

# PHOTON ENERGY N.V. MONTHLY REPORT

September 2017

for the period from 1 to 30 September 2017

MATERIAL	THINFILM	INSPECTION 1000	TOLERANCE NORM ISO 8015:	PRECISION ISO...	CONCEPT	DESIGN	NORM.REF.	EXAMINED	APPROVED	INDEX	AMEND.
			YES							X	X
										X	X
										X	X
										X	X

NAME

TYPE

FS-PKI - PRA

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

### 1.1 Production results of Photon Energy N.V.'s power plants in the reporting period

The company's portfolio of power plants showed slight under-production through less favorable weather conditions in September 2017. The average performance of all power plants in Photon Energy's portfolio came in approximately 4.3% below expectations. The accumulated data on a year-to-date basis remained positive and was above the energy audits by 7.0% (up by approx. 3.8% YOY YTD).

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

### 1.2 Photon Energy adds further 7.8 MWp to its O&M portfolio.

Photon Energy continues to expand its market share on the Czech solar O&M market by signing a full O&M contract for a total capacity of 7.8 MWp with Energy 21, one of the leading Czech independent power producers. In addition to the contract signed in June 2016 for a total capacity of 28.5 MWp, the O&M services portfolio delivered to Energy 21 has grown to 35.5 MWp. As a result, Photon Energy now provides O&M and monitoring services for 123 MWp in the Czech Republic and 212 MWp worldwide.

### 1.3 Photon Energy launches a public exchange offer and a public offer for a 5-year 7.75% corporate bond.

The bond prospectus has been approved by the CSSF ("Commission de Surveillance du Secteur Financier"), the financial markets regulator of the Grand Duchy of Luxembourg, on 21 September 2017. The bond issue is aimed at holders of the company's outstanding EUR-bond 2013/18 as a follow-on investment, as well as at new investors. The total offering volume in a public offer in Germany, Austria and Luxembourg is up to EUR 30 million. Holders of the outstanding EUR-bond 2013/18 will be able to exchange their bonds for the 7.75% EUR-bond 2017-22 until 20 October 2017. New investors will be able to subscribe for the new bond issue until 24 October 2017. After the subscription period the bond will be traded on the Frankfurt Stock Exchange as of 27 October. Photon Energy aims to refinance the outstanding EUR-bond 2013/18 and raise additional capital for the planned expansion of the company's portfolio of PV power plants in Australia and Hungary. Detailed information can be found on the website: <http://bond17.photonenergy.com>.

### 1.4 Photon Energy acquires 8 PV projects with 4.5 MWp in Hungary

After the reporting period, on 4 October 2017, Photon Energy announced the signing of a co-development and share purchase agreement for 100% of the shares of Ráció Master Oktatási Kft., which owns the KÁT licenses, grid connection and land usage rights for 8 PV projects in the Komárom-Esztergom region in Hungary. Upon the completion of the project development process including the construction permit, Photon Energy will acquire 100% of the shares of Ráció Master Oktatási Kft., which at that time will own all the land on which the 8 PV power plants will be built. This ready-to-built stage is expected to be reached by the end of 2018Q1.

### 1.5 Development Approval granted for a 28.6 MWp solar farm in Leeton, Australia.

After the reporting period, on 9 October 2017, Photon Energy NV announced that it had obtained Development Approval from the municipality of Leeton, New South Wales, for the construction of a 28.6 MWp solar farm. Photon Energy is now in the final stages of the grid connection process for the solar PV generator with regional network service provider Essential Energy. The Development approval is a major milestone for Photon Energy in Australia validating our long term strategy and commitment to the Australian market.

### 1.6 Reporting on Photon Energy's project pipeline.

As of the reporting date, Photon Energy is developing PV projects in Australia (1,472.6 MWp) and Hungary (11.3 MWp) and is evaluating further markets for opportunities. For detailed information, please refer to chapter 3 "Reporting on Photon Energy's project pipeline".

## 2. Proprietary PV plants.

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

**Table 1. Production results in September 2017**

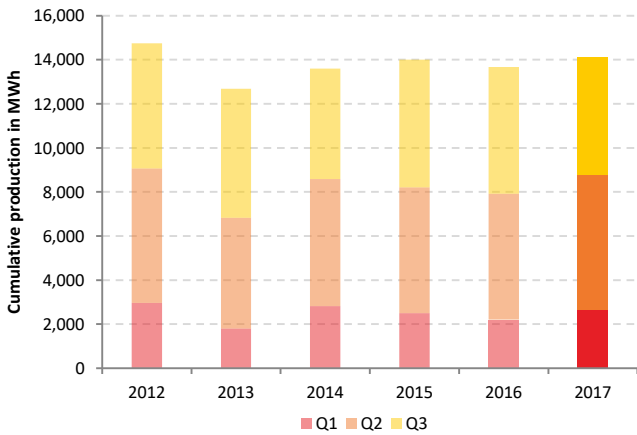
Project name	Capacity	Feed-in-Tariff	Prod. 2017 September	Proj. 2017 September	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, applicable in 2017	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 13,966	181,005	191,202	-5.3%	2,153,361	2,066,745	4.2%	1.9%
Zvíkov I	2,031	CZK 13,966	178,442	167,586	6.5%	1,997,046	1,811,465	10.2%	2.4%
Dolní Dvořiště	1,645	CZK 13,966	132,148	139,412	-5.2%	1,488,502	1,506,936	-1.2%	6.7%
Svatoslav	1,231	CZK 13,966	88,500	103,542	-14.5%	1,053,068	1,119,201	-5.9%	2.8%
Slavkov	1,159	CZK 13,966	92,736	98,601	-5.9%	1,162,153	1,065,794	9.0%	2.6%
Mostkovice SPV 1	210	CZK 13,966	14,356	16,845	-14.8%	189,815	165,196	14.9%	0.0%
Mostkovice SPV 3	926	CZK 15,004	65,557	74,914	-12.5%	846,818	799,313	5.9%	0.1%
Zdice I	1,499	CZK 13,966	121,602	122,908	-1.1%	1,438,559	1,317,023	9.2%	2.5%
Zdice II	1,499	CZK 13,966	122,485	122,908	-0.3%	1,463,211	1,317,023	11.1%	8.9%
Radvanice	2,305	CZK 13,966	166,679	189,257	-11.9%	2,171,134	2,045,716	6.1%	1.3%
Břeclav rooftop	137	CZK 13,966	11,912	12,388	-3.8%	140,242	113,906	23.1%	1.6%
<b>Total Czech PP</b>	<b>14,996</b>		<b>1,175,422</b>	<b>1,239,562</b>	<b>-5.2%</b>	<b>14,103,908</b>	<b>13,328,319</b>	<b>5.8%</b>	<b>3.1%</b>
Babiná II	999	EUR 425.12	78,801	87,963	-10.4%	927,234	852,969	8.7%	11.1%
Babina III	999	EUR 425.12	78,366	87,963	-10.9%	927,735	852,969	8.8%	10.4%
Prša I.	999	EUR 425.12	92,199	92,657	-0.5%	968,943	857,106	13.0%	1.3%
Blatna	700	EUR 425.12	57,492	62,120	-7.5%	646,074	627,591	2.9%	-0.1%
Mokra Luka 1	963	EUR 382.61	99,035	94,211	5.1%	1,029,904	875,523	17.6%	2.3%
Mokra Luka 2	963	EUR 382.61	99,670	94,211	5.8%	1,042,867	875,523	19.1%	2.7%
Jovice 1	979	EUR 382.61	81,185	78,342	3.6%	814,323	848,016	-4.0%	6.2%
Jovice 2	979	EUR 382.61	80,430	78,342	2.7%	809,635	848,016	-4.5%	10.1%
Brestovec	850	EUR 382.61	74,766	79,603	-6.1%	906,429	742,297	22.1%	4.4%
Polianka	999	EUR 382.61	72,378	79,948	-9.5%	882,393	868,277	1.6%	2.7%
Myjava	999	EUR 382.61	80,097	91,191	-12.2%	994,533	892,263	11.5%	3.2%
<b>Total Slovak PP</b>	<b>10,429</b>		<b>894,419</b>	<b>926,549</b>	<b>-3.5%</b>	<b>9,950,070</b>	<b>9,140,551</b>	<b>8.9%</b>	<b>4.8%</b>
Symonston	144	AUD 301.60	16,720	15,000	11.5%	124,650	123,580	0.9%	3.1%
<b>Total Australian PP</b>	<b>144</b>		<b>16,720</b>	<b>15,000</b>	<b>11.5%</b>	<b>124,650</b>	<b>123,580</b>	<b>0.9%</b>	<b>3.1%</b>
<b>Total</b>	<b>25,569</b>		<b>2,086,561</b>	<b>2,181,112</b>	<b>-4.3%</b>	<b>24,178,628</b>	<b>22,592,450</b>	<b>7.0%</b>	<b>3.8%</b>

**Notes:**

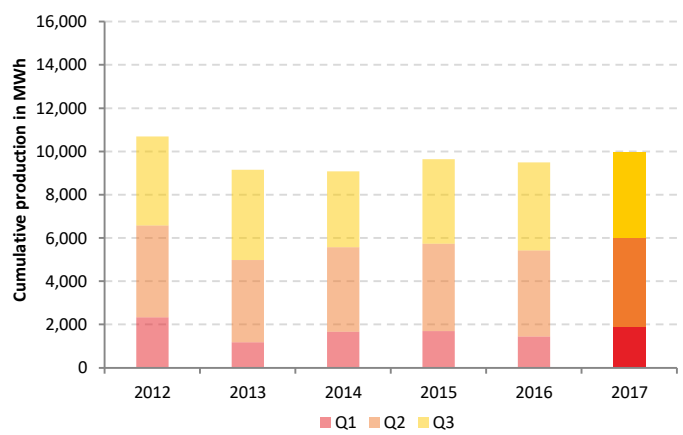
Capacity: installed capacity of the power plant  
 Prod.: production in the reporting month  
 Proj.: projection in the reporting month  
 Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.  
 YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.  
 YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month.

Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2017/ YTD proj. in 2017) - 1  
 YoY ratio: (YTD Prod. in 2017/ YTD Prod. in 2016) - 1.  
 The FIT for the Czech Republic is an indicative figure only. As of 2016 Photon Energy has switched to the "Green Bonus" system, under which energy from our power plants is sold under a different system, at a combined price slightly higher than the FIT.

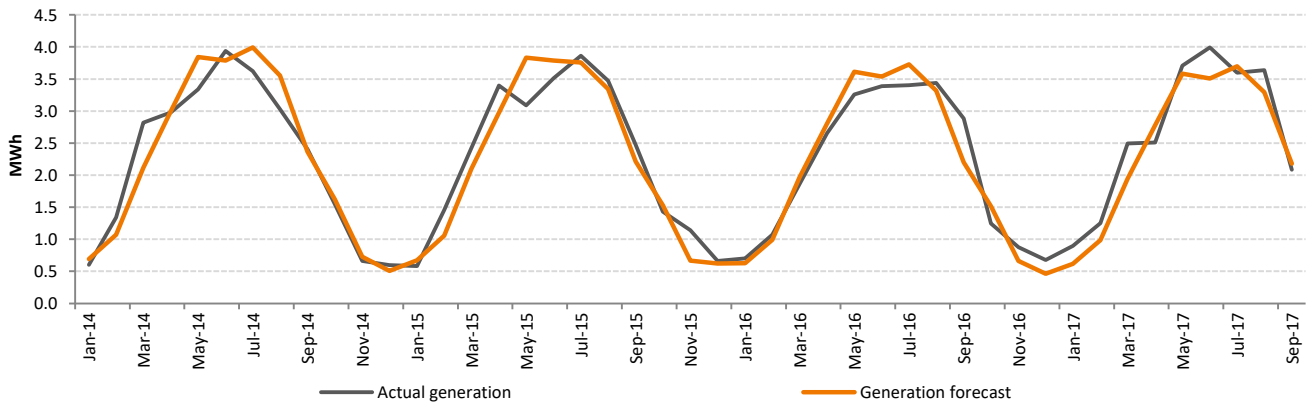
**Chart 1.a Total production of the Czech portfolio**



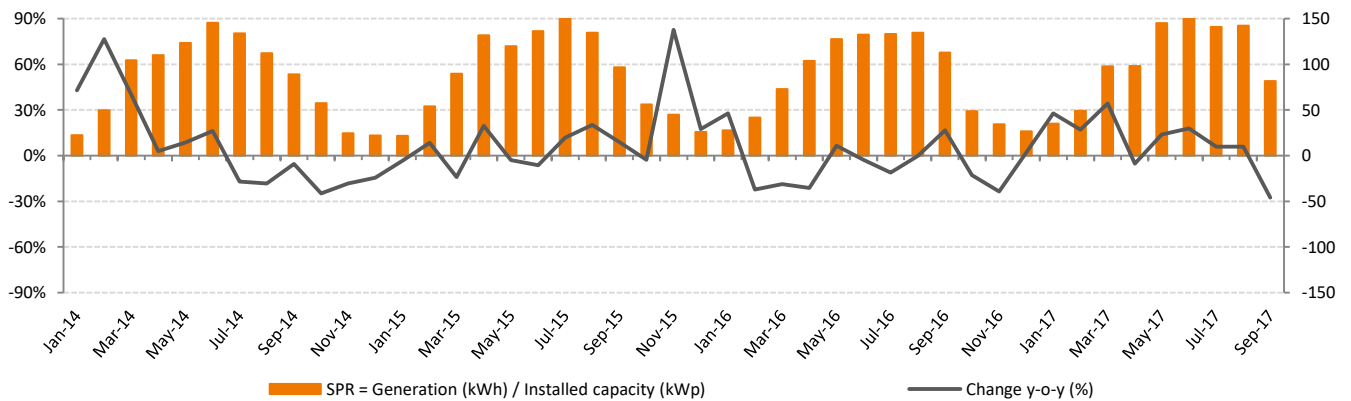
**Chart 1.b Total production of the Slovak portfolio**



**Chart 2. Generation results versus forecast between 1 January 2014 and 30 September 2017**



**Chart 3. Specific Performance**



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

The company's portfolio of power plants showed slight under-production through less favorable weather conditions in September 2017. The average performance of all power plants in Photon Energy's portfolio came in approximately 4.3% below expectations. The accumulated data on a year-to-date basis remained positive and was above the energy audits by 7.0% (up by approx. 3.8% YOY YTD).

The Czech and Slovak plants performed on average below expectations, by 5.2% and 3.5%, respectively. The Australian plant, in contrast, recorded a solid over-performance of 11.5% above expectations. Specific performance in September decreased by 28% YoY to 82 KWh/KWp.

### 3. Reporting on Photon Energy's project pipeline.

Photon Energy currently develops PV projects in Australia and Hungary and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of Photon Energy's project development activities is to expand its proprietary portfolio of PV power plants for long-term ownership, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with a view of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) 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	MWp	Revenue Model	Land	Grid connection	Construction permit	Expected RTB
Australia	Leeton	Own portfolio	28.6	Emarket + GC / PPA	Secured	Ongoing	Secured	2017Q4
Australia	Environa	Own portfolio	19	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2018Q1
<b>Total Own portfolio Australia</b>			<b>47.6</b>					
Hungary	Pest region	Own portfolio	6.3	Licensed PPA	Secured	Secured	Ongoing	2018Q1
Hungary	Fertöd	Own portfolio	0.5	Licensed PPA	Secured	Secured	Secured	2017Q4
Hungary	Almásfüzitő	Own portfolio	4.5	Licensed PPA	Secured	Secured	In preparation	2018Q1
<b>Total Own portfolio Hungary</b>			<b>11.3</b>					
<b>Total Own portfolio</b>			<b>58.9</b>					
Australia	Gunning	Developer	316	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q1
Australia	Gunnedah	Developer	165	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2018Q3
Australia	Suntop	Developer	286	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q2
Australia	Carrick	Developer	138	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q2
Australia	Brewongle	Developer	146	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q2
Australia	Mumbil	Developer	178	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q2
Australia	Maryvale	Developer	196	Emarket + GC / PPA	Secured	Ongoing	Ongoing	2019Q2
<b>Total Development Australia</b>			<b>1,425.0</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 as Watt peak – Wp) can be installed without exceeding the grid connection limit. In times of extremely high production inverters can reduce the volume of electricity so that the plant stays within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

#### Australia

After the reporting period, Photon Energy NV received the Development Approval from the municipality of **Leeton**, New South Wales, for the construction of a 28.6 MWp solar farm. Photon Energy is now in the final stages of the grid connection process for the solar PV generator with regional network service provider Essential Energy. The Development approval is a major milestone for Photon Energy in Australia, validating its long term strategy and commitment to the Australian market.

For the project in **Environa** (19 MWp) the Network Technical Study is progressing to finalise the Grid Connection Process.



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

The other PV projects are being co-developed with a local joint venture partner. Through 51%-owned project companies, Photon Energy has secured land options and is progressing with the New South Wales government State Significant Development process. Photon Energy expects to complete the project development process to the ready-to-build stage in 2019.

The projects are part of a previously announced 1 GWp project pipeline (which includes the Gunning project), for which Photon Energy has mandated advisory firm Pottinger to advise on the raising of development capital:

Country	Location	MWp	Project company name	% of ownership	Expected annual output
Australia	Gunning	316.0	Photon Energy Generation Pty Ltd.	100%	539,096 MWh
Australia	Gunnedah	165.0	Photon Energy AUS SPV 7 Pty Ltd.	51%	293,040 MWh
Australia	Suntop	286.0	Photon Energy AUS SPV 8 Pty Ltd.	51%	503,360 MWh
Australia	Carrick	138.0	Photon Energy AUS SPV 6 Pty Ltd.	51%	221,904 MWh
Australia	Brewongle	146.0	Photon Energy AUS SPV 9 Pty Ltd.	51%	239,878 MWh
Australia	Mumbil	178.0	Photon Energy AUS SPV 5 Pty Ltd.	51%	312,924 MWh
Australia	Maryvale	196.0	Photon Energy AUS SPV 10 Pty Ltd.	51%	345,940 MWh
<b>Sub-total Australia</b>		<b>1,425.0</b>			

## Hungary

In the **Pest region** of Hungary Photon Energy is developing 11 projects with a grid connection capacity of 498 KW each. The installed capacity has been designed to be between 570 and 575 KWp for each plant. On 10 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 MWh of electricity into the grid at the guaranteed price of HUF 31.77 (EUR 0.102) per KWh over 25 years from the date of grid connection. The KÁT licenses provide Photon Energy with a 2-year period (extendable to 3 years) for the commissioning of all plants since the date of the application for the KÁT licenses.

In July Photon Energy acquired 100% of the shares in **Fertőd Napenergia-Termelő Kft.**, a Hungarian limited-liability company owning all licenses, rights and permits (including a valid construction permit) for the construction of a 520 KWp (DC) photovoltaic power plant (subject to a 499 KW AC grid connection limit). The project is located in the municipality of Fertőd, in the Győr-Moson-Sopron region of Hungary. The PV plant is eligible for support under the KÁT support system, guaranteeing an off-take price of HUF 31.77 (EUR 0.102) per KWh of electricity supplied to the grid. During the 25-year support period the power plant is licensed to sell 14.3 GWh of renewable energy, generating revenues of at least EUR 1.478 million over the entire period. The project is ready-to-build and Photon Energy intends to start construction in October and to connect the power plant before year-end.

After the reporting period, on 4 October 2017, Photon Energy announced the signing of a co-development and share purchase agreement for 100% of the shares of Ráció Master Oktatási Kft., which owns the KÁT licenses, grid connection and land usage rights for 8 PV projects in the Komárom-Esztergom region in Hungary. Upon the completion of the project development process including the construction permit, Photon Energy will acquire 100% of the shares of Ráció Master Oktatási Kft., which at that time will own all the land on which the 8 PV power plants will be built. This ready-to-built stage is expected to be reached by the end of 2018Q1. The planned installed DC capacity (the total installed generating power of the PV modules) is planned to reach 4.5 MWp. This acquisition marks an important step towards achieving the Company's goal of building 50 MWp of PV plants for its proprietary long-term portfolio in Hungary.



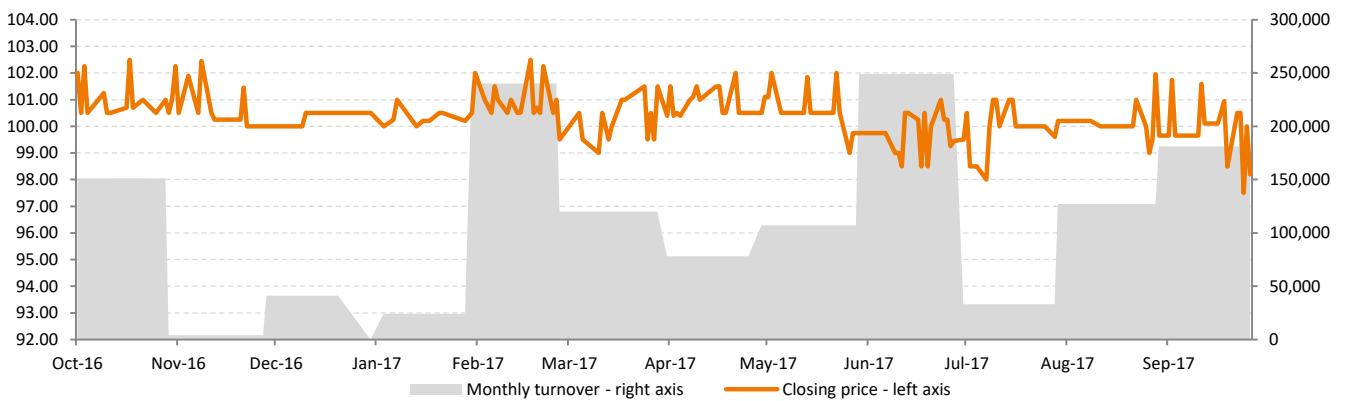
## 5. Bond trading performance.

In March 2013 the Company issued a 5-year corporate bond with an 8% annual coupon and quarterly payment. The corporate bond, with a denomination of EUR 1,000 (ISIN DE000A1HELE2), is being traded in the Open Market of the Frankfurt Stock Exchange. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 93% and 102.50%.

In December 2016, the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payment. 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.

### 5.1 EUR Bond trading performance in Frankfurt

**Chart 7. The Company's EURO bond trading on the Frankfurt Stock Exchange in Germany between 1 October 2016 and 30 September 2017, on a daily basis**



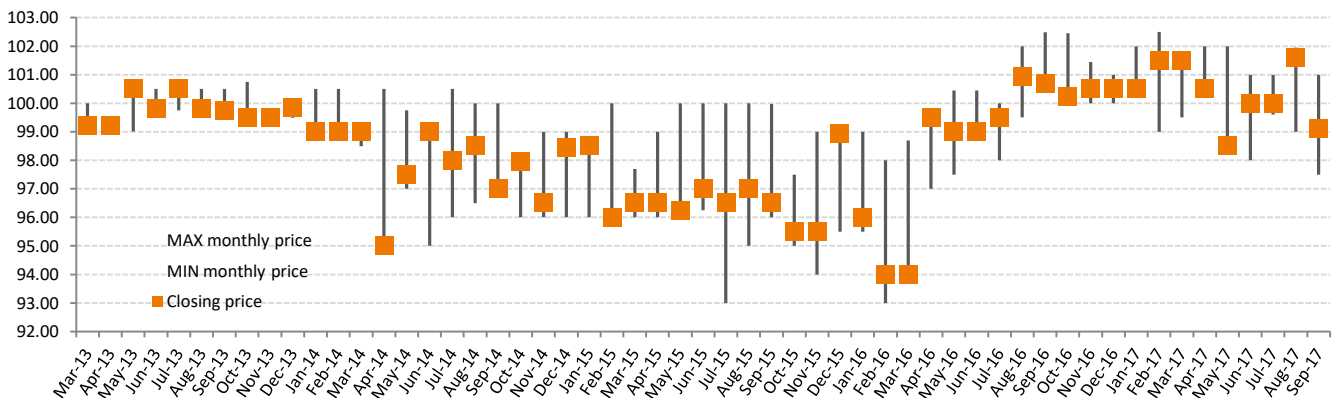
#### EUR Bond trading performance to date

In the trading period from 12 March 2013 until 30 September 2017 the trading volume amounted to EUR 9.045 million (nominal value) with an opening price of 100.00 and a closing price of 99.10. During this period the average daily turnover amounted to EUR 7,858.

#### EUR Bond trading performance in September 2017

In September 2017 the trading volume amounted to EUR 127,000 with an opening price of 101.60 and a closing price of 99.10. The average daily turnover amounted to EUR 8,619. As of the end of September 2017, the total outstanding nominal amounts to EUR 10.592 million.

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



### 5.2 CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 30 September 2017 the trading volume amounted to CZK 5,940,000 (unchanged compared to last month - nominal value) with a closing price of 100.00.



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

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

- ▶ EBI 27/2017 published on 4 September 2017: Photon Energy announces the development of three further solar plants in Australia for a total capacity of 402 MWp.
- ▶ EBI 28/2017 published on 11 September 2017: Monthly report for August 2017.
- ▶ EBI 29/2017 published on 21 September 2017: Photon Energy launches a public exchange offer and a public offer for a 5-year 7.75% corporate bond with a placement volume of up to EUR 30 million.

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 30/2017 published on 4 October 2017: Photon Energy acquires 8 PV projects with 4 MW AC in Hungary.
- ▶ EBI 31/2017 published on 10 October 2017: Photon Energy announces Development Approval for 28.6 MWp solar farm in Leeton, Australia.

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:

- ▶ None.

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:

- ▶ None.

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

Not applicable.

## 8. Investors' calendar.

- ▶ 24 October 2017 End of the Subscription period for the 2017/22 EUR Bond.
- ▶ 27 October 2017 First trading day of the 2017/2022 EUR bond on the Open Market of the Frankfurt Stock Exchange.
- ▶ 6 November 2017 Entity and consolidated quarterly reports for 2017Q3.
- ▶ Date TBD Online Chat with investors to comment 2017Q3 results.
- ▶ 9 November 2017 Monthly report for October 2017.
- ▶ 11 December 2017 Monthly report for November 2017.

## 9. Investor relations contact.

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Amsterdam, 10 October 2017



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors