.1%
Blatna	700	EUR 425.12	64,863	60,450	7.3%	111,297	117,199	-5.0%	16.3%
Mokra Luka 1	963	EUR 382.61	115,175	82,930	38.9%	229,368	163,756	40.1%	27.8%
Mokra Luka 2	963	EUR 382.61	117,245	82,930	41.4%	241,708	163,756	47.6%	30.7%
Jovice 1	979	EUR 382.61	84,778	70,921	19.5%	137,191	123,547	11.0%	24.8%
Jovice 2	979	EUR 382.61	83,725	70,921	18.1%	135,171	123,547	9.4%	28.8%
Brestovec	850	EUR 382.61	98,532	67,406	46.2%	191,694	138,663	38.2%	44.1%
Polianka	999	EUR 382.61	85,008	72,368	17.5%	160,758	126,070	27.5%	36.5%
Myjava	999	EUR 382.61	103,887	80,241	29.5%	189,645	159,703	18.7%	36.1%
<b>Total Slovak PP</b>	<b>10,429</b>		<b>1,031,139</b>	<b>816,111</b>	<b>26.3%</b>	<b>1,909,835</b>	<b>1,539,549</b>	<b>24.1%</b>	<b>32.1%</b>
Symonston	144	AUD 301.60	14,940	16,920	-11.7%	55,390	59,970	-7.6%	-4.4%
<b>Total Australian PP</b>	<b>144</b>		<b>14,940</b>	<b>16,920</b>	<b>-11.7%</b>	<b>55,390</b>	<b>59,970</b>	<b>-7.6%</b>	<b>-4.4%</b>
<b>Total</b>	<b>25,569</b>		<b>2,484,817</b>	<b>1,947,402</b>	<b>27.6%</b>	<b>4,632,591</b>	<b>3,550,950</b>	<b>30.5%</b>	<b>25.0%</b>

**Notes:**

Capacity: installed capacity of the power plant

Prod.: production in the reporting month

Proj.: projection in the reporting month

Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.

YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.

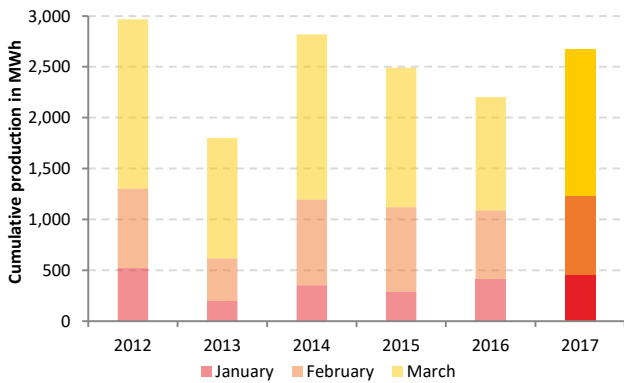
YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month.

Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2017/ YTD proj. in 2017) - 1

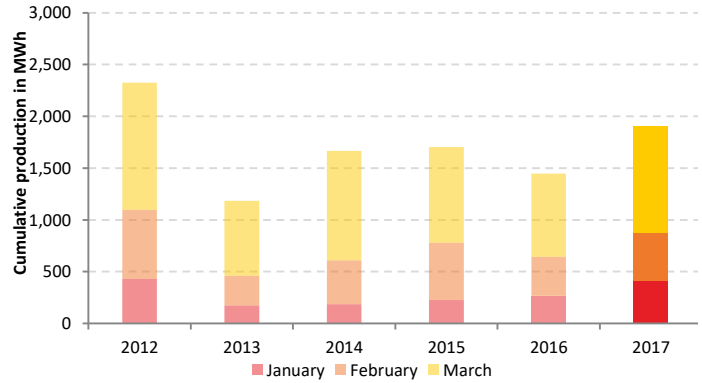
YoY ratio: (YTD Prod. in 2017/ YTD Prod. in 2016) - 1.

