

## Current report

Company: PHOTON ENERGY N.V.  
Number: 8/2017  
Date: 2017-04-11  
Market types: NewConnect - Rynek Akcji GPW  
Title: Photon Energy enters the Hungarian market.

### Detailed data:

Photon Energy NV announces that it has entered Hungary with the intention of deploying its full scale of downstream capabilities in this promising emerging PV market. A unique set of factors points to Hungary becoming a hot spot of solar energy build-out in the next couple of years. With a share of 11% of electricity consumption being generated from renewable energy sources in 2016, Hungary falls significantly short of its EU commitment of 20% by 2020. With limited potential for other renewable energy sources and thanks to the material decline in investment costs for PV plants and local financing costs, the KAT and METAR support mechanisms provide for the commercial viability of PV plants in Hungary. Offtake prices for renewable energy around EUR 100 per MWh for up to 25 years allow for attractive returns for investors, while local banks have a strong mandate and appetite to provide long-term project financing on attractive terms. Based on current parameters we expect the Hungarian market to be a fertile market for our activities until 2020 and possibly beyond for the development and construction of new PV plants.

After careful evaluation Photon Energy decided to both enter into the proprietary development of projects and to seek cooperation with local project developers to bring PV projects to the bankable ready-to-build stage. In a first step, through the fully-owned subsidiary Photon Energy HU SPV 1 Kft. Photon Energy is developing a set of 500 KWp projects with a total installed capacity of some 6 MWp in a location near Budapest (details withheld for competitive reasons for now). Concurrently, Photon Energy is evaluating other locations for greenfield development as well as the cooperation with several local developers.

Photon Energy's ambition is to primarily expand its proprietary portfolio of power plants for long-term ownership while also providing EPC services to local and international investors. Last but not least, Hungary provides an attractive opportunity to leverage our industry-leading operations & maintenance expertise and to expand our customer base in Central and Eastern Europe, further strengthening our recurring service revenue base.

*"The Hungarian market promises to allow us to fully apply our life-cycle expertise for taking PV projects all the way from the development stage through project financing and construction to the long-term operations & maintenance phase, which is crucial for achieving optimum returns for investors. After our correct decision to avoid past opportunities in Bulgaria, Romania and Turkey we feel confident in the fundamentals of the Hungarian market. As an experienced and committed player on the market we aim to realize at least 50 MWp of new PV projects both for our portfolio and third-party investors in the next couple of years. At this point we are confident to commence the construction of PV plants in Hungary still within 2017."*

Starting with the April 2017 monthly report, Photon Energy will initiate reporting the status of its project development pipeline in Hungary, Australia and other future markets in order to allow investors to assess the company's progress in adequate detail.

Legal basis: § 5 ust. 1 point no.2 of the Appendix 3 to Regulations of the Alternative Trading System -  
"Current and Periodic Information in the Alternative Trading System".

Attachments: None.

The Company's representatives:

Georg Hotar, Director

Michael Gartner, Director