

# PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

**2019Q1**

for the period from 1 January to 31 March 2019

13 May 2019 | Amsterdam | The Netherlands

# CONSOLIDATED AND ENTITY FINANCIAL REPORTS

## 1. Selected financial results

### 1.1. Selected financial results for Photon Energy Group, for the period of 1 January to 31 March 2019

in Thousands	EUR		PLN		CZK	
	2018Q1	2019Q1	2018Q1	2019Q1	2018Q1	2019Q1
<b>Total revenues</b>	<b>3,714</b>	<b>4,198</b>	<b>15,520</b>	<b>18,058</b>	<b>94,335</b>	<b>107,812</b>
Gross profit	2,184	2,609	9,127	11,223	55,475	67,004
<b>EBITDA</b>	<b>1,025</b>	<b>1,079</b>	<b>4,283</b>	<b>4,643</b>	<b>26,032</b>	<b>27,723</b>
<b>EBIT</b>	<b>180</b>	<b>93</b>	<b>753</b>	<b>399</b>	<b>4,575</b>	<b>2,384</b>
Profit / loss before taxation	2,033	-955	8,495	-4,110	51,634	-24,537
Profit / loss from continuing operations	1,886	-1,278	7,884	-5,498	47,917	-32,826
<b>Total comprehensive income</b>	<b>2,041</b>	<b>1,174</b>	<b>8,531</b>	<b>5,052</b>	<b>51,854</b>	<b>30,160</b>
Non-current assets	75,121	88,358	316,281	380,064	1,910,339	2,279,626
Current assets	25,241	20,141	106,270	86,636	641,871	519,642
Cash and cash equivalents	3,662	7,802	15,417	33,559	93,117	201,288
<b>Total assets</b>	<b>100,362</b>	<b>108,499</b>	<b>422,551</b>	<b>466,700</b>	<b>2,552,210</b>	<b>2,799,268</b>
<b>Total equity</b>	<b>29,232</b>	<b>30,940</b>	<b>123,074</b>	<b>133,085</b>	<b>743,369</b>	<b>798,244</b>
Current liabilities	19,187	8,605	80,784	37,016	487,935	222,021
Non-current liabilities	51,943	68,954	218,695	296,600	1,320,917	1,779,007
Operating cash flow	9	-1,044	36	-4,489	217	-26,802
Investment cash flow	3,074	-1,483	12,845	-6,377	78,076	-38,075
Financial cash flow	-6,755	-2,009	-28,229	-8,643	-171,578	-51,600
<b>Net change in cash</b>	<b>-3,672</b>	<b>-4,535</b>	<b>-15,348</b>	<b>-19,509</b>	<b>-93,286</b>	<b>-116,478</b>
<i>EUR exchange rate - low</i>			4.142	4.273	25.190	25.535
<i>EUR exchange rate - average</i>			4.179	4.302	25.402	25.682
<i>EUR exchange rate - end of period</i>			4.210	4.301	25.430	25.800
<i>EUR exchange rate - high</i>			4.237	4.344	25.595	25.870

Note: Exchange rates provided by the European Central Bank

#### Financial highlights:

- ▶ Unaudited consolidated revenues increased 13.0% YOY from EUR 3.714 million to EUR 4.198 million in 2019Q1.
- ▶ Consolidated EBITDA increased 5.3% to EUR 1.079 million in 2019Q1.
- ▶ In 2019Q1, consolidated EBIT decreased from EUR 0.180 million to EUR 0.093 million.
- ▶ The Company recorded a loss before taxation of EUR 0.955 million, compared to a profit of EUR 2.033 million in 2018Q1.
- ▶ Total equity increased to EUR 30.940 million at the end of 2019Q1, compared to EUR 29.232 million at the end of 2018Q1.
- ▶ The adjusted equity ratio<sup>1</sup> decreased from 37% at the end of 2018Q1 to 32% at the end of 2019Q1 (compared to 31% in 2018Q4).

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

#### Other highlights:

- ▶ In 2019Q1, the proprietary portfolio of PV power plants generated approximately 6.9 GWh of electricity, which was 26.1% above the energy forecasts and 87.4% higher compared to 2018Q1.
- ▶ Eight PV power plants with a total capacity of 5.5MWp were built and connected to the grid for our own portfolio in Almásfüzitő (Hungary).
- ▶ Long-term project debt financing for 11.5 MWp in Hungary has been secured
- ▶ Development approval has been granted for our Gunnedah Solar farm project in Australia.
- ▶ Construction of 4.6 MWp of rooftop solar systems for the retail chain ALDI across 31 locations in Australia is in progress and our largest O&M contract in Australia for 3MWp of PV installation on ALDI Stores has been signed.
- ▶ Photon Energy expanded its Hungarian pipeline by acquiring six projects with 4.2 MWp in the reporting period and ten additional PV projects with 14.2 MWp after the reporting period.

## 1.2. Standalone financial results for Photon Energy N.V., for the period of 1 January to 31 March 2019

in Thousands	EUR		PLN		CZK	
	2018Q1	2019Q1	2018Q1	2019Q1	2018Q1	2019Q1
<b>Revenues</b>	<b>373</b>	<b>564</b>	<b>1,559</b>	<b>2,427</b>	<b>9,475</b>	<b>14,487</b>
<b>EBITDA</b>	<b>2,807</b>	<b>68</b>	<b>11,731</b>	<b>291</b>	<b>71,303</b>	<b>1,739</b>
<b>EBIT</b>	<b>2,804</b>	<b>68</b>	<b>11,719</b>	<b>291</b>	<b>71,227</b>	<b>1,739</b>
Profit / loss before taxation	2,518	-499	10,523	-2,145	63,962	-12,806
Total comprehensive income	2,518	-499	10,523	-2,145	63,962	-12,806
Non-current assets	37,904	44,172	159,588	190,003	963,911	1,139,637
Current assets	11,580	32,309	48,755	138,976	294,481	833,581
Cash and cash equivalents	360	1,998	1,516	8,594	9,155	51,550
<b>Total assets</b>	<b>49,485</b>	<b>76,481</b>	<b>208,343</b>	<b>328,979</b>	<b>1,258,392</b>	<b>1,973,218</b>
<b>Total equity</b>	<b>31,207</b>	<b>37,130</b>	<b>131,388</b>	<b>159,714</b>	<b>793,585</b>	<b>957,964</b>
Current liabilities	5,642	5,532	23,752	23,796	143,465	142,727
Non-current liabilities	12,635	33,817	53,195	145,461	321,299	872,477
<i>EUR exchange rate – low</i>			4.142	4.273	25.190	25.535
<i>EUR exchange rate – average</i>			4.237	4.344	25.595	25.870
<i>EUR exchange rate - end of period</i>			4.179	4.302	25.402	25.682
<i>EUR exchange rate – high</i>			4.210	4.301	25.430	25.800

### 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 October until 31 December 2018, 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

We are pleased with our results for the first quarter of 2019, during which we continued implementing our growth strategy by expanding our proprietary portfolio by 5.5 MWp and securing long-term project financing of 11.5 MWp in Hungary. In addition, we progressed with our project development activities by acquiring six projects with 4.2 MWp and another 14.2 MWp after the reporting period. In Australia we secured development approval for our Gunnedah (150 MWp) project and started the roll-out of 4.6 MWp solar projects across 30 stores and a distribution centre of the supermarket chain ALDI. The revenue growth across all our business lines shows that we are well prepared for maximising our revenues in the sunny high-production months ahead. 2019 should be another year full of opportunities as we are looking forward to some of our Australian utility-scale projects reaching the ready-to-build stage, to a further increase in our proprietary portfolio of power plants in Hungary as well as strong growth in our O&M business and related services.

#### **Strong electricity generation: Power plants produced 26.1% above predictions**

Thanks to very favourable weather conditions in 2019Q1, generation results for our proprietary portfolio were well above energy audits. The accumulated average performance of the proprietary power plants connected and feeding electricity to the grid in 2019Q1 amounted to 4.6 GWh and was above the energy forecasts by an average of 26.1% (up by 87.4 % YOY). This outstanding electricity production by our proprietary power plant portfolio contributed strongly to our 13.0% revenue growth to a record EUR 4.198 million and we expect our recently connected power plants in Tiszakécske (connected in December 2018) and Almásfüzitő (connected in March 2019) to support growth during the coming quarters.

#### **Strong financial results**

Besides the outstanding electricity production this strong outcome was driven by a solid increase in other revenue streams leading to a consolidated EBITDA improvement by 5.3% to EUR 1.079 million. Project development costs incurred a contracted Q1 EBIT at EUR 0.093 million compared to EUR 0.180 million in the same period last year and a loss before taxation of EUR 0.955 million (from a positive EUR 1.886 million for the same period last year) resulting from an increase in interest costs connected to our corporate bonds and also linked to the EUR 3.070 million realised capital gain secured with Canadian Solar in the same period last year. Providing a more extensive picture of the Company's value creation, the Company reports a positive consolidated total comprehensive income for the quarter amounting to EUR 1.174 million compared to EUR 2.041 million for the same period last year (which included the EUR 3.070 million capital gain abovementioned), driven by the activation of our eight power plants in Almásfüzitő that were connected to the grid in March 2019. The total comprehensive income is evidencing the business transformation within Photon Energy as the timing of ramp up charges, when taken alone, does not capture the quality of our development and EPC works.

#### **5.5 MWp of solar projects constructed for our own portfolio in Almásfüzitő, Hungary.**

As a result of our proven business model and the favourable photovoltaic investment environment in Hungary, we built and grid-connected eight additional PV power plants with a combined capacity of 5.5 MWp located in Almásfüzitő, Hungary during the reporting period. The eight PV power plants in Almásfüzitő are part of the company's 11.5 MWp proprietary PV power plant portfolio in Hungary, for which we secured long-term non-recourse project financing with K&H Bank, the Hungarian subsidiary of the Belgian KBC Group earlier this year and we now have 17 PV power plants in operation in Hungary, expanding the Group's proprietary portfolio of PV power plants to 37.1 MWp. Total annual revenues of all eight power plants are expected to amount to around EUR 680,000 and following the revaluation of the Group's proprietary portfolio according to IAS 16, EUR 2.6 million were recorded in the Group's other comprehensive income in the Profit and Loss Statement in 2019Q1.

**Photon Energy acquires six projects with a total capacity of 4.2 MWp in Hungary.**

Good progress has also been made in securing new projects. During the reporting period, Photon Energy NV announced the expansion of its Hungarian project pipeline by six additional PV projects with a total installed capacity of 4.2 MWp in the municipality of Nagyecsed and Malyi, through the acquisition of six project companies, that each own a KÁT license entitling them to a feed-in-tariff of some HUF 32,000 per MWh (approx. EUR 100 per MWh) over a period of 25 years. The acquired PV projects are at the ready-to-build stage in the municipality of Nagyecsed and Photon Energy expects to build and connect the power plants to the grid by the beginning of 2019Q3, whereas the acquired PV projects in Malyi are expected to be ready-to-build in 2019Q3. After the reporting period, Photon Energy acquired ten additional PV projects with a total planned installed DC capacity of 14.2 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involves 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 32,000 per MWh (approx. EUR 100 per MWh). Those acquired PV projects are expected to be ready-to-build in 2019Q4 and will be built on single-axis tracking substructures. This transaction increases Photon Energy's PV project pipeline in Hungary to 35.1 MWp, coming on top of the 11.5 MWp of already operating PV power plants in the country for a total of 46.6 MWp, bringing the company within striking distance of its year-end 2020 target of 50 MWp of operating PV assets.

