

1. Information on the occurrence of trends and events in the market environment of the Issuer, which in the Issuer's opinion may have important consequences in the future for the financial condition and results of the Issuer

1.1 Production results of Photon Energy's power plants in the reporting period

In October due to less favourable weather conditions, the overall performance of the power plants in Photon Energy N.V.'s portfolio was below energy forecasts. The average performance of all power plants in Photon Energy's portfolio came in approximately 21.8% below expectations. On a year-to-date basis, the overall performance of the proprietary portfolio still exceeded forecasts by 4.6% year-to-date (YTD).

The Company reports 66.2 GWh of electricity produced YTD compared to 40.5 GWh one year ago (+63.2%), propelled by the addition of new Hungarian power plants over the past year (installed capacity of 71.9 MWp as of October 2020 vs 44.7 MWp one year ago).

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

1.2 Photon Energy finished commissioning of 14.1 MWp within its Hungarian portfolio

During and after the reporting period, Photon Energy Solutions HU Kft., the Group's Hungarian subsidiary dedicated to engineering, procurement and construction (EPC) services, has completed and grid-connected ten PV power plants, with a combined capacity of 14.1 MWp, nearby the town of Püspökladány, Hungary.

The ten new power plants extend over 19.8 hectares and are connected to the grid of E.ON Tiszántúli Áramhálózati Zrt. Together they are expected to generate around 20.3 GWh of clean electricity per year. Total annual revenues of all ten power plants are expected to be EUR 1.9 million.

These latest additions expand the Group's current installed base in Hungary to 49.1 MWp, and its global proprietary portfolio of power plants to 74.7 MWp.

The Group will operate the ten new power plants through four project companies, owning ten METÁR licenses in total entitling them to a de facto 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 93 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.

The valuation model for the Group's proprietary portfolio, in accordance with IAS 16, implies that other comprehensive income of approximately EUR 4.0 million will be recorded in the Group's Q4 2020 Consolidated Income Statement in relation to the commissioning of all ten power plants.

1.3 Award for the Best annual report 2019 on NewConnect

Photon Energy won the 'Best Annual Report' award for 2019 on the NewConnect market. We would like to thank the Warsaw Stock Exchange (GPW) and the Institute of Accountancy and Taxes (Instytut Rachunkowości i Podatków - IRiP) for recognizing our commitment to high reporting standards and transparency towards investors and shareholders.

1.4 Photon Energy announced its participation at the Eigenkapitalforum

The Deutsches Eigenkapitalforum, organized by Deutsche Börse, is one of the largest investor conferences in Europe connecting small and mid-caps with institutional investors and analysts. This year, due to the Covid-19 pandemic, the conference will take place online from 16 to 19 November. Photon Energy will have an online presentation on 16 November at 16:30 and is inviting participants to individual one-on-one meetings. More info and registration at <https://www.eigenkapitalforum.com/#/en/>.

1.5 Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (594.6 MWp), Hungary (39.0 MWp), Poland (4.6 MWp) and Romania (87.0 MWp), and is evaluating further markets for opportunities.

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

2. Proprietary PV power plants

The table below represents power plants owned directly or indirectly by Photon Energy N.V. as of the date of the report.

