



H1 / Q2 2023 Results Conference

Georg Hotar, CEO and interim CFO

Michael Gartner, CTO

Photon Energy N.V.

17 August 2023

Leeton, Australia (14.6 MWp)

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Photon Energy Group at a Glance
Business Developments in H1 2023
H1 / Q2 2023 Financial Results
Outlook 2023
Q&As

Lord Howe Island, Australia (1.3 MWp / 3.7 MWh)



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Slavkov, Czech Republic (1.2 MWp)

About Us

We are dedicated to ensuring that everyone has access to clean energy and water.

Photon Energy Group



Founded in
2008



Headquartered in
Amsterdam



330+
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



3 x BUY
PT: EUR 4.04 - 4.60



Sustainability
Rating*

Solar Business Line

(Current core activity and strategic area of development)



1.2+ GWp
PV project pipeline



140+ MWp
constructed



+30.3 MWp
under
construction



113.1 MWp
proprietary portfolio



121.6 GWh
produced in 2022



542+ MWp
O&M portfolio



~ 290 MW
assets aggregated
134 MW / 389 MW / 157 MW
capacity market

LERTA:
New Energy
Division

Water Business Line

(Strategic area of development)



PFAS**
patent pending

* Rating report can be found under <https://www.photonenergy.com/en/photon-energy-group/our-esg-commitments.html>

** Per- and polyfluoroalkyl substances

Our Global Presence

Focus on Europe and Australia

Project development

- ▶ Project pipeline with a combined capacity of **1.2+ GWp**
- ▶ Focus on Hungary, Poland, Romania and Australia

Electricity generation assets of 113.1 MWp

- ▶ 11 proprietary power plants in the Czechia (15.0 MWp), 11 in Slovakia (10.5 MWp), 63 in Hungary (51.8 MWp), 6 in Romania (21.2 MWp) and 3 in Australia (14.6 MWp)

O&M (542+ MWp)

- ▶ Full Operations and Maintenance services in Czechia, Slovakia, Romania, Hungary and Australia (495+ MWp)
- ▶ Specialised technical services for PV inverters (~47 MWp)

New Energy Division

- ▶ Energy trading licenses in 6 countries (Poland, Hungary, Czechia, Romania, Slovakia and Serbia)
- ▶ 290 MW of renewable assets aggregated in Europe, 134 MW of capacity contracted for 2023, 389 MW for 2024 and 157 MW for 2027 in Poland.



- Power Plants Owned by Photon Energy Group
- O&M Services for Power Plants
- Inverter Maintenance Services
- Energy Trading License
- Photon Energy Group Offices