The FIT for the Czech Republic is an indicative figure only. As of 2016 Photon Energy has switched to the "Green Bonus" system, under which energy from our power plants is sold under a different system, at a combined price slightly higher than the FIT.

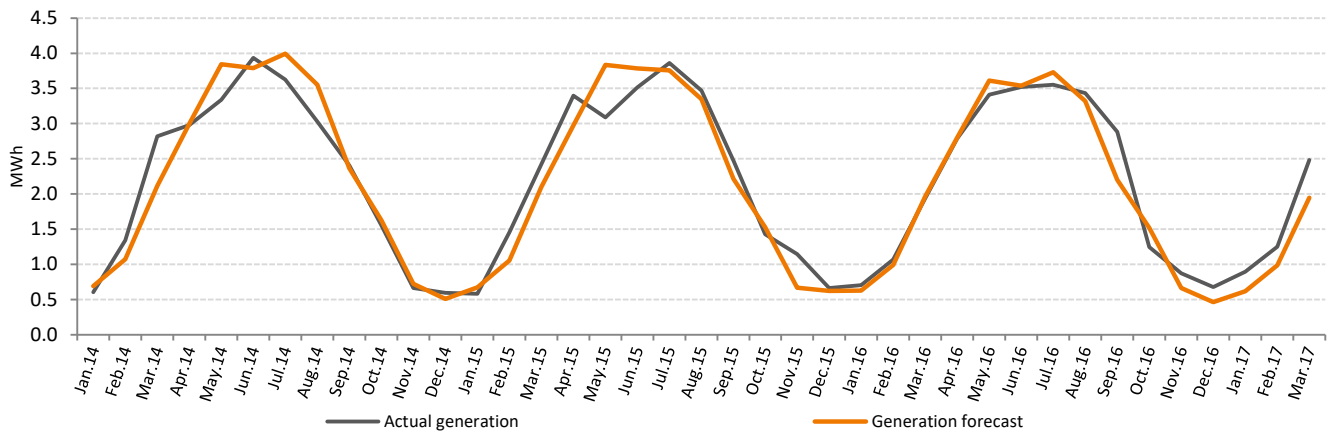
**Chart 1.a Total production of the Czech portfolio**



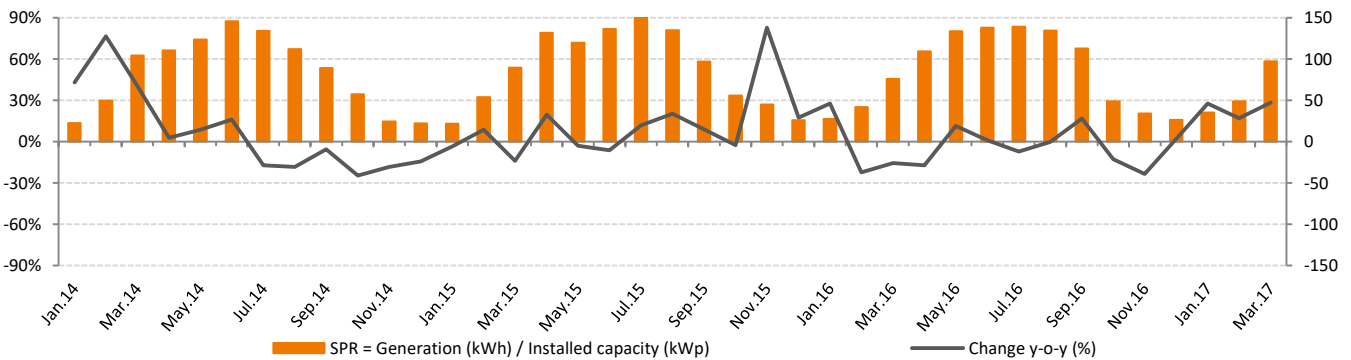
**Chart 1.b Total production of the Slovak portfolio**



**Chart 2. Generation results versus forecast between 1 January 2014 and 31 March 2017**



**Chart 3. Specific Performance**



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

March proved to be another very favorable month in terms of weather conditions, which resulted in the aggregate performance of the proprietary power plants coming in 27.6% above expectations (+28.4% YoY, +25.0 YoY YTD).

The best performance was recorded by power plants in the Czech Republic and in Slovakia, which exceeded energy fore-

casts by 29.1% and 26.3%, respectively. In contrast, the Australian plant was short of generation estimates by 11.7%.

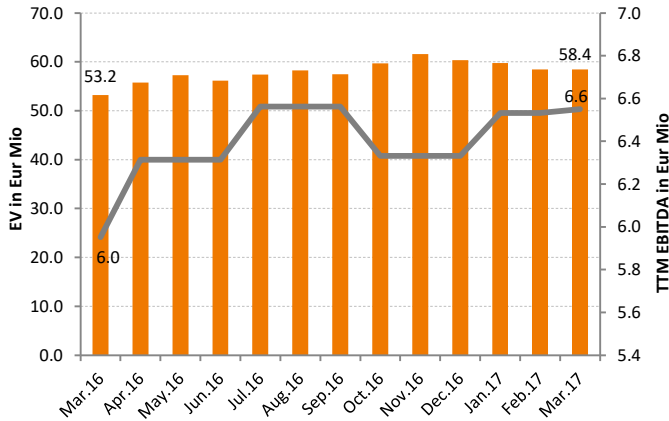
Specific performance increased by 28% YoY, to 97kWh/kWp in March.

### 3. Enterprise value & Share price performance.

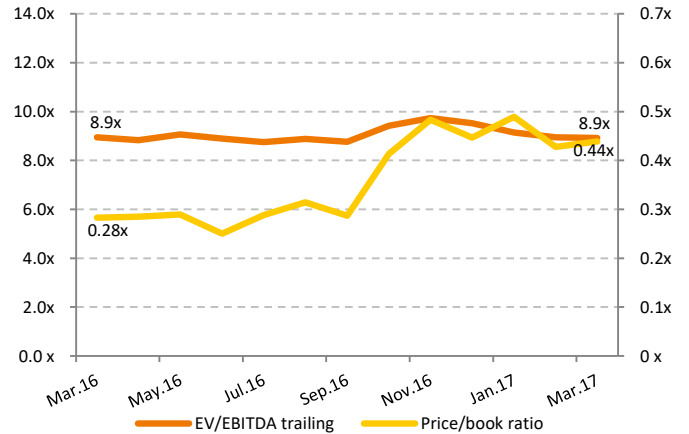
#### 3.1 NewConnect (Warsaw Stock Exchange)

On 31 March 2017, the share price (ISIN NL0010391108) closed at a price of PLN 0.88 (-1% MoM), corresponding to a price to book ratio of 0.44x. The Company reports a monthly trading volume of 127,006 shares (-62% MoM).

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



**Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio**

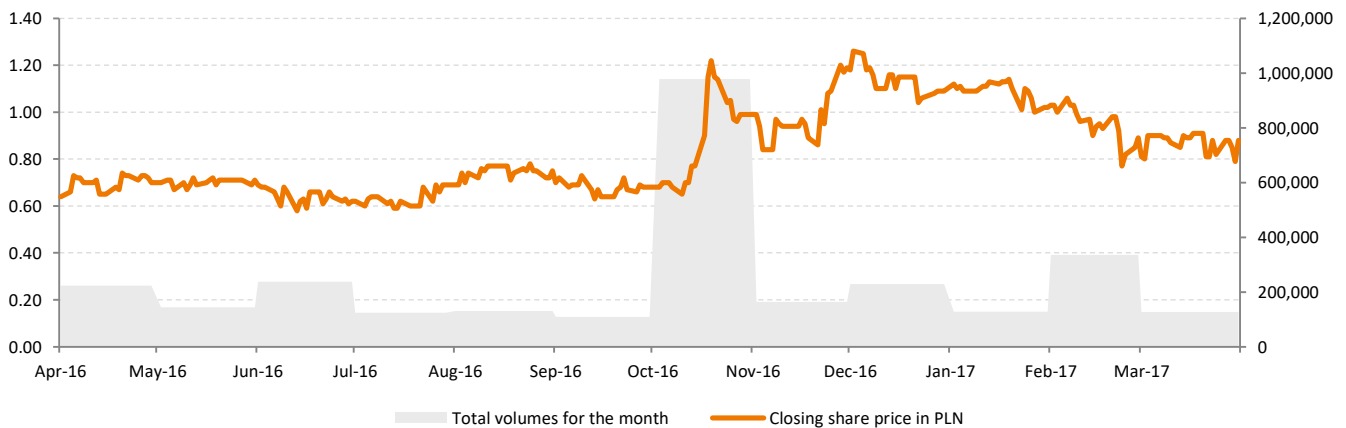


**Notes:**

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report. Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. as of 31.03.2017, the sum of EBITDA reported in 2016 Q1, Q2, Q3 and Q4.

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.

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



#### 3.2 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 now also been traded on the Prague Stock Exchange Free Market. No additional shares have been issued, nor any new equity capital raised through this listing.

On 31 March 2017, the share price (ISIN NL0010391108) closed at a price of CZK 6.00 (-2% MoM, +22% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.47x. The Company reports a monthly trading volume of 93,748 shares (-0.01% MoM).

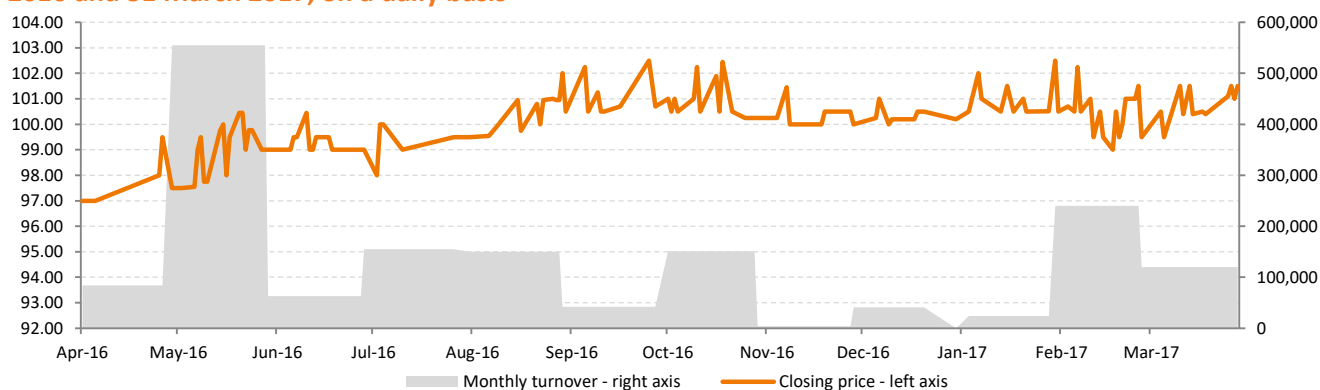
## 4. Bond trading performance.

In March 2013, the Company issued a 5-year corporate bond with an 8% annual coupon and quarterly payment. The corporate bond, with a denomination of EUR 1,000 (ISIN DE000A1HELE2), is being traded in the Open Market of the Frankfurt Stock Exchange. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 93% and 102.50%.

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

### 4.1 EUR Bond trading performance in Frankfurt

**Chart 7. The Company's EURO bond trading on the Frankfurt Stock Exchange in Germany between 1 April 2016 and 31 March 2017, on a daily basis**



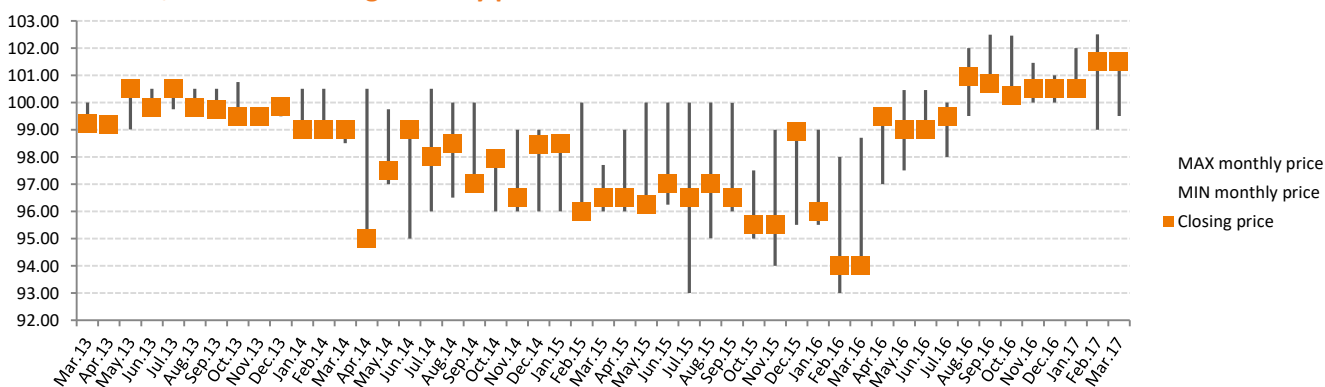
#### EUR Bond trading performance to date

In the trading period from 12 March 2013 until 31 March 2017 the trading volume amounted to EUR 8.270 million (nominal value) with an opening price of 100.00 and a closing price of 101.50. During this period the average daily turnover amounted to EUR 8,068.

#### EUR Bond trading performance in March 2017

In March 2017 the trading volume amounted to EUR 120,000 with an opening price of 100.51 and a closing price of 101.50. The average daily turnover amounted to EUR 5,217. As of the end of March 2017, the total outstanding nominal amounts to EUR 10.254 million.

**Chart 8. MIN, MAX and closing monthly prices**



### 4.2 CZK Bond trading performance in Prague

In the trading period from 12 December until 31 March 2017 the trading volume amounted to CZK 5,400,000 (nominal value) with a closing price of 100.00. In March 2017 the trading volume amounted to CZK 480,000.

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

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

- ▶ EBI 5/2017 published on 6 March 2017: Publication date of the annual report 2016.
- ▶ EBI 6/2017 published on 9 March 2017: Monthly report for February 2017.
- ▶ EBI 7/2017 published on 13 March 2017: Annual report for the year 2016.

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 8/2017 published on 11 April 2017: Photon Energy enters the Hungarian market.

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

- ▶ None.

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

Not applicable.

## 7. Investors' calendar.

- ▶ 9 May 2017 Entity and consolidated quarterly reports for 2017Q1
- ▶ 11 May 2017 Monthly report for April 2017
- ▶ 12 June 2017 Monthly report for May 2017
- ▶ 12 July 2017 Monthly report for June 2017
- ▶ 7 August 2017 Entity and consolidated quarterly reports for 2017Q2
- ▶ 9 August 2017 Monthly report for July 2017
- ▶ 11 September 2017 Monthly report for August 2017
- ▶ 10 October 2017 Monthly report for September 2017
- ▶ 6 November 2017 Entity and consolidated quarterly reports for 2017Q3
- ▶ 9 November 2017 Monthly report for October 2017
- ▶ 11 December 2017 Monthly report for November 2017

## 8. Investor relations contact.

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Amsterdam, 11 April 2017



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Michael Gartner, Member of the Board of Directors