

Photon Energy Group Reports First-Quarter 2023 Financial Results with Record Q1 Revenues

- ▶ In the first quarter of 2023 the Group doubled its revenue to an all-time Q1 record of EUR 19.280 million (+111.0% YoY) despite challenging weather and market conditions affecting electricity generation revenues from its proprietary portfolio of PV power plants.
- ▶ The Group generated a consolidated Q1 EBITDA of EUR 0.330 million (-83.7% YoY) impacted by a higher contribution of lower margin revenues, one-off transaction costs related to the acquisition of Lerta and a growing headcount to support business growth.
- ▶ The Group commissioned its first power plants in Romania – one with an installed capacity of 5.7 MWp during the reporting period and five additional plants with a combined capacity of 15.5 MWp commissioned after the reporting period, for which long-term financing has been secured.

Amsterdam – 12 May 2023 – Photon Energy N.V. (WSE&PSE: PEN, FSX: A1T9KW) ('Photon Energy Group' or the 'Group') today announced unaudited financial results for the first quarter of 2023, ending on 31 March 2023, posting an all-time record Q1 revenues of EUR 19.280 million (+111.0% YoY) and a consolidated EBITDA of EUR 0.330 million (-83.7% YoY) impacted by a higher contribution of lower margin revenues, one-off transaction costs related to the acquisition of Lerta and a growing headcount to support business growth.

Q1 2023 Highlights

The opening quarter of 2023 demonstrated the Group's ability to further accelerate its growth across all business lines, despite challenging weather and market conditions affecting electricity generation from its proprietary portfolio of photovoltaic (PV) power plants.

In Romania, the Group commissioned its first Romanian power plant, with an installed capacity of 5.7 MWp, followed by five additional plants with a combined capacity of 15.5 MWp after the reporting period. Driving the growth of a recurring revenue stream from clean electricity generation, these installations mark another important step in the Group's efforts to grow its IPP portfolio, while representing a true milestone for Photon Energy in the Romanian renewable energy market, where the Group plans to commission an additional capacity of around 10 MWp in the coming weeks, which will expand its IPP portfolio to over 120 MWp.

The Group's decision last year to commit to the construction of PV power plants with a total capacity of 31.5 MWp in Romania and the sale of electricity in the market represents the Group's very strong confidence in the Romanian energy sector, as does the non-recourse project financing for these power plants provided by Raiffeisen Bank International. This is also proof that a private sector market-based solution is viable and available to address the significant investment needs and plans for the energy transition in Romania.

In January 2023, the Group launched its New Energy Division. This division combines Photon Energy's behind-the-meter business with the newly acquired Lerta, a Poland-based renewable energy company and former investee of the Group. Thanks to the combined expertise of both businesses, Photon Energy is now able to serve a wide customer base through various solutions and products, with Demand Side Response (DSR) currently being the most promising area in the entire energy sector.

During the reporting period, the Company secured a DSR capacity of 375 MW in the additional Polish TSO auction for 2024. With the previously contracted capacity of 14 MW for 2024, the Company's total DSR capacity of 389 MW will lock in PLN 116.8 million (EUR 24.8 million) in total DSR revenues for 2024.

Financial Metrics

In the first quarter of 2023, the Company more than doubled its consolidated revenue to EUR 19.280 million (+111.0% YoY) despite a challenging quarter marked by a 16.2% decrease YoY in revenues from electricity generation, which amounted to EUR 4.150 million as of the end of the quarter. This development was the result of a lower production (-9.8% YoY) due to unfavourable weather conditions, combined with decreased electricity prices, which affected our Czech and Australian portfolios, which were already selling electricity on a merchant model basis during the first quarter of 2022.

However, this was compensated for by a 261.4% YoY growth of other revenue streams, which brought total other revenues for the quarter to EUR 15.129 million. This remarkable growth was mainly attributable to the momentum experienced by the Company's component-trading business line, revenues from the recent acquisition of Lerta, as well as Engineering revenues in Australia.

Unaudited consolidated EBITDA dropped by 83.7% YoY to EUR 0.330 million, while quarterly EBIT swung from EUR 0.528 million in Q1 2022 to EUR -1.569 million for the first quarter of 2023. The Company's quarterly profitability was impacted by a higher contribution of lower margin revenues from the sale of technology, transaction costs related to the acquisition of Lerta and the growing headcount that is crucial to support the development of the Group's existing business lines as well as its new business activities.

Overall interest expenses increased by +16.4% to EUR -2.467 million in Q1 2023, driven by increased interest costs related to the Company's 6.50% Green EUR Bond 2021/2027, which was tapped from EUR 50.0 million to EUR 77.5 million during the year 2022, and to EUR 80.0 million in March 2023, the refinancing of the Group's Czech portfolio of power plants, and an additional working capital line dedicated to Photon Energy Technology CEE, the Group's component trading business. On the other hand, deferred tax items could be reclassified from the Profit and Loss statement to be activated as deferred tax assets for EUR 1.312 million.

As a result, the Group recorded a net loss of EUR -4.170 million (vs. a EUR -1.491 million net loss in Q1 2022).

Based on the above, the positive effects of the revaluation difference related to our newly connected Romanian power plants in Siria (EUR 1.224 million) and a positive foreign exchange difference in the Czech Republic and Hungary incurred a total comprehensive income (TCI) of EUR -1.649 million comparing to EUR 1.789 million a year earlier.

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

Q1 2023 Results Presentation

The Company will host a live webcast on **Friday 12 May at 11:00 am CEST** to present its first-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-q1-2023-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 130 MWp and has power plants with a combined capacity of 113.1 MWp in its proprietary portfolio. It is currently developing projects with a combined capacity of over 940 MWp in Australia, Hungary, Poland and Romania and provides operations and maintenance services for 380 MWp worldwide. Through its fully owned subsidiary Lerta, the Group has electricity trading licenses in Poland, the Czech Republic, Slovakia, Hungary, Romania and Serbia. Lerta is the third largest provider of DSR services to the Polish TSO with a contracted capacity of 134 MW for 2023, and through its Virtual Power Plant (VPP) aggregates energy generators and consumers with a total capacity of nearly 300 MW. The Group's other 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, as well as XETRA, Germany's leading online trading platform. Photon Energy Group is headquartered in Amsterdam, with offices in Australia and across Europe.

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