

PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

2018Q1

for the period from 1 January to 31 March 2018

7 May 2018 | 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 2018

in Thousands	EUR		PLN		CZK	
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1
Total revenues	2,786	3,714	12,038	16,046	75,280	94,335
Gross profit	2,165	2,184	9,353	9,436	58,491	55,475
EBITDA	1,073	1,025	4,637	4,428	28,998	26,032
EBIT	264	180	1,142	778	7,142	4,575
Profit / loss before taxation	-219	2,033	-946	8,783	-5,916	51,634
Profit / loss from continuing operations	-312	1,886	-1,349	8,151	-8,435	47,917
Total comprehensive income	-131	2,041	-567	8,820	-3,544	51,854
Non-current assets	74,686	75,121	315,679	316,281	2,018,770	1,910,339
Current assets	10,666	25,241	45,081	106,270	288,291	641,871
Cash and cash equivalents	4,350	3,662	18,387	15,417	117,587	93,117
Total assets	85,352	100,362	360,760	422,551	2,307,061	2,552,210
Total equity	24,041	29,232	101,613	123,074	649,815	743,369
Current liabilities	17,432	19,187	73,679	80,784	471,178	487,935
Non-current liabilities	43,881	51,943	185,473	218,695	1,186,103	1,320,917
Operating cash flow	162	9	701	36	4,385	217
Investment cash flow	0	3,074	0	12,845	0	78,076
Financial cash flow	-1,230	-6,755	-5,315	-28,229	-33,239	-171,578
Net change in cash	-1,068	-3,672	-4,614	-15,348	-28,854	-93,286
EUR exchange rate - low	-	-	4.225	4.142	27.020	25.190
EUR exchange rate - average	-	-	4.321	4.179	27.020	25.402
EUR exchange rate - end of period	-	-	4.227	4.210	27.030	25.430
EUR exchange rate - high	-	-	4.413	4.237	27.030	25.595

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- ▶ Unaudited consolidated revenues increased by 33.3% YOY from EUR 2.786 million to EUR 3.714 million in 2018Q1, mainly due to higher revenues from energy solutions as well as from the sale of technology.
- ▶ In 2018Q1, consolidated EBITDA reached EUR 1.025 million, i.e. by EUR 0.048 million lower than in 2017Q1.
- ▶ For the first quarter of 2018 consolidated EBIT reached EUR 0.180 million, representing a EUR 0.084 million decline YOY.
- ▶ In 2018Q1, the Company swung into a profit before taxation of EUR 2.033 million from a loss before taxation of EUR 0.219 million in 2017Q1.
- ▶ The Company recorded a profit after taxation of EUR 1.886 million in 2018Q1, compared to a net loss of EUR 0.312 million for the same period last year.
- ▶ Total comprehensive income swung from a loss of EUR 0.131 million in 2017Q1 to a profit of EUR 2.041 million in 2018Q1.
- ▶ Total equity increased to EUR 29.232 million at the end of 2018Q1, compared EUR 24.041 million at the end of 2017Q1.
- ▶ The equity ratio¹ increased from 36% at end of 2017Q1 to 37% at the end of 2018Q1.

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

Other highlights:

- ▶ In 2018Q1, the proprietary portfolio of PV plants generated approximately 3.7 GWh of electricity, which was 4.1% above the energy forecasts but 21% lower compared to 2017Q1.
- ▶ Photon Energy and Canadian Solar enter into a co-development financing deal for 1.14 GWp Australian pipeline.
- ▶ Photon Energy repaid its 8% EUR corporate bond 2013/18.
- ▶ Photon Energy constructed and connected its first PV project in Hungary.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 January to 31 March 2018

in Thousands	EUR		PLN		CZK	
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1
Revenues	453	373	1,957	1,559	12,240	9,475
EBITDA	64	2,807	277	11,731	1,729	71,303
EBIT	53	2,804	231	11,719	1,442	71,227
Profit / loss before taxation	-229	2,518	-988	10,523	-6,178	63,962
Total comprehensive income	-229	2,518	-988	10,523	-6,178	63,962
Non-current assets	27,850	37,904	117,714	159,588	752,784	963,911
Current assets	13,215	11,580	55,856	48,755	357,201	294,481
Cash and cash equivalents	760	360	3,212	1,516	20,543	9,155
Total assets	41,065	49,485	173,571	208,343	1,109,986	1,258,392
Total equity	23,965	31,207	101,294	131,388	647,772	793,585
Current liabilities	14,084	5,642	59,529	23,752	380,691	143,465
Non-current liabilities	3,016	12,635	12,749	53,195	81,529	321,299
<i>EUR exchange rate – low</i>			4.225	4.142	27.020	25.190
<i>EUR exchange rate – average</i>			4.413	4.237	27.030	25.595
<i>EUR exchange rate - end of period</i>			4.321	4.179	27.020	25.402
<i>EUR exchange rate – high</i>			4.227	4.210	27.030	25.430

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 January until 31 March 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

After an eventful year 2017, the opening quarter of 2018 is nurturing our expectation that we will be able to further accelerate our growth across all our business lines and markets materially. We had a great start into 2018 as during Q1 Photon Energy signed a co-development financing deal with Canadian Solar, one of the world's largest solar power companies, to co-develop five utility-scale solar power projects with a total capacity of 1.14 GWp in New South Wales, Australia. We also completed the construction and connected our first Hungarian photovoltaic power plant with an installed capacity of 528 KWp in the Western Hungarian municipality of Fertőd to the grid. Last but not least, we repaid our EUR bond 13/18 in accordance with the bond conditions on 12 March 2018. The bond placement initiated in October 2017 continues well, with EUR 10.931 million placed as of the reporting date, compared to EUR 7.004 million outstanding as of the end of 2017.

We delivered a strong quarter marked by a 33% growth in revenues YOY, despite considerably lower electricity production YOY, which has been compensated by ongoing substantial growth in the development and engineering businesses in Australia as well as the wholesale of PV technology. These positive revenue dynamics, coupled with ongoing cost management efforts and combined with the first capital gains and revenues generated from the financing deal signed with Canadian Solar, resulted in a fundamental improvement at the bottom line, materialized by a net profit after taxation of EUR 1.886 million.

Photon Energy and Canadian Solar enter into co-development financing deal for 1.14 GWp Australian pipeline

As a significant vote of confidence in our strategy and project development acumen, an agreement was signed in late January with the global solar industry giant Canadian Solar to finance the ongoing development of five of our utility-scale projects, leaving us with significant equity stakes and upside. This milestone crystallised our strong efforts in the Australian market in the past years and proved that our strategic investment Down Under is bearing fruit. The deal is the largest of its kind in Australia to date representing about 1.14 GWp of solar PV and sets a clear pathway to the ready-to-build stage of the projects. 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. The transaction with Canadian Solar and the resulting capital gain of some EUR 3 million in 2018Q1 is only the beginning of the monetization of our project pipeline in Australia.

Photon Energy expands its Hungarian pipeline to 25.6 MWp and connects its first Hungarian power plant

On 28 March, we connected our first solar power plant in the Hungarian town of Fertőd, in the Győr-Moson-Sopron region. The 528 kWp power plant project had 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 at least EUR 1.478 million over the entire period. In the meantime, we pursued the expansion of our project pipeline in Hungary by adding 21 projects in three locations with a total installed capacity of 14.5 MWp during 2018Q1. The acquired PV projects are at the ready-to-build stage and we expect to build and connect the plants to the grid by the beginning of 2018Q4. The announced transactions increased our photovoltaic pipeline in Hungary to 37 projects with a total installed capacity of 25.6 MWp, of which the 8 projects in Tiszakecske represent 5.5 MWp, the 8 projects in Almásfüzitő represent 5.5 MWp, the 5 projects in Fertőd (referred to as Fertőd II) represent 3.5 MWp, the 8 projects in Monor represent 5.6 MWp and the 8 projects in Tata represent 5.5 MWp.

