

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 NV's power plants in the reporting period

In August 2018, particularly favourable weather conditions allowed the average performance of all power plants in Photon Energy's portfolio to exceed energy forecasts by an average of 10.3%. The portfolio recorded an outperformance of approx. 5.0% against generation estimates YTD (down by approx. 2.0% YOY).

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

1.2 Photon Energy N.V. fully places 7.75% EUR bond 2017/22 with a total volume of EUR 30 million.

Photon Energy N.V. has successfully completed its five-year 7.75 % corporate bond (ISIN: DE 000A19MFH4) placement. The target volume of EUR 30 million was subscribed to in full before the end of the public placement that took place in Germany, Austria and Luxembourg, originally set until 20 September 2018.

In October 2017, Photon Energy had launched a public offer for its second EUR-denominated 5-year corporate bond (with a coupon rate of 7.75 % and quarterly payments) together with an exchange offer for the holders of its first 8 % EUR-bond due and successfully repaid on 12 March 2018. The Group intends to use the remaining net issue proceeds for the construction of utility-scale PV power plants for its proprietary portfolio in Australia as well as in Hungary. Bankhaus Scheich Wertpapierspezialist AG accompanied the private placement of the bond issue as Selling Agent.

Investors can purchase the bond 2017/22 further on directly on the Open Market of the Frankfurt Stock Exchange where it has been trading since 27 October 2017. The bond is also traded on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart.

1.3 New commercial projects signed in Australia

Photon Energy Australia continues to expand in the commercial solar market with the planned construction of 11 roof top installations for a total capacity of 1.0 Mwp. The Company is in the process of deploying all the projects that will be completed before the end of the year.

1.4 Photon Water Technology helps supply quality drinking water in Peru

In August, Photon Water Technology carried out another mission to Peru within the B2B programme of the Czech Development Agency. Photon Energy's water subsidiary installed five water treatment plants in the Tacna region to provide residents with a long-term reliable supply of clean and safe water. Besides installing the equipment, the company informed the locals about the impact of long-term exposure to poor-quality water on human health and presented further ways to tackle the issue.

1.5 Reporting on Photon Energy's project pipeline

As of the reporting date, Photon Energy is developing PV projects in Australia (1,473.9 MWp) and Hungary (25.6 MWp) and is evaluating further markets for opportunities.

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

2. Proprietary PV 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 August 2018

Project name	Capacity	Feed-in-Tariff	Prod. 2018	Proj. 2018	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD
Unit	kWp	per MWh, applica ble in 2018	August kWh	August kWh	%	kWh	kWh	%	YoY %
Komorovice	2,354	CZK 14,245	327,778	305,800	7.2%	1,973,617	1,860,538	6.1%	0.1%
Zvíkov I	2,031	CZK 14,245	294,676	268,028	9.9%	1,787,537	1,630,728	9.6%	-1.7%
Dolní Dvořiště	1,645	CZK 14,245	227,159	222,969	1.9%	1,297,950	1,356,584	-4.3%	-4.3%
Svatoslav	1,231	CZK 14,245	175,818	165,599	6.2%	992,919	1,007,534	-1.5%	2.9%
Slavkov	1,159	CZK 14,245	177,800	157,697	12.7%	1,055,815	959,455	10.0%	-1.3%
Mostkovice SPV 1	210	CZK 14,245	29,858	22,597	32.1%	175,936	147,164	19.6%	0.3%
Mostkovice SPV 3	926	CZK 15,304	134,032	117,195	14.4%	779,392	718,604	8.5%	-0.2%
Zdice I	1,499	CZK 14,245	217,267	196,572	10.5%	1,369,449	1,184,563	15.6%	4.0%
Zdice II	1,499	CZK 14,245	218,098	196,572	11.0%	1,388,544	1,184,563	17.2%	3.6%
Radvanice	2,305	CZK 14,245	341,266	302,688	12.7%	1,990,475	1,841,608	8.1%	-0.7%
Břeclav rooftop	137	CZK 14,245	20,211	15,409	31.2%	121,638	100,706	20.8%	-5.2%
Total Czech PP	14,996		2,163,963	1,971,125	9.8%	12,933,272	11,992,047	7.8%	0.0%
Babiná II	999	EUR 425.12	125,791	116,783	7.7%	755,481	758,886	-0.4%	-11.0%
Babina III	999	EUR 425.12	130,875	116,783	12.1%	758,456	758,886	-0.1%	-10.7%
Prša I.	999	EUR 425.12	142,242	117,689	20.9%	810,366	758,333	6.9%	-7.6%
Blatna	700	EUR 425.12	96,486	86,067	12.1%	566,466	560,947	1.0%	-3.8%
Mokra Luka 1	963	EUR 382.61	137,680	119,791	14.9%	708,429	775,062	-8.6%	-23.9%
Mokra Luka 2	963	EUR 382.61	139,283	119,791	16.3%	845,202	775,062	9.0%	-10.4%
Jovice 1	979	EUR 382.61	110,830	125,306	-11.6%	669,376	763,517	-12.3%	-8.7%
Jovice 2	979	EUR 382.61	115,153	125,306	-8.1%	670,619	763,517	-12.2%	-8.0%
Brestovec	850	EUR 382.61	133,914	102,340	30.9%	779,904	657,393	18.6%	-6.2%
Polianka	999	EUR 382.61	137,955	127,864	7.9%	768,354	782,023	-1.7%	-5.1%
Myjava	999	EUR 382.61	147,459	125,726	17.3%	860,094	794,664	8.2%	-5.9%
Total Slovak PP	10,429		1,417,668	1,283,446	10.5%	8,192,747	8,148,290	0.5%	-9.5%
Symonston	144	AUD 301.60	11,346	11,430	-0.7%	102,494	108,180	-5.3%	-5.0%
Total Australian PP	144		11,346	11,430	-0.7%	102,494	108,180	-5.3%	-5.0%
Fertod		HUF 32,000	90,341	74,245	21.7%	422,030	375,931	12.3%	na
Total Hungarian PP	528		90,341	74,245	21.7%	422,030	375,931	12.3%	na
Total	26,097		3,683,318	3,340,246	10.3%	21,650,542	20,624,448	5.0%	-2.0%

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 2018/ YTD proj. in 2018) - 1

YoY ratio: (YTD Prod. in 2018/ YTD Prod. in 2017) - 1. YTD Prod. in 2018 includes the Hungarian production data.

Chart 1.a Total production of the Czech portfolio

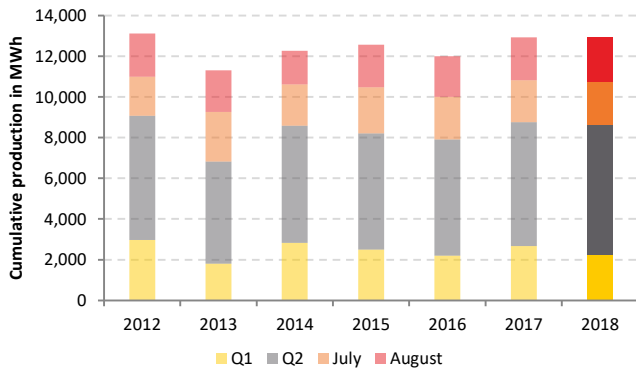


Chart 1.b Total production of the Slovak portfolio

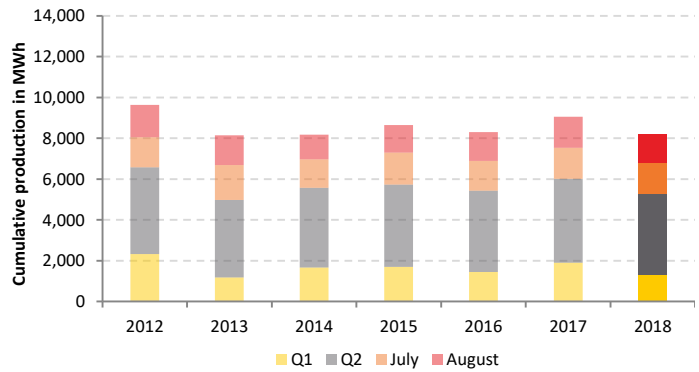


Chart 2. Generation results versus forecast between 1 January 2014 and 31 August 2018

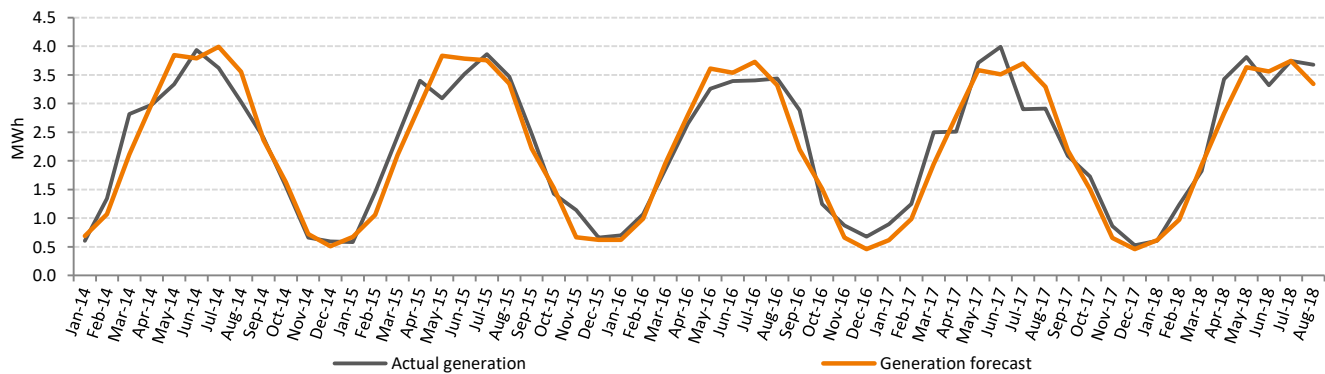
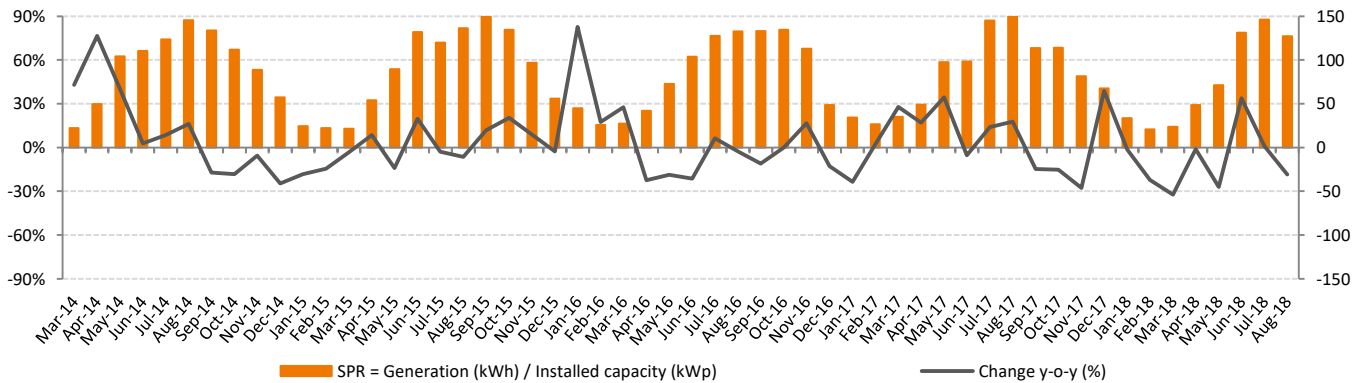


Chart 3. Specific Performance



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

In August 2018, particularly favourable weather conditions allowed the average performance of all power plants in Photon Energy's portfolio to exceed energy forecasts by an average of 10.3%. The portfolio recorded an outperformance of approx. 5.0% against generation estimates YTD (down by approx. 2.0% YOY).

The Czech and Slovak portfolios performed on average above expectations by 9.8% and 10.5%, respectively. The Hungarian power plant also outperformed expectations by 21.7%. Specific performance increased by 24% YoY to 141 KWh/KWp in August.

3. Reporting on Photon Energy's project pipeline

As of the reporting date, Photon Energy is developing PV projects in Australia (1,473.9 MWp) and Hungary (25.6 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of Photon Energy's project development activities is to expand its proprietary portfolio of PV power plants for long-term ownership, 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 view 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 past experience in project development and financing in the Czech Republic, Slovakia, Germany and Italy is an important factor in selecting attractive markets and reducing the inherent risks related to project development

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Australia	Leeton	Own portfolio	100%	29.9	Retailer PPA	Secured	Secured	Secured	2018Q2
Australia	Environa	Own portfolio	100%	19.0	Emarket + GC/PPA	Secured	Ongoing	Ongoing	On hold
Total Own portfolio Australia				48.9					
Hungary	Fertöd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Ongoing	2018Q4
Hungary	Almásfüzitő	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q3
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Ongoing	2018Q4
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q3
Hungary	Tizsakécske	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q2
Total Own portfolio Hungary				25.6					
Total Own portfolio				74.5					
Australia	Gunning	Developer	49%	316.0		Secured	Ongoing	Ongoing	2019Q1
Australia	Gunnedah	Developer	25%	165.0	Co-development & co-financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	2018Q4
Australia	Suntop	Developer	25%	286.0		Secured	Ongoing	Ongoing	2018Q4
Australia	Maryvale	Developer	25%	196.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Mumbil	Developer	25%	178.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Carrick	Developer	51%	138.0	All options open	Secured	Ongoing	Ongoing	2019Q2
Australia	Brewongle	Developer	51%	146.0	All options open	Secured	Ongoing	Ongoing	2019Q4
Total Development Australia				1,425.0					

Note: Emarket = Electricity market, GC = Green certificates, PPA = Power Purchase Agreement, RTB = Ready-to-build

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

Photon Energy has nine large scale solar farms at different stages of development in New South Wales. The project pipeline is among the largest pipelines of Solar projects in NSW representing a total capacity of 1.473.9 GWp.

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 of its utility scale solar projects with a total capacity of 1.14 GWp 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 totalling 1.14 GWp, including the project in Gunning as well as four projects co-developed with a local partner, namely in Mumbil, Gunnedah, Suntop and Maryvale.

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.

According to the terms of the transaction, Photon Energy NV has recognized an AUD 4.73 million (EUR 3.07 million) realised capital gain and an additional contribution to consolidated equity of AUD 1.93 million (EUR 1.21 million) related to the increased value of the remaining equity stakes in the five project companies in its consolidated financial statements for 2018Q1.

The current status for these projects co-developed with Canadian Solar is:

Gunnedah: In April the Environmental Impact Study (EIS) for Gunnedah was submitted for public exhibition which expired at the end of May. We submitted our response to the submissions at the end of June. Transaction summary GPS studies were submitted for review by Transgrid.

Suntop: The EIS for Suntop was submitted for adequacy review and was on public exhibition until 6 July. The GPS is in the final stages of completion and is in preparation for submission to Transgrid for due diligence and review.

Gunning: Site assessments are progressing and we are finalising the site layouts to complete the EIS. In parallel we are progressing with the Transaction Summary with Transgrid.

Maryvale: The GPS and grid connection options are currently under review and in discussions with Essential Energy. The EIS preparation is also underway and will be completed by 2018Q4 for submission to NSW Planning.

Mumbil: The EIS and GPS preparation process is underway and due to be ready for submission by 2019Q1.

For the other projects, the status is:

Leeton: We have reached the ready to build stage and are finalising a Power Purchase Agreement (PPA) with an undisclosed electricity retailer. In addition, a term sheet has been signed to secure financing for the project. Due to tightening grid connection standards which require additional grid connection studies, our construction schedule will be delayed and pushed into early 2019Q1.

Carrick: The EIS and GPS preparation process is underway and due to be ready for submission by early 2019Q2.

Brewongle: The EIS and GPS preparation process is underway and due to be ready for submission in 2019Q3.

Environa: the project has been put on hold until alternative connection options will have been identified and reviewed.

Hungary

On 28 March 2018, Photon Energy announced the connection of its first solar power plant in the Hungarian town of Fertőd, in the Győr-Moson-Sopron region. The 528 kWp power plant project has been acquired by Photon Energy in July 2017 and built by the company's EPC subsidiary Photon Energy Solutions HU Kft. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of around EUR 1.5 million over the entire period.

In **Monor** Photon Energy is developing eight projects with a grid connection capacity of 498 KW each. In May 2017, Photon Energy received the energy production licenses under the KÁT support system, allowing each plant to feed a total volume of 16.950 GWh of electricity into the grid at the guaranteed price of HUF 32 (EUR 0.10), adjusted every year with inflation minus one percent, per KWh over 25 years from the date of grid connection. The KÁT licenses provide Photon Energy with a 2-year period (extendable to 4 years) for

the commissioning of all plants since the date of the application for the KÁT licenses. The projects are expected to be ready to build in 2018Q4.

In October 2017, Photon Energy announced the signing of a co-development and share purchase agreement for 100% of the shares of Ráció Master Oktatási Kft., which owns the KÁT licenses, grid connection and land usage rights for eight PV projects in the municipality of **Almásfüzitő**. Upon the completion of the project development process, Photon Energy will acquire 100% of the shares of Ráció Master Oktatási Kft., which at that time will own all the land on which the eight PV power plants will be built. The projects have now reached the ready-to-build stage and the feed in cable permit is expected by the beginning of 2018Q4. The installed DC capacity (the total installed generating power of the PV modules) is planned to reach 5.5 MWp.

In February 2018, Photon Energy announced the expansion of its project pipeline by five additional projects in Fertőd (referred to as **Fertőd II**), where the company's fully-owned subsidiary Fertőd Napenergia-Termelő Kft. has constructed the Group's first photovoltaic power plant in Hungary with an installed capacity of 528 KWp (referred to as Fertőd I). Photon Energy's fully-owned subsidiary Photon Energy HU SPV 1 Kft. managed to secure additional grid connection capacity of 2.5 MW AC and usage rights for over 5 hectares of land located right next to the 528 KWp photovoltaic power plant built in Fertőd I. Photon Energy HU SPV 1 Kft. has moved its remaining three KÁT licenses not used in Monor to the secured land plots in Fertőd. The fourth project will be realized by Ráció Master Kft., which Photon Energy NV will acquire based on a co-development and share purchase agreement signed on 4 October 2017 (see EBI 30/2017), using its ninth KÁT license which cannot be used in its primary location of Almásfüzitő, where eight photovoltaic power plant projects have reached the ready-to-build stage in 2018Q3. Photon Energy NV has signed the acquisition of a project company with one KÁT license to be used for the fifth project in Fertőd II. The Fertőd II projects are expected to reach the ready-to-build stage in 2018Q4 and are planned to have a total combined installed capacity of 3.5 MWp.

Further in February 2018, Photon Energy also announced the acquisition of five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of eight PV plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of **Tata**. These projects have reached the ready-to-build stage in 2018Q3 and the feed in cable permit is expected by mid 2018Q4.

On 21 March 2018, Photon Energy announced the expansion of its Hungarian project pipeline by eight additional photovoltaic projects with a total installed capacity of 5.5 MWp in the municipality of **Tiszakecske** in Bács-Kiskun region through the acquisition of eight project companies. The acquired PV projects are at the ready-to-build stage and Photon Energy expects to build and connect the plants to the grid by the end of 2018Q4. These acquisitions marked an important step towards achieving the Company's goal of building 50 MWp of PV plants for its proprietary long-term portfolio in Hungary until year-end 2019.

This transaction increased Photon Energy's photovoltaic pipeline in Hungary to 37 projects with a total installed capacity of 25.6 MWp, coming on top of the 0.528 MWp power plant already constructed and connected in Fertőd I.

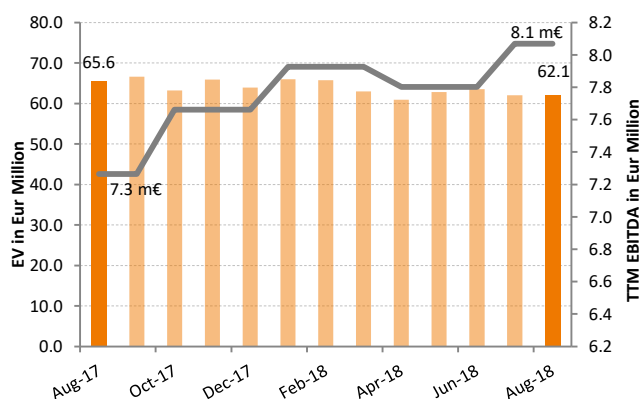
As far as financing aspects are concerned, negotiations with banks are being finalized to allow us to start construction in early 2018Q4.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 31 August 2018, the share price (ISIN NL0010391108) closed at a price of PLN 1.41 (+1% MoM, +1% YTD), corresponding to a price to book ratio of 0.60x. The Company reports a monthly trading volume of 16,033 shares (vs an average of 108,984 shares traded monthly in 2018).

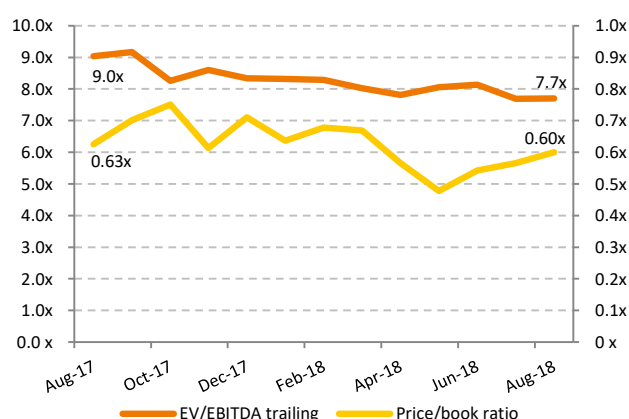
Chart 4. Enterprise value vs. trailing 12 months (TTM) EBITDA



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report. Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. as of 30.06.2018, the sum of EBITDA reported in 2017Q3, Q4, 2018Q1 & Q2.

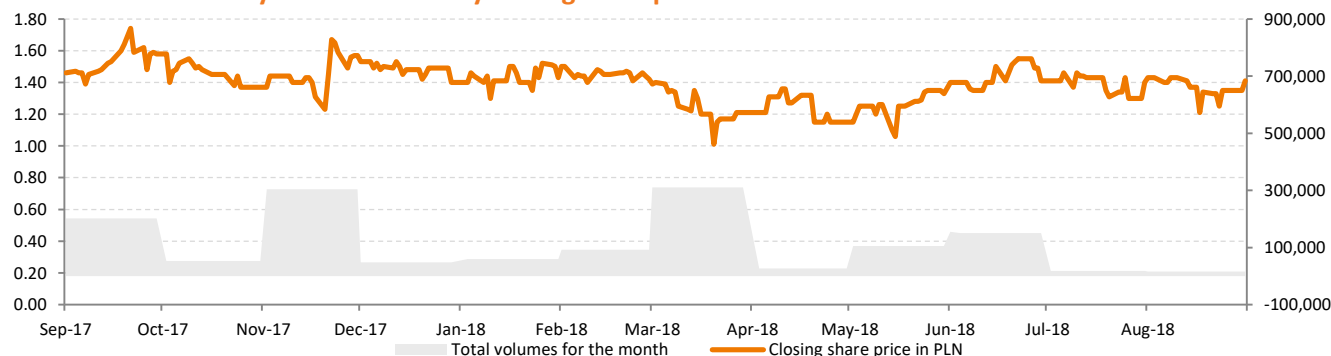
Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



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

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

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



4.2 Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the 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 August 2018 the share price (ISIN NL0010391108) closed at a price of CZK 8.10 (-5% MoM, +65% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.58x. The Company reports a monthly trading volume of 5,177 shares (+93% MoM).

5. Bond trading performance

On 12 March 2018 the Company fully repaid its 5-year corporate EUR bond issued in March 2013 with an 8% annual coupon and quarterly payment (ISIN DE000A1HELE2).

In December 2016, the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payment. The corporate bond, with a denomination of CZK 30,000 (ISIN CZ0000000815), 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 Luxembourg. The target

volume of EUR 30 million was subscribed to in full on 7 September 2018, before the end of the public placement that took place in Germany, Austria and Luxembourg, originally set until 20 September 2018.

The corporate bond, with a denomination of EUR 1,000 (ISIN DE000A19MFH4), 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.

5.1 CZK Bond 2016-23 trading performance

In the trading period from 12 December 2016 until 31 August 2018 the trading volume amounted to CZK 8.820 million (unchanged compared to last month - nominal value) with a closing price of 100.00.

5.2 EUR Bond 2017-22 trading performance

EUR Bond 2017-22 trading performance to date

In the trading period from 27 October until 31 August 2018, the trading volume amounted to EUR 20.559 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 100.00 in Frankfurt. During this period the average daily turnover amounted to EUR 96,521. The target volume of EUR 30 million was subscribed to in full as of 7 September 2018.

EUR Bond 2017-22 trading performance in August 2018

In August 2018 the trading volume amounted to EUR 3,805,000 with an opening price of 100.04 and a closing price of 100.00 in Frankfurt. The average daily turnover amounted to EUR 165,435.

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

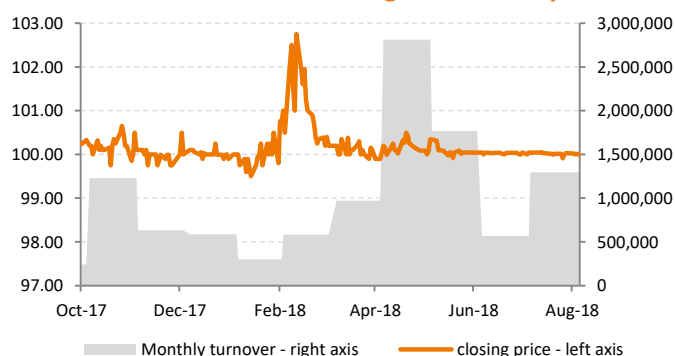
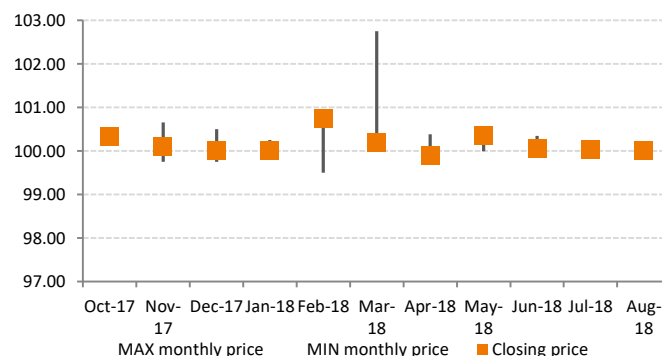


Chart 8. MIN, MAX and closing monthly prices



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 were published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- ▶ EBI 20/2018 published on 6 August: Quarterly report for 2018Q2.
- ▶ EBI 21/2018 published on 9 August: Monthly report for July 2018.

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

- ▶ EBI 22/2018 published on 7 September: Photon Energy fully places 7.75% EUR bond 2017/22 with a total volume of EUR 30 million.

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

- ▶ none.

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

- ▶ ESPI 17/2018 published on 5 September 2018: Insider trading notification.

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

- ▶ 9 October 2018 Monthly report for September 2018
- ▶ 5 November 2018 Entity and consolidated quarterly reports for 2018Q3
- ▶ 12 November 2018 Monthly report for October 2018
- ▶ 11 December 2018 Monthly report for November 2018

9. Investor relations contact

Emeline Parry, Investor relations manager

Phone: +420 702 206 574

E-mail: ir@photonenergy.com

Photon Energy N.V.

Barbara Strozziilaan 201

1083 HN Amsterdam

The Netherlands

Web: www.photonenergy.com

Amsterdam, 11 September 2018



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors