

PHOTON ENERGY N.V. CONSOLIDATED AND ENTITY FINANCIAL REPORTS

2016Q3

for the period from 1 July to 30 September 2016

MATERIAL	THINFILM	INSPECTION	TOLERANCE NORM ISO 8015:	PRECISION ISO...	INDEX	AMEND.
			YES			
					X	X
					X	X
					X	X
					X	X

7 November 2016 | 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 July to 30 September 2016

in Thousands	EUR		PLN		CZK	
	2015Q3	2016Q3	2015Q3	2016Q3	2015Q3	2016Q3
Total revenues	4,302	4,594	17,960	19,916	116,291	124,177
Gross profit	3,590	3,935	14,988	17,058	97,044	106,354
EBITDA	2,598	2,744	10,847	11,894	70,233	74,157
EBIT	832	903	3,473	3,913	22,488	24,396
Profit / loss before taxation	-193	210	-807	912	-5,224	5,683
Profit / loss from continuing operations	-334	175	-1,393	757	-7,034	4,720
Total comprehensive income	-218	777	-911	3,367	-5,898	20,991
Non-current assets	78,538	76,857	333,332	331,952	2,134,659	2,088,986
Current assets	12,250	13,083	51,991	56,508	332,951	355,607
Cash and cash equivalents	5,546	5,208	23,540	22,495	150,749	141,565
Total assets	90,785	89,941	385,311	388,460	2,467,529	2,444,593
Total equity	28,891	28,210	122,618	121,840	785,244	766,747
Current liabilities	8,038	7,086	34,113	30,604	218,459	192,594
Non-current liabilities	53,857	54,645	228,583	236,016	1,463,843	1,485,257
Operating cash flow	1,575	2,365	6,687	8,355	42,562	63,932
Investment cash flow	56	-438	236	0	1,501	-11,838
Financial cash flow	-194	-1,348	-826	-5,844	-5,255	-36,435
Net change in cash	1,436	579	6,098	2,511	38,813	15,659
EUR exchange rate - low			4.106	4.260	27,020	27,020
EUR exchange rate - average			4.187	4.335	27,031	27,028
EUR exchange rate - end of period			4.244	4.319	27,180	27,020
EUR exchange rate - high			4.244	4.430	27,130	27,095

Note: Exchange rates provided by the European Central Bank

Financial highlights:

- Consolidated revenues increased by 6.8% YOY from EUR 4.302 million to EUR 4.594 million in 2016Q3.
- Consolidated EBITDA increased as well by 5.6% YOY from a EUR 2.598 million profit in 2015Q3 to a EUR 2.744 million profit in the reporting period.
- EBIT profit increased by 8.5% YOY from EUR 0.832 million to EUR 0.903 million.
- The Company recorded a profit before taxation of EUR 0.210 million, compared to a EUR 0.193 million loss for the same period last year.
- Total comprehensive income came in at a EUR 0.777 million profit in 2016Q3 from a loss of EUR 0.218 million one year ago.
- Total equity decreased from EUR 28.891 million at the end of 2015Q3 to EUR 28.210 million at the end of 2016Q3.
- YOY the equity ratio decreased from 36% to 35%¹.

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

Other highlights:

- In 2016Q3 the proprietary portfolio of PV plants generated approximately 9.9 GWh, which was 6.7% above the energy forecasts and up by 1.2% compared to 2015Q3;
- The total portfolio of Photon Energy Operations grew to 186 MWp as of the end of 2016Q3 compared to 151 MWp a year ago;
- The Company installed its String Monitoring System at the biggest PV power plants in the Czech Republic, operated by the largest Czech energy company ČEZ;
- Photon Energy Operations signed a full-O&M contract with one of the leading Czech power producers Energy 21 for 28.5 MWp;
- The Company successfully completed the acquisition of the remaining 30% equity interest in its Slovak subsidiary ATS Energy s.r.o.
- Photon Energy Australia was chosen to build a 99 kWp ground mounted solar power plant for a sewage treatment plant in Leeton;
- After the reporting period, Photon Energy N.V. shares were admitted to dual listing on the Free Market segment of the Prague Stock Exchange, in addition to the NewConnect segment of the Warsaw Stock Exchange.

1.2. Standalone financial results for Photon Energy N.V., for the period of 1 July to 30 September 2016

in Thousands	EUR		PLN		CZK	
	2015Q3	2016Q3	2015Q3	2016Q3	2015Q3	2016Q3
Revenues	1,327	461	5,516	1,997	36,070	12,450
EBITDA	336	-203	1,389	-882	9,121	-5,498
EBIT	328	-206	1,356	-894	8,904	-5,570
Profit / loss before taxation	101	1,288	422	5,580	2,754	34,781
Total comprehensive income	102	1,288	426	5,580	2,781	34,781
Non-current assets	31,501	32,972	133,698	142,406	856,202	890,894
Current assets	9,675	13,316	41,063	57,512	262,968	359,792
Cash and cash equivalents	83	726	352	3,134	2,256	19,609
Total assets	41,176	46,287	174,761	199,918	1,119,170	1,250,686
Total equity	28,837	30,127	122,392	130,120	783,801	814,032
Current liabilities	4,279	4,002	18,160	17,286	116,298	108,142
Non-current liabilities	8,060	12,158	34,208	52,512	219,071	328,512
EUR exchange rate – low			4.106	4.260	27.020	27.020
EUR exchange rate – high			4.187	4.335	27.031	27.028
EUR exchange rate – average			4.244	4.319	27.180	27.020
EUR exchange rate - end of period			4.244	4.430	27.130	27.095

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 April until 30 June 2016, 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

It has been another strong quarter for Photon Energy, in which we again managed to carry on the momentum and continue in the execution in implementing our strategy. We are glad to again demonstrate our ability to improve the shape of the P&L and our cost savings initiatives continue to be a key driver of margin improvement.

As well as successfully making progress with our growth projects in Australia, we signed new O&M contracts and improved the performance of our assets base by further strengthening our portfolio, which in terms of production was ahead of expectations during the quarter.

In 2016Q3, our operating performance delivered an excellent set of financials. Photon Energy reported revenues of EUR 4.594 million (up 6.8% year on year), representing sequential revenue growth, EBITDA of EUR EUR 2.744 million (up 5.6%) and EBIT of EUR 0.903 million (up 8.5%). In terms of developing projects and building power plants, we kept focussing on Australia, while investigating other potentially lucrative markets. In Australia, we are now in a position to pursue larger scale PV projects, while also continuing to build larger commercial rooftop power plants. At the same time we are expanding our portfolio in terms of operations and maintenance in Europe, as we expand our service range to include not only full O&M, but more highly specialised services, such as string inverter refurbishment, string monitoring for central inverters and other specialised monitoring solutions.

In October, after the reporting period, we decided to offer Czech investors an opportunity to invest in our shares through a dual-listing on the Prague Stock Exchange (additionally to the Warsaw Stock Exchange).

Construction of a 99kWp solar power plant for a sewage treatment plant in Australia

We have started construction of a 99 kWp solar power plant to provide a large proportion of the power for a sewage treatment plant in Leeton, Australia. The power plant is expected to be commissioned by the end of November 2016. The power plant is equipped with “Photon Energy Command”, our proprietary system to reduce energy consumption significantly during the day with the possibility of switching on additional loads and ensuring maximum energy usage on site. With 99 kWp the power plant is eligible for Small Scale Technical Certificates under the Renewable Energy Target. Leeton Shire Council ran a competitive bid in July 2016 which saw Photon Energy selected as the preferred bidder.

We have installed an increasing number of smart energy solutions for on-site energy generation, from off-grid solar storage systems to large-scale rooftop solar plants, illustrating our leading technological capabilities and the reliability and cost-effectiveness of solar energy in Australia.

Biggest single O&M contract so far signed

In July, Photon Energy Operations signed its biggest single full-O&M contract yet with one of the leading Czech power producers Energy 21 for 28.5 MWp. The company's in-depth knowledge of central inverters and access to spare parts played a key part in closing the deal. One of Photon Energy's main advantages for Energy 21 is the company's expertise when dealing with central PV inverters, in this particular case Satcon® inverters. As of the reporting date, most of the contracted power plants have been connected and Photon Energy started to provide its full O&M services.

With this addition our subsidiary Photon Energy Operations CZ s.r.o. has become the largest Czech O&M provider. In the Czech Republic alone we now have almost 100 MWp in our O&M portfolio.. In total Photon Energy provides O&M and monitoring services for more than 185 MWp in 9 countries today.

Photon Energy entered Prague Stock Exchange

On 13 October, Photon Energy shares started trading on the Prague Stock Exchange (PSE) in a dual listing. Photon Energy was already listed on NewConnect in Warsaw and will now also be traded on the PSE Free Market. With this step, we want to offer investors in the Czech Republic the possibility to profit from the global photovoltaic boom, and believe this dual listing will result in higher liquidity and ultimately also positively impact our valuation.

Financial results

The operational results show real momentum and reflect the growing stability and de-risking of our business. The key highlight this quarter is an increase in all indicators. The Company experienced a sequential revenue growth (+1.4%), whereas Q3 revenues typically decrease due to the seasonality of energy production. All in all, we generated 6.8% revenue growth, improved our EBITDA by 5.6% as well and grew EBIT by 8.5%.

Consolidated revenues for the third quarter totaled EUR 4.594 million, up 6.8% versus the previous year period. This increase in revenues is connected with electricity production which was 6.7% above the energy forecasts and up by 1.2% YOY, incurring higher revenues after the acquisition of the outstanding share in the Fotonika power plant, originally a joint venture, fully consolidated since 1 April 2016.

Compared with results for the third quarter of 2015, EBITDA grew to EUR 2.744 million versus EUR 2.598 million. When adjusting for depreciation and amortisation, the Group recorded an EBIT profit of EUR 0.903 million, compared to EUR 0.832 million a year ago, improving (YOY) for the fifth time in a row. The Company recorded a net profit after taxation of EUR 0.175 million, compared to a EUR 0.260 million loss for the same period last year.

Moving on to the near-term outlook, we expect continued robust recovery in activity levels and solid quarters of growth coming up with continued improved margins.

2.2. Strategy and its execution

The year 2015 proved to be an inflexion point in our company's development. We managed to reignite revenue growth, optimise our cost base across all business lines while the resulting EBITDA growth fed through to the bottom line, where we managed to reduce our loss after taxation by two thirds. The momentum in our Operations & Maintenance and Inverter Cardio service businesses in Europe and the Australian markets provide the backdrop for sustained growth in 2016 and beyond.

The objective of our strategy remains the generation of recurring revenue streams while maximizing customer value. Photon Energy's focus remains on:

- ▶ Customised Energy Solutions
- ▶ Decentralised Energy Production and Energy Storage Solutions
- ▶ Operations & Maintenance of PV plants and Energy Storage facilities
- ▶ Asset Management
- ▶ Investment Protection

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 will be offered as a standalone product.
- ▶ The Australian market still remains our focus for the expansion of PV generation capacity; further potential markets in Central and South America and Africa are currently under investigation.
- ▶ Our Swiss subsidiary Global Investment Protection AG will continue offering services in the area of arbitration advice, legal advice and restructuring for investors whose assets might be under threat from retroactive government measures.

Moreover, 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.

The Group also intends to specialise in energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy intends to focus on industries such as retail, agriculture, telecommunications and others. In the case of remote off-grid locations, where usually irradiation levels are constantly high throughout the year, such energy solutions allow customers to reduce fuel consumption by over 50%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills. We are also continuing our development of off-grid solutions, which will not only include hybrid power plants, but solutions directly coupled with off-grid applications, such as on-site water pumping and filtration powered by solar energy.

Photon Energy wants to position itself at the cutting edge of the industry, creating PV-based power solutions with the integration of energy storage and/or diesel generators. The Group has developed different accurate models for off-grid and on-grid systems with sufficient flexibility to adapt to a wide range of situations. In order to facilitate market penetration, the Group will selectively cooperate with local partners, if necessary or value-adding.

2.3. Investment action plan and its implementation

The Company did not publish any investment action plan. As a result no plan was implemented.

2.4. Proprietary portfolio, generation results and O&M service

Proprietary portfolio

The table below presents the portfolio of power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 September 2016, consisting of 23 power plants in the Czech Republic, Slovakia, and Australia with a total installed capacity of 25.6 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 30 September 2016

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		AUS	144	100%	144	Feb.13
Total				25,569		24,146	

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

During the reporting period, Photon Energy N.V. successfully completed the acquisition of the remaining 30% equity interest from its local JV partner in its Slovak portfolio PV power plant in Blatna with an installed capacity of 700 kWp, owned and operated by ATS Energy s.r.o..

Generation results

The accumulated average generation of the power plants in the portfolio connected and feeding electricity to the grid in 2016Q3 amounted to 9.9 GWh, which was 6.7% above the energy forecasts and up by 1.2% YoY. Detailed generation results for each power plant are being published on a monthly basis in our monthly reports.

Table 2. Generation results versus projections between 1 July and 30 September 2016

Project name	Legal entity	Capacity Feed-in-Tariff*		Prod.	Proj.	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD
		kWp	per MWh	2016Q3	2016Q3		kWh	kWh		%
Unit				kWh	kWh	%	kWh	kWh	%	%
Komorovice	Exit 90 s.r.o.	2,354	CZK 13,692	917,342	855,550	7.2%	2,114,152	2,083,412	1.5%	-2.1%
Zvíkov I	Photon SPV8 s.r.o.	2,031	CZK 13,692	823,301	749,874	9.8%	1,949,532	1,826,073	6.8%	5.7%
Dolní Dvořiště	Photon SPV10 s.r.o.	1,645	CZK 13,692	585,730	623,811	-6.1%	1,392,681	1,519,089	-8.3%	-3.1%
Svatoslav	Photon SPV4 s.r.o.	1,231	CZK 13,692	459,915	463,305	-0.7%	1,024,126	1,128,227	-9.2%	-0.8%
Slavkov	Photon SPV6 s.r.o.	1,159	CZK 13,692	473,527	441,195	7.3%	1,132,704	1,074,389	5.4%	-1.7%
Mostkovice SPV 1	Photon SPV1 s.r.o. **	210	CZK 13,692	78,804	65,511	20.3%	189,898	166,528	14.0%	-2.9%
Mostkovice SPV 3	Photon SPV3 s.r.o. ***	926	CZK 14,710	355,334	329,238	7.9%	846,371	805,759	5.0%	-2.7%
Zdice I	Onyx Energy I s.r.o.	1,499	CZK 13,692	589,864	549,960	7.3%	1,402,832	1,327,645	5.7%	-6.4%
Zdice II	Onyx Energy projekt II s.r.o.	1,499	CZK 13,692	528,528	549,960	-3.9%	1,343,714	1,327,645	1.2%	-8.5%
Radvanice	Photon SPV11 s.r.o.	2,305	CZK 13,692	900,089	846,845	6.3%	2,142,801	2,062,214	3.9%	-3.3%
Břeclav rooftop	Photon SPV1 s.r.o. **	137	CZK 13,692	57,974	45,438	27.6%	137,975	114,825	20.2%	-1.6%
Total Czech PP		14,996		5,770,408	5,520,688	4.5%	13,676,786	13,435,806	1.8%	-2.4%
Babiná II	Sun4Energy ZVB s.r.o.	999	EUR 425.12	360,903	343,042	5.2%	834,234	859,848	-3.0%	-2.5%
Babina III	Sun4Energy ZVC s.r.o.	999	EUR 425.12	367,782	343,042	7.2%	840,579	859,848	-2.2%	-1.3%
Prša I.	Fotonika s.r.o.	999	EUR 425.12	406,770	347,698	17.0%	956,316	864,018	10.7%	-0.6%
Blatna	ATS Energy s.r.o.	700	EUR 425.12	273,483	243,759	12.2%	646,800	632,652	2.2%	0.2%
Mokra Luka 1	EcoPlan 2 s.r.o.	963	EUR 382.61	414,910	349,152	18.8%	1,006,284	882,584	14.0%	-1.3%
Mokra Luka 2	EcoPlan 3 s.r.o.	963	EUR 382.61	418,321	349,152	19.8%	1,015,575	882,584	15.1%	-1.1%
Jovice 1	Photon SK SPV2 s.r.o.	979	EUR 382.61	341,299	350,568	-2.6%	766,565	854,855	-10.3%	-1.1%
Jovice 2	Photon SK SPV3 s.r.o.	979	EUR 382.61	340,831	350,568	-2.8%	735,695	854,855	-13.9%	-1.4%
Brestovec	Photon SK SPV1 s.r.o.	850	EUR 382.61	364,488	296,584	22.9%	867,816	748,283	16.0%	-2.7%
Polianka	Solarpark Polianka s.r.o.	999	EUR 382.61	369,591	357,732	3.3%	859,581	875,280	-1.8%	-2.2%
Myjava	Solarpark Myjava s.r.o.	999	EUR 382.61	406,722	357,578	13.7%	963,777	899,458	7.2%	-2.7%
Total Slovak PP		10,429		4,065,100	3,688,876	10.2%	9,493,222	9,214,265	3.0%	-1.5%
Symonston		144	AUD 301.60	33,860	35,855	-5.6%	120,950	126,219	-4.2%	-2.2%
Total Australian PP		144		33,860	35,855	-5.6%	120,950	126,219	-4.2%	-2.2%
Total		25,569		9,869,368	9,245,420	6.7%	23,290,958	22,776,290	2.3%	-2.1%

Notes

* The FIT for the Czech Republic is an indicative figure only. As of 2016 Photon Energy 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.

** 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 SPVs.

Chart 1.a Total production of the Czech portfolio

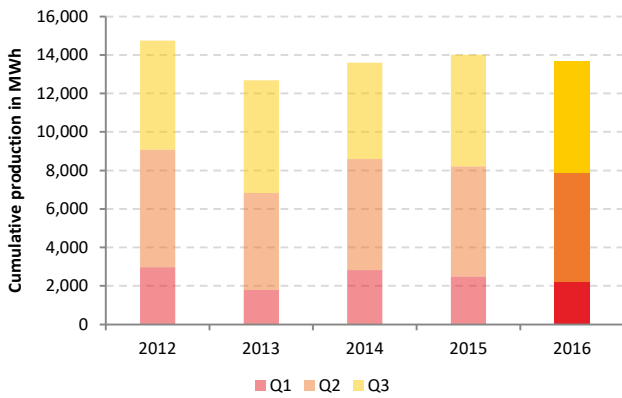
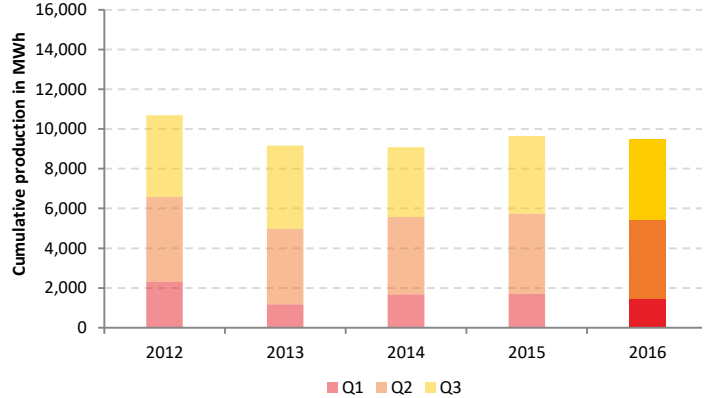


Chart 1.b Total production of the Slovak portfolio



O&M services

Photon Energy also remained focused on further expanding its Operations and Maintenance business in Europe. Photon Energy now offers more than 185 MWp O&M services across Europe and in Australia. As of the end of 2016Q3, full O&M services contracts amounted to approximately 125 MWp, up by 35 MWp from the end of 2015Q3, and can be broken down geographically into 97 MWp operated in the Czech Republic, 16 MWp in Slovakia, 11 MWp in Romania and 1 MWp in Australia. The O&M portfolio divides into 26 MWp of PV capacities from the proprietary portfolio and 99 MWp serviced for external clients.

On July 21, our subsidiary Photon Energy Operations (PEO) noticeably finalised negotiations for a 28.5 MWp contract. The power plants are owned by one of the leading Czech independent power producers Energy 21. The company’s in-depth knowledge of central inverters and access to spare parts played a key part in closing the deal.

As far as the “Inverter Cardio” services 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 2016Q3, the total cumulative capacity of central inverters can be divided regionally into France (21 MWp), Italy (15 MWp), Belgium (9 MWp), Czech Republic (8 MWp), Slovakia (5 MWp), Germany (2 MWp) and Bulgaria (1 MWp).

2.5. Enterprise value & Share price performance

On 4 June 2013 Photon Energy N.V. 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 0.68 on 30 September 2016 (-13% vs. 31 .12.2015), corresponding to a price to book ratio of 0.29x.

