

Photon Energy Group Reports Strongest Quarter in Company's History and Confirms Its Guidance for 2022

- ▶ In Q3 2022 the Company generated revenues of EUR 35.419 million (+247.2% YoY), EBITDA of EUR 12.710 million (+186.7% YoY) and a net profit of EUR 6.013 million (as compared to a net loss of EUR -1.405 million in Q3 2021).
- ▶ In the first nine months the Company recorded revenues of EUR 67.785 million (+175.3% YoY), EBITDA of EUR 22.853 million (+167.2% YoY) and a net profit of 6.552 million (as compared to a net loss of EUR 5.442 million in the same period last year).
- ▶ The Management of the Company confirms its full-year 2022 guidance of consolidated revenues of EUR 85 million and EBITDA of EUR 24 million.

Amsterdam – 10 November 2022 – Photon Energy N.V. (WSE&PSE: PEN, FSX: A1T9KW) (the 'Group' or the 'Company') today announced unaudited financial results for the third quarter of 2022, ending on 30 September 2022, posting Q3 revenues of EUR 35.419 million (+247.2% YoY) and an EBITDA of EUR 12.710 million (+186.7%).

Q3 2022 Highlights

The third quarter results demonstrated the Company's determination to successfully accelerate its growth across all its business lines and markets, as it delivered the strongest quarter in the Group's history.

In the third quarter the Company's 91.9 MWp IPP (independent power producer) portfolio generated a robust production volume of 37.0 GWh of clean electricity, up 6.6% YoY, translating into electricity sales revenues of EUR 15.506 million, up 136.1% YoY. Year to date, the Company reports 103.0 GWh of clean electricity produced as compared to 82.3 GWh a year ago (+25.2% YoY) and on par with the full-year production for 2021. The Company has already achieved electricity revenues of EUR 31.419 million in the first nine months of 2022 as compared to EUR 19.402 million for the full year 2021 (+61.9% as compared to full-year 2021 electricity revenues).

In addition to the electricity generation revenues, other revenue streams were mainly attributable to the great momentum experienced by the Company's component trading business line, which distributes modules, inverters and batteries, bringing total revenues for the quarter to EUR 35.419 million (+247.2%) and increased year-to-date revenues to EUR 67.785 million (+175.3%).

In terms of project development activities, the third quarter was a very busy one due to the ongoing construction of the Company's first seven power plants in Romania. The construction of our first project in the country, where the Company currently has 28.3 MWp of projects under construction, is now nearing the completion stage. The commissioning process for these seven power plants is to be initiated around mid-November 2022 and completed in the months to come. The Company is currently developing utility-scale PV projects with a combined capacity of 899 MWp in its key CEE markets and Australia.

'We thank our teams for their efforts in successfully navigating both the challenges and headwinds of the current geopolitical and macroeconomic environment. While we have an obligation to remain vigilant to respond to changing business conditions, we believe that our underlying business strengths and our focus on managing for the long term will enable us to continue capturing the strong demand for solar energy and storage,' commented **Georg Hotar, CEO of Photon Energy Group**.

Financial Metrics

In the third quarter of 2022, the Company's revenues rose more than threefold YoY to a record of EUR 35.419 million, up 247.2% YoY. This increase in revenues is primarily attributable to higher revenues from the electricity production generated by the Company's new power plants operating on a merchant basis as well as to high electricity prices on the market-linked direct sales component of the "Green Bonus" support scheme in the Czech market. As a result, the Company saw revenues from the sale of clean electricity generated by the Group's growing portfolio benefit from rising electricity prices globally.

In addition to the high revenues from electricity production of EUR 15.506 million (+136.1% YoY), revenues picked up strongly across all other business segments (EUR 19.913 million, +448.0% YoY), with the Company's component trading business line having grown its revenues ninefold from Q3 2021 to EUR 17.824 million in Q3 2022. The higher margins connected to the distribution of batteries, in addition to the existing offer of modules and inverters, also contributed to improving the Company's revenue mix.

This strong business performance led to a consolidated EBITDA improvement by 186.7% to EUR 12.710 million and incurred a record Q3 EBIT of EUR 9.735 million as compared to EUR 0.416 million in the same period last year.

The Company turned around a loss before taxation of EUR -1.073 million recorded in Q3 2021 to a profit of EUR 7.344 million in Q3 2022 and a net profit of EUR 6.013 million achieved during the reporting period as compared to a EUR -1.405 million net loss in Q3 2021.

Despite a negative Other Comprehensive Income (OCI) affected by a weakening Hungarian Forint (HUF), the Company reports an increased positive consolidated total comprehensive income for the third quarter amounting to EUR 4.023 million as compared to EUR -1.179 million for the same period last year.

Year to date, the Company set new nine-month revenue and profitability records. Unaudited consolidated revenues were up 175.3% YoY to EUR 67.785 million, while EBITDA increased to EUR 22.853 million (+167.2% YoY). EBIT swung from a loss of EUR -0.091 million to a profit of EUR 14.904 million. In the first nine months of 2022, the Company recorded a net profit of EUR 6.552 million as compared to a loss of EUR -5.442 million in the same period last year. Total comprehensive income amounted to EUR 6.358 million as compared to EUR 1.119 million a year ago. The adjusted equity ratio increased to a sound level of 31.6%.

Outlook

As of the end of the third quarter of 2022, the trailing twelve-month revenues and EBITDA amounted to EUR 79.519 million and EUR 23.883 million respectively, putting us on the right trajectory to fulfil our financial guidance for 2022.

Based on the above-mentioned indicators and the Group's operating leverage manifesting itself across all its business lines, the Company reaffirms its target to increase consolidated revenues to EUR 85 million from EUR 36.4 million in 2021, representing a 133.8% increase YoY, and leading to an increase of EBITDA to EUR 24 million from EUR 9.6 million in 2021 (+150.4% YoY).

View the Company's financial report for the third quarter of 2022 [here](#).

Q3 2022 Results Presentation

The Company will host a live webcast on **Monday 14 November at 11:00 am CEST** to present its third-quarter results followed by a Q&A session. Attendees are invited to submit questions during the session through the chat feature or in advance via email to ir@photonenergy.com.

Webcast: <https://tailorsgroup.clickmeeting.com/photon-energy-q3-2022-results-presentation>

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 120 MWp and has power plants with a combined capacity of 91.9 MWp in its proprietary portfolio. It is currently developing projects with a combined capacity of 900 MWp in Australia, Hungary, Poland and Romania and provides operations and maintenance services for 380 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 Stock Exchanges. The company is headquartered in Amsterdam, with offices in Australia and across Europe.

Media Contact**Martin Kysly**

Head of Marketing and Corporate Communications

Tel. +420 774 810 670

E-mail: martin.kysly@photonenergy.com**Investor Contact****Emeline Parry**

Investor Relations and Sustainability Manager

Tel. +420 702 206 574

E-mail: emeline.parry@photonenergy.com