Q4 2020 Results

with Georg Hotar, CEO
and Clemens Wohlmuth, CFO

Photon Energy N.V.

15 February 2021
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Business Model
Strategy and Outlook
Financials Q4 & FY 2020
Q&A Session
Business Model

Strategy and Outlook

Financials Q4 & FY 2020

Q&A Session
Business Model: Solar Services

Our services cover the entire lifecycle of photovoltaic systems.

**Project Development**
We develop and acquire rooftop and green-field projects from 300 kWp to 300 MWp.

**Investments**
We invest in PV power plants for the sustainable production and sale of solar energy.

**EPC Solutions**
We design and build on- and off-grid installations, including battery storage solutions.

**Technology**
We procure and trade PV components to fit any project’s location, design and budget.

**Operations and Maintenance**
We provide a full range of O&M services, including monitoring and inverter maintenance.
Business Model: Water Services

Our comprehensive services and solutions help to make clean water accessible to everyone.

Treatment
We deliver treatment solutions including potable and wastewater treatment, hazardous liquid waste and industrial water treatment.

Research and Development
We work with leading academic institutions and participate in governmental research programmes to develop cutting-edge clean water solutions.

Remediation
We offer a range of remediation services, including our unique nanoremediation solution, to eliminate contaminants from water and soil.

Resource Management
We help our customers make the best use of their water resources, lakes and ponds.

Wells and Resources
We provide complete services for wells and water resources, from planning and design to maintenance and decommissioning.
Our Global Presence

Focus on Europe and Australia

Project development

- Project pipeline with a combined capacity of 821 MWp
- Focus on Australia, Hungary, Poland and Romania

Electricity production (74.7 MWp)

- 11 proprietary power plants in the Czech Republic (15.0 MWp), 11 in Slovakia (10.5 MWp), 61 in Hungary (49.1 MWp) and 1 in Australia (0.1 MWp)

O&M (300+ MWp)

- Full Operations and Maintenance services in the Czech Republic, Slovakia, Romania, Hungary and Australia (250+ MWp)
- Specialised technical services for PV inverters in other European countries (60+ MWp)
Business Model

Strategy and Outlook

Financials Q4 & FY 2020

Q&A Session
Strategy and Outlook

SOLAR

- **Project development** in-house, through co-development, and acquisitions. Clear focus on **Australia, Hungaria, Poland** and **Romania**.
- **Expansion of proprietary power plant portfolio** supporting the growth of recurring revenue from electricity generation.
- **Expansion of the PPA-business** and construction of commercial „behind-the-meter“ PV projects for industrial customers and off-takers in Australia and in Europe.
- **Further development of EPC projects**, relying on the leverage brought from the hybrid systems installed in Australia.
- Further expansion of our position as **leading operations & maintenance provider in CEE**.
- Increasing volumes in the sale of **PV technology**.

WATER

- **Remediation** of contaminated sites and ground water pollution deploying water treatment technology.
- Focus on **PFAS nano-remediation** solutions as illustrated by the ongoing trial with the Australian Department of Defence.
Project Development

Romania
- First projects secured in feasibility stage and early development.
- Focus on acquiring and reviving projects developed under the Romanian Green Certificate expired in 2016.

Poland
- First projects secured in feasibility stage and early development with application to grid-connection.
- We intend to build with trackers to make the difference on a competitive market.
- Continuously evaluating development partners to expand our pipeline.

Hungary
- 31.5 MWp in Tolna currently under development and submitted to auctions.
- The most advanced Project has received positive results in the METAR tender.
- Other commercial options considered (PPA, market).

Australia
- Two projects of 200 MWp and 150 MWp sold to Canadian Solar after connection agreement.
- 146 MWp Project in Brewongle sold in development process.
- Remaining three projects with 580 MWp under development.
Business Model
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Highlights of Q4 2020

- **Commissioning** of 14.1 MWp in Püspökladány, Hungary.

- **Long-term financing** secured for additional 17.6 MWp in Hungary.

- In Australia, two utility-scale power plants with **14.6 MWp in Leeton** brought to the commissioning stage.

- Finish line reached in the construction of a hybrid solar and battery storage system on **Lord Howe Island**.

- **Shares admitted to trading** on the regulated markets of Warsaw and Prague, and to the Quotation Board of the Frankfurt Stock Exchange.

- Strategic equity investment concluded with **Lerta**, developing Virtual Power Plant technologies and services.
Business Development in Q4 2020

Continued progress across all segments

- **23.0 MWp** of PV power plants grid-connected in Hungary in 2020, of which **14.1 MWp** during Q4 2020.
- **70.0 GWh** of electricity (+59.9% YoY) generated by our proprietary power plant portfolio in 2020, of which **7.7 GWh** in Q4 2020 (+11.2% vs. Q4 2019).
- **33 MWp** of O&M contracts added in 2020, of which **14 MWp** in Q4 2020.

Electricity generation total portfolio (GWh)

- **43.8 GWh** in 2019
- **70.0 GWh** in 2020 (+59.8%)

Proprietary portfolio, cumulated (MWp)

- **51.7 MWp** in December 2019
- **60.6 MWp** in September 2020
- **74.7 MWp** in December 2020

Assets under O&M, cumulated (MWp)

- **276 MWp** in December 2019
- **295 MWp** in September 2020
- **309 MWp** in December 2020

15 February 2021
## Q4 2020 Financial Results

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q1–Q4 2020</th>
<th>Q1–Q4 2019</th>
<th>Change in %</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>28,258</td>
<td>30,154</td>
<td>-6.3%</td>
<td>5,096</td>
<td>7,749</td>
<td>-34.2%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>17,677</td>
<td>15,439</td>
<td>14.5%</td>
<td>1,822</td>
<td>2,243</td>
<td>-18.8%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>8,195</td>
<td>7,942</td>
<td>3.2%</td>
<td>-997</td>
<td>260</td>
<td>-483.8%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-116</td>
<td>1,147</td>
<td>-110.1%</td>
<td>-2,930</td>
<td>-1,203</td>
<td>143.6%</td>
</tr>
<tr>
<td><strong>Net profit/Net loss</strong></td>
<td>-8,693</td>
<td>-726</td>
<td>1096.9%</td>
<td>-4,361</td>
<td>-2,622</td>
<td>66.3%</td>
</tr>
<tr>
<td><strong>Total comprehensive income (TCI)</strong></td>
<td>2,084</td>
<td>8,064</td>
<td>-74.2%</td>
<td>922</td>
<td>3,036</td>
<td>-69.6%</td>
</tr>
</tbody>
</table>

- **4th** quarter traditionally modest due to seasonality, affected by challenging conditions for the sale of technology.

- Increased revenue from electricity generation in 2020 (+17.6% YOY) driven by our expansion in Hungary compensated a decline in other revenues.

- **EBITDA 2020 grew YOY by 3.2%** despite higher operating costs.

- **Increased financial expenses** linked to the expansion of proprietary PV portfolio.

- Revaluation of our proprietary portfolio, volatility of the FX markets generated a **EUR 2.1 million TCI** in 2020.
Q4 2020 Financial Results

Balance Sheet

- **Increase in fixed assets** connected to PV power plants constructed/in progress in Hungary and in Australia, an update made to our revaluation model in Q3, partly offset by ongoing depreciation, and equity investments in Raygen and Lerta.

- Equity increase reflecting the TCI for the period bringing our adjusted equity ratio to 29.0%.

- Long-term liabilities increase resulting from additional Bond placements and bank loans draw-downs/repayments in accordance with project refinancing plans.

### Balance Sheet

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>EUR 15,104</td>
<td>EUR 16,682</td>
</tr>
<tr>
<td>Other current assets</td>
<td>EUR 106,477</td>
<td>EUR 134,546</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>EUR 15,104</td>
<td>EUR 16,682</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>EUR 138,3M</td>
<td>EUR 159.9M</td>
</tr>
<tr>
<td><strong>Total assets +15.7%</strong></td>
<td></td>
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</tbody>
</table>

### Total liabilities and equity

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>EUR 12,348</td>
<td>EUR 14,827</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>EUR 88,073</td>
<td>EUR 105,438</td>
</tr>
<tr>
<td>Equity +4.8%</td>
<td>EUR 37,843</td>
<td>EUR 39,654</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>EUR 14,827</td>
<td>EUR 14,827</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>EUR 12,348</td>
<td>EUR 14,827</td>
</tr>
</tbody>
</table>
Q4 2020 Financial Results

Cash Flow Statement

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<th></th>
<th>Q1–Q4 2020</th>
<th>Q1–Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>5,819</td>
<td>6,536</td>
</tr>
<tr>
<td>Investment cash flow</td>
<td>-20,171</td>
<td>-14,410</td>
</tr>
<tr>
<td>Financial cash flow</td>
<td>13,251</td>
<td>10,641</td>
</tr>
<tr>
<td>Net change in cash</td>
<td>-1,101</td>
<td>2,767</td>
</tr>
</tbody>
</table>

► Sound operating cash flow in Q4 and Y2D.
► Increased investment cash flow mainly into proprietary portfolio.
► Aligned financial cash flow in accordance with financing plans for our proprietary portfolio.
► With additional EUR 12,9 million project finance secured, stable liquidity for future growth.