Photon Energy Group at a Glance

Business Developments in H1 2023

H1 / Q2 2023 Financial Results

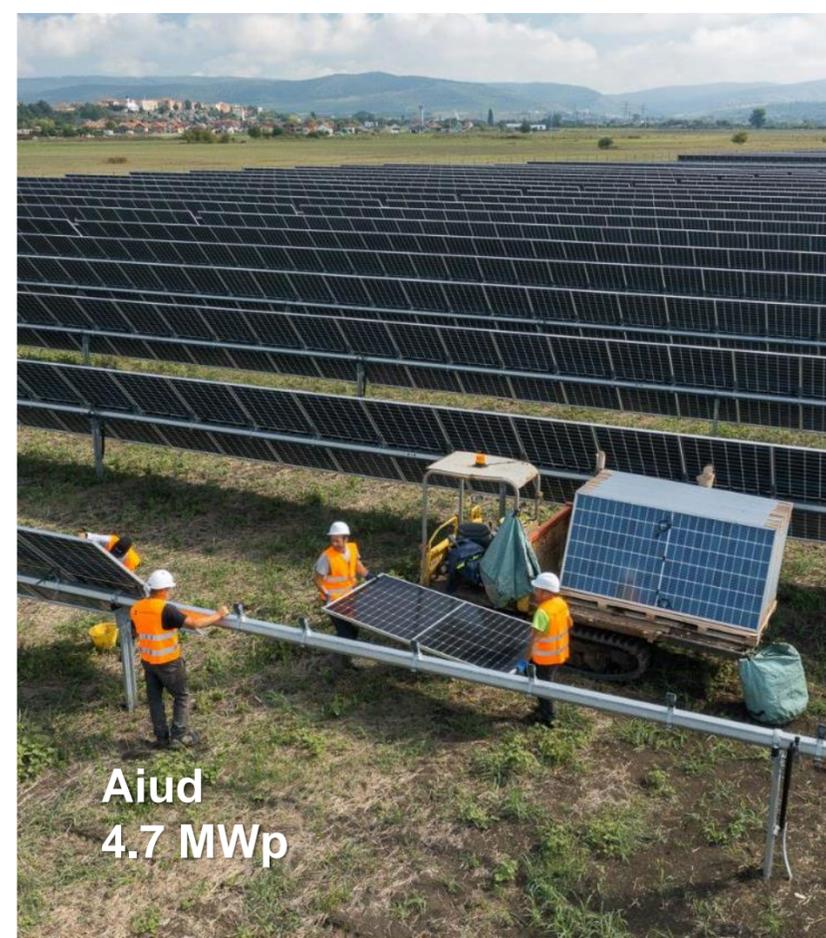
Outlook 2023

Q&As

Aiud, Romania (4.7 MWp)

Highlights H1 2023

- ▶ **Generation output of 65.5 GWh**, -0.9% lower YOY and -15.6% compared to expectations, due to **unfavourable weather conditions** and **delays in the commissioning process**.
- ▶ Commissioning of a **5.7 MWp in Q1** and **15.5 MWp in Q2** bringing the total generation assets to **113.1 MWp**. Additional **10.2 MWp shall be added in Q3 2023**.
- ▶ Start of **construction works on 22.1 MWp** in Romania. Another **18.5 MWp reached Ready-to-Built stage**.
- ▶ Signing of **158 MWp for O&M portfolio** bringing it to the total of 542 MWp under O&M.
- ▶ Expansion of **project pipeline to the total of 1.2 GWp**, driven mainly by development efforts related to RayGen projects (still in feasibility stage), in Australia.
- ▶ **EPC contracts in Australia** for Commercial & Industrial Clients in the amount of **EUR 3.2 million in H1 2023**.

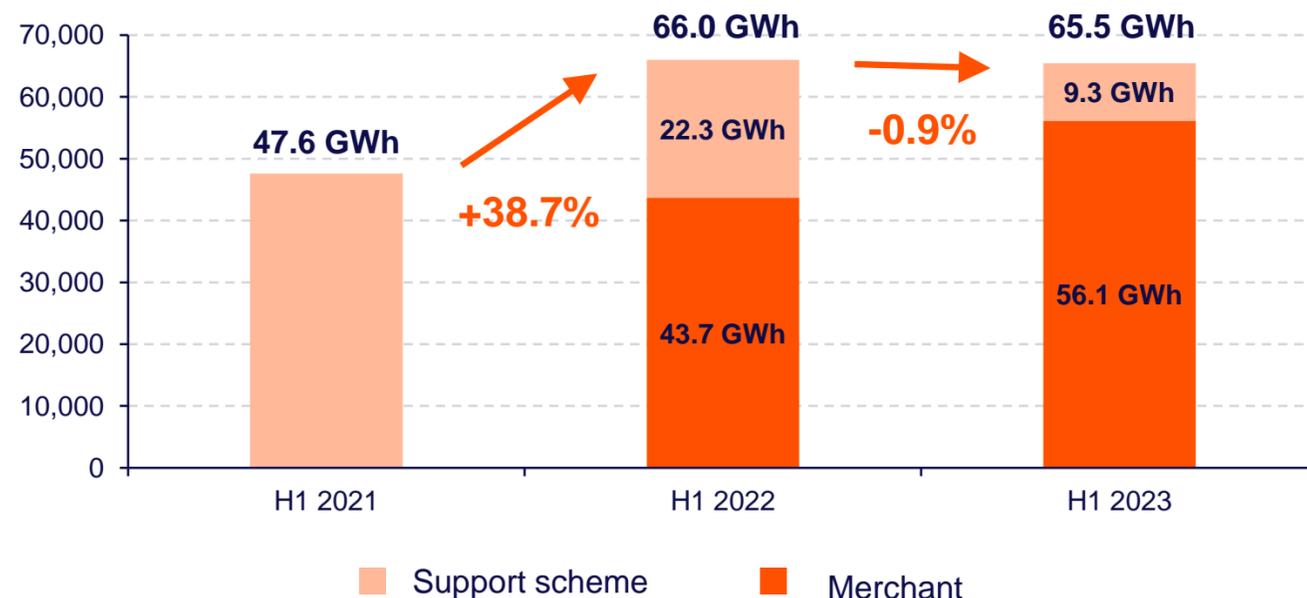


Generation Results

Generation Results Below Expectations

- ▶ **65.5 GWh of electricity (-0.9% YoY) generated** by our proprietary power plant portfolio in H1 2023, 15.6% below levels expected, due to poor weather conditions.
- ▶ Declining realized electricity prices; average realized revenue of **EUR 176/ MWh compared to EUR 245/MWh** in H1 2022, down by 28.2% YOY.

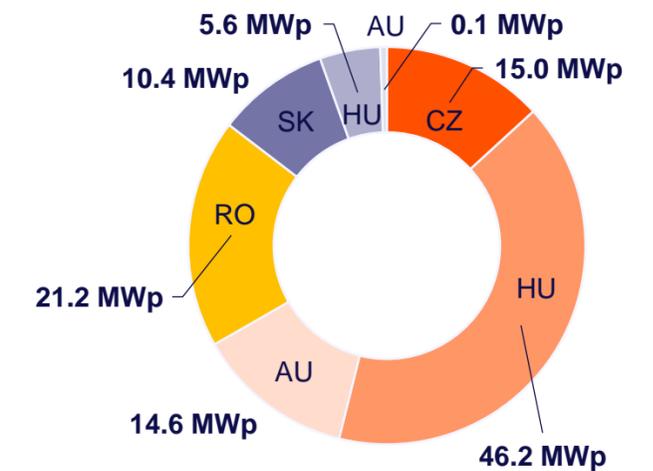
Electricity generation of the total portfolio



Realized average revenue (EUR/MWh) per country, in H1 2023

Country	Revenue model	Realized Revenue per MWh
Czech Republic	Green Bonus + Merchant	EUR 655
Hungary	Merchant	EUR 95
Australia	Merchant	EUR 73
Romania	Merchant	EUR 99
Slovakia	FIT	EUR 263
Hungary	FIT	EUR 107
Australia	FIT	EUR 192