**Development approval granted for our Gunnedah solar farm project in Australia and roll-out of commercial projects for ALDI.**

2019Q1 turned out to be an eventful quarter Down Under too. Canadian Solar and Photon Energy obtained Development Approval from the NSW Department of Planning and Environment for the construction of their 150 MWp solar farm in Gunnedah. Transgrid accepted the GPS studies after which the AEMO issued both the 5.3.4A and 5.4.3B letters approving the grid connection in January 2019. This is a major milestone for Photon Energy in Australia, making Gunnedah the second project progressed with Canadian Solar as development partners and validating Photon Energy's long term strategy and commitment to the Australian market. On the commercial projects' side, our subsidiary Photon Energy Engineering Australia is rolling out 4.6 MWp solar projects across 30 stores and a distribution centre of the supermarket chain ALDI in New South Wales and Queensland. We are very proud to be cooperating with ALDI to transform its stores into solar power generators capable of providing a large proportion of their daytime electricity consumption. The 31 installations are designed to generate a total of more than 6.3 GWh of clean energy every year. Photon Energy will also provide state-of-the-art monitoring as well as operations and maintenance services to ensure the systems are highly reliable with the maximum positive impact for ALDI.

## 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

Our next steps are:

- ▶ The Photon Energy Operations team focuses on full O&M solutions in Central Europe and expands its Inverter Cardio services to additional inverter technologies covering the whole European market.
- ▶ Photon Energy's power plant control and monitoring solutions 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 and South America, the Middle East and Africa remain under investigation.

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

## 2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan 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 31 March 2019, consisting of 40 power plants in the Czech Republic, Slovakia, Hungary & Australia with a total installed capacity of 37.1 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 31 March 2019**

Nr	Proprietary portfolio	Legal entity	Country	Cap.(kWp)	Share	Cap. Pro-rata	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 <sup>1</sup>	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	Fertőd 1	Photon Energy HU SPV 1 Kft. b.a	HU	528	100%	528	Mar 18
25	Tizsakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
26	Tizsakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
27	Tizsakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
28	Tizsakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
29	Tizsakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
30	Tizsakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
31	Tizsakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
32	Tizsakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
33	Almásfüzitő 1 <sup>2</sup>	Ráció Master Kft.	HU	695	100%	695	Mar-19
34	Almásfüzitő 2 <sup>2</sup>	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfüzitő 3 <sup>2</sup>	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfüzitő 4 <sup>2</sup>	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfüzitő 5 <sup>2</sup>	Ráció Master Kft.	HU	695	100%	695	Mar-19
38	Almásfüzitő 6 <sup>2</sup>	Ráció Master Kft.	HU	660	100%	660	Mar-19
39	Almásfüzitő 7 <sup>2</sup>	Ráció Master Kft.	HU	691	100%	691	Mar-19
40	Almásfüzitő 8 <sup>2</sup>	Ráció Master Kft.	HU	668	100%	668	Mar-19
<b>Total</b>				<b>37,104</b>		<b>37,104</b>	

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

<sup>2</sup>Ráció Master Kft. owns eight power plants: Almásfüzitő 1, Almásfüzitő 2, Almásfüzitő 3, Almásfüzitő 4, Almásfüzitő 5, Almásfüzitő 6, Almásfüzitő 7 and Almásfüzitő 8.

## Generation results

The cumulative average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2019Q1 amounted to 6.9 GWh, which was 26.1% above the energy forecasts and 87.4% higher YOY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

**Table 2. Generation results versus projections between 1 January and 31 March 2019**

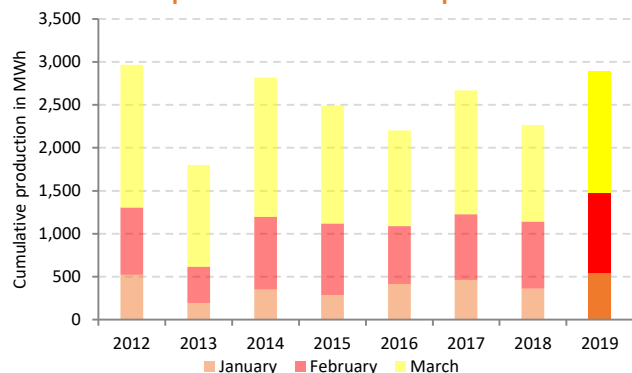
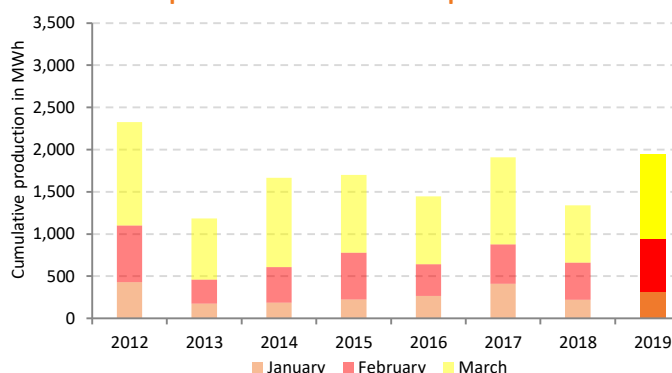
Project name Unit	Capacity kWp	Feed-in-Tariff per MWh, in 2019	Prod. 2019Q1 kWh	Proj. 2019Q1 kWh	Perf. %	YTD Prod. kWh	YTD Proj. kWh	Perf. %	YTD YoY %
Komorovice	2,354	CZK 14,530	428,694	294,328	45.7%	428,694	294,328	45.7%	20.3%
Zvíkov I	2,031	CZK 14,530	448,024	257,974	73.7%	448,024	257,974	73.7%	33.6%
Dolní Dvořiště	1,645	CZK 14,530	292,993	214,606	36.5%	292,993	214,606	36.5%	44.3%
Svatoslav	1,231	CZK 14,530	200,831	159,387	26.0%	200,831	159,387	26.0%	27.7%
Slavkov	1,159	CZK 14,530	241,498	151,782	59.1%	241,498	151,782	59.1%	29.3%
Mostkovice SPV 1	210	CZK 14,530	39,809	31,552	26.2%	39,809	31,552	26.2%	34.2%
Mostkovice SPV 3	926	CZK 15,610	173,729	118,624	46.5%	173,729	118,624	46.5%	35.7%
Zdice I	1,499	CZK 14,530	298,168	189,199	57.6%	298,168	189,199	57.6%	16.2%
Zdice II	1,499	CZK 14,530	301,033	189,199	59.1%	301,033	189,199	59.1%	16.1%
Radvanice	2,305	CZK 14,530	441,277	291,335	51.5%	441,277	291,335	51.5%	33.1%
Břeclav rooftop	137	CZK 14,530	28,897	22,347	29.3%	28,897	22,347	29.3%	35.8%
<b>Total Czech PP</b>	<b>14,996</b>		<b>2,894,954</b>	<b>1,920,334</b>	<b>50.8%</b>	<b>2,894,954</b>	<b>1,920,334</b>	<b>50.8%</b>	<b>27.8%</b>
Babiná II	999	EUR 425.12	156,542	138,743	12.8%	156,542	138,743	12.8%	40.3%
Babina III	999	EUR 425.12	163,435	138,743	17.8%	163,435	138,743	17.8%	46.2%
Prša I.	999	EUR 425.12	177,006	139,077	27.3%	177,006	139,077	27.3%	43.9%
Blatna	700	EUR 425.12	115,257	115,331	-0.1%	115,257	115,331	-0.1%	35.3%
Mokra Luka 1	963	EUR 382.61	245,801	161,146	52.5%	245,801	161,146	52.5%	66.9%
Mokra Luka 2	963	EUR 382.61	254,516	161,146	57.9%	254,516	161,146	57.9%	68.8%
Jovice 1	979	EUR 382.61	164,131	121,578	35.0%	164,131	121,578	35.0%	55.5%
Jovice 2	979	EUR 382.61	163,411	121,578	34.4%	163,411	121,578	34.4%	54.6%
Brestovec	850	EUR 382.61	182,760	136,453	33.9%	182,760	136,453	33.9%	29.0%
Polianka	999	EUR 382.61	147,540	124,061	18.9%	147,540	124,061	18.9%	29.7%
Myjava	999	EUR 382.61	181,233	157,158	15.3%	181,233	157,158	15.3%	25.2%
<b>Total Slovak PP</b>	<b>10,429</b>		<b>1,951,632</b>	<b>1,515,014</b>	<b>28.8%</b>	<b>1,951,632</b>	<b>1,515,014</b>	<b>28.8%</b>	<b>45.5%</b>
Fertod 1	528	HUF 32,590	121,488	112,377	8.1%	121,488	112,377	8.1%	na
Tizakécske 1	689	HUF 32,590	161,000	154,509	4.2%	161,000	154,509	4.2%	na
Tizakécske 2	689	HUF 32,590	162,114	156,778	3.4%	162,114	156,778	3.4%	na
Tizakécske 3	689	HUF 32,590	162,586	154,346	5.3%	162,586	154,346	5.3%	na
Tizakécske 4	689	HUF 32,590	162,597	156,778	3.7%	162,597	156,778	3.7%	na
Tizakécske 5	689	HUF 32,590	163,368	156,778	4.2%	163,368	156,778	4.2%	na
Tizakécske 6	689	HUF 32,590	161,376	154,509	4.4%	161,376	154,509	4.4%	na
Tizakécske 7	689	HUF 32,590	160,456	153,316	4.7%	160,456	153,316	4.7%	na
Tizakécske 8	689	HUF 32,590	148,864	147,767	0.7%	148,864	147,767	0.7%	na
Almásfüzitő 1	695	HUF 32,590	69,103	76,623	-9.8%	69,103	76,623	-9.8%	na
Almásfüzitő 2	695	HUF 32,590	67,968	76,588	-11.3%	67,968	76,588	-11.3%	na
Almásfüzitő 3	695	HUF 32,590	67,651	76,388	-11.4%	67,651	76,388	-11.4%	na
Almásfüzitő 4	695	HUF 32,590	70,150	76,730	-8.6%	70,150	76,730	-8.6%	na
Almásfüzitő 5	695	HUF 32,590	70,368	76,451	-8.0%	70,368	76,451	-8.0%	na
Almásfüzitő 6	660	HUF 32,590	69,867	73,552	-5.0%	69,867	73,552	-5.0%	na
Almásfüzitő 7	691	HUF 32,590	70,070	76,026	-7.8%	70,070	76,026	-7.8%	na
Almásfüzitő 8	668	HUF 32,590	77,627	74,362	4.4%	77,627	74,362	4.4%	na
<b>Total Hungarian PP</b>	<b>11,535</b>		<b>1,966,651</b>	<b>1,953,889</b>	<b>0.7%</b>	<b>1,966,651</b>	<b>1,953,880</b>	<b>0.7%</b>	<b>na</b>
Symonston	144	AUD 301.60	55,231	57,550	-4.0%	55,231	57,550	-4.0%	-7.6%
<b>Total Australian PP</b>	<b>144</b>		<b>55,231</b>	<b>57,550</b>	<b>-4.0%</b>	<b>55,231</b>	<b>57,550</b>	<b>-4.0%</b>	<b>-7.6%</b>
<b>Total</b>	<b>37,104</b>		<b>6,868,468</b>	<b>5,446,787</b>	<b>26.1%</b>	<b>6,868,468</b>	<b>5,446,778</b>	<b>26.1%</b>	<b>87.4%</b>

### Notes

\*Mostkovice SPV 1 & Břeclav rooftop power plants belong to the same legal entity.

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



**Chart 1.a Total production of the Czech portfolio****Chart 1.b Total production of the Slovak portfolio**

### O&M services

Photon Energy remained focused on further expanding its Operations and Maintenance business in Europe. As of the end of 2019Q1, full O&M services contracts amounted to approximately 174.3 MWp, up by 12% from the end of 2018Q1, and can be broken down geographically into 128.5 MWp operated in the Czech Republic, 15.9 MWp in Slovakia, 15.0 MWp in Romania, 11.5 MWp in Hungary, including the total capacity for the power plants in Almásfüzitő connected to the grid in March 2019, 1.4 MWp in Australia and 2.0 MWp in a new market: Slovenia. The O&M portfolio divides into 37.1 MWp of PV capacity from the proprietary portfolio and 137.2 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 60.2 MWp of central inverters. In some countries like France or Germany the Group is holding a leading market position while in Belgium in particular, the Group is servicing all of the Satcon inverters ever installed. In detail, at the end of 2019Q1, 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).

