

PHOTON ENERGY N.V. Consolidated And Entity Financial Reports

Q2 2020

for the period from 1 April to 30 June 2020

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 2020

in Thousands	EUR		PLN		CZK	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Total revenues	7,941	8,882	34,003	39,984	203,953	240,284
Gross profit	5,278	6,265	22,600	28,205	135,560	169,494
EBITDA	3,515	4,035	15,052	18,166	90,287	109,171
EBIT	1,523	1,613	6,523	7,263	39,124	43,649
Profit / loss before taxation	626	149	2,680	670	16,078	4,028
Profit / loss from continuing operations	208	-969	892	-4,362	5,351	-26,213
Total comprehensive income	664	1,183	2,845	5,328	17,063	32,017
Non-current assets	86,622	108,515	368,085	483,617	2,204,093	2,901,700
Current assets	28,250	30,479	120,044	135,836	718,823	815,015
Cash and cash equivalents	6,402	16,874	27,204	75,200	162,900	451,203
Total assets	114,872	138,995	488,129	619,452	2,922,916	3,716,715
Total equity	31,584	34,660	134,212	154,470	803,664	926,821
Current liabilities	7,487	10,927	31,814	48,698	190,504	292,189
Non-current liabilities	75,801	93,407	322,103	416,282	1,928,752	2,497,693
Operating cash flow	-380	3,133	-1,629	14,105	-9,771	84,764
Investment cash flow	-5,589	-3,731	-23,932	-16,797	-143,548	-100,941
Financial cash flow	4,570	7,747	19,568	34,874	117,372	209,575
Net change in cash	-1,400	7,149	-5,993	32,182	-35,946	193,398
EUR exchange rate - low	-	-	4.249	4.399	25.435	26.560
EUR exchange rate - average	-	-	4.282	4.502	25.685	27.054
EUR exchange rate - end of period	-	-	4.249	4.457	25.445	26.740
EUR exchange rate - high	-	-	4.309	4.582	25.860	27.610

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Unaudited consolidated revenues of EUR 8.882 million, an increase of 11.9% YoY and an all-time high for a second quarter.
- All-time Q2 record EBITDA of EUR 4.035 million (+ 14.8% YoY).
- EBIT of EUR 1.613 million in Q2 2020 (+5.9% YoY).
- Total comprehensive income of EUR 1.183 million compared to EUR 0.664 million a year earlier.
- The adjusted equity ratio¹ remained at a sound level of 28.5%.

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

Other highlights:

- In Q2 2020, the proprietary portfolio of PV power plants generated approximately 25.2 GWh compared to 14.5 GWh one year ago (+73.7%).

- Photon Energy invested in RayGen Resources and won a tender to construct a 3 MWp hybrid solar power plant in Victoria, Australia.
- Photon Energy started the construction of 14.6 MWp in Leeton, Australia for its PV portfolio.
- 3.5 MWp of solar projects for our own portfolio in Mályi and Kunszentmárton, Hungary connected to the grid, growing the proprietary portfolio to 60.6 MWp.
- Photon Energy started the construction of ten PV power plants in Püspökladány, Hungary with a total capacity of 14.1 MWp for its PV portfolio.

After the reporting period:

- Photon Energy increased its outstanding 7.75% Bond 2017/2022 to EUR 43.0 Million.
- Photon Energy submitted a Securities Prospectus to the Dutch financial market regulator (AFM) to move to the main markets of the Warsaw and Prague Stock Exchanges.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 April to 30 June 2020

in Thousands	EUR		PLN		CZK	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Revenues	568	645	2,432	2,903	14,589	17,447
EBITDA	-106	97	-456	435	-2,734	2,614
EBIT	-106	97	-456	435	-2,734	2,614
Profit / loss before taxation	-390	-454	-1,672	-2,042	-10,027	-12,272
Total comprehensive income	-390	-454	-1,672	-2,042	-10,027	-12,272
Non-current assets	42,464	53,358	180,442	237,797	1,080,486	1,426,784
Current assets	33,388	28,310	141,878	126,168	849,565	757,007
Cash and cash equivalents	468	743	1,990	3,310	11,918	19,860
Total assets	75,852	81,668	322,320	363,965	1,930,051	2,183,790
Total equity	36,740	36,523	156,120	162,769	934,849	976,615
Current liabilities	2,032	3,769	8,636	16,795	51,709	100,771
Non-current liabilities	33,871	41,376	143,931	184,401	861,857	1,106,405
<i>EUR exchange rate – low</i>			4.249	4.399	25.435	26.560
<i>EUR exchange rate – average</i>			4.282	4.502	25.685	27.054
<i>EUR exchange rate - end of period</i>			4.249	4.457	25.445	26.740
<i>EUR exchange rate – high</i>			4.309	4.582	25.860	27.610

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 April until 30 June 2020, 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

The COVID-19 pandemic has continued to affect the global economy and to impact how people live and work, including all of us here at Photon Energy. We are learning how to operate efficiently in this new climate, keeping health and safety a priority. Q2 was not without challenges but we were able to deliver a strong operational performance in all of our businesses and are proud to report the best second quarter in terms of revenues and profitability in the Company's history.

We have completed a solid second quarter, during which we achieved very satisfying production levels on our proprietary portfolio of power plants and commissioned an additional 3.5 MWp in Hungary, bringing the total installed capacity built and grid-connected in the country to 35.0 MWp. Based on our pipeline of projects (42.6 MWp), we have secured a 77.6 MWp portfolio in Hungary, exceeding the Group's target for expansion in Hungary to 75MWp until year-end 2021.

During this quarter we also made strong progress in Australia where we started construction of the first two utility-scale power plants with a combined capacity of 14.6 MWp in Leeton for our proprietary portfolio and won another milestone EPC contract in the region of Victoria.

The strategic partnership concluded with the Melbourne-based technology company RayGen Resources in April is one of the many fronts which could prove to be very prosperous for our business in the near future. The same applies to new markets such as Poland and Romania and the developing Water remediation business, in which we see significant potential. Today, Photon Energy is in better shape than ever and we remain excited about our current positioning and the vast untapped opportunities in front of us.

Financial results

Unaudited consolidated revenues increased by a solid 11.9% YoY to EUR 8.882 million in Q2 2020. An all-time record for a second quarter, partly attributable to a strong electricity generation output (+73.7% YOY) driven by the expansion of our proprietary portfolio in Hungary (+23.5 MWp over the past 12 months), and by a sound generation output from the existing power plants in the Czech Republic and Slovakia.

In addition we could record an outstanding growth in revenues from O&M services in Europe, and rely on recurring revenues from our engineering business (EPC) in Australia, which was partly offset by the slowdown of Technology trading revenues resulting from the Coronavirus crisis, compared to the same quarter last year.

This strong business performance drove an all-time EBITDA record of EUR 4.035 million in Q2 2020 (+ 14.8% YoY) despite higher operating costs mainly related to the expansion of our project development activities dedicated to securing projects in new markets such as Poland and Romania and of our engineering team

in Australia. Depreciation increased as a result of the above mentioned newly connected power plants in Hungary, still leading to a record quarterly EBIT of EUR 1.613 million in Q2 2020 (+5.9% YoY).

Overall net financial expenses increased by 63.3% to EUR -1.591 million in Q2 2020 as a result of our business expansion in Hungary, which includes the refinancing of our Hungarian portfolio and by an additional EUR 7.5 million placement of our EUR Bond in the third quarter of 2019.

While profit before taxation remained positive with EUR 0.149 million, an adjustment of Deferred taxes related to Q1 2020 led the Company to swing from a net profit of EUR 0.208 million to a consolidated net loss of EUR 0.969 million in Q2 2020.

Further to the grid-connection of our power plants in Mályi and Kunszentmárton, a positive revaluation effect of EUR 0.641 million was recorded in Other Comprehensive Income (OCI) in accordance with IAS 16. The EUR -4.709 million foreign currency difference related to financial markets turbulences which significantly impacted our bottom line in Q1, was partially offset this quarter, with a positive EUR 1.534 million currency translation effect recorded as of the end of Q2 2020 (both effects not realized, with no cash impact). As a result, we ended the second quarter of 2020 with a Total Comprehensive Income (TCI) of EUR 1.183 million compared to EUR 0.664 million a year earlier.

Year-to-date, Photon Energy's half-year revenues increased by 17.0% to EUR 14.198 million, while EBITDA rose 18.1% to EUR 5.426 million and EBIT was up 6.8% to EUR 1.726 million. Photon Energy recorded a net loss of EUR -2.678 million compared to EUR -1.070 million in H1 2019. TCI amounted to EUR -3.142 million compared to a positive EUR 1.839 million in H1 2019. Excluding the unrealized currency translation impact connected to the high volatility in the currency market brought by the Coronavirus crisis, Total Comprehensive Income would amount to EUR 0.033 million in H1 2020. In addition, increased business development costs impacted our bottom line, allowing us to handle a larger business volume though. Given the growth of our proprietary portfolio, we expect further improvements to our profitability going forward.

Other key highlights of this first quarter:

Outstanding Production of Photon Energy's power plants

Our proprietary portfolio has grown from 25.6 MWp in 2017 to 60.6 MWp as of today. Electricity generation as a result of the increasing capacity has also grown significantly this quarter with 25.2 GWh compared to 14.5 GWh one year ago (+73.7%) and 37.0 GWh of electricity produced YTD compared to 21.4 GWh in the first half of 2019 (+73.1%). When comparing the performance of the subset of power plants in operation in June 2019, i.e. on a like-for-like basis, the total volume of electricity generation YTD increased by 7.1%,

evidencing the sound generation output from our existing power plants in the Czech Republic and Slovakia. The forecast for this year based on the real numbers until the end of June and the forecast for the end of the year indicates that we should top 70 GWh in 2020, approximately 60% more than the 43.8 GWh produced in 2019.

Photon Energy Passes 60 MWp Mark for Proprietary PV Portfolio

Photon Energy completed and grid-connected five PV power plants with a total installed capacity of 3.5 MWp in the municipalities of Mályi and Kunszentmárton, Hungary. This latest addition expands the Group's installed base in Hungary to 35.0 MWp and its total proprietary portfolio of power plants to 60.6 MWp. The three power plants in Mályi extend over 3.9 hectares and are connected to the grid of ÉMÁSZ Hálózati Kft.; the two plants in Kunszentmárton cover 2.3 hectares and supply power to the grid of E.ON Tiszántúli Áramhálózati Zrt. Together they are expected to generate around 4.2 GWh of electricity per year. The Company now owns and operates four power plants in the Kunszentmárton area, with a combined capacity of 2.8 MWp; the first two projects were commissioned in November 2019. The Group will operate the new power plants through five wholly owned project companies, each of which possesses either a KÁT or a METÁR-KÁT license. These licenses entitle each power plant to a feed-in tariff of HUF 33,360 per MWh (approx. EUR 97 per MWh). The three plants in Mályi (KÁT) are entitled to a maximum approved and supported production of approximately 16,500 MWh per license over a period of 25 years. The two plants in Kunszentmárton (METÁR-KÁT) are entitled to a maximum approved and supported production of 13,832 MWh per license over 17 years and 4 months. The annual revenues of all five power plants are expected to reach EUR 405,000. According to the revaluation of the Group's proprietary portfolio, following IAS 16, EUR 0.641 million were recorded as the Group's Other Comprehensive Income in the Q2 2020 Consolidated Income Statement.

Photon Energy to add 14.6 MWp to its PV portfolio in Australia

While pushing forward with new projects in Hungary, Photon Energy also remained focused on further developing business in its core market in Australia. Agreements were signed with Infradebt for the project debt financing of two PV power plants with a combined installed capacity of 14.6 MWp in Leeton, New South Wales. These are the two largest projects to be added to Photon Energy's portfolio to date, and our first merchant projects providing competitive energy into the market. The experience we will gain in operating the power plants will be used to maximise revenues in the energy market. Photon Energy Engineering Australia Pty Ltd. will act as engineering, procurement and construction (EPC) contractor for both projects with the commissioning expected in Q4 2020, after which long-term O&M services will also be provided in-house. Each power plant has a grid connection capacity of 4.95 MWp AC and an installed capacity of 7.3 MWp DC. The plants' bi-facial PV modules will be mounted on single-axis trackers and will supply the produced

electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of both PV power plants is forecast to be 27.8 GWh.

The addition of these first two utility-scale power plants in Australia to our portfolio will help us in reducing the seasonality of electricity-generation revenues globally. Our merchant approach in Australia will pave the way for grid-competitive assets to be developed and added to our European markets and elsewhere in the world.

Photon Energy invests in RayGen Resources and wins tender for a 3 MWp hybrid solar power plant in Victoria, Australia

Other notable accomplishments have been achieved during the quarter in Australia. In early April 2020, Photon Energy entered into a strategic partnership with the Melbourne-based technology company RayGen Resources to develop global renewable energy projects suitable for the roll-out of RayGen's unique solar power and electricity storage technology. Photon Energy will act as a project developer, EPC contractor and – where suitable – as a project equity investor. As part of the partnership Photon Energy has also become a minority shareholder of RayGen Resources. Both parties are very excited and see lots of synergies to exploit.

At the same time, Photon Energy won a tender for the design and construction of a 3 MWp solar power plant in the city of Wodonga in Victoria, Australia. The off-grid-capable PV power plant will supply a wastewater treatment facility operated by the regional water utility, North East Water. The AUD 7.3 million (EUR 4.4 million, PLN 19.6 million) project represents another milestone for Photon Energy as an EPC contractor for complex off-grid-enabled solar-based energy systems in the Australian market.

Photon Energy decided to move the listing of its shares from NewConnect to the main markets in Warsaw and Prague and to the Quotation Board of the Frankfurt Stock Exchange at a later stage

There are two main drivers behind this decision. Firstly, many institutional investors are not allowed to invest in companies listed in an alternative system of trading. Secondly, for some investors in the eurozone, currency risk has been an issue and they were not willing to invest in PLN or in CZK. We believe that those steps - listing on the regulated market and listing in the eurozone in Frankfurt - will remove these two barriers, increasing the pool of our investor base significantly. The Management Board has taken the decision and secured professional advisors, mainly legal counsel, to assist us in this process. We are not raising any capital and will not offer shares. As for the timeframe, the Company submitted a securities prospectus to the Dutch financial market regulator (AFM) on 8 July 2020 and the listing should take place in September.

Photon Energy increased Its Outstanding 7.75% Bond 2017/2022 to EUR 43.0 Million.

We have also been active on the capital markets on the debt side, by placing, just after the reporting period, an additional EUR 5.4 million, increasing the total outstanding volume of our EUR bond to

EUR 43.0 million. The new notes were placed through a private placement with institutional investors exclusively. The transaction was managed by Bankhaus Scheich Wertpapierspezialist AG, Frankfurt am Main, acting as the sole global coordinator. The net proceeds will be used to finance the construction of power plants in Hungary and Australia for the Company's proprietary portfolio as

well as to strengthen the Group's financial standing. The new notes are traded on the Open Market of the Frankfurt Stock Exchange under the existing ISIN.

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, Energy Storage Solutions and Water purification systems
- Operations & Maintenance of PV plants and Energy Storage facilities
- PV technology trading.

- Photon Energy's power plant control and monitoring solutions are planned to be offered as a standalone product.
- The Australian and Hungarian markets are our focus for the expansion of PV generation capacity. Other potential markets in Central Europe, 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.

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.

2.3. Investment action plan and its implementation

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

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

Proprietary portfolio

The table below presents the portfolio of operating power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 June 2020, consisting of 74 power

plants in the Czech Republic, Slovakia, Hungary and Australia with a total installed capacity of 60.6 MWp. More information on the Group structure can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 June 2020

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	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
24	Tizsakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
25	Tizsakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
26	Tizsakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
27	Tizsakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
28	Tizsakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
29	Tizsakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
30	Tizsakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
31	Tizsakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
32	Almásfüzitő 1	Ráció Master Kft.	HU	695	100%	695	Mar-19
33	Almásfüzitő 2	Ráció Master Kft.	HU	695	100%	695	Mar-19
34	Almásfüzitő 3	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfüzitő 4	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfüzitő 5	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfüzitő 6	Ráció Master Kft.	HU	660	100%	660	Mar-19
38	Almásfüzitő 7	Ráció Master Kft.	HU	691	100%	691	Mar-19
39	Almásfüzitő 8	Ráció Master Kft.	HU	668	100%	668	Mar-19
40	Nagyecsed 1	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
41	Nagyecsed 2	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
42	Nagyecsed 3	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
43	Fertőd I No 1	Fertőd Napenergia-Termelő Kft.	HU	528	100%	528	Mar 18
44	Fertőd II No 2	Photon Energy HU SPV 1 Kft	HU	699	100%	699	Nov-19
45	Fertőd II No 3	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
46	Fertőd II No 4	Alfemo Alpha Kft.	HU	699	100%	699	Nov-19

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
47	Fertőd II No 5	Ráció Master Kft.	HU	691	100%	691	Nov-19
48	Fertőd II No 6	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
49	Kunszentmárton I No 1	Ventiterra Kft.	HU	697	100%	697	Nov-19
50	Kunszentmárton I No 2	Ventiterra Kft.	HU	697	100%	697	Nov-19
51	Kunszentmárton II No 1	Ventiterra Alpha Kft.	HU	693	100%	693	May-20
52	Kunszentmárton II No 2	Ventiterra Beta Kft.	HU	693	100%	693	May-20
53	Taszár 1	Optisolar Kft.	HU	701	100%	701	Dec-19
54	Taszár 2	Optisolar Kft.	HU	701	100%	701	Dec-19
55	Taszár 3	Optisolar Kft.	HU	701	100%	701	Dec-19
56	Monor 1	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
57	Monor 2	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
58	Monor 3	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
59	Monor 4	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
60	Monor 5	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
61	Monor 6	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
62	Monor 7	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
63	Monor 8	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
64	Tata 1	Tataimmo Kft.	HU	672	100%	696	Mar-20
65	Tata 2	ALFEMO Beta Kft.	HU	676	100%	696	Mar-20
66	Tata 3	ALFEMO Gamma Kft.	HU	667	100%	696	Feb-20
67	Tata 4	Tataimmo Kft.	HU	672	100%	696	Mar-20
68	Tata 5	Öreghal Kft.	HU	672	100%	696	Mar-20
69	Tata 6	Tataimmo Kft.	HU	672	100%	696	Feb-20
70	Tata 7	European Sport Contact Kft.	HU	672	100%	696	Feb-20
71	Tata 8	Tataimmo Kft.	HU	672	100%	696	Mar-20
72	Malyi 1	Zuggo - Dulo Kft.	HU	695	100%	695	May-20
73	Malyi 2	Egespart Kft.	HU	695	100%	695	May-20
74	Malyi 3	Zemplenimpex Kft.	HU	695	100%	695	May-20
Total				60,550			

¹ Photon SPV 3 owns two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp).

Generation results

The cumulative generation results of the power plants in the portfolio connected and feeding electricity to the grid in Q2 2020 amounted to 25.2 GWh, which was 2.5% above energy forecasts

and 73.7% higher YOY. Detailed generation results for each power plant are published on a monthly basis in our monthly reports.

Table 2. Generation results versus projections between 1 April and 30 June 2020

Project name	Capacity	Feed-in-Tariff	Prod. Q2 2020	Proj. Q2 2020	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	954,097	897,065	6.4%	1,403,314	1,189,039	18.0%	1.7%
Zvíkov I	2,031	CZK 14,821	856,032	786,261	8.9%	1,296,189	1,042,172	24.4%	2.1%
Dolní Dvořiště	1,645	CZK 14,821	606,806	654,082	-7.2%	910,119	866,971	5.0%	0.2%
Svatoslav	1,231	CZK 14,821	449,969	485,786	-7.4%	656,359	643,898	1.9%	2.9%
Slavkov	1,159	CZK 14,821	507,052	462,605	9.6%	757,126	613,173	23.5%	4.9%
Mostkovice SPV 1	210	CZK 14,821	83,439	66,523	25.4%	123,789	97,823	26.5%	2.0%
Mostkovice SPV 3*	926	CZK 15,922	373,275	343,779	8.6%	549,561	461,454	19.1%	2.4%
Zdice I	1,499	CZK 14,821	645,648	565,410	14.2%	950,617	753,096	26.2%	0.1%
Zdice II	1,499	CZK 14,821	652,915	565,410	15.5%	966,729	753,096	28.4%	0.6%
Radvanice	2,305	CZK 14,821	961,408	887,938	8.3%	1,400,321	1,176,942	19.0%	1.9%
Břeclav rooftop	137	CZK 14,821	59,746	45,025	32.7%	89,583	67,193	33.3%	7.8%
Total Czech PP	14,996		6,150,387	5,759,885	6.8%	9,103,707	7,664,857	18.8%	1.8%
Babiná II	999	EUR 425.12	361,602	362,833	-0.3%	516,514	500,466	3.2%	8.6%
Babina III	999	EUR 425.12	373,656	362,833	3.0%	534,549	500,466	6.8%	8.3%
Prša I.	999	EUR 425.12	377,264	362,031	4.2%	539,934	499,995	8.0%	0.1%
Blatná	700	EUR 425.12	272,927	262,189	4.1%	389,188	376,597	3.3%	5.9%
Mokra Luka 1	963	EUR 382.61	420,808	356,708	18.0%	646,991	516,565	25.2%	4.9%
Mokra Luka 2	963	EUR 382.61	421,318	356,708	18.1%	655,197	516,565	26.8%	4.8%
Jovice 1	979	EUR 382.61	327,273	367,736	-11.0%	471,207	488,342	-3.5%	-1.8%
Jovice 2	979	EUR 382.61	327,816	367,736	-10.9%	470,916	488,342	-3.6%	-1.7%
Brestovec	850	EUR 382.61	381,453	302,056	26.3%	577,661	437,417	32.1%	10.4%
Polianka	999	EUR 382.61	369,115	378,116	-2.4%	532,077	501,184	6.2%	8.9%
Myjava	999	EUR 382.61	431,146	368,847	16.9%	636,668	524,747	21.3%	12.1%
Total Slovak PP	10,429		4,064,379	3,847,793	5.6%	5,970,902	5,350,687	11.6%	5.5%
Tizakécske 1	689	HUF 33,360	303,337	295,457	2.7%	465,608	448,729	3.8%	5.4%
Tizakécske 2	689	HUF 33,360	303,970	295,867	2.7%	467,998	451,391	3.7%	5.3%
Tizakécske 3	689	HUF 33,360	300,309	293,466	2.3%	453,828	440,051	3.1%	6.2%
Tizakécske 4	689	HUF 33,360	304,136	295,867	2.8%	469,300	451,391	4.0%	5.3%
Tizakécske 5	689	HUF 33,360	301,373	295,457	2.0%	463,633	448,729	3.3%	4.7%
Tizakécske 6	689	HUF 33,360	303,489	295,867	2.6%	466,858	451,391	3.4%	5.4%
Tizakécske 7	689	HUF 33,360	302,861	295,359	2.5%	465,692	448,470	3.8%	4.9%
Tizakécske 8	689	HUF 33,360	302,007	295,022	2.4%	463,342	447,111	3.6%	5.0%
Almásfüzitő 1	695	HUF 33,360	297,003	294,602	0.8%	453,489	448,027	1.2%	30.7%
Almásfüzitő 2	695	HUF 33,360	291,966	294,480	-0.9%	444,465	447,733	-0.7%	29.4%
Almásfüzitő 3	695	HUF 33,360	287,087	294,012	-2.4%	433,580	445,746	-2.7%	27.5%
Almásfüzitő 4	695	HUF 33,360	298,775	294,964	1.3%	458,287	448,951	2.1%	29.6%
Almásfüzitő 5	695	HUF 33,360	299,751	294,166	1.9%	465,065	446,387	4.2%	31.1%
Almásfüzitő 6	660	HUF 33,360	299,767	283,494	5.7%	462,763	429,953	7.6%	31.4%
Almásfüzitő 7	691	HUF 33,360	299,544	292,616	2.4%	461,742	443,885	4.0%	30.7%
Almásfüzitő 8	668	HUF 33,360	301,377	286,344	5.2%	461,726	434,843	6.2%	27.4%
Nagyecsed 1	689	HUF 33,360	301,839	293,961	2.7%	455,026	441,738	3.0%	na
Nagyecsed 2	689	HUF 33,360	301,630	293,961	2.6%	456,818	441,738	3.4%	na
Nagyecsed 3	689	HUF 33,360	302,674	294,496	2.8%	459,070	442,073	3.8%	na

Project name	Capacity	Feed-in-Tariff	Prod. Q2 2020	Proj. Q2 2020	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Fertod I	528	HUF 33,360	251,800	220,280	14.3%	380,017	331,758	14.5%	9.7%
Fertod II No 2	699	HUF 33,360	315,457	298,186	5.8%	481,955	449,737	7.2%	na
Fertod II No 3	699	HUF 33,360	315,885	298,186	5.9%	481,908	449,737	7.2%	na
Fertod II No 4	699	HUF 33,360	314,493	298,186	5.5%	481,174	449,737	7.0%	na
Fertod II No 5	691	HUF 33,360	313,924	298,947	5.0%	479,697	452,876	5.9%	na
Fertod II No 6	699	HUF 33,360	312,760	298,186	4.9%	477,977	449,737	6.3%	na
Kunszentmárton I No 1	697	HUF 33,360	311,995	308,771	1.0%	482,344	467,673	3.1%	na
Kunszentmárton I No 2	697	HUF 33,360	310,163	308,786	0.4%	477,236	467,733	2.0%	na
Kunszentmárton II No 1	693	HUF 33,360	113,604	179,264	-36.6%	113,604	179,264	-36.6%	na
Kunszentmárton II No 2	693	HUF 33,360	173,599	179,264	-3.2%	173,599	179,264	-3.2%	na
Taszár 1	701	HUF 33,360	307,403	306,382	0.3%	484,222	470,659	2.9%	na
Taszár 2	701	HUF 33,360	308,526	306,382	0.7%	485,692	470,659	3.2%	na
Taszár 3	701	HUF 33,360	303,760	306,382	-0.9%	481,593	470,659	2.3%	na
Monor 1	688	HUF 33,360	297,845	300,444	-0.9%	461,791	452,546	2.0%	na
Monor 2	696	HUF 33,360	304,265	304,379	0.0%	469,768	461,326	1.8%	na
Monor 3	696	HUF 33,360	301,624	304,379	-0.9%	464,382	461,326	0.7%	na
Monor 4	696	HUF 33,360	303,618	304,379	-0.3%	468,416	461,326	1.5%	na
Monor 5	688	HUF 33,360	305,615	297,711	2.7%	471,283	451,148	4.5%	na
Monor 6	696	HUF 33,360	304,831	304,379	0.1%	470,692	461,326	2.0%	na
Monor 7	696	HUF 33,360	308,030	304,379	1.2%	473,319	461,326	2.6%	na
Monor 8	696	HUF 33,360	305,194	304,379	0.3%	469,316	461,326	1.7%	na
Tata 1	672	HUF 33,360	339,841	354,823	-4.2%	423,623	427,531	-0.9%	na
Tata 2	676	HUF 33,360	283,228	295,688	-4.2%	367,992	369,198	-0.3%	na
Tata 3	667	HUF 33,360	282,516	291,065	-2.9%	388,106	380,896	1.9%	na
Tata 4	672	HUF 33,360	344,098	362,207	-5.0%	426,770	436,686	-2.3%	na
Tata 5	672	HUF 33,360	343,345	363,223	-5.5%	429,808	440,925	-2.5%	na
Tata 6	672	HUF 33,360	341,017	358,278	-4.8%	440,699	450,815	-2.2%	na
Tata 7	672	HUF 33,360	338,727	355,024	-4.6%	434,969	446,508	-2.6%	na
Tata 8	672	HUF 33,360	341,893	359,733	-5.0%	423,221	433,644	-2.4%	na
Malyi 1	695	HUF 33,360	178,229	195,458	-8.8%	178,229	195,458	-8.8%	na
Malyi 2	695	HUF 33,360	179,293	195,645	-8.4%	179,293	195,645	-8.4%	na
Malyi 3	695	HUF 33,360	180,228	195,645	-7.9%	180,228	195,645	-7.9%	na
Total Hungarian PP	34,981		14,939,699	14,937,879	0.0%	21,831,214	21,392,431	2.1%	226.7%
Symonston	144	AUD 301.60	28,888	27,141	6.4%	76,349	84,231	-9.4%	-5.7%
Total Australian PP	144		28,888	27,141	6.4%	76,349	84,231	-9.4%	-5.7%
Total	60,550		25,183,353	24,572,698	2.5%	36,982,171	34,492,205	7.2%	73.1%

Notes: * Total result for Mostkovice SPV 3 and Mostkovice SPV 3R, as the same company "SPV3" owns both power plants.

Chart 1.a Total production of the Czech portfolio

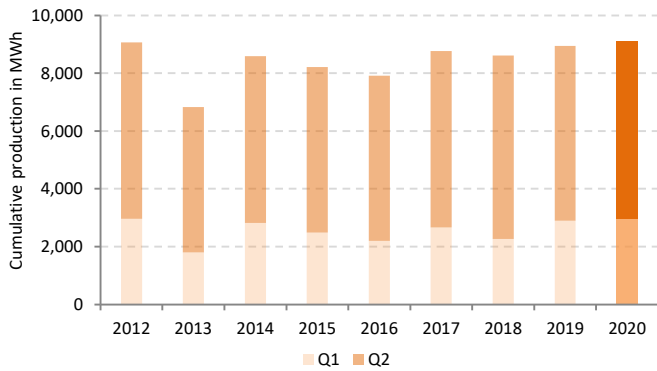


Chart 1.b Total production of the Slovak portfolio

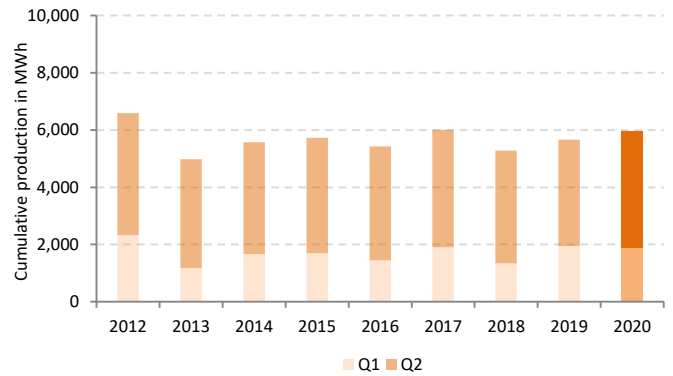
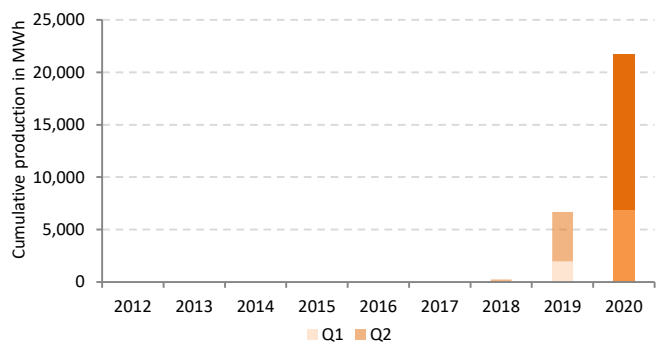


Chart 1.c Total production of Hungarian portfolio



O&M services

Photon Energy remained focused on further expanding its Operations & Maintenance business in Europe. As of the end of Q2 2020, full O&M services contracts amounted to approximately 252.6 MWp, up by 44.9% YOY. This can be broken down geographically into 135.3 MWp operated in the Czech Republic, 80.6 MWp in Hungary, 15.3 MWp in Slovakia, 15.0 MWp in Romania, 4.5 MWp in Australia and 2.0 MWp in Slovenia. In Q2 2020 Photon Energy acquired 3.5 MWp of full O&M contracts in Hungary corresponding to the proprietary power plants connected in Malyi and Ventiterra. The O&M portfolio divides into 60.6 MWp of PV capacity from the proprietary portfolio and 192.1 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 60.3 MWp of central inverters and there were no new additions in the reporting period. In detail, at the end of Q2 2020, the total capacity of central inverters serviced can be divided regionally into France (21.3 MWp), Italy (14.0 MWp), Belgium (10.2 MWp), Czech Republic (7.5 MWp), Slovakia (5.5 MWp) and Germany (1.8 MWp). 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.

2.5. Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (738 MWp) and Hungary (42.6 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of project development activities is to expand the PV proprietary portfolio, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with a goal of exiting the projects to such

investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver of Photon Energy's future growth. The Group's experience in project development and financing in the Czech Republic, Slovakia, Germany, Italy and Hungary is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Püspökladány	Own portfolio	100%	14.1	Contr.-for-Diff. ¹	Secured	Secured	Secured	Under construction
Hungary	Tolna	Own portfolio	100%	28.5	All options open	Ongoing	Secured	Ongoing	Q1 2021
Total Own portfolio Hungary				42.6					
Australia	Leeton	Own portfolio	100%	14.6	Retailer PPA	Secured	Secured	Secured	Under construction
Total Own portfolio Australia				14.6					
Total Own portfolio				57.2					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	Q2 2021
Australia	Carrick	Developer	51%	144		All options open	Secured	Ongoing	Ongoing
Total Development Australia				724					

¹ Contr.-for-Diff stands for 'Contract for difference' and is a revenue model in form of electricity sales on the electricity spot market plus the compensation of the difference to a guaranteed Feed-in-Tariff.

² For the Carrick project an agreement to sell the shares in the project was signed during the reporting period. However closing of the transaction is expected to happen during the course of Q3 2020.

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,

Australia

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

In January 2018, as a result of its development partner selection process managed by its financial advisor Pottinger, the company has signed an agreement for the joint development of five utility-scale solar projects in New South Wales, Australia with Canadian Solar, one of the world's largest solar power companies. Canadian Solar

for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

has become a co-shareholder in the project companies and is providing development financing to complete the development of these projects. Canadian Solar acquired a 51% shareholding in all five project companies. The equity capital contributed by Canadian Solar is subject to certain development milestones, joint management processes and other terms customary for project co-development and covers the development budgets to bring all five projects to the ready-to-build stage. Post-transaction, Photon Energy NV retains a 49% stake in the Gunning project and 24.99% stakes in the four other projects.

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

- 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp, which was sold to Canadian Solar Inc. on 30 July 2019.
- 25% stake in the second co-developed project Gunnedah with a total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019.
- 51% stake in the project company holding all project rights for the Brewongle Solar Farm to an undisclosed buyer on 27 December 2019.

The current status for the other projects being co-developed with Canadian Solar is summarized below:

- ▶ **Gunning (220 MWp):** The process of securing construction permit is ongoing. We have redefined and redesigned the project layout to include battery storage. This had an impact on the site assessment and hence feasibility studies and public consultations had to be postponed. We now plan to submit the Environmental Impact Studies (EIS) in Q4 2020. In parallel we are in discussions with Transgrid regarding the grid connection specifications. GPS studies will follow.
- ▶ **Maryvale (160 MWp):** The construction permitting process has been finalized and Development Approval was granted on 4 December 2019. The grid connection options are still under review and in discussion with Essential Energy. We are currently completing the electrical connection process, which is continuing. GPS will start once those discussions will be finalized.
- ▶ **Suntop 2 (200 MWp):** Suntop 2 is the replacement of the Mumbil Solar Farm project which development was stopped due to significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. For the Suntop 2 project the construction permitting process is still underway. Feasibility studies and community consultations have been finalized and EIS were submitted to NSW DP&E in November 2019. We

received the first comments and are providing additional information to complete EIS that we plan to resubmit it in December 2020. The grid connection application will start upon completion of EIS.

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

- ▶ **Leeton (14.6 MWp):** In May 2020, Photon Energy announced the conclusion of an agreement with Infradebt for the project debt financing of the two PV power plants we are developing in Leeton, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7.3 MWp DC each.

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

The plants' bi-facial PV modules will be mounted on single-axis trackers and will supply the produced electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of both PV power plants is forecast to be 27.8 GWh, and will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plants. No power purchase agreements (PPAs) have been entered into by Photon Energy.

These are the two largest projects to be added to Photon Energy's portfolio to date, and our first merchant projects providing competitive energy into the market. The experience we gain in operating the power plants will be used to maximise revenues in the energy market.

- ▶ **Carrick (144 MWp):** The construction permitting process is in the preparation phase. EIS are being carried out in a manner of public consultations and feasibility studies. The grid connection specifications are being defined with Essential Energy. In May 2020 an agreement to sell the shares in the project was signed. Closing of the transaction is expected to happen in Q3 2020.

Glossary of terms	Definitions
NSW Department for Planning and Environment (DP&E)	NSW DP&E is a government agency in charge of planning and development of New South Wales, to ensure the balance between the commercial business development and the needs of local communities. Each project submitted to DP&E must include environmental impact studies (EIS) and once it is reviewed by DP&E, the project is published and available for the public opinion to submit their comments. If the project is rejected by more than 25 people it is moved to Independent Planning Committee (IPC) for review. If there is no public opposition, the project is approved and DP&E issues the project Development Approval (DA)
Independent Planning Committee (IPC)	In case more than 25 public petitions against the project are submitted, IPC needs to investigate further into social and environmental impact of the project. IPC might make some recommendations to be made to the project plan to secure the issuance of DA.
Essential Energy	Essential Energy is Distribution Network Service Provider, which operates and manages low voltage electricity network in NSW. The process to secure the grid connection with Essential Energy includes GPS and AEMO's license.
Transgrid	Transgrid is a Distribution Network Service Provider (DNSP), which operates and manages the NSW high voltage transmission network. Transgrid, in co-operation with Australian Energy Market Operator (AEMO, see description below), is in charge of grid connection approval. To issue its decision Transgrid requires Generation Protection Studies (GPS). GPS is a complete analysis and tests of the impact that a potential power plant would have on the grid. Each power plant is tested under different assumptions (extreme weather conditions, demand/supply changes etc.) and its performance/impact on the grid's stability is thoroughly analysed. Once GPS are completed and accepted, Transgrid is issuing grid connection terms. Those terms are part of the agreement signed with Transgrid, which together with AEMO license secures and finalizes the grid connection process.
Australian Energy Market Operator (AEMO)	AEMO is responsible for operating Australia's largest gas and electricity markets and power systems. AEMO is overlooking all energy producers in NSW and is involved in the process of grid connection approval. AEMO reviews the grid connection terms and GPS studies and issues the license to feed electricity to the grid. AEMO also controls the on-going power generation to make sure that grid stability is maintained.

Hungary

Below is a short summary of projects in the pipeline (42.6 MWp) and of the progress achieved in the reporting period.

- Mályi (2.1 MWp):** During the reporting period, Photon Energy completed and grid-connected three photovoltaic power plants with a total installed capacity of 2.1 MWp in the municipality of Mályi, Hungary.

The three power plants are connected to the grid of ÉMÁSZ Hálózati Kft. and are expected to generate around 2.5 GWh of electricity per year.

The Group owns and operates the power plants through three wholly owned project companies that own one KÁT license each. The licenses entitle each power plant to a feed-in tariff of 33,360 HUF per MWh (approx. EUR 97 per MWh) over a period of 25 years with a maximum approved and supported production of approximately 16,500 MWh per license. Total annual revenues of all three power plants are expected to amount to EUR 240,000.



Construction status: Connected to the grid on 6 May 2020.

- Kunszentmárton II (1.4 MWp):** During the reporting period, Photon Energy completed and grid-connected two photovoltaic power plants with a total installed capacity of 1.4 MWp in the municipality of Kunszentmárton, Hungary.

The two power plants are connected to the grid of E.ON Tiszántúli Áramhálózati Zrt. and are expected to generate around 1.7 GWh of electricity per year.

The Group owns and operates the power plants through two wholly owned project companies that own one KÁT-METÁR license each. The licenses entitle each power plant to a feed-in tariff of 33,360 HUF per MWh (approx. EUR 97 per MWh) over a period of 17 years and 4 months with a maximum approved and supported production of 13,832 MWh per license. Total annual revenues of those two power plants are expected to amount to EUR 165,000.



Construction status: Connected to the grid on 8 May 2020.

Following the revaluation of the Group's proprietary portfolio according to IAS 16, EUR 0.641 million was recorded for the assets in Mályi and Kunszentmárton II as the Group's Other Comprehensive Income in the Q2 2020 Consolidated Income Statement.

- Püspökladány (14.1 MWp):** In May 2019 Photon Energy acquired ten additional PV projects with a total planned installed DC capacity of 14.1 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involved the acquisition of four project companies, owning ten METÁR licenses in total entitling them

to a feed-in-tariff (in the form of electricity sales on the energy spot market plus a contract-for-difference) of HUF 33,360 per MWh (approx. EUR 97 per MWh) over a period of 17 years and 11 months for five of the ten projects, with a maximum approved and supported production of 34,813 MWh for each license, and 15 years and 5 months for the remaining five projects, with a maximum approved and supported production of 29,955 MWh for each license. Total annual revenues of all ten power plants are expected to be EUR 1.9 million.



Construction status: Our team is now focused on the land preparation. The fencing of the power plant is in progress, inner road works have started mid-July and production cable lines have been installed. The completion of the first two power plants is scheduled for September and in the fourth quarter of 2020 for the remaining eight power plants.

- ▀ **Tolna (28.5 MWp):** The eleven projects with a total planned installed DC capacity of 28.5 MWp, are located in the Tolna region in the south of Hungary. Two power plants have a grid connection capacity of 5.0 MW AC each, whereas 1 MW AC have been secured for each of the other nine projects. As the

project development has recently accelerated to reach an advanced stage of development, these projects have logically been included to our pipeline. The grid connection point has now been secured and the negotiations for the land are currently being finalized. Grid connection plans have been initiated and, once approved, will allow us to conclude grid connection agreements with E.ON. with a validity of two years.

The projects, involving seven fully-owned project companies, will be submitted to the just announced auction process, which will be organized from September to December 2020 in Hungary. The revenue model will either take the form of a contract-for-difference based on METÁR licenses (if the auction proves successful), a PPA, or the direct sale of electricity through a trader on the Hungarian electricity market. Construction plans include the use of tracking technology allowing bi-facial solar modules to follow the course of the sun, which are expected to achieve a 15-20% higher specific performance than fixed installations.

At the date of publication of this report, the current project pipeline in Hungary consists of 21 projects with a total planned capacity of 42.6 MWp. Together with our existing portfolio of 35.0 MWp operating PV power plants, we have secured a 77.6 MWp portfolio in Hungary, which would exceed the Group's target for expansion of its portfolio in Hungary to up to 75MWp until year-end 2021.

2.6. Enterprise Value & Share Price performance

2.6.1. NewConnect (Warsaw Stock Exchange)

On 30 June 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 7.00 (+105.9% compared to last quarter, +46.4% YTD), corresponding to a price to book ratio of 2.40. The Company also reports an average monthly trading volume of 585,822 shares in Q2 2020, compared to an average monthly trading volume of 630,236 shares in Q1 2020 and to an average of 471,424 during the past twelve months.

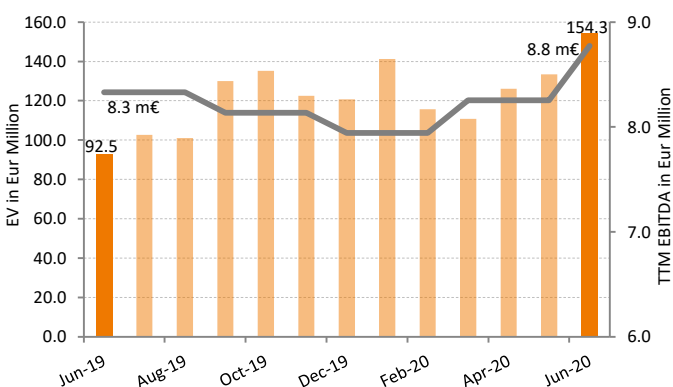
The share price, certainly negatively affected by the uncertainty caused by the COVID-19 outbreak, has progressively recovered after hitting a bottom price of PLN 2.92 on 13 March 2020 (closing price of PLN 15.00 as of 11 August 2020).

After the reporting period the Company announced the filing of a prospectus with the Dutch financial market regulator (AFM) to move to the main markets of the Warsaw and Prague Stock Exchanges.

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



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

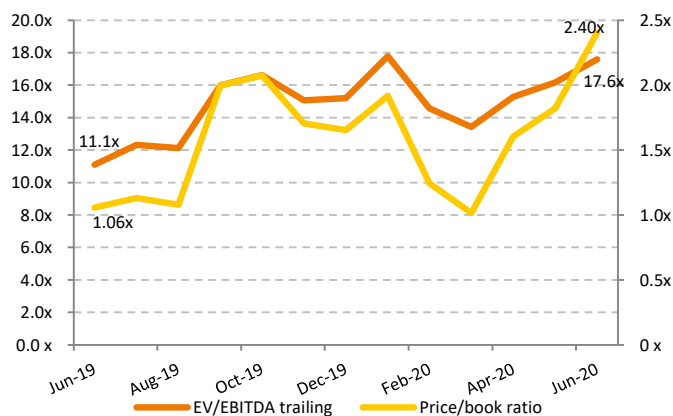


Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.

The trailing 12 month EBITDA was adjusted to EUR 8.3 million, the sum of EBITDA reported in the last four quarterly reports including this reporting period, ie. Q3 2019, Q4 2019, Q1 2020 & Q2 2020.

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



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

2.6.2. Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the New Connect segment of the Warsaw Stock Exchange, the Company's shares have also been traded on the Free Market of the Prague Stock Exchange. No additional shares have been issued, nor any new equity capital raised through this listing.

On 30 June 2020 the share price (ISIN NL0010391108) closed at a level of CZK 49.80 (+71.7% compared to last quarter, +18.6% YTD, +916.3% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 2.85x.

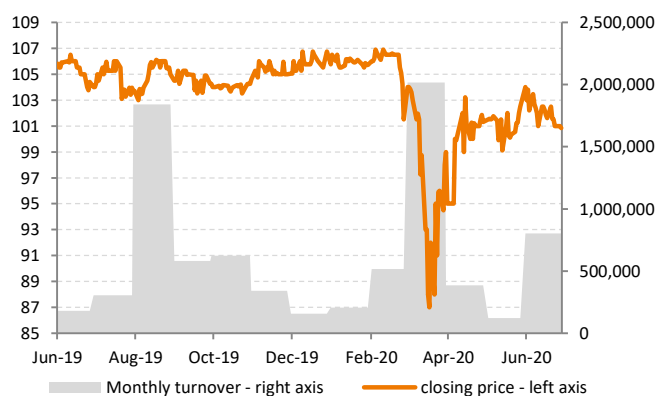
2.7. Bond trading performance

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

On 27 October 2017 the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxembourg. The original target volume of EUR 30 million has been subscribed to in full on 7 September 2018, before the end of the public placement period originally set until 20 September 2018. The corporate bond (ISIN DE000A19MFH4) with a

2.7.1. EUR Bond 2017/22 trading performance

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



In the trading period from 25 October 2017 until 30 June 2020, the trading volume amounted to EUR 43.067 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 100.85 in Frankfurt. During this period the average daily turnover amounted to EUR 63,993.

2.7.2. CZK Bond trading performance in Prague

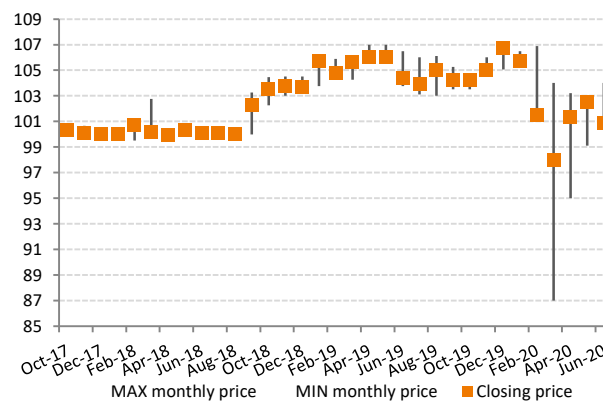
In the trading period from 12 December 2016 until 30 June 2020 the trading volume amounted to CZK 12.030 million with a closing price

The Company reports an average monthly trading volume of 34,100 shares in Q2 2020 compared to 28,881 shares in Q1 2020 and to an average of 25,447 during the past twelve months.

nominal value of EUR 1,000 has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The Group has successfully increased the bond placement by EUR 7.5 million on 5 August 2019 and by another EUR 5.4 million on 3 July 2020 with all parameters unchanged.

The total outstanding bond volume amounts to EUR 37.6 million as of the end of the reporting period, and to EUR 43.0 million as of the reporting date.

Chart 8. MIN, MAX and closing monthly prices



In Q2 2020, the trading volume amounted to EUR 2,669,000 with an opening price of 98.00 and a closing price of 100.85 in Frankfurt. The average daily turnover in Q2 2020 amounted to EUR 43,048.

of 100.00.

2.8. Financial statement analysis

Profit and Loss statement

Unaudited consolidated revenues increased by a solid 11.9% YoY to EUR 8.882 million. An all-time record for a second quarter, partly attributable to a strong electricity generation (+73.7% YOY) driven by the expansion of our proprietary portfolio in Hungary (+23.5 MWp over the past 12 months), and by a sound generation output from the existing power plants in the Czech Republic and Slovakia.

In addition we could record an outstanding growth in revenues from O&M services in Europe, and rely on recurring revenues from our engineering business (EPC) in Australia, which was partly offset by the slowdown of Technology trading revenues resulting from the Coronavirus crisis.

Gross profit increased consistently from EUR 5.278 million to EUR 6.265 million in Q2 2020 (+18.7% YOY).

This strong business performance drove an all-time EBITDA record of EUR 4.035 million in Q2 2020 (+ 14.8% YoY) despite higher operating costs mainly related to the expansion of our project development activities dedicated to securing projects in new markets such as Poland and Romania and of our engineering team in Australia. Depreciation increased as a result of the above mentioned newly connected power plants in Hungary, leading to a record quarterly EBIT of EUR 1.613 million in Q2 2020 (+5.9% YoY).

Overall net financial expenses increased by 63.3% to EUR -1.591 million in Q2 2020 as a result of our business expansion in Hungary, which includes the refinancing of our Hungarian portfolio and by an additional EUR 7.5 million placement of our EUR Bond in the third quarter of 2019.

While profit before taxation remained positive with EUR 0.149 million, an adjustment of Deferred taxes related to Q1 2020 led the

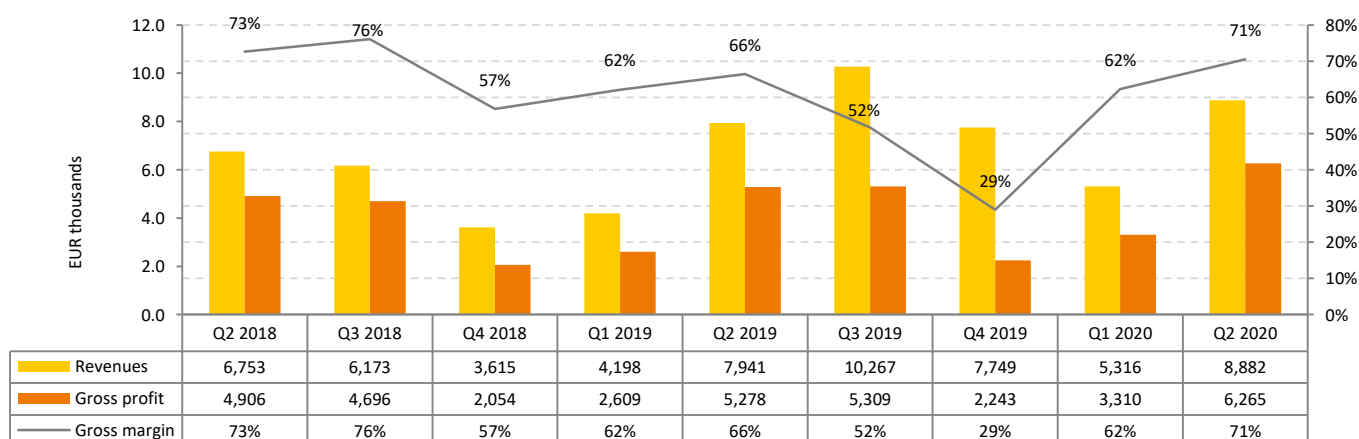
Company to swing from a net profit of EUR 0.208 million to a consolidated net loss of EUR 0.969 million in Q2 2020.

Further to the grid-connection of our power plants in Mályi and Kunszentmárton, a positive revaluation difference of EUR 0.641 million was recorded in Other Comprehensive Income (OCI) in accordance with IAS 16. The EUR -4.709 million unrealized negative foreign currency difference recognized in OCI last quarter to reflect the volatility of the Czech crown (CZK) and of the Hungarian Forint (HUF) at the end of Q1 2020 was partially offset this quarter, with a positive EUR 1.534 million currency translation effect recorded as of the end of Q2 2020 (both effects not realized, with no cash impact). As a result, we ended the second quarter of 2020 with a Total comprehensive income of EUR 1.183 million compared to EUR 0.664 million a year earlier.

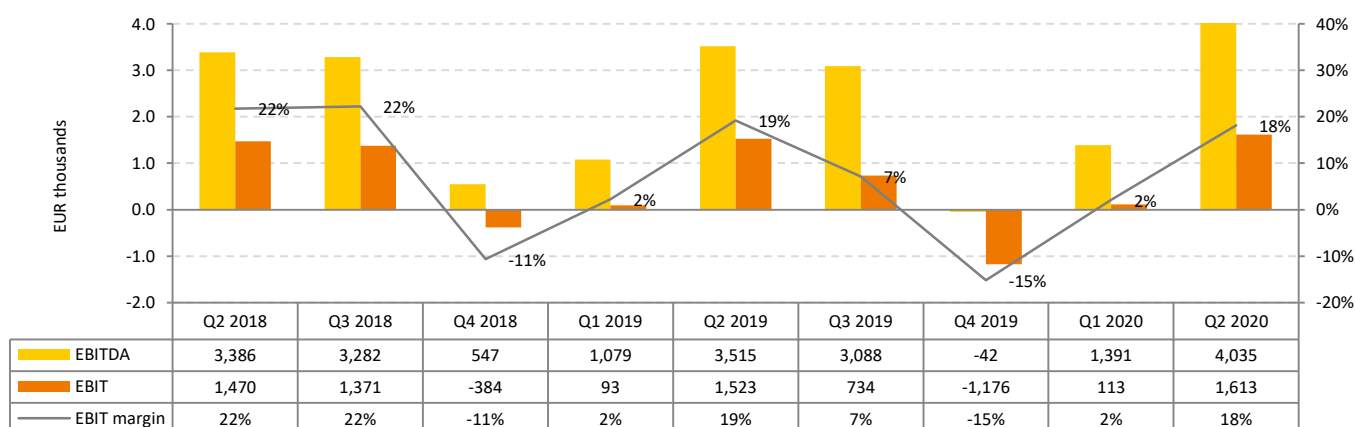
Year-to-date, Photon Energy's half-year revenues increased by 17.0% to EUR 14.198 million, while EBITDA rose 18.1% to EUR 5.426 million and EBIT was up 6.8% to EUR 1.726 million. Photon Energy recorded a net loss of EUR -2.678 million compared to EUR - 1.070 million in H1 2019. TCI amounted to EUR -3.142 million compared to a positive EUR 1.839 million in H1 2019. Excluding the above mentioned unrealized currency translation impact connected to the high volatility in the currency market brought by the Coronavirus crisis, Total Comprehensive Income would amount to EUR 0.033 million in H1 2020. In addition, increased business development costs impacted our bottom line, allowing us to handle a larger business capacity though. Given the growth of our proprietary portfolio, we expect further improvements to our profitability going forward.

The adjusted equity ratio remained at a sound level of 28.5%.

Chart 9. Revenues, gross profit and gross margin



The numbers presented above are based on published quarterly figures.

Chart 10. EBITDA, EBIT and EBIT margin development


The numbers presented above are based on published quarterly figures.

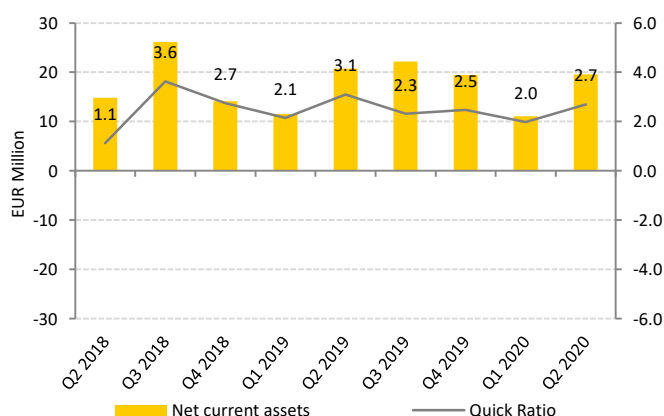
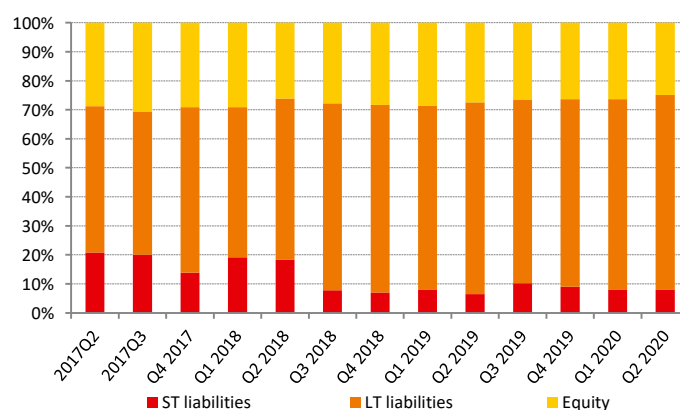
Balance Sheet

Switching to the balance sheet, Total fixed assets amounted to EUR 108.515 million at the end of Q2 2020, and increased by EUR 2.610 million compared to Q1 2020 (+2.5% QoQ). This slight increase is resulting from an increase of our asset base with the newly connected power plants in Hungary, which was partly offset by the ongoing depreciation of our portfolio power plants.

Current assets increased by EUR 9.328 million, from EUR 21.151 million in Q1 2020 to EUR 30.479 million as of the end of Q2 2020. This development was mainly due to an increase in cash resulting from the refinancing drawdowns for our power plants in Tata, Tazsar, Fertod II and Malyi, which occurred during the reporting period.

Current liabilities amounted to EUR 10.927 million at the end of Q2 2020 compared to EUR 10.072 million three months earlier, mainly due to an increase in trade payables.

Long term liabilities increased by EUR 9.918 million to EUR 93.407 in Q2 2020, in accordance with the project refinancing schedule above-mentioned. As a reminder, our business model involves a large part of bank financing at the project level, where debt/equity ratios reach up to 80/20. Non-recourse financing is aligned with the life cycle of the power plants and is very long term, up to 15 years. Thus a higher level of debt is a specific of our industry.

Chart 11. Net current assets

Chart 12. Break down of liabilities and equity


Changes in equity

Equity increased by EUR 1.165 million and amounted to EUR 34.660 million in Q2 2020, reflecting the positive EUR 1.534 million currency translation effect recorded as of the end of Q2 2020. The adjusted equity ratio remained at a sound level of 28.5%.

Cash Flow

In Q2 2020, the Group posted a positive operating cash flow, which amounted to EUR 3.133 million, compared to a negative EUR - 0.380 million in Q2 2019, driven primarily by the increase in the net working capital.

Financial cash flow increased by 69.5% YoY to EUR 7.747 million due to the refinancing drawdowns for our power plants in Tata, Taszar, Fertod II and Malyi, which, in accordance with the financing secured in Q4 2019, occurred during the reporting period.

Investment cash flow was negative and equalled to EUR -3.731 million in the reporting period, mainly as a result of project development and investment activities in Hungary and of the investment made in Raygen, Australia.

Overall, the cash position increased by EUR 7.149 million in Q2 2020 to reach EUR 16.874 million.

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 NV, hereinafter referred to as the "PENV", "Issuer", "the Group" and/or the "Company".

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozilaan 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 2020

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	-	-	60,000,000	600,000	cash
Total number of shares				60,000,000		
Total share capital					600,000	

Nominal value per share = EUR 0.01

In the reporting period there were no changes to the share capital.

5. Shareholder structure

As of the reporting date, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure was as follows:

Shareholdership as of 30.06.2020	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Future Cooperatief U.A.	22,266,166	37.11%	22,266,166	43.48%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.70%
Photon Energy N.V.	8,790,511	14.65%	0	0.00%
Free float	8,099,948	13.50%	8,099,948	15.82%
Total	60,000,000	100.00%	51,209,489	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 2020

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 consecutive 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

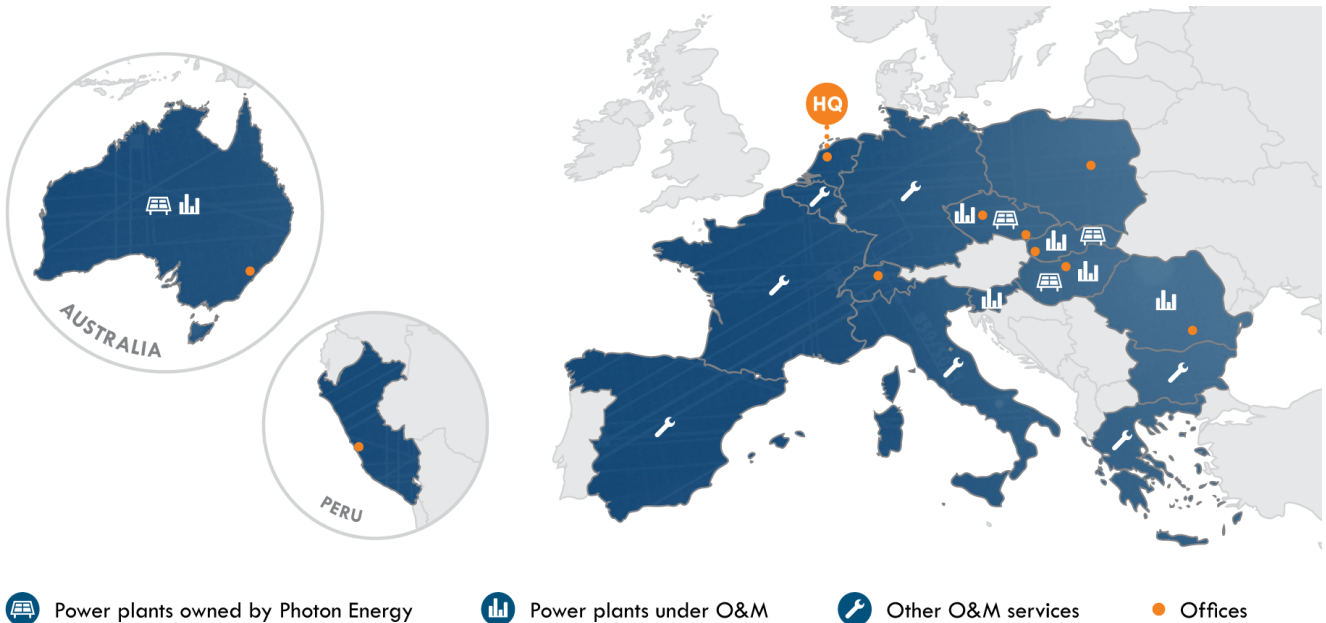
Photon Energy NV is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group (“Group”) offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

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 a proprietary control room and monitoring platform.

In addition the company launched a new service Line **Water** which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification.



Country-specific references

Currently Photon Energy is active with 115 professionals in nine countries across three continents (headquartered in Amsterdam), with a track record of building more than 80 MWp of grid-

connected PV plants across five countries, a proprietary portfolio of 60.6 MWp of PV plants and more than 310 MWp of PV power plants under O&M management across two continents.

8. Implementation of innovative activities in the Company

Photon Water participates in remediation of Lindane contamination.

Photon Water Technology s.r.o. ('Photon Water') – the Group's subsidiary dedicated to developing and distributing water treatment systems – has started design work for the deployment of a unique technology called Wetland+ at Jaworzno, a site in Poland, as part of an international consortium to implement the EU-funded project Innovative Technology Based on Constructed Wetlands for Treatment of Pesticide-Contaminated Waters (LIFEPOPWAT).

The heavily research-based technology is expected to reduce the levels of HCH in stream waters near the site. Lindane, a form of HCH, was widely used in the EU as a pesticide and a treatment for lice and scabies until its production and application were banned in 2004. Nevertheless, this persistent organic pollutant still poses serious health risks for the residents of affected areas.

The Polish part of the consortium is represented by the Central Mining Institute (pl. Główny Instytut Górnictwa) and the City of

Jaworzno. In addition to Photon Water, participants in the consortium include the Technical University of Liberec (CZ) and Aarhus University (DK), as well as SERPOL (FR) and the Czech state-owned company DIAMO (CZ). The project is scheduled to end on 31 December 2023.

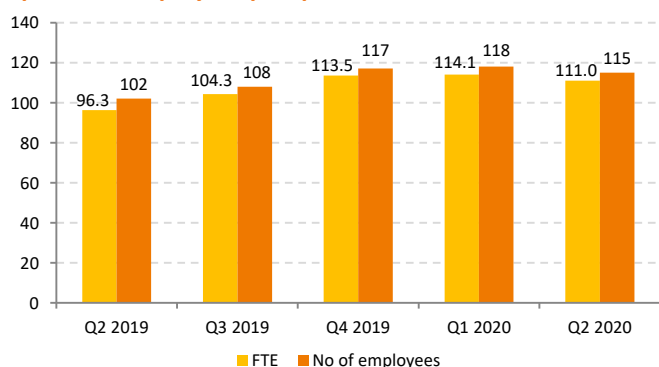
In parallel with the LIFEPOPWAT project, Photon Water is part of another EU-funded consortium project to map and improve the knowledge base regarding the presence and disposal of HCH and lindane in the EU. Photon Water has been subcontracted by the company leading the project, Tauw BV, to help with the inventories of HCH-contaminated sites in the Czech Republic and to assist one of the site owners with HCH-contaminated site management.

Photon Water's participation in these two projects is testament to our team's capabilities across multiple areas linked to water treatment and lake management as well as ground water and soil remediation.

9. Employees

As of the end of Q2 2020, Photon Energy had 115 employees (compared to 108 employees in Q2 2019) which translates into 111.0 FTE (compared to 96.3 FTE in Q2 2019).

Chart 13. Total number of employees and full time equivalent employees per quarter



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 Energy Operations NL B.V. (PEONL, former Photon Directors B.V.)	100%	NL	Full Cons.	PEONV
3	Photon Energy Engineering B.V. (PEEBV)	100%	NL	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEONV)	100%	NL	Full Cons.	PENV
5	Photon Remediation Technology N.V. (PRTNV)	100%	NL	Full Cons.	KORADOL
6	Photon Energy Australia Pty Ltd.	100%	AU	Full Cons.	PENV
7	Gunning Solar Farm Pty. Ltd. (former Photon Energy Generation Australia Pty. Ltd.)	49%	AU	Equity	PENV
8	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Full Cons.	PENV
9	Leeton Solar Farm Pty Ltd (former Photon Energy AUS SPV 2 Pty. Ltd.)	100%	AU	Full Cons.	PENV
10	Fivebough Solar Farm Pty Ltd. (former Photon Energy AUS SPV 3 Pty. Ltd.)	100%	AU	Full Cons.	PENV
11	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Full Cons.	PENV
12	Suntop Stage 2 Solar Farm Pty. Ltd. (former Mumbil Solar Farm Pty. Ltd.)	25%	AU	Equity	PENV
13	Photon Energy AUS SPV 6 Pty. Ltd.	51%	AU	Equity	PENV
14	Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	25%	AU	Equity	PENV
15	Photon Energy Operations Australia Pty.Ltd.	100%	AU	Full Cons.	PEONV
16	Photon Energy Engineering Australia Pty Ltd	100%	AU	Full Cons.	PEEBV
17	Photon Remediation Technology Australia Pty Ltd.	100%	AU	Full Cons.	PRTNV
18	Global Investment Protection AG (GIP)	100%	CH	Full Cons.	PENV
19	ALFEMO AG (ALFEMO)	100%	CH	Full Cons.	PENV
20	KORADOL AG (KORADOL)	100%	CH	Full Cons.	PENV
21	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
22	Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	KORADOL
23	Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KORADOL
24	Photon Energy Operations CZ s.r.o. (PEOCZ) ¹	100%	CZ	Full Cons.	PEONV
25	Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
26	Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
27	Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
28	Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Full Cons.	PE NV
29	Photon Energy Solutions s.r.o. (PES CZ)	100%	CZ	Full Cons.	PENV
30	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
31	Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
32	The Special One s.r.o.	100%	CZ	Full Cons.	PENV
33	Photon Energy Technology EU GmbH	100%	DE	Full Cons.	PENV
34	Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
35	Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
36	EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
37	EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
38	Fotonika s.r.o.	100%	SK	Full Cons.	PENV
39	Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
40	Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
41	Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
42	Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
43	Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
44	SUN4ENERGY ZVB s.r.o.	100%	SK	Full Cons.	PENV
45	SUN4ENERGY ZVC s.r.o.	100%	SK	Full Cons.	PENV
46	ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
47	Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
48	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	ALFEMO
49	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	ALFEMO
50	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
51	Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV
52	Future Solar Energy Kft	100%	HU	Full Cons.	ALFEMO
53	Montagem Befektetési Kft.	100%	HU	Full Cons.	ALFEMO
54	Solarkit Befektetesi Kft.	100%	HU	Full Cons.	ALFEMO
55	Energy499 Invest Kft.	100%	HU	Full Cons.	ALFEMO
56	SunCollector Kft.	100%	HU	Full Cons.	ALFEMO

Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner	
57	Green-symbol Invest Kft.	100%	HU	Full Cons.	ALFEMO
58	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
59	Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
60	Tataimmo Kft	100%	HU	Full Cons.	ALFEMO
61	Öreghal Kft.	100%	HU	Full Cons.	ALFEMO
62	European Sport Contact Kft.	100%	HU	Full Cons.	ALFEMO
63	ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
64	ALFEMO Beta Kft.	100%	HU	Full Cons.	ALFEMO
65	ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO
66	Archway Solar Kft.	100%	HU	Full Cons.	PENV
67	Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
68	Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
69	Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
70	Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
71	Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
72	Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
73	Ráció Master Oktatási	100%	HU	Full Cons.	ALFEMO
74	P&P Solar Immo Kft.	33,52%	HU	Equity	ALFEMO
75	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
76	MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	ALFEMO
77	PROMA Mátra Ingatlanfejlesztési Kft.	100%	HU	Full Cons.	ALFEMO
78	Optisolar Kft.	100%	HU	Full Cons.	ALFEMO
79	Ladány Solar Alpha Kft.	100%	HU	Full Cons.	PEP
80	Ladány Solar Beta Kft.	100%	HU	Full Cons.	PEP
81	Ladány Solar Gamma Kft.	100%	HU	Full Cons.	PEP
82	Ladány Solar Delta Kft.	100%	HU	Full Cons.	PEP
83	ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
84	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kf	100%	HU	Full Cons.	ALFEMO
85	ZUGGÓ-DÜLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
86	Ventiterra Környezetgazdálkodási és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
87	VENTITERRA ALFA Kft.	100%	HU	Full Cons.	ALFEMO
88	VENTITERRA BETA Kft.	100%	HU	Full Cons.	ALFEMO
89	Photon Energy Peru S.C.A.	99%	PE	Full Cons.	GIP
90	Solar Age Polska S.A. (former Ektalion Investments S.A.)	100%	PL	Full Cons.	PENV
91	Photon Energy Polska Sp. Z o.o. (former Holbee Investments Sp. z o.o.)	100%	PL	Full cons.	PENV
92	Photon Energy Operations PL Sp. z o.o. (former Timassile Investments Sp. z o.o.)	100%	PL	Full cons.	PEONV
93	Stanford Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
94	Halton Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
95	Aldgate Solar Srl	100%	RO	Full cons.	PEP & PES CZ
96	Holloway Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
97	Moorgate Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
98	Redbridge Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
99	Watford Solar Srl	100%	RO	Full cons.	PEP & PES CZ
100	Becontree Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
101	Greenford Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
102	Chesham Solar Srl.	100%	RO	Full cons.	PEP & PES CZ
103	Photon Energy Romania SRL	100%	RO	Full cons.	PENV & PEONL
104	PE SOLAR TECHNOLOGY LTD.	100%	UK	Full Cons.	PENV

Notes:

Country of registration				Consolidation method:
AU – Australia	DE – Germany	PE – Peru	SK – Slovakia	Full Cons. – Full Consolidation Not Cons. – Not Consolidated
CH – Switzerland	HU – Hungary	PL – Poland	UK – United Kingdom	Equity – Equity Method
CZ – Czech Republic	NL – Netherlands	RO – Romania		

Photon Energy Operations CZ s.r.o. established a branch office in Romania.
PEP & PES CZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

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	Kaliopé Property, s.r.o.	100%	0%	CZ	Full Cons.	RL

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

In the reporting period, the following changes to the Group structure took place:

- On 16 April 2020, Ektalion Investments S.A. was successfully renamed to Solar Age Polska S.A. in Poland.
- On 20 April 2020, Holbee Investments Sp. Z o.o. was successfully renamed to Photon Energy Polska Sp. Z o.o. in Poland.
- On 22 April 2020, the court maintaining the commercial register registered KORADOL AG as 100% shareholder of Photon SPV 1 s.r.o. in the Czech Republic. The change is valid as of 11 March 2020.
- On 19 May 2020, Photon Energy N.V. became 99% shareholder and Photon Directors B.V. (renamed to Photon Energy Operations NL B.V. on 9 July 2020) became 1% shareholder of Photon Energy Romania Srl..
- On 9 June 2020, Timasile Investments was successfully renamed to Photon Energy Operations PL Sp. Z o.o..

After the reporting period, the following events occurred from the beginning of July 2020

- On 1 July 2020, Photon Remediation Technology N.V. became 100% shareholder of Photon Remediation Technology Australia Pty Ltd. (AUS)
- On 9 July 2020, Photon Directors B.V. was successfully renamed to Photon Energy Operations NL B.V..
- On 9 July 2020, Photon Energy Operations N.V. became 100% shareholder of Photon Energy Operations NL B.V..

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 2020

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

- **EBI 6/2020** published on 14 April 2020: Monthly report for March 2020.
- **EBI 7/2020** published on 15 April 2020: Annual report 2019.
- **EBI 8/2020** published on 12 May 2020: Quarterly report for Q1 2020.
- **EBI 9/2020** published on 14 May 2020: Monthly report for April 2020.
- **EBI 10/2020** published on 18 May 2020: Convocation of the Annual General Meeting of Shareholders on 29 June 2020.
- **EBI 11/2020** published on 11 June 2020: Monthly report for May 2020.
- **EBI 12/2020** published on 29 June 2020: The Minutes of the AGM of shareholders held on 29 June 2020.

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

- **ESPI 5/2020** published on 7 April 2020: Photon Energy invests in RayGen Resources.
- **ESPI 6/2020** published on 7 April 2020: Photon Energy wins tender to design, build and commission a 3 MWp hybrid solar power plant for a Waste Water Treatment Plant in Victoria, Australia.

- **ESPI 7/2020** published on 6 May 2020: Photon Energy connects 2.1 MWp to Hungarian grid.
- **ESPI 8/2020** published on 9 May 2020: Photon Energy connects 1.4 MWp to Hungarian grid.
- **ESPI 9/2020** published on 14 May 2020: Photon Energy Intends to move to the main markets of the Warsaw and Prague Stock Exchanges and to secure a listing on the Frankfurt Quotation Board.
- **ESPI 10/2020** published on 29 May 2020: Photon Energy to add 14 MWp to its PV portfolio in Australia.
- **ESPI 11/2020** published on 4 June 2020: Photon Energy Starts Construction on PV Power Plants in Hungary with a total capacity of 14.1 MWp.
- **ESPI 12/2020** published on 19 June 2020: Photon Energy considers additional bond issuance.
- **ESPI 13/2020** published on 29 June 2020: "Non public" report: List of all Shareholders entitled to vote on General Meeting of shareholders scheduled on 29 June 2020.
- **ESPI 14/2020** published on 29 June 2020: List of shareholders holding at least 5 percent of votes at the Annual General Meeting of shareholders held on 29 June 2020.
- **ESPI 15/2020** published on 29 June 2020: Change in substantial blocks of shares.
- **ESPI 16/2020** published on 29 June 2020: Photon Energy has decided to increase its outstanding 7.75% bond 2017/2022.

11.2. Summary of the key events after 30 June 2020

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

- **EBI 13/2020** published on 14 July 2020: Monthly report for June 2020.

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

- **ESPI 17/2020** published on 3 July 2020: Photon Energy Increases Its Outstanding 7.75% Bond 2017/2022 to EUR 43 Million.
- **ESPI 18/2020** published on 9 July 2020: Photon Energy Submits Prospectus to AFM to Move to the Main Markets in Warsaw and Prague.

12. Detailed consolidated financial results for Q2 2020

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 April 2020 and ending on 30 June 2020 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	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Total revenues	7,941	8,882	34,003	39,984	203,953	240,284
<i>Out of that: Revenues from electricity generation</i>	4,997	5,930	21,396	26,696	128,338	160,431
<i>Out of that: Other revenues</i>	2,944	2,952	12,606	13,288	75,615	79,853
Costs of sale	-2,339	-2,292	-10,014	-10,321	-60,067	-62,021
Solar levy CZ	-324	-324	-1,388	-1,459	-8,326	-8,768
Gross profit	5,278	6,265	22,600	28,205	135,560	169,494
Other income	11	88	46	396	278	2,378
Administrative expenses	-652	-697	-2,791	-3,137	-16,740	-18,853
Personnel expenses	-1,102	-1,466	-4,720	-6,602	-28,311	-39,672
Other expenses	-19	-154	-83	-695	-500	-4,176
EBITDA	3,515	4,035	15,052	18,166	90,287	109,171
Depreciation	-1,992	-2,422	-8,530	-10,903	-51,162	-65,522
EBIT	1,523	1,613	6,523	7,263	39,124	43,649
Interests income	24	15	102	68	611	411
Financial revenues	5	0	19	0	117	0
Interests cost	-1,043	-1,250	-4,466	-5,629	-26,786	-33,830
Financial expenses	-154	-156	-659	-701	-3,955	-4,215
Revaluation of derivatives	194	-200	832	-901	4,991	-5,416
Net finance expenses	-974	-1,591	-4,171	-7,164	-25,021	-43,050
Share of profit from associates / J-Vs	77	127	329	571	1,975	3,430
Disposal of investments	0	0	0	0	0	0
Profit / loss before taxation	626	149	2,680	670	16,078	4,028
Income tax – current	-359	-443	-1,537	-1,994	-9,221	-11,985
Income tax – deferred	-59	-675	-251	-3,038	-1,506	-18,256
Profit/loss from continuing operations	208	-969	892	-4,362	5,351	-26,213
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	208	-969	892	-4,362	5,351	-26,213
Other comprehensive income for the period	456	2,152	1,953	9,690	11,712	58,231
<i>Out of that: Revaluation of PPE acc. IAS 16</i>	0	641	0	2,886	0	17,341
<i>Out of that: Foreign currency translation diff.</i>	476	1,534	2,038	6,908	12,226	41,512
<i>Out of that: Derivatives (hedging)</i>	-20	-23	-86	-104	-514	-622
Total comprehensive income for the period	664	1,183	2,845	5,328	17,063	32,017
Profit/loss after taxation	208	-969	892	-4,362	5,351	-26,213
<i>Attributable to the equity holders</i>	228	-950	977	-4,278	5,859	-25,706
<i>Attributable to minority interest</i>	-20	-19	-85	-84	-508	-507
Total comprehensive income for the period	664	1,183	2,845	5,328	17,063	32,017
<i>Attributable to the equity holders</i>	684	1,202	2,929	5,412	17,571	32,524
<i>Attributable to minority interest</i>	-20	-19	-85	-84	-508	-507
Average no. of shares outstanding (in thousand)	51,113	51,198	51,113	51,198	51,113	51,198
Earnings per share outstanding	0.004	-0.019	0.017	-0.085	0.105	-0.512
Comprehensive income per share outstanding	0.013	0.023	0.056	0.104	0.334	0.625
<i>EUR exchange rate – low</i>			4.249	4.399	25.435	26.560
<i>EUR exchange rate – average</i>			4.282	4.502	25.685	27.054
<i>EUR exchange rate – high</i>			4.309	4.582	25.860	27.610

Note: Exchange rates provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	30.6.2019	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2020
Intangibles	0	214	0	952	0	5,713
Property, plant and equipment	80,682	101,571	342,843	452,667	2,052,944	2,716,002
<i>PPE – Lands</i>	4,140	4,441	17,592	19,793	105,341	118,755
<i>PPE – Photovoltaic power plants</i>	74,092	94,694	314,843	422,021	1,885,281	2,532,124
<i>PPE – Equipment</i>	485	908	2,061	4,046	12,344	24,277
<i>PPE – Assets in progress</i>	1,964	1,527	8,346	6,808	49,978	40,845
Right of use -leased asset	2,434	2,919	10,341	13,011	61,923	78,064
Investments in associates /joint ventures	3,504	2,674	14,888	11,916	89,149	71,497
Other investments	3	1,138	13	5,071	76	30,424
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	86,622	108,515	368,085	483,617	2,204,093	2,901,700
Inventories – Goods	5,082	1,071	21,597	4,774	129,321	28,641
Trade receivables	3,650	4,164	15,508	18,557	92,865	111,345
Other receivables	6,942	3,669	29,498	16,350	176,634	98,103
Loans to related parties	882	1,080	3,749	4,813	22,451	28,878
Contracted work in progress	4,191	2,035	17,808	9,070	106,632	54,420
Prepaid expenses	1,101	1,290	4,679	5,747	28,020	34,484
Cash and cash equivalents	6,402	16,874	27,204	75,200	162,900	451,203
Other S-T financial assets	0	297	0	1,324	0	7,942
Assets held for sale	0	0	0	0	0	0
Current assets	28,250	30,479	120,044	135,836	718,823	815,015
Total assets	114,872	138,995	488,129	619,452	2,922,916	3,716,715
Issued share capital	600	600	2,550	2,674	15,267	16,044
Share premium	23,760	23,760	100,964	105,890	604,573	635,342
Legal reserve fund	13	13	57	60	340	357
Reserves	25,667	27,460	109,067	122,382	653,091	734,293
Retained earnings	-18,383	-17,050	-78,114	-75,986	-467,744	-455,918
Equity attributable to owners of the Company	31,658	34,784	134,523	155,020	805,526	930,118
Non-controlling interests	-73	-123	-311	-549	-1,863	-3,297
Total equity	31,584	34,660	134,212	154,470	803,664	926,821
Bank Loan	33,980	42,923	144,392	191,293	864,617	1,147,757
Other long term liabilities	32,703	40,123	138,964	178,813	832,116	1,072,879
Lease liability	2,434	2,887	10,341	12,866	61,923	77,198
Other loans	0	0	0	0	0	0
Deferred tax liabilities	6,685	7,474	28,406	33,310	170,096	199,859
Non-current liabilities	75,801	93,407	322,103	416,282	1,928,752	2,497,693
Bank Loans	4,252	4,050	18,068	18,051	108,193	108,307
Other loans	0	0	0	0	0	0
Trade payables	802	3,432	3,406	15,296	20,395	91,773
Other payables	2,205	3,331	9,369	14,846	56,102	89,078
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	228	113	971	505	5,814	3,030
Provisions	0	0	0	0	0	0
Current liabilities	7,487	10,927	31,814	48,698	190,504	292,189
Total Liabilities	83,288	104,334	353,917	464,980	2,119,256	2,789,882
TOTAL Equity & Liabilities	114,872	138,994	488,130	619,451	2,922,920	3,716,703
No. of shares outstanding in thousand	51,137	51,209	51,137	51,209	51,137	51,209
Book value per share outstanding	0.618	0.677	2.625	3.016	15.716	18.099

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 31.12.2019	600	23,760	13	29,220	929	233	-16,830	37,926	-83	37,843
Loss/profit for the period 1.1.2020– 30.6.2020							-2,678	-2,678	-41	-2,719
Revaluation of PPE				2,727				2,727		2,727
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-3,174			-3,174		-3,174
Derivatives						-16		-16		-16
Acquisition of JV								0		0
Total comprehensive income for the year	0	0	0	2,727	-3,174	-16	-2,678	-3,142	-41	-3,183
new shares								0		0
acquired retained earnings								0		0
Move from revaluation reserve				-2,458			2,458	0		0
Legal reserve fund release								0		0
Move of RE due to entity disposal/change of cons. meth.								0		0
BALANCE at 30.6.2020	600	23,760	13	29,489	-2,245	217	-17,050	34,784	-123	34,660

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Cash Flow from Operation						
Profit/loss before taxation	626	149	2,680	670	16,078	4,028
Adjustments for:						
Depreciation	1,992	2,422	8,530	10,903	51,162	65,522
Other changes in fixed assets	0	1	0	5	0	27
Share of profit of equity accounted investees	-77	-127	-329	-571	-1,975	-3,430
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	109	377	467	1,697	2,800	10,199
Capital gains	0	0	0	0	0	0
net finance costs	974	1,591	4,171	7,164	25,021	43,050
Changes in:						
Trade and other receivables	-622	-1,264	-2,663	-5,691	-15,974	-34,200
Other financial asset	0	-297	0	-1,337	0	-8,035
Gross amount due from customers for contract work	182	-685	781	-3,083	4,684	-18,527
Prepaid expenses	38	22	162	97	970	582
Inventories	-3,420	169	-14,644	762	-87,834	4,581
Trade and other payables	-82	662	-351	2,979	-2,106	17,899
Other liabilities	-101	113	-433	510	-2,597	3,066
Total Operating cash flow	-380	3,133	-1,629	14,105	-9,771	84,764
Cash Flow from Investments						
Acquisition of property, plant and equipment	-4,913	-2,491	-21,038	-11,214	-126,189	-67,388
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	-615	17	-2,632	77	-15,786	461
Acquisition of other investments	-61	-1,257	-262	-5,660	-1,572	-34,014
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
Interests received	0	0	0	0	0	0
Total Investment cash flow	-5,589	-3,731	-23,932	-16,797	-143,548	-100,941
Cash Flow from Financing						
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	10,333	10,235	44,249	46,077	265,411	276,899
Repayment of borrowings	-4,701	-1,295	-20,132	-5,830	-120,752	-35,035
Proceeds from issuing long term liabilities/bonds	27	57	118	257	706	1,542
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-1,090	-1,250	-4,667	-5,629	-27,993	-33,830
Total Financing cash flow	4,570	7,747	19,568	34,874	117,372	209,575
Net increase/decrease in cash and cash equivalents	-1,400	7,149	-5,993	32,182	-35,946	193,398
Cash at the beginning of the period	7,802	9,725	33,408	43,781	200,384	263,101
Cash at the end of the period	6,402	16,874	27,415	75,963	164,437	456,499
EUR exchange rate - low			4.249	4.399	25.435	26.560
EUR exchange rate - average			4.282	4.502	25.685	27.054
EUR exchange rate - high			4.309	4.582	25.860	27.610

13. Detailed accumulated consolidated financial results for H1 2020

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 2020 and ending on 30 June 2020 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	
	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020
Total revenues	12,138	14,198	52,099	62,623	311,760	373,760
<i>Out of that: Revenues from electricity generation</i>	7,437	8,858	31,918	39,071	190,997	233,192
<i>Out of that: Other revenues</i>	4,702	5,340	20,181	23,552	120,763	140,568
Costs of sale	-3,773	-4,137	-16,192	-18,250	-96,893	-108,920
Solar levy CZ	-479	-485	-2,056	-2,140	-12,306	-12,772
Gross profit	7,887	9,575	33,851	42,234	202,561	252,067
Other income	30	105	128	461	767	2,751
Administrative expenses	-1,151	-1,298	-4,940	-5,724	-29,560	-34,165
Personnel expenses	-2,133	-2,749	-9,155	-12,124	-54,786	-72,358
Other expenses	-38	-207	-163	-913	-976	-5,448
EBITDA	4,595	5,426	19,720	23,934	118,007	142,847
Depreciation	-2,979	-3,700	-12,784	-16,321	-76,500	-97,410
EBIT	1,616	1,726	6,936	7,613	41,506	45,437
Interests income	60	32	258	142	1,544	847
Financial revenues	191	0	821	0	4,915	0
Interests cost	-2,088	-2,435	-8,961	-10,738	-53,621	-64,091
Financial expenses	-230	-320	-986	-1,412	-5,902	-8,427
Revaluation of derivatives	194	-661	834	-2,915	4,991	-17,400
Net finance expenses	-1,872	-3,383	-8,034	-14,924	-48,073	-89,072
Share of profit from associates / J-Vs	-74	-40	-317	-176	-1,895	-1,052
Disposal of investments	0	0	0	0	0	0
Profit / loss before taxation	-329	-1,697	-1,414	-7,487	-8,461	-44,687
Income tax – current	-556	-681	-2,386	-3,004	-14,280	-17,931
Income tax – deferred	-184	-300	-791	-1,323	-4,736	-7,894
Profit/loss from continuing operations	-1,070	-2,678	-4,592	-11,814	-27,477	-70,512
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	-1,070	-2,678	-4,592	-11,814	-27,477	-70,512
Other comprehensive income for the period	2,909	-463	12,484	-2,044	74,701	-12,197
<i>Out of that: Revaluation of PPE acc. IAS 16</i>	2,629	2,727	11,282	12,029	67,510	71,793
<i>Out of that: Foreign currency translation diff.</i>	327	-3,174	1,404	-14,002	8,399	-83,569
<i>Out of that: Derivatives (hedging)</i>	-47	-16	-202	-71	-1,207	-421
Total comprehensive income for the period	1,839	-3,142	7,892	-13,858	47,224	-82,710
Profit/loss after taxation	-1,070	-2,678	-4,592	-11,814	-27,477	-70,512
<i>Attributable to the equity holders</i>	-1,036	-2,638	-4,447	-11,635	-26,612	-69,440
<i>Attributable to minority interest</i>	-34	-41	-144	-180	-865	-1,073
Total comprehensive income for the period	1,839	-3,142	7,892	-13,858	47,224	-82,710
<i>Attributable to the equity holders</i>	1,872	-3,101	8,036	-13,678	48,089	-81,637
<i>Attributable to minority interest</i>	-34	-41	-144	-180	-865	-1,073
Average no. of shares outstanding (in thousand)	51,090	51,187	51,090	51,187	51,090	51,187
Earnings per share outstanding	0.002	-0.033	0.007	-0.146	0.041	-0.869
Comprehensive income per share outstanding	0.031	-0.085	0.135	-0.392	0.807	-2.364
<i>EUR exchange rate – low</i>			4.249	4.222	25.435	24.795
<i>EUR exchange rate – average</i>			4.292	4.411	25.684	26.326
<i>EUR exchange rate – high</i>			4.344	4.614	25.870	27.810

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020
Profit/loss before taxation	-329	-1,697	-1,414	-7,487	-8,461	-44,687
Adjustments for:						
Depreciation	2,979	3,700	12,784	16,321	76,500	97,410
Other changes in fixed assets	0	1	0	4	0	26
Share of profit of equity accounted investees	74	40	317	176	1,895	1,052
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	164	-63	704	-278	4,212	-1,659
Capital gains	0	0	0	0	0	0
net finance costs	1,872	3,383	8,034	14,924	48,073	89,072
Changes in:						
Trade and other receivables	-361	-900	-1,551	-3,968	-9,283	-23,684
Other financial asset	0	-297	0	-1,310	0	-7,819
Gross amount due from customers for contract work	-424	-429	-1,820	-1,892	-10,890	-11,293
Prepaid expenses	75	-62	321	-272	1,923	-1,624
Inventories	-3,934	140	-16,885	620	-101,040	3,698
Trade and other payables	-1,337	-1,848	-5,737	-8,150	-34,329	-48,643
Other liabilities	-201	-12	-864	-52	-5,173	-309
Total Operating cash flow	-1,424	1,958	-6,112	8,636	-36,574	51,542
Cash Flow from Investments						
Acquisition of property, plant and equipment	-5,710	-4,655	-24,509	-20,534	-146,663	-122,553
Acquisition of subsidiary (net of cash acquired), associates, JV	-1,271	-6	-5,455	-26	-32,640	-153
Acquisition of other investments	-90	-1,280	-387	-5,647	-2,315	-33,706
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other invests	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Total Investment cash flow	-7,071	-5,941	-30,351	-26,207	-181,618	-156,413
Cash Flow from Financing						
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	10,333	10,235	44,351	45,145	265,398	269,442
Repayment of borrowings	-5,869	-2,216	-25,191	-9,774	-150,745	-58,337
Proceeds from issuing long term liabilities/bonds	231	169	993	745	5,939	4,449
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest expenses	-2,135	-2,435	-9,163	-10,738	-54,828	-64,091
Total Financing cash flow	2,561	5,753	10,990	25,377	65,764	151,462
Net increase/decrease in cash and cash equivalents	-5,935	1,770	-25,473	7,806	-152,428	46,592
Cash at the beginning of the period	12,337	15,104	52,951	66,621	316,857	397,621
Cash at the end of the period	6,402	16,874	27,478	74,428	164,429	444,213
<i>EUR exchange rate - low</i>			4.249	4.222	25.435	24.795
<i>EUR exchange rate - average</i>			4.292	4.411	25.684	26.326
<i>EUR exchange rate - high</i>			4.344	4.614	25.870	27.810

14. Detailed entity financial results for Q2 2020

The tables below present the **entity** and **unaudited** financial statements of Photon Energy N.V. for the three-month period starting on 1 April 2020 and ending on 30 June 2020 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	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Revenues from the sale of products, goods and services	568	645	2,432	2,903	14,589	17,447
Cost of sales	-423	-493	-1,812	-2,219	-10,869	-13,335
Gross profit	145	152	620	684	3,720	4,111
Other administrative expenses	-145	-152	-621	-684	-3,726	-4,111
Other income	0	234	0	1,052	0	6,323
Other expenses	-106	-137	-455	-617	-2,728	-3,709
EBITDA	-106	97	-456	435	-2,734	2,614
Amortization&depreciation	0	0	0	0	0	0
EBIT	-106	97	-456	435	-2,734	2,614
Financial income	488	326	2,088	1,466	12,523	8,810
Financial costs	-771	-876	-3,304	-3,943	-19,815	-23,696
Profit / loss before taxation	-390	-454	-1,672	-2,042	-10,027	-12,272
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	-390	-454	-1,672	-2,042	-10,027	-12,272

Balance Sheet

in Thousands	EUR		PLN		CZK	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Intangibles	0	0	0	0	0	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	42,381	24,964	180,093	111,255	1,078,394	667,532
Other investments	0	1,138	0	5,071	0	30,424
Longterm receivables	82	27,256	349	121,471	2,092	728,828
Deferred tax assets	0	0	0	0	0	0
Non-current assets	42,464	53,358	180,442	237,797	1,080,486	1,426,784
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	9,302	8,588	39,527	38,276	236,688	229,653
Loans	22,719	18,178	96,539	81,013	578,075	486,077
from customers for contract work	0	0	0	0	0	0
Prepaid expenses	899	801	3,822	3,569	22,884	21,416
Cash and cash equivalents	468	743	1,990	3,310	11,918	19,860
Current assets	33,388	28,310	141,878	126,168	849,565	757,007
Total assets	75,852	81,668	322,320	363,965	1,930,051	2,183,790
Issued share capital	600	600	2,550	2,674	15,267	16,044
Share premium	36,871	36,871	156,677	164,322	938,183	985,931
Legal reserve fund	0	0	0	0	0	0
Reserves	16,565	16,565	70,390	73,824	421,495	442,946
Retained earnings	-16,407	-16,300	-69,719	-72,646	-417,475	-435,874
Profit/loss for the current period	-889	-1,213	-3,778	-5,405	-22,621	-32,432
Equity attributable to owners of the Company	36,740	36,523	156,120	162,769	934,849	976,615
Non-controlling interests	0	0	0	0	0	0
Total equity	36,740	36,523	156,120	162,769	934,849	976,615
Non-current liabilities	33,871	41,376	143,931	184,401	861,857	1,106,405
Bank Loan	0	0	0	0	0	0
Other long term liabilities	33,871	41,376	143,931	184,401	861,857	1,106,405
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	2,032	3,769	8,636	16,795	51,709	100,771
Bank Loans	0	0	0	0	0	0
Other loans	277	2,951	1,175	13,150	7,037	78,901
Trade and other payables	1,280	280	5,440	1,248	32,575	7,485
Other shortterm liabilities	475	538	2,020	2,397	12,098	14,385
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	72,644	81,668	308,687	363,965	1,848,416	2,183,790
<i>No. of shares outstanding in thousand</i>	51,137	51,209	51,137	51,209	51,137	51,209
<i>Book value per share outstanding</i>	1.421	0.713	6.036	3.178	36.146	19.071

15. Detailed accumulated entity financial results for H1 2020

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 2020 and ending on 30 June 2020 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	
	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020	Q1-Q2 2019	Q1-Q2 2020
Revenues from the sale of products, goods and services	1,132	1,328	4,859	5,857	29,076	34,956
Cost of sales	-841	-1,008	-3,609	-4,445	-21,595	-26,527
Gross profit	291	320	1,250	1,412	7,481	8,429
Other administrative expenses	-291	-320	-1,251	-1,413	-7,486	-8,435
Other income	70	82	300	364	1,797	2,171
Other expenses	-109	-180	-466	-796	-2,787	-4,749
EBITDA	-39	-98	-166	-432	-995	-2,578
Amortization&depreciation	0	0	0	0	0	0
EBIT	-39	-98	-166	-432	-995	-2,578
Financial income	667	629	2,862	2,776	17,126	16,568
Financial costs	-1,517	-1,744	-6,511	-7,693	-38,964	-45,912
Profit / loss before taxation	-889	-1,213	-3,816	-5,349	-22,833	-31,923
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	-889	-1,213	-3,816	-5,349	-22,833	-31,923

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 2020 and ending on 30 June 2020 and the

corresponding period of the previous year. The reported data are presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Results of the operating segments for the period from 1 January to 30 June 2020

EUR thousand	Solutions	Technology	Investments	Operations & Maintenance	Others	Total for segments	Elimination	Cons. financial information
External revenues from the sale of products, goods & services	2,748	1,196	8,858	1,350	46	14,198	0	14,198
Revenues within seg. from the sale of products, goods & services	5,244	333	0	680	2,880	9,136	-9,136	0
Cost of sale	-6,274	-1,491	-682	-1,372	-21	-9,841	5,704	-4,137
Solar levy	0	0	-485	0	0	-485	0	-485
Gross profit	1,718	38	7,691	658	2,904	13,008	-3,432	9,575
Other external income	31	4	3	19	48	105	0	105
Administrative and other expenses	-953	-106	-235	-1,060	-3,197	-5,551	1,298	-4,253
EBITDA	795	-64	7,459	-383	-245	7,562	-2,134	5,426
Depreciation	-14	0	-3,433	-122	-130	-3,700	0	-3,700
EBIT	781	-64	4,026	-506	-375	3,862	-2,134	1,726
Interest income	132	70	223	83	1,018	1,527	-1,495	32
Interest expenses	-189	-87	-1,140	-153	-2,360	-3,929	1,495	-2,435
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-9	0	-114	-3	-193	-320	0	-320
Revaluation of derivatives	0	0	-661	0	0	-661	0	-661
Net finance expenses	-66	-18	-1,692	-73	-1,535	-3,383	0	-3,383
Profit/loss share in entities in equivalency	0	0	-40	0	0	-40	0	-40
Disposal of investments	0	0	0	0	0	0	0	0
Income tax	-140	0	-541	0	0	-681	0	-681
Deferred tax	0	0	-300	0	0	-300	0	-300
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	575	-82	1,453	-578	-1,911	-543	-2,134	-2,678
Revaluation of property, plant and equipment	0	0	2,727	0	0	2,727	0	2,727
Foreign currency translation diff. - foreign operations	337	-80	-2,791	-230	-410	-3,174	0	-3,174
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	0	-16	0	0	-16	0	-16
Total comprehensive income	913	-162	1,372	-808	-2,321	-1,006	-2,134	-3,142

EUR thousand	Solutions	Technology	Investments	Operations & Maintenance	Others	Total for segments	Elimination	Cons. financial information
Assets, of which	26,431	7,580	132,567	10,176	105,315	282,069	-143,074	138,995
Intangibles	0	0	0	214	0	214	0	214
PPE – Lands	0	0	4,441	0	0	4,441	0	4,441
PPE – Photovoltaic power plants	0	0	94,694	0	0	94,694	0	94,694
PPE - Equipment	122	86	0	346	353	908	0	908
PPE – Assets in progress	0	0	5,735	1,159	0	6,894	-5,366	1,527
Right of use-leased asset	0	0	1,707	0	1,213	2,919	0	2,919
Investments in associates, JV, other	0	0	2,674	0	0	2,674	0	2,674
Other investments	0	0	0	0	1,138	1,138	0	1,138
Long term receivables	0	0	0	0	0	0	0	0
Deferred tax receivables	0	0	0	0	0	0	0	0
Inventories – Goods	239	234	251	310	37	1,071	0	1,071
Trade and other receivables	23,231	6,900	8,695	7,904	98,813	145,541	-137,708	7,833
Loans	0	0	0	0	1,080	1,080	0	1,080
"Gross amount due from customers for contract work"	1,518	0	56	0	461	2,035	0	2,035
Prepaid expenses	20	2	277	32	958	1,290	0	1,290
Cash and cash equivalents	1,301	358	13,992	212	1,011	16,873	0	16,873
Other S-T financial assets	0	0	46	0	251	297	0	297
Assets held for sale								
Liabilities, of which	-29,421	-7,826	-86,792	-16,593	-111,757	-252,389	148,056	-104,334
Bank Loans and other loans	0	0	-46,973	0	0	-46,973	0	-46,973
Other long term liabilities	-14	0	-553	-166	-39,389	-40,123	0	-40,123
Lease liability	0	0	-1,765	0	-1,122	-2,887	0	-2,887
Deferred tax liabilities	0	0	-7,474	0	0	-7,474	0	-7,474
Trade and other payables	-29,369	-7,808	-30,027	-16,374	-71,240	-154,819	148,056	-6,763
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-38	-18	0	-53	-5	-113	0	-113
Provisions	0	0	0	0	0	0	0	0

Results of the operating segments for the period from 1 January to 30 June 2019*

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 & services	3,416	7,437	1,190	0	96	12,138	0	12,138
Revenues within segments from sale of products, goods, services	2,891	0	519	0	1,975	5,385	-5,385	0
Cost of sale	-5,055	-428	-818	0	-73	-6,373	2,600	-3,773
Levy	0	-479	0	0	0	-479	0	-479
Gross profit	1,252	6,530	891	0	1,998	10,671	-2,785	7,886
Other external income	8	0	0	0	21	30	0	30
Administrative and other expenses	-487	-135	-896	0	-2,653	-4,170	848	-3,322
Depreciation	-11	-2,904	-39	0	-24	-2,979	0	-2,979
Operating income	762	3,491	-44	0	-658	3,552	-1,937	1,615
Interest income	59	184	56	0	811	1,110	-1,050	60
Interest expenses	-128	-1,222	-106	0	-1,723	-3,178	1,090	-2,088
Other financial revenues	39	95	51	0	8	191	0	191
Other financial expenses	-7	-115	-5	0	-103	-230	0	-230
Revaluation of derivatives	0	194	0	0	0	194	0	194
Profit/loss share in entities in equivalency	0	0	0	-74	0	-74	0	-74
Disposal of investment	0	0	0	0	0	0	0	0
Income tax	-150	-406	0	0	0	-556	0	-556
Deferred tax	0	-184	0	0	0	-184	0	-184
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	575	2,036	-48	-74	-1,665	825	-1,897	-1,070
Revaluation of property, plant and equipment	0	2,629	0	0	0	2,629	0	2,629
Foreign currency translation diff. - foreign operations	0	327	0	0	0	327	0	327
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	-47	0	0	0	-47	0	-47
Total comprehensive income	575	4,945	-48	-74	-1,665	3,734	-1,897	1,839
Assets, of which	22,224	95,924	8,566	3,504	52,523	182,741	-70,406	112,335
PPE – Lands	0	3,872	0	0	268	4,140	0	4,140
PPE – Photovoltaic power plants	0	74,092	0	0	0	74,092	0	74,092
PPE - Equipment	53	0	217	0	216	485	0	485
PPE – Assets in progress	1	693	706	0	564	1,964	0	1,964

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
Intangibles	0	0	0	0	0	0	0	0
Right of use-leased asset	0	1,812	0	0	622	2,434	0	2,434
Trade and other receivables	13,629	9,962	6,956	0	47,913	78,460	-70,406	8,054
Loans	0	0	0	0	883	883	0	883
Contracted work in progress	3,742	77	0	0	372	4,191	0	4,191
Inventories – Goods	4,392	220	456	0	15	5,082	0	5,082
Investments in associates, JV, other	0	0	0	3,504	3	3,507	0	3,507
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	90	32	0	970	1,101	0	1,101
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	399	5,104	200	0	699	6,402	0	6,402
Other S-T financial assets	0	0	0	0	0	0	0	0
Liabilities, of which	23,476	57,750	13,118	0	58,218	152,561	-69,274	83,287
Trade and other payables	23,471	10,280	12,890	0	25,640	72,280	-69,274	3,006
Bank Loans and other loans	0	38,232	0	0	0	38,232	0	38,232
Lease liability	0	1,812	0	0	622	2,434	0	2,434
Other long term liabilities	0	601	140	0	31,962	32,703	0	32,703
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	5	141	88	0	-6	228	0	228
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	6,685	0	0	0	6,685	0	6,685

In 2020 management decided to adjust the segments according the current operational business segmentation and revenue relevance to the Group. Therefore Technology (wholesale, import and export of PV components) was taken out of Energy solutions in a separate segment. Production of Electricity and PV Invest was combined into one segment under Investments. Project development was taken out as well from Energy solutions into Others until it will meet the revenue criteria to be shown in a separate segment (further information see below in chapter 17 Summary of significant accounting policies under Segment reporting).

17. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by the European Union 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
- IFRS 19 - Leasing

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. Provisions 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.

The 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.

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 an objective perspective starting 1 January 2010.

As of 1 January 2020, the Management Board decided to adjust the segments reported.

The Management identified the following segments to be reported:

- **Solutions:** Development, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy),
- **Technology:** Wholesale, import and export of FVE components,
- **Investments:** Investment into photovoltaic power plants and creation of OCI of the Group flowing from the

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.

revaluation of the PV plants according IAS 16 and production of electricity (this segment includes SPE that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity)

- **Operations & Maintenance:** Operations, maintenance and PVPP supervision. This segment includes also the services of Inverter Cardio and Monitoring and Control.
- **Others:** Other, not related to any of the above mentioned segments.

Others include project development, financing and insurance solutions for PV investors, water technology and remediation services and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2019 up to date.

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 reporting period 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 and CZK as presentation currencies. Effects from these translations are 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. The 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. The statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN		CZK	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020
EUR exchange rate – low	4.249	4.399	25.435	26.560
EUR exchange rate – high	4.309	4.582	25.860	27.610
EUR exchange rate – average	4.282	4.502	25.685	27.054
EUR exchange rate – end of period	4.249	4.457	25.445	26.740

(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, AUD, HUF, PLN or PEN, the financial statements are retranslated during consolidation into EUR using year-end rates for the balance sheet and average rates 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 cost.

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 expenditures 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 becomes uncollectible it is written off.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and bank term 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 the 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 NV 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

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Amsterdam, 12 August 2020



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Member of the Board of Directors



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Member of the Board of Director