Market exposure in H1 2023



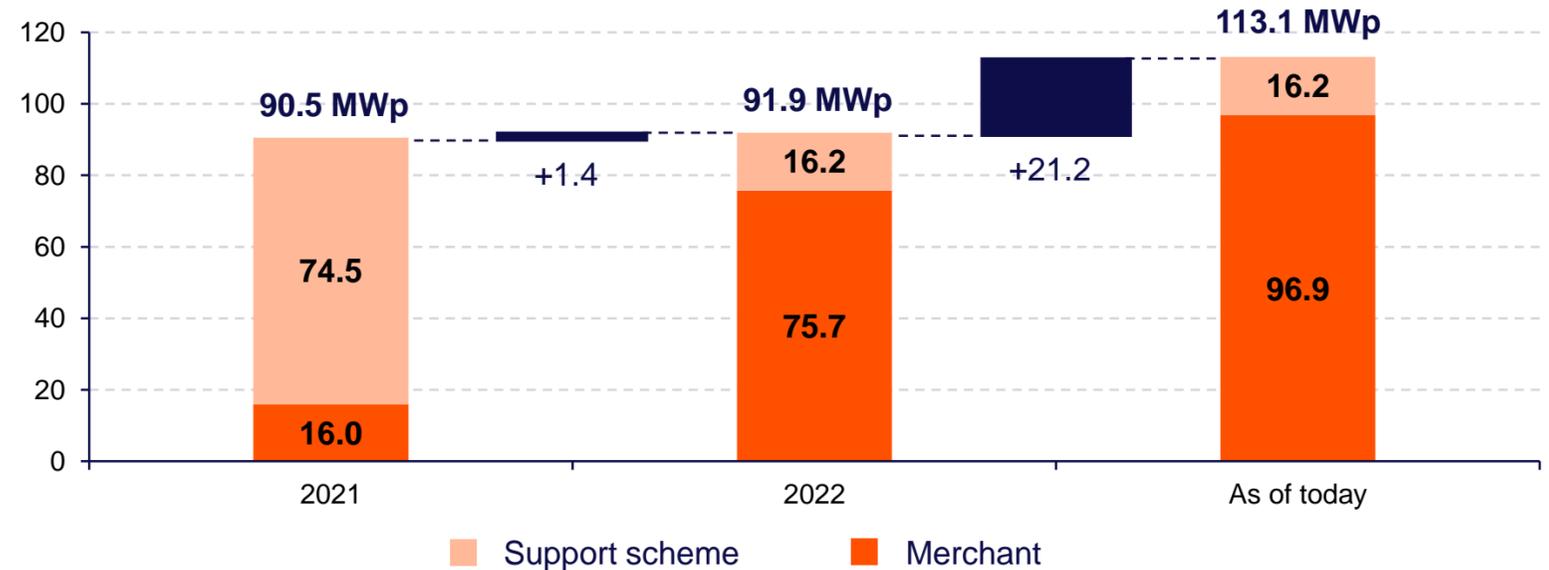
- ▶ Lowest prices realized in Australia, Hungary and Romania where merchant approach was introduced.
- ▶ In the Czech Republic average realized prices per MWh are still above the spot prices thanks to the green bonus support.
- ▶ Return to Feed-in-Tariffs is possible again in 2024, in case the negative market trends sustain.

Generation Assets

Continued Progress on Asset Development

- ▶ **21.2 MWp added to the proprietary portfolio** in H1 2023 with **additional 10.3 MWp completed**, to be commissioned in Q3 2023 (delayed decisioning process on DSO side, in Romania).
- ▶ **Construction of 20.1 MWp** new PV assets started in Q2 2023 to be completed before the sunny period kicks off in 2024.
- ▶ **18.6 MWp R-t-B** – construction delayed due to DSO commissioning schedule.

Proprietary portfolio, cumulated (MWp)



Pipeline summary (in MWp DC)

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
Romania	11.8	92.6	70.5	18.6	30.3	223.2
Poland	275.1	34.1	3.9	-	-	313.1
Hungary	27.6	-	2.7	4.0	-	34.4
Australia	455.0	200.0	9.8	-	-	664.8
Total in MWp	769.5	326.7	86.9	22.6	30.3	1,235.5

- ▶ **Pipeline expanded to 1.2 GWp** driven primarily by RayGen projects, which are still in feasibility stage.
- ▶ **RayGen’s first energy storage project of 50 MWh in Carwarp Victoria progressing well**, with an official event scheduled for late August this year.
- ▶ **Yadnarie downsized to 200 MWp DC and 115 MWp AC** (due to geotechnical studies).

PFAS Remediation – Small Steps Towards Big Opportunity

Nano-remediation is our answer to the global problