

Photon Energy Group Publishes Annual Report for 2020 with Improved EBITDA and Expanded IPP Portfolio

- ▶ The Company delivers strong results with an improved EBITDA of EUR 8.440 million (+6.3%) despite the challenges of COVID-19, records no impact from the pandemic on its electricity generation, nor to its EPC and O&M business segments, all key contributors to Photon Energy Group's growth in 2020
- ▶ The Company grew its IPP portfolio to 74.7 MWp (+23.0 MWp) and remains focused on its strategic goal to develop, design and construct new projects for its portfolio with a focus on Australia, Hungary, Poland and Romania; significant potential to expand in the field of water treatment technology is expected
- ▶ The report spotlights the Company's first sustainability report, formally expressing its commitment to delivering sustainable outcomes

Amsterdam – 19 April 2021 – Photon Energy N.V. (WSE&PSE: PEN, FSX: A1T9KW) ('Photon Energy Group' or the 'Company'), an Amsterdam-based renewable energy company delivering solar energy and clean water solutions around the world, today published its 2020 annual report. The report includes the audited consolidated and standalone financial statements prepared in accordance with International Financial and Reporting Standards as well as the independent auditor's opinion.

'2020 was a year of hardship for so many, yet I am inspired by the way we have been able to adapt to this unprecedented environment,' said **Georg Hotar, CEO of Photon Energy Group**. 'I want to thank our employees, investors and partners – from local subcontractors to electricity distributors – who worked with us to ensure the supply of clean energy and water to our communities globally. The global pandemic did not slow us down; I believe that our achievements in 2020 stand as a testament to our ability to thrive despite unpredictable circumstances and I look into 2021 and beyond with utmost confidence in our significant growth.'

Annual Report 2020

Despite the challenges of COVID-19, Photon Energy Group delivered strong results, recording basically no impact from the pandemic on its electricity generation, nor to its EPC (engineering, procurement and construction) and O&M (operations and maintenance) business segments, all key contributors to Photon Energy Group's growth in 2020.

During the year, the Company produced a record 70.0 GWh of clean energy, representing around 29,799 tons of carbon emission savings, and built PV power plants with a combined capacity of 23.0 MWp in Hungary, bringing its IPP (independent power producer) portfolio to 74.7 MWp. The Company's O&M division also made significant progress last year, and now oversees solar assets with a combined capacity of more than 300 MWp.

2020 was a pivotal year in Australia, with continued expansion and exciting new developments, including the Company's first two utility-scale power plants, with a combined capacity of 14.6 MWp, which were brought to the commissioning stage. These will be the two largest projects to be added to the Company's IPP portfolio and its first merchant projects providing competitive energy into the Australian energy market. The Company also completed the construction of a hybrid 1.2 MWp solar and 3.2 MWh battery storage system on Lord Howe Island, a UNESCO World Heritage Site. The system is projected to generate and store enough energy to cover more

than two thirds of the island's electricity needs, leading to a more resilient and environmentally sustainable power supply.

On the project development front, despite more difficult market entry conditions because of travel restrictions, the Company managed to increase its development pipeline for PV projects to a combined capacity of over 200 MWp in Hungary, Romania and Poland. As a result, the Company is positioned to build several new power plants in these countries in 2021.

The Company also continued challenging and transforming the renewables industry, as illustrated by its recently concluded strategic investments. After an initial investment in April 2020, the Company has just announced its participation in a capital increase in RayGen, a Melbourne-based technology company specialising in high-efficiency concentrated PV generation with thermal absorption and storage. In December 2020, the Company also participated in the second equity financing round for Lerta, a Polish company that develops virtual power plant technologies and services.

The Company's clean water solutions business line Photon Water has also made a major step forward in the Australian market with a trial phase remediation project for the Australian Department of Defense to remove PFAS contamination from soil and ground water without the need for pumping and surface treatment or disposal processes using its (patent pending) nanoremediation process. In addition, Photon Water teams made great progress in water treatment and other areas of industrial and water quality processes using ultrasound technology.

2020 was a crucial year for the Company in terms of its presence on capital markets. Photon Energy N.V. share listings were successfully transferred from alternative markets to the main (regulated) markets of the Warsaw and Prague Stock Exchanges, as well as to the Quotation Board of the Frankfurt Stock Exchange. The aim of these transfers was to widen the Company's investor base across Europe and to stimulate trading liquidity.

Financial Metrics

The Company closed 2020 with total revenues amounting to EUR 28.258 million, representing a 6.3% decrease YoY. Despite lower revenues in the sale of technology (-27.8% YoY), an area in which conditions remained challenging due to the coronavirus crisis, there was a robust 17.6% increase in revenues from the sale of electricity. The Company also managed to raise its EBITDA to EUR 8.440 million (+6.3% YoY) thanks to a more favourable revenue mix and an improvement on the gross margin across all activities. During the year, the Company continued its capacity expansion, mainly expressed through a growing headcount, which is crucial for the development of existing business lines as well as new activities.

Increased financial expenses linked to the development of PV power plants led to an EBIT loss of EUR 0.142 million, compared to a profit of EUR 5.382 million in 2019. The Company's business model involves significant bank financing at the project level, where debt/equity ratios reach up to 80/20. Non-recourse financing is aligned with the life cycle of power plants and is long-term, with tenors of up to 15 years. As such, a higher level of debt is to be expected in the photovoltaic industry.

Following the connection of new PV power plants in Hungary, the Company's total comprehensive income in 2020 amounted to EUR 2.084 million compared to EUR 8.064 million in 2019. The adjusted equity ratio remained at the sound level of 29.0%.

Outlook for 2021

In 2021, the Company will remain focused on its strategic goal to develop, design and construct new projects for its IPP portfolio with a focus on Australia, Hungary, Poland and Romania, where it has made strong progress and embarked on a path of dynamic growth. In Australia, the Company has just announced an exchange of project rights with its development partner Canadian Solar. As a result, the Company will continue developing the 160 MWp Maryvale Solar Farm with an increased 65% stake in the project, while further development of Gunning Solar Farm and Suntop 2 Solar Farm will be handled by Canadian Solar. The Company also sees significant potential to expand in the field of water treatment technology, with likely applications including contaminated land remediation and water management.

Reporting on Sustainability

In 2020, the Company laid the foundations for strategic management, controlling and reporting that are fully geared towards sustainability. It has just released its first sustainability report, which formally expresses the Company's commitment to delivering sustainable outcomes. Providing an overview of the Company's efforts to integrate ESG (environmental, social and governance) commitments into its practices, the report is set to provide clarity and guidance on sustainably integrated procedures and an embedded sustainable mindset.

Read about these topics and more in the Company's [2020 annual report](#).

About Photon Energy Group – photonenergy.com

Photon Energy Group delivers solar energy and clean water solutions around the world. Its solar power services are provided by Photon Energy; since its foundation in 2008, Photon Energy has built and commissioned solar power plants with a combined capacity of over 100 MWp and has power plants with a combined capacity of 74.7 MWp in its proprietary portfolio. It is currently developing projects with a combined capacity of over 420 MWp in Australia, Hungary, Poland and Romania and provides operations and maintenance services for over 300 MWp worldwide. The group's second major business line, Photon Water, provides clean water solutions including treatment and remediation services, as well as the development and management of wells and other water resources. Photon Energy N.V., the holding company for Photon Energy Group, is listed on the Warsaw, Prague and Frankfurt (Quotation Board) Stock Exchanges. The company is headquartered in Amsterdam, with offices in Australia, South America and across Europe.

Media Contact

Martin Kysly

Head of Marketing and Corporate Communications

Tel. +420 774 810 670

E-mail: martin.kysly@photonenergy.com