

PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

2016 Q1

for the period from 1 January to 31 March 2016

MATERIAL	200					X
THINFILM						X
INSPECTION	100					X
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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 2016

in Thousands	EUR		PLN	
	2015 Q1	2016 Q1	2015 Q1	2016 Q1
Total revenues	2,168	1,983	9,091	8,656
Gross profit	1,547	1,554	6,487	6,783
EBITDA	523	691	2,194	3,015
EBIT	-261	-101	-1,096	-439
Profit / loss before taxation	-1,225	-1,318	-5,137	-5,752
Profit / loss from continuing operations	-1,087	-1,380	-4,558	-6,023
Total comprehensive income	-1,726	-1,669	-7,235	-7,285
Non-current assets	81,436	78,248	332,630	333,071
Current assets	11,290	10,817	42,455	44,901
Cash and cash equivalents	3,817	4,390	15,590	18,688
Total assets	92,726	89,065	375,085	377,972
Total equity	26,369	26,871	107,705	114,379
Current liabilities	10,309	9,134	41,741	38,880
Non-current liabilities	56,048	53,061	225,267	224,711
Operating cash flow	-1,666	-1,249	-3,558	-5,885
Investment cash flow	0	0	0	0
Financial cash flow	852	124	-268	540
Net change in cash	-815	-1,125	-3,826	-5,345
EUR exchange rate - low	-	-	4.076	4.250
EUR exchange rate - average	-	-	4.326	4.496
EUR exchange rate - end of period	-	-	4.193	4.365
EUR exchange rate - high	-	-	4.085	4.257

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Consolidated revenues decreased 8.5% YOY from EUR 2.168 million to EUR 1.983 million in 2016 Q1.
- Consolidated EBITDA increased by 32% from a EUR 0.523 million profit in 2015 Q1 to a EUR 0.691 million profit in the reporting period.
- The EBIT loss decreased by 62% from EUR 0.261 million to EUR 0.101 million.
- The Company recorded a loss before taxation of EUR 1.318 million, compared to a loss of EUR 1.225 million loss for the same period last year.
- Total comprehensive income improved to a negative EUR 1.669 million in 2016 Q1 from a EUR 1.726 million loss one year ago.
- Total equity increased from EUR 26.369 million to EUR 26.871 million at the end of 2016 Q1.
- YOY the equity ratio increased from 32% to 35%¹.

¹Equity ratio is defined as total equity divided by total capital, being the sum of interest-bearing debt capital and equity capital.

Other highlights:

- In 2016 Q1 the proprietary portfolio of PV plants generated approximately 3.7 GWh of electricity; 3.5% above energy audits, down by 12.8% compared to 2015 Q1;
- The total portfolio of Photon Energy Operations grew to 154 MWp as of the end of 2016 Q1 compared to 142 MWp a year ago;
- Photon Energy Australia commissioned two roof mounted solar power plant in Canberra with a total capacity of 348 kWp;
- Photon Energy signed a service and distribution partnership for Satcon inverters with GreatWall;
- Photon Energy sold its shares in Photon Energy Operations DE GmbH.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 January to 31 March 2016

in Thousands	EUR		PLN	
	2015 Q1	2016 Q1	2015 Q1	2016 Q1
Revenues	0	436	0	1,904
Gross profit	0	436	0	1,904
EBITDA	-188	-11	-787	-48
EBIT	-190	-14	-798	-60
Profit / loss before taxation	-302	-246	-1,265	-1,072
Total comprehensive income	-302	-246	-1,265	-1,072
Non-current assets	31,305	31,740	127,868	135,103
Current assets	10,197	10,848	41,649	46,174
Cash and cash equivalents	102	101	415	428
Total assets	41,502	42,587	169,517	181,278
Total equity	27,711	28,144	113,189	119,797
Current liabilities	5,890	6,181	24,060	26,310
Non-current liabilities	7,900	8,263	32,268	35,172
EUR exchange rate – low	-	-	4.076	4.250
EUR exchange rate – high	-	-	4.193	4.365
EUR exchange rate – average	-	-	4.085	4.257
EUR exchange rate - end of period	-	-	4.326	4.496

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 January until 31 March 2016, 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

It was a good start to the year. Cost control initiatives and significant restructuring efforts undertaken in 2015, generated an improvement in operating margins relative to Q1 2015, despite lower year-on-year revenue (which must be seen against the extraordinarily positive power production results of 2015 Q1). We had solid financial results and executed our strategy in the most efficient manner. The improved cost structure means we are well prepared for maximising our revenues in the sunny high-production months ahead.

The momentum in our Operations & Maintenance and Inverter Cardio service businesses in Europe provide the backdrop for sustained growth in 2016 and beyond. In 2016 we expect continued growth in our O&M business as we continuously expand our service range to include not only full O&M, but more highly specialised services, such as string inverter refurbishment, string monitoring for central inverters and other specialised monitoring solutions. We are also continuing our development of off-grid solutions, which will not only include hybrid power plants, but solutions directly coupled with off-grid applications, such as on-site water pumping and filtration powered by solar energy. In Australia too, we have a healthy pipeline for EPC projects, from rooftop PV power plants for commercial office buildings, to hybrid power solutions.

Looking at the highlights for the quarter, we finalised our geographical refocussing by selling our shares in Photon Energy Operations DE GmbH, we have successfully executed two projects in Australia, have signed new O&M contracts as well as a service and distribution partnership for Satcon inverters.

Geographical refocusing in Europe completed

During the reporting period, the Group decided to further implement its geographical refocusing strategy by selling its shares in Photon Energy Operations DE GmbH to a German investor. Photon Energy has therefore closed its office in Berlin at the end of January and continues servicing the German market and customers from its base in Prague.

Photon Energy Australia commissioned two projects in Australia totalling 348 kWp

With the recent commissioning in January 2016 of two rooftop solar power plants totalling 348 kW as part of a general building reconstruction in the ACT - taking the total installed base of Photon Energy in Australia beyond the 1 MWp mark - Photon Energy has demonstrated how integrating solar power into a commercial space can transform buildings and make them ready for the future. The power plants increase the overall value of the buildings. By integrating solar power into new commercial buildings, investors can achieve the highest possible NABERS ratings, making their projects attractive to a wider range of tenants. As with the 1THD building in Sydney last year, this project was installed during a general renovation of an older property. Photon Energy is also providing the long-term Operations & Maintenance for the PV plants.

New O&M services contracts

While pushing forward with new projects in Australia, Photon Energy also remained focused on further expanding its Operations and Maintenance business in Europe. During this quarter, our subsidiary Photon Energy Operations (PEO) expanded its market share on the Czech solar O&M market by signing contracts for 2 PV power plants with a total capacity of 3.9 MWp. In connection with the sale of its shares in Photon Energy Operations DE GmbH, the German O&M contracts were transferred to a third party in February 2016. As a result Photon Energy now offers more than 154 MWp O&M services across Europe and in Australia. As of the end of 2016 Q1, full O&M services contracts amounted to approximately 92.9 MWp and specialised Inverter Cardio services to 61.2 MWp or central PV inverters.

Photon Energy signed a service and distribution partnership for Satcon inverters with GreatWall

Photon Energy entered into a cooperation agreement with China Electronics GreatWall Energy ("GreatWall"), the producer of Satcon® central inverters after acquiring all IP rights following the bankruptcy of Satcon Technology Corp. in 2013. Since then Photon Energy's Inverter Cardio team has been the leading service provider to the installed base of Satcon® inverters in Europe. Photon Energy and GreatWall agreed to cooperate closely on inverter maintenance and service as well as their distribution mainly in Europe and Australia, including product certifications and ongoing upgrades based on Photon Energy's extensive service experience. The agreement gives potential customers with central PV inverters further reasons to entrust us their PV inverters for servicing.