Photon Energy repays its 8% EUR corporate bond 2013/18

On 12 March, Photon Energy NV repaid the outstanding nominal of EUR 6.553 million of its 8% EUR corporate bond 2013/18 (ISIN: DE000A1HELE2) at the end of the five-year term in accordance with the bond conditions. The repayment was made together with the last interest payment to the bondholders. The repayment of our first bond is a crucial milestone. While it is hard to issue and place a bond (as we know), the real test is paying the coupons, but most importantly, repaying the principal. After the bond repayment, our balance sheet is rock solid as the vast majority of our holding-level liabilities (as opposed to the project-level liabilities repaid by each power plant directly) is now long term and due in 2022 and 2023. As a result, our risk profile is fundamentally better than ever before in our company's history.

Our new 7.75% EUR corporate bond 2017/22 (ISIN: DE000A19MFH4), issued on 27 October 2017, which is traded on the Open Market of the Frankfurt Stock Exchange, can still be subscribed to via the company's webpage www.photonenergy.com by investors residing in Austria, Germany and Luxembourg.

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 the Hungarian market 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 service

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 2018, consisting of 24 power plants in the Czech Republic, Slovakia, Australia & Hungary with a total installed capacity of 26.1 MWp. More information on the Group structure and the restructuring processes can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 31 March 2018

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 ¹	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec.09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec.10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec.10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec.10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec.10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec.10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun.11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun.11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun.11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun.11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun.11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun.11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun.11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb.13
24	Fertőd 1	Photon Energy HU SPV 1 Kft. b.a	HU	528	100%	528	Mar 18
Total				26,097		24,674	

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

Generation results

The cumulative average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2018Q1 amounted to 3.7 GWh, which was 4.1% above the energy forecasts and 21.1% lower YOY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports. The first production data for the 528 kWp plant in Fertőd (Photon Energy's first solar power plant built in Hungary, connected to the grid on 28 March 2018) will be made available in the monthly report for April 2018.

Table 2. Generation results versus projections between 1 January and 31 March 2018

Project name	Capacity	Feed-in-Tariff	Prod. 2018Q1	Proj. 2018Q1	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, applicable in 2018	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 14,245	356,345	296,702	20.1%	356,345	296,702	20.1%	-12.1%
Zvíkov I	2,031	CZK 14,245	335,224	260,055	28.9%	335,224	260,055	28.9%	-17.5%
Dolní Dvořiště	1,645	CZK 14,245	203,071	216,337	-6.1%	203,071	216,337	-6.1%	-28.5%
Svatoslav	1,231	CZK 14,245	157,226	160,672	-2.1%	157,226	160,672	-2.1%	-8.4%
Slavkov	1,159	CZK 14,245	186,746	153,006	22.1%	186,746	153,006	22.1%	-16.6%
Mostkovice SPV 1	210	CZK 14,245	29,655	31,806	-6.8%	29,655	31,806	-6.8%	-18.1%
Mostkovice SPV 3	926	CZK 15,304	127,991	119,581	7.0%	127,991	119,581	7.0%	-17.1%
Zdice I	1,499	CZK 14,245	256,661	190,725	34.6%	256,661	190,725	34.6%	-9.4%
Zdice II	1,499	CZK 14,245	259,233	190,725	35.9%	259,233	190,725	35.9%	-9.6%
Radvanice	2,305	CZK 14,245	331,528	293,684	12.9%	331,528	293,684	12.9%	-17.0%
Břeclav rooftop	137	CZK 14,245	21,284	22,527	-5.5%	21,284	22,527	-5.5%	-23.8%
Total Czech PP	14,996		2,264,964	1,935,821	17.0%	2,264,964	1,935,821	17.0%	-15.5%
Babiná II	999	EUR 425.12	111,606	139,862	-20.2%	111,606	139,862	-20.2%	-31.4%
Babina III	999	EUR 425.12	111,792	139,862	-20.1%	111,792	139,862	-20.1%	-35.1%
Prša I.	999	EUR 425.12	123,015	140,198	-12.3%	123,015	140,198	-12.3%	-30.9%
Blatna	700	EUR 425.12	85,161	116,261	-26.8%	85,161	116,261	-26.8%	-23.5%
Mokra Luka 1	963	EUR 382.61	147,316	162,446	-9.3%	147,316	162,446	-9.3%	-35.8%
Mokra Luka 2	963	EUR 382.61	150,743	162,446	-7.2%	150,743	162,446	-7.2%	-37.6%
Jovice 1	979	EUR 382.61	105,533	122,559	-13.9%	105,533	122,559	-13.9%	-23.1%
Jovice 2	979	EUR 382.61	105,703	122,559	-13.8%	105,703	122,559	-13.8%	-21.8%
Brestovec	850	EUR 382.61	141,675	137,554	3.0%	141,675	137,554	3.0%	-26.1%
Polianka	999	EUR 382.61	113,727	125,061	-9.1%	113,727	125,061	-9.1%	-29.3%
Myjava	999	EUR 382.61	144,792	158,425	-8.6%	144,792	158,425	-8.6%	-23.7%
Total Slovak PP	10,429		1,341,063	1,527,232	-12.2%	1,341,063	1,527,232	-12.2%	-29.8%
Symonston	144	AUD 301.60	59,770	59,740	0.1%	59,770	59,740	0.1%	7.9%
Total Australian PP	144		59,770	59,740	0.1%	59,770	59,740	0.1%	7.9%
Total	25,569		3,665,797	3,522,793	4.1%	3,665,797	3,522,793	4.1%	-21.1%

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

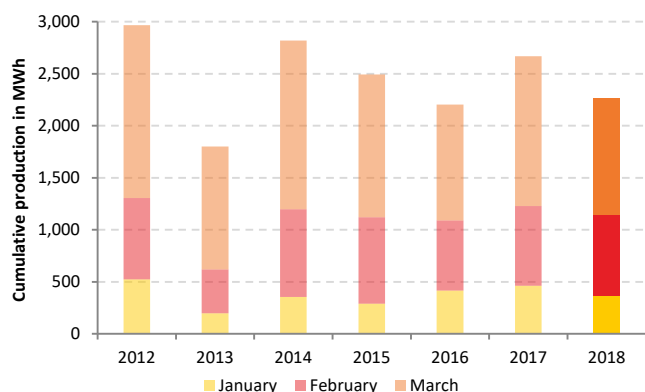
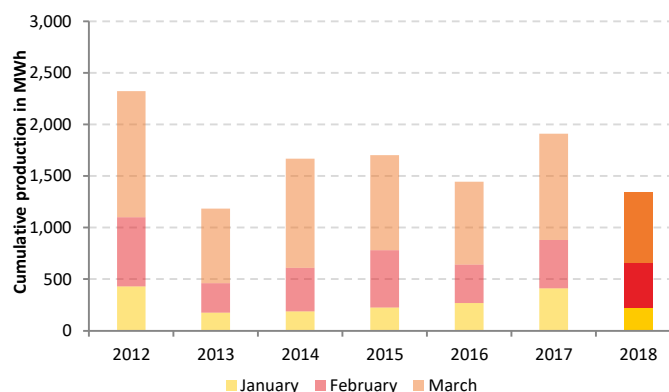


Chart 1.b Total production of the Slovak portfolio



O&M services

Photon Energy remained focused on further expanding its Operations and Maintenance business in Europe. As of the end of 2018Q1, full O&M services contracts amounted to approximately 156 MWp, up by 17 MWp from the end of 2017Q1, and can be broken down geographically into 127 MWp operated in the Czech Republic, 16 MWp in Slovakia, 11 MWp in Romania, 1.4 MWp in Australia and 0.5 MWp in Hungary. The O&M portfolio divides into 26 MWp of PV capacity from the proprietary portfolio and 130 MWp serviced for external clients.

As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 61 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 2018Q1, the total capacity of central inverters serviced can be divided regionally into France (21 MWp), Italy (15 MWp), Belgium (10 MWp), Czech Republic (8 MWp), Slovakia (5 MWp) and Germany (2 MWp).

2.5. 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 (25.6 MWp) and is evaluating further markets for opportunities.

Project development is a crucial activity in Photon Energy’s business model of covering the entire value chain of PV power plants. The main objective of 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%	28.6	Emarket + GC/PPA	Secured	Ongoing	Secured	2018Q2
Australia	Environa	Own portfolio	100%	19.0	Emarket + GC/PPA	Secured	Ongoing	Ongoing	2018Q3
Total Own portfolio Australia				47.6					
Hungary	Fertöd II	Own portfolio	100%	3.5	Licensed PPA	Secured	Secured	Ongoing	2018Q2
Hungary	Almásfüzitő	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Ongoing	2018Q2
Hungary	Monor	Own portfolio	100%	5.6	Licensed PPA	Secured	Secured	Ongoing	2018Q2
Hungary	Tata	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q2
Hungary	Tiszkácske	Own portfolio	100%	5.5	Licensed PPA	Secured	Secured	Secured	2018Q2
Total Own portfolio Hungary				25.6					
Total Own portfolio				73.2					
Australia	Gunning	Developer	49%	316.0		Secured	Ongoing	Ongoing	2019Q1
Australia	Gunnedah	Developer	25%	165.0	Co-development & co-financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	2018Q3
Australia	Suntop	Developer	25%	286.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Maryvale	Developer	25%	196.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Mumbil	Developer	25%	178.0		Secured	Ongoing	Ongoing	2019Q2
Australia	Carrick	Developer	51%	138.0	All options open	Secured	Ongoing	Ongoing	2019Q2
Australia	Brewongle	Developer	51%	146.0	All options open	Secured	Ongoing	Ongoing	2019Q2
Total Development Australia				1,425.0					

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

In July 2017, Photon Energy announced the development of a 316 MWp solar power plant in Australia. Located in Gunning, New South Wales, the PV project 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.

In October 2017, Photon Energy received the Development Approval from the municipality of Leeton, New South Wales, for the construction of a 28.6 MWp Leeton 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. For the project in Environa (19 MWp) the Network Technical Study is progressing to finalize the Grid Connection Process.

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 will provide development financing to complete the development of five of Photon Energy's Australian utility scale solar projects totalling 1.14 GWp, including the 316 MWp project in Gunning as well as four projects co-developed with a local partner, namely the 178 MWp project in Mumbil, the 165 MWp project in Gunnedah, the 286 MWp project in Suntop and the 196 MWp project in 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.

Hungary

On 28 March, 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 at least EUR 1.478 million over the entire period.

In Monor Photon Energy is developing 8 projects with a grid connection capacity of 498 KW each. 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 GWh 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 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-build stage is expected to be reached in 2018Q2. The installed DC capacity (the total installed generating power of the PV modules) is planned to reach 5.5 MWp.

In February 2018, Photon Energy announced the expansion of its project pipeline by 5 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). 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. will move its remaining 3 KÁT licenses not used in Monor to the secured land plots in Fertőd. The fourth project will be realized by Ráció Master Kft., which Photon Energy NV will acquire based on a co-development and share purchase agreement signed on 4 October 2017 (see EBI 30/2017), using its ninth KÁT license which cannot be used in its primary location of Almásfüzitő, where 8 photovoltaic power plant projects are expected to reach the ready-to-build stage by early 2018Q2. Photon Energy NV has signed the acquisition of a project company with one KÁT license to be used for the fifth project in Fertőd II. The Fertőd II projects are expected to reach the ready-to-build stage in early 2018Q2 and are planned to have a total combined installed capacity of 3.5 MWp.

Further in February 2018, Photon Energy also announced the acquisition of five project companies with all land, grid connection capacity rights and KÁT licenses required for the construction of 8 PV plants with a total installed capacity of 5.5 MWp near the North-Western Hungarian municipality of Tata. These projects are expected to reach the ready-to-build stage in early 2018Q2.

On 21 March, Photon Energy announced the expansion of its Hungarian project pipeline by eight additional photovoltaic projects with a total installed capacity of 5.5 MWp in the municipality of Tiszakecske in Bács-Kiskun region through the acquisition of eight project companies. The acquired PV projects are at the ready-to-build stage and Photon Energy expects to build and connect the plants to the grid by the beginning of

2018Q4.

The announced transaction increased Photon Energy’s photovoltaic pipeline in Hungary to 37 projects with a total installed capacity of 25.6 MWp, coming on top of the 0.528 MWp power plant already constructed and connected in Fertőd I.

This acquisition marked an important step towards achieving the Company’s goal of building 50 MWp of PV plants for its proprietary long-term portfolio in Hungary until year-end 2019.

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 1.21 on 31 March 2018 (+38% vs. 31 March 2017), corresponding to a price-to-book ratio of 0.57x. The Company also reports average monthly trading volume of 154,075 shares in 2018Q1, compared to an average monthly trading volume of 204,068 shares in 2017.

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

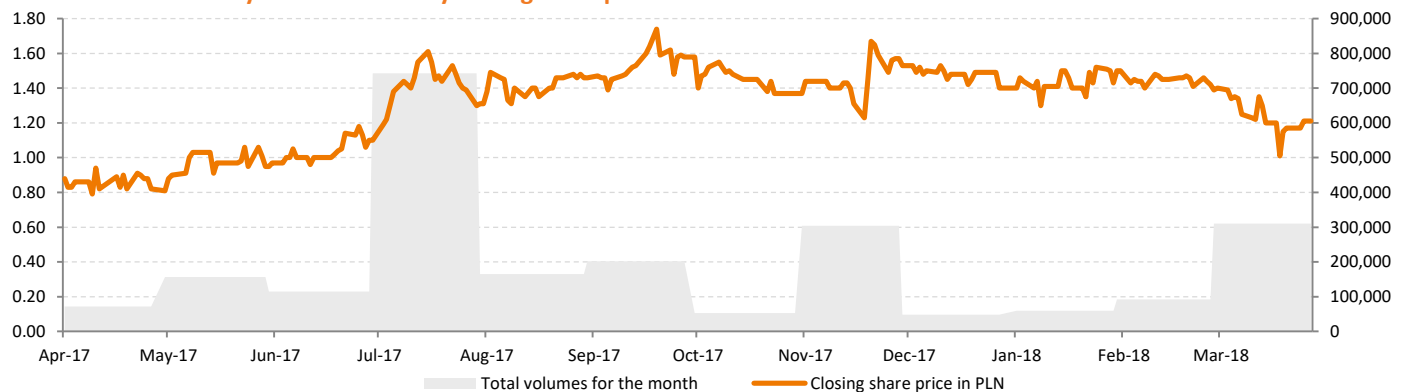


Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA

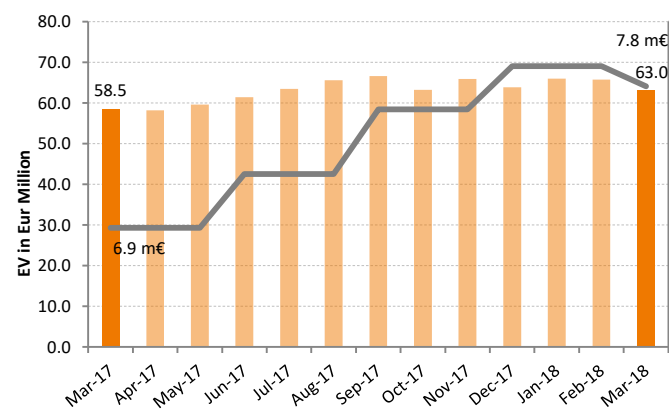
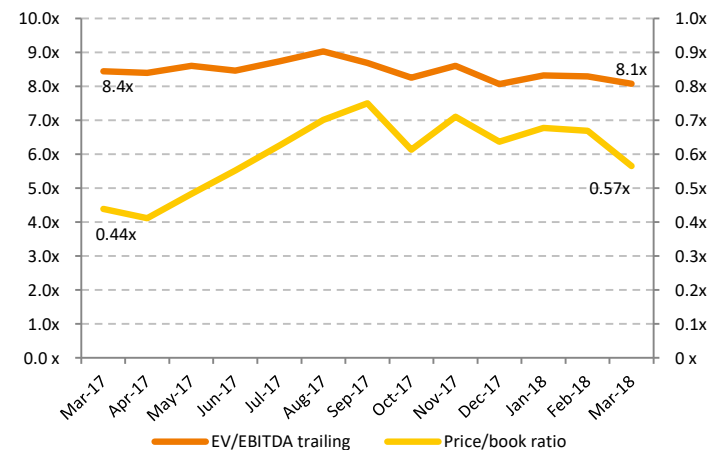


Chart 4. Enterprise value / trailing 12 months EBITDA & price to book ratio



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 2018, the share (ISIN NL0010391108) closed at a price of CZK 7.70 (+28% vs 31 March 2017, +57% vs CZK 4.90, the reference price on the first trading day on 17 October 2016), corresponding to a price to book ratio of 0.60x. The Company reports a quarterly trading volume of 36,064 shares, compared to 43,176 shares in 2017.

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 payment (ISIN DE000A1HELE2).

In December 2016, the Company issued a 7-year corporate CZK 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.

On 27 October 2017, the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. 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 and Munich.

2.7.1. CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 31 March 2018 the trading volume amounted to CZK 7.56 million (nominal value) with a closing price of 97.00. In 2018Q1, the trading volume amounted to CZK 1.53 million.

2.7.2. EUR Bond 2017/22 trading performance

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

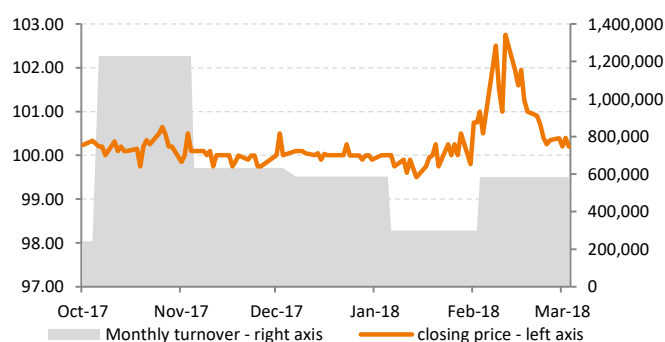
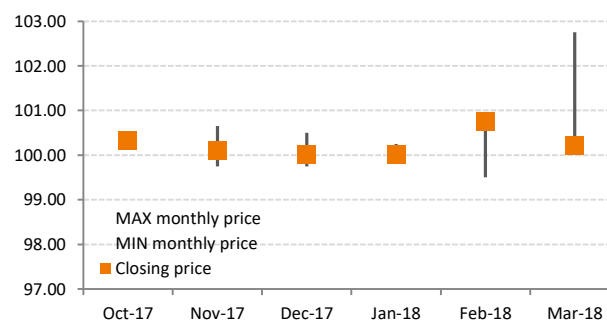


Chart 8. MIN, MAX and closing monthly prices



In the trading period from 25 October 2017 until 31 March 2018, the trading volume amounted to EUR 4.555 million (nominal value) with an opening price of 100.00 and a closing price of 100.20 in Frankfurt. As of 31 March 2018, the total placement amounts to EUR 8.294 million and to EUR 10.931 million as of the reporting date. The public offer in Austria, Germany and Luxemburg will end on 20 September 2018.

2.8. Financial statement analysis

Profit and Loss statement

Unaudited consolidated revenues increased by 33.3% YOY from EUR 2.786 million to EUR 3.714 million in 2018Q1, mainly due to higher revenues from the energy solutions as well as from the sale of technology.

In 2018Q1 consolidated EBITDA decreased by 4.4% to EUR 1.025 million.

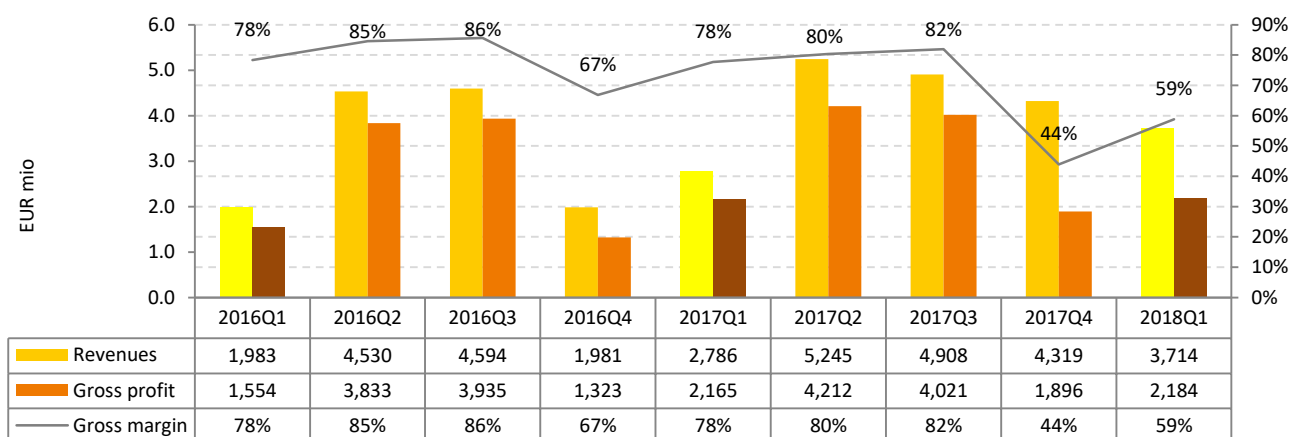
In the first quarter of 2018 consolidated EBIT fell slightly by 0.084 million to EUR 0.180 million.

In 2018Q1 the Company swung into a profit before taxation of EUR 2.033 million from a previous loss before taxation of EUR 0.219 million.

The Company recorded a profit after taxation of EUR 1.886 million in 2018Q1, compared to a loss of EUR 0.312 million for the same period last year.

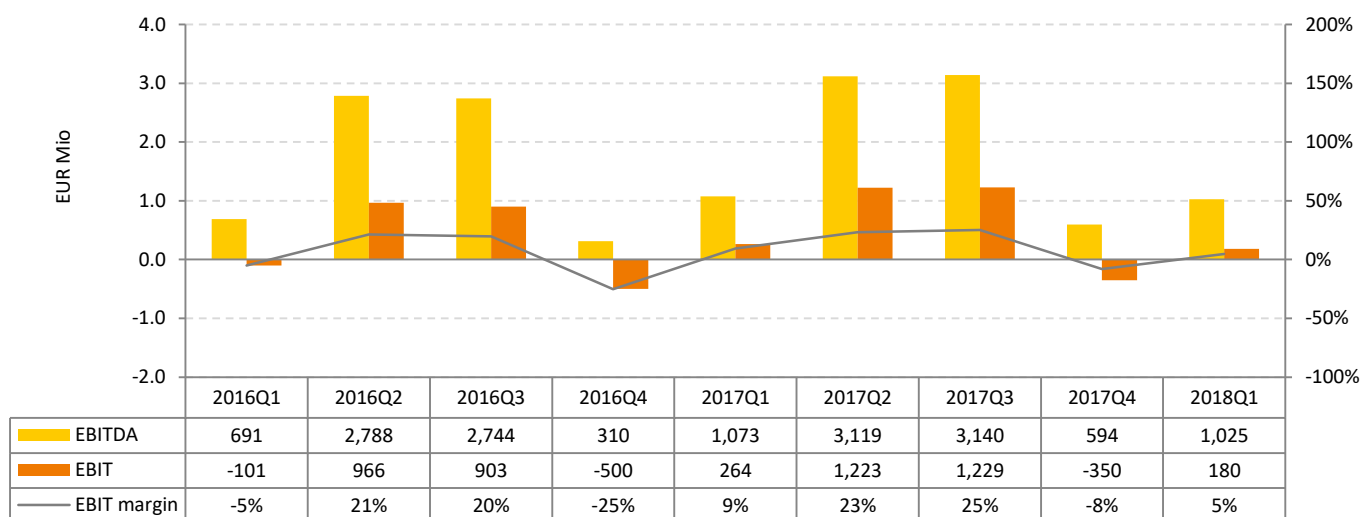
Total comprehensive income swung from a loss of 0.131 million in 2017Q1 to a profit of EUR 2.041 million in 2018Q1.

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 75.121 million at the end of 2018Q1, an increase by EUR 0.435 million compared to 2017Q1. The main reason for the increase in assets are the higher assets in progress and also the impact of foreign exchange rate developments, plus the increased value of joint ventures.

Current assets increased from EUR 10.666 million as of 31 March 2017 to EUR 25.241 million as of 31 March 2018 mainly due to significantly higher inventories (coming from a strategic sales agreement with Jinko Solar for modules for our proprietary to-be-built power plants in Hungary in 2018Q2 and 2018Q3 as well as for the distribution of modules in the market), higher other receivables and higher work in progress.

Total liabilities amounted to EUR 71.131 million as of the end of the reporting period compared to EUR 61.313 million as of the end of 2017Q1.

Current liabilities increased by EUR 1.726 million (up from EUR 17.432 million in 2017Q1 to EUR 19.187 million in 2018Q1) mainly due to accrual for unbilled deliveries (related to the increase in stock from Jinko Solar (see inventories above), which only needs to be paid when used) compensated by the repayment of the short-term liabilities related the repaid bond as reported since 2017Q1.

Long term liabilities increased by EUR 8.062 million from EUR 43.881 million in 2017Q1 to EUR 51.943 million in 2018Q1. The main drivers of the change in long term liabilities were the increase of the EUR bond and of the deferred tax liability compensated by the repayment of the long-term portion of the bank loans.

Chart 11. Net current assets

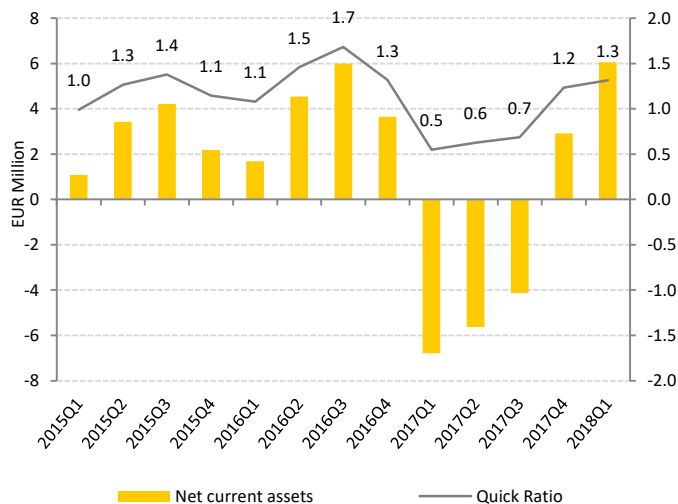
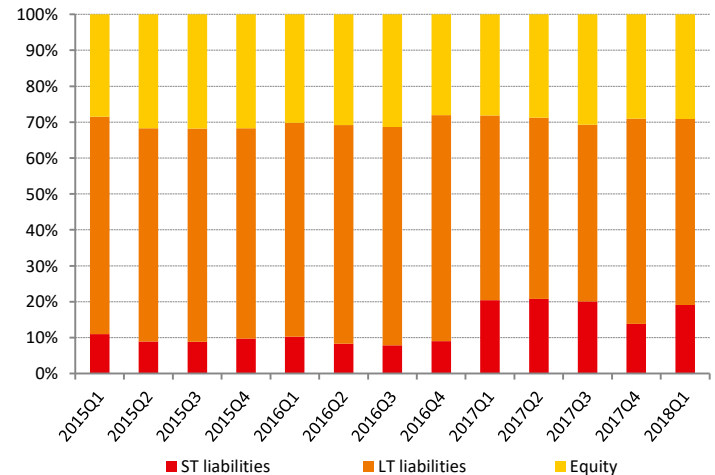


Chart 12. Break down of liabilities and equity



Changes in equity

Equity increased to EUR 29.232 million in 2018Q1 compared to EUR 24.041 million in 2017Q1. This is mainly due to the positive result in 2018Q1 and the increased value of the Australian joint ventures with Canadian Solar, supported also by positive currency revaluation and derivatives reserves.

Cash Flow

In 2018Q1 the Group posted a positive operating cash flow, which amounted to EUR 0.009 million. In 2017Q1 the Group posted a positive operating cash flow, which amounted to EUR 0.162 million. Financial cash flow was negative and amounted to EUR -6.755 million, driven primarily by the repayment of the bond in March 2018, regular repayment of bank loans and interest expenses.

Investment cashflow equalled to EUR 3.074 in the reporting period as a result of the sale of shares in Australian joint ventures to Canadian Solar. Overall, the cash position decreased by EUR 3.672 million in total within the reporting period and amounted at EUR 3.662 million at the end of the reporting period (EUR 4.350 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 2018

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
Total number of shares				60,000,000		
Total share capital					600,000	
Nominal value per share = EUR 0.01						

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

5. Shareholder structure

As of 31 March 2018, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure was as follows:

Shareholdership as of 31.03.2018	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	26,467,000	44.11%	26,467,000	51.46%
Solar Future Cooperatief U.A.	8,590,683	14.32%	8,590,683	16.70%
Solar Power to the People Cooperatief U.A.	8,051,874	13.42%	8,051,874	15.66%
Photon Energy N.V.	8,569,981	14.28%	0	0.00%
Free float	8,320,462	13.87%	8,320,462	16.18%
Total	60,000,000	100.00%	51,430,019	100.00%

The free float includes shares allocated to the Employee incentive programme. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

6. Statutory bodies of the Issuer

Board of Directors as of 31 March 2018

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.

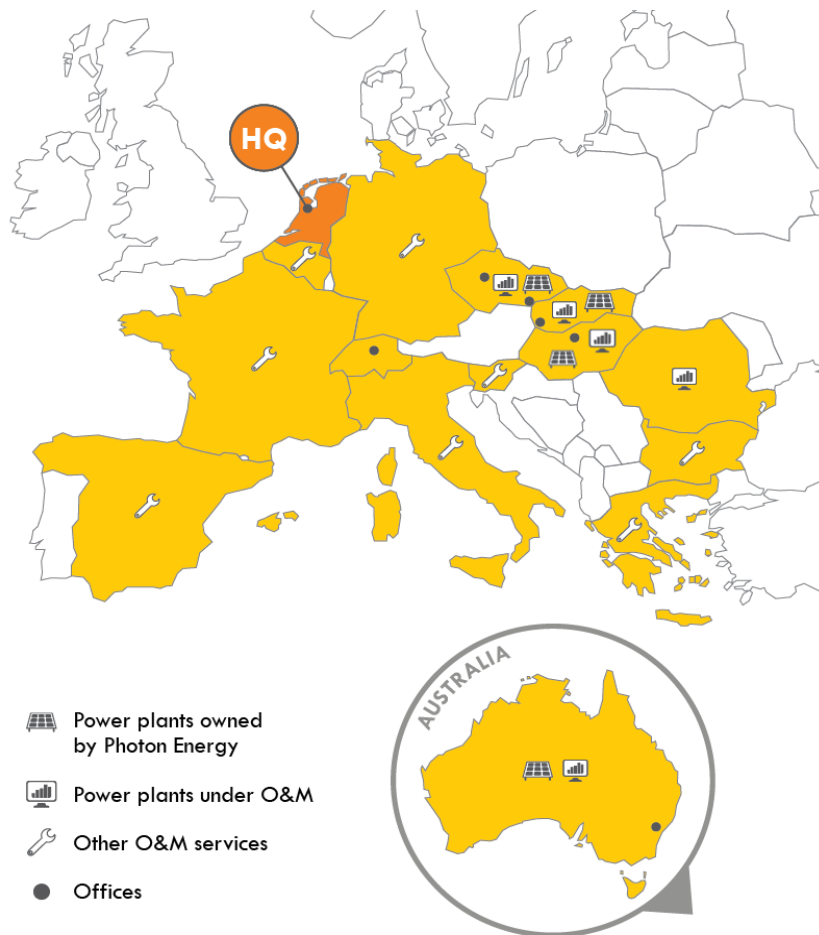
7. Description of the Issuer's business

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.

Country-specific references



Currently Photon Energy is active with 80 professionals in 6 countries across 2 continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and more than 210 MWp of PV power plants under O&M management across two continents.

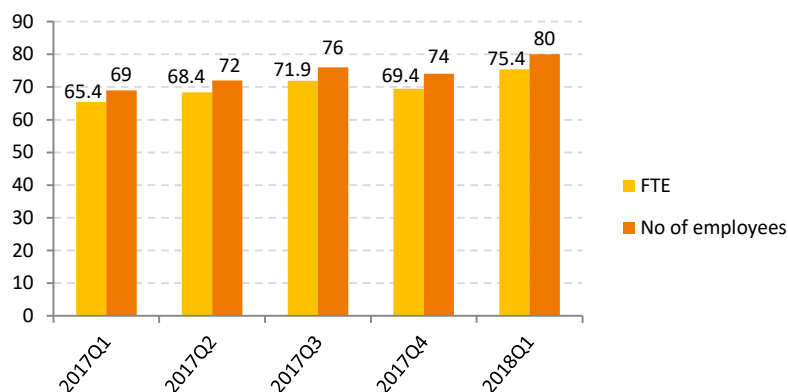
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of 2018Q1, Photon Energy had 80 employees (compared to 69 employees in 2017Q1) which translates into 75.4 FTE (compared to 65.4 FTE in 2017Q1).

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



¹ **Full-time equivalent (FTE)** is a unit that indicates the workload of a 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	Mumbil Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 5 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	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) ¹	100%	CZ	Full Cons.	PEONV
25	Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
26	Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
27	Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
28	Photon 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.	PEP
49	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	PEP
50	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
51	Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV

Notes:
Country of registration
 NL – the Netherlands CZ – the Czech Republic DE - Germanz CH - Switzerland
 SK – Slovakia AUS– Australia HU - Hungary
Consolidation method:
 Full Cons. - Full Consolidation 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

Notes:

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

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

- On 29 January 2018, Photon Energy entered into a co-financing development agreement with Canadian Solar Energy Holding Singapore 4 Pty. Ltd. in which it sold 51% of its shareholding in Photon Energy Generation Australia Pty. Ltd. and 26.01% of its respective shareholdings in Photon Energy AUS SPV 5 Pty. Ltd., Photon Energy AUS SPV 7 Pty. Ltd., Photon Energy AUS SPV 8 Pty. Ltd. and Photon Energy AUS SPV 10 Pty. Ltd.
- On 13 March 2018 Photon Energy Generation Australia Pty. Ltd. was renamed to Gunning Solar Farm Pty. Ltd., Photon Energy AUS SPV 5 Pty. Ltd. was renamed to Mumbil Solar Farm Pty. Ltd., Photon Energy AUS SPV 7 Pty. Ltd. was renamed to Gunnedah Solar Farm Pty. Ltd., Photon Energy AUS SPV 8 Pty. Ltd. was renamed to Suntop Solar Farm Pty. Ltd. and Photon Energy AUS SPV 10 Pty. Ltd. was renamed to Maryvale Solar Farm Pty. Ltd.

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 until 31 March 2018

Below is a summary of the key events which were important for the Issuer's business from 1 January until 31 March 2018 and which were reported in the EBI system:

- ▶ **EBI 1/2018** published on 10 January 2018: Monthly report for December 2017.
- ▶ **EBI 2/2018** published on 17 January 2018: Photon Energy expects 31% revenue growth, 18% EBITDA growth and 74% EBIT growth in 2017.
- ▶ **EBI 3/2018** published on 29 January 2018: Photon Energy and Canadian Solar enter into co-development financing deal for 1.14 GWp Australian Solar Project Pipeline.
- ▶ **EBI 4/2018** published on 5 February 2018: Quarterly report for 2017 Q4.
- ▶ **EBI 5/2018** published on 6 February: Photon Energy expands its Hungarian pipeline to 20.6 MWp by adding 13 projects in two locations.
- ▶ **EBI 6/2018** published on 9 February: Photon Energy commits PLN 4.8 million to the Valuetech seed fund in Poland and announces first investment.
- ▶ **EBI 7/2018** published on 12 February: Monthly report for January 2018.
- ▶ **EBI 8/2018** published on 12 March: Photon Energy repays its corporate bond 2013/18.
- ▶ **EBI 9/2018** published on 12 March: Monthly report for February 2018.
- ▶ **EBI 10/2018** published on 28 March 2018: Publication date of the annual report 2017.

- ▶ **ESPI 1/2018** published on 19 February: Photon Energy announces administration of new EUR Bond 2017/2022 by Bankhaus Neelmeyer AG.
- ▶ **ESPI 2/2018** published on 20 February 2018: Insider trading notification.
- ▶ **ESPI 3/2018** published on 1 March 2018: Insider trading notification.
- ▶ **ESPI 4/2018** published on 6 March 2018: Notification substantial block of shares.
- ▶ **ESPI 5/2018** published on 21 March 2018: Insider trading notification.
- ▶ **ESPI 6/2018** published on 21 March 2018: Photon Energy expands its Hungarian pipeline to 26.1 MWp by acquiring eight projects with 5.5 MWp.
- ▶ **ESPI 7/2018** published on 28 March 2018: Photon Energy connects its first Hungarian plant.

11.2. Summary of the key events after 31 March 2018

Below is a summary of the key events which were important for the Issuer's business after 31 March 2018 until the date of this report:

- ▶ **EBI 11/2018** published on 9 April 2018: Annual report for the year 2017.
- ▶ **EBI 12/2018** published on 9 April 2018: Convocation of the Annual General Meeting of Shareholders on 22 May 2018.
- ▶ **EBI 13/2018** published on 11 April 2018: Correction to Annual report 2017.
- ▶ **EBI 14/2018** published on 11 April 2018: Monthly report for March 2018.
- ▶ **ESPI 8/2018** published on 3 May 2018: Q & A Chat to be held in collaboration with Polish retail investors association SII on Thursday, the 10th of May 2018 at 11:00am.

12. Detailed consolidated financial results for 2018Q1

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 January 2018 and ending on 31 March 2018 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	
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1
Total revenues	2,786	3,714	12,038	15,520	75,280	94,335
<i>Out of that: Revenues from electricity generation</i>	1,949	1,656	8,419	6,921	52,651	42,070
<i>Out of that: Other revenues</i>	837	2,058	3,619	8,599	22,629	52,266
Cost of sales	-484	-1,411	-2,089	-5,897	-13,067	-35,840
Solar levy CZ	-138	-119	-595	-497	-3,722	-3,020
Gross profit	2,165	2,184	9,353	9,127	58,491	55,475
Other income	34	85	146	356	911	2,164
Administrative expenses	-404	-452	-1,746	-1,889	-10,918	-11,479
Personnel expenses	-693	-748	-2,992	-3,127	-18,712	-19,005
Other expenses	-29	-44	-124	-185	-774	-1,124
EBITDA	1,073	1,025	4,637	4,283	28,998	26,032
Depreciation	-809	-845	-3,495	-3,530	-21,856	-21,457
EBIT	264	180	1,142	753	7,142	4,575
Interests income	18	85	76	357	477	2,168
Financial revenues	114	0	491	0	3,073	0
Interests cost	-735	-793	-3,176	-3,313	-19,862	-20,138
Financial expenses	0	-297	0	-1,240	0	-7,537
Revaluation of derivatives	158	-108	683	-453	4,273	-2,756
Net finance expenses	-446	-1,113	-1,925	-4,650	-12,039	-28,263
Share of profit from associates / J-Vs	-38	-108	-163	-453	-1,020	-2,753
Disposal of investment	0	3,074	0	12,845	0	78,076
Profit / loss before taxation	-219	2,033	-946	8,495	-5,916	51,634
Income tax – current	0	-117	0	-489	-2	-2,972
Income tax – deferred	-93	-29	-402	-123	-2,517	-745
Profit/loss from continuing operations	-312	1,886	-1,349	7,884	-8,435	47,917
Profit/loss from discontinued operations	0	0	0	0	0	0
Profit/loss after taxation	-312	1,886	-1,349	7,884	-8,435	47,917
Other comprehensive income for the period	181	155	782	648	4,891	3,937
Total comprehensive income for the period	-131	2,041	-567	8,531	-3,544	51,854
Profit/loss after taxation	-312	1,886	-1,349	7,884	-8,435	47,917
<i>Attributable to the equity holders</i>	-304	1,896	-1,314	7,923	-8,219	48,157
<i>Attributable to minority interest</i>	-8	-9	-35	-40	-216	-241
Total comprehensive income for the period	-131	2,041	-567	8,531	-3,544	51,854
<i>Attributable to the equity holders</i>	-123	2,051	-532	8,571	-3,328	52,095
<i>Attributable to minority interest</i>	-8	-9	-35	-40	-216	-241
Average no. of shares outstanding (in thousand)	50,982	51,390	50,982	51,390	50,982	51,390
Earnings per share outstanding	-0.006	0.037	-0.026	0.153	-0.165	0.932
Comprehensive income per share outstanding	-0.003	0.040	-0.011	0.166	-0.070	1.009
<i>EUR exchange rate – low</i>			4.225	4.142	27.020	25.190
<i>EUR exchange rate – average</i>			4.321	4.179	27.020	25.402
<i>EUR exchange rate – high</i>			4.413	4.237	27.030	25.595

Note: Exchange rates provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.3.2017	31.3.2018	31.3.2017	31.3.2018	31.3.2017	31.3.2018
Intangibles	0	0	0	0	0	0
Property, plant and equipment	73,168	72,429	309,262	304,945	1,977,730	1,841,867
Investments in associates /joint ventures	1,510	2,684	6,383	11,300	40,821	68,252
Other investments	8	9	34	36	220	220
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	74,686	75,121	315,679	316,281	2,018,770	1,910,339
Inventories – Goods	1,110	13,585	4,691	57,195	30,001	345,461
Trade receivables	1,866	2,469	7,889	10,397	50,450	62,796
Other receivables	1,871	3,384	7,908	14,246	50,572	86,044
Loans	738	668	3,121	2,814	19,957	16,999
Gross amount due from customers for contract work	0	368	0	1,548	0	9,353
Prepaid expenses	373	796	1,579	3,353	10,095	20,255
Cash and cash equivalents	4,350	3,662	18,387	15,417	117,587	93,117
Other S-T financial assets	356	309	1,506	1,299	9,629	7,847
Assets held for sale	0	0	0	0	0	0
Current assets	10,666	25,241	45,081	106,270	288,291	641,871
Total assets	85,352	100,362	360,760	422,551	2,307,061	2,552,210
Issued share capital	600	600	2,536	2,526	16,218	15,258
Share premium	23,760	23,760	100,427	100,036	642,233	604,217
Legal reserve fund	13	13	56	56	361	340
Reserves	22,930	23,862	96,918	100,464	619,791	606,804
Retained earnings	-23,255	-18,975	-98,293	-79,888	-628,581	-482,524
Equity attributable to owners of the Company	24,048	29,260	101,645	123,194	650,022	744,094
Non-controlling interests	-8	-29	-32	-120	-207	-726
Total equity	24,041	29,232	101,613	123,074	649,815	743,369
Bank loans	36,934	34,068	156,110	143,435	998,326	866,345
Other long-term liabilities	1,394	11,181	5,892	47,075	37,680	284,334
Other loans	0	500	0	2,105	0	12,715
Deferred tax liabilities	5,523	6,194	23,344	26,080	149,287	157,523
Non-current liabilities	43,851	51,943	185,3473	218,695	1,185,293	1,320,917
Bank Loans	3,297	3,624	13,935	15,257	89,116	92,151
Other loans	539	770	2,277	3,240	14,563	19,571
Trade payables	464	1,293	1,962	5,445	12,549	32,885
Other payables	2,509	13,308	10,603	56,031	67,808	338,428
Other shortterm liabilities	10,225	0	43,218	0	276,382	0
Current tax liabilities (income tax)	173	193	732	811	4,679	4,899
Provisions	225	0	951.01642	0	6081.75	0
Current liabilities	17,432	19,187	73,679	80,784	471,178	487,935
Total Liabilities	61,313	71,131	259,153	299,479	1,657,281	1,808,852
TOTAL Equity & Liabilities	85,353	100,362	360,766	422,553	2,307,096	2,552,220
<i>No. of shares outstanding in thousand</i>	50,993	51,430	50,993	51,430	50,993	51,430
<i>Book value per share outstanding</i>	0.472	0.569	1.993	2.395	12.747	14.468

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1
Profit/loss before taxation	-219	2,033	-946	8,495	-5,916	51,634
Adjustments for:						
Depreciation	809	845	3,495	3,530	21,856	21,457
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	38	178	163	745	1,020	4,531
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	669	-361	2,891	-1,509	18,077	-9,170
Capital gains	0	-3,074	0	-12,845	0	-78,076
Net finance expenses	0	1,113	0	4,650	0	28,263
Changes in:						
Trade and other receivables	-206	-1,260	-891	-5,264	-5,571	-31,994
Gross amount due from customers for contract work	0	6	0	27	0	161
Prepaid expenses	15	-82	65	-342	406	-2,081
Inventories	12	-12,240	52	-51,152	326	-310,906
Trade and other payables	-541	13,101	-2,337	54,751	-14,613	332,784
Other liabilities	-414	-251	-1,791	-1,051	-11,200	-6,387
Operating cash flow	162	9	701	36	4,385	217
Acquisition of property, plant and equipment	0	0	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0	0	0
Acquisition of other investments	0	0	0	0	0	0
Proceeds from sale of investments	0	3,074	0	12,845	0	78,076
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Interest received	0	0	0	0	0	0
Investment cash flow	0	3,074	0	12,845	0	78,076
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	-907	-937	-3,918	-3,915	-24,505	-23,794
Proceeds from issuing bonds	412	1,521	1,780	6,356	11,128	38,635
Repayment of bonds	0	-6,533	0	-27,303	0	-165,950
Interest expenses	-735	-806	-3,176	-3,368	-19,862	-20,469
Financing cash flow	-1,230	-6,755	-5,315	-28,229	-33,239	-171,578
Net increase/decrease in cash and cash equivalents	-1,068	-3,672	-4,614	-15,348	-28,854	-93,286
Cash at the beginning of the period	5,420	7,333	23,418	30,645	146,448	186,264
Effect of exchange rate fluctuation	-2	0	-417	-417	-7	47
Cash at the end of the period	4,350	3,662	18,387	14,880	117,587	93,025
<i>EUR exchange rate - low</i>			4.225	4.142	27.020	25.190
<i>EUR exchange rate - average</i>			4.321	4.179	27.020	25.402
<i>EUR exchange rate - high</i>			4.413	4.237	27.030	25.595

Statement of Changes in Equity

in thousand EUR	Share capital	Share premium	Legal reserve Fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 31.12.2017	600	23,760	13	22,506	1,155	110	-22,143	26,001	-19	25,982
Profit for the period 1.1.2018 – 31.03.2018							1,896	1,896	-9	1,886
Revaluation of PPE								0		0
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					102			102		102
Derivatives						53		53		53
Acquisition of JV								0		0
Total comprehensive income for the period	0	0	0	0	102	53	1,896	2,051	-9	2,041
Equity effect of JV capital increase*							1,209	1,209		1,209
Move from revaluation reserve to retained				-64			64	0		0
Legal reserve fund – move to RE on entity disposal								0		0
BALANCE at 31.03.2018	600	23,760	13	22,442	1,257	163	-18,975	29,260	-29	29,232

* Contribution to consolidated equity related to the increased value of the remaining equity stakes in the five project companies (Gunning Solar Farm Pty. Ltd., Mumbil 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 2018Q1

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 January 2018 and ending on 31 March 2018 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	
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1
Revenues from the sale of products, goods and services	453	373	1,957	1,559	12,240	9,475
Cost of sales	-304	-326	-1,314	-1,362	-8,214	-8,281
Gross profit	149	47	644	196	4,026	1,194
Other administrative expenses	-148	-110	-639	-460	-3,999	-2,794
Other income	63	3,074	272	12,847	1,702	78,085
Other expenses	0	-204	0	-853	0	-5,182
EBITDA	64	2,807	277	11,731	1,729	71,303
Amortization&depreciation	-11	-3	-46	-13	-287	-76
EBIT	53	2,804	231	11,719	1,442	71,227
Financial income	61	134	264	560	1,648	3,404
Financial costs	-343	-420	-1,482	-1,755	-9,268	-10,669
Profit / loss before taxation	-229	2,518	-988	10,523	-6,178	63,962
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	-229	2,518	-988	10,523	-6,178	63,962

Balance Sheet

in Thousands	EUR		PLN		CZK	
	31.3.2017	31.3.2018	31.3.2017	31.3.2018	31.3.2017	31.3.2018
Intangibles	9	0	38	0	243	0
Property, plant and equipment	0	0	0	0	0	0
Investments in associates /joint ventures	27,762	37,821	117,343	159,235	750,407	961,777
Other investments	0	0	0	0	0	0
Longterm receivables	79	84	334	353	2,134	2,134
Deferred tax assets	0	0	0	0	0	0
Non-current assets	27,850	37,904	117,714	159,588	752,784	963,911
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	3,923	7,008	16,581	29,507	106,039	178,223
Loans	8,382	3,654	35,429	15,383	226,565	92,914
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	150	558	634	2,349	4,055	14,189
Cash and cash equivalents	760	360	3,212	1,516	20,543	9,155
Current assets	13,215	11,580	55,856	48,755	357,201	294,481
Total assets	41,065	49,485	173,571	208,343	1,109,986	1,258,392
Issued share capital	600	600	2,536	2,526	16,218	15,258
Share premium	36,871	36,871	155,844	155,237	996,623	937,630
Legal reserve fund	0	0	0	0	0	0
Reserves	14,713	17,315	62,188	72,900	397,691	440,319
Retained earnings	-27,997	-26,097	-118,336	-109,874	-756,759	-663,636
Profit/loss for the current period	-222	2,517	-938	10,598	-6,001	64,015
Equity attributable to owners of the Company	23,965	31,207	101,294	131,388	647,772	793,585
Non-controlling interests	0	0	0	0	0	0
Total equity	23,965	31,207	101,294	131,388	647,772	793,585
Non-current liabilities	3,016	12,635	12,749	53,195	81,529	321,299
Bank Loan	0	0	0	0	0	0
Other long term liabilities	2,747	12,135	11,611	51,090	74,251	308,584
Other loans	269	500	1,138	2,105	7,278	12,715
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	14,084	5,642	59,529	23,752	380,691	143,465
Bank Loans	0	0	0	0	0	0
Other loans	269	770	1,138	3,242	7,278	19,581
Trade and other payables	13,615	4,872	57,546	20,511	368,007	123,884
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	200	0	845	0	5,406	0
Total Equity & Liabilities	41,065	49,485	173,572	208,344	1,109,986	1,258,392
<i>No. of shares outstanding in thousand</i>	50,993	51,430	50,993	51,430	50,993	51,430
<i>Book value per share outstanding</i>	0.470	0.607	1.986	2.555	12.703	15.430

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 2018 and ending on 31 March 2018 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

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
External revenues from sale of products, goods & services	1,574	1,656	452	0	32	3,714	0	3,714
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
Gross profit	554	1,358	405	0	681	2,990	-807	2,183
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
Operating income	361	506	42	0	-169	733	-553	180
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
Profit/loss after taxation	275	-120	22	-108	2,378	2,439	-553	1,886
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
Total comprehensive income	275	-120	22	47	2,378	2,594	-553	2,041
Assets, of which	17,717	82,880	4,469	2,684	19,823	127,573	-27,211	100,362
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
Liabilities, of which	-20,107	-48,440	-8,281	0	-20,722	-97,550	26,419	-71,130
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

Results of the operating segments for the period from 1 January 2017 to 31 March 2017

EUR thousand	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total forsegments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	291	1,949	547	0	0	2,786	0	2,786
Revenues within segments from sale of products, goods, services	65	0	366	0	761	1,192	-1,192	0
Cost of sale	-381	-185	-400	0	-3	-969	485	-484
Energy levy	0	-138	0	0	0	-138	0	-138
Gross profit	-25	1,626	512	0	759	2,871	-706	2,165
Other external income	0	23	7	0	4	34	0	34
Administrative and other expenses	-67	-60	-310	0	-977	-1,415	290	-1,125
Depreciation	0	-786	-15	0	-8	-809	0	-809
Operating income	-93	802	194	0	-222	682	-417	264
Interest income	9	59	6	0	64	138	-120	18
Interest expenses	-15	-455	-23	0	-357	-849	114	-735
Other financial revenues	41	-2	5	0	92	136	0	136
Other financial expenses	-1	0	-1	0	-20	-22	0	-22
Revaluation of derivatives	0	158	0	0	0	158	0	158
Profit/loss share in entities in equivalency	0	0	0	-38	0	-38	0	-38
Income tax	0	0	0	0	0	0	0	0
Deferred tax	0	-93	0	0	0	-93	0	-93
Profit/loss from discontinuing operations	0	0	0	0	0	0	0	0
Profit/loss after taxation	-59	470	181	-38	-443	111	-422	-312
Revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	79	0	79	0	79
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	102	0	102	0	102
Total comprehensive income	-59	470	181	143	-443	292	-422	-131
Assets, of which	641	85,561	3,786	1,510	15,339	106,837	-21,485	85,352
PPE – Lands	0	2,859	0	0	0	2,859	0	2,859
PPE – Photovoltaic power plants	0	69,916	0	0	0	69,916	0	69,916
PPE – Equipment	0	0	228	0	165	393	0	393
PPE – Assets in progress	0	0	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0	0	0
Trade and other receivables	426	8,543	2,898	0	14,094	25,961	-21,485	4,476
Loans	0	0	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0
Inventories – Goods	198	531	363	0	17	1,110	0	1,110
Investments in associates, JV, other	0	0	0	1,510	8	1,518	0	1,518
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	4	92	30	0	247	373	0	373
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	12	3,619	267	0	452	4,350	0	4,350
Other S-T financial assets	0	0	0	0	357	357	0	357
Liabilities, of which	-4,357	-51,735	-6,832	0	-21,954	-84,878	23,566	-61,313
Trade and other payables	-4,357	-5,480	-6,695	0	-10,007	-26,539	23,566	-2,973
Bank Loans and other loans	0	-40,232	0	0	-538	-40,770	0	-40,770
Other long term liabilities	0	-327	-138	0	-929	-1,394	0	-1,394
Other short term liabilities	0	0	0	0	-10,255	-10,255	0	-10,255
Current tax liabilities (income tax)	0	-173	0	0	0	-173	0	-173
Provisions	0	0	0	0	-225	-225	0	-225
Deferred tax liabilities	0	-5,523	0	0	0	-5,523	0	-5,523

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

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	
	2017Q1	2018Q1	2017Q1	2018Q1
EUR exchange rate – low	4.225	4.142	27.020	25.190
EUR exchange rate – high	4.413	4.237	27.030	25.595
EUR exchange rate – average	4.321	4.179	27.020	25.402
EUR exchange rate – end of period	4.227	4.210	27.030	25.430

(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

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Amsterdam, 7 May 2018

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