Table 1. Production results in October 2020

Project name	Capacity	Feed-in-Tariff	Prod. 2020 October	Proj. 2020 October	Perf.	YTD Prod	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,821	127,567	155,070	-17.7%	2,418,671	2,172,609	11.3%	-1.7%
Zvíkov I	2,031	CZK 14,821	130,531	143,142	-8.8%	2,246,051	1,911,478	17.5%	1.1%
Dolní Dvořiště	1,645	CZK 14,821	95,186	109,274	-12.9%	1,606,492	1,580,332	1.7%	-1.2%
Svatoslav	1,231	CZK 14,821	54,848	70,059	-21.7%	1,155,995	1,162,614	-0.6%	-0.9%
Slavkov	1,159	CZK 14,821	72,026	81,851	-12.0%	1,283,837	1,122,270	14.4%	-0.7%
Mostkovice SPV 1	210	CZK 14,821	9,917	12,741	-22.2%	208,333	174,004	19.7%	-3.3%
Mostkovice SPV 3	926	CZK 15,922	46,040	58,189	-20.9%	935,398	838,471	11.6%	-2.8%
Zdice I	1,499	CZK 14,821	86,346	102,842	-16.0%	1,637,317	1,388,509	17.9%	0.9%
Zdice II	1,499	CZK 14,821	87,708	103,697	-15.4%	1,663,569	1,389,364	19.7%	0.1%
Radvanice	2,305	CZK 14,821	115,295	152,570	-24.4%	2,383,414	2,149,581	10.9%	-4.0%
Břeclav rooftop	137	CZK 14,821	8,235	9,809	-16.0%	152,248	121,004	25.8%	27.0%
Total Czech PP	14,996		833,698	999,245	-16.6%	15,691,325	14,010,236	12.0%	-0.9%
Babiná II	999	EUR 425.12	41,513	56,237	-26.2%	921,617	888,898	3.7%	2.6%
Babina III	999	EUR 425.12	42,664	57,572	-25.9%	934,648	890,233	5.0%	0.5%
Prša I.	999	EUR 425.12	51,131	64,726	-21.0%	972,289	901,426	7.9%	-2.9%
Blatna	700	EUR 425.12	33,505	40,361	-17.0%	683,440	653,010	4.7%	0.8%
Mokra Luka 1	963	EUR 382.61	63,946	82,612	-22.6%	1,099,896	937,290	17.3%	-0.9%
Mokra Luka 2	963	EUR 382.61	56,912	84,778	-32.9%	1,106,912	939,456	17.8%	-1.2%
Jovice 1	979	EUR 382.61	39,512	56,444	-30.0%	836,209	884,271	-5.4%	-5.2%
Jovice 2	979	EUR 382.61	38,927	56,064	-30.6%	830,926	883,891	-6.0%	-5.4%
Brestovec	850	EUR 382.61	44,325	66,820	-33.7%	985,941	791,444	24.6%	1.9%
Polianka	999	EUR 382.61	43,063	58,967	-27.0%	935,747	906,572	3.2%	1.1%
Myjava	999	EUR 382.61	53,224	69,200	-23.1%	1,092,358	940,219	16.2%	4.0%
Total Slovak PP	10,429		508,721	693,781	-26.7%	10,399,983	9,616,709	8.1%	-0.4%
Tiszakécske 1	689	HUF 33,360	49,985	60,828	-17.8%	819,242	795,746	3.0%	1.6%
Tiszakécske 2	689	HUF 33,360	50,423	61,412	-17.9%	823,063	799,386	3.0%	1.5%
Tiszakécske 3	689	HUF 33,360	47,437	58,499	-18.9%	801,776	782,285	2.5%	2.0%
Tiszakécske 4	689	HUF 33,360	50,663	61,412	-17.5%	824,686	799,386	3.2%	1.4%
Tiszakécske 5	689	HUF 33,360	50,067	60,828	-17.7%	809,770	795,746	1.8%	0.2%
Tiszakécske 6	689	HUF 33,360	50,212	61,412	-18.2%	820,837	799,386	2.7%	1.5%
Tiszakécske 7	689	HUF 33,360	50,275	60,613	-17.1%	820,119	795,179	3.1%	2.1%
Tiszakécske 8	689	HUF 33,360	49,328	60,448	-18.4%	814,415	793,338	2.7%	1.2%
Almásfüzitő 1	695	HUF 33,360	43,133	59,946	-28.0%	798,970	791,591	0.9%	12.3%
Almásfüzitő 2	695	HUF 33,360	41,039	59,895	-31.5%	780,395	791,128	-1.4%	11.7%
Almásfüzitő 3	695	HUF 33,360	41,844	59,276	-29.4%	768,128	788,065	-2.5%	10.6%
Almásfüzitő 4	695	HUF 33,360	43,470	60,210	-27.8%	804,614	793,135	1.4%	11.2%
Almásfüzitő 5	695	HUF 33,360	44,098	59,407	-25.8%	812,935	788,989	3.0%	11.9%
Almásfüzitő 6	660	HUF 33,360	43,677	57,030	-23.4%	806,945	758,776	6.3%	11.6%
Almásfüzitő 7	691	HUF 33,360	43,299	59,004	-26.6%	806,551	784,429	2.8%	11.4%
Almásfüzitő 8	668	HUF 33,360	43,727	57,866	-24.4%	810,354	767,492	5.6%	10.3%
Nagyecsed 1	689	HUF 33,360	46,789	57,705	-18.9%	800,533	777,550	3.0%	114.6%
Nagyecsed 2	689	HUF 33,360	47,884	57,705	-17.0%	799,988	777,550	2.9%	112.1%
Nagyecsed 3	689	HUF 33,360	48,095	57,800	-16.8%	806,698	778,478	3.6%	113.5%
Fertod I	528	HUF 33,360	33,328	40,801	-18.3%	647,603	578,475	12.0%	3.4%

Project name	Capacity	Feed-in-Tariff	Prod. 2020 September	Proj. 2020 September	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2020	kWh	kWh	%	kWh	kWh	%	%
Fertod II No 2	699	HUF 33,360	47,788	56,443	-15.3%	833,452	787,998	5.8%	na
Fertod II No 3	699	HUF 33,360	47,827	56,443	-15.3%	833,635	787,998	5.8%	na
Fertod II No 4	699	HUF 33,360	47,700	56,443	-15.5%	831,386	787,998	5.5%	na
Fertod II No 5	691	HUF 33,360	47,408	55,207	-14.1%	828,791	789,262	5.0%	na
Fertod II No 6	699	HUF 33,360	47,510	56,443	-15.8%	825,978	787,998	4.8%	na
Kunszentmárton I No 1	697	HUF 33,360	55,171	63,749	-13.5%	846,154	833,213	1.6%	na
Kunszentmárton I No 2	697	HUF 33,360	52,164	63,768	-18.2%	841,402	833,292	1.0%	na
Kunszentmárton II No 1	693	HUF 33,360	56,462	60,496	-6.7%	481,893	544,528	-11.5%	na
Kunszentmárton II No 2	693	HUF 33,360	56,142	60,496	-7.2%	547,595	544,329	0.6%	na
Taszár 1	701	HUF 33,360	58,773	66,925	-12.2%	846,409	828,806	2.1%	na
Taszár 2	701	HUF 33,360	58,818	66,925	-12.1%	853,565	828,806	3.0%	na
Taszár 3	701	HUF 33,360	58,788	66,925	-12.2%	850,154	828,806	2.6%	na
Monor 1	688	HUF 33,360	49,681	61,340	-19.0%	811,048	807,643	0.4%	m
Monor 2	696	HUF 33,360	50,118	63,160	-20.6%	815,169	816,980	-0.2%	m
Monor 3	696	HUF 33,360	50,058	63,160	-20.7%	814,469	816,980	-0.3%	nm
Monor 4	696	HUF 33,360	50,041	63,160	-20.8%	820,469	816,980	0.4%	nm
Monor 5	688	HUF 33,360	48,007	58,367	-17.7%	821,143	801,811	2.4%	nm
Monor 6	696	HUF 33,360	50,152	63,160	-20.6%	824,125	816,980	0.9%	nm
Monor 7	696	HUF 33,360	49,866	63,160	-21.0%	833,818	816,980	2.1%	nm
Monor 8	696	HUF 33,360	47,774	63,160	-24.4%	819,667	816,980	0.3%	nm
Tata 1	672	HUF 33,360	41,202	55,748	-26.1%	803,019	814,258	-1.4%	na
Tata 2	676	HUF 33,360	42,491	59,854	-29.0%	697,786	710,341	-1.8%	na
Tata 3	667	HUF 33,360	42,612	58,662	-27.4%	718,219	715,912	0.3%	na
Tata 4	672	HUF 33,360	42,109	57,320	-26.5%	810,037	832,628	-2.7%	na
Tata 5	672	HUF 33,360	41,782	57,545	-27.4%	813,733	838,203	-2.9%	na
Tata 6	672	HUF 33,360	41,236	56,467	-27.0%	821,472	841,760	-2.4%	na
Tata 7	672	HUF 33,360	40,943	55,791	-26.6%	814,187	833,483	-2.3%	na
Tata 8	672	HUF 33,360	41,769	56,771	-26.4%	807,044	826,334	-2.3%	na
Malyi 1	695	HUF 33,360	44,597	57,606	-22.6%	524,864	535,867	-2.1%	na
Malyi 2	695	HUF 33,360	44,687	57,700	-22.6%	520,280	536,424	-3.0%	na
Malyi 3	695	HUF 33,360	44,806	57,700	-22.3%	527,849	536,424	-1.6%	na
Puspokladány* 2	1,420	HUF 33,360	3,033	8,814	-65.6%	3,033	8,814	-65.6%	na
Puspokladány 3	1,420	HUF 33,360	2,363	8,525	-72.3%	2,363	8,525	-72.3%	na
Puspokladány 4	1,406	HUF 33,360	60,211	104,016	-42.1%	60,211	104,016	-42.1%	na
Puspokladány 5	1,420	HUF 33,360	57,796	101,358	-43.0%	57,796	101,358	-43.0%	na
Puspokladány 6	1,394	HUF 33,360	2,769	8,904	-68.9%	2,769	8,904	-68.9%	na
Puspokladány 8	1,420	HUF 33,360	2,863	8,563	-66.6%	2,863	8,563	-66.6%	na
Puspokladány 9	1,406	HUF 33,360	3,203	9,045	-64.6%	3,203	9,045	-64.6%	na
Puspokladány 10	1,420	HUF 33,360	2,773	8,525	-67.5%	2,773	8,525	-67.5%	na
Total Hungarian PP	46,287		2,552,266	3,289,938	-22.4%	39,951,449	39,509,862	1.1%	182.3%
Symonston	144	AUD 301.60	16,258	18,385	-11.6%	125,981	136,032	-7.4%	5.0%
Total Australian PP	144		16,258	18,385	-11.6%	125,981	136,032	-7.4%	5.0%
Total	71,856		3,910,944	5,001,348	-21.8%	66,168,738	63,272,839	4.6%	63.2%

Notes:

Capacity: installed capacity of the power plant

Prod.: production in the reporting month - Proj.: projection in the reporting month

Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.

YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.

YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month

Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2020 / YTD proj. in 2020) - 1

YTD YOY: (YTD Prod. in 2020 / YTD Prod. in 2019) - 1.

Puspokladány 4,5 were connected to the grid on 8 October 2020.

Puspokladány 2, 3, 6, 8, 9,10 were connected on 30 October 2020.

Chart 1.a Total production of the Czech portfolio

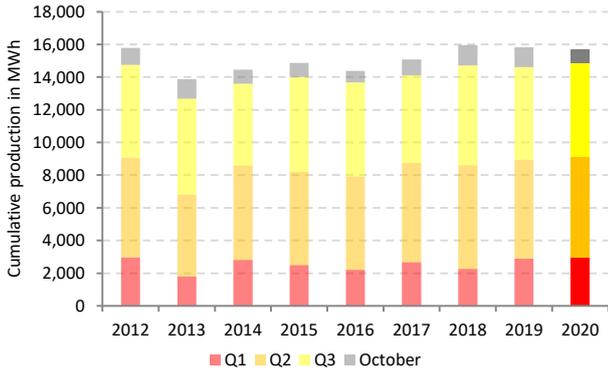


Chart 1.b Total production of the Slovak portfolio

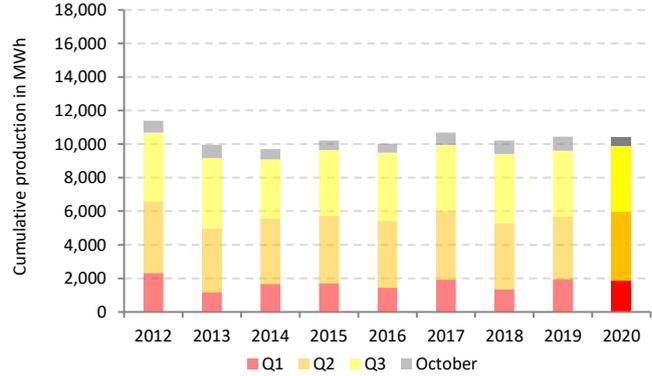


Chart 1.c Total production of Hungarian portfolio

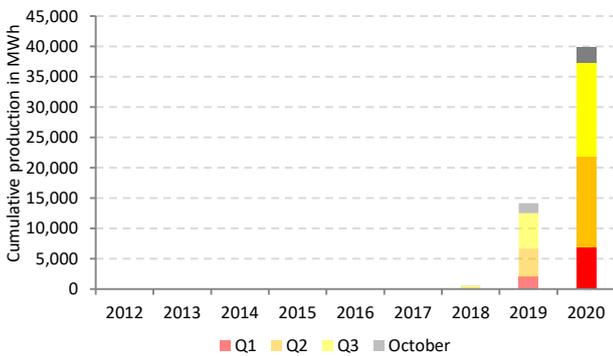


Chart 2. Generation results versus forecast between 1 January 2015 and 31 October 2020

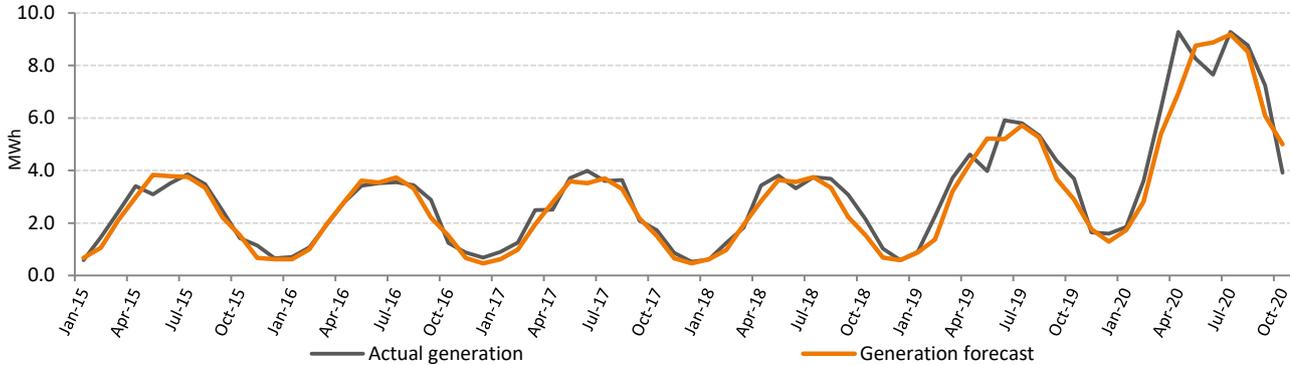
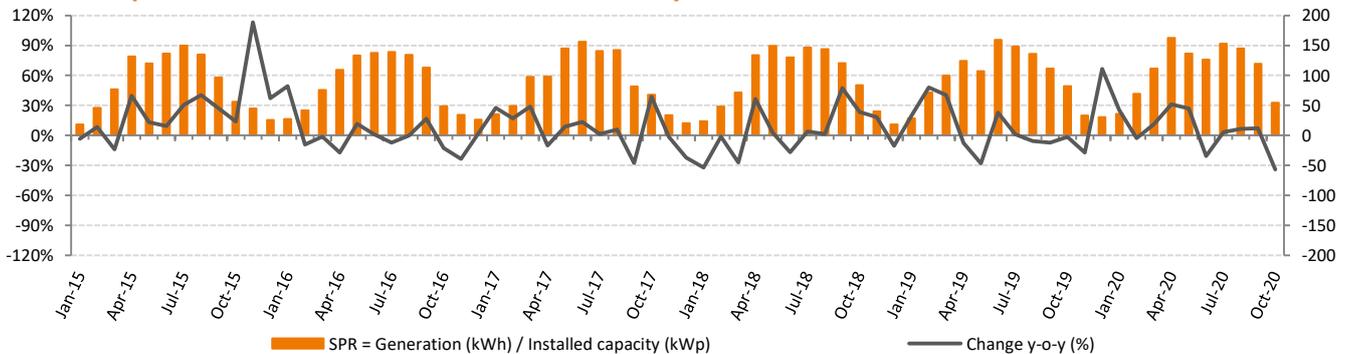


Chart 3. Specific Performance Ratio between 1 January 2015 and 31 October 2020



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

In October due to less favourable weather conditions, the overall performance of the power plants in Photon Energy N.V.'s portfolio was below energy forecasts. The average performance of all power plants in Photon Energy's portfolio came in approximately 21.8% below expectations. On a year-to-date basis, the overall performance of the proprietary portfolio exceeded forecasts still by 4.6% year-to-date (YTD).

Our Czech, Slovak, Hungarian and Australian portfolios performed on average below expectations, by approximately 16.6%, 26.7%, 22.4% and 11.6%, respectively.

The Company reports 66.2 GWh of electricity produced YTD compared to 40.5 GWh one year ago (+63.2%), propelled by the addition of new Hungarian power plants over the past year (installed capacity of 71.9 MWp as of October 2020 vs 44.7 MWp one year ago).

The specific performance ratio of the proprietary portfolio (SPR) reached 54 kWh/kWp compared to 82 kWh/kWp one year ago (-33.9% year-on year).

3. Reporting on Photon Energy's project pipeline

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 the 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 for 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.

Photon Energy is currently developing PV projects in Australia (594.6 MWp), Hungary (39.0 MWp), Poland (4.6 MWp) and Romania (87.0 MWp), and is evaluating further markets for opportunities.

Country	1.Feasibility*	2.Early development	3.Advanced development	4.Ready-to-build technical	5.Under construction	Total in MWp
 Australia	-	200.0	380.0	-	14.6	594.6
 Hungary	7.5	31.5	-	-	-	39.0
 Poland	4.6	-	-	-	-	4.6
 Romania	87.0	-	-	-	-	87.0
Total in MWp	99.1	231.5	380.0	-	14.6	725.2

*Development phases are described in the glossary available at the end of this chapter.

PV projects have two definitions of capacity. The grid connection capacity is expressed as the maximum of kilowatts or megawatts which can be fed into the grid at any point in time. Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore, for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

Projects having reached an advanced development phase, as well as projects for which sufficient details can be disclosed are described in the table below:

Country	Location	Dvt Phase	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Tolna	2	Own portfolio	100%	31.5	All options open	Ongoing	Secured	Ongoing	Q1 2021
Total Own portfolio Hungary					31.5					
Australia	Leeton	5	Own portfolio	100%	14.6	Market	Secured	Secured	Secured	Under construction
Total Own portfolio Australia					14.6					
Total Own portfolio					46.1					
Australia	Gunning	3	Developer	49%	220.0	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	3	Developer	25%	160.0		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	2	Developer	25%	200.0		Ongoing	Ongoing	Ongoing	Q2 2021
Total Development Australia					580.0					

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.*

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 595 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 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 plan to submit the Environmental Impact Studies (EIS) by the end of 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 resub-

mit 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. is acting as engineering, procurement and construction (EPC) contractor for both projects. Commissioning is expected in December 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.



- Construction status:** Modules have arrived on site and raming has been finalised. Piling and electrical works are ongoing.

Glossary of terms	Definitions
Development phase 1: "Feasibility"	LOI or MOU signed, location scouted and analyzed, working on land lease/purchase, environmental assessment and application for grid connection.
Development phase 2: "Early development"	Signing of land option, lease or purchase agreement, Environmental assessment (environmental impact studies "EIS" for Australia), preliminary design. Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.). Specific to Australia: community consultation, technical studies.
Development phase 3: "Advanced development"	In Europe: Finishing work on construction permitting, Receiving of MGT (HU)/ATR (ROM) Letter, Finishing work on permitting for connection line, etc. In Australia: Site footprint and layout finalised, Environmental Impact Statement and development application lodged. Grid connection studies and design submitted.
Development phase 4: "Ready-to-build technical"	In Europe: Project is technical ready to build, we work on offtake model (if not FIT or auction), securing financing (internal/external) In Australia: Development application approved, offer to connect to grid received and detailed design commenced. Financing and off-take models/arrangements (internal/external) under negotiation.
Development phase 5: "Under construction"	Procurement of components, site construction until the connection to the grid. On top for Australian projects, signature of Financing and off-take agreements, reception of Construction certificate, conclusion of connection agreement, EPC agreement, Grid connection works agreements.
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.

<p><i>Transgrid</i></p>	<p><i>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.</i></p>
<p><i>Australian Energy Market Operator (AEMO)</i></p>	<p><i>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.</i></p>

Hungary

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

- Püspökladány (14.1 MWp connected to the grid in October and November):** 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 93 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: As of the date of publishing this report, the ten power plants with a combined capacity of 14.1 MWp have successfully been connected to the grid of E.ON Tiszántúli Áramhálózati Zrt.

- Tolna (31.5 MWp):** The eleven projects with a total planned installed DC capacity of 31.5 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 seven projects and 2 MW AC for the remaining two projects. The grid connection points have been secured and the negotiations for suitable land plots 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.

Most of these projects have been submitted to the auction process, which took place in September and October 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.

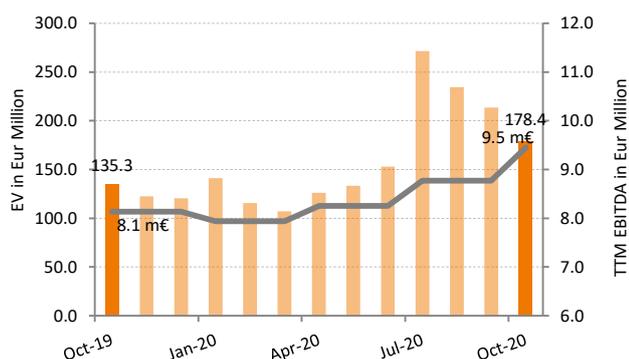
The current project pipeline in Hungary consists of 12 projects with a total planned capacity of 39.0 MWp. Together with our existing portfolio of 49.1 MWp operating PV power plants, we have secured a 88.1 MWp portfolio in Hungary, which would exceed the Group's target for expansion of its portfolio in Hungary to up to 75 MWp until year-end 2021.

4. Enterprise value & Share price performance

4.1 NewConnect (Warsaw Stock Exchange)

On 31 October 2020 the Company's shares (ISIN NL0010391108) closed at a price of PLN 9.20 (-25.8% MoM, +92.5% YTD), corresponding to a price to book ratio of 2.62. The monthly trading volume amounted to 422,657 shares (vs. an average monthly volume of 940,238 YTD).

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

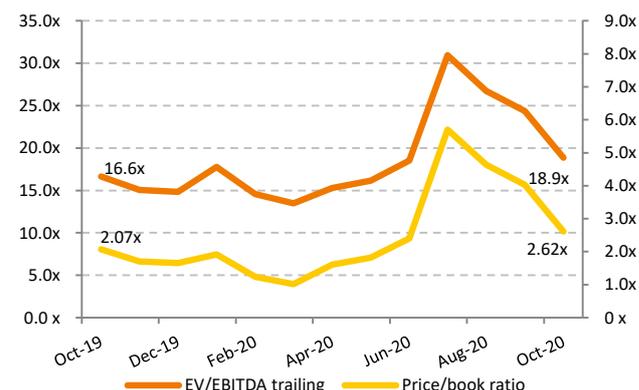


Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report. Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. the sum of EBITDA reported in Q4 2019, Q1 2020, Q2 2020 and Q3 2020.

The filing process of a prospectus with the Dutch financial market regulator (AFM) to move to the main markets of the Warsaw and Prague Stock Exchanges is ongoing.

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



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

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

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



4.2 Free Market (Prague Stock Exchange)

Since 17 October 2016, in addition to the listing on the 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 31 October 2020 the share price (ISIN NL0010391108) closed

at a level of CZK 75.00 (-11.8% compared to last month, +78.6% YTD and 15.3x the reference price of CZK 4.90 on the first trading day on 17 October 2016), corresponding to a price to book ratio of 3.62x. The Company reports a monthly trading volume of 10,690 shares in October, compared to an average monthly trading volume of 41,383 YTD.

4.3 Freiverkehr (Munich Stock Exchange)

Since 28 July 2020, in addition to the listings presented above, the Company's shares have also been traded on the Free Market (Freiverkehr) of the Munich Stock Exchange through a so-called unsponsored listing initiated by Baader Bank, a leading brokerage active on the German financial market. No additional shares have been issued, nor any new equity capital raised through this listing.

On 31 October 2020 the share price (ISIN NL0010391108) closed at a level of EUR 2.18 (-22.7% compared to last month, -47.6% compared to the opening price of EUR 4.16 on 28 July 2020), corresponding to a price to book ratio of 2.87x. The Company reports a monthly trading volume of 227,740 shares in October, compared to 153,575 in September and 1,340 in August.

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 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 in 2019, and EUR 5.9 million in 2020 with all parameters unchanged. The total outstanding bond volume amounts to EUR 43.5 million as of the end of the reporting period.

5.1 EUR Bond 2017-22 trading performance

EUR Bond 2017-22 trading performance to date

In the trading period from 25 October 2017 until 31 October 2020, the trading volume amounted to EUR 47.505 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 100.50 in Frankfurt. During this period the average daily turnover amounted to EUR 62,424.

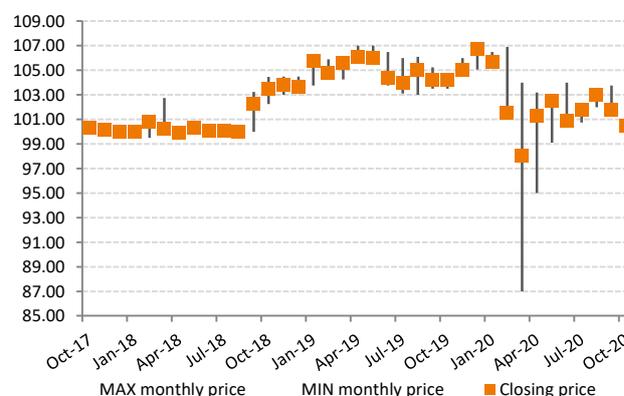
EUR Bond 2017-22 trading performance in October 2020

In October 2020 the trading volume amounted to EUR 1,363,000 with an opening price of 101.75 and a closing price of 100.50 in Frankfurt. The average daily turnover amounted to EUR 61,955.

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



Chart 8. MIN, MAX and closing monthly prices



5.2 CZK Bond 2016-23 trading performance in Prague

In the trading period from 12 December 2016 until 31 October 2020 the trading volume amounted to CZK 15.0 million with a closing price of 100.00.

6. Summary of all information published by the Issuer as current reports for the period covered by the report

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

- ▶ **EBI 17/2020** published on 14 October 2020: Monthly report for September 2020.
- ▶ **EBI 18/2020** published on 23 October 2020: Convocation of an Extraordinary General Meeting of Shareholders on 4 December 2020.

After the reporting period the following report has been published in the EBI (Electronic Database Information) system of the Warsaw Stock Exchange.

- ▶ **EBI 19/2020** published on 12 November 2020: Quarterly report for Q3 2020.

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

- ▶ **ESPI 26/2020** published on 5 October 2020: Insider Trading Notification.
- ▶ **ESPI 27/2020** published on 9 October 2020: Insider Trading Notification.
- ▶ **ESPI 28/2020** published on 12 October 2020: Photon Energy Connects First Two of Ten PV Power Plants in Püspökladány, Hungary to Grid.
- ▶ **ESPI 29/2020** published on 16 October 2020: Insider Trading Notification.

After the reporting period, the following report has been published in the ESPI (Electronic Information Transmission System) system of the Warsaw Stock Exchange:

- ▶ **ESPI 30/2020** published on 2 November 2020: Photon Energy commissions an additional six PV power plants in Püspökladány, Hungary.
- ▶ **ESPI 31/2020** published on 13 November 2020: Photon Energy finishes commissioning of 14.1 MWp within its Hungarian portfolio.

7. Information how the capital raised in the private placement was used in the calendar month covered by the report. If any of the contributed capital was spent in the given month

Not applicable.

8. Investors' calendar

- ▶ 13 November 2020 Monthly report for October 2020
- ▶ 4 December 2020: Extraordinary General Meeting
- ▶ 14 December 2020 Monthly report for November 2020

9. Investor relations contact

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Amsterdam, 13 November 2020



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors