

CONSOLIDATED AND ENTITY FINANCIAL REPORTS

1. Selected financial results

1.1. Selected financial results for Photon Energy Group, for the period of 1 April to 30 June 2017

in Thousands	EUR		PLN		CZK	
	2016Q2	2017 Q2	2016 Q2	2017 Q2	2016 Q2	2017 Q2
Total revenues	4,530	5,245	19,806	22,107	122,489	139,151
Gross profit	3,833	4,212	16,758	17,754	103,637	111,750
EBITDA	2,788	3,119	12,188	13,148	75,379	82,761
EBIT	966	1,223	4,225	5,155	26,127	32,446
Profit / loss before taxation	199	675	871	2,847	5,384	17,920
Profit / loss from continuing operations	347	394	1,518	1,661	9,390	10,458
Total comprehensive income	562	1,732	2,458	7,301	15,203	45,958
Non-current assets	78,608	74,240	348,754	313,716	2,132,629	1,944,727
Current assets	12,096	12,418	53,666	52,474	328,170	325,286
Cash and cash equivalents	4,643	4,716	20,600	19,927	125,968	123,530
Total assets	90,704	86,658	402,420	366,190	2,460,799	2,270,013
Total equity	27,951	24,925	124,010	105,327	758,323	652,920
Current liabilities	7,563	18,047	33,556	76,263	205,192	472,752
Non-current liabilities	55,189	43,686	244,854	184,603	1,497,281	1,144,357
Operating cash flow	-318	731	-1,390	3,083	-8,596	19,407
Investment cash flow	0	0	0	0	0	0
Financial cash flow	879	-1,689	3,844	-7,118	23,775	-44,805
Net change in cash	561	-957	2,454	-4,035	15,179	-25,398
<i>EUR exchange rate - low</i>			4.234	4.171	27.020	26.145
<i>EUR exchange rate - average</i>			4.372	4.215	27.039	26.532
<i>EUR exchange rate - end of period</i>			4.437	4.226	27.130	26.195
<i>EUR exchange rate – high</i>			4.460	4.273	27.150	27.060

Note: Exchange rates provided by the European Central Bank

1.2. Selected financial results for Photon Energy Group, for the period of 1 January to 30 June 2017

in Thousands	EUR		PLN		CZK	
	2016H1	2017 H1	2016 H1	2017 H1	2016 H1	2017 H1
Total revenues	6,513	8,031	28,454	34,288	176,113	215,094
Gross profit	5,387	6,377	23,533	27,226	145,656	170,790
EBITDA	3,479	4,193	15,197	17,900	94,059	112,291
EBIT	866	1,487	3,782	6,350	23,407	39,833
Profit / loss before taxation	-1,119	456	-4,887	1,949	-30,251	12,226
Profit / loss from continuing operations	-1,033	82	-4,512	350	-27,924	2,196
Total comprehensive income	-1,107	1,601	-4,835	6,836	-29,927	42,881
Non-current assets	78,608	74,240	348,754	313,716	2,132,629	1,944,727
Current assets	12,096	12,418	53,666	52,474	328,170	325,286
Cash and cash equivalents	4,643	4,716	20,600	19,927	125,968	123,530
Total assets	90,704	86,658	402,420	366,190	2,460,799	2,270,013
Total equity	27,951	24,925	124,010	105,327	758,323	652,920
Current liabilities	7,563	18,047	33,556	76,263	205,192	472,752
Non-current liabilities	55,189	43,686	244,854	184,603	1,497,281	1,144,357
Operating cash flow	-1,567	891	-6,844	3,803	-42,358	23,858
Investment cash flow	0	0	0	0	0	0
Financial cash flow	1,003	-2,918	4,382	-12,458	27,121	-78,152
Net change in cash	-564	-2,027	-2,462	-8,655	-15,237	-54,294
EUR exchange rate - low			4.234	4.171	27.020	26.145
EUR exchange rate - average			4.369	4.270	27.039	26.784
EUR exchange rate - end of period			4.437	4.226	27.130	26.195
EUR exchange rate - high			4.496	4.413	27.150	27.060

Financial highlights:

- Unaudited consolidated revenues increased by 15.8% YOY from EUR 4.530 million to EUR 5.245 million in 2017Q2, mainly due to higher revenues from electricity production and higher revenues from the O&M segment, as well as from the sale of technology. YTD, revenues increased 23.3% to EUR 8.031 million.
- Consolidated EBITDA increased to EUR 3.119 million (+11.9% YOY) in 2017Q2. YTD, EBITDA rose 20.5% to EUR 4.193 million.
- Consolidated EBIT increased to EUR 1.223 million (+26.6% YOY) in 2017Q2, YTD, EBIT grew by 71.8% to EUR 1.487 million.
- In 2017Q2 the Company recorded a profit before taxation of EUR 0.675 million, significantly higher than the EUR 0.199 million profit for the same period last year. YTD, the Company swung from a loss of 1.119 million in 2016H1 to a profit of EUR 0.456 million in 2017H1.
- The Company recorded a profit after taxation of EUR 0.394 million in 2017Q2, compared to EUR 0.347 million for the same period last year (+13.5% YOY) and posted YTD a EUR 0.082 million profit after taxation in 2017H1, compared to a loss of EUR 1.044 million in 2016H1.
- Total comprehensive income more than doubled to EUR 1.732 million in 2017Q2, compared to EUR 0.562 million one year ago. YTD, Total comprehensive income swung from a loss of 1.107 million in 2016H1 to a profit of EUR 1.601 million in 2017H1.
- Total equity increased to EUR 24.925 million at the end of 2017Q2 from EUR 24.180 million at year-end 2016 and from EUR 24.041 million at the end of 2017Q1.
- YOY the equity ratio increased from 31% at year-end 2016 to 37%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 2017Q2 the proprietary portfolio of PV plants generated approximately 10.2 GWh of electricity, which was 3.4% above the energy forecasts and up by 0.7% compared to 2016Q2 (up by 10.5% YOY YTD);
- Photon Energy announced a 1 GWp project development pipeline in Australia, including a 316 MWp project in Gunning, and a 155 MWp project in Gunnedah, both in New South Wales.
- Photon Energy entered the Hungarian PV market and as a first step acquired a ready-to-build 520 kW solar PV project.
- Photon Energy initiated the refinancing of its corporate EUR bond 2013/2018.

1.3. Standalone financial results for Photon Energy N.V., for the period of 1 April to 30 June 2017

in Thousands	EUR		PLN		CZK	
	2016 Q2	2017 Q2	2016 Q2	2017 Q2	2016 Q2	2017 Q2
Revenues	466	421	2,039	1,776	12,612	11,181
EBITDA	0	-16	0	-66	0	-418
EBIT	-3	-18	-12	-78	-72	-489
Profit / loss before taxation	-293	-503	-1,283	-2,118	-7,935	-13,333
Total comprehensive income	-293	-503	-1,283	-2,118	-7,935	-13,333
Non-current assets	31,836	27,002	141,244	114,101	863,705	707,310
Current assets	12,098	13,765	53,674	58,165	328,215	360,566
Cash and cash equivalents	366	816	1,625	3,447	9,940	21,366
Total assets	43,934	40,766	194,917	172,266	1,191,920	1,067,876
Total equity	28,658	23,462	127,147	99,144	777,503	614,596
Current liabilities	3,300	14,196	14,642	59,987	89,533	371,862
Non-current liabilities	11,738	3,108	52,076	13,134	318,444	81,419
EUR exchange rate – low			4.234	4.171	27.020	26.145
EUR exchange rate – average			4.372	4.215	27.039	26.532
EUR exchange rate - end of period			4.437	4.226	27.130	26.195
EUR exchange rate – high			4.460	4.273	27.150	27.060

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 30 June 2017, 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

Photon Energy has delivered an outstanding performance in 2017Q2, resulting in a 15.8% increase in revenues to EUR 5.245 million and in an increase in all indicators all the way down to the bottom line. The improvement in earnings experienced during the first quarter was therefore confirmed. This strong outcome was driven by a strong production and by a solid revenue increase in other revenue streams: Photon Energy's continued success is noticeably built on the first-class technology used in our projects, our core expertise in Operations & Maintenance services, and in technology trading. These strengths, along with the commercial efforts of our teams, mean that the business is in excellent shape to deliver long term sustainable growth. Business in Q3 has started well with key announcements made on project development in Australia as well as in Hungary. With this strong momentum, we remain confident of delivering strong results for the full year.

Strong electricity generation: Power plants produced 3.4% above predictions

Thanks to very favourable weather conditions in 2017Q2, generation results for our proprietary portfolio were well above energy audits. The accumulated average performance of the proprietary power plants connected and feeding electricity to the grid in 2017Q2 amounted to 10.2 GWh and was above the energy forecasts by an average of 3.4% (up by 10.5% YOY YTD).

Photon Energy announces a 1 GWp project development pipeline in Australia

Photon Energy's PV project pipeline is being developed in New South Wales and includes a 316 MWp solar project close to Gunning, a 155 MWp project at Gunnedah, on top of the previously announced projects in Leeton (22.6 MWp) and Environa (19MWp), for which the Network Technical Studies are progressing.

The PV project in Gunning would be the largest in New South Wales and one of the largest planned in Australia comparable in size to conventional utility scale power stations. The Solar Power Plant which would be constructed on 590 ha of land near Gunning is currently going through the Permitting and Grid Connection Process. Construction could start in early 2019. The Grid Connection Process is underway with Transgrid, the operator of the major high voltage transmission network in New South Wales and with the Australian Capital Territory, for the design of a substation for approximately 300 MW AC to be connected to Transgrid's 330 KV network.

The 155 MWp project in Gunnedah is being co-developed with a local joint venture partner and increases the volume of Photon Energy's location-specified projects to 512 MWp. Through its 51%-owned project company Photon Energy AUS SPV 7 Pty Ltd. the company has secured options on approximately 205 ha of land and is progressing with the New South Wales government State Significant Development process. Photon Energy has also signed a grid connection process agreement with Transgrid, the operator of the major high voltage transmission network in New South Wales and the Australian Capital Territory, for the design of a substation for approximately 150 MW AC to be connected to Transgrid's 330 KV network. Photon Energy expects to complete the project development process to the ready-to-build stage and to commence construction in 2018Q3.

The Company has mandated the financial and strategic advisory firm Pottinger Co Pty Limited to advise on a development capital raising expected to close in 2017Q4. Photon Energy trust Pottinger's track record in energy infrastructure financing to help the Company select the most suitable partners for this substantial pipeline. While it took a long time, it is obvious now that the strategic investment in Australia over the past six years is starting to bear fruits.

Given the attractive economics of PV power plants in Australia on the back of continuously falling investment costs, our Australian PV project pipeline is on track of becoming the most valuable asset in our Group.

Photon Energy acquires 520 kW solar PV project in Hungary

In Hungary, the efforts to build a PV project pipeline have begun to materialise. Photon Energy announced the acquisition of a project for a 520 KWp solar power plant in the North-West of Hungary. The project is ready-to-build and Photon Energy intends to start construction in 2017Q3 and connect the power plant before year-end.

Specifically, Photon Energy acquired 100% of the shares in Fertőd Napenergia-Termelő Kft., a Hungarian limited-liability company owning all licenses, rights and permits (including a valid construction permit) for the construction of a 520 KWp (DC) photovoltaic power plant (subject to a 499 KW AC grid connection). The project is located in the municipality of Fertőd, in the Győr-Moson-Sopron region of Hungary.

The PV plant is eligible for support under the KAT support system guaranteeing an off-take price of HUF 31,770 (EUR 103.34) per MWh of electricity supplied to the grid. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of at least EUR 1.478 million over the entire period.

The acquisition of the Fertőd project expands Photon Energy's project pipeline in Hungary to 12 projects with a planned installed capacity of 6.8 MWp. With this project Photon Energy is sending a clear signal to investors that the Company is committed to expanding its portfolio of power plants and with it significantly strengthen its long-term recurring revenue base.

Photon Energy initiates the refinancing of its corporate bond 2013/2018

In order to refinance the outstanding EUR bond due on 12 March 2018 and to raise capital for the construction of new PV power plants in Australia, Hungary and other potential markets, Photon Energy has mandated Munich-based Dero Bank AG to act as its advisor and lead manager for a planned EUR-denominated bond issue. Photon Energy intends to make a public exchange offer to the holders of its current bond and a public offer to new investors in 2017Q4. The terms of the new bond issue will be published at the time of the offering.

The current bond was issued by the Company as a 5-year corporate bond with an 8% annual coupon and quarterly payments in March 2013. With a denomination of EUR 1,000, it is traded in the Open Market of the Frankfurt Stock Exchange. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Vienna.

Strong financial results

Consolidated revenues increased by 15.8% YOY to EUR 5.245 million, leading to an EBITDA improvement by 11.9% to EUR 3.119 million. Photon Energy recorded an outstanding EBIT, amounting to EUR 1.223 million, representing a 26.6% increase YoY. At the bottom line level, we are pleased to post a profit after taxation of EUR 0.394 million in 2017Q2 (+13.5% YOY) and a total comprehensive income of EUR 1.732 million, more than doubling YOY.

Turning to half-year results, Photon Energy achieved a EUR 0.082 million profit after taxation, representing a substantial swing from its EUR 1.044 million loss during the same period a year earlier. The company's 2017H1 revenues increased 23.3% to EUR 8.031 million, while EBITDA rose 20.5% to EUR 4.193 million and EBIT improved 71.8% to EUR 1.487 million. Photon Energy also managed to significantly improve its loss before taxation from EUR 1.119 million in 2016H1 to a profit of EUR 0.456 million in 2017H1.

2.2. Strategy and its execution

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

- ▶ Production of electricity from the Group's portfolio of PV plants
- ▶ Customised Energy Solutions
- ▶ Decentralised Energy Production and Energy Storage Solutions
- ▶ Operations & Maintenance of PV plants and Energy Storage facilities
- ▶ PV technology trading

Our next steps are:

- ▶ The Photon Energy Operations team focuses on full O&M solutions in Central Europe and expands its Inverter Cardio services to additional inverter technologies covering the whole European market.
- ▶ Photon Energy's power plant control and monitoring solutions will be offered as a standalone product.
- ▶ The Australian market still remains our focus for the expansion of PV generation capacity. The Hungarian market promises to become a second pillar. Other potential markets in Central and South America, the Middle East and Africa remain under investigation.

In order to reduce the dependence on government subsidies in the future, the Group's strategy mainly focuses on the expansion to markets which have already reached Grid Parity, i.e. the cost of PV-generated electricity is competitive with grid-supplied electricity from traditional and other renewable energy sources.

2.3. 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 30 June 2017, consisting 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 30 June 2017

Nr	Proprietary portfolio	Legal entity	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 ¹	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec.09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec.10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec.10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec.10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec.10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec.10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun.11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun.11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun.11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun.11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun.11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun.11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun.11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb.13
Total				25,569		24,146	

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

Generation results

The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2017Q2 amounted to 10.2 GWh, which was 3.4% above the energy forecasts and 5.0% higher 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 April and 30 June 2017

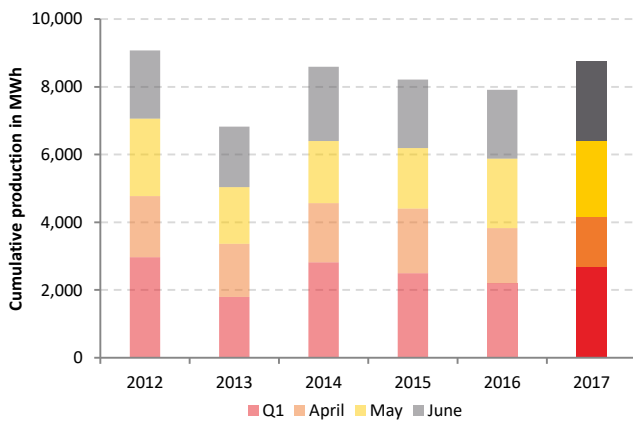
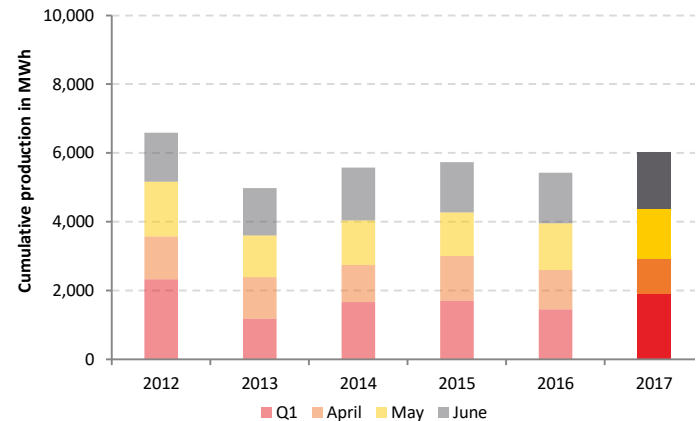
Project name	Legal entity	Capacity	Feed-in-Tariff	Prod. 2017Q2	Proj. 2017Q2	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit		kWp	per MWh, applicable in 2017	kWh	kWh	%	kWh	kWh	%	%
Komorovice	Exit 90 s.r.o.	2,354	CZK 13,966	926,819	918,944	0.9%	1,332,126	1,218,039	9.4%	11.3%
Zvíkov I	Photon SPV8 s.r.o.	2,031	CZK 13,966	833,153	805,437	3.4%	1,239,403	1,067,589	16.1%	10.0%
Dolní Dvořiště	Photon SPV10 s.r.o.	1,645	CZK 13,966	625,126	670,034	-6.7%	909,007	888,116	2.4%	12.6%
Svatoslav	Photon SPV4 s.r.o.	1,231	CZK 13,966	462,314	497,634	-7.1%	622,003	659,603	-5.7%	10.2%
Slavkov	Photon SPV6 s.r.o.	1,159	CZK 13,966	505,247	473,888	6.6%	729,068	628,128	16.1%	10.6%
Mostkovice SPV 1	Photon SPV1 s.r.o.	210	CZK 13,966	83,061	68,146	21.9%	119,268	100,209	19.0%	7.4%
Mostkovice SPV 3	Photon SPV3 s.r.o.	926	CZK 15,004	378,636	352,163	7.5%	532,974	472,709	12.7%	8.5%
Zdice I	Onyx Energy I s.r.o.	1,499	CZK 13,966	614,665	579,200	6.1%	898,064	771,463	16.4%	10.5%
Zdice II	Onyx Energy projekt II s.r.o.	1,499	CZK 13,966	631,109	579,200	9.0%	917,993	771,463	19.0%	11.9%
Radvanice	Photon SPV11 s.r.o.	2,305	CZK 13,966	963,096	909,594	5.9%	1,362,756	1,205,646	13.0%	9.7%
Břeclav rooftop	Photon SPV1 s.r.o.	137	CZK 13,966	58,808	46,123	27.5%	86,738	68,832	26.0%	8.4%
Total Czech PP		14,996		6,082,034	5,900,364	3.1%	8,749,399	7,851,796	11.4%	10.6%
Babiná II	Sun4Energy ZVB s.r.o.	999	EUR 425.12	394,269	371,682	6.1%	557,022	512,672	8.7%	17.7%
Babina III	Sun4Energy ZVC s.r.o.	999	EUR 425.12	387,645	371,682	4.3%	559,986	512,672	9.2%	18.4%
Prša I.	Fotonika s.r.o.	999	EUR 425.12	395,832	370,860	6.7%	573,741	512,190	12.0%	4.4%
Blatna	ATS Energy s.r.o.	700	EUR 425.12	274,971	268,583	2.4%	386,268	385,782	0.1%	3.5%
Mokra Luka 1	EcoPlan 2 s.r.o.	963	EUR 382.61	399,213	365,408	9.3%	628,581	529,164	18.8%	6.3%
Mokra Luka 2	EcoPlan 3 s.r.o.	963	EUR 382.61	398,446	365,408	9.0%	640,154	529,164	21.0%	7.2%
Jovice 1	Photon SK SPV2 s.r.o.	979	EUR 382.61	334,739	376,705	-11.1%	471,930	500,253	-5.7%	11.0%
Jovice 2	Photon SK SPV3 s.r.o.	979	EUR 382.61	333,361	376,705	-11.5%	468,532	500,253	-6.3%	18.7%
Brestovec	Photon SK SPV1 s.r.o.	850	EUR 382.61	376,539	309,422	21.7%	568,233	448,085	26.8%	12.9%
Polianka	Solarpark Polianka s.r.o.	999	EUR 382.61	375,057	387,338	-3.2%	535,815	513,407	4.4%	9.4%
Myjava	Solarpark Myjava s.r.o.	999	EUR 382.61	427,083	377,843	13.0%	616,728	537,545	14.7%	10.7%
Total Slovak PP		10,429		4,097,155	3,941,637	3.9%	6,006,990	5,481,186	9.6%	10.7%
Symonston		144	AUD 301.60	30,870	28,500	8.3%	86,260	88,470	-2.5%	-1.0%
Total Australian PP		144		30,870	28,500	8.3%	86,260	88,470	-2.5%	-1.0%
Total		25,569		10,210,059	9,870,501	3.4%	14,842,649	13,421,452	10.6%	10.5%