Financial results

The operational results reflect the growing stability and de-risking of our business. Consolidated revenues for the first quarter totaled EUR 1.983 million, down 8.5% versus the year-earlier period largely due to lower production levels. However, compared with results for the first quarter of 2015, the EBITDA grew to EUR 0.691 million versus EUR 0.523 million and the corresponding EBITDA margin was 35%, significantly above the 24% EBITDA margin in 2015 Q1. When adjusting for depreciation and amortisation, the Group recorded an EBIT loss of EUR 0.101 million, compared to EUR 0.160 million a year ago. We were able to reduce our first-quarter net loss to EUR 1.4 million, down 27% YoY, mainly connected to an adjustment in the revaluation of derivatives. The combination of more diversified sources of revenues, along with strong execution, as well as targeted actions to streamline portions of our business as a part of aligning our cost structure with our revenue profile, enabled us to deliver another quarter of improved performance.

2.2. Strategy and its execution

We are pleased that 2015 proved to be an inflexion point in our company's development. We managed to reignite revenue growth, optimise our cost base across all business lines while the resulting EBITDA growth fed through to the bottom line, where we managed to reduce our loss after taxation by two thirds. The momentum in our Operations & Maintenance and Inverter Cardio service businesses in Europe and the Australian markets provide the backdrop for sustained growth in 2016 and beyond.

The objective of our strategy remains the generation of recurring revenue streams while maximizing customer value. Photon Energy's focus remains on:

- ▶ Customized Energy Solutions
- ▶ Decentralized Energy Production and Energy Storage Solutions
- ▶ Operations & Maintenance of PV plants and Energy Storage facilities
- ▶ Asset Management
- ▶ Investment Protection

Our next steps are:

- ▶ The Photon Energy Operations team focuses on full O&M solutions in Central Europe and expands its Inverter Cardio services to additional inverter technologies covering the whole European market.
- ▶ Photon Energy's power plant monitoring solutions will be offered as a standalone product.
- ▶ The Australian market still remains our focus for the expansion of PV generation capacity, further potential markets in Central and South America and Africa are currently under investigation.
- ▶ Our Swiss subsidiary Global Investment Protection AG will continue offering services in the area of arbitration advice, legal advice and restructuring for investors whose assets might be under threat from retroactive government measures.

Moreover, 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.

The Group also intends to specialise in energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy intends to focus on industries such as retail, agriculture, telecommunications and others. In the case of remote off-grid locations, where usually irradiation levels are constantly high throughout the year, such energy solutions allow customers to reduce fuel consumption by over 50%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills. We are also continuing our development of off-grid solutions, which will not only include hybrid power plants, but solutions directly coupled with off-grid applications, such as on-site water pumping and filtration powered by solar energy.

Photon Energy wants to position itself at the cutting edge of the industry, creating PV-based power solutions with the integration of energy storage and/or diesel generators. The Group has developed different accurate models for off-grid and on-grid systems with sufficient flexibility to adapt to a wide range of situations. In order to facilitate market penetration, the Group will selectively cooperate with local partners, if necessary or value-adding.

2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan was implemented.

2.4. Proprietary portfolio, generation results and O&M service

Proprietary portfolio

The table below presents the portfolio of power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 31 March 2016, consisted of 23 power plants in the Czech Republic, Slovakia, and Australia with a total installed capacity of 25.6 MWp.

More information on the Group structure and the restructuring processes can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 31 March 2016

Nr	Proprietary portfolio	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 ¹	CZ	926	100%	926	Dec.09
8	Zdice I	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	CZ	137	100%	137	Dec.10
12	Babiná II	SK	999	100%	999	Dec.10
13	Babina III	SK	999	100%	999	Dec.10
14	Prša I.	SK	999	60%	599	Dec.10
15	Blatná	SK	700	70%	490	Dec.10
16	Mokra Luka 1	SK	963	100%	963	Jun.11
17	Mokra Luka 2	SK	963	100%	963	Jun.11
18	Jovice 1	SK	979	100%	979	Jun.11
19	Jovice 2	SK	979	100%	979	Jun.11
20	Brestovec	SK	850	50%	425	Jun.11
21	Polianka	SK	999	50%	500	Jun.11
22	Myjava	SK	999	50%	500	Jun.11
23	Symonston	AUS	144	100%	144	Feb.13
Total			25,569		23,535	

¹Mostkovice SPV 3 combines of two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp)

There were no changes to the proprietary portfolio of Photon Energy N.V. in the reporting period.

Generation results

The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2016 Q1 amounted to 3.7 GWh, which was 3.5% above the energy forecasts and down by 12.8% YoY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

Table 2. Generation results versus projections between 1 January and 31 March 2016

Project name	Legal entity	Capacity	Feed-in-Tariff*	Prod. 2016 Q1	Proj. 2016 Q1	Perf.	Prod. 2015 Q1	YoY
Unit		kWp	per MWh	kWh	kWh	%	kWh	%
Komorovice	Exit 90 s.r.o.	2,354	CZK 13,692	331,379	301,507	9.9%	386,465	-14.3%
Zvíkov I	Photon SPV8 s.r.o.	2,031	CZK 13,692	346,216	264,266	31.0%	356,565	-2.9%
Dolní Dvořiště	Photon SPV10 s.r.o.	1,645	CZK 13,692	240,616	219,840	9.5%	253,004	-4.9%
Svatoslav	Photon SPV4 s.r.o.	1,231	CZK 13,692	154,940	163,274	-5.1%	163,405	-5.2%
Slavkov	Photon SPV6 s.r.o.	1,159	CZK 13,692	178,115	155,484	14.6%	196,809	-9.5%
Mostkovice SPV 1**	Photon SPV1 s.r.o.	210	CZK 13,692	29,446	32,322	-8.9%	34,509	-14.7%
Mostkovice SPV 3***	Photon SPV3 s.r.o.	926	CZK 14,710	127,420	121,518	4.9%	148,429	-14.2%
Zdice I	Onyx Energy I s.r.o.	1,499	CZK 13,692	227,713	193,814	17.5%	281,824	-19.2%
Zdice II	Onyx Energy projekt II s.r.o.	1,499	CZK 13,692	229,454	193,814	18.4%	276,709	-17.1%
Radvanice	Photon SPV11 s.r.o.	2,305	CZK 13,692	315,235	298,440	5.6%	369,201	-14.6%
Břeclav rooftop	Photon SPV1 s.r.o.	137	CZK 13,692	22,368	22,892	-2.3%	25,448	-12.1%
Total Czech PP		14,996		2,202,902	1,967,169	12.0%	2,492,368	-11.6%
Babiná II	Sun4Energy ZVB s.r.o.	999	EUR 425.12	115,275	142,127	-18.9%	137,229	-16.0%
Babina III	Sun4Energy ZVC s.r.o.	999	EUR 425.12	115,185	142,127	-19.0%	137,127	-16.0%
Prša I.	Fotonika s.r.o.	999	EUR 425.12	150,606	142,469	5.7%	160,224	-6.0%
Blatna	ATS Energy s.r.o.	700	EUR 425.12	95,730	118,144	-19.0%	96,657	-1.0%
Mokra Luka 1	EcoPlan 2 s.r.o.	963	EUR 382.61	179,543	165,076	8.8%	213,278	-15.8%
Mokra Luka 2	EcoPlan 3 s.r.o.	963	EUR 382.61	184,903	165,076	12.0%	219,525	-15.8%
Jovice 1	Photon SK SPV2 s.r.o.	979	EUR 382.61	109,921	124,544	-11.7%	140,316	-21.7%
Jovice 2	Photon SK SPV3 s.r.o.	979	EUR 382.61	104,953	124,544	-15.7%	134,276	-21.8%
Brestovec	Photon SK SPV1 s.r.o.	850	EUR 382.61	133,026	139,781	-4.8%	163,503	-18.6%
Polianka	Solarpark Polianka s.r.o.	999	EUR 382.61	117,768	127,087	-7.3%	129,240	-8.9%
Myjava	Solarpark Myjava s.r.o.	999	EUR 382.61	139,341	160,991	-13.4%	170,652	-18.3%
Total Slovak PP		10,429		1,446,251	1,551,964	-6.8%	1,702,027	-15.0%
Symonston		144	AUD 301.60	57,960	61,338	-5.5%	57,820	0.2%
Total Australian PP		144		57,960	61,338	-5.5%	57,820	0.2%
Total		25,569		3,707,113	3,580,472	3.5%	4,252,215	-12.8%

Notes

* 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.

** Mostkovice SPV 1 & Břeclav rooftop power plants belong to the same legal entity.

*** Total result for Mostkovice SPV 3 and Mostkovice SPV 3R, as the same company "SPV3" owns both SPVs.

Chart 1.a Total production of the Czech portfolio

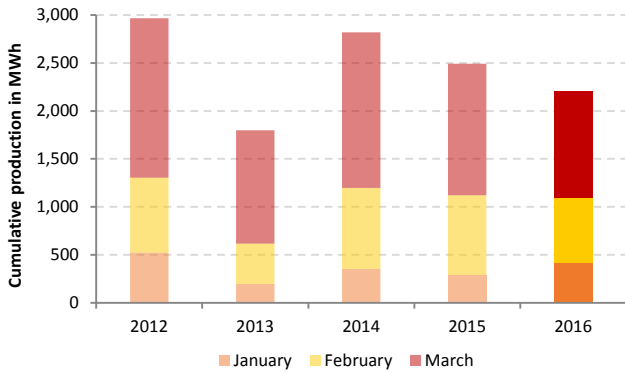
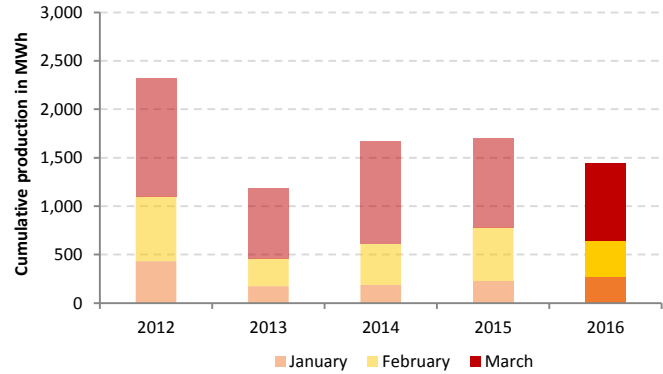


Chart 1.b Total production of the Slovak portfolio



O&M services

Photon Energy also remained focused on further expanding its Operations and Maintenance business in Europe. During this quarter, our subsidiary Photon Energy Operations (PEO) expanded its market share on the Czech solar O&M market by signing contracts for two PV power plants with a total capacity of 3.9 MWp. As a result Photon Energy now offers more than 154 MWp O&M services across Europe and in Australia. As of the end of 2016 Q1, full O&M services contracts amounted to approximately 92.9 MWp, up by 12.2 MWp from the end of 2015 Q1, and can be broken down geographically into 65.0 MWp operated in the Czech Republic, 15.9 MWp in Slovakia, 11.0 MWp in Romania and 1.1 MWp in Australia. The O&M portfolio divides into 25.6 MWp of PV capacities from the proprietary portfolio and 67.4 MWp serviced for external clients.

As far as the “Inverter Cardio” services are concerned, the Group is servicing 61.25 MWp of central inverters. 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.

In detail, at the end of 2016 Q1, the total cumulative capacity of central inverters amounted to 61.25 MWp, dividing regionally into France (21.3 MWp), Italy (15.0 MWp), Belgium (9.2 MWp), Czech Republic (7.5MWp), Slovakia (5.5 MWp), Germany (1.75 MWp) and Bulgaria (1.0MWp).

2.5. Enterprise value & Share price performance

On 4 June 2013 Photon Energy N.V. shares commenced trading on the NewConnect market at a price of PLN 2.00, after a share swap for the minority investors in the Czech predecessor company, originally listed on New Connect in 2008.

The quarter closed at a price of PLN 0.65 on 31 March 2016 (-17% vs. 31 December 2015), corresponding to a price to book ratio of 0.28x.

The Company also reports average monthly trading volume of 242,780 shares in 2016 Q1. The Company has experienced an average monthly volume of 636,488 shares in 2015 compared to a monthly volume of 98,018 traded shares in 2014.

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



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

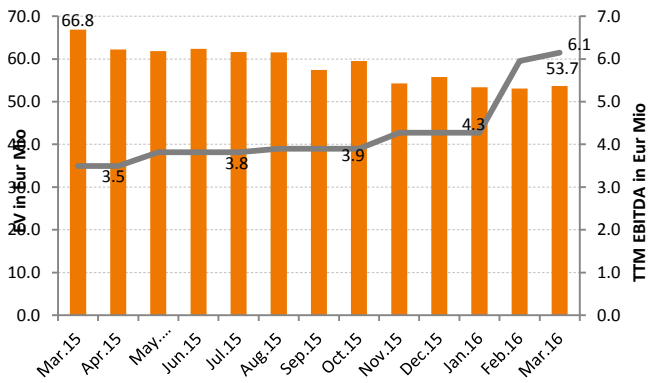
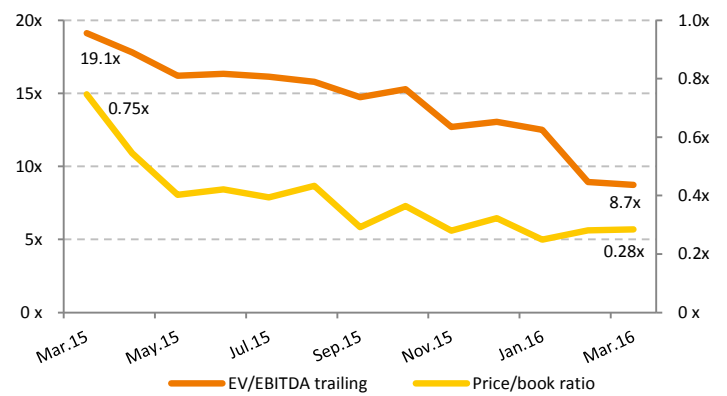


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



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.

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.

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; e.g. in 2016 Q1, the sum of EBITDA reported in 2015 Q1, Q2, Q3 and Q4.

2.6. Bond trading performance

In March 2013 Photon Energy Investments N.V., at that time a fully-owned subsidiary of Photon Energy N.V., placed a 5-year corporate bond with an 8% annual coupon and quarterly coupon payments in Germany, Austria, the Czech Republic, Slovakia and Poland. Upon completion of the merger of Photon Energy N.V. and Photon Energy Investments N.V., Photon Energy N.V. became the legal successor and assumed all obligations towards the bondholders of Photon Energy Investments N.V. The bond is listed on the stock exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 95% and 100.75%.

Chart 5. The Company’s bond trading on the Frankfurt Stock Exchange in Germany between 1 April 2015 and 31 March 2016,

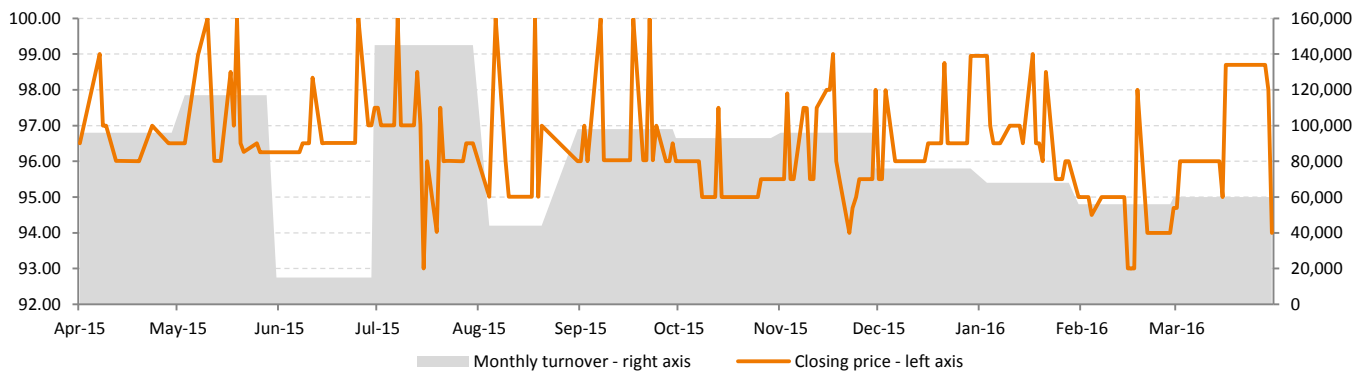
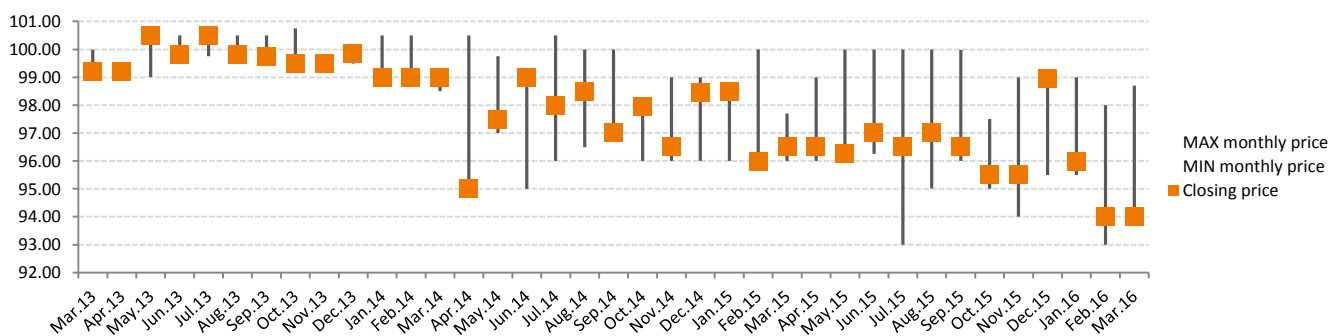


Chart 7. MIN, MAX and closing monthly prices



In the trading period from 12 March 2013 until 31 March 2016 the trading volume amounted to EUR 6.631 Mio (nominal value) with an opening price of 100.00 and a closing price of 94.00. During this period the average daily turnover amounted to EUR 8,601.

Bond trading performance in 2016 Q1

In 2016 Q1 the trading volume amounted to EUR 184,000 (268,000 in 2015 Q4) with an opening price of 98.95 and a closing price of 94.00. The average daily turnover amounted to EUR 2,968 in the reporting period compared to 5,435 for the full-year 2015.

2.7. Financial statement analysis

Profit and Loss statement

In 2016 Q1, consolidated revenues decreased 8.5% YOY from EUR 2.168 million to EUR 1.983 million. This decrease in revenues is primarily connected with the lower revenues from the electricity production.

Consolidated EBITDA increased by 32 % from a EUR 0.523 million profit in 2015 Q1 to a EUR 0.691 million profit in the reporting period. The EBIT loss decreased by 62% from EUR 0.261 million to EUR 0.101 million. The lower loss in operating activities can be attributed to the lower personnel and administrative cost compensating the lower revenues.

The Company recorded a loss before taxation of EUR 1.318 million, compared to a loss of EUR 1.225 million loss for the same period last year. Total comprehensive income amounted to a loss of EUR 1.669 million in 2016 Q1 (vs. a loss of EUR 1.726).

Chart 8. Revenues, gross profit and gross margin

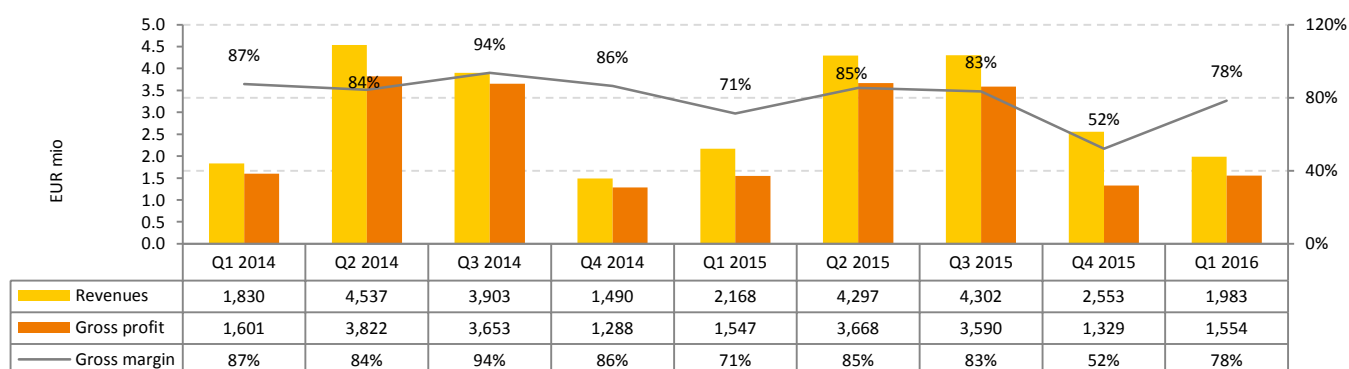
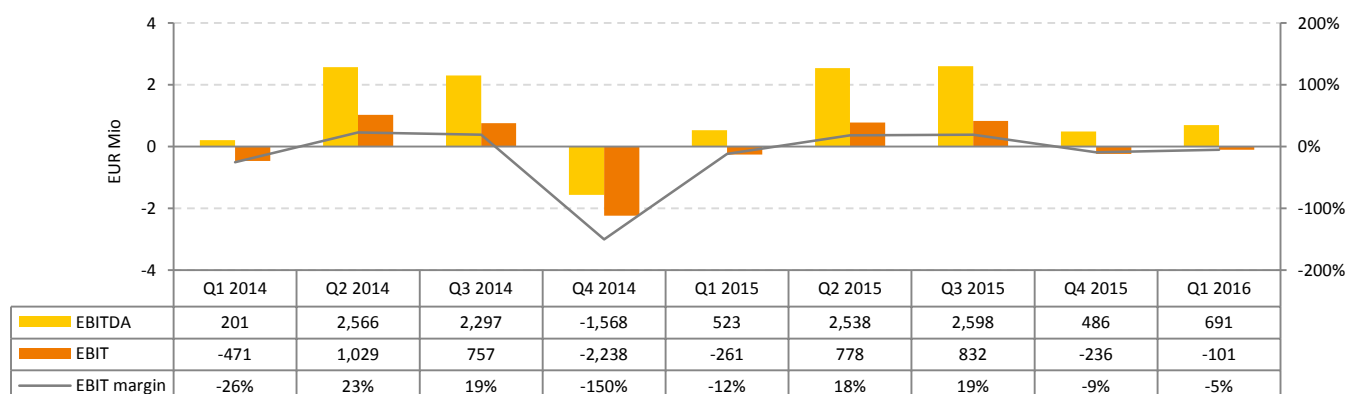


Chart 9. EBITDA, EBIT and EBIT margin development



Balance Sheet

Total assets amounted to EUR 89.065 million at the end of 2016 Q1, a decrease by EUR 3.661 million compared to 2015 Q1. The main reason for the decrease in assets is the annual depreciation and sale of the Italian and German power plants.

Current assets decreased from EUR 11.290 million as of 31 March 2015 to EUR 10.817 million as of 31 March 2016 mainly due to lower other receivables, inventories and prepaid expenses.

Total liabilities amounted to EUR 62.195 million as of the end of the reporting period compared to EUR 66.267 million as of the end of 2015 Q1. Short term liabilities decreased by EUR 1.175 million (down from EUR 10.309 million in 2015 Q1 to EUR 9.134 million in 2016 Q1) mainly due to a lower trade and other payables and other loans. Trade and other payables have decreased from EUR 5.703 million in 2015 Q1 to EUR 4.141 million in 2016 Q1. Long term liabilities decreased by EUR 2.987 million from EUR 56.048 million in 2015 Q1 to EUR 53.061 million in 2016 Q1. The main drivers of the decrease in long term liabilities was the ongoing repayment of project-level bank loans and lower outstanding balances of other loans.

Chart 10. Net current assets

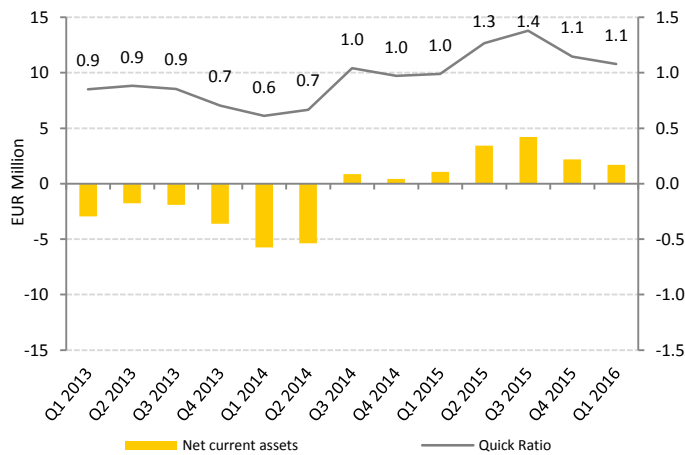
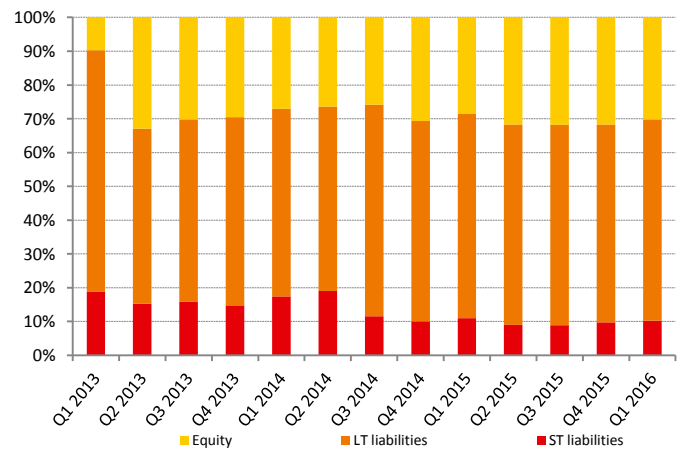


Chart 11. Break down of liabilities and equity



Changes in equity

Equity increased to EUR 26.871 million in 2016 Q1 compared to EUR 26.369 million in 2015 Q1 mainly due to the lower currency conversion reserve.

Cash Flow

The Group posted negative operating cash flows in 2016 Q1, which amounted to EUR 1.249 million. Financial cash flows were positive and amounted to EUR 0.124 million driven primarily by the new refinancing in the total amount of EUR 1.489 million compensated by payment of interests and repayments of the bank loans. Overall, the cash position increased by EUR 0.573 million comparing to the same quarter of 2015 and ended at EUR 4.390 million at the end of the reporting period (EUR 3,817 million one year ago).

Chart 12. Operating, investment and financing cash flow

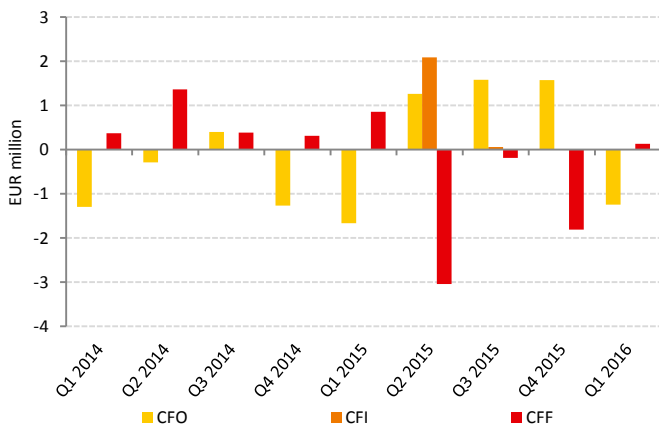
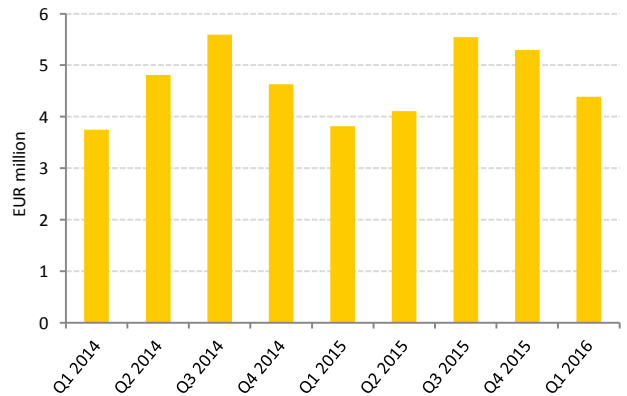


Chart 13. Cash position at the end of the period



2.8. Financial forecasts

The Company does not publish financial forecasts.

3. General information about the Issuer

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

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozzilaan 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 2016

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 is as follows:

Shareholdership as of 31.03.2016	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	28,263,974	47.11%	28,263,974	55.29%
Solar Future Cooperatief U.A.	8,590,683	14.32%	8,590,683	16.80%
Solar Power to the People Cooperatief U.A.	8,051,919	13.42%	8,051,919	15.75%
Photon Energy N.V.	8,878,296	14.80%	0	0.00%
Employee incentive programme	1,099,336	1.83%	1,099,336	2.15%
Free float	5,115,792	8.53%	5,115,792	10.01%
Total	60,000,000	100.00%	51,121,704	100.00%

In the reporting period, there were no changes to the shareholder structure.

Treasury shares were transferred from Photon Energy N.V. to the Employee incentive programme. These shares are locked-up.

6. Statutory bodies of the Issuer

Board of Directors as of 31 March 2016

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 has 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 subsequent 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.

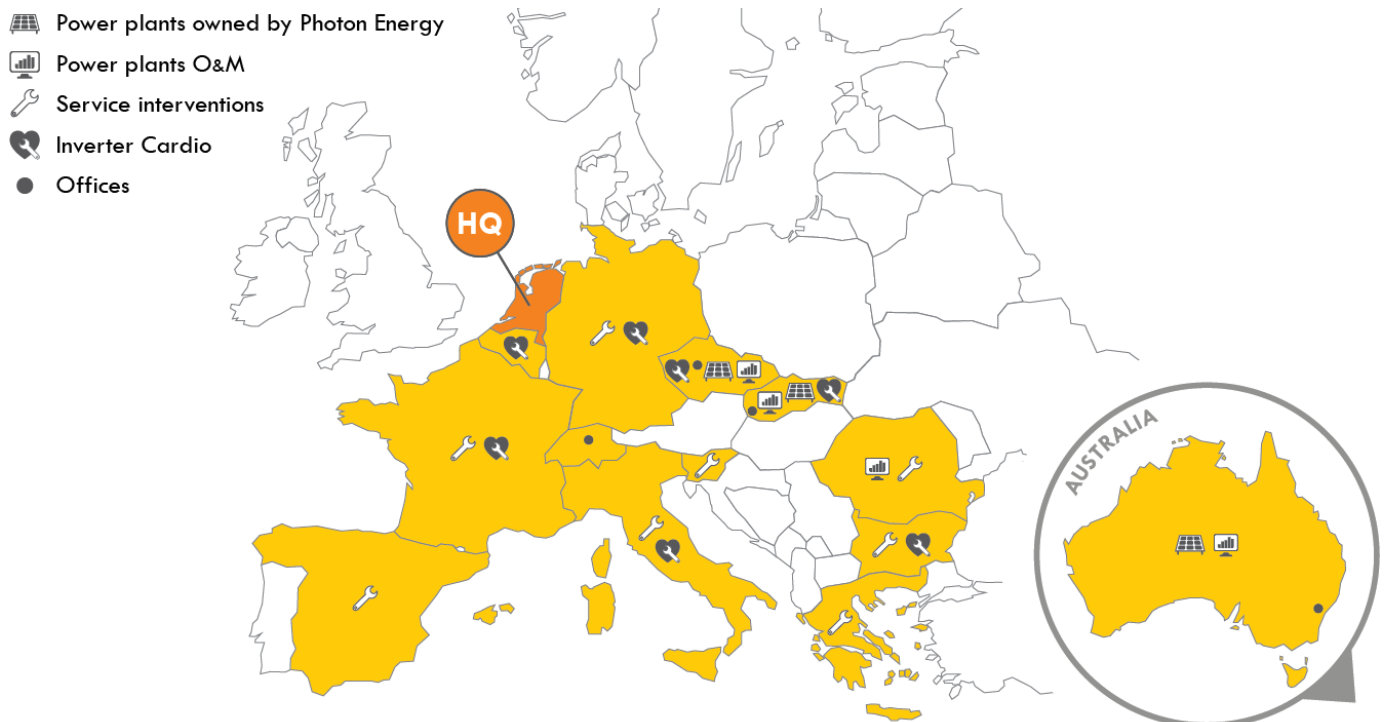
7. Description of the Issuer's business

The company Photon Energy N.V. ("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:

- ▀ **Solar Solutions:** Project development, EPC services , Financing models
- ▀ **Solar Storage Solutions:** Battery Backup Systems for off-grid solutions
- ▀ **Solar O&M:** High-end Operations & Maintenance Solutions
- ▀ **Solar Technology:** High-quality components
- ▀ **Solar Investment:** Investor in solar assets and producer of electricity
- ▀ **Investment Protection:** Services for investors to safeguard from retroactive measures

Country-specific references



Currently the Photon Energy Group is active with 55 professionals in 5 countries across 2 continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and some 154 MWp of PV power plants under O&M management across two continents.

8. Implementation of innovative activities in the Company

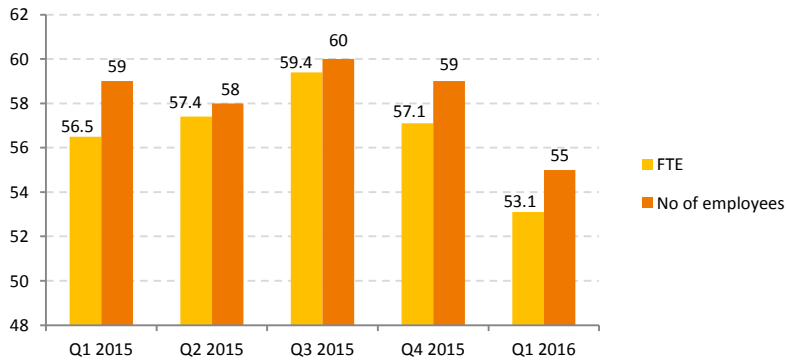
Fire safety at solar power plants

In the Czech Republic Photon Energy has lead a team of experts from the Czech Technical University, the Solar Industry Association, the Center for Energy Efficient Buildings and the Czech Fire Brigade to raise awareness about fire safety at solar power plants. As a first result in early 2016 we published a joint brochure about fire prevention when building and operating rooftop power plants.

9. Employees

As of the end of 2016 Q1 the Photon Energy Group had 55 employees (compared to 59 employees in 2015 Q4) which translates into 53.1 FTE¹ (compared to 57.1 FTE in 2015 Q4). The reduction of employees is due to the sale of Photon Energy Operations DE GmbH in 2016 Q1.

Chart 9. Total number of employees and full time equivalent employees per quarter



¹Full-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 deploys 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 31 March 2016.

	Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Consolid. method	Legal Owner
1	Photon Energy N.V.	Holding Company		NL	Full Cons.	
2	Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
3	European Solar Holdings B.V.	100%	100%	NL	Full Cons.	Photon Energy
4	Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy
5	Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy
6	Photon Energy Investments CZ N.V.	100%	100%	NL	Full Cons.	Photon Energy
7	Photon Energy Investments DE N.V.	100%	100%	NL	Full Cons.	Photon Energy
8	Photon Energy Australia Pty Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
9	Photon Energy Generation Australia Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
10	Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
11	Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
12	Photon Energy Operations Australia Pty.Ltd.	100%	100%	AUS	Full Cons.	PEO NV
13	Photon Energy Engineering Australia Pty Ltd	100%	100%	AUS	Full Cons.	PEE BV
14	Global Investment Protection AG	100%	100%	CH	Full Cons.	Photon Energy
15	Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
16	Photon SPV 1 s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
17	Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
18	Photon Energy Control s.r.o.	100%	100%	CZ	Full Cons.	PEO CZ
19	Photon Energy Technology CEE s.r.o.	100%	100%	CZ	Full Cons.	PEE BV
20	Photon Water s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
21	Photon Energy Finance Europe GmbH	100%	100%	DE	Full Cons.	Photon Energy
22	Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
23	IPVIC GbR	15%	15%	DE	Not Cons.	Photon Energy
24	Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
25	EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
26	EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
27	Fotonika, s.r.o.	60%	50%	SK	Equity	Photon Energy
28	Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	Photon Energy
29	Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
30	Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
31	Solarpark Myjava s.r.o.	50%	50%	SK	Equity	Photon Energy
32	Solarpark Polianka s.r.o.	50%	50%	SK	Equity	Photon Energy
33	SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
34	SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
35	ATS Energy, s.r.o.	70%	70%	SK	Full Cons.	Photon Energy
36	Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV

Notes:

Country of registration

NL – the Netherlands

SK – Slovakia

CZ – the Czech Republic

AUS – Australia

Consolidation method:

Full Cons. – Full Consolidation

Not Cons. – Not Consolidated

Equity – Equity Method

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

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.	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o.	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o.	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o.	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o.	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o.	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o.	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o.	100%	0%	CZ	Full Cons.	RL
9	Photon SPV 11 s.r.o.	100%	0%	CZ	Full Cons.	RL

Notes:

RL - Raiffeisen - Leasing, s.r.o.

In the reporting period, there were the following changes to the Group structure:

On 29 January 2016, Photon Energy N.V. purchased 100% of the Czech company Photon Water s.r.o.

On 1 February 2016, Photon Energy Operations N.V. sold 100% of the shares of Photon Energy Operations DE GmbH.

After the reporting period the following events occurred:

None.

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 2016

Below is a summary of the key events which were important for the Issuer's business from 1 January until 31 March 2016 and which were reported in the EBI system:

- ▶ **EBI 01/2016** published on 7 January 2016: Photon Energy sells its shares in Photon Energy Operations DE GmbH.
- ▶ **EBI 02/2016** published on 13 January 2016: Monthly report for December 2015.
- ▶ **EBI 03/2016** published on 12 February 2016: Quarterly report for 2015 Q4.
- ▶ **EBI 04/2016** published on 15 February 2016: Monthly report for January 2016.
- ▶ **EBI 05/2016** published on 25 February 2016: Photon Energy signs O&M contract for 3.9 MWp in the Czech Republic.
- ▶ **EBI 06/2016** published on 10 March 2016: Monthly report for February 2016.

11.2. Summary of the key events after 31 March 2016

Below is a summary of the key events which were important for the Issuer's business after 31 December 2015 until the date of this report:

- ▶ **EBI 07/2016** published on 12 April 2016: Monthly report for March 2016.
- ▶ **EBI 08/2016** published on 13 April 2016: Change in publication dates of periodic reports in 2016.
- ▶ **EBI 09/2016** published on 13 April 2016: Q & A Chat to be held in collaboration with Polish retail investors association SII on Thursday, the 28th of April 2016 at 11:00am.
- ▶ **EBI 10/2016** published on 26 April 2016: Annual report for the year 2015.
- ▶ **EBI 11/2016** published on 26 April 2016: Convocation of the Annual General Meeting of Shareholders on 9 June 2016.
- ▶ **EBI 12/2016** published on 26 April 2016: The draft of resolutions of AGM on 9 June 2016.

12. Detailed consolidated financial results for 2016 Q1

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 January 2016 and ending on 31 March 2016 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	
	2015 Q1	2016 Q1	2015 Q1	2016 Q1
Total revenues	2,168	1,983	9,091	8,656
Out of that: Revenues from electricity generation	1,706	1,505	7,154	6,568
Out of that: Other revenues	462	479	1,936	2,089
Cost of sales	-500	-317	-2,097	-1,384
Solar levy CZ	-121	-112	-507	-490
Gross profit	1,547	1,554	6,487	6,783
Personnel expenses	-666	-542	-2,792	-2,366
Administrative expenses	-464	-340	-1,946	-1,486
Other income	168	19	702	85
Other expenses	-61	0	-257	0
EBITDA	523	691	2,194	3,015
Depreciation	-785	-791	-3,290	-3,455
EBIT	-261	-101	-1,096	-439
Interest income	18	11	75	48
Interest cost	-808	-742	-3,386	-3,238
Financial income	80	0	337	0
Financial expense	-16	-13	-69	-58
Revaluation of derivatives	-191	-387	-799	-1,690
Net finance expenses	-916	-1,131	-3,841	-4,938
Share of profit from associates / J-Vs	-48	-86	-200	-376
Profit / loss before taxation	-1,225	-1,318	-5,137	-5,752
Income tax – current	0	0	0	0
Income tax – deferred	138	-62	579	-271
Profit/loss from continuing operations	-1,087	-1,380	-4,558	-6,023
Profit/loss from discontinued operations	0	-11	0	-48
Other comprehensive income for the period	-639	-278	-2,677	-1,213
Total comprehensive income for the period	-1,726	-1,669	-7,235	-7,285
Profit/loss from continuing operations	-1,087	-1,391	-4,558	-6,072
Attributable to the equity holders	-1,082	-1,378	-4,538	-6,013
Attributable to minority interest	-5	-13	-20	-58
Total comprehensive income for the period	-1,726	-1,669	-7,235	-7,285
Attributable to the equity holders	-1,721	-1,656	-7,215	-7,227
Attributable to minority interest	-5	-13	-20	-58
Average no. of shares outstanding in thousand	50,565	50,958	50,565	50,958
Earnings per share outstanding	-0.02	-0.03	-0.09	-0.12
Comprehensive income per share outstanding	-0.03	-0.03	-0.14	-0.14
EUR exchange rate – low	-	-	4.076	4.250
EUR exchange rate – average	-	-	4.193	4.365
EUR exchange rate – high	-	-	4.326	4.496

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN	
	31.3.2015	31.3.2016	31.3.2015	31.3.2016
PPE – Lands	2,813	2,857	11,488	12,160
PPE – Photovoltaic power plants	75,898	73,138	310,010	311,320
PPE – Other equipment	628	255	2,567	1,087
PPE – Assets in progress	5	9	22	40
Intangible assets	0	0	0	0
Investments in associates	2,082	1,988	8,503	8,460
Other investments	10	1	40	3
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Long term loans and other receivables	0	0	0	0
Other assets	0	0	0	0
Non-current assets	81,436	78,248	332,630	333,071
Cash and cash equivalents	3,817	4,390	15,590	18,688
Trade and other receivables	5,371	4,859	21,938	19,539
Gross amount due from customers for contract work	29	0	119	0
Inventories – Goods	1,188	970	4,853	4,131
Assets held for sale	108	0	440	0
Prepaid expenses	778	597	3,176	2,543
Current assets	11,290	10,817	42,455	44,901
Total assets	92,726	89,065	375,085	377,972
Issued share capital	600	600	2,451	2,554
Share premium	23,760	23,760	97,049	101,137
Legal Reserve fund	10	8	41	36
Retained earnings	-20,642	-19,638	-84,315	-83,591
Fund for currency conversions	-2,325	-1,193	-9,497	-5,078
Other comprehensive income from previous periods	26,636	25,067	108,796	106,699
Other comprehensive income	-639	-480	-2,608	-2,043
Profit/loss-current year	-1,083	-1,391	-4,422	-5,921
Equity in associates, joint ventures	0	0	0	0
Equity attributable to equity holders	26,317	26,733	107,125	113,792
Minority interests	142	138	580	587
Total equity	26,459	26,871	107,705	114,379
Non-current liabilities	56,048	53,061	225,267	224,711
Bank loan	41,374	38,950	168,995	165,795
Other long-term liabilities	8,346	8,346	34,090	35,527
Other loans	897	270	0	0
Deferred tax liabilities	5,431	5,495	22,181	23,389
Current liabilities	10,309	9,134	41,741	38,880
Trade and other payables	5,703	4,141	23,293	17,626
Bank loan	3,616	3,793	14,768	16,144
Other Loans	934	538	3,815	2,292
Other short-term liabilities	0	0	0	0
Tax liabilities (CIT)	57	662	233	2,817
Total Liabilities	66,267	62,195	267,008	263,591
TOTAL Equity & Liabilities	92,726	89,065	375,084	377,972
No. of shares outstanding in thousand	50,565	51,122	50,565	51,122
Book value per share outstanding	0.52	0.52	2.13	2.24

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 31.12.2015	600	23,760	10	25,415	-975	-420	-20,001	28,388	151	28,540
Profit for the period 1.1.2016 – 31.3.2016							-1,378	-1,378	-13	-1,391
Revaluation of PPE								0		0
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-218			-218		-218
Derivatives						-60		-60		-60
Share on derivatives JV								0		0
Total comprehensive income for the year	0	0	0	0	-218	-60	-1,378	-1,656	-13	-1,669
new shares								0		0
Move from revaluation reserve to retained earnings				-348			348	0		0
Legal reserve fund – move to RE on entity disposal			-2				2	0		0
BALANCE at 31.3.2016	600	23,760	8	25,067	-1,193	-480	-21,029	26,733	138	26,871

13. Detailed entity financial results for 2016 Q1

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 January 2016 and ending on 31 March 2016 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	
	2015 Q1	2016 Q1	2015 Q1	2016 Q1
Revenues from the sale of products, goods and services	0	436	0	1 904
Cost of sales	0	0	0	0
Other administrative expenses	-188	-443	-787	-1 934
Other income	0	0	0	0
Other expenses	0	-4	0	-18
EBITDA	-188	-11	-787	-48
Amortization&depreciation	-3	-3	-11	-12
EBIT	-190	-14	-798	-60
Financial income	139	63	583	276
Financial costs	-250	-295	-1 049	-1 288
Profit / loss before taxation	-302	-246	-1 265	-1 072
Income tax	0	0	0	0
Profit/loss for the period (net income)	-302	-246	-1 265	-1 072

Balance Sheet

in Thousands	EUR		PLN	
	31.3.2015	31.3.2016	31.3.2015	31.3.2016
PPE – Lands	0	0	0	0
PPE – Other equipment	0	0	0	0
PPE – Assets in progress	31	20	125	84
Intangible assets	31,275	31,720	127,744	135,020
Investments in associates	0	0	0	0
Other investments	0	0	0	0
Goodwill	0	0	0	0
Deferred tax assets	0	0	0	0
Assets held for sale	0	0	0	0
Other assets	0	0	0	0
Non-current assets	31,305	31,740	127,868	135,103
Cash and cash equivalents	102	101	415	428
Trade and other receivables	9,481	10,378	38,728	44,176
Gross amount due from customers for contract work	0	0	0	0
Inventories – Goods	0	0	0	0
Assets held for sale	0	0	0	0
Prepaid expenses	614	369	2,507	1,570
Current assets	10,197	10,848	41,649	46,174
Total assets	41,502	42,587	169,517	181,278
Issued share capital	600	600	2,451	2,554
Share premium	36,871	36,871	150,602	156,945
Legal Reserve fund	0	0	0	0
Retained earnings	-9,760	-8,107	-39,864	-34,507
Reserves	0	-975	0	-4,151
Profit/loss-current year	0	-246	0	-1,045
Total equity	27,711	28,144	113,189	119,797
Non-current liabilities	7,900	8,263	32,268	35,172
Bank loan	0	0	0	0
Other long-term liabilities	7,900	8,263	32,268	35,172
Current liabilities	5,857	6,181	23,922	26,310
Trade and other payables	565	667	2,309	2,840
Bank loan	0	0	0	0
Other Loans	5,291	5,514	21,613	23,469
TOTAL Equity & Liabilities	41,502	42,588	169,517	181,278
No. of shares outstanding in thousand	50,565	51,122	50,565	51,122
Book value per share outstanding	0.55	0.55	2.24	2.34

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 2016 and ending on 31 March 2016 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Results of the operating segments for the period from 1 January 2016 to 31 March 2016

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total forsegments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	159	1,505	319	0	0	1,983	0	1,983
Revenues within segments from sale of products, goods, services	0	0	127	0	769	896	-896	0
Cost of sale	-91	-145	-187	0	-30	-453	136	-317
Energy tax	0	-112	0	0	0	-112	0	-112
Gross profit	68	1,248	259	0	739	2,314	-760	1,554
Other external income	0	0	0	0	19	19	0	19
Administrative and other expenses	-39	-45	-234	0	-1,324	-1,643	760	-883
Depreciation	0	-778	-5	0	-9	-791	0	-791
Operating income	29	424	20	0	-574	-101	0	-101
Interest income	6	56	4	0	52	118	-107	11
Interest expenses	-10	-512	-19	0	-309	-849	107	-742
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	7	-2	-5	0	-12	-13	0	-13
Revaluation of derivatives	0	-387	0	0	0	-387	0	-387
Profit/loss share in entities in equivalency	0	0	0	-86	0	-86	0	-86
Income tax	0	-62	0	0	0	-62	0	-62
Profit/loss from discontinuing operations	0	0	-11	0	0	-11	0	-11
Profit/loss after taxation	31	-484	-11	-86	-843	-1,392	0	-1,391
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	0	-218	-218	0	-218
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	-60	0	0	0	-60	0	-60
Total comprehensive income	31	-544	-11	-86	-1,061	-1,670	0	-1,669
Assets, of which	1,740	88,455	2,194	1,988	11,843	106,219	-17,154	89,065
PPE – Lands	0	2,857	0	0	0	2,857	0	2,857
PPE – Photovoltaic power plants	0	73,138	0	0	0	73,138	0	73,138
PPE – Equipment	0	0	108	0	147	255	0	255
PPE – Assets in progress	0	7	3	0	0	9	0	9
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	1,502	7,668	1,833	0	11,010	22,013	-17,154	4,859
Loans	0	0	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0
Inventories – Goods	221	539	196	0	15	970	0	970
Investments in associates, JV, other	0	0	1	1,988	0	1,988	0	1,988
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	4	150	27	0	417	597	0	597
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	13	4,097	27	0	253	4,390	0	4,390
Liabilities, of which	-2,907	-55,411	-4,949	0	-16,082	-79,349	17,154	-62,195
Trade and other payables	-2,905	-6,531	-4,888	0	-6,972	-21,295	17,154	-4,141
Bank Loans and other loans	0	-42,743	0	0	-808	-43,551	0	-43,551
Other long term liabilities	0	0	-45	0	-8,301	-8,346	0	-8,346
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-2	-643	-17	0	0	-662	0	-662
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-5,495	0	0	0	-5,495	0	-5,495

Results of the operating segments for the period from 1 January 2015 to 31 March 2015

	in Thousands EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPSP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services		243	1 706	219	0	0	2 168	0	2 168
Revenues within segments from sale of products, goods, services		0	0	176	0	0	176	-176	0
Cost of sale		-311	-6	-56	0	-134	-507	7	-500
Energy tax		0	-121				-121	0	-121
Gross profit		-69	1 579	339	0	-134	1 716	-169	1 547
Other external income		0	0	0	0	168	168	0	168
Administrative and other expenses		-81	-274	-541	0	-464	-1 359	169	-1 191
Depreciation		-739	0	-6	0	-39	-785	0	-785
Operating income		-888	1 305	-208	0	-469	-261	0	-261
Interest income		2	37	6	0	91	136	-118	18
Interest expenses		-8	-606	-16	0	-297	-927	118	-808
Other financial revenues		11	0	1	0	68	80	0	80
Other financial expenses		0	-6	-1	0	-9	-16		-16
Revaluation of derivatives		0	-191	0	0	0	-191	0	-191
Disposal of investments		0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency		0	0	0	0	-48	-48	0	-48
Income tax		0	138	0	0	0	138	0	138
Profit/loss after taxation		-882	677	-217	0	-665	-1 087	0	-1 087
Revaluation of property, plant and equipment		0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations		0	0	0	0	-547	-547	0	-547
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	-92	0	0	0	-92	0	-92
Total comprehensive income		-882	585	-217	0	-1 212	-1 726	0	-1 726
Assets, of which		1 375	87 782	3 159	2 082	13 409	107 807	-14 129	93 678
PPE – Lands			2 813				2 813	0	2 813
PPE – Photovoltaic power plants			75 898				75 898	0	75 898
PPE - Equipment				1 360		220	1 580	0	1 580
PPE – Assets in progress			5				5	0	5
Intangibles		0	0	0	0	0	0	0	0
Trade and other receivables		883	4 754	1 581	0	12 281	19 500	-14 129	5 371
Loans		0	0	0	0	0	0	0	0
Gross amount due		29	0	0	0		29	0	29
from customers for contract work									
Inventories – Goods		453	550	166		19	1 188	0	1 188
Investments in associates, JV, other		0	0	10	2 082	0	2 092	0	2 092
Deferred tax receivables		0	0	0	0	0	0	0	0
Long term receivables		0	0	0	0	0	0	0	0
Prepaid expenses		5	107	12	0	654	778	0	778
Assets held for sale		0	108	0	0	0	108	0	108
Cash and cash equivalents		4	3 547	30	0	235	3 817	0	3 817
Liabilities, of which		-3 414	-57 493	-5 482	0	-5 749	-80 486	14 129	-66 357
Trade and other payables		-3 429	-6 909	-5 518	0	-3 975	-19 830	14 129	-5 702
Bank Loans and other loans		0	-44 990	0	0	-1 831	-46 821	0	-46 821
Other long term liabilities		0	0	0	0	0	-8 346	0	-8 346
Other short term liabilities		0	0	0	0	0	0	0	0
Current tax liabilities (income tax)		15	-165	36	0	56	-57	0	-57
Provisions		0	0	0	0	0	0	0	0
Deferred tax liabilities		0	-5 431	0	0	0	-5 431	0	-5 431

15. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by EU 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

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. Provision 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.

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.

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.

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 the objective perspective from 1 January 2010.

As of 31 December 2013, the Management Board has decided to decrease the number of segments reported.

The Management identified the following segments:

- ▶ Energy Solutions (wholesale and import of FVE components, engineering and construction services -turn-key photovoltaic systems' installations for external clients and Photon Energy),
- ▶ Production of electricity (includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce the electricity)

- ▶ PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV producing the electricity and it is related to project companies that generate the revenues as shown in segment Production of electricity.
- ▶ Operations, maintenance and PVPP supervision
- ▶ Other, not related to any of the above mentioned segments.

Other operations include the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2015 or 2014.

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 year 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 as the presentation currencies. Effect from this translation is 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. 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. Statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN	
	2015 Q1	2016 Q1
EUR exchange rate – low	4.076	4.250
EUR exchange rate – high	4.326	4.496
EUR exchange rate – average	4.193	4.365
EUR exchange rate – end of period	4.085	4.257

(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 or AUD, the financial statements are retranslated at the consolidation into EUR using year-end rate for balance sheet and average rate 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 costs.

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 expenditure 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 is uncollectible, it is written off.

Cash and cash equivalents

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

Share capital

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

Trade payables

Trade payables are recognised at nominal value.

Loans and Borrowings

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

Financial costs related to 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 N.V. 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

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Amsterdam, 9 May 2016

A blue ink signature of Georg Hotar, written in a cursive style, positioned above a horizontal line.

Georg Hotar
Member of the Board of Directors

A blue ink signature of Michael Gartner, written in a cursive style, positioned above a horizontal line.

Michael Gartner
Member of the Board of Director



MATERIAL	THINFILM	INSPECTION 100	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X