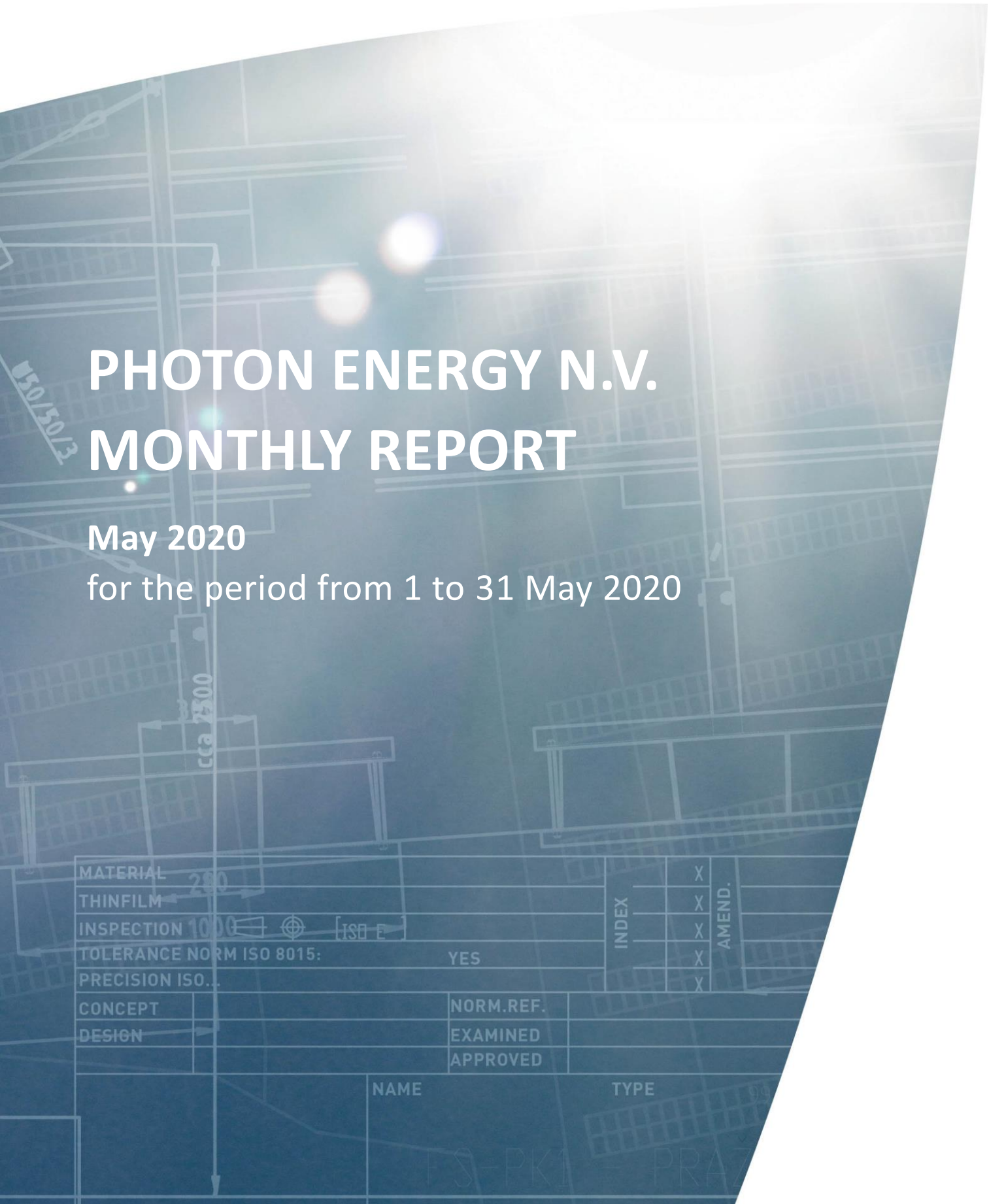
PHOTON ENERGY N.V.
MONTHLY REPORT

May 2020

for the period from 1 to 31 May 2020



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

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

May proved to be a less favourable month in terms of weather conditions, which resulted in generation results underperforming the energy audits. The average performance of all power plants in Photon Energy's portfolio came in approximately 5.8% below expectations. However on a year-to-date (YTD) basis, the overall performance of the proprietary portfolio still exceeded forecasts by 14.5%.

The addition of new Hungarian power plants over the past year (installed capacity of 60.6 MWp as of May 2020 vs. 37.1 MWp one year ago) has boosted electricity generation, with 29.3 GWh of electricity produced YTD compared to 15.5 GWh one year ago (+89.8%).

When comparing the performance of the subset of power plants in operation in May 2019, i.e. on a like-for-like basis, the total volume of electricity generation YTD increased by 19.1%.

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

1.2 Photon Energy intends to move to the main markets of the Warsaw and Prague Stock Exchanges and to secure a listing on the Frankfurt Quotation Board

The Company intends to have the entire issued share capital admitted to trading on both main markets with no offering of new or existing shares. Photon Energy shares shall be subsequently listed on the Quotation Board of the Frankfurt Stock Exchange, with the objective of enabling Eurozone investors to trade the Company's shares without currency risk.

The Admission will take place upon the adoption of relevant resolutions authorizing the move to the regulated markets of the Warsaw and Prague Stock Exchanges by the Company's General Meeting. To this end the Company will prepare a prospectus, which will be published once it will have been approved by the relevant supervision authority.

1.3 Photon Energy to add 14 MWp to its PV portfolio in Australia

Agreements were signed for the debt financing of our two projects developed in Leeton, New South Wales, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7 MWp DC each.

These projects will represent the first Australian utility-scale PV power plants in our proprietary portfolio, helping the Group in reducing the seasonality of electricity-generation revenues globally. Photon Energy Engineering Australia Pty Ltd. will act as engineering, procurement and construction (EPC) contractor for both projects. Commissioning is expected in Q4 2020, after which long-term O&M services will be provided by Photon Energy Operations Australia Pty Ltd.

The two power plants will be our first merchant projects providing competitive energy into the market. The experience we gain in operating the power plants will be used to maximise revenues in the energy market. Our merchant approach in Australia paves the way for grid-competitive assets to be developed and added to our European markets and elsewhere in the world.

1.4 Photon Energy starts construction on PV power plants in Hungary with a total capacity of 14.1 MWp

The ten power plants based in Püspökladány will extend over 19.8 hectares and supply power to the grid of E.ON Tiszántúli Áramhálózati Zrt. The power plants are expected to generate approximately 20 GWh of clean energy per year.

The Group will deliver EPC services through its subsidiary Photon Energy Solutions HU Kft. Once connected to the grid, Photon Energy Operations HU Kft. will provide long-term monitoring as well as operations and maintenance services.

Upon completion, which is scheduled for the fourth quarter of 2020, these new additions will expand our Hungarian portfolio to 49.1MWp.

The Group will operate the power plants through four wholly-owned project companies with a total of ten METÁR licenses. Five licenses entitle each power plant 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 96.6 per MWh) for 15 years and 5 months, with a maximum approved and supported production of 29,955 MWh per license. The remaining five licenses entitle each power plant to the same feed-in tariff for 17 years and 11 months, with a maximum approved and supported production of 34,813 MWh per license. Total annual revenues of all ten power plants are expected to be EUR 1.936 million.

2. Proprietary PV power plants

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

Table 1. Production results in May 2020

Project name	Capacity	Feed-in-Tariff	Prod. 2020 May	Proj. 2020 May	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	317,923	333,305	-4.6%	1,147,921	869,067	32.1%	14.3%
Zvíkov I	2,031	CZK 14,821	273,060	292,135	-6.5%	1,051,349	761,721	38.0%	11.6%
Dolní Dvořiště	1,645	CZK 14,821	188,207	243,024	-22.6%	725,547	633,668	14.5%	11.8%
Svatoslav	1,231	CZK 14,821	149,376	180,494	-17.2%	526,372	470,625	11.8%	15.6%
Slavkov	1,159	CZK 14,821	168,623	171,881	-1.9%	612,689	448,167	36.7%	15.1%
Mostkovice SPV 1	210	CZK 14,821	27,233	24,012	13.4%	99,865	75,213	32.8%	11.7%
Mostkovice SPV 3	926	CZK 15,922	121,889	127,250	-4.2%	442,830	339,526	30.4%	12.3%
Zdice I	1,499	CZK 14,821	211,905	203,017	4.4%	760,675	547,413	39.0%	9.2%
Zdice II	1,499	CZK 14,821	213,546	203,017	5.2%	774,418	547,413	41.5%	9.9%
Radvanice	2,305	CZK 14,821	317,372	329,913	-3.8%	1,128,773	860,225	31.2%	12.9%
Břeclav rooftop	137	CZK 14,821	19,915	15,907	25.2%	72,667	51,750	40.4%	19.0%
Total Czech PP	**14,996**		**2,009,049**	**2,123,956**	**-5.4%**	**7,343,105**	**5,604,788**	**31.0%**	**12.5%**
Babiná II	999	EUR 425.12	122,273	123,008	-0.6%	407,927	371,429	9.8%	22.2%
Babina III	999	EUR 425.12	126,569	123,008	2.9%	422,806	371,429	13.8%	21.9%
Prša I.	999	EUR 425.12	125,799	125,333	0.4%	426,024	372,465	14.4%	11.6%
Blatna	700	EUR 425.12	91,310	93,542	-2.4%	304,854	284,189	7.3%	17.4%
Mokra Luka 1	963	EUR 382.61	132,396	124,951	6.0%	524,186	394,473	32.9%	13.2%
Mokra Luka 2	963	EUR 382.61	132,495	124,951	6.0%	533,954	394,473	35.4%	13.0%
Jovice 1	979	EUR 382.61	104,302	134,864	-22.7%	371,141	356,172	4.2%	7.2%
Jovice 2	979	EUR 382.61	104,942	134,864	-22.2%	370,544	356,172	4.0%	7.1%
Brestovec	850	EUR 382.61	123,863	108,414	14.3%	471,560	331,510	42.2%	22.2%
Polianka	999	EUR 382.61	123,170	140,489	-12.3%	422,090	366,315	15.2%	23.0%
Myjava	999	EUR 382.61	141,838	130,043	9.1%	510,691	393,934	29.6%	23.7%
Total Slovak PP	**10,429**		**1,328,959**	**1,363,471**	**-2.5%**	**4,765,775**	**3,992,561**	**19.4%**	**16.5%**
Tiszakécske 1	689	HUF 33,360	96,718	100,821	-4.1%	373,440	344,323	8.5%	13.9%
Tiszakécske 2	689	HUF 33,360	97,019	100,959	-3.9%	375,827	346,846	8.4%	13.9%
Tiszakécske 3	689	HUF 33,360	95,885	100,180	-4.3%	362,583	336,291	7.8%	15.4%
Tiszakécske 4	689	HUF 33,360	97,086	100,959	-3.8%	377,174	346,846	8.7%	13.9%
Tiszakécske 5	689	HUF 33,360	94,947	100,821	-5.8%	371,818	344,323	8.0%	13.1%
Tiszakécske 6	689	HUF 33,360	96,823	100,959	-4.1%	374,695	346,846	8.0%	13.8%
Tiszakécske 7	689	HUF 33,360	96,924	100,788	-3.8%	373,524	344,099	8.6%	13.2%
Tiszakécske 8	689	HUF 33,360	96,429	100,671	-4.2%	371,868	342,857	8.5%	13.6%
Almásfüzitő 1	695	HUF 33,360	94,227	101,007	-6.7%	366,933	344,713	6.4%	57.3%
Almásfüzitő 2	695	HUF 33,360	92,546	100,965	-8.3%	359,825	344,462	4.5%	56.0%
Almásfüzitő 3	695	HUF 33,360	91,266	100,803	-9.5%	350,458	342,641	2.3%	53.4%
Almásfüzitő 4	695	HUF 33,360	94,775	101,132	-6.3%	371,460	345,511	7.5%	56.4%
Almásfüzitő 5	695	HUF 33,360	95,404	100,857	-5.4%	377,810	343,227	10.1%	58.5%
Almásfüzitő 6	660	HUF 33,360	95,393	97,242	-1.9%	375,582	330,740	13.6%	58.8%
Almásfüzitő 7	691	HUF 33,360	95,317	100,331	-5.0%	374,709	341,297	9.8%	57.7%
Almásfüzitő 8	668	HUF 33,360	95,859	98,206	-2.4%	374,012	334,581	11.8%	52.1%
Nagyecsed 1	689	HUF 33,360	97,945	99,536	-1.6%	363,544	336,961	7.9%	
Nagyecsed 2	689	HUF 33,360	97,911	99,536	-1.6%	365,220	336,961	8.4%	
Nagyecsed 3	689	HUF 33,360	97,898	99,713	-1.8%	366,935	337,102	8.8%	
Fertod I	528	HUF 33,360	82,020	77,078	6.4%	302,095	256,964	17.6%	18.8%

Project name	Capacity	Feed-in-Tariff	Prod. 2020 May	Proj. 2020 May	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Fertod II No 2	699	HUF 33,360	102,930	104,489	*-1.5%*	385,213	348,219	*10.6%*	
Fertod II No 3	699	HUF 33,360	102,891	104,489	*-1.5%*	384,799	348,219	*10.5%*	
Fertod II No 4	699	HUF 33,360	102,528	104,489	*-1.9%*	384,717	348,219	*10.5%*	
Fertod II No 5	691	HUF 33,360	102,264	104,766	*-2.4%*	383,321	350,985	*9.2%*	
Fertod II No 6	699	HUF 33,360	101,787	104,489	*-2.6%*	382,147	348,219	*9.7%*	
Ventiterra I No 1	697	HUF 33,360	101,117	108,287	*-6.6%*	387,943	358,603	*8.2%*	
Ventiterra I No 2	697	HUF 33,360	100,482	108,292	*-7.2%*	383,334	358,657	*6.9%*	
Ventiterra II No 1	693	HUF 33,360	51,765	74,192	*-30.2%*	51,765	74,192	*-30.2%*	
Ventiterra II No 2	693	HUF 33,360	79,011	74,192	*6.5%*	79,011	74,192	*6.5%*	
Taszár 1	701	HUF 33,360	95,500	105,318	*-9.3%*	386,725	362,637	*6.6%*	
Taszár 2	701	HUF 33,360	95,534	105,318	*-9.3%*	387,293	362,637	*6.8%*	
Taszár 3	701	HUF 33,360	90,960	105,318	*-13.6%*	383,233	362,637	*5.7%*	
Monor 1	688	HUF 33,360	96,989	105,092	*-7.7%*	375,836	345,954	*8.6%*	
Monor 2	696	HUF 33,360	99,277	105,740	*-6.1%*	380,318	354,673	*7.2%*	
Monor 3	696	HUF 33,360	98,802	105,740	*-6.6%*	376,263	354,673	*6.1%*	
Monor 4	696	HUF 33,360	99,124	105,740	*-6.3%*	379,335	354,673	*7.0%*	
Monor 5	688	HUF 33,360	101,091	104,688	*-3.4%*	382,220	350,379	*9.1%*	
Monor 6	696	HUF 33,360	99,749	105,740	*-5.7%*	381,446	354,673	*7.5%*	
Monor 7	696	HUF 33,360	100,098	105,740	*-5.3%*	381,720	354,673	*7.6%*	
Monor 8	696	HUF 33,360	101,145	105,740	*-4.3%*	379,896	354,673	*7.1%*	
Tata 1	672	HUF 33,360	107,391	124,596	*-13.8%*	321,638	299,598	*7.4%*	
Tata 2	676	HUF 33,360	87,347	102,406	*-14.7%*	283,747	266,463	*6.5%*	
Tata 3	667	HUF 33,360	87,093	100,786	*-13.6%*	304,349	279,807	*8.8%*	
Tata 4	672	HUF 33,360	108,506	127,117	*-14.6%*	323,076	306,078	*5.6%*	
Tata 5	672	HUF 33,360	108,665	127,470	*-14.8%*	325,862	309,967	*5.1%*	
Tata 6	672	HUF 33,360	105,633	125,780	*-16.0%*	336,729	321,621	*4.7%*	
Tata 7	672	HUF 33,360	105,026	124,667	*-15.8%*	330,981	318,504	*3.9%*	
Tata 8	672	HUF 33,360	106,232	126,263	*-15.9%*	318,841	303,904	*4.9%*	
Malyi 1	695	HUF 33,360	86,784	90,026	*-3.6%*	86,784	90,026	*-3.6%*	
Malyi 2	695	HUF 33,360	87,689	90,110	*-2.7%*	87,689	90,110	*-2.7%*	
Malyi 3	695	HUF 33,360	88,593	90,110	*-1.7%*	88,593	90,110	*-1.7%*	
Total Hungarian PP	**34,981**		**4,904,397**	**5,259,749**	***-6.8%***	**17,154,339**	**15,945,563**	***7.6%***	***260.3%***
Symonston	144	AUD 301.60	9,672	8,651	*11.8%*	68,685	77,094	*-10.9%*	*-6.1%*
Total Australian PP	**144**		**9,672**	**8,651**	***11.8%***	**68,685**	**77,094**	***-10.9%***	***-6.1%***
Total	**60,550**		**8,252,076**	**8,755,826**	***-5.8%***	**29,331,904**	**25,620,007**	***14.5%***	***89.8%***

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

Chart 1.a Total production of the Czech portfolio

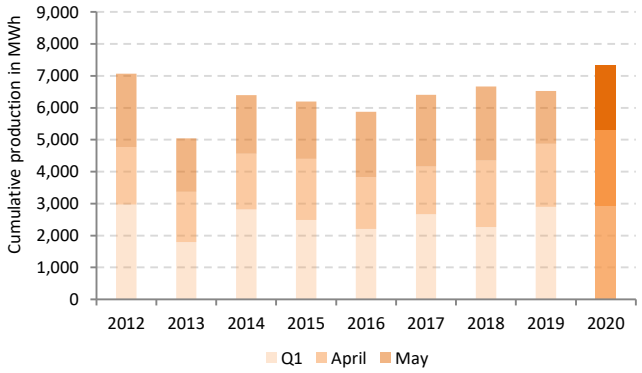


Chart 1.b Total production of the Slovak portfolio

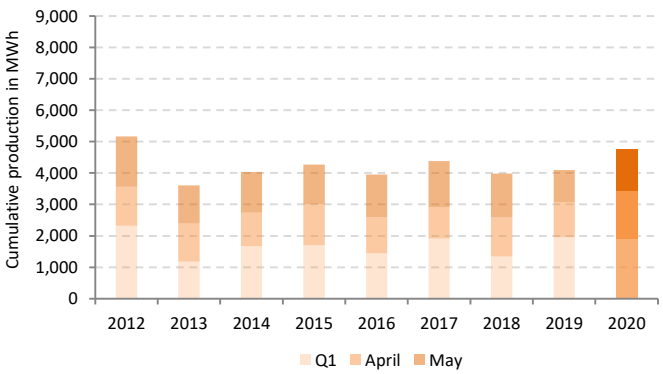


Chart 1.c Total production of Hungarian portfolio

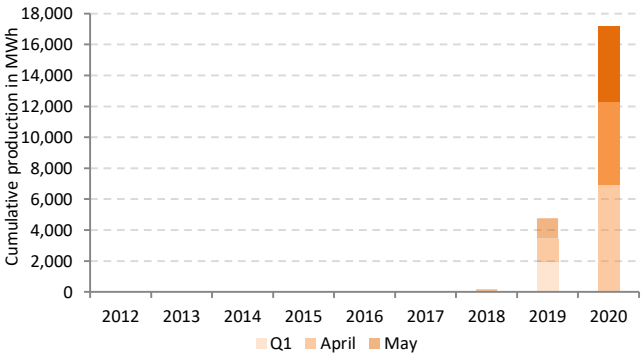


Chart 2. Generation results versus forecast between 1 January 2016 and 31 May 2020

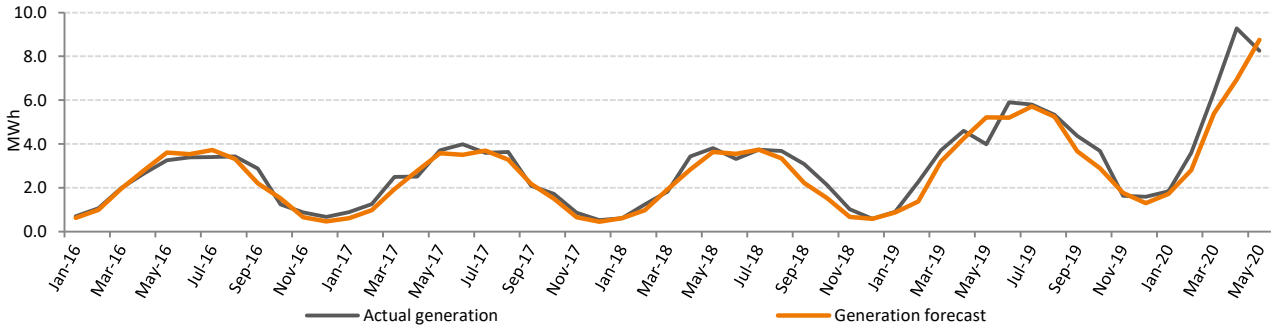
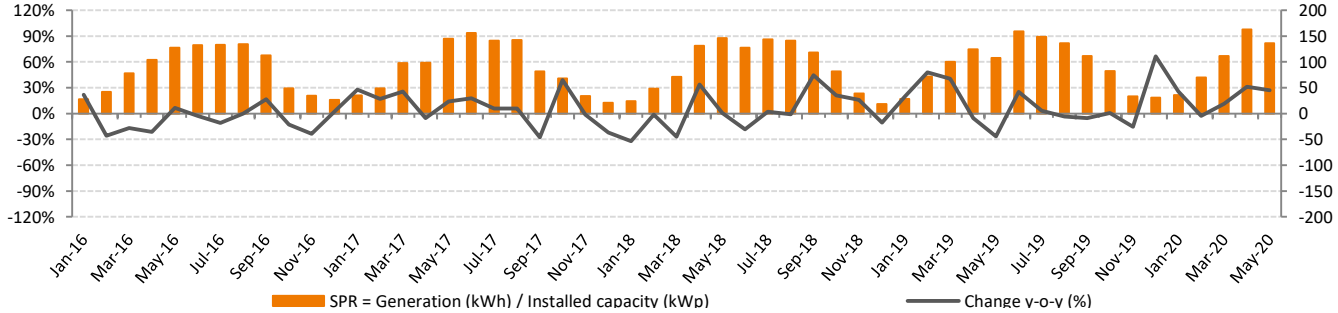


Chart 3. Specific Performance Ratio between 1 January 2016 and 31 May 2020



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

May proved to be a less favourable month in terms of weather conditions which resulted in generation results underperforming the energy audits. The average performance of all power plants in Photon Energy's portfolio came in approximately 5.8% below expectations. However on a year-to-date (YTD) basis, the overall performance of the proprietary portfolio still exceeded forecasts by 14.5%.

The best performance was recorded by our Australian plant, which exceeded energy forecasts by 11.8%. In contrast, the Czech, Slovak and Hungarian power plants were short of generation estimates by 5.4%, 2.5% and 6.8% respectively.

The addition of new Hungarian power plants over the past year (installed capacity of 60.6 MWp as of May 2020 vs 37.1 MWp one year ago) has boosted electricity generation with 29.3 GWh of electricity produced YTD compared to 15.5 GWh one year ago (+89.8%).

When comparing the performance of the subset of power plants in operation in May 2019, i.e. on a like-for-like basis, the total volume of electricity generation YTD increased by 19.1%. The specific performance ratio of the proprietary portfolio (SPR) reached 136 kWh/kWp compared to 107 kWh/kWp one year ago (+27.0% year-on year).

3. Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (738 MWp) and Hungary (14.1 MWp) and is evaluating further markets for opportunities.

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

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid con-nection	Construc-tion permit	Expected RTB
Hungary	Püspökladány	Own portfolio	100%	14.1	Contr.-for-Diff.[1]	Secured	Secured	Secured	Under construction
Total Own portfolio Hungary				**14.1**					
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	Under construction
Total Own portfolio Australia				**14.0**					
Total Own portfolio				**28.1**					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021[2]
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Secured	Q2 2021[2]
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	Q2 2021[2]
Australia	Carrick	Developer	51%	144	All options open	Secured	Ongoing	Ongoing	Q2 2021[2]
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 large scale development projects of Gunning, Maryvale, Suntop 2 and Carrick development work continues, particularly firming up grid-connection costs and securing off-take agreements and strategies before finalizing the development process. These negotiations are ongoing and are taking more time than originally anticipated due to changing electricity market conditions. We have moved the RTB dates accordingly to reflect this.*

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

Australia

As of the date of publishing this report, Photon Energy has five large scale solar farms at different stages of development in New South Wales ("NSW). The project pipeline is still among the largest pipelines of Solar projects in NSW representing a total planned capacity of 738 MWp.

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

To date, Photon Energy sold stakes in two of the five projects jointly developed with Canadian Solar Inc. and one project jointly developed with another developer, i.e.:

- 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp, which was sold to Canadian Solar Inc. on 30 July 2019. 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 now plan to submit the Environmental Impact Studies (EIS) in Q4 2020. In parallel we are in discussions with Transgrid regarding the grid connection specifications. GPS studies will follow.
- **Maryvale (160 MWp)**: The construction permitting process has been finalized and Development Approval was granted on 4 December 2019. The grid connection options are still under review and in discussion with Essential Energy. We are currently completing the electrical connection process, which is continuing. GPS will start once those discussions will be finalized.
- **Suntop 2 (200 MWp)**: Suntop 2 is the replacement of the Mumbil Solar Farm project which development was stopped due to significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. For the Suntop 2 project the construction permitting process is still underway. Feasibility studies and community consultations have been finalized and EIS were submitted to NSW DP&E in November 2019. We received the first comments and are providing additional information to complete EIS that we plan to resubmit it in December 2020. The grid connection application will start upon completion of EIS.

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

- **Leeton (14 MWp):** In May 2020, Photon Energy announced the conclusion of an agreement with Infradebt for the project debt financing of the two PV power plants we are developing in Leeton, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7 MWp DC each.

  Photon Energy Engineering Australia Pty Ltd. will act as engineering, procurement and construction (EPC) contractor for both projects. Commissioning is expected in Q4 2020, after which long-term O&M services will be provided by Photon Energy Operations Australia Pty Ltd.

  The plants' bi-facial PV modules will be mounted on single-axis trackers and will supply the produced electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of both PV power plants is forecast to be 26.8 GWh, and will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plants. No power purchase agreements (PPAs) have been entered into by Photon Energy.

  These are the two largest projects to be added to Photon Energy's portfolio to date, and our first merchant projects providing competitive energy into the market. The experience we gain in operating the power plants will be used to maximise revenues in the energy market.
- **Carrick (144 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Essential Energy. During the reporting period an agreement to sell the shares in the project was signed. Closing of the transaction is expected to happen by the end of June 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 the progress achieved in the reporting period (3.5 MWp successfully commissioned) and projects in the pipeline (14.1 MWp).

- **Mályi (2.1 MWp):** During the reporting period, Photon Energy completed and grid-connected the 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 96.6 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):** During the reporting period, Photon Energy completed and grid-connected the 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 96.6 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 (14.1 MWp):** In May 2019 Photon Energy acquired ten additional PV projects with a total planned installed DC capacity of 14.1 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involved the acquisition of four project companies, owning ten METÁR licenses in total entitling them to a feed-in-tariff (in the form of electricity sales on the energy spot market plus a contract-for-difference) of HUF 33,360 per MWh (approx. EUR 96.6 per MWh) over a period of 17 years and 11 months for five of the ten projects, with a maximum approved and supported production of 34,813 MWh for each license, and 15 years and 5 months for the remaining five projects, with a maximum approved and supported production of 29,955 MWh for each license. Total annual revenues of all ten power plants are expected to be EUR 1.936 million.

Construction status: Land preparation has just started with the fencing of the power plant. The completion is scheduled for the fourth quarter of 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 14.1 MWp. Together with our existing portfolio of 35.0 MWp operating PV power plants, we have secured a 49.1 MWp portfolio in Hungary. The Group's updated target assumes the expansion of our portfolio in Hungary up to 75MWp until year-end 2021.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 31 May 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 5.30 (+11.3% MoM, +10.9% YTD), corresponding to a price to book ratio of 1.82. The monthly trading volume amounted to 350,881 shares (vs. an average monthly volume of 528,639 YTD).

The share price, certainly negatively affected by the rising uncertainty caused by the COVID-19 outbreak, has fully recovered to pre-crisis prices after hitting a bottom price of PLN 2.92 on 13 March (closing price of PLN 6.95 as of 10 June 2020).

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

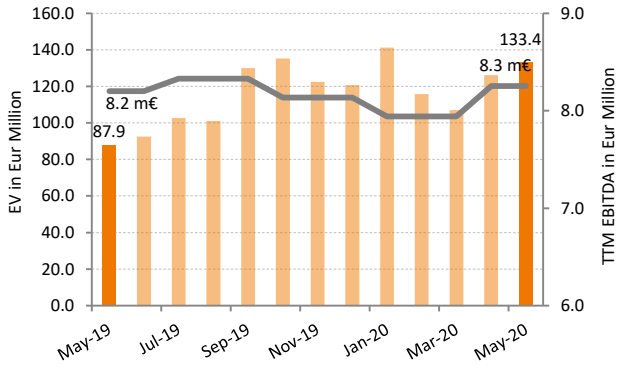
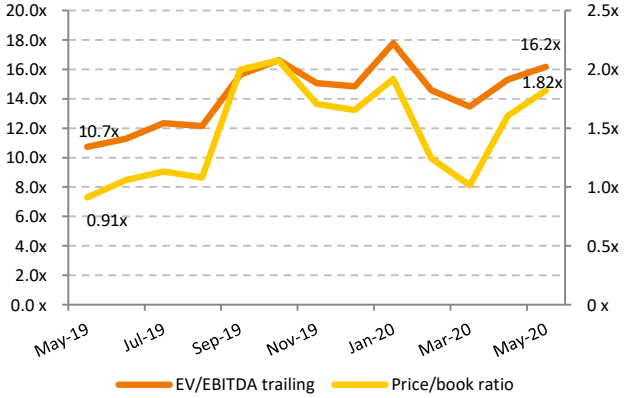


Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



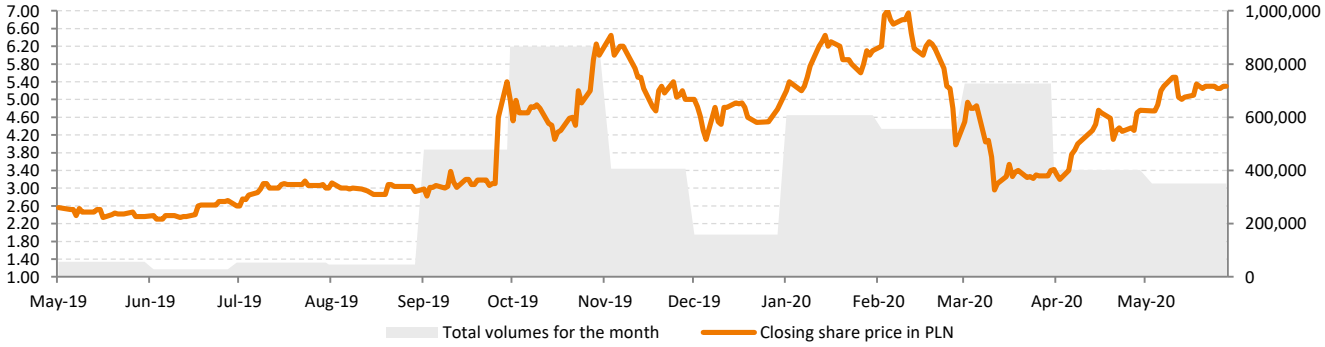
Notes:

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. the sum of EBITDA reported in Q2 2019, Q3 2019, Q4 2019 and 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.

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

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



4.2 Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the 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 have been issued, nor any new equity capital raised through this listing. On 31 May 2020 the share price (ISIN NL0010391108) closed at a level of CZK 39.00 (+30.0% compared to last month, -7.1% YTD, +695.9% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 2.21x. The Company reports a monthly trading volume of 29,052 shares in May, compared to an average monthly trading volume of 27,566 YTD.

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 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 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.

5.1 EUR Bond 2017-22 trading performance

EUR Bond 2017-22 trading performance to date

In the trading period from 25 October 2017 until 31 May 2020, the trading volume amounted to EUR 41.877 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 103.00 in Frankfurt. During this period the average daily turnover amounted to EUR 64,327.

EUR Bond 2017-22 trading performance in May 2020

In May 2020 the trading volume amounted to EUR 854,000 with an opening price of 101.30 and a closing price of 103.00 in Frankfurt. The average daily turnover amounted to EUR 42,700.

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

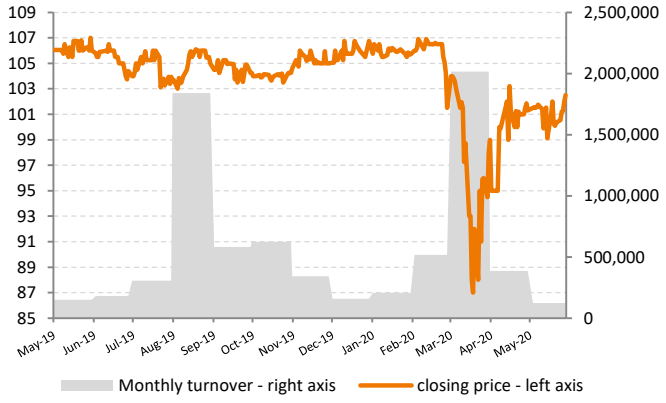
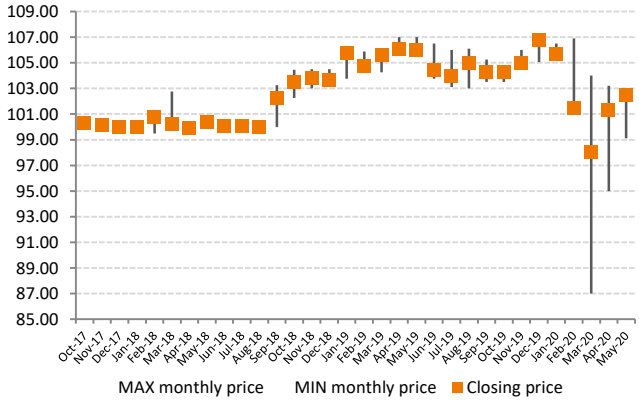


Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 31 May 2020 the trading volume amounted to CZK 10.800 million with a closing price of 100.00.

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

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

- **EBI 8/2020** published on 12 May 2020: Quarterly report for Q1 2020.
- **EBI 9/2020** published on 14 May 2020: Monthly report for April 2020.
- **EBI 10/2020** published on 18 May 2020: Convocation of the Annual General Meeting of Shareholders on 29 June 2020.

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

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

- **ESPI 7/2020** published on 6 May 2020: Photon Energy connects 2.1 MWp to Hungarian grid.
- **ESPI 8/2020** published on 8 May 2020: Photon Energy connects 1.4 MWp to Hungarian grid.
- **ESPI 9/2020** published on 14 May 2020: Photon Energy intends to move to the main markets of the Warsaw and Prague Stock Exchanges and to secure a listing on the Frankfurt Quotation Board.
- **ESPI 10/2020** published on 29 May 2020: Photon Energy to add 14 MWp to its PV portfolio in Australia.

After the reporting period, the following report has been published in the ESPI (Electronic Information Transmission System) system of the Warsaw Stock Exchange.

- **ESPI 11/2020** published on 4 June 2020: Photon Energy Starts Construction on PV Power Plants in Hungary with a total capacity of 14.1 MWp.

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

Not applicable.

8. Investors' calendar

- 29 June 2020: Annual General Meeting
- 14 July 2020 Monthly report for June 2020
- 12 August 2020 Entity and consolidated quarterly reports for Q2 2020
- 14 August 2020 Monthly report for July 2020
- 14 September 2020 Monthly report for August 2020
- 14 October 2020 Monthly report for September 2020
- 12 November 2020 Entity and consolidated quarterly reports for Q3 2020
- 13 November 2020 Monthly report for October 2020
- 14 December 2020 Monthly report for November 2020

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Amsterdam, 11 June 2020

Georg Hotar, Member of the Board of Directors

Michael Gartner, Member of the Board of Directors