Notes

* The FIT for the Czech Republic is an indicative figure only. As of 2016 Photon Energy 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. As of the end of 2017Q2, full O&M services contracts amounted to approximately 139 MWp, up by 46 MWp from the end of 2016Q2 (unchanged compared to 2017Q1), and can be broken down geographically into 111 MWp operated in the Czech Republic, 16 MWp in Slovakia, 11 MWp in Romania and 1 MWp in Australia. The O&M portfolio divides into 26 MWp of PV capacities from the proprietary portfolio and 113 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 61 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 2017Q2, the total cumulative capacity of central inverters can be divided regionally into France (21 MWp), Italy (15 MWp), Belgium (9 MWp), Czech Republic (8 MWp), Slovakia (5 MWp), Germany (2 MWp) and Bulgaria (1 MWp).

In July 2017, Photon Energy signed new contracts worth 3.6 MWp in the Czech Republic and now offers 204 MWp O&M services (full O&M services and “Inverter Cardio” services) across Europe and in Australia.

2.5. Reporting on Photon Energy’s project pipeline

Photon Energy currently develops PV projects in Australia and Hungary 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) service revenues. 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	MWp	Revenue Model	Land	Grid connection	Construction permit	Expected RTB
Australia	Leeton	22.6	Emarket + GC	Secured	Ongoing	Ongoing	2017Q4
Australia	Environa	19.0	Emarket + GC	Secured	Ongoing	Ongoing	2018Q1
Australia	Gunning	316.0	Emarket + GC or PPA	Secured	Ongoing	Ongoing	2019Q1
Australia	Gunnedah	155.0	Emarket + GC or PPA	Secured	Ongoing	Ongoing	2018Q3
Sub-total Australia		512.6					
Hungary	Pest region	6.3	Licensed PPA	Secured	Secured	Ongoing	2017Q4
Hungary	Fertőd	0.5	Licensed PPA	Secured	Secured	Secured	2017Q2
Sub-total Hungary		6.8					
Total		519.4					

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 as Watt peak – Wp) can be installed without exceeding the grid connection limit. In 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.

Australia

On July 3, Photon Energy announced the development of a 316 MWp solar power plant in Australia. Located in Gunning, New South Wales, the PV project would be the biggest in New South Wales and one of the largest planned in Australia comparable in size to conventional utility scale power stations. The Solar Power Plant which would be constructed on 590 ha of land near Gunning is currently going through the Permitting and Grid Connection process. Construction could start in early 2019. The grid Connection Process is underway with Transgrid, the operator of the major high voltage transmission network in New South Wales and with the Australian Capital Territory, for the design of a substation for approximately 300 MW AC to be connected to Transgrid's 330 KV network.

On August 2, Photon Energy NV announced details on a 155 MWp project in Gunnedah, New South Wales. The project is being co-developed with a local joint venture partner. Through its 51%-owned project company Photon Energy AUS SPV 7 Pty Ltd. the company has secured options on approximately 205 ha of land and is progressing with the New South Wales government State Significant Development process. Photon Energy has also signed a grid connection process agreement with Transgrid, the operator of the major high voltage transmission network in New South Wales and the Australian Capital Territory, for the design of a substation for approximately 150 MW AC to be connected to Transgrid's 330 KV network. Photon Energy expects to complete the project development process to the ready-to-build stage and to commence construction in 2018Q3. Once connected, the Gunnedah project is estimated to produce 279 GWh of clean energy each year, contributing significantly to Australia's Renewable Energy Target. The Gunnedah project is being co-developed with a local joint venture partner owning the remaining 49% of the project company. The project is part of a previously announced 1 GWp project pipeline (which includes the Gunning project as well), for which Photon Energy has mandated advisory firm Pottinger to advise on the raising of development capital.

On the projects in Leeton (22.6 MWp) and in Environa (19 MWp), the Network Technical Study is progressing to finalise the Grid Connection.

Hungary

On 13 July 2017, Photon Energy announced the acquisition of a project for a 520 KWp solar power plant in the North-West of Hungary. The project is ready-to-build and Photon Energy intends to start construction in 2017Q3 and to connect the power plant before year-end. Specifically, Photon Energy acquired 100% of the shares in Fertőd Napenergia-Termelő Kft., a Hungarian limited-liability company owning all licenses, rights and permits (including a valid construction permit) for the construction of a 520 KWp (DC) photovoltaic power plant (subject to a 499 KW AC grid connection). The project is located in the municipality of Fertőd, in the Győr-Moson-Sopron region of Hungary. The PV plant is eligible for support under the KAT support system guaranteeing an off-take price of HUF 31,770 (EUR 103.34) per MWh of electricity supplied to the grid. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of at least EUR 1.478 million over the entire period. The acquisition of the Fertőd project expands Photon Energy's project pipeline in Hungary to 12 projects with a planned installed capacity of 6.8 MWp.

2.6. Enterprise Value & Share Price performance

2.6.1. NewConnect (Warsaw Stock Exchange)

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 1.10 on 30 June 2017 (+1% YTD, +77% vs. 30 June 2016), corresponding to a price to book ratio of 0.55x. The Company also reports average monthly trading volume of 114,813 shares in 2017Q2, compared to an average monthly traded volume of 155,669 shares YTD and of 255,647 shares in 2016.

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



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

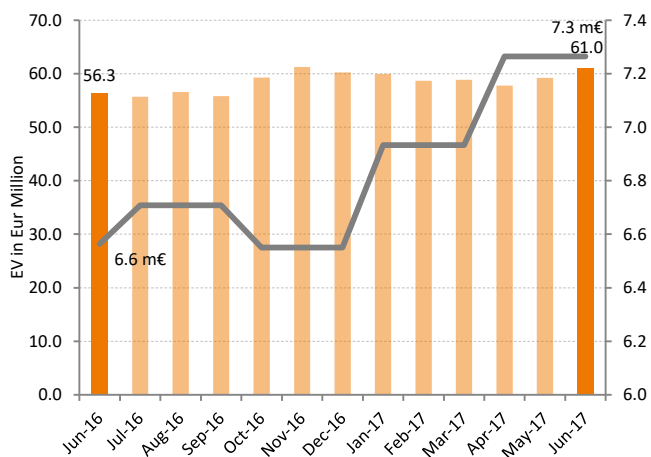
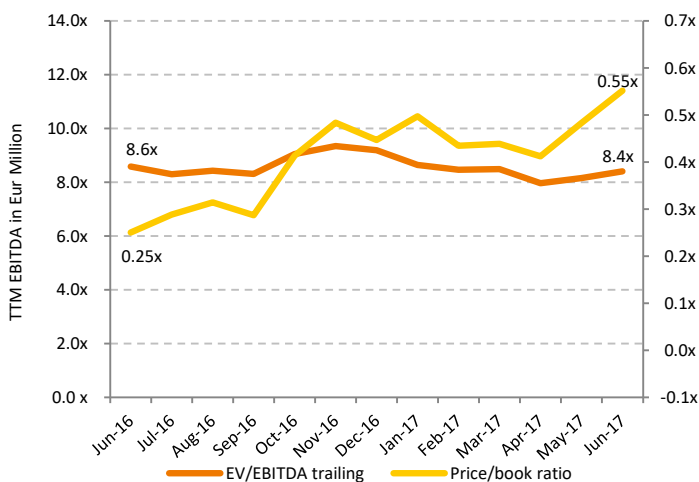


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



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.

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports.

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

2.6.2. Free Market (Prague Stock Exchange)

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

On 30 June 2017, the share price (ISIN NL0010391108) closed at a price of CZK 6.00 (-14% vs 31 December 2016, +22% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.47x. The Company reports a quarterly trading volume of 66,934 shares, compared to 225,001 shares in 2017Q1.

2.7. Bond trading performance

In March 2013 Photon Energy N.V., at that time through its fully-owned subsidiary Photon Energy Investments 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. The bond is listed on the stock exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 93.00% and 102.50%.

In December 2016, the Company issued a 7-year corporate bond with a 6% annual coupon and monthly coupon payments in the Czech Republic. The corporate bond, with a nominal value of CZK 30,000 (ISIN CZ0000000815), has been traded on the Free Market of the Prague Stock Exchange since 12 December 2016.

2.7.1. EUR Bond trading performance in Frankfurt

Chart 5. The Company's bond trading on the Frankfurt Stock Exchange in Germany between 1 July 2016 and 30 June 2017

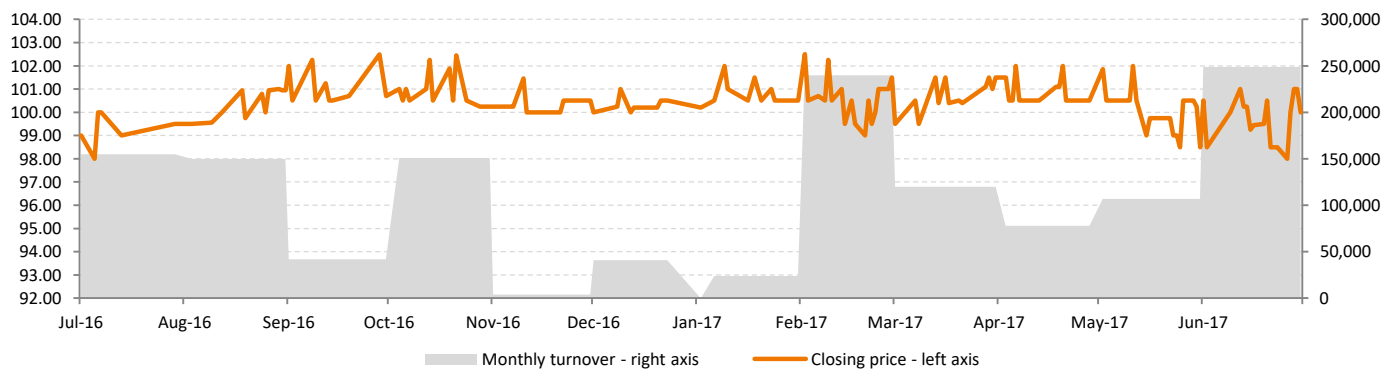
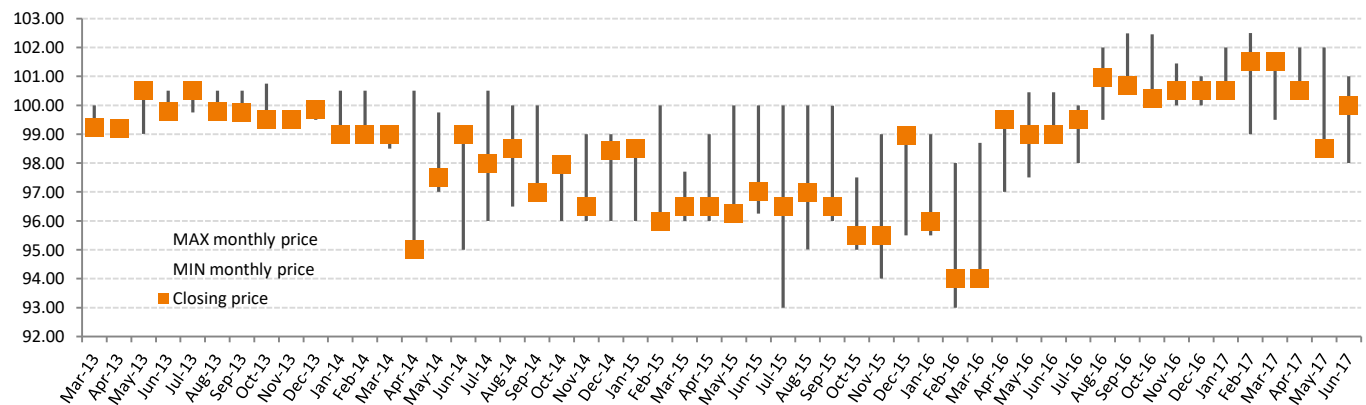


Chart 6. MIN, MAX and closing monthly prices



In the trading period from 12 March 2013 until 30 June 2017 the trading volume amounted to EUR 8.704 million (nominal value) with an opening price of 100.00 and a closing price of 100.00. During this period the average daily turnover amounted to EUR 8,015.

EUR Bond trading performance in 2017Q2

In 2017Q2 the trading volume amounted to EUR 434,000 (384,000 in 2017Q1) with an opening price of 100.00 and a closing price of 100.00. The average daily turnover amounted to EUR 7,115 in the reporting period compared to EUR 5,908 in 2017Q1 and 5,693 for the full-year 2016. Since the beginning of the year, the Company issued an additional 248 bonds (of which 114 in 2017Q2) with a corresponding nominal value of EUR 0.248 million, bringing the total amount of subscribed bonds to EUR 10.368 million as of 30 June 2017.

2.7.2. CZK Bond trading performance in Prague

In the trading period from 12 December until 30 June 2017 the trading volume amounted to CZK 5,490,000 (nominal value) with a closing price of 100.00. In 2017Q2 the trading volume amounted to CZK 90,000.

2.8. Financial statement analysis

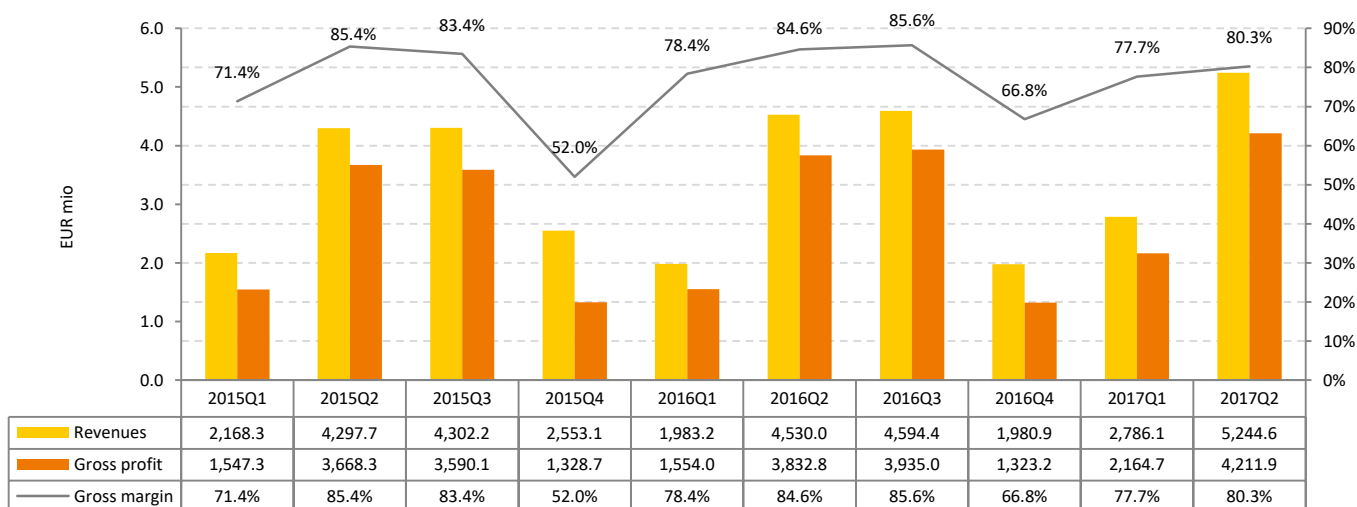
Profit and Loss statement

Unaudited consolidated revenues increased by 15.8% YOY from EUR 4.530 million to EUR 5.245 million in 2017Q2, mainly due to higher revenues from electricity production and higher revenues from the O&M segment, as well as higher revenues from trading of technology.

Consolidated EBITDA increased to EUR 3.119 million (+11.9% YOY) in 2017Q2. Consolidated EBIT increased to EUR 1.223 million (+26.6% YOY) in 2017Q2. In 2017Q2 the Company recorded a profit before taxation of EUR 0.675 million, significantly higher than the EUR 0.199 million profit for the same period last year.

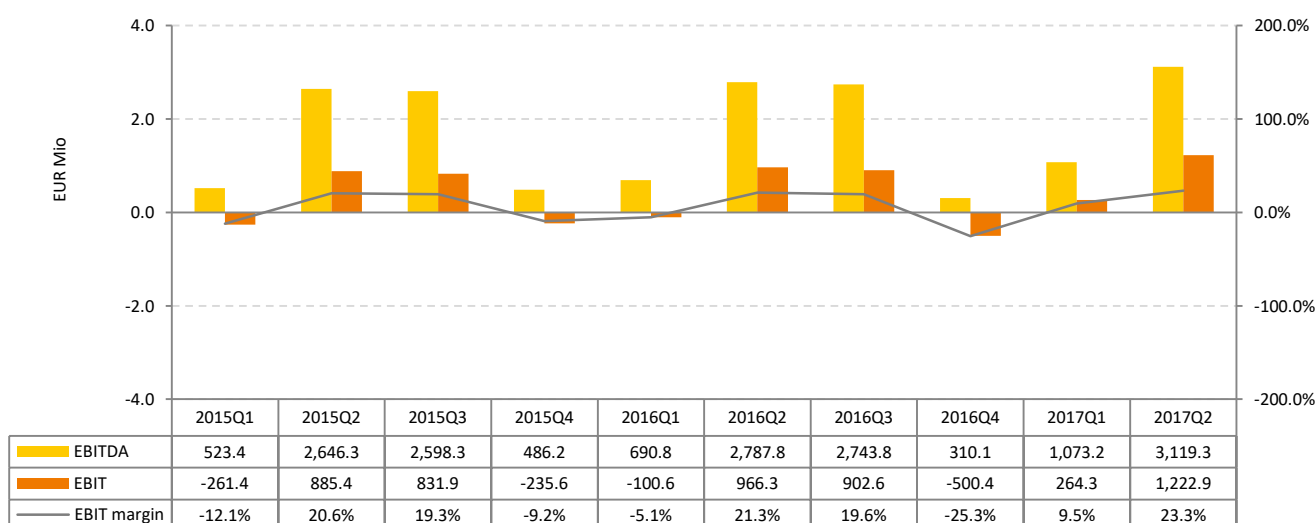
The Company recorded a profit after taxation of EUR 0.394 million in 2017Q2, compared to EUR 0.347 million for the same period last year (+13.5% YOY). Total comprehensive income more than doubled to EUR 1.732 million in 2017Q2, compared to EUR 0.562 million one year ago. Other comprehensive income was mainly influenced by changes of the exchange rate CZK vs EUR.

Chart 7. Revenues, gross profit and gross margin



The numbers presented above are based on quarterly published figures.

Chart 8. EBITDA, EBIT and EBIT margin development



The numbers presented above are based on quarterly published figures.

Balance Sheet

Total fixed assets amounted to EUR 72,240 million at the end of 2017Q2, a decrease by EUR 4.367 million compared to 2016Q2. The main reason for the decrease in assets is the annual depreciation.

Current assets increased from EUR 12.096 million as of 30 June 2016 to EUR 12.418 million as of 30 June 2017 mainly due to higher other receivables.

Total liabilities amounted to EUR 61.734 million as of the end of the reporting period compared to EUR 62.752 million as of the end of 2016Q2. Current liabilities increased by EUR 10.484 million (up from EUR 7.563 million in 2016Q2 to EUR 18.047 million in 2017Q2) mainly due to the reclassification of the EUR bond from long-term liabilities to short-term liabilities (due date 12 March 2018) compensated by lower trade payables and short-term loans.

Long term liabilities decreased by EUR 11.503 million from EUR 55.159 million in 2016Q2 to EUR 43.686 million in 2017Q2. The main drivers of the change in long term liabilities were the reclassification of the EUR bond to the short-term liabilities, the decrease in the outstanding balance of bank loans and other loans as well as slightly higher deferred tax liabilities.

Chart 9. Net current assets

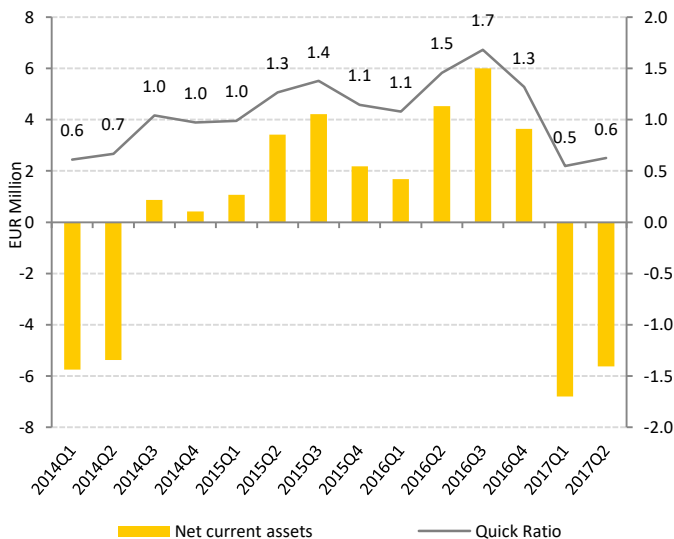
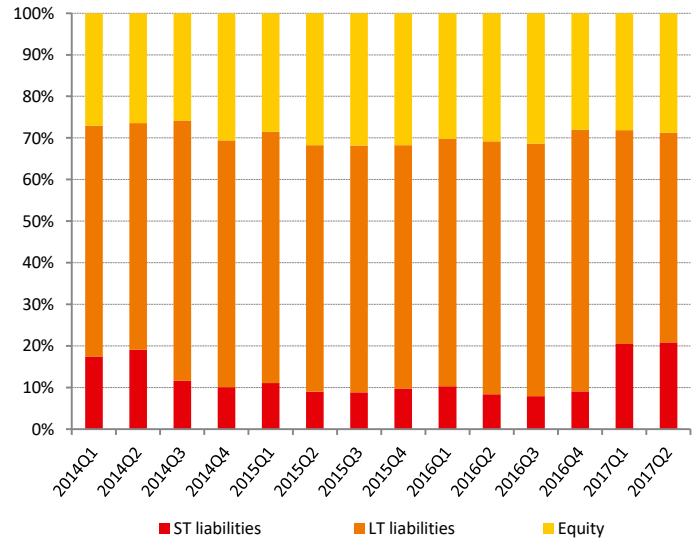


Chart 10. Break down of liabilities and equity



Changes in equity

Equity decreased to EUR 24.925 million in 2017Q2 compared to EUR 27.951 million in 2016Q2. This is mainly due to the results of the previous quarters. Total equity increased to EUR 24.925 million at the end of 2017Q2 from EUR 24.180 million at year-end 2016 and from EUR 24.041 million at the end of 2017Q1.

Cash Flow

The Group posted a positive operating cash flow for the second quarter of 2017, which amounted to EUR 0.731 million. Financial cash flow was negative and amounted to EUR 1.689 million driven primarily by the repayment of borrowings and interest expenses. Investment cashflow equalled to zero. All these movements were compensated by the effect of the change in exchange rates (a positive impact of EUR 1.323 million). Overall, the cash position decreased by EUR 0.957 million in total and amounted at EUR 4.716 million at the end of the reporting period (EUR 4.643 million one year ago).

2.9. Financial forecasts

The Company does not publish financial forecasts.

3. General information about the Issuer

The table below presents general information about Photon Energy 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 30 June 2017

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 30 June 2017, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure is as follows:

Shareholdership as of 30.06.2017	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	26,467,000	44.11%	26,467,000	51.94%
Solar Future Cooperatief U.A.	8,590,683	14.32%	8,590,683	16.86%
Solar Power to the People Cooperatief U.A.	8,051,874	13.42%	8,051,874	15.80%
Photon Energy N.V.	9,043,068	15.07%	0	0.00%
Free float	7,847,375	13.08%	7,847,375	15.40%
Total	60,000,000	100.00%	50,956,932	100.00%

The free float includes shares allocated to the Employee incentive programme. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

6. Statutory bodies of the Issuer

Board of Directors as of 30 June 2017

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer's Board of Directors has the following members:

Name	Position	Date of birth	Term of office expiry date
Georg Hotar	Director (<i>Bestuurder</i>)	21.04.1975	No term of expiry
Michael Gartner	Director (<i>Bestuurder</i>)	29.06.1968	No term of expiry

Supervisory Board

Under Dutch law, a public company is required to establish a supervisory board if:

- The issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- The company or a dependent company established a work council pursuant to a statutory obligation and,
- The company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three 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

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:

- ▀ **Projects:** Project development for rooftop and green-field installations from 300 kW to 300 MW.
- ▀ **Solutions:** Design and construction of on-grid and off-grid installations, including battery storage solutions.
- ▀ **Technology:** Trading of PV-components (modules and inverters).
- ▀ **Investments:** Investments in PV power plants and sustainable production and sale of electricity.
- ▀ **Operations:** Operations and maintenance of PV power plants, including own control room and monitoring platform.

Country-specific references

-  Power plants owned by Photon Energy
-  Power plants under O&M
-  Service interventions
-  Inverter Cardio
-  Offices



Currently the Photon Energy Group is active with 72 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 more than 200 MWp of PV power plants under O&M management across two continents.

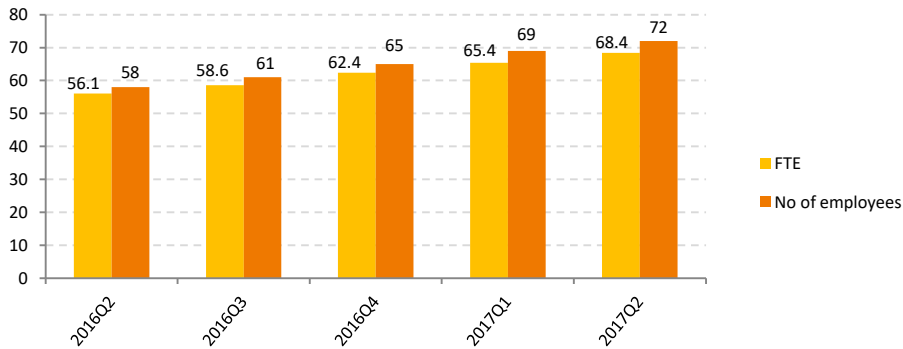
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of 2017Q2 the Photon Energy Group had 72 employees (compared to 58 employees in 2016Q2) which translates into 68.4 FTE¹ (compared to 56.1 FTE in 2016Q2).

Chart 11. Total number of employees and full time equivalent employees per quarter



¹ **Full-time equivalent (FTE)** is a unit that indicates the workload of an person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time.

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it operates an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for employees equal to 10% of their gross compensation. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

10. Group structure

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

Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V. (PENV)	Holding	NL	Full Cons.	-
2 Photon Directors B.V.	100%	NL	Full Cons.	PENV
3 Photon Energy Engineering B.V. (PEE BV)	100%	NL	Full Cons.	PENV
4 Photon Energy Operations N.V. (PEO NV)	100%	NL	Full Cons.	PENV
5 Photon Energy Australia Pty Ltd.	100%	AUS	Full Cons.	PENV
6 Photon Energy Generation Australia Pty. Ltd.	100%	AUS	Full Cons.	PENV
7 Photon Energy AUS SPV 1 Pty. Ltd.	100%	AUS	Full Cons.	PENV
8 Photon Energy AUS SPV 2 Pty. Ltd.	100%	AUS	Full Cons.	PENV
9 Photon Energy AUS SPV 3 Pty. Ltd.	100%	AUS	Full Cons.	PENV
10 Photon Energy AUS SPV 4 Pty. Ltd.	100%	AUS	Full Cons.	PENV
11 Photon Energy AUS SPV 5 Pty. Ltd.	51%	AUS	Equity	PENV
12 Photon Energy AUS SPV 6 Pty. Ltd.	51%	AUS	Equity	PENV
13 Photon Energy AUS SPV 7 Pty. Ltd.	51%	AUS	Equity	PENV
14 Photon Energy AUS SPV 8 Pty. Ltd.	51%	AUS	Equity	PENV
15 Photon Energy AUS SPV 9 Pty. Ltd.	51%	AUS	Equity	PENV
16 Photon Energy AUS SPV 10 Pty. Ltd.	51%	AUS	Equity	PENV
17 Photon Energy Operations Australia Pty.Ltd.	100%	AUS	Full Cons.	PEONV
18 Photon Energy Engineering Australia Pty Ltd	100%	AUS	Full Cons.	PEEBV
19 Global Investment Protection AG	100%	CH	Full Cons.	PENV
20 Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
21 Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	PENV
22 Photon Energy Operations CZ s.r.o. (PEOCZ) ¹	100%	CZ	Full Cons.	PEONV
23 Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
24 Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
25 Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
26 Photon Energy Solutions s.r.o.	100%	CZ	Full Cons.	PENV
27 Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
28 Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
29 The Special One s.r.o.	100%	CZ	Full Cons.	PENV
30 Charles Bridge Services s.r.o.	100%	CZ	Full Cons.	PENV
31 Photon Energy Finance Europe GmbH	100%	DE	Full Cons.	PENV
32 Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
33 Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
34 EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
35 EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
36 Fotonika, s.r.o.	100%	SK	Full Cons.	PENV
37 Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
38 Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
39 Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
40 Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
41 Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
42 SUN4ENERGY ZVB, s.r.o.	100%	SK	Full Cons.	PENV
43 SUN4ENERGY ZVC, s.r.o.	100%	SK	Full Cons.	PENV
44 ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
45 Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
46 Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	PEP
47 Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	PEP

Notes:

Country of registration

NL – the Netherlands

CZ – the Czech Republic

DE - Germanz

CH - Switzerland

SK – Slovakia

AUS– Australia

HU - Hungary

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. (Mostkovice SPV3)	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o. (Zvikov I)	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o. (Komorovice)	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o. (Svatoslav)	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o. (Slavkov)	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o. (Zdice I)	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o. (Zdice II)	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o. (Dolní Dvořiště)	100%	0%	CZ	Full Cons.	RL
9	Photon SPV 11 s.r.o. (Radvanice)	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 22 May 2017, Photon Energy AUS SPV 5 Pty. Ltd. was incorporated as a Joint-venture held 51% by Photon Energy NV and 49% by Polpo Investments.
- On 23 May 2017, Photon Energy AUS SPV 6 Pty. Ltd. was incorporated as a Joint-venture held 51% by Photon Energy NV and 49% by Polpo Investments.
- On 30 June 2017, Photon Energy AUS SPV 7 Pty. Ltd., Photon Energy AUS SPV 8 Pty. Ltd., Photon Energy AUS SPV 9 Pty. Ltd. and Photon Energy AUS SPV 10 Pty. Ltd. were incorporated as Joint-ventures held 51% by Photon Energy NV and 49% by Polpo Investments each.

After the reporting period the following events occurred:

- On 13 July 2017, Photon Energy Projects s.r.o. acquired Fertőd Napenergia-Termelő Kft.

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

11.1. Summary of the key events from 1 April until 30 June 2017

Below is a summary of the key events which were important for the Issuer's business from 1 January until 31 March 2017 and which were reported in the EBI system:

- ▶ **EBI 8/2017** published on 11 April 2017: Photon Energy enters Hungarian market.
- ▶ **EBI 9/2017** published on 11 April 2017: Monthly report for March 2017.
- ▶ **EBI 10/2017** published on 14 April 2017: Convocation of the Annual General Meeting of Shareholders on 29 May 2017.
- ▶ **EBI 11/2017** published on 14 April 2017: The draft of resolutions of the AGM on 29 May 2017.
- ▶ **EBI 12/2017** published on 3 May 2017: Q & A Chat to be held in collaboration with Polish retail investors association SII on Wednesday, the 10th of May 2017 at 11:00am
- ▶ **EBI 13/2017** published on 9 May 2017: Quarterly report for 2017Q1.
- ▶ **EBI 14/2017** published on 11 May 2017: Monthly report for April 2017.
- ▶ **EBI 15/2017** published on 29 May 2017: The Minutes of the AGM of shareholders held on 29 May 2017.
- ▶ **EBI 16/2017** published on 12 June 2017: Monthly report for May 2017.
- ▶ **EBI 17/2017** published on 27 June 2017: Photon Energy arranges the refinancing of the corporate bond 2013/2018.

11.2. Summary of the key events after 30 June 2017

Below is a summary of the key events which were important for the Issuer's business after 30 June 2017 until the date of this report:

- ▶ **EBI 18/2017** published on 3 July 2017: Photon Energy is developing a 316 MWp solar power plant in Australia.
- ▶ **EBI 19/2017** published on 12 July 2017: Monthly report for June 2017.
- ▶ **EBI 20/2017** published on 13 July 2017: Photon Energy acquires 520 kW solar PV project in Hungary.
- ▶ **EBI 21/2017** published on 19 July 2017: Photon Energy mandates Pottinger as financial advisors for Australian project pipeline.
- ▶ **EBI 22/2017** published on 2 August 2017: Photon Energy announces the development of a 155 MWp solar plant in Australia.

12. Detailed consolidated financial results for 2017Q2

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 April 2017 and ending on 30 June 2017 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

in Thousands	EUR		PLN		CZK	
	2016Q2	2017Q2	2016Q2	2017Q2	2016Q2	2017Q2
Total revenues	4,530	5,245	19,806	22,107	122,489	139,151
<i>Out of that: Revenues from electricity generation</i>	4,065	4,405	17,774	18,566	109,921	116,866
<i>Out of that: Other revenues</i>	465	840	2,032	3,540	12,568	22,285
Cost of sales	-406	-715	-1,774	-3,013	-10,972	-18,968
Solar levy CZ	-291	-318	-1,274	-1,340	-7,880	-8,433
Gross profit	3,833	4,212	16,758	17,754	103,637	111,750
Other income	9	24	41	103	252	646
Administrative expenses	-424	-436	-1,853	-1,840	-11,461	-11,580
Personnel expenses	-545	-604	-2,383	-2,547	-14,736	-16,033
Other expenses	-86	-76	-374	-321	-2,313	-2,021
EBITDA	2,788	3,119	12,188	13,148	75,379	82,761
Depreciation	-1,822	-1,896	-7,964	-7,994	-49,252	-50,315
EBIT	966	1,223	4,225	5,155	26,127	32,446
Interests income	11	11	46	46	284	288
Financial revenues	0	-114	0	-479	0	-3,018
Interests cost	-791	-530	-3,458	-2,233	-21,385	-14,058
Financial expenses	-21	-198	-91	-836	-562	-5,263
Revaluation of derivatives	-150	207	-656	871	-4,056	5,480
Net finance expenses	-951	-625	-4,159	-2,633	-25,719	-16,571
Share of profit from associates / J-Vs	184	77	805	325	4,976	2,045
Profit / loss before taxation	199	675	871	2,847	5,384	17,920
Income tax – current	-11	-299	-49	-1,260	-305	-7,931
Income tax – deferred	159	18	697	74	4,311	469
Profit/loss from continuing operations	347	394	1,518	1,661	9,390	10,458
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	347	394	1,518	1,661	9,390	10,458
Other comprehensive income for the period	215	1,338	940	5,640	5,813	35,500
Total comprehensive income for the period	562	1,732	2,458	7,301	15,203	45,958
Profit/loss after taxation	347	394	1,518	1,661	9,390	10,458
<i>Attributable to the equity holders</i>	329	397	1,439	1,674	8,902	10,537
<i>Attributable to minority interest</i>	18	-3	79	-13	488	-80
Total comprehensive income for the period	562	1,732	2,458	7,301	15,203	45,958
<i>Attributable to the equity holders</i>	544	1,735	2,379	7,314	14,715	46,037
<i>Attributable to minority interest</i>	18	-3	79	-13	488	-80
Average no. of shares outstanding (in thousand)	50,993	50,979	50,993	50,979	50,993	50,979
Earnings per share outstanding	0.007	0.008	0.030	0.033	0.184	0.205
Comprehensive income per share outstanding	0.011	0.034	0.048	0.143	0.298	0.902
<i>EUR exchange rate – low</i>			4.234	4.171	27.020	26.145
<i>EUR exchange rate – average</i>			4.372	4.215	27.039	26.532
<i>EUR exchange rate – high</i>			4.460	4.273	27.150	27.060

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	30.6.2016	30.6.2017	30.6.2016	30.6.2017	30.6.2016	30.6.2017
Intangibles	0	0	0	0	0	0
Property, plant and equipment	76,490	72,624	339,357	306,885	2,075,165	1,902,383
Investments in associates /joint ventures	2,110	1,608	9,361	6,795	57,244	42,125
Other investments	8	8	36	35	220	220
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	78,608	74,240	348,754	313,716	2,132,629	1,944,727
			0	0	0	0
Inventories – Goods	1,069	1,104	4,743	4,666	29,004	28,925
Trade receivables	2,319	2,971	10,287	12,556	62,905	77,832
Other receivables	2,824	2,195	12,531	9,274	76,628	57,490
Loans	750	723	3,327	3,055	20,348	18,939
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	491	346	2,178	1,463	13,317	9,070
Cash and cash equivalents	4,643	4,716	20,600	19,927	125,968	123,530
Other S-T financial assets	0	363	0	1,533	0	9,500
Assets held for sale	0	0	0	0	0	0
Current assets	12,096	12,418	53,666	52,474	328,170	325,286
Total assets	90,704	86,658	402,420	366,190	2,460,799	2,270,013
			0	0	0	0
Issued share capital	600	600	2,664	2,535	16,290	15,717
Share premium	23,760	23,760	105,414	100,402	644,609	622,393
Legal reserve fund	8	13	37	56	227	350
Reserves	24,087	23,600	106,863	99,725	653,470	618,195
Retained earnings	-20,660	-23,038	-91,661	-97,350	-560,510	-603,475
Equity attributable to owners of the Company	27,795	24,935	123,317	105,369	754,086	653,181
Non-controlling interests	156	-10	693	-42	4,237	-261
Total equity	27,951	24,925	124,010	105,327	758,323	652,920
			0	0	0	0
Bank loan	39,405	36,120	174,826	152,632	1,069,063	946,163
Other long-term liabilities	9,913	1,844	43,979	7,790	268,933	48,292
Other loans	270	0	1,198	0	7,325	0
Deferred tax liabilities	5,601	5,723	24,850	24,182	151,961	149,902
Non-current liabilities	55,189	43,686	244,854	184,603	1,497,281	1,144,357
Bank Loans	4,035	3,734	17,904	15,780	109,483	97,819
Other loans	268	404	1,191	1,708	7,284	10,589
Trade payables	964	644	4,278	2,722	26,158	16,872
Other payables	2,175	2,479	9,652	10,477	59,021	64,944
Other shortterm liabilities	0	10,368	0	43,812	0	271,590
Current tax liabilities (income tax)	120	256	531	1,082	3,247	6,710
Provisions	0	161	0	682	0	4,228
Current liabilities	7,563	18,047	33,556	76,263	205,192	472,752
Total Liabilities	62,752	61,734	278,409	260,866	1,702,473	1,617,109
TOTAL Equity & Liabilities	90,704	86,658	402,420	366,189	2,460,796	2,270,003
No. of shares outstanding in thousand	50,972	50,957	50,972	50,957	50,972	50,957
Book value per share outstanding	0.548	0.489	2.433	2.067	14.877	12.813