The Company also reports average monthly trading volume of 121,243 shares in 2016Q3. The Company experienced an average monthly volume of 636,488 shares in 2015 compared to a monthly volume of 98,018 traded shares in 2014.

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

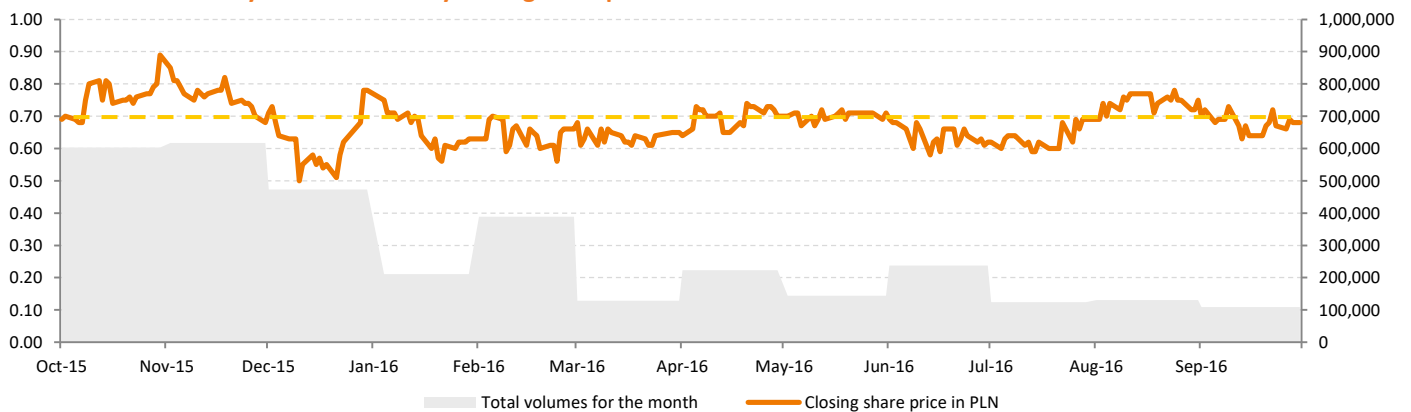
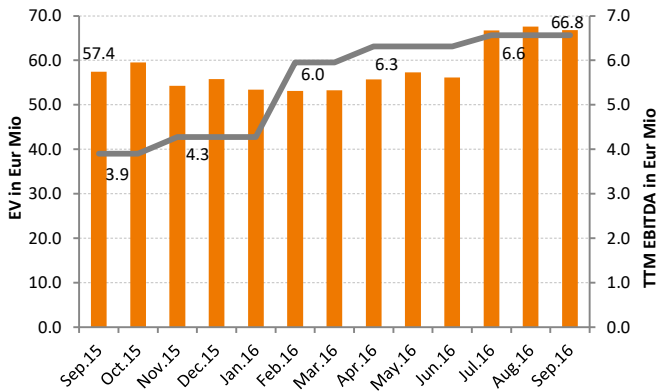


Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA

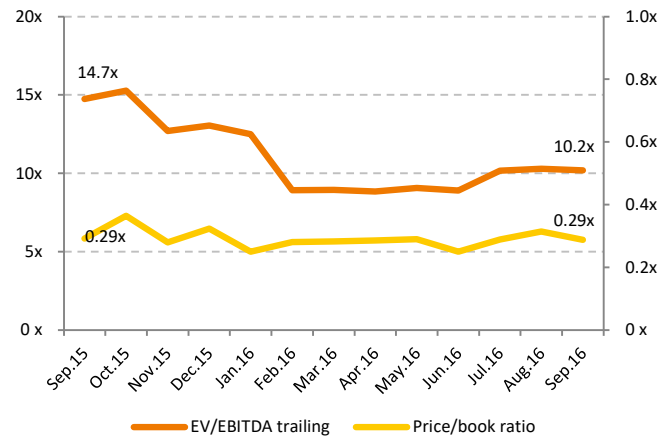


Notes:

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

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; e.g. in 2016Q3, the sum of EBITDA reported in 2015Q3, Q4, 2016Q1 and Q2.

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



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

2.6. Bond trading performance

In March 2013 Photon Energy Investments N.V., at that time a fully-owned subsidiary of Photon Energy N.V., placed a 5-year corporate bond with an 8% annual coupon and quarterly coupon payments in Germany, Austria, the Czech Republic, Slovakia and Poland. Upon completion of the merger of Photon Energy N.V. and Photon Energy Investments N.V., Photon Energy N.V. became the legal successor and assumed all obligations towards the bondholders of Photon Energy Investments N.V. The bond is listed on the stock exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich and Vienna. Since listing the bond has been trading between 93% and 102%.

Chart 5. The Company’s bond trading on the Frankfurt Stock Exchange in Germany between 1 October 2015 and 30 September 2016

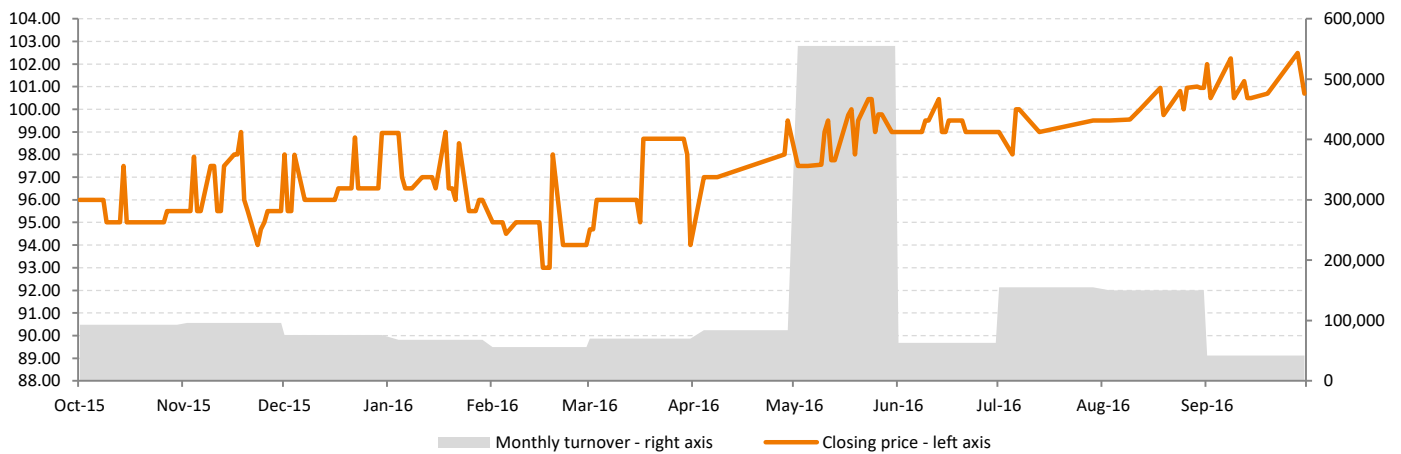
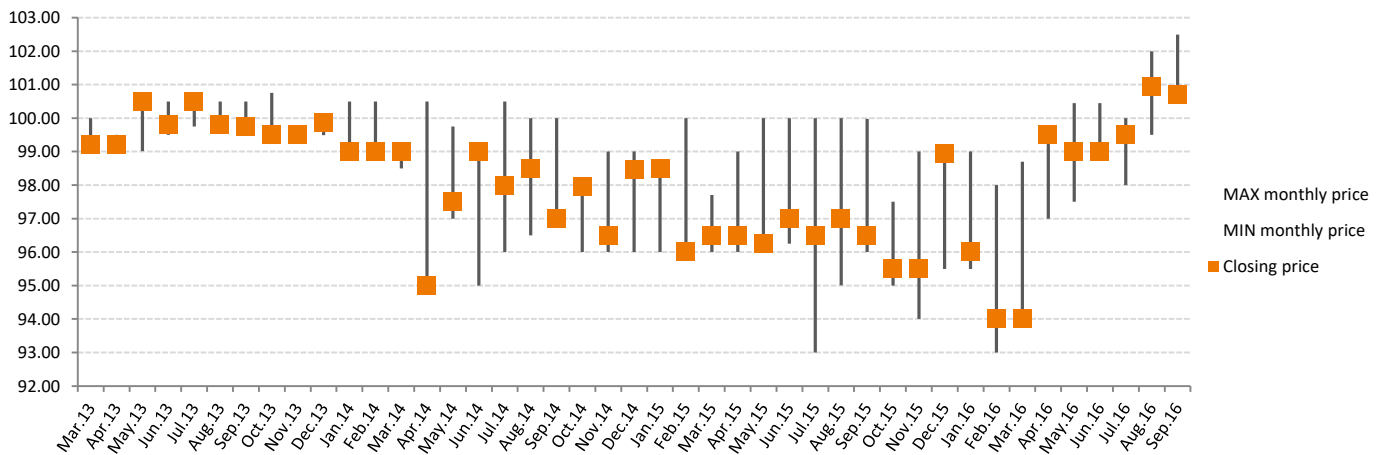


Chart 6. MIN, MAX and closing monthly prices

In the trading period from 12 March 2013 until 30 September 2016 the trading volume amounted to EUR 7.690 Mio (nominal value) with an opening price of 100.00 and a closing price of 100.70. During this period the average daily turnover amounted to EUR 8,544.

Bond trading performance in 2016Q3

In 2016Q3 the trading volume amounted to EUR 347,000 (702,000 in 2016Q2) with an opening price of 99.00 and a closing price of 100.70. The average daily turnover amounted to EUR 5,338 in the reporting period compared to EUR 10,969 in 2016Q2 and 5,435 for the full-year 2015.

Since the beginning of the year, the Company issued an additional 1,985 bonds with a corresponding nominal value of EUR 1.985 million, bringing the total amount of subscribed bonds to EUR 10.045 million as of 30 September 2016.

2.7. Financial statement analysis

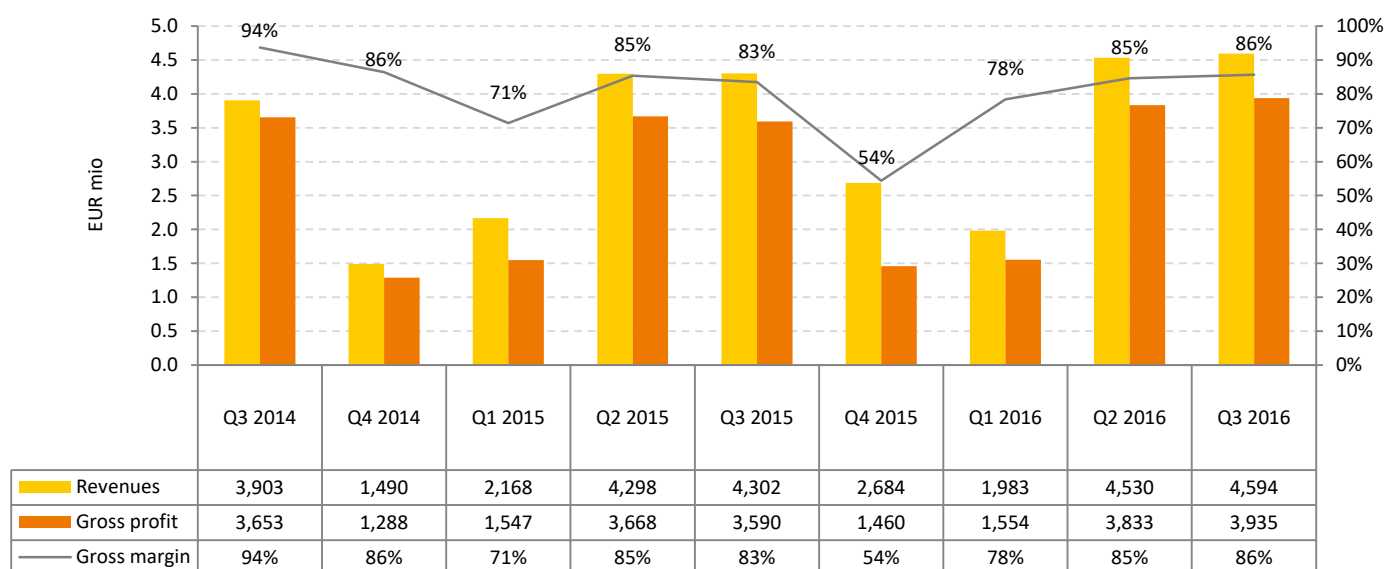
Profit and Loss statement

In 2016Q3, consolidated revenues increased by 6.8% YOY from EUR 4.302 million to EUR 4.594 million. This increase in revenues is primarily connected with the higher revenues from the electricity production resulting after the acquisition of the 100% share in Fotonika, originally a joint venture, and fully consolidated since 1 April 2016.

Consolidated EBITDA increased by 5.6% as well from a EUR 2.598 million profit in 2015Q3 to a EUR 2.744 million profit in the reporting period. The EBIT increased by 8.5% from EUR 0.832 million to EUR 0.903 million. The higher profit in operating activities can be attributed to higher revenues and lower personnel costs together with lower cost of sales.

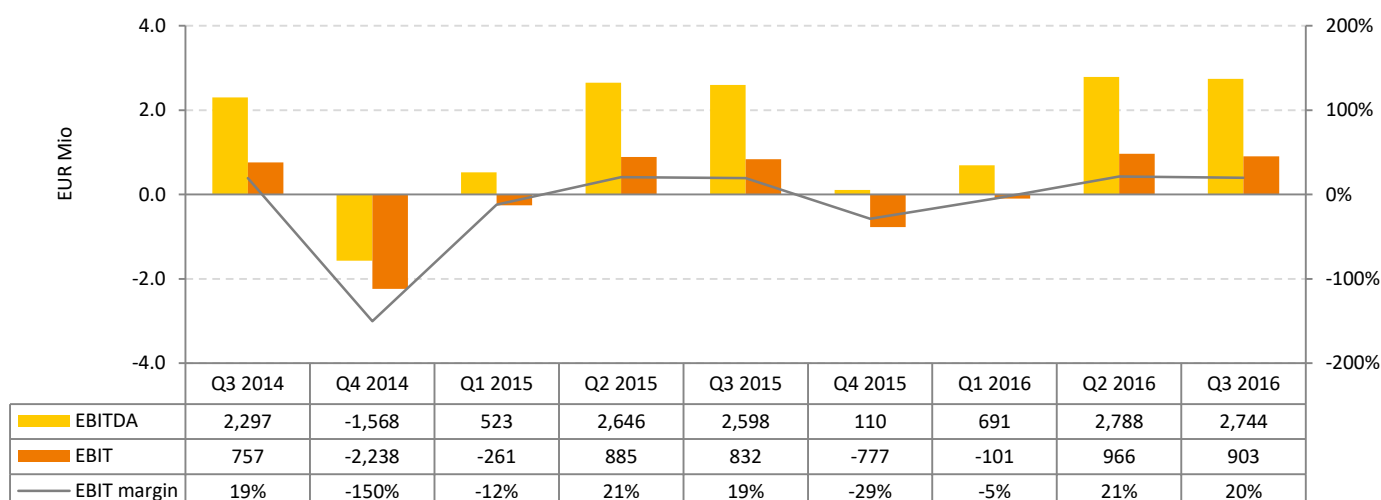
The Company recorded a profit before taxation of EUR 0.210 million, compared to a EUR 0.193 million loss for the same period last year. Total comprehensive income amounted to a profit of EUR 0.777 million in 2016Q3 (vs. a loss of EUR 0.218 million).

Chart 7. Revenues, gross profit and gross margin



The numbers presented above are based on quarterly published figures.

Chart 8. EBITDA, EBIT and EBIT margin development



The numbers presented above are based on quarterly published figures.

Balance Sheet

Total fixed assets amounted to EUR 76,857 million at the end of 2016Q3, a decrease by EUR 1.681 million compared to 2015Q3. The main reason for the decrease in assets is the annual depreciation compensated by the acquisition of the 100% share of Fotonika (originally a joint venture).

Current assets increased from EUR 12.250 million as of 30 September 2015 to EUR 13.083 million as of 30 September 2016 mainly due to higher trade and other receivables.

Total liabilities amounted to EUR 61.731 million as of the end of the reporting period compared to EUR 61.895 million as of the end of 2015Q3. Current liabilities decreased by EUR 0.952 million (down from EUR 8,038 million in 2015Q3 to EUR 7.086 million in 2016Q3) mainly due to lower trade and other payables, which have decreased from EUR 4.400 million in 2015Q3 to EUR 2.727 million in 2016Q3. Long term liabilities increased by EUR 0.788 million from EUR 53.857 million in 2015Q3 to EUR 54.645 million in 2016Q3. The main drivers of the change in long term liabilities was the increase in the outstanding balance of the bond, an increase of bank loans due to the refinancing performed in the beginning of the year and the inclusion of the bank loan of Fotonika after the acquisition of the 100% share followed by the change to the full consolidation method, compensated by the regular repayment of the bank loans and other loan.

Chart 9. Net current assets

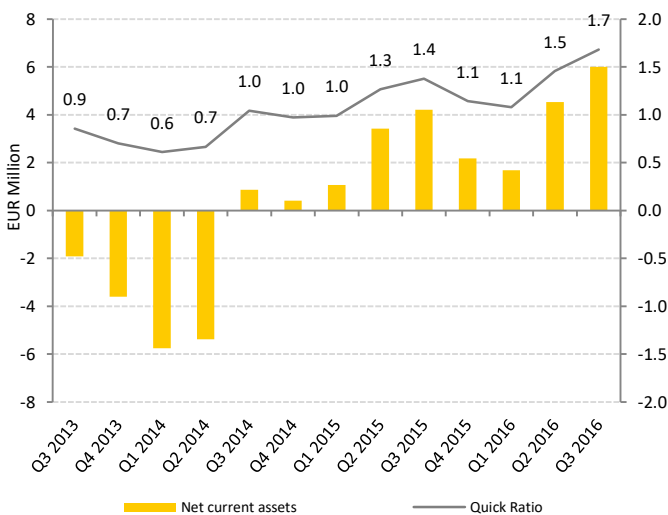
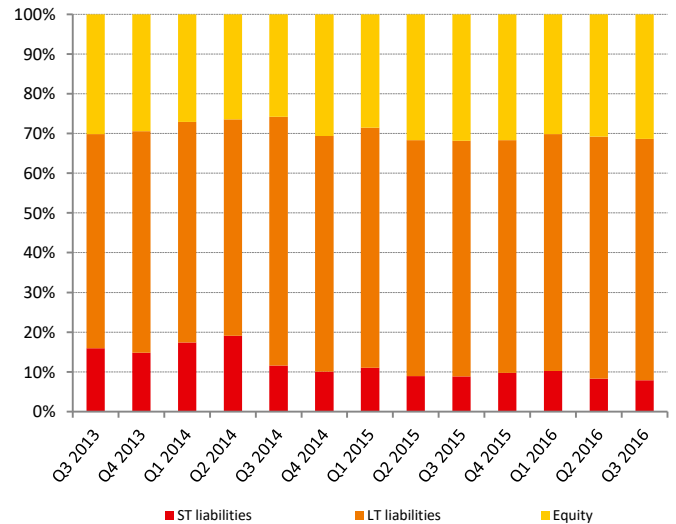


Chart 10. Break down of liabilities and equity



Changes in equity

Even though Equity increased in 2016Q3 compared to 2016Q2; it decreased to EUR 28.210 million in 2016Q3 compared to EUR 28.891 million in 2015Q3. This is mainly due to the results of the previous quarters.

Cash Flow

The Group posted a positive operating cash flow in 2016Q3, which amounted to EUR 2.365 million. Financial cash flow was negative and amounted to EUR 1.348 million driven primarily by the repayment of borrowings and interest expenses. Investment cashflow equalled to a negative EUR 0.438 million as a result of the acquisition of shares in Fotonika s.r.o. and ATS Energy s.r.o. Overall, the cash position increased by EUR 0.579 million comparing to 2016Q2 and ended at EUR 5.208 million at the end of the reporting period (EUR 5.546 million one year ago).

2.8. Financial forecasts

The Company does not publish financial forecasts.

3. General information about the Issuer

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

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozzilaan 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 30 September 2016

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 30 September 2016, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure is as follows:

Shareholdership as of 30.09.2016	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	26,463,974	44.11%	26,463,974	51.92%
Solar Future Cooperatief U.A.	8,590,683	14.32%	8,590,683	16.85%
Solar Power to the People Cooperatief U.A.	8,051,919	13.42%	8,051,919	15.80%
Photon Energy N.V.	9,027,839	15.05%	0	0.00%
Free float	7,865,585	13.11%	7,865,585	15.43%
Total	60,000,000	100.00%	50,972,161	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. On 28 September 2016, 1,800,000 shares were transferred from Solar Age Investments B.V. to Free-float (ref ESPI 5/2016).

6. Statutory bodies of the Issuer

Board of Directors as of 30 September 2016

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 subsequent 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.

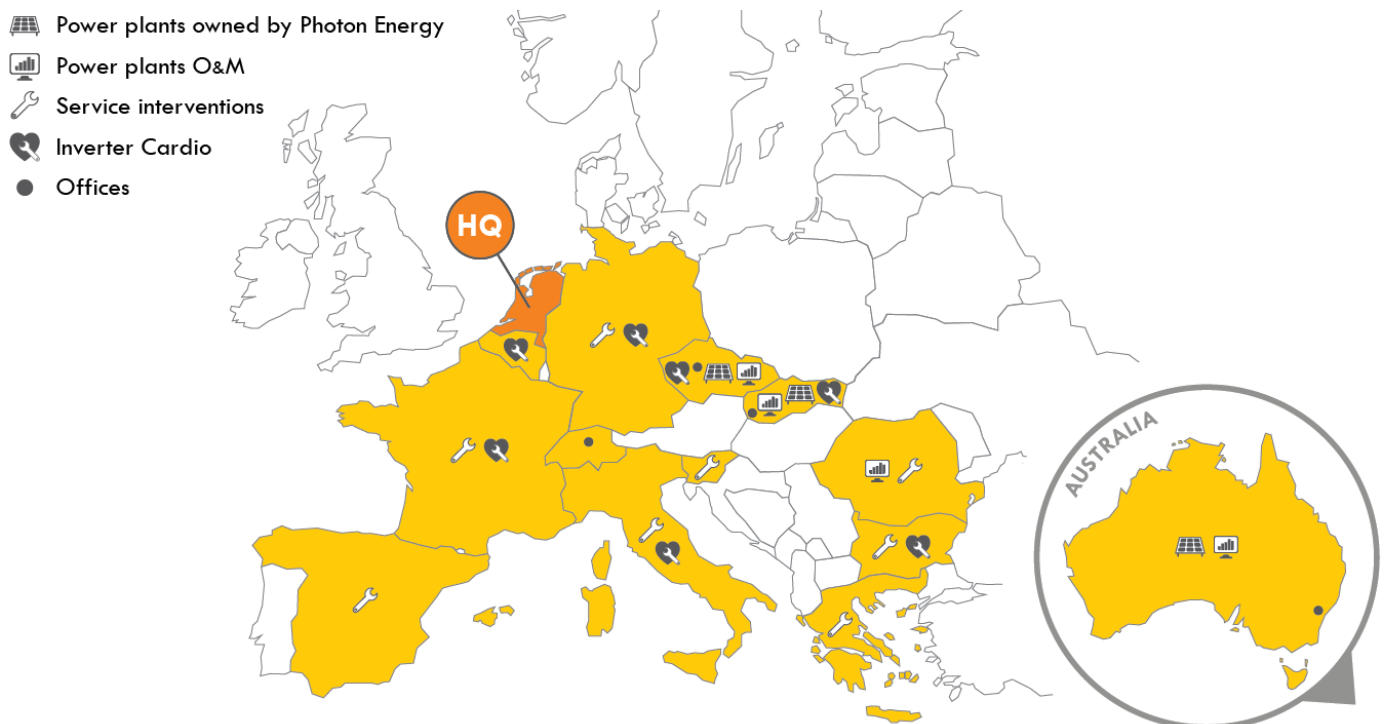
7. Description of the Issuer's business

The company Photon Energy N.V. ("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:

- ▶ **Solar Solutions:** Project development, EPC services , Financing models
- ▶ **Solar Storage Solutions:** Battery Backup Systems for off-grid solutions
- ▶ **Solar O&M:** High-end Operations & Maintenance Solutions
- ▶ **Solar Technology:** High-quality components
- ▶ **Solar Investment:** Investor in solar assets and producer of electricity
- ▶ **Investment Protection:** Services for investors to safeguard against retroactive measures

Country-specific references



Currently the Photon Energy Group is active with 61 professionals in 5 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 185 MWp of PV power plants under O&M management across two continents.

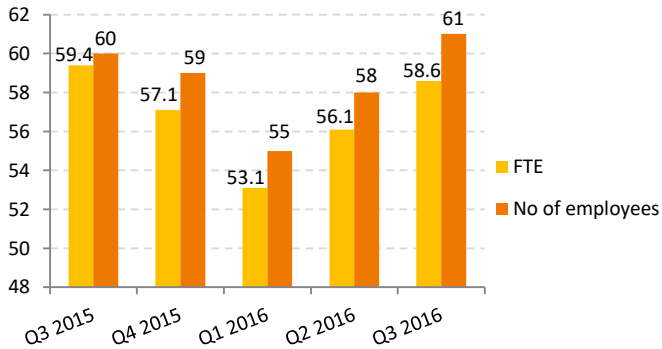
8. Implementation of innovative activities in the Company

None during the reporting period.

9. Employees

As of the end of 2016Q3 the Photon Energy Group had 61 employees (compared to 58 employees in 2016Q2) which translates into 58.6 FTE¹ (compared to 56.1 FTE in 2016Q2).

Chart 11. Total number of employees and full time equivalent employees per quarter



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

Employee Share Purchase Programme

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

10. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of 30 September 2016.

Name	% of share capital held by the holding company	% of votes held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V.	Holding Company		NL	Full Cons.	
2 Photon Directors B.V.	100%	100%	NL	Full Cons.	Photon Energy
3 Photon Energy Engineering B.V.	100%	100%	NL	Full Cons.	Photon Energy
4 Photon Energy Operations N.V.	100%	100%	NL	Full Cons.	Photon Energy
5 Photon Energy Investments CZ N.V.	100%	100%	NL	Full Cons.	Photon Energy
6 Photon Energy Australia Pty Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
7 Photon Energy Generation Australia Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
8 Photon Energy AUS SPV 1 Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
9 Photon Energy AUS SPV 2 Pty. Ltd.	100%	100%	AUS	Full Cons.	Photon Energy
10 Photon Energy Operations Australia Pty.Ltd.	100%	100%	AUS	Full Cons.	PEO NV
11 Photon Energy Engineering Australia Pty Ltd	100%	100%	AUS	Full Cons.	PEE BV
12 Global Investment Protection AG	100%	100%	CH	Full Cons.	Photon Energy
13 Photon Energy Corporate Services CZ s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
14 Photon SPV 1 s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
15 Photon Energy Operations CZ s.r.o.	100%	100%	CZ	Full Cons.	PEO NV
16 Photon Energy Control s.r.o.	100%	100%	CZ	Full Cons.	PEO CZ
17 Photon Energy Technology CEE s.r.o.	100%	100%	CZ	Full Cons.	PEE BV
18 Photon Water s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
19 Photon Energy Cardio s.r.o.	100%	100%	CZ	Full Cons.	PEO CZ
20 Photon Energy Finance Europe GmbH	100%	100%	DE	Full Cons.	Photon Energy
21 Photon Energy Corporate Services DE GmbH	100%	100%	DE	Full Cons.	Photon Energy
22 IPVIC GbR	15%	15%	DE	Not Cons.	Photon Energy
23 Photon Energy Engineering Europe GmbH	100%	100%	DE	Full Cons.	PEE BV
24 EcoPlan 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
25 EcoPlan 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
26 Fotonika, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
27 Photon SK SPV 1 s.r.o.	50%	50%	SK	Equity	Photon Energy
28 Photon SK SPV 2 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
29 Photon SK SPV 3 s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
30 Solarpark Myjava s.r.o.	50%	50%	SK	Equity	Photon Energy
31 Solarpark Polianka s.r.o.	50%	50%	SK	Equity	Photon Energy
32 SUN4ENERGY ZVB, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
33 SUN4ENERGY ZVC, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
34 ATS Energy, s.r.o.	100%	100%	SK	Full Cons.	Photon Energy
35 Photon Energy Operations SK s.r.o.	100%	100%	SK	Full Cons.	PEO NV
36 Photon Energy Solutions s.r.o	100%	100%	CZ	Full Cons.	Photon Energy
37 The Special One s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
38 Charles Bridge Services s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy
39 Photon Energy Projects s.r.o.	100%	100%	CZ	Full Cons.	Photon Energy

Notes:

Country of registration

NL – the Netherlands

SK – Slovakia

CZ – the Czech Republic

AUS – Australia

Consolidation method:

Full Cons. – Full Consolidation

Not Cons. – Not Consolidated

Equity – Equity Method

Photon Energy Operations CZ s.r.o. has 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.	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o.	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o.	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o.	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o.	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o.	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o.	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o.	100%	0%	CZ	Full Cons.	RL
9	Photon SPV 11 s.r.o.	100%	0%	CZ	Full Cons.	RL

Notes:

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

In the reporting period, there were the following changes to the Group structure:

- ▶ On 31 July 2016, European Solar Holdings B.V. and Photon Energy Investments DE N.V. were liquidated.
- ▶ On 16 August 2016, Photon Energy Projects s.r.o. was incorporated as a 100% subsidiary of Photon Energy N.V..
- ▶ On 16 August 2016, Photon Energy Solutions s.r.o., was incorporated as a 100% subsidiary of Photon Energy N.V..
- ▶ On 16 August 2016, The Special One s.r.o. was incorporated as a 100% subsidiary of Photon Energy N.V..
- ▶ On 16 August 2016, Charles Bridge Services s.r.o. was incorporated as a 100% subsidiary of Photon Energy N.V..

After the reporting period the following events occurred:

- ▶ On 12 October 2016, Photon Water Technology s.r.o. was incorporated as a 100% subsidiary of Photon Energy N.V..

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

11.1. Summary of the key events from 1 July until 30 September 2016

Below is a summary of the key events which were important for the Issuer's business from 1 April until 30 June 2016 and which were reported in the EBI system:

- ▶ **EBI 18/2016** published on 12 April 2016: Monthly report for June 2016.
- ▶ **EBI 19/2016** published on 22 July 2016: Photon Energy adds further 28.5 MWp to O&M portfolio.
- ▶ **EBI 20/2016** published on 12 April 2016: Quarterly report for 2016Q2.
- ▶ **EBI 21/2016** published on 10 August 2016: Monthly report for July 2016.
- ▶ **EBI 22/2016** published on 12 September 2016: Monthly report for August 2016.
- ▶ **EBI 23/2016** published on 19 September 2016: Photon Energy further strengthens its portfolio through the acquisition of the remaining 30% equity interest in Slovak power plant ATS Energy s.r.o.
- ▶ **EBI 24/2016** published on 21 September 2016: Photon Energy files listing application for the Free Market segment of the Prague Stock Exchange.

11.2. Summary of the key events after 30 September 2016

Below is a summary of the key events which were important for the Issuer's business after 30 June 2016 until the date of this report:

- ▶ **EBI 25/2016** published on 12 October 2016: Monthly report for September 2016.
- ▶ **EBI 26/2016** published on 13 October 2016: Photon Energy successfully admitted to the Free Market segment of the Prague Stock Exchange.
- ▶ **EBI 27/2016** published on 2 November 2016: Construction of a 99kWp solar power plant for a sewage treatment plant in Australia.
- ▶ **EBI 28/2016** published on 4 November 2016: Q & A Chat to be held in collaboration with the Polish retail investors association SII on Tuesday, 8 November 2016 at 11:00am

12. Detailed consolidated financial results for 2016Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the period starting on 1 July 2016 and ending on 30 September 2016 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	
	2015Q3	2016Q3	2015Q3	2016Q3	2015Q3	2016Q3
Total revenues	4,302	4,594	17,960	19,916	116,291	124,177
<i>Out of that: Revenues from electricity generation</i>	3,852	4,151	16,081	17,994	104,123	112,190
<i>Out of that: Other revenues</i>	450	444	1,879	1,923	12,168	11,987
Cost of sales	-435	-363	-1,814	-1,574	-11,746	-9,813
Solar levy CZ	-278	-296	-1,158	-1,285	-7,501	-8,009
Gross profit	3,590	3,935	14,988	17,058	97,044	106,354
Other income	0	225	0	975	0	6,081
Administrative expenses	-294	-442	-1,225	-1,916	-7,934	-11,949
Personnel expenses	-642	-557	-2,682	-2,414	-17,364	-15,053
Other expenses	-56	-417	-234	-1,809	-1,513	-11,277
EBITDA	2,598	2,744	10,847	11,894	70,233	74,157
Depreciation	-1,766	-1,841	-7,374	-7,981	-47,745	-49,761
EBIT	832	903	3,473	3,913	22,488	24,396
Interests income	9	10	36	44	230	276
Financial revenues	106	0	441	0	2,853	2
Interests cost	-800	-817	-3,341	-3,544	-21,630	-22,094
Financial expenses	-9	22	-39	95	-250	590
Revaluation of derivatives	-411	78	-1,717	340	-11,115	2,121
Net finance expenses	-1,107	-707	-4,620	-3,064	-29,913	-19,104
Share of profit from associates / J-Vs	81	14	340	63	2,201	391
Profit / loss before taxation	-193	210	-807	912	-5,224	5,683
Income tax – current	-1	-1	-6	-4	-38	-26
Income tax – deferred	-139	-35	-580	-151	-3,756	-939
Profit/loss from continuing operations	-334	175	-1,393	757	-9,018	4,718
Profit/loss from discontinued operations	73	0	306	0	1,984	2
Profit/loss after taxation	-260	175	-1,086	757	-7,034	4,720
Other comprehensive income for the period	42	602	175	2,610	1,135	16,271
Total comprehensive income for the period	-218	777	-911	3,367	-5,898	20,991
Profit/loss after taxation	-260	175	-1,124	757	-7,034	4,720
<i>Attributable to the equity holders</i>	-269	175	5,830	757	-7,034	4,720
<i>Attributable to minority interest</i>	9	0	38	0	243	0
Total comprehensive income for the period	-218	777	-911	3,367	-5,898	20,991
<i>Attributable to the equity holders</i>	-227	777	-949	3,367	-5,898	20,991
<i>Attributable to minority interest</i>	9	0	38	0	243	0
Average no. of shares outstanding (in thousand)	50,761	50,972	50,761	50,972	50,761	50,972
Earnings per share outstanding	-0.005	0.003	-0.022	0.015	-0.139	0.093
Comprehensive income per share outstanding	-0.004	0.015	-0.018	0.066	-0.016	0.412
<i>EUR exchange rate – low</i>	-	-	4.129	4.260	27.020	27.020
<i>EUR exchange rate – average</i>	-	-	4.175	4.335	27.031	27.028
<i>EUR exchange rate – high</i>	-	-	4.217	4.430	27.130	27.095

Note: Exchange rate provided by the European Central Bank

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	30.9.2015	30.9.2016	30.9.2015	30.9.2016	30.9.2015	30.9.2016
Intangibles	0	0	0	0	0	0
Property, plant and equipment	75,943	74,646	322,318	322,402	2,064,123	2,016,948
Investments in associates /joint ventures	2,594	2,203	11,011	9,514	70,517	59,520
Other investments	1	8	3	35	20	220
Longterm receivables	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Non-current assets	78,538	76,857	333,332	331,952	2,134,659	2,076,689
Inventories – Goods	1,179	1,157	5,002	4,998	32,034	31,265
Trade receivables	1,809	3,075	7,678	13,283	49,170	83,097
Other receivables	3,003	3,256	12,745	14,065	81,618	87,990
Loans	0	0	0	0	0	0
Gross amount due from customers for contract work	26	0	110	0	702	0
Prepaid expenses	687	386	2,917	1,667	18,678	10,431
Cash and cash equivalents	5,546	5,208	23,540	22,495	150,749	140,731
Assets held for sale	0	0	0	0	0	0
Current assets	12,250	13,083	51,991	56,508	332,951	353,514
Total assets	90,785	89,941	385,313	388,460	2,467,529	2,430,203
Issued share capital	600	600	2,547	2,591	16,308	16,212
Share premium	23,760	23,760	100,843	102,621	645,797	641,995
Legal reserve fund	10	8	42	36	272	226
Reserves	23,788	23,453	100,962	101,294	646,562	633,693
Retained earnings	-19,424	-19,611	-82,438	-84,701	-527,931	-529,892
Equity attributable to owners of the Company	28,735	28,210	121,956	121,840	781,007	762,234
Non-controlling interests	156	0	662	0	4,237	0
Total equity	28,891	28,210	122,618	121,840	785,244	762,234
Non-current liabilities	53,857	54,645	228,583	236,016	1,463,843	1,476,513
Bank loan	39,648	38,286	168,275	165,359	1,077,632	1,034,487
Other long-term liabilities	8,164	10,431	34,648	45,052	221,886	281,846
Other loans	538	270	2,286	1,166	14,636	7,295
Deferred tax liabilities	5,507	5,658	23,374	24,438	149,688	152,885
Current liabilities	8,038	6,886	34,113	29,740	218,459	191,460
Bank Loans	3,297	3,890	13,993	16,802	89,611	105,114
Other loans	272	268	1,156	1,160	7,405	7,254
Trade payables	917	820	3,893	3,542	24,934	22,161
Other payables	3,482	1,907	14,779	8,236	94,647	51,527
Other shortterm liabilities	0	200	0	864	0	5404
Current tax liabilities (income tax)	69	0	291	0	1,863	0
Total Liabilities	61,895	61,731	262,696	266,620	1,682,302	1,667,973
TOTAL Equity & Liabilities	90,785	89,941	385,313	388,460	2,467,529	2,430,203
No. of shares outstanding in thousand	50,761	50,972	50,761	50,972	50,761	50,972
Book value per share outstanding	0.566	0.553	2.403	2.390	15.470	14.954

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2015Q3	2016Q3	2015Q3	2016Q3	2015Q3	2016Q3
Profit/loss before taxation	-120	210	-509	912	-3,240	5,684
Adjustments for:						
Depreciation	1,766	1,841	7,502	7,981	47,745	49,767
Other changes in fixed assets	0	-230	0	-997	0	-6,217
Share of profit of equity accounted investees	-81	-14	-346	-63	-2,201	-392
Profit /Loss on sale of property, plant and equipment	0	-39	0	-171	0	-1,066
Other non-cash items	0	1,190	0	3,260	0	32,167
Changes in:	0	0	0	0	0	0
Trade and other receivables	743	-439	3,157	-1,902	20,096	-11,859
Gross amount due from customers for contract work	235	0	1,000	0	6,366	0
Prepaid expenses	19	105	79	454	504	2,833
Inventories	56	-88	238	-382	1,513	-2,379
Trade and other payables	213	-412	904	-1,788	5,757	-11,150
Other liabilities	-1,257	242	-5,338	1,051	-33,978	6,551
Operating cash flow	1,575	2,365	6,687	8,355	42,562	63,940
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	-438	0	-1,899	0	-11,839
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	56	0	236	0	1,501	0
Interest received	0	0	0	0	0	0
Investment cash flow	56	-438	236	-1,899	1,501	-11,839
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	-922	-976	-3,916	-4,229	-24,924	-26,373
Proceeds from issuing bonds	209	413	888	1,790	5,649	11,164
Interest expenses	519	-785	2,203	-3,405	14,020	-21,230
Financing cash flow	-194	-1,348	-826	-5,844	-5,255	-36,439
Net increase/decrease in cash and cash equivalents	1,436	579	6,098	2,511	38,813	15,661
Cash at the beginning of the period	4,110	4,643	17,455	20,127	111,098	125,504
Effect of exchange rate fluctuation	0	-16	0	-152	838	-487
Cash at the end of the period	5,546	5,208	23,553	22,495	150,749	140,731
<i>EUR exchange rate - low</i>			4.180	4.260	27.020	27.020
<i>EUR exchange rate - average</i>			4.247	4.335	27.031	27.028
<i>EUR exchange rate - high</i>			4.337	4.430	27.130	27.095

13. Detailed accumulated consolidated financial results for 2016Q1-Q3

The tables below present the **consolidated** and **un-audited** financial statements of Photon Energy N.V. for the nine-month period starting on 1 January 2016 and ending on 30 September 2016 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	
	2015 Q1-Q3	2016 Q1-Q3	2015 Q1-Q3	2016 Q1-Q3	2015 Q1-Q3	2016 Q1-Q3
Total revenues	10,768	11,108	44,754	48,401	294,576	300,298
<i>Out of that: Revenues from electricity generation</i>	9,389	9,721	39,023	42,358	256,854	262,804
<i>Out of that: Other revenues</i>	1,379	1,387	5,731	6,043	37,722	37,494
Cost of sales	-1,305	-1,086	-5,425	-4,732	-35,705	-29,357
Solar levy CZ	-657	-700	-2,732	-3,050	-17,982	-18,924
Gross profit	8,805	9,322	36,598	40,619	240,889	252,017
Other income	0	254	0	1,106	0	6,861
Administrative expenses	-1,090	-1,206	-4,529	-5,257	-29,809	-32,617
Personnel expenses	-1,931	-1,644	-8,026	-7,164	-52,825	-44,446
Other expenses	-125	-503	-520	-2,191	-3,420	-13,592
EBITDA	5,660	6,222	23,524	27,113	154,834	168,223
Depreciation	-4,311	-4,454	-17,919	-19,408	-117,941	-120,416
EBIT	1,349	1,768	5,605	7,705	36,893	47,806
Interests income	63	32	263	139	1,733	860
Financial revenues	899	0	3,736	0	24,588	2
Interests cost	-2,412	-2,350	-10,024	-10,240	-65,981	-63,536
Financial expenses	-24	-12	-98	-53	-646	-330
Revaluation of derivatives	31	-459	129	-1,999	848	-12,403
Net finance expenses	-1,442	-2,789	-5,995	-12,154	-39,459	-75,406
Share of profit from associates / J-Vs	119	112	496	490	3,267	3,039
Profit / loss before taxation	26	-908	107	-3,959	701	-24,561
Income tax – current	-32	-12	-134	-53	-885	-331
Income tax – deferred	-122	63	-506	273	-3,328	1,692
Profit/loss from continuing operations	-128	-858	-533	-3,739	-3,511	-23,200
Profit/loss from discontinued operations	181	-11	753	-48	4,957	-297
Profit/loss after taxation	53	-869	220	-3,787	1,446	-23,497
Other comprehensive income for the period	643	539	2,674	2,349	17,602	14,572
Total comprehensive income for the period	696	-330	2,894	-1,439	19,048	-8,925
Profit/loss after taxation	53	-869	220	-3,787	1,446	-23,497
<i>Attributable to the equity holders</i>	52	-869	216	-3,787	1,423	-23,200
<i>Attributable to minority interest</i>	1	0	4	0	23	0
Total comprehensive income for the period	696	-330	2,894	-1,439	19,048	-8,925
<i>Attributable to the equity holders</i>	695	-330	2,890	-1,439	19,013	-8,925
<i>Attributable to minority interest</i>	1	0	4	0	34	0
Average no. of shares outstanding (in thousand)	50,687	50,986	50,687	50,986	50,687	50,986
Earnings per share outstanding	0.001	-0.017	0.004	-0.074	0.028	-0.461
Comprehensive income per share outstanding	0.014	-0.006	0.057	-0.028	0.376	-0.175
<i>EUR exchange rate - low</i>	-	-	3.968	4.234	27.020	27.020
<i>EUR exchange rate - average</i>	-	-	4.156	4.357	27.357	27.035
<i>EUR exchange rate - high</i>	-	-	4.326	4.496	28.410	27.150

Note: Exchange rate provided by the European Central Bank

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	2015 Q1-Q3	2016 Q1-Q3	2015 Q1-Q3	2016 Q1-Q3	2015 Q1-Q3	2016 Q1-Q3
Profit/loss before taxation	207	-908	860	-3,959	5,659	-24,561
Adjustments for:	0	0	0	0	0	0
Depreciation	4,311	4,454	17,919	19,408	117,941	120,416
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity accounted investees	-119	-112	-496	-490	-3,267	-3,039
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	0	1,154	0	5,028	0	31,199
Changes in:	0	0	0	0	0	0
Trade and other receivables	-1,310	-2,351	-5,443	-10,244	-35,829	-63,559
Gross amount due from customers for contract work	236	0	982	0	6,464	0
Prepaid expenses	131	302	545	1,316	3,589	8,162
Inventories	-496	-233	-2,060	-1,014	-13,559	-6,294
Trade and other payables	-694	-1,429	-2,886	-6,227	-18,994	-38,634
Other liabilities	-1,100	-77	-4,574	-337	-30,106	-2,092
Operating cash flow	1,166	799	4,846	3,481	31,898	21,598
Acquisition of property, plant and equipment	0	0	0	0	0	0
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	-438	0	-1,909	0	-11,841
Acquisition of other investments	0	0	0	0	0	0
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment, other investments	2,141	0	8,900	0	58,577	0
Interest received	0	0	0	0	0	0
Investment cash flow	2,141	-438	8,900	-1,909	58,577	-11,841
Proceeds from issuance of ordinary shares	0	0	0	0	0	0
Change of consolidation method (acquisition of JV)	0	1,809	0	7,883	0	48,907
Proceeds from borrowings	0	1,479	0	6,445	0	39,985
Repayment of borrowings	-2,994	-3,288	-12,446	-14,325	-81,920	-88,880
Proceeds from issuing bonds	535	1,985	2,224	8,649	14,636	53,665
Interest expenses	68	-2,330	281	-10,155	1,850	-63,006
Financing cash flow	-2,392	-345	-9,941	-1,504	-65,433	-9,328
Net increase/decrease in cash and cash equivalents	915	16	3,803	69	25,032	428
Cash at the beginning of the period	4,631	5,297	19,247	23,081	126,687	143,206
Effect of exchange rate fluctuation	0	-105	0	-458	-971	-2,903
Cash at the end of the period	5,546	5,208	23,051	22,693	150,749	140,731
<i>EUR exchange rate - low</i>			3,968	4,234	27.020	27.020
<i>EUR exchange rate - average</i>			4,156	4,357	27.357	27.035
<i>EUR exchange rate - high</i>			4,326	4,496	28.410	27.150

Note: Exchange rate provided by the European Central Bank

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 31.12.2015	600	23,760	10	25,415	-975	-420	-20,001	28,388	151	28,540
Profit for the period 1.1.2016 – 30.9.2016							-869	-669		-669
Revaluation of PPE								0		0
Share on revaluation of PPE of associates, JV								0		0
Foreign currency translation differences					-105			-105		-105
Derivatives						42		42		42
Acquisition of JV				602				602		602
Total comprehensive income for the year	0	0	0	602	-105	-42	-869	-330		-330
new shares								0		0
Move from revaluation reserve to retained earnings				-1,106			1,106	0		0
Legal reserve fund – move to RE on entity disposal			-2				2	0		0
BALANCE at 30.9.2016	600	23,760	8	24,911	-1,080	-378	-19,762	28,059	151	28,210

14. Detailed entity financial results for 2016Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the three-month period starting on 1 July 2016 and ending on 30 September 2016 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	
	2015Q3	2016Q3	2015Q3	2016Q3	2015Q3	2016Q3
Revenues from the sale of products, goods and services	1,327	461	5,516	1,997	35,872	12,454
Cost of sales	-803	-340	-4,902	-1,474	-21,709	-9,190
Other administrative expenses	148	-121	614	-524	3,992	-3,269
Other income	0	0	0	0	0	0
Other expenses	-41	-203	-169	-881	-1,100	-5,496
EBITDA	336	-203	1,389	-882	9,071	-5,500
Amortization&depreciation	-8	-3	-33	-12	-216	-72
EBIT	328	-206	1,356	-894	8,855	-5,572
Financial income	91	1,850	396	8,019	2,467	50,001
Financial costs	-318	-357	-1,329	-1,546	-8,583	-9,637
Profit / loss before taxation	101	1,288	422	5,580	2,739	34,791
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	102	1,288	426	5,580	2,766	34,791

Balance Sheet

in Thousands	EUR		PLN		CZK	
	30.9.2015	30.9.2016	30.9.2015	30.9.2016	30.9.2015	30.9.2016
Intangibles	25	14	106	62	681	389
Property, plant and equipment	31,476	32,878	133,592	142,003	855,521	888,371
Investments in associates /joint ventures	0	0	0	0	0	0
Other investments	0	0	0	0	0	0
Longterm receivables	0	79	0	341	0	2,133
Deferred tax assets	0	0	0	0	0	0
Non-current assets	31,501	32,972	133,698	142,406	856,202	890,894
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	9,082	12,403	38,546	53,571	246,849	335,137
Loans	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	510	187	2,165	807	13,863	5,046
Cash and cash equivalents	83	726	352	3,134	2,256	19,609
Current assets	9,675	13,316	41,063	57,512	262,968	359,792
Total assets	41,176	46,287	174,761	199,918	1,119,170	1,250,686
Issued share capital	600	600	2,547	2,591	16,308	16,212
Share premium	36,871	36,871	156,489	159,248	1,002,154	996,254
Legal reserve fund	0	0	0	0	0	0
Reserves	-1,778	-975	-7,546	-4,211	-48,325	-26,347
Retained earnings	-6,687	-8,107	-28,383	-35,013	-181,765	-219,041
Profit/loss for the current period	-168	1,738	-714	7,505	-4,571	46,953
Equity attributable to owners of the Company	28,837	30,127	122,392	130,120	783,801	814,032
Non-controlling interests	0	0	0	0	0	0
Total equity	28,837	30,127	122,392	130,120	783,801	814,032
Non-current liabilities	8,060	12,158	34,208	52,512	219,071	328,512
Bank Loan	0	0	0	0	0	0
Other long term liabilities	8,060	12,158	34,208	52,512	219,071	328,512
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	4,279	4,002	18,160	17,286	116,298	108,142
Bank Loans	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Trade and other payables	4,279	4,002	18,160	17,286	116,298	108,142
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	41,176	46,287	174,761	199,918	1,119,170	1,250,686
<i>No. of shares outstanding in thousand</i>	<i>50,761</i>	<i>50,972</i>	<i>50,761</i>	<i>50,972</i>	<i>50,761</i>	<i>50,972</i>
<i>Book value per share outstanding</i>	<i>0.568</i>	<i>0.591</i>	<i>2.411</i>	<i>2.553</i>	<i>15.441</i>	<i>15.97</i>

15. Detailed accumulated entity financial results for 2016Q1-Q3

The tables below present the **entity** and **un-audited** financial statements of Photon Energy N.V. for the six-month period starting on 1 January 2016 and ending on 30 September 2016 and the corresponding period of the previous year. The reported data is presented in accordance with Dutch Accounting Standards (DAS).

Income Statement

in Thousands (except EPS)	EUR		PLN		CZK	
	2015	2016	2015	2016	2015	2016
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
Revenues from the sale of products, goods and services	1,327	1,364	5,516	5,942	36,305	37,302
Cost of sales	-1,179	-994	-4,902	-4,331	-32,265	-27,193
Gross profit	148	370	614	1,610	4,040	10,109
Other administrative expenses	-148	-571	-614	-2,488	-4,040	-15,618
Other income	0	0	0	0	0	0
Other expenses	-46	-7	-191	-29	-1,258	-184
EBITDA	-46	-208	-191	-907	-1,258	-5,693
Amortization&depreciation	-8	-8	-33	-35	-218	-218
EBIT	-54	-216	-224	-941	-1,476	-5,911
Financial income	1,142	2,971	4,745	12,947	31,230	81,283
Financial costs	-919	-1,019	-3,821	-4,439	-25,153	-27,869
Profit / loss before taxation	168	1,736	699	7,566	4,601	47,504
Income tax	0	0	0	0	0	0
Profit/loss for the period (net income)	169	1,737	703	7,571	4,628	47,531

Balance Sheet

in Thousands	EUR		PLN		CZK	
	30.9.2015	30.9.2016	30.9.2015	30.9.2016	30.9.2015	30.9.2016
Intangibles	25	14	106	62	681	389
Property, plant and equipment	31,476	32,878	133,592	142,003	855,521	888,371
Investments in associates /joint ventures	0	0	0	0	0	0
Other investments	0	0	0	0	0	0
Longterm receivables	0	79	0	341	0	2,133
Deferred tax assets	0	0	0	0	0	0
Non-current assets	31,501	32,972	133,698	142,406	856,202	890,894
Inventories – Goods	0	0	0	0	0	0
Trade and other receivables	9,082	12,403	38,546	53,571	246,849	335,137
Loans	0	0	0	0	0	0
Gross amount due from customers for contract work	0	0	0	0	0	0
Prepaid expenses	510	187	2,165	807	13,863	5,046
Cash and cash equivalents	83	726	352	3,134	2,256	19,609
Current assets	9,675	13,316	41,063	57,512	262,968	359,792
Total assets	41,176	46,287	174,761	199,918	1,119,170	1,250,686
Issued share capital	600	600	2,547	2,591	16,308	16,212
Share premium	36,871	36,871	156,489	159,248	1,002,154	996,254
Legal reserve fund	0	0	0	0	0	0
Reserves	-1,778	-975	-7,546	-4,211	-48,325	-26,347
Retained earnings	-6,687	-8,107	-28,383	-35,013	-181,765	-219,041
Profit/loss for the current period	-168	1,738	-714	7,505	-4,571	46,953
Equity attributable to owners of the Company	28,837	30,127	122,392	130,120	783,801	814,032
Non-controlling interests	0	0	0	0	0	0
Total equity	28,837	30,127	122,392	130,120	783,801	814,032
Non-current liabilities	8,060	12,158	34,208	52,512	219,071	328,512
Bank Loan	0	0	0	0	0	0
Other long term liabilities	8,060	12,158	34,208	52,512	219,071	328,512
Other loans	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	4,279	4,002	18,160	17,286	116,298	108,142
Bank Loans	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Trade and other payables	4,279	4,002	18,160	17,286	116,298	108,142
Other shortterm liabilities	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
TOTAL Equity & Liabilities	41,176	46,287	174,761	199,918	1,119,170	1,250,686
<i>No. of shares outstanding in thousand</i>	<i>50,761</i>	<i>50,972</i>	<i>50,761</i>	<i>50,972</i>	<i>50,761</i>	<i>50,972</i>
<i>Book value per share outstanding</i>	<i>0.568</i>	<i>0.591</i>	<i>2.411</i>	<i>2.553</i>	<i>15.441</i>	<i>15.97</i>

16. 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 2016 and ending on 30 September 2016 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 2016 to 30 September 2016

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	446	9,721	941	0	0	11,108	0	11,108
Revenues within segments from sale of products, goods, services	0	0	544	0	2,378	2,922	-2,922	0
Cost of sale	-335	-691	-439	0	-34	-1,499	413	-1,086
Energy tax	0	-700	0	0	0	-700	0	-700
Gross profit	111	8,330	1,046	0	2,344	11,831	-2,509	9,322
Other external income	0	0	254	0	0	254	0	254
Administrative and other expenses	-151	-140	-1,083	0	-3,125	-4,498	1,145	-3,353
Depreciation	0	-4,411	-17	0	-25	-4,454	0	-4,454
Operating income	-40	3,779	200	0	-806	3,133	-1,364	1,768
Interest income	21	161	15	0	2,377	2,575	-2,543	32
Interest expenses	-36	-3,741	-63	0	-1,053	-4,893	2,543	-2,350
Other financial revenues	0	0	0	0	0	0	0	0
Other financial expenses	-1	-6	-2	0	-2	-12	0	-12
Revaluation of derivatives	0	-459	0	0	0	-459	0	-459
Profit/loss share in entities in equivalency	0	0	0	112	0	112	0	112
Income tax	0	-11	-1	0	0	-12	0	-12
Deferred tax	0	63	0	0	0	63	0	63
Profit/loss from discontinuing operations	0	0	-11	0	0	-11	0	-11
Profit/loss after taxation	-56	-215	137	112	516	496	-1,364	-869
Revaluation of property, plant and equipment	0	0	0	602	0	602	0	602
Foreign currency translation diff. - foreign operations	0	0	0	-105	0	-105	0	-105
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	42	0	42	0	42
Total comprehensive income	-56	-215	137	651	516	1,035	-1,364	-330
Assets, of which	2,401	87,186	2,851	2,203	14,944	109,586	-19,644	89,941
PPE – Lands	0	2,860	0	0	0	2,860	0	2,860
PPE – Photovoltaic power plants	0	71,564	0	0	0	71,564	0	71,564
PPE – Equipment	23	0	135	0	65	223	0	223
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	1,942	7,841	2,351	0	13,843	25,977	-19,644	6,332
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	338	531	288	0	0	1,157	0	1,157
Investments in associates, JV, other	0	0	8	2,203	0	2,211	0	2,211
Deferred tax receivables	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0
Prepaid expenses	20	69	29	0	268	386	0	386
Assets held for sale	0	0	0	0	0	0	0	0
Cash and cash equivalents	79	4,321	40	0	768	5,208	0	5,208
Liabilities, of which	-3,011	-52,891	-5,508	0	-18,602	-80,012	18,280	-61,731
Trade and other payables	-3,011	-4,786	-5,393	0	-8,357	-21,546	18,280	-3,266
Bank Loans and other loans	0	-42,176	0	0	0	-42,176	0	-42,176
Other long term liabilities	0	-271	-115	0	-10,045	-10,431	0	-10,431
Other short term liabilities	0	0	0	0	0	0	0	0
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	-200	-200	0	-200
Deferred tax liabilities	0	-5,658	0	0	0	-5,658	0	-5,658

Results of the operating segments for the period from 1 January 2015 to 30 September 2015

	in Thousands EUR	Energy solutions	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services		706	9 389	673	0	0	10 768	0	10 768
Revenues within segments from the sale of products, goods, services		30	0	529	0	0	559	-559	0
Cost of sale		-520	-759	-457	0	-218	-1 955	649	-1 305
Energy tax		0	-657	0	0	0	-657	0	-657
Gross profit		216	7 973	745	0	-218	8 716	90	8 805
Other external income		0	0	0	0	181	181	0	181
Administrative and other expenses		-147	-793	-1 058	0	-1 905	-3 903	758	-3 146
Depreciation		-1	-4 269	-19	0	-22	-4 311	0	-4 311
Operating income		69	2 911	-333	0	-1 964	683	0	1 531
Interest income		14	101	27	0	208	360	-296	63
Interest expenses		-29	-1 807	-59	0	-217	-2 111	301	-2 412
Other financial revenues		0	0	0	0	899	899	0	899
Other financial expenses		-4	0	-5	0	-15	-24	0	-24
Revaluation of derivatives		0	31	0	0	0	31	0	31
Profit/loss share in entities in equivalency		0	0	0	119	0	119	0	119
Income tax		0	-139	0	0	-15	-154	0	-154
Profit/loss after taxation		49	1 097	-369	119	-1 105	-209	4	53
Revaluation of property, plant and equipment		0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations		0	0	0	0	519	519	0	519
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	124	0	0	0	124	0	124
Total comprehensive income		49	1 221	-369	119	-586	434	4	696
Assets, of which		1 492	87 126	2 541	2 594	10 082	103 836	-13 048	90 785
PPE – Lands		0	2 844	0	0	0	2 844	0	2 844
PPE – Photovoltaic power plants		0	72 929	0	0	0	72 929	0	72 929
PPE – Equipment		0	0	100	0	64	164	0	164
PPE – Assets in progress		0	0	5	0	0	5	0	5
Intangibles		0	0	0	0	0	0	0	0
Trade and other receivables		904	5 416	2 194	0	9 290	17 804	-12 992	4 812
Loans		0	0	0	0	0	0	0	0
Gross amount due from customers for contract work		18	0	0	0	8	26	0	26
Inventories – Goods		556	463	204	0	0	1 223	-44,71	1 179
Investments in associates, JV, other		0	0	1	2 594	0	2 595	0	2 595
Deferred tax receivables		0	0	0	0	0	0	0	0
Long term receivables		0	0	0	0	0	0	0	0
Prepaid expenses		11	123	25	0	540	699	-11,71	687
Assets held for sale		0	0	0	0	0	0	0	0
Cash and cash equivalents		4	5 350	12	0	181	5 546	0	5 546
Liabilities, of which		-2 484	-52 220	-4 569	0	-15 607	-74 880	12 985	-61 895
Trade and other payables		-2 492	-3 726	-4 410	0	-6 757	-17 385	12 985	-4 398
Bank Loans and other loans		0	-42 945	0	0	-811	-43 756	0	-43 756
Other long term liabilities		0	0	-104	0	-8 060	-8 164	0	-8 164
Other short term liabilities		0	0	0	0	0	0	0	0
Current tax liabilities (income tax)		8	-42	-56	0	21	-69	0	-69
Provisions		0	0	0	0	0	0	0	0
Deferred tax liabilities		0	-5 507	0	0	0	-5 507	0	-5 507

17. Summary of significant accounting policies

Basis of preparation

Our accounting policies are based on International Financial Reporting Standards (IFRS) as adopted by EU 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. Provision 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.

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 the objective perspective from 1 January 2010.

As of 31 December 2013, the Management Board has 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 -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 are connected to the distribution network and produce the electricity)

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

Other operations include the 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 2016 or 2015.

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 year 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 as the presentation currencies. Effect from this translation is 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. 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. Statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	PLN		CZK	
	2015Q3	2016Q3	2015Q3	2016Q3
EUR exchange rate – low	4.106	4.260	27.020	27.020
EUR exchange rate – high	4.244	4.430	27.130	27.095
EUR exchange rate – average	4.187	4.335	27.031	27.028
EUR exchange rate – end of period	4.244	4.319	27.180	27.020

(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 at the consolidation into EUR using year-end rate for balance sheet and average rate 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 costs.

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 expenditure 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 is uncollectible, it is written off.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and term bank 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 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.

18. Management Board declaration

We hereby confirm that according to our best knowledge the information about Photon Energy N.V. 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.

19. Investor Relations Contact

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Amsterdam, 7 November 2016

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

Georg Hotar
Member of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Michael Gartner', positioned above 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