

Photon Energy Group Reports Financial and Operational Results for the First Half of 2023

- ▶ In the first six months the Company increased its consolidated revenues to EUR 40.231 million (+24.3% YoY) compared to EUR 32.367 million a year earlier, thanks to growing revenues from the capacity market, PV component trading and engineering services.
- ▶ Unaudited consolidated EBITDA dropped to EUR 2.833 million compared to EUR 10.142 million a year earlier, down by 72.1% YoY.

Amsterdam – 17 August 2023 – Photon Energy N.V. (WSE&PSE: PEN, FSX: A1T9KW) (the ‘Group’ or the ‘Company’) announced unaudited financial results as of and for the six months ended June 30, 2023, as well as recent operational developments.

‘Even though the dynamic market situation marks 2023 as a very challenging year with several negative trends simultaneously impacting our financial results, we expect the growth momentum to be maintained, driven by bundling our core business activities with DSR and origination and trading services’ commented **Georg Hotar, CEO of Photon Energy Group**.

H1 2023 Highlights

- ▶ **Proprietary IPP portfolio expanded by 22.1 MWp in Romania.** The Group completed and grid-connected its first Romanian PV power plants with a total installed capacity of 22.1 MWp. An additional 10.2 MWp of generating assets will be grid-connected in Q3 2023, bringing the total portfolio to over 123 MWp, up by 34.0% year-to-date.
- ▶ **Construction work began on new power plants with a total capacity of 20.1 MWp.** The Company commenced the construction works on new power plants in Romania with a total capacity of 20.1 MWp, scheduled to be completed by the end of 2023. Construction works on another 18.5 MWp which have reached the ready-to-build stage are scheduled to commence in Q4 2023 in line with the conditions agreed with respective DSOs.
- ▶ **EPC projects for Commercial & Industrial clients in Australia completed.** The Company’s EPC business recorded a positive expansion as it completed EPC projects with a value of EUR 3.2 million in H1 2023. Work continues on additional projects set to be completed in the second half of 2023, to contribute an additional EUR 5.4 million in revenues.
- ▶ **New O&M contracts signed.** The Company recorded a significant expansion of its O&M (Operations & Maintenance) portfolio, adding 158 MWp to its O&M portfolio in H1 2023.
- ▶ **Contract with the Australian Government Department of Defense was extended.** The Company’s continued R&D of its proprietary in-situ nano-remediation technology is showing very encouraging results in removing PFAS (per- and polyfluoroalkyl substances) from groundwater and soil. The Company’s efforts are now concentrated on the commercialisation of the technology. Additionally, contingency time has been added to the pilot project for the Australian Department of Defence to manage coordination risks and allow the trial to explore synergies with the Remediation Action Plan works planned at this location.

The overall extension of time is to be to be seven months, adjusting the completion date to 29 January 2024.

Financial Metrics as of and for the Six Months Ended on 30 June, 2023

For the six months ended on 30 June, 2023, the Company reported consolidated revenues of EUR 40.231 million (+24.3% YoY) compared to EUR 32.367 million a year earlier, thanks to growing revenues from the capacity market, PV component trading and engineering services. Revenues from electricity generation amounted to EUR 11.344 million, down by 28.7% YoY mainly due to lower realised electricity prices) and unfavourable weather conditions.

The decline of electricity generation revenues was compensated for by an increase in revenues from other segments, which totaled EUR 28.887 million, up by 75.6% YoY. This growth was mainly attributable to the additional revenues from the capacity market (DSR) as well as origination and trading services. Growth was also recorded in other segments including PV component trading, engineering services (EPC) and Operations & Maintenance revenues.

Unaudited consolidated EBITDA dropped to EUR 2.833 million compared to EUR 10.142 million a year earlier, down by 72.1% YoY. EBIT declined from EUR 5.169 million in H1 2022 to EUR –1.469 million in the reporting period. The Company's operating profitability was negatively impacted by the lower contribution of electricity generation, deterioration of margins in PV component trading, a growing headcount (nearly doubled YoY) as well as other costs related to business development and R&D.

The bottom line was negatively impacted by interest expenses, which increased to EUR 5.472 million in H1 2023, up by 27.5% YoY, driven by increased interest costs of bank financing as a result of the refinancing of the Company's Czech and Romanian IPP (independent power producer) portfolio.

At the bottom line, the Company recorded a net loss of EUR 7.445 million as compared to a net profit of EUR 0.539 million in H1 2022.

Outlook

Based on the half-year results, the Company's management decided to revise its full-year guidance and decrease estimations of consolidated revenues for 2023 to EUR 110.0 million from EUR 150.0 million as announced earlier this year. Current 2023 revenue expectations compared to 2022 consolidated revenues of EUR 95.1 million translate into a 15.6% increase YoY.

At the same time the Company's management decided to decrease its EBITDA guidance from EUR 29.0 million as announced earlier this year to EUR 10.0 million, representing a decline by 58.9% YoY.

View the Company's financial report for the first half of 2023 [here](#).

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 116.3 MWp in its proprietary portfolio. It is currently developing projects with a combined capacity of 1.2 GWp in Australia, Hungary, Poland and Romania and provides operations and maintenance services for 540 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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