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2016Q2	2017Q2	2016Q2	2017Q2	2016Q2	2017Q2
Profit/loss before taxation	199	675	871	2,847	5,384	17,920
Adjustments for:			0	0	0	0
Depreciation	1,822	1,896	7,964	7,994	49,252	50,315
Other changes in fixed assets	246	0	1,076	0	6,652	0
Share of profit of equity accounted investees	-184	-77	-805	-325	-4,976	-2,045
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	-124	-749	-542	-3,157	-3,353	-19,873
Changes in:			0	0	0	0
Trade and other receivables	-1,034	-1,420	-4,522	-5,984	-27,969	-37,667
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	107	27	466	115	2,881	723
Inventories	-99	6	-431	24	-2,668	151
Trade and other payables	-1,001	153	-4,378	647	-27,073	4,072
Other liabilities	-249	219	-1,087	923	-6,725	5,811
Operating cash flow	-318	731	-1,390	3,083	-8,596	19,407
Acquisition of property, plant and equipment	0	0	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0	0	0
Acquisition of other investments	0	0	0	0	0	0
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Investment cash flow	0	0	0	0	0	0
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	1,809	0	7,909	0	48,915	0
Proceeds from borrowings	0	0	1	0	8	0
Repayment of borrowings	-1,508	-1,396	-6,593	-5,885	-40,772	-37,042
Proceeds from issuing bonds	1,379	238	6,029	1,004	37,287	6,321
Interest expenses	-801	-531	-3,503	-2,238	-21,662	-14,085
Financing cash flow	879	-1,689	3,844	-7,118	23,775	-44,805
Net increase/decrease in cash and cash equivalents	561	-957	2,454	-4,035	15,179	-25,398
Cash at the beginning of the period	4,390	4,350	19,195	18,336	118,709	115,416
Effect of exchange rate fluctuation	-308	1,323	-1,347	5,577	-8,328	35,102
Cash at the end of the period	4,645	4,716	20,307	19,878	125,588	125,120
<i>EUR exchange rate - low</i>			4.234	4.171	27.020	26.145
<i>EUR exchange rate - average</i>			4.372	4.215	27.039	26.532
<i>EUR exchange rate - high</i>			4.460	4.273	27.150	27.060

13. Detailed accumulated consolidated financial results for 2017 Q1-Q2

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2017 and ending on 30 June 2017 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

in Thousands	EUR		PLN		CZK	
	2016Q1-Q2	2017Q1-Q2	2016Q1-Q2	2017Q1-Q2	2016Q1-Q2	2017Q1-Q2
Total revenues	6,513	8,031	28,454	34,288	176,113	215,094
<i>Out of that: Revenues from electricity generation</i>	5,570	6,353	24,333	27,126	150,606	170,165
<i>Out of that: Other revenues</i>	943	1,677	4,121	7,162	25,507	44,928
Cost of sales	-723	-1,199	-3,158	-5,117	-19,544	-32,101
Solar levy CZ	-404	-456	-1,763	-1,945	-10,914	-12,202
Gross profit	5,387	6,377	23,533	27,226	145,656	170,790
Other income	29	58	126	248	778	1,555
Administrative expenses	-764	-841	-3,339	-3,589	-20,668	-22,512
Personnel expenses	-1,087	-1,297	-4,749	-5,537	-29,393	-34,734
Other expenses	-86	-105	-374	-447	-2,313	-2,807
EBITDA	3,479	4,193	15,197	17,900	94,059	112,291
Depreciation	-2,613	-2,705	-11,415	-11,551	-70,652	-72,458
EBIT	866	1,487	3,782	6,350	23,407	39,833
Interests income	22	29	94	122	585	764
Financial revenues	0	0	0	0	0	0
Interests cost	-1,533	-1,265	-6,696	-5,401	-41,443	-33,880
Financial expenses	-34	-198	-149	-847	-921	-5,313
Revaluation of derivatives	-537	365	-2,347	1,557	-14,527	9,767
Net finance expenses	-2,082	-1,070	-9,097	-4,569	-56,305	-28,662
Share of profit from associates / J-Vs	98	39	428	168	2,648	1,054
Profit / loss before taxation	-1,119	456	-4,887	1,949	-30,251	12,226
Income tax – current	-11	-299	-49	-1,277	-305	-8,008
Income tax – deferred	97	-75	425	-322	2,632	-2,022
Profit/loss from continuing operations	-1,033	82	-4,512	350	-27,924	2,196
Profit/loss from discontinued operations	-11	0	-48	0	-299	0
Profit/loss after taxation	-1,044	82	-4,560	350	-28,223	2,196
Other comprehensive income for the period	-63	1,519	-275	6,486	-1,703	40,685
Total comprehensive income for the period	-1,107	1,601	-4,835	6,836	-29,927	42,881
Profit/loss after taxation	-1,048	93	-4,580	397	-28,350	2,491
<i>Attributable to the equity holders</i>	5	-11	20	-47	126	-295
<i>Attributable to minority interest</i>	-1,044	82	-4,560	350	-28,223	2,196
Total comprehensive income for the period	-1,111	1,612	-4,856	6,883	-30,053	43,175
<i>Attributable to the equity holders</i>	5	-11	20	-47	126	-295
<i>Attributable to minority interest</i>	-1,107	1,601	-4,835	6,836	-29,927	42,881
Average no. of shares outstanding (in thousand)	50,993	50,979	50,993	50,979	50,993	50,979
Earnings per share outstanding	-0.020	0.002	-0.089	0.007	-0.553	0.043
Comprehensive income per share outstanding	-0.022	0.031	-0.095	0.134	-0.587	0.841
<i>EUR exchange rate – low</i>			4.234	4.171	27.020	26.145
<i>EUR exchange rate – average</i>			4.369	4.270	27.039	26.784
<i>EUR exchange rate – high</i>			4.496	4.413	27.150	27.060

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2016Q1-Q2	2017Q1-Q2	2016Q1-Q2	2017Q1-Q2	2016Q1-Q2	2017Q1-Q2
Profit/loss before taxation	-1,119	456	-4,887	1,949	-30,251	12,226
Adjustments for:			0	0	0	0
Depreciation	2,613	2,705	11,415	11,551	70,652	72,458
Other changes in fixed assets	230	0	1,005	0	6,219	0
Share of profit of equity accounted investees	-98	-39	-428	-168	-2,648	-1,054
Profit /Loss on sale of property, plant and equipment	39	0	172	0	1,066	0
Other non-cash items	-36	-80	-157	-342	-973	-2,143
Changes in:			0	0	0	0
Trade and other receivables	-1,912	-1,626	-8,354	-6,942	-51,706	-43,546
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	197	42	861	180	5,329	1,132
Inventories	-145	18	-632	76	-3,915	475
Trade and other payables	-1,017	-390	-4,441	-1,667	-27,486	-10,455
Other liabilities	-320	-195	-1,397	-835	-8,646	-5,236
Operating cash flow	-1,567	891	-6,844	3,803	-42,358	23,858
Acquisition of property, plant and equipment	0	0	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0	0	0
Acquisition of other investments	0	0	0	0	0	0
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Investment cash flow	0	0	0	0	0	0
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	1,809	0	7,903	0	48,915	0
Proceeds from borrowings	1,479	0	6,461	0	39,991	0
Repayment of borrowings	-2,312	-2,303	-10,100	-9,833	-62,512	-61,684
Proceeds from issuing bonds	1,572	650	6,867	2,776	42,506	17,412
Interest expenses	-1,545	-1,265	-6,750	-5,401	-41,779	-33,880
Financing cash flow	1,003	-2,918	4,382	-12,458	27,121	-78,152
Net increase/decrease in cash and cash equivalents	-564	-2,027	-2,462	-8,655	-15,237	-54,294
Cash at the beginning of the period	5,297	5,420	23,141	23,141	143,228	145,169
Effect of exchange rate fluctuation	-90	1,323	-393	5,649	-2,434	35,435
Cash at the end of the period	4,643	4,716	20,286	20,135	125,557	126,309
<i>EUR exchange rate - low</i>			4.234	4.171	27.020	26.145
<i>EUR exchange rate - average</i>			4.369	4.270	27.039	26.784
<i>EUR exchange rate - high</i>			4.496	4.413	27.150	27.060

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 31.12.2016	600	23,760	13	24,410	-1,139	-205	-23,260	24,180	0	24,180
Profit for the period 1.1.2017 – 30.6.2017							93	93	-10	83
Revaluation of PPE								0		0
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					1,323			1,323		1,323
Derivatives						196		196		196
Acquisition of JV								0		0
Total comprehensive income for the period	0	0	0	0	1,323	196	93	1,612	-10	1,602
new shares								0		0
Move from revaluation reserve to retained earnings				-985			985	0		0
Legal reserve fund – move to RE on entity disposal						-856	-856		-856	0
BALANCE at 30.6.2017	600	23,760	13	23,425	184	-9	-23,038	24,935	-10	24,925

14. Detailed entity financial results for 2017Q2

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 April 2017 and ending on 30 June 2017 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

in Thousands (except EPS)	EUR		PLN		CZK	
	2016 Q2	2017 Q2	2016 Q2	2017 Q2	2016 Q2	2017 Q2
Revenues from the sale of products, goods and services	466	421	2,039	1,776	12,612	11,181
Cost of sales	-334	-306	-1,461	-1,289	-9,038	-8,116
Gross profit	132	116	578	487	3,574	3,065
Other administrative expenses	-132	-128	-578	-538	-3,574	-3,389
Other income	0	0	0	0	0	0
Other expenses	0	-4	0	-15	0	-95
EBITDA	0	-16	0	-66	0	-418
Amortization&depreciation	-3	-3	-12	-11	-72	-71
EBIT	-3	-18	-12	-78	-72	-489
Financial income	58	61	252	257	1,560	1,616
Financial costs	-348	-545	-1,524	-2,297	-9,423	-14,460
Profit / loss before taxation	-293	-503	-1,283	-2,118	-7,935	-13,333
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	-293	-503	-1,283	-2,118	-7,935	-13,333

Balance Sheet

in Thousands	EUR		PLN		CZK	
	30.6.2016	30.6.2017	30.6.2016	30.6.2017	30.6.2016	30.6.2017
Intangibles	17	7	77	28	471	176
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	31,740	26,914	140,818	113,729	861,101	705,009
Other investments	0	0	0	0	0	0
Longterm receivables	79	81	349	343	2,133	2,125
Deferred tax assets	0	0	0	0	0	0
Non-current assets	31,836	27,002	141,244	114,101	863,705	707,310
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	2,926	4,270	12,981	18,042	79,379	111,840
Loans	8,519	8,537	37,794	36,074	231,109	223,622
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	287	143	1,274	603	7,788	3,738
Cash and cash equivalents	366	816	1,625	3,447	9,940	21,366
Current assets	12,098	13,765	53,674	58,165	328,215	360,566
Total assets	43,934	40,766	194,917	172,266	1,191,920	1,067,876
Issued share capital	600	600	2,662	2,535	16,278	15,717
Share premium	36,871	36,871	163,583	155,805	1,000,310	965,836
Legal reserve fund	0	0	0	0	0	0
Reserves	16,247	14,713	72,082	62,172	440,779	385,405
Retained earnings	-25,329	-27,997	-112,374	-118,307	-687,166	-733,384
Profit/loss for the current period	269	-724	1,194	-3,061	7,301	-18,978
Equity attributable to owners of the Company	28,658	23,462	127,147	99,144	777,503	614,596
Non-controlling interests	0	0	0	0	0	0
Total equity	28,658	23,462	127,147	99,144	777,503	614,596
Non-current liabilities	11,738	3,108	52,076	13,134	318,444	81,419
Bank Loan	0	0	0	0	0	0
Other long term liabilities	11,469	3,108	50,882	13,134	311,146	81,419
Other loans	269	0	1,193	0	7,298	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	3,300	14,196	14,642	59,987	89,533	371,862
Bank Loans	0	0	0	0	0	0
Other loans	269	404	1,193	1,708	7,298	10,589
Trade and other payables	3,031	3,263	13,448	13,786	82,235	85,462
Other shortterm liabilities	0	10,368	0	43,812	0	271,590
Current tax liabilities (income tax)	0	161	0	681	0	4,222
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	43,696	40,766	193,864	172,266	1,185,480	1,067,876
<i>No. of shares outstanding in thousand</i>	<i>50,972</i>	<i>50,957</i>	<i>50,972</i>	<i>50,957</i>	<i>50,972</i>	<i>50,957</i>
<i>Book value per share outstanding</i>	<i>0.857</i>	<i>0.800</i>	<i>3.803</i>	<i>3.381</i>	<i>23.257</i>	<i>20.956</i>

15. Detailed accumulated entity financial results for 2017 Q1-Q2

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2017 and ending on 30 June 2017 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS).

in Thousands (except EPS)	EUR		PLN		CZK	
	2016 Q1-Q2	2017 Q1-Q2	2016 Q1-Q2	2017 Q1-Q2	2016 Q1-Q2	2017 Q1-Q2
Revenues from the sale of products, goods and services	903	874	3,944	3,733	24,410	23,417
Cost of sales	-654	-610	-2,857	-2,606	-17,684	-16,348
Gross profit	249	264	1,087	1,127	6,726	7,069
Other administrative expenses	-249	-276	-1,087	-1,179	-6,728	-7,396
Other income	0	3	0	11	0	70
Other expenses	-4	-4	-18	-17	-112	-108
EBITDA	-4	-14	-18	-58	-114	-365
Amortization&depreciation	-5	-5	-23	-23	-144	-142
EBIT	-10	-19	-42	-81	-258	-507
Financial income	109	122	478	520	2,959	3,262
Financial costs	169	-827	739	-3,532	4,576	-22,159
Profit / loss before taxation	269	-724	1,176	-3,093	7,277	-19,405
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	269	-724	1,176	-3,093	7,277	-19,405

16. 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 2017 and ending on 30 June 2017 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 2017 to 30 June 2017

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from sale of products, goods and services	569	6,353	1,031	0	77	8,031	0	8,031
Revenues within segments from sale of products, goods, services	145	0	616	0	1,455	2,217	-2,217	0
Cost of sale	-690	-487	-756	0	-28	-1,961	762	-1,199
Energy levy	0	-456	0	0	0	-456	0	-456
Gross profit	25	5,416	893	0	1,505	7,831	-1,455	6,377
Other external income	1	48	7	0	3	58	0	58
Administrative and other expenses	-131	-127	-633	0	-1,932	-2,823	580	-2,243
Depreciation	0	-2,640	-30	0	-35	-2,705	0	-2,705
Operating income	-106	2,697	237	0	-459	2,361	-874	1,487
Interest income	18	110	13	0	131	272	-244	28
Interest expenses	-30	-754	-47	0	-678	-1,509	244	-1,265
Other financial revenues	11	0	27	0	-39	0	0	0
Other financial expenses	-16	-6	-5	0	-171	-198	0	-198
Revaluation of derivatives	0	365	0	0	0	365	0	365
Profit/loss share in entities in equivalency	0	0	0	39	0	39	0	39
Income tax	0	-299	0	0	0	-299	0	-299
Deferred tax	0	-75	0	0	0	-75	0	-75
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	-124	2,037	226	39	-1,216	957	-874	82
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	1,323	0	1,323	0	1,323
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								
Derivatives (hedging)	0	0	0	196	0	196	0	196
Total comprehensive income	-124	2,036	226	1,558	-1,216	2,475	-874	1,601
Assets, of which	3,203	85,972	3,264	1,608	14,802	108,849	-22,190	86,659
PPE – Lands	0	2,939	0	0	0	2,939	0	2,939
PPE – Photovoltaic power plants	0	69,380	0	0	0	69,380	0	69,380
PPE – Equipment	0	0	33	0	47	80	0	80
PPE – Assets in progress	48	0	0	0	177	225	0	225
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	2,943	8,956	2,704	0	12,754	27,356	-22,190	5,166
Loans	0	0	0	0	723	723	0	723
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0
Inventories – Goods	158	548	384	0	15	1,104	0	1,104
Investments in associates, JV, other	0	0	0	1,608	8	1,617	0	1,617
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	1	126	30	0	190	346	0	346
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	54	4,024	113	0	526	4,716	0	4,716
Other S-T financial assets	0	0	0	0	363	363	0	363
Liabilities, of which	-4,390	-52,864	-6,810	0	-18,985	-83,049	21,315	-61,733
Trade and other payables	-4,388	-6,545	-6,660	0	-6,846	-24,438	21,315	-3,123
Bank Loans and other loans	0	-39,854	0	0	-404	-40,258	0	-40,258
Other long term liabilities	-2	-487	-150	0	-1,205	-1,844	0	-1,844
Other short term liabilities	0	0	0	0	-10,368	-10,368	0	-10,368
Current tax liabilities (income tax)	0	-256	0	0	0	-256	0	-256
Provisions	0	0	0	0	-161	-161	0	-161
Deferred tax liabilities	0	-5,723	0	0	0	-5,723	0	-5,723

Results of the operating segments for the period from 1 January 2016 to 30 June 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	274	5,570	662	0	8	6,513	0	6,513
Revenues within segments from sale of products, goods, services	35	0	329	0	1,564	1,927	-1,927	0
Cost of sale	-248	-357	-432	0	-64	-1,101	378	-723
Energy tax	0	-404	0	0	0	-404	0	-404
Gross profit	25	4,809	230	0	-56	5,008	378	5,387
Other external income	0	0	0	0	29	29	0	29
Administrative and other expenses	-81	-101	-502	0	-1,913	-2,597	659	-1,937
Depreciation	0	-2,585	-11	0	-17	-2,613	0	-2,613
Operating income	-56	2,124	-283	0	-1,957	-172	1,038	866
Interest income	12	108	9	0	113	242	-220	22
Interest expenses	-20	-1,034	-40	0	-680	-1,753	220	-1,533
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	2	-9	-6	0	-21	-34	0	-34
Revaluation of derivatives	0	-537	0	0	0	-537	0	-537
Profit/loss share in entities in equivalency	0	0	0	98	0	98	0	98
Income tax	0	-11	0	0	0	-11	0	-11
Deferred tax	0	97	0	0	0	97	0	97
Profit/loss from discontinuing operations	0	0	0	0	11	11	0	11
Profit/loss after taxation	-61	738	-319	98	-2,535	-2,080	1,037	-1,044
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	-126	0	0	0	-126	0	-126
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	-26	0	0	0	-26	0	-26
Total comprehensive income	-61	586	-319	98	-2,535	-2,232	1,037	-1,196
Assets, of which	2,212	89,129	2,488	2,110	13,621	109,561	-18,856	90,704
PPE – Lands	0	2,849	0	0	0	2,849	0	2,849
PPE – Photovoltaic power plants	0	73,435	0	0	0	73,435	0	73,435
PPE – Equipment	46	0	78	0	77	202	0	202
PPE – Assets in progress	3	0	0	0	0	3	0	3
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	1,789	8,087	2,074	0	12,799	24,749	-18,856	5,893
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	312	530	211	0	18	1,069	0	1,069
Investments in associates, JV, other	0	0	8	2,110	0	2,118	0	2,118
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	9	135	26	0	322	491	0	491
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	53	4,093	91	0	406	4,643	0	4,643
Liabilities, of which	-3,410	-52,062	-3,135	0	-22,102	-80,708	17,955	-62,753
Trade and other payables	-3,408	-2,640	-3,120	0	-11,927	-21,095	17,955	-3,140
Bank Loans and other loans	0	-43,441	0	0	-538	-43,979	0	-43,979
Other long term liabilities	0	-281	0	0	-9,632	-9,913	0	-9,913
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-2	-98	-15	0	-5	-120	0	-120
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-5,601	0	0	0	-5,601	0	-5,601

17. 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 2017 or 2016.

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		CZK	
	2016Q2	2017Q2	2016Q2	2017Q2
EUR exchange rate – low	4.234	4.171	27.020	26.145
EUR exchange rate – high	4.460	4.273	27.150	27.060
EUR exchange rate – average	4.372	4.215	27.039	26.532
EUR exchange rate – end of period	4.437	4.226	27.130	26.195

(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.

18. 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.

19. 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

Phone: +420 277 002 910
Fax: +420 277 002 911
E-mail: ir@photonenergy.com
Web: www.photonenergy.com

Amsterdam, 7 August 2017

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

Georg Hotar
Member of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Michael Gartner', written over 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