During the reporting period, Photon Energy reached a significant achievement by entering into the Slovenian market, with a 2.0 MWp PV power plant being the first Photon Energy solar asset operated and maintained in the country.

After the reporting period, Photon Energy signed its largest O&M contract in Australia with 3MWp for ALDI Stores Australia.

### 2.5. Reporting on Photon Energy’s project pipeline

As of the reporting date, Photon Energy is developing PV projects in Australia (1,360.0 MWp) and Hungary (35.1 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy’s business model of covering the entire value chain of PV power plants. The main objective of Photon Energy’s project development activities is to expand its proprietary portfolio of PV power plants for long-term ownership, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with a view of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver of Photon Energy’s future growth. The Group’s past experience in project development and financing in the Czech Republic, Slovakia, Germany and Italy is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Australia	Leeton	Own portfolio	100%	14.0	Retailer PPA	Secured	Secured	Secured	2019Q2
<b>Total Own portfolio Australia</b>				<b>14.0</b>					
Hungary	Fertöd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Ongoing	2019Q2
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Ongoing	2019Q2
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2019Q2
Hungary	Taszár	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Ongoing	2019Q2
Hungary	Nagyecsed	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	2019Q1
Hungary	Malyi	Own portfolio	100%	2.1	Licensed PPA	Secured	Secured	Secured	2019Q3
Hungary	Püspökladány	Own portfolio	100%	14.2	Licensed PPA	Secured	Ongoing	Ongoing	2019Q4
<b>Total Own portfolio Hungary</b>				<b>35.1</b>					
<b>Total Own portfolio</b>				<b>49.1</b>					
Australia	Gunning	Developer	49%	316.0	Co-development & co-financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	2019Q4
Australia	Gunnedah	Developer	25%	150.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Suntop 1	Developer	25%	200.0		Secured	Ongoing	Secured	2019Q2
Australia	Maryvale	Developer	25%	160.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Suntop 2	Developer	25%	230.0		Ongoing	Ongoing	Ongoing	2019Q2
Australia	Carrick	Developer	51%	144.0	All options open	Secured	Ongoing	Ongoing	2019Q4
Australia	Brewongle	Developer	51%	146.0	All options open	Secured	Ongoing	Ongoing	2019Q4
<b>Total Development Australia</b>				<b>1,346.0</b>					

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

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

## Australia

Photon Energy has eight large scale solar farms at different stages of development in New South Wales. The project pipeline is among the largest pipelines of Solar projects in NSW representing a total capacity of 1,360 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 of its utility scale solar projects with a total capacity of 1.14 GWp in New South Wales, Australia with Canadian Solar, one of the world's largest solar power companies.

Canadian Solar has become a co-shareholder in the project companies and is providing development financing to complete the development of these projects totalling 1.14 GWp, including the project in Gunning as well as four projects co-developed with a local partner, namely in Suntop 1, Mumbil (project replaced by Suntop 2 project during the development process, please see details below), Gunnedah, and Maryvale.

Canadian Solar acquired a 51% shareholding in all five project companies. The equity capital contributed by Canadian Solar is subject to certain development milestones, joint management processes and other terms customary for project co-development and covers the development

budgets to bring all five projects to the ready-to-build stage. Post-transaction, Photon Energy NV retains a 49% stake in the Gunning project and 24.99% stakes in the four other projects.

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

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

- ▶ **Gunnedah (150 MWp):** The project was under review by the NSW Department of Planning and Environment and was submitted to the Independent Planning Committee for determination which was granted on 12 March 2019. Transgrid accepted the GPS studies after which the AEMO issued both the 5.3.4A and 5.4.3B letters approving the grid connection in January 2019.
- ▶ **Suntop (200 MWp):** The Development approval for the project was granted on 4 December 2018 for a capacity of up to 200 MWp. Transgrid accepted the GPS studies after which the AEMO issued both the 5.3.4A and 5.4.3B letters approving the grid connection in January 2019.
- ▶ **Gunning (316 MWp):** Site assessments are progressing and we are finalising the site layouts to complete the EIS. In parallel we are progressing with the Transaction Summary with Transgrid.
- ▶ **Maryvale(160 MWp):** The GPS and grid connection options are currently under review and in discussions with Essential Energy. The EIS was submitted in November 2018 to the NSW Department of Planning and Environment and public exhibition ended in December. In the meantime we have responded to submissions to the project and are awaiting determination in May 2019. The GPS process is underway and will be submitted to Essential Energy shortly after.
- ▶ **Mumbil/Suntop 2 (230 MWp):** The findings of the feasibility study of the Mumbil Solar Farm project revealed significant issues related to aspects such as soil erosion, aboriginal heritage protection, and challenges of waterways. Following a thorough feasibility process Canadian Solar and Photon Energy have determined that the proposed Mumbil Solar Farm will not be proceeding. However, the joint venture has lodged a preliminary environmental assessment to significantly expand the size of the Suntop Solar Farm project ("Suntop 2") by a further 230 MWp. Both, development efforts and budget, for the Mumbil project will be relocated to the Suntop 2 project. We are completing community consultation and the project will be soon ready for submission.

For the other projects, the status is:

- ▶ **Leeton (14 MWp):** In response to tightening grid connection standards which require additional grid connection studies, a revised system size of 2 times 5 MW (7 MWp) has been re-designed for single axis tracking and is now proposed. DA approval has been amended for the change in technology and grid connection process with Essential Energy is now in the final stages.
- ▶ **Carrick (144 MWp):** The EIS and GPS preparation process is underway and due to be ready for submission by 2019Q2.
- ▶ **Brewongle (146 MWp):** The EIS and GPS preparation process is underway and due to be ready for submission in 2019Q3.

## Hungary

### Built and grid-connected power plants (11.5MWp)

- Fertőd I (0.5 MWp):** On 28 March 2018, Photon Energy announced the connection of its first solar power plant in the Hungarian town of Fertőd, in the Győr-Moson-Sopron region. The 528 kWp power plant project has been acquired by Photon Energy in July 2017 and built by the company's EPC subsidiary Photon Energy Solutions HU Kft. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of around EUR 1.5 million over the entire period.
- Tiszkécske (5.5 MWp):** On 13 December 2018, Photon Energy announced that its subsidiary Photon Energy Solutions HU Kft built and grid-connected eight PV power plants with a combined capacity of 5.5 MWp located in Tiszkécske. Covering an area of 7.9 hectares, the plants are connected to the grid of E.ON Tiszántúli Áramhálózati Zrt and are expected to generate around 6.7 GWh of electricity per year. Photon Energy owns and operates these projects through eight fully-owned subsidiaries that each own a KÁT license entitling them to a feed-in-tariff of some 32,000 HUF per MWh (approx. EUR 100 per MWh) over a period of up to 25 years, with a maximum approved and supported production of 15,575 MWh per license. Total annual revenues of all eight power plants are expected to amount to EUR 660,000. Following the revaluation of the Group's proprietary portfolio according to IAS 16, EUR 2.3 million was recorded in the Group's other comprehensive income in the Profit and Loss Statement in 2018Q4.
- Almásfüzitő (5.5 MWp):** On 6 March 2019, Photon Energy announced that its subsidiary Photon Energy Solutions HU Kft built and connected eight PV power plants with a combined capacity of 5.5 MWp located in Almásfüzitő. Covering an area of 7.0 hectares, the plants are connected to the grid of E.ON Észak-dunántúli Áramhálózati Zrt and are expected to generate around 6.8 GWh of electricity per year. The Group owns and operates these projects through its fully-owned subsidiary Ráció Master Kft. that owns eight KÁT licenses entitling it to a feed-in-tariff of some 32,000 HUF per MWh (approx. EUR 100 per MWh) over a period of up to 25 years, with a maximum approved and supported production of 15,500 MWh per license. Total annual revenues of all eight power plants are expected to amount to around EUR 680,000. Following the revaluation of the Group's proprietary portfolio according to IAS 16, EUR 2.6 million was recorded in the Group's other comprehensive income in the Profit and Loss Statement in 2019Q1.

The PV power plants in Fertőd I, Tiszkécske, and Almásfüzitő are part of the company's 11.5 MWp proprietary PV power plant portfolio in Hungary, for which Photon Energy secured long-term non-recourse project financing with K&H Bank, the Hungarian subsidiary of the Belgian KBC Group and one of Hungary's largest banking and financial services firms as well as a leading local player in project finance, earlier this year.

### PV projects under development (35.1 MWp)

- Monor (5.6 MWp):** In Monor Photon Energy is developing eight projects with a grid connection capacity of 498 KW AC each. In May 2017, Photon Energy received the energy production licenses under the KÁT support system, allowing each plant to feed a total volume of 16.950 GWh of electricity into the grid at the guaranteed price of HUF 32,590 per MWh (approx. EUR 100 per MWh), adjusted every year with inflation minus one percent, per KWh over 25 years from the date of grid connection. The KÁT licenses provide Photon Energy with a 2-year period (extendable to 4 years) for the commissioning of all plants since the date of the application for the KÁT licenses. The projects are expected to be ready to build in 2019Q2.
- Fertőd II (3.5MWp):** In February 2018, Photon Energy announced the expansion of its project pipeline by five additional projects in Fertőd (referred to as Fertőd II), where the company's fully-owned subsidiary Fertőd Napenergia-Termelő Kft. has constructed the Group's first photovoltaic power plant in Hungary with an installed capacity of 528 KWp (referred to as Fertőd I above). Photon Energy's fully-owned subsidiary Photon Energy HU SPV 1 Kft. managed to secure additional grid connection capacity of 2.5 MW AC and usage rights for over 5 hectares of land located right next to the 528 KWp photovoltaic power plant built in Fertőd I. Photon Energy HU SPV 1 Kft. has moved its remaining three KÁT licenses not used in Monor to the secured land plots in Fertőd. The fourth project will be realized by the Group's subsidiary Ráció Master Kft., using its ninth KÁT license which cannot be used in its primary location of Almásfüzitő, where eight photovoltaic power plant projects were built. The Group has acquired another project company with one KÁT license to be used for the fifth project in Fertőd II. Construction has just started and the power plants are expected to be connected to the grid in 2019Q3.
- Tata (5.5 MWp):** In February 2018, Photon Energy announced the acquisition of five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of eight PV power plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of Tata. These projects have reached the ready-to-build stage in 2018Q3 and the feed in cable permit is expected by the end of 2019Q2.
- Taszár (2.1 MWp):** In 2018Q4, Photon Energy signed a share purchase agreement for 100% of the shares of Optisolar Kft., which owns three KÁT licenses, entitling it to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years, with a maximum approved and supported production of 16,475 MWh per license, grid connection and land usage rights for PV projects in the municipality of Taszár. Conditions precedents of the share purchase agreement were fulfilled in March 2019, allowing the construction to start in 2019Q2 for a total installed DC capacity of 2.1 MWp.

- ▶ **Nagyecsed (2.1 MWp):** In February 2019, Photon Energy NV announced the expansion of its Hungarian project pipeline by three additional PV projects with a total installed capacity of 2.1 MWp in the municipality of Nagyecsed, through the acquisition of three project companies, that each own a KÁT license entitling them to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years, with a maximum approved and supported production of 15,075 MWh per license. The acquired PV projects are at the ready-to-build stage and Photon Energy has started construction and expects connection to the grid in 2019Q3.
- ▶ **Malyi (2.1 MWp):** In April 2019 Photon Energy NV announced the expansion of its Hungarian project pipeline by three additional PV projects with a total planned installed capacity of 2.1 MWp in the municipality of Malyi, close to Miskolc in the north of the country. The transaction consists in the acquisition of three project companies, that each own a KÁT license entitling them to a feed-in-tariff of some HUF 32,590 per MWh (approx. EUR 100 per MWh) over a period of 25 years with a maximum approved and supported production of 16,500 MWh per license. The acquired PV projects are expected to be ready-to-build in 2019Q3.
- ▶ **Püspökladány (14.2 MWp):** in May 2019, Photon Energy NV announced the expansion of its Hungarian project pipeline by ten additional PV projects with a total planned installed DC capacity of 14.2 MWp in the municipality of Püspökladány, in the Hajdú-Bihar region in the east of the country. The transaction involves 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 32,590 per MWh (approx. EUR 100 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 34,913 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 acquired PV projects are expected to be ready-to-build in 2019Q4.

As of the date of the report, Photon Energy's photovoltaic pipeline in Hungary is made of 40 projects with a total installed capacity of 35.1 MWp, coming on top of the 11.5 MWp of already constructed and connected power plants in Tiszakécske (5.5 MWp), Almásfüzitő (5.5 MWp) and Fertőd (0.5 MWp). We therefore have secured a 46.6 MWp portfolio in the country, bringing the company within striking distance of its year-end 2020 target of 50 MWp of operating PV assets.

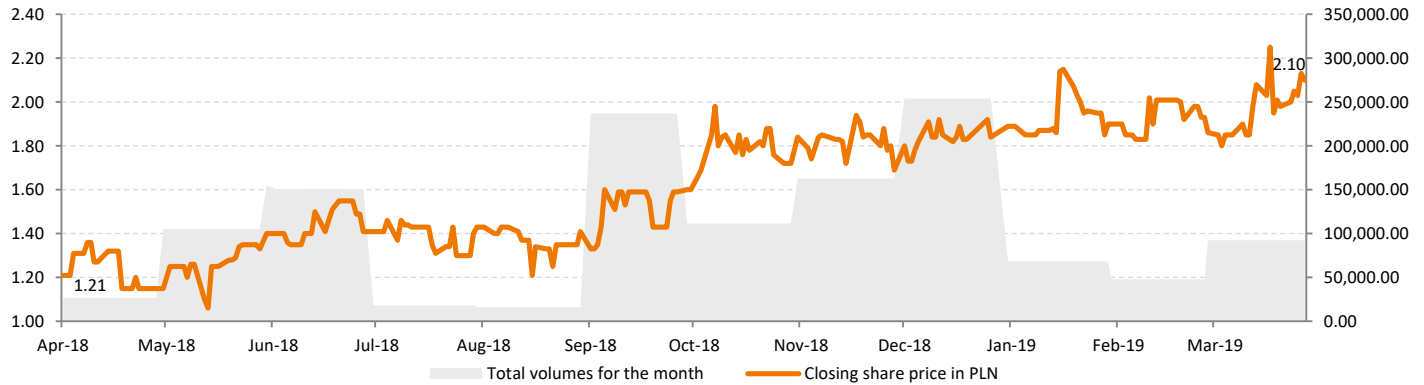
## 2.6. Enterprise Value & Share Price performance

### 2.6.1. NewConnect (Warsaw Stock Exchange)

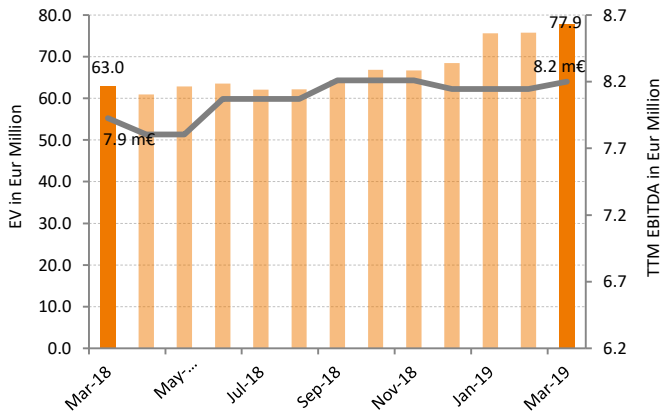
On 4 June 2013 Photon Energy NV shares commenced trading on the NewConnect market at a price of PLN 2.00, after a share swap for the minority investors in the Czech predecessor company, originally listed on New Connect in 2008.

The quarter closed at a price of PLN 2.10 on 31 March 2019 (+74% vs. 31 March 2018), corresponding to a price-to-book ratio of 0.84x. The Company also reports average monthly trading volume of 69,542 shares in 2019Q1, compared to an average monthly trading volume of 75,939 shares in 2018Q1.

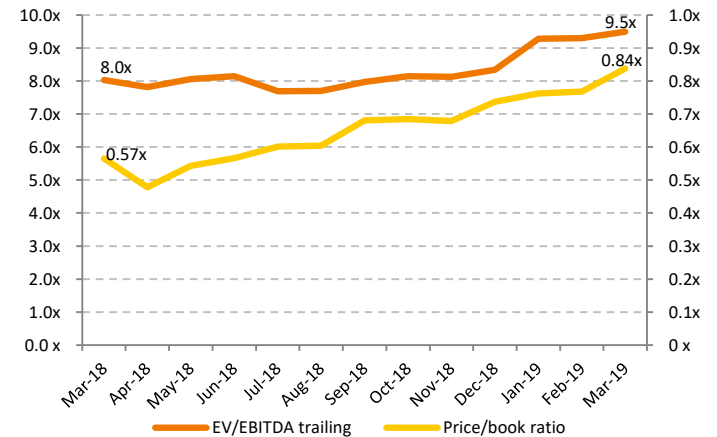
**Chart 2. Total monthly volumes vs. daily closing stock prices**



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



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



**Notes:**

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

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

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

## 2.6.2. Free Market (Prague Stock Exchange)

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

On 31 March 2019, the shares (ISIN NL0010391108) closed at a price of CZK 13.40 (+74% vs 31 March 2018, +173% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.89x. The Company reports an average monthly trading volume of 47,174 shares in 2019Q1, compared to 36,064 shares in 2018Q1.

## 2.7. Bond trading performance

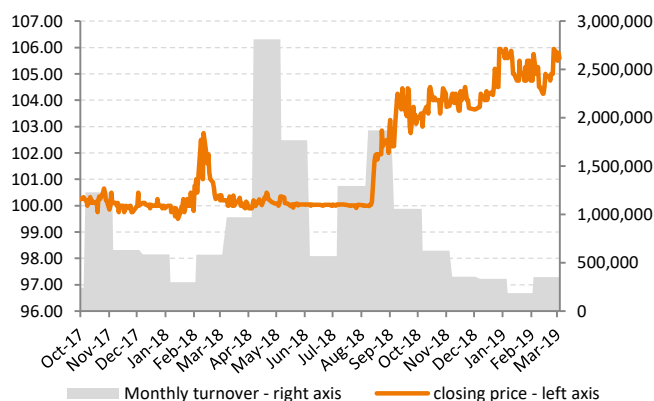
On 12 March 2018 the Company fully repaid its 5-year corporate EUR bond issued in March 2013 with an 8% annual coupon and quarterly payments (ISIN DE000A1HELE2).

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

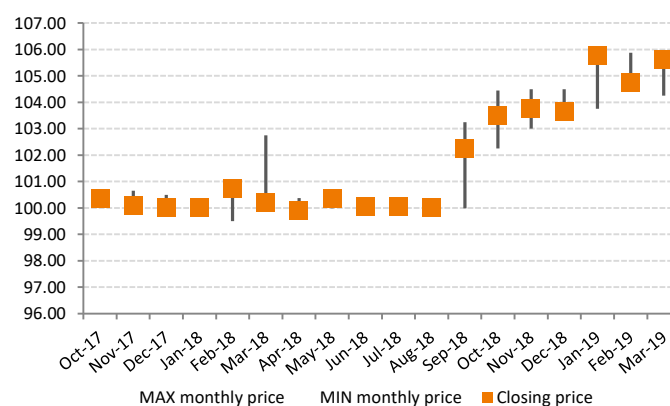
In October 2017, the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. The target volume of EUR 30 million was subscribed to in full on 7 September 2018, before the end of the public placement that took place in Germany, Austria and Luxemburg, originally set until 20 September 2018. The corporate bond, with a denomination of EUR 1,000 (ISIN DE000A19MFH4), has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart.

### 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**



**Chart 8. MIN, MAX and closing monthly prices**



In the trading period from 25 October 2017 until 31 March 2019, the trading volume amounted to EUR 29.097 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 105.60 in Frankfurt. During this period the average daily turnover amounted to EUR 81,277. The target volume of EUR 30 million was subscribed to in full as of 7 September 2018.

In 2019Q1, the trading volume amounted to EUR 1,331,000 with an opening price of 103.65 and a closing price of 105.60 in Frankfurt. The average daily turnover amounted to EUR 21,127.

### 2.7.2. CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 31 March 2019 the trading volume amounted to CZK 9.390 million (nominal value) with a closing price of 100.00.

## 2.8. Financial statement analysis

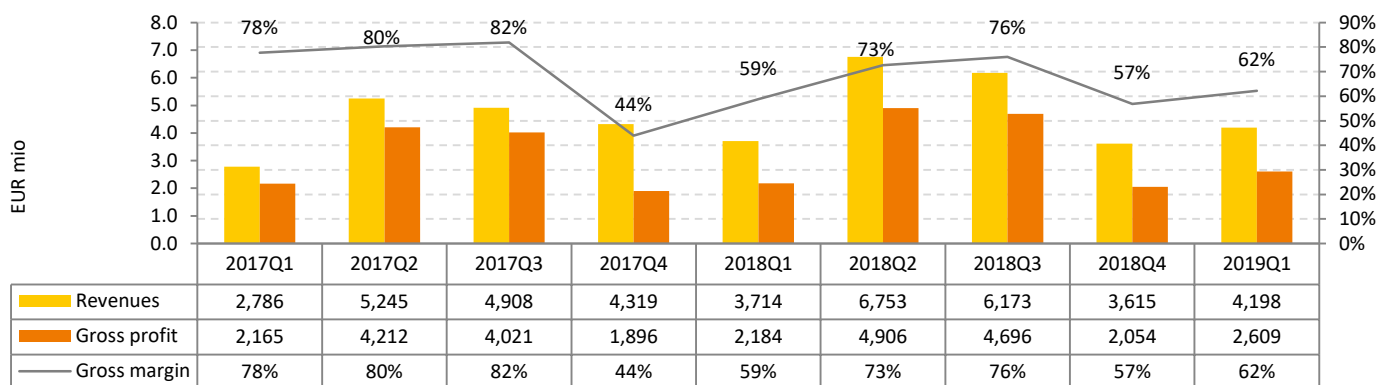
### Profit and Loss statement

Unaudited consolidated revenues increased by 13.0% YOY to EUR 4.198 million. This strong outcome was driven by an outstanding electricity production and by a solid increase in other revenue streams leading to a consolidated EBITDA improvement by 5.3% to EUR 1.079 million.

Project development costs incurred a contracted Q1 EBIT at EUR 0.093 million compared to EUR 0.180 million in the same period last year and a loss before taxation of EUR 0.955 million (from a positive EUR 1.886 million for the same period last year), resulting from an increase in interest costs connected to our corporate bonds and also linked to the EUR 3.070 million realised capital gain granted by Canadian Solar in the same period last year.

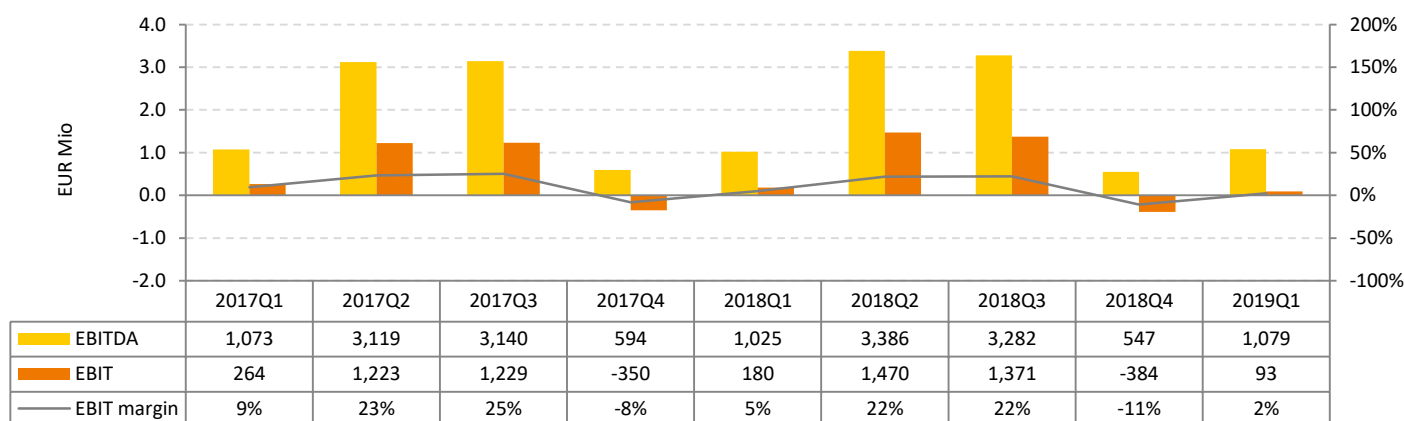
As a more comprehensive picture of the Group's value creation, the Company reports a positive consolidated total comprehensive income for the quarter amounting to EUR 1.174 million compared to EUR 2.041 million for the same period last year, driven by the activation of our eight power plants in Almásfűzitő that were connected to the grid in March 2019.

**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

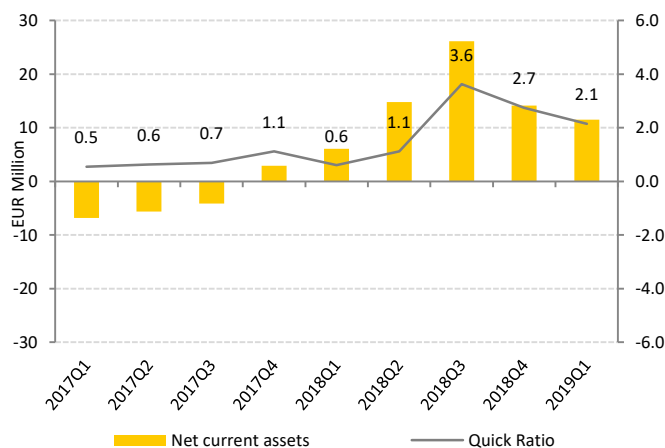
Total fixed assets amounted to EUR 88.358 million at the end of 2019Q1, a EUR 5.865 million increase compared to 2018Q4. The main reasons for the increase in assets is the activation and revaluation of our 8 power plants in Almásfüzitő that were connected to the grid in March 2019.

Current assets decreased from EUR 23.856 million as of 31 December 2018 to EUR 20.141 million as of 31 March 2019 mainly due to a decrease in cash, for the purpose of investments.

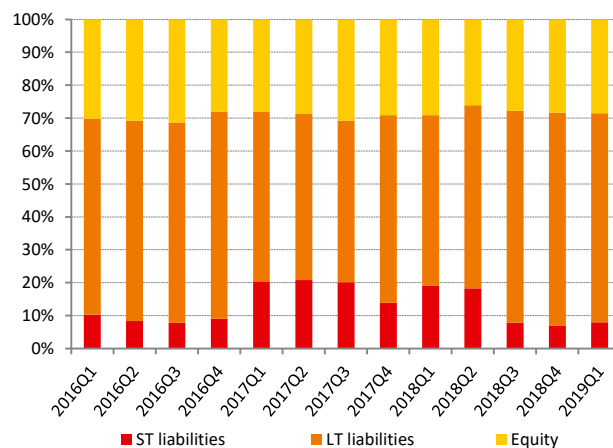
Current liabilities remained stable at EUR 8.605 million in 2019Q1 vs EUR 8.459 million at the end of 2018Q4.

Long term liabilities slightly increased from EUR 68.110 million in 2018Q4 to EUR 68.954 million in 2019Q1.

**Chart 11. Net current assets**



**Chart 12. Break down of liabilities and equity**



## Changes in equity

Equity slightly increased to EUR 30.940 million in 2019Q1 from EUR 29.779 million in 2018Q4.

## Cash Flow

In 2019Q1, the Group logically posted a negative operating cash flow, which amounted to EUR – 1.044 million. In 2018Q1, the Group had posted a slightly positive operating cash flow, which amounted to EUR 0.009 million.

Financial cash flow was negative and amounted to EUR -2.009 million, made of borrowing repayments and interest expenses.

Investment cash flow equalled to EUR -1.483 million in the reporting period, mainly as a result of project development and investments in Hungary.

Overall, the cash position decreased by EUR 4.535 million in total within 2019Q1 and amounted to EUR 7.802 million at the end of the reporting period (compared to EUR 3.662 million one year ago).

## 2.9. Financial forecasts

The Company does not publish financial forecasts.

### 3. General information about the Issuer

The table below presents general information about Photon Energy NV, hereinafter referred to as the “PENV”, “Issuer”, “the Group” and/or the “Company”.

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 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 31 March 2019

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (EUR)	Capital covered with
A	bearer	-	-	<u>60,000,000</u>	<u>600,000</u>	cash
<b>Total number of shares</b>				<b>60,000,000</b>		
<b>Total share capital</b>					<b>600,000</b>	
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 13.05.2019	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	43.58%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.80%
Photon Energy N.V.	8,911,370	14.85%	0	0.00%
Free float	7,979,089	13.30%	7,979,089	15.62%
<b>Total</b>	<b>60,000,000</b>	<b>100.00%</b>	<b>51,040,000</b>	<b>100.00%</b>

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 31 March 2019

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.

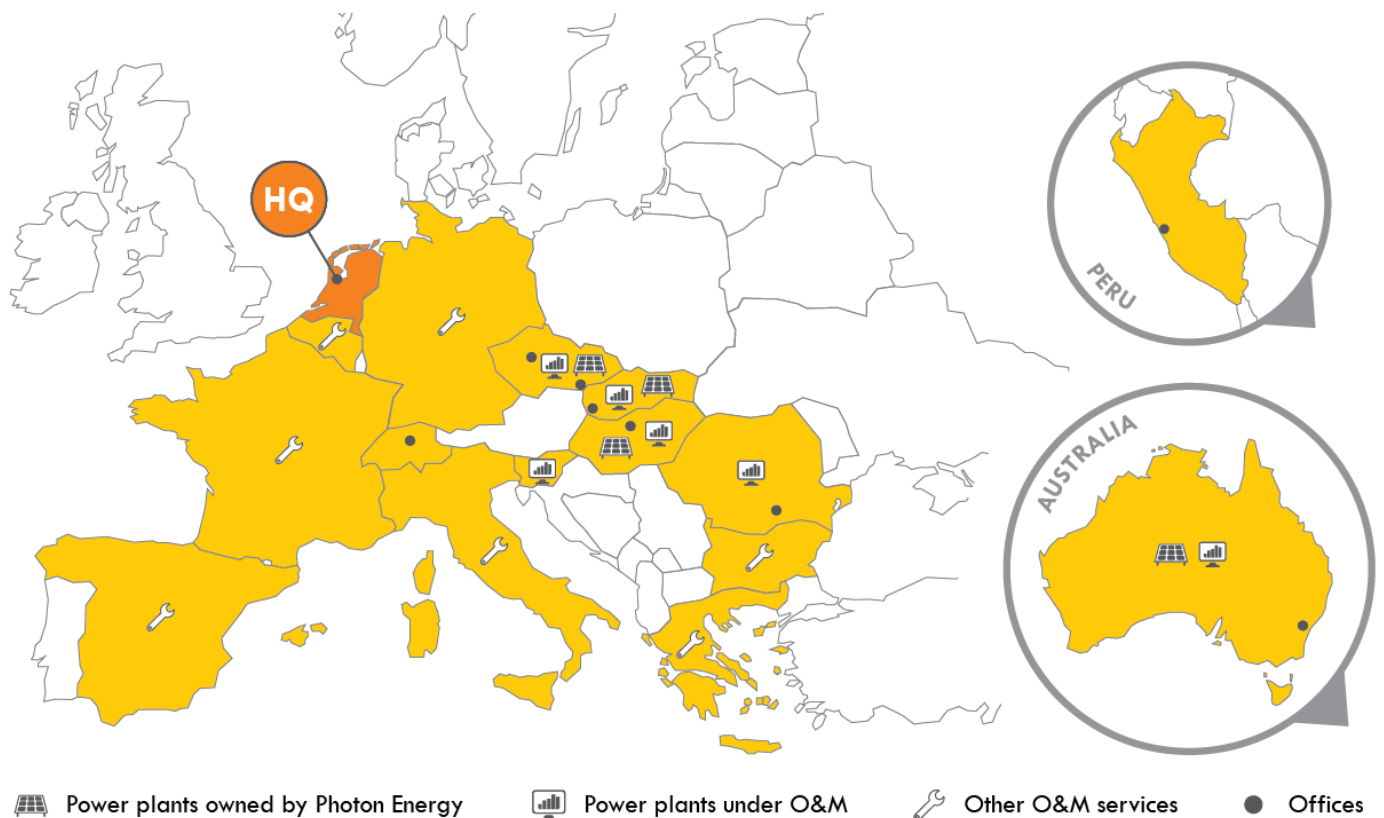
## 7. Description of the Issuer's business

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

The Group is vertically integrated in the downstream segment of the photovoltaic industry. The company focuses on life-cycle services and delivers:

- ▶ **Projects:** Project development for rooftop and green-field installations from 300 kW to 300 MW.
- ▶ **Solutions:** Design and construction of on-grid and off-grid installations, including battery storage solutions,
- ▶ **Technology:** Trading of PV-components (modules and inverters).
- ▶ **Investments:** Investments in PV power plants and sustainable production and sale of electricity.
- ▶ **Operations:** Operations and maintenance of PV power plants, including a proprietary control room and monitoring platform.
- ▶ **Water:** Comprehensive services in the fields of contaminated land and ground water remediation and water purification.

### Country-specific references



Currently Photon Energy is active with 102 professionals in six countries across two continents (headquartered in Amsterdam). With a track record of more than 60 MWP of grid-connected PV plants across five countries and more than 250 MWP of PV power plants under O&M management across two continents.

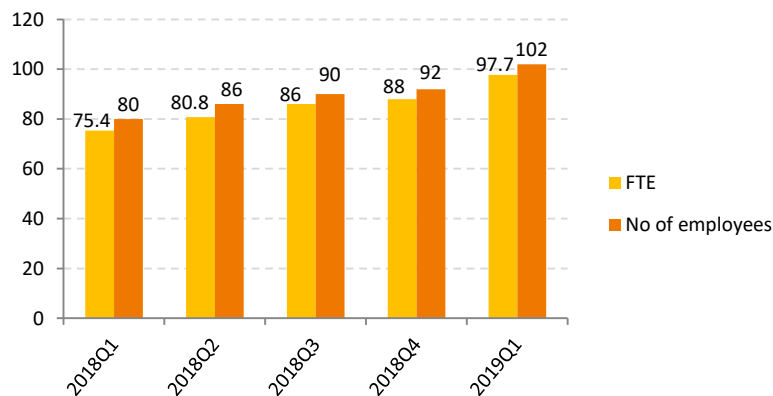
## 8. Implementation of innovative activities in the Company

None during the reporting period.

## 9. Employees

As of the end of 2019Q1, Photon Energy had 102 employees (compared to 80 employees in 2018Q1) which translates into 97.7 FTE (compared to 75.4 FTE in 2018Q1).

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



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

### Employee Share Purchase Programme

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

## 10. Group structure

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

	Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
1	Photon Energy N.V. (PENV)	Holding	NL	Full Cons.	-
2	Photon Directors B.V.	100%	NL	Full Cons.	PENV
3	Photon Energy Engineering B.V. (PEE BV)	100%	NL	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEO NV)	100%	NL	Full Cons.	PENV
5	Photon Energy Australia Pty Ltd.	100%	AUS	Full Cons.	PENV
6	Gunning Solar Farm Pty. Ltd. (former Photon Energy Generation Australia Pty. Ltd.)	49%	AUS	Equity	PENV
7	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AUS	Full Cons.	PENV
8	Photon Energy AUS SPV 2 Pty. Ltd.	100%	AUS	Full Cons.	PENV
9	Photon Energy AUS SPV 3 Pty. Ltd.	100%	AUS	Full Cons.	PENV
10	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AUS	Full Cons.	PENV
11	Suntop Stage 2 Solar Farm Pty. Ltd. (former Mumbil Solar Farm Pty. Ltd.)	25%	AUS	Equity	PENV
12	Photon Energy AUS SPV 6 Pty. Ltd.	51%	AUS	Equity	PENV
13	Gunnedah Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 7 Pty. Ltd.)	25%	AUS	Equity	PENV
14	Suntop Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 8 Pty. Ltd.)	25%	AUS	Equity	PENV
15	Photon Energy AUS SPV 9 Pty. Ltd.	51%	AUS	Equity	PENV
16	Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	25%	AUS	Equity	PENV
17	Photon Energy Operations Australia Pty.Ltd.	100%	AUS	Full Cons.	PEONV
18	Photon Energy Engineering Australia Pty Ltd	100%	AUS	Full Cons.	PEEBV
19	Global Investment Protection AG (GIP AG)	100%	CH	Full Cons.	PENV
20	ALFEMO AG	100%	CH	Full Cons.	PENV
21	KORADOL AG	100%	CH	Full Cons.	PENV
22	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
23	Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	PENV
24	Photon Energy Operations CZ s.r.o. (PEOCZ) <sup>1</sup>	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 Energy Solutions s.r.o.	100%	CZ	Full Cons.	PENV
29	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
30	Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
31	The Special One s.r.o.	100%	CZ	Full Cons.	PENV
32	Charles Bridge Services s.r.o.	100%	CZ	Full Cons.	PENV
33	Photon Energy Finance Europe 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 AG
49	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	Alfemo AG
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 AG
53	Montagem Befektetési Kft.	100%	HU	Full Cons.	Alfemo AG
54	Solarkit Befektetesi Kft.	100%	HU	Full Cons.	Alfemo AG
55	Energy499 Invest Kft.	100%	HU	Full Cons.	Alfemo AG
56	SunCollector Kft.	100%	HU	Full Cons.	Alfemo AG
57	Green-symbol Invest Kft.	100%	HU	Full Cons.	Alfemo AG

	Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner
58	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	Alfemo AG
59	Onyx-sun Kft.	100%	HU	Full Cons.	Alfemo AG
60	Tataimmo Kft.	100%	HU	Full Cons.	Alfemo AG
61	Öreghal Kft.	100%	HU	Full Cons.	Alfemo AG
62	European Sport Contact Kft.	100%	HU	Full Cons.	Alfemo AG
63	ALFEMO Alpha Kft.	100%	HU	Full Cons.	Alfemo AG
64	ALFEMO Beta Kft.	100%	HU	Full Cons.	Alfemo AG
65	ALFEMO Gamma Kft.	100%	HU	Full Cons.	Alfemo AG
66	Archway Solar Kft.	100%	HU	Full Cons.	PENV
67	Barbican Solar Kft.	100%	HU	Full Cons.	Alfemo AG
68	Belsize Solar Kft.	100%	HU	Full Cons.	Alfemo AG
69	Blackhorse Solar Kft.	100%	HU	Full Cons.	Alfemo AG
70	Caledonian Solar Kft.	100%	HU	Full Cons.	Alfemo AG
71	Camden Solar Kft.	100%	HU	Full Cons.	Alfemo AG
72	Hampstead Solar Kft.	100%	HU	Full Cons.	Alfemo AG
73	Ráció Master Oktatási	100%	HU	Full Cons.	Alfemo AG
74	P&P Solar Immo Kft.	35%	HU	Equity	Alfemo AG
75	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	Alfemo AG
76	MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	Alfemo AG
77	PROMA Mátra Ingatlanfejlesztési Kft.	100%	HU	Full Cons.	Alfemo AG
78	Optisolar Kft.	100%	HU	Full Cons.	Alfemo AG
79	Photon Energy Peru S.C.A.	99%	PE	Full Cons.	GIP AG

Notes:

<b>Country of registration</b>				<b>Consolidation method:</b>
NL – the Netherlands	CZ – the Czech Republic	DE – Germany	CH – Switzerland	Full Cons. – Full Consolidation
SK – Slovakia	AUS – Australia	HU – Hungary	PE – Peru	Not Cons. – Not Consolidated
				Equity – Equity Method

Photon Energy Operations CZ s.r.o. established a branch office in Romania.

In addition to the above subsidiaries, for the purposes of IFRS reporting, the Company consolidates the following entities:

	Name	% of Consolidated share	% of Ownership share	Country of registration	Consolidation method	Legal Owner
1	Photon SPV 3 s.r.o. (Mostkovice SPV3)	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o. (Zvikov I)	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o. (Komorovice)	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o. (Svatoslav)	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o. (Slavkov)	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o. (Zdice I)	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o. (Zdice II)	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o. (Dolní Dvořiště)	100%	0%	CZ	Full Cons.	RL
9	Photon SPV 11 s.r.o. (Radvanice)	100%	0%	CZ	Full Cons.	RL
10	Kaliopé 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 25 February 2019, ALFEMO AG acquired 100% of the shares of Aligoté Kereskedelmi és Szolgáltató Kft., MEDIÁTOR Ingatlanközvetítő és Hirdető Kft. and PROMA Mátra Ingatlanfejlesztési Kft., the three project companies located in the municipality of Nagyecséd.
- On 13 March 2019, ALFEMO AG acquired 100% of the shares of Optisolar Kft., the project company located in the municipality of Taszár.

#### After the reporting period the following events occurred:

- None.

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

### 11.1. Summary of the key events from 1 January 2019 until 31 March 2019

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 1/2019** published on 10 January 2019: Monthly report for December 2018.
- ▶ **EBI 2/2019** published on 29 January 2019: Publication date of the annual report 2018.
- ▶ **EBI 3/2019** published on 11 February 2019: Quarterly report for 2018Q4.
- ▶ **EBI 4/2019** published on 14 February 2019: Monthly report for January 2019.
- ▶ **EBI 5/2019** published on 12 March 2019: Monthly report for February 2019.

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 1/2019** published on 17 January 2019: Photon Energy secures long-term financing for 11.5 MWp of PV power plants in Hungary.
- ▶ **ESPI 2/2019** published on 17 January 2019: Insider trading notification.
- ▶ **ESPI 3/2019** published on 21 January 2019: Photon Energy will install PV power plants with a combined capacity of 4.6 MWp for ALDI in Australia.
- ▶ **ESPI 4/2019** published on 25 February 2019: Photon Energy expands its Hungarian pipeline to 24.2 MWp by acquiring three projects with 2.1 MWp.
- ▶ **ESPI 5/2019** published on 6 March 2019: Photon Energy connects eight power plants in Almásfüzitő, Hungary for a total capacity of 5.5MWp.
- ▶ **ESPI 6/2019** published on 12 March 2019: Development approval granted for our Gunnedah Solar farm project in Australia.
- ▶ **ESPI 7/2019** published on 19 March 2019: Change in substantial block of shares.

### 11.2. Summary of the key events after 31 March 2019

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 6/2019** published on 10 April 2019: Monthly report for March 2019.
- ▶ **EBI 7/2019** published on 15 April 2019: Annual report 2018.
- ▶ **EBI 8/2019** published on 15 April 2019: Convocation of the Annual General Meeting of Shareholders on 29 May 2019.

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

- ▶ **ESPI 8/2019** published on 06 April 2019: Photon Energy acquires three projects with a total capacity of 2.1 MWp in Hungary.
- ▶ **ESPI 9/2019** published on 29 April 2019: Photon Energy acquires ten PV projects with 14.2 MWp in Hungary.
- ▶ **ESPI 10/2019** published on 10 May 2019: Q&A chat to be held in collaboration with Polish retail investors association SII on Tuesday, the 14<sup>th</sup> of May 2019 at 11am.



## 12. Detailed consolidated financial results for 2019Q1

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 January 2019 and ending on 31 March 2019 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	
	2018Q1	2019Q1	2018Q1	2019Q1	2018Q1	2019Q1
<b>Total revenues</b>	<b>3,714</b>	<b>4,198</b>	<b>15,520</b>	<b>18,058</b>	<b>94,335</b>	<b>107,812</b>
<i>Out of that: Revenues from electricity generation</i>	1,656	2,440	6,921	10,496	42,070	62,662
<i>Out of that: Other revenues</i>	2,058	1,758	8,599	7,562	52,266	45,150
Cost of sales	-1,411	-1,434	-5,897	-6,168	-35,840	-36,827
Solar levy CZ	-119	-155	-497	-667	-3,020	-3,981
<b>Gross profit</b>	<b>2,184</b>	<b>2,609</b>	<b>9,127</b>	<b>11,223</b>	<b>55,475</b>	<b>67,004</b>
Other income	85	19	356	82	2,164	489
Administrative expenses	-452	-499	-1,889	-2,147	-11,479	-12,820
Personnel expenses	-748	-1,031	-3,127	-4,434	-19,005	-26,475
Other expenses	-44	-19	-185	-80	-1,124	-475
<b>EBITDA</b>	<b>1,025</b>	<b>1,079</b>	<b>4,283</b>	<b>4,643</b>	<b>26,032</b>	<b>27,723</b>
Depreciation	-845	-987	-3,530	-4,244	-21,457	-25,339
<b>EBIT</b>	<b>180</b>	<b>93</b>	<b>753</b>	<b>399</b>	<b>4,575</b>	<b>2,384</b>
Interests income	85	36	357	156	2,168	933
Financial revenues	0	187	0	804	0	4,798
Interest costs	-793	-1,045	-3,313	-4,495	-20,138	-26,836
Financial expenses	-297	-76	-1,240	-326	-7,537	-1,947
Revaluation of derivatives	-108	0	-453	0	-2,756	0
<b>Net finance expenses</b>	<b>-1,113</b>	<b>-898</b>	<b>-4,650</b>	<b>-3,861</b>	<b>-28,263</b>	<b>-23,052</b>
Share of profit from associates / J-Vs	-108	-151	-453	-648	-2,753	-3,869
Disposal of investments	3,074	0	12,845	0	78,076	0
<b>Profit / loss before taxation</b>	<b>2,033</b>	<b>-955</b>	<b>8,495</b>	<b>-4,110</b>	<b>51,634</b>	<b>-24,537</b>
Income tax – current	-117	-197	-489	-847	-2,972	-5,059
Income tax – deferred	-29	-126	-123	-541	-745	-3,230
<b>Profit/loss from continuing operations</b>	<b>1,886</b>	<b>-1,278</b>	<b>7,884</b>	<b>-5,498</b>	<b>47,917</b>	<b>-32,826</b>
Profit/loss from discontinued operations	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>1,886</b>	<b>-1,278</b>	<b>7,884</b>	<b>-5,498</b>	<b>47,917</b>	<b>-32,826</b>
Other comprehensive income for the period	155	2,453	648	10,550	3,937	62,986
<b>Total comprehensive income for the period</b>	<b>2,041</b>	<b>1,174</b>	<b>8,531</b>	<b>5,052</b>	<b>51,854</b>	<b>30,160</b>
<b>Profit/loss after taxation</b>	<b>1,886</b>	<b>-1,278</b>	<b>7,884</b>	<b>-5,498</b>	<b>47,917</b>	<b>-32,826</b>
<i>Attributable to the equity holders</i>	1,896	-1,264	7,923	-5,438	48,157	-32,469
<i>Attributable to minority interest</i>	-9	-14	-40	-60	-241	-357
<b>Total comprehensive income for the period</b>	<b>2,041</b>	<b>1,174</b>	<b>8,531</b>	<b>5,052</b>	<b>51,854</b>	<b>30,160</b>
<i>Attributable to the equity holders</i>	2,051	1,188	8,571	5,111	52,095	30,517
<i>Attributable to minority interest</i>	-9	-14	-40	-60	-241	-357
Average no. of shares outstanding (in thousand)	51,390	51,066	51,390	51,066	51,390	51,066
Earnings per share outstanding	0.037	-0.025	0.153	-0.108	0.932	-0.643
Comprehensive income per share outstanding	0.040	0.023	0.166	0.099	1.009	0.591
<i>EUR exchange rate – low</i>			4.142	4.273	25.190	25.535
<i>EUR exchange rate – average</i>			4.179	4.302	25.402	25.682
<i>EUR exchange rate – high</i>			4.237	4.344	25.595	25.870

Note: Exchange rates provided by the European Central Bank

## Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019
Intangibles	0	0	0	0	0	0
Property, plant and equipment	72,429	82,876	304,945	356,488	1,841,867	2,138,212
Right of use-leased asset	0	2,172				
Investments in associates /joint ventures	2,684	3,306	11,300	14,220	68,252	85,291
Other investments	9	3	36	13	220	77
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
<b>Non-current assets</b>	<b>75,121</b>	<b>88,358</b>	<b>316,281</b>	<b>380,064</b>	<b>1,910,339</b>	<b>2,279,626</b>
Inventories – Goods	13,585	1,663	57,195	7,152	345,461	42,898
Trade receivables	2,469	3,026	10,397	13,015	62,796	78,067
Other receivables	3,384	4,451	14,246	19,145	86,044	114,832
Loans	668	868	2,814	3,732	16,999	22,382
Gross amount due from customers for contract work	368	1,193	1,548	5,133	9,353	30,790
Prepaid expenses	796	1,139	3,353	4,899	20,255	29,385
Cash and cash equivalents	3,662	7,802	15,417	33,559	93,117	201,288
Other S-T financial assets	309	0	1,299	0	7,847	0
Assets held for sale	0	0	0	0	0	0
<b>Current assets</b>	<b>25,241</b>	<b>20,141</b>	<b>106,270</b>	<b>86,636</b>	<b>641,871</b>	<b>519,642</b>
<b>Total assets</b>	<b>100,362</b>	<b>108,499</b>	<b>422,551</b>	<b>466,700</b>	<b>2,552,210</b>	<b>2,799,268</b>
Issued share capital	600	600	2,526	2,581	15,258	15,480
Share premium	23,760	23,760	100,036	102,202	604,217	613,008
Legal reserve fund	13	13	56	57	340	345
Reserves	23,862	25,968	100,464	111,699	606,804	669,968
Retained earnings	-18,975	-19,348	-79,888	-83,224	-482,524	-499,176
Equity attributable to owners of the Company	29,260	30,993	123,194	133,315	744,094	799,625
Non-controlling interests	-29	-54	-120	-230	-726	-1,381
<b>Total equity</b>	<b>29,232</b>	<b>30,940</b>	<b>123,074</b>	<b>133,085</b>	<b>743,369</b>	<b>798,244</b>
Bank loans	34,068	27,578	143,435	118,625	866,345	711,511
Other long-term liabilities	11,181	32,639	47,075	140,394	284,334	842,081
Lease liability	0	2,172	0	9,344	0	56,046
Other loans	500	0	2,105	0	12,715	0
Deferred tax liabilities	6,194	6,565	26,080	28,238	157,523	169,369
<b>Non-current liabilities</b>	<b>51,943</b>	<b>68,954</b>	<b>218,695</b>	<b>296,600</b>	<b>1,320,917</b>	<b>1,779,007</b>
Bank Loans	3,624	5,188	15,257	22,314	92,151	133,838
Other loans	770	0	3,240	0	19,571	0
Trade payables	1,293	1,060	5,445	4,561	32,885	27,357
Other payables	13,308	2,028	56,031	8,723	338,428	52,323
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	193	330	811	1,418	4,899	8,503
Provisions	0	0	0	0	0	0
<b>Current liabilities</b>	<b>19,187</b>	<b>8,605</b>	<b>80,784</b>	<b>37,016</b>	<b>487,935</b>	<b>222,021</b>
<b>Total liabilities</b>	<b>71,131</b>	<b>77,559</b>	<b>299,479</b>	<b>333,616</b>	<b>1,808,852</b>	<b>2,001,028</b>
<b>Total equity &amp; liabilities</b>	<b>100,362</b>	<b>108,499</b>	<b>422,551</b>	<b>466,700</b>	<b>2,552,220</b>	<b>2,799,268</b>
<i>No. of shares outstanding in thousand</i>	<i>51,430</i>	<i>51,089</i>	<i>51,430</i>	<i>51,089</i>	<i>51,430</i>	<i>51,089</i>
<i>Book value per share outstanding</i>	<i>0.569</i>	<i>0.607</i>	<i>2.395</i>	<i>2.609</i>	<i>14.468</i>	<i>15.652</i>

## Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2018Q1	2019Q1	2018Q1	2019Q1	2018Q1	2019Q1
Profit/loss before taxation	2,033	-955	8,495	-4,110	51,634	-24,537
Adjustments for:						
Depreciation	845	987	3,530	4,244	21,457	25,339
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	178	151	745	648	4,531	3,869
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	-361	55	-1,509	237	-9,170	1,413
Capital gains	-3,074	0	-12,845	0	-78,076	0
Net finance expenses	1,113	898	4,650	3,861	28,263	23,052
Changes in:						
Trade and other receivables	-1,260	260	-5,264	1,121	-31,994	6,690
Gross amount due from customers for contract work	6	-606	27	-2,608	161	-15,573
Prepaid expenses	-82	37	-342	160	-2,081	953
Inventories	-12,240	-514	-51,152	-2,213	-310,906	-13,210
Trade and other payables	13,101	-1,255	54,751	-5,397	332,784	-32,221
Other liabilities	-251	-100	-1,051	-431	-6,387	-2,576
<b>Operating cash flow</b>	<b>9</b>	<b>-1,044</b>	<b>36</b>	<b>-4,489</b>	<b>217</b>	<b>-26,802</b>
Acquisition of property, plant and equipment	0	-797	0	-3,430	0	-20,479
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	-656	0	-2,823	0	-16,853
Acquisition of other investments	0	-29	0	-124	0	-743
Proceeds from sale of investments	3,074	0	12,845	0	78,076	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
<b>Investment cash flow</b>	<b>3,074</b>	<b>-1,483</b>	<b>12,845</b>	<b>-6,377</b>	<b>78,076</b>	<b>-38,075</b>
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	0	0	0	0	0	0
Repayment of borrowings	-937	-1,168	-3,915	-5,024	-23,794	-29,997
Proceeds from issuing bonds	1,521	204	6,356	877	38,635	5,233
Repayment of bonds	-6533	0	-27,303	0	-165,950	0
Interest expenses	-806	-1,045	-3,368	-4,495	-20,469	-26,836
<b>Financing cash flow</b>	<b>-6,755</b>	<b>-2,009</b>	<b>-28,229</b>	<b>-8,643</b>	<b>-171,578</b>	<b>-51,600</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-3,672</b>	<b>-4,535</b>	<b>-15,348</b>	<b>-19,509</b>	<b>-93,286</b>	<b>-116,478</b>
<b>Cash at the beginning of the period</b>	<b>7,333</b>	<b>12,337</b>	<b>30,645</b>	<b>53,069</b>	<b>186,264</b>	<b>316,841</b>
Effect of exchange rate fluctuation	-100	0	-417	0	-2,535	0
<b>Cash at the end of the period</b>	<b>3,662</b>	<b>7,802</b>	<b>15,305</b>	<b>33,560</b>	<b>93,029</b>	<b>200,364</b>
EUR exchange rate – low			4.142	4.273	25.190	25.535
EUR exchange rate – average			4.179	4.302	25.402	25.682
EUR exchange rate – high			4.237	4.344	25.595	25.870

## 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
<b>BALANCE at 31.12.2018</b>	<b>600</b>	<b>23,760</b>	<b>13</b>	<b>22,935</b>	<b>698</b>	<b>223</b>	<b>-18,411</b>	<b>29,819</b>	<b>-40</b>	<b>29,779</b>
Loss for the period 1.1.2019 – 31.03.2019							-1,278	-1,278	-14	-1,292
Revaluation of PPE				2,629				2,629		2,629
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-149			-149		-149
Derivatives						-27		-27		-27
Acquisition of JV								0		0
Total comprehensive income for the period	0	0	0	2,629	-149	-27	-1,278	1,174	-14	1,160
Equity effect of JV capital increase*								0		0
Move from . reserve to retained earnings				-341			341	0		0
<b>BALANCE at 31.03.2019</b>	<b>600</b>	<b>23,760</b>	<b>13</b>	<b>25,223</b>	<b>549</b>	<b>196</b>	<b>-19,348</b>	<b>30,993</b>	<b>-54</b>	<b>30,940</b>

\* Contribution to consolidated equity related to the increased value of the remaining equity stakes in the five project companies (Gunning Solar Farm Pty. Ltd., Suntop Stage 2 Solar Farm Pty. Ltd., Gunnedah Solar Farm Pty. Ltd., Suntop Solar Farm Pty. Ltd. and Maryvale Solar Farm Pty. Ltd.) after capital increase by Canadian Solar.

## 13. Detailed entity financial results for 2019Q1

The tables below present the **entity** and **unaudited** financial statements of Photon Energy N.V. for the three-month period starting on 1 January 2019 and ending on 31 March 2019 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	
	2018Q1	2019Q1	2018Q1	2019Q1	2018Q1	2019Q1
<b>Revenues from the sale of products, goods and services</b>	<b>373</b>	<b>564</b>	<b>1,559</b>	<b>2,427</b>	<b>9,475</b>	<b>14,487</b>
Cost of sales	-326	-418	-1,362	-1,797	-8,281	-10,726
Gross profit	47	146	196	630	1,194	3,761
Other administrative expenses	-110	-146	-460	-630	-2,794	-3,760
Other income	3,074	70	12,847	301	78,085	1,797
Other expenses	-204	-2	-853	-10	-5,182	-58
<b>EBITDA</b>	<b>2,807</b>	<b>68</b>	<b>11,731</b>	<b>291</b>	<b>71,303</b>	<b>1,739</b>
Amortization & depreciation	-3	0	-13	0	-76	0
<b>EBIT</b>	<b>2,804</b>	<b>68</b>	<b>11,719</b>	<b>291</b>	<b>71,227</b>	<b>1,739</b>
Financial income	134	179	560	771	3,404	4,604
Financial costs	-420	-746	-1,755	-3,207	-10,669	-19,149
<b>Profit / loss before taxation</b>	<b>2,518</b>	<b>-499</b>	<b>10,523</b>	<b>-2,145</b>	<b>63,962</b>	<b>-12,806</b>
Income tax	0	0	0	0	0	0
<b>Profit/loss for the period (net income)</b>	<b>2,518</b>	<b>-499</b>	<b>10,523</b>	<b>-2,145</b>	<b>63,962</b>	<b>-12,806</b>

## Balance Sheet

in Thousands	EUR		PLN		CZK	
	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019
Intangibles	0	0	0	0	0	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	37,821	44,060	159,235	189,523	961,777	1,136,758
Other investments	0	29	0	124	0	746
Longterm receivables	84	83	353	356	2,134	2,133
Deferred tax assets	0	0	0	0	0	0
<b>Non-current assets</b>	<b>37,904</b>	<b>44,172</b>	<b>159,588</b>	<b>190,003</b>	<b>963,911</b>	<b>1,139,637</b>
			0	0	0	0
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	7,008	9,505	29,507	40,884	178,223	245,222
Loans	3,654	19,842	15,383	85,348	92,914	511,920
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	558	965	2,349	4,150	14,189	24,889
Cash and cash equivalents	360	1,998	1,516	8,594	9,155	51,550
<b>Current assets</b>	<b>11,580</b>	<b>32,309</b>	<b>48,755</b>	<b>138,976</b>	<b>294,481</b>	<b>833,581</b>
<b>Total assets</b>	<b>49,485</b>	<b>76,481</b>	<b>208,343</b>	<b>328,979</b>	<b>1,258,392</b>	<b>1,973,218</b>
Issued share capital	600	600	2,526	2,581	15,258	15,480
Share premium	36,871	36,871	155,237	158,598	937,630	951,272
Legal reserve fund	0	0	0	0	0	0
Reserves	17,315	16,565	72,900	71,253	440,319	427,375
Retained earnings	-26,097	-16,407	-109,874	-70,573	-663,636	-423,299
Profit/loss for the current period	2,517	-499	10,598	-2,145	64,015	-12,864
Equity attributable to owners of the Company	31,207	37,130	131,388	159,714	793,585	957,964
Non-controlling interests	0	0	0	0	0	0
<b>Total equity</b>	<b>31,207</b>	<b>37,130</b>	<b>131,388</b>	<b>159,714</b>	<b>793,585</b>	<b>957,964</b>
Bank Loan	0	0	0	0	0	0
Other long term liabilities	12,135	33,817	51,090	145,461	308,584	872,477
Other loans	500	0	2,105	0	12,715	0
Deferred tax liabilities	0	0	0	0	0	0
<b>Non-current liabilities</b>	<b>12,635</b>	<b>33,817</b>	<b>53,195</b>	<b>145,461</b>	<b>321,299</b>	<b>872,477</b>
Bank Loans	0	0	0	0	0	0
Other loans	770	277	3,242	1,190	19,581	7,135
Trade and other payables	4,872	4,787	20,511	20,591	123,884	123,507
Other short term liabilities	0	468	0	2,015	0	12,086
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
<b>Current liabilities</b>	<b>5,642</b>	<b>5,532</b>	<b>23,752</b>	<b>23,796</b>	<b>143,465</b>	<b>142,727</b>
<b>Total Equity &amp; Liabilities</b>	<b>49,485</b>	<b>76,481</b>	<b>208,343</b>	<b>328,980</b>	<b>1,258,392</b>	<b>1,973,218</b>
<i>No. of shares outstanding in thousand</i>	<i>51,430</i>	<i>51,089</i>	<i>51,430</i>	<i>51,089</i>	<i>51,430</i>	<i>51,089</i>
<i>Book value per share outstanding</i>	<i>0.607</i>	<i>0.727</i>	<i>2.555</i>	<i>3.126</i>	<i>15.430</i>	<i>18.751</i>

## 14. 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 2019 and ending on 31 March 2019 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 2019 to 31 March 2019

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
<b>External revenues from sale of products, goods &amp; services</b>	<b>1,240</b>	<b>2,440</b>	<b>492</b>	<b>0</b>	<b>26</b>	<b>4,198</b>	<b>0</b>	<b>4,198</b>
Revenues within segments from sale of products, goods, services	41	0	207	0	949	1,197	-1,197	0
Cost of sale	-1,142	-161	-290	0	-34	-1,628	193	-1,435
Levy	0	-155	0	0	0	-155	0	-155
<b>Gross profit</b>	<b>139</b>	<b>2,124</b>	<b>409</b>	<b>0</b>	<b>940</b>	<b>3,612</b>	<b>-1,004</b>	<b>2,609</b>
Other external income	8	-12	1	0	22	19	0	19
Administrative and other expenses	-374	-72	-575	0	-945	-1,967	418	-1,549
Depreciation	-5	-949	-15	0	-18	-987	0	-987
<b>Operating income</b>	<b>-232</b>	<b>1,091</b>	<b>-180</b>	<b>0</b>	<b>-1</b>	<b>677</b>	<b>-586</b>	<b>93</b>
Interest income	25	97	27	0	277	426	389	815
Interest expenses	-52	-446	-51	0	-884	-1,434	-389	-1,823
Other financial revenues	57	28	17	0	86	187	0	187
Other financial expenses	-3	-59	-1	0	-13	-76	0	-76
Revaluation of derivatives	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	-151	0	-151	0	-151
Disposal of investment	0	0	0	0	0	0	0	0
Income tax	0	-197	0	0	0	-197	0	-197
Deferred tax	0	-126	0	0	0	-126	0	-126
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>-206</b>	<b>387</b>	<b>-189</b>	<b>-151</b>	<b>-535</b>	<b>-693</b>	<b>-586</b>	<b>-1,278</b>
Revaluation of property, plant and equipment	0	2,629	0	0	0	2,629	0	2,629
Foreign currency translation diff. - foreign operations	0	-149	0	0	0	-149	0	-149
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	-27	0	0	0	-27	0	-27
<b>Total comprehensive income</b>	<b>-206</b>	<b>2,840</b>	<b>-189</b>	<b>-151</b>	<b>-535</b>	<b>1,760</b>	<b>-586</b>	<b>1,174</b>
<b>Assets, of which</b>	<b>13,354</b>	<b>97,892</b>	<b>7,055</b>	<b>3,306</b>	<b>47,785</b>	<b>169,392</b>	<b>-60,893</b>	<b>108,499</b>
PPE – Lands	0	3,630	0	0	477	4,107	0	4,107
PPE – Photovoltaic power plants	0	75,993	0	0	0	75,993	0	75,993
PPE – Equipment	52	0	227	0	117	396	0	396
PPE – Assets in progress	0	1,633	491	0	256	2,380	0	2,380
Intangibles	0	0	0	0	0	0	0	0
Right of use-leased asset	61	1,792	0	0	319	2,172	0	2,172
Trade and other receivables	10,984	9,508	5,731	0	42,147	68,370	-60,893	7,477
Loans	0	0	0	0	868	868	0	868
Gross amount due from customers for contract work	876	0	0	0	317	1,193	0	1,193
Inventories – Goods	942	322	357	0	41	1,663	0	1,663
Investments in associates, JV, other	0	0	0	3,306	3	3,309	0	3,309
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	34	32	20	0	1,053	1,139	0	1,139
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	404	4,983	228	0	2,186	7,802	0	7,802
Other S-T financial assets	0	0	0	0	0	0	0	0
<b>Liabilities, of which</b>	<b>12,973</b>	<b>53,321</b>	<b>11,607</b>	<b>0</b>	<b>60,480</b>	<b>138,381</b>	<b>-60,823</b>	<b>77,559</b>
Trade and other payables	12,916	11,356	11,413	0	28,226	63,911	-60,823	3,088
Bank Loans and other loans	0	32,765	0	0	0	32,765	0	32,765
Lease liability	61	1,792	0	0	319	2,172	0	2,172
Other long term liabilities	0	593	103	0	31,944	32,639	0	32,639
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	-4	251	92	0	-9	330	0	330
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	6,565	0	0	0	6,565	0	6,565

**Results of the operating segments for the period from 1 January 2018 to 31 March 2018**

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
<b>External revenues from sale of products, goods &amp; services</b>	<b>1,574</b>	<b>1,656</b>	<b>452</b>	<b>0</b>	<b>32</b>	<b>3,714</b>	<b>0</b>	<b>3,714</b>
Revenues within segments from sale of products, goods, services	934	0	265	0	753	1,952	-1,952	0
Cost of sale	-1,954	-187	-312	0	-104	-2,557	1,145	-1,412
Solar levy	0	-119	0	0	0	-119	0	-119
<b>Gross profit</b>	<b>554</b>	<b>1,358</b>	<b>405</b>	<b>0</b>	<b>681</b>	<b>2,990</b>	<b>-807</b>	<b>2,183</b>
Other external income	0	27	0	0	58	85	0	85
Administrative and other expenses	-185	-67	-346	0	-899	-1,498	254	-1,244
Depreciation	-8	-812	-16	0	-8	-845	0	-845
<b>Operating income</b>	<b>361</b>	<b>506</b>	<b>42</b>	<b>0</b>	<b>-169</b>	<b>733</b>	<b>-553</b>	<b>180</b>
Interest income	16	80	9	0	136	241	-156	85
Interest expenses	-31	-445	-28	0	-444	-949	156	-793
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-70	-6	-2	0	-220	-297	0	-297
Revaluation of derivatives	0	-108	0	0	0	-108	0	-108
Profit/loss share in entities in equivalency	0	0	0	-108	0	-108	0	-108
Disposal of investment	0	0	0	0	3,074	3,074	0	3,074
Income tax	0	-117	0	0	0	-117	0	-117
Deferred tax	0	-29	0	0	0	-29	0	-29
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>275</b>	<b>-120</b>	<b>22</b>	<b>-108</b>	<b>2,378</b>	<b>2,439</b>	<b>-553</b>	<b>1,886</b>
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	102	0	102	0	102
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	0	53	0	53	0	53
<b>Total comprehensive income</b>	<b>275</b>	<b>-120</b>	<b>22</b>	<b>47</b>	<b>2,378</b>	<b>2,594</b>	<b>-553</b>	<b>2,041</b>
<b>Assets, of which</b>	<b>17,717</b>	<b>82,880</b>	<b>4,469</b>	<b>2,684</b>	<b>19,823</b>	<b>127,573</b>	<b>-27,211</b>	<b>100,362</b>
PPE – Lands	0	3,018	0	0	0	3,018	0	3,018
PPE – Photovoltaic power plants	0	68,327	0	0	0	68,327	0	68,327
PPE – Equipment	0	0	139	0	17	156	0	156
PPE – Assets in progress	0	110	269	0	444	823	105	928
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	5,003	7,255	3,551	0	17,360	33,169	-27,316	5,853
Loans	0	0	0	0	668	668	0	668
Gross amount due from customers for contract work	97	0	0	0	271	368	0	368
Inventories – Goods	12,588	559	423	0	14	13,585	0	13,585
Investments in associates, JV, other	0	0	0	2,684	9	2,693	0	2,693
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	5	135	33	0	622	796	0	796
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	23	3,477	53	0	109	3,662	0	3,662
Other S-T financial assets	0	0	0	0	309	309	0	309
<b>Liabilities, of which</b>	<b>-20,107</b>	<b>-48,440</b>	<b>-8,281</b>	<b>0</b>	<b>-20,722</b>	<b>-97,550</b>	<b>26,419</b>	<b>-71,130</b>
Trade and other payables	-20,107	-3,552	-8,150	0	-9,211	-41,020	26,419	-14,601
Bank Loans and other loans	0	-37,692	0	0	-1,270	-38,961	0	-38,961
Other long term liabilities	0	-838	-100	0	-10,243	-11,181	0	-11,181
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	-164	-31	0	2	-193	0	-193
Provisions	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	-6,194	0	0	0	-6,194	0	-6,194

## 15. 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.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Company's Management has assessed the Group's business from the segment reporting perspective and decided that they financial results of Photon Energy Group to be reported per segments from an objective perspective starting 1 January 2010.

As of 31 December 2013, the Management Board decided to decrease the number of segments reported.

The Management identified the following segments:

- ▶ Energy Solutions (wholesale and import of FVE components, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy),
- ▶ Production of electricity (includes SPE that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity)

- ▶ PV Investment – This segment represents OCI of the Group flowing from the revaluation of the PV producing electricity and it is related to project companies that generate revenues as shown in the segment Production of electricity.
- ▶ Operations, maintenance and PVPP supervision
- ▶ Other, not related to any of the above mentioned segments.

Other operations include financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2017 or 2018.

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	
	2018Q1	2019Q1	2018Q1	2019Q1
EUR exchange rate – low	4.142	4.273	25.190	25.535
EUR exchange rate – high	4.237	4.344	25.595	25.870
EUR exchange rate – average	4.179	4.302	25.402	25.682
EUR exchange rate – end of period	4.210	4.301	25.430	25.800

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### (c) Group companies

In case of entities, whose functional currency is CZK, CHF or AUD, the financial statements are retranslated 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.

## 16. 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.

## 17. Investor Relations Contact

Emeline Parry, Investor Relations Manager

Phone: +420 702 206 574

E-mail: [ir@photonenergy.com](mailto:ir@photonenergy.com)

Photon Energy N.V.

Barbara Strozzilaan 201

1083 HN Amsterdam

The Netherlands


Phone: +420 277 002 910

Fax: +420 277 002 911

E-mail: [ir@photonenergy.com](mailto:ir@photonenergy.com)

Web: [www.photonenergy.com](http://www.photonenergy.com)

Amsterdam, 13 May 2019

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

Georg Hotar  
Member of the Board of Directors

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

Michael Gartner  
Member of the Board of Director



MATERIAL	THINFILM	INSPECTION 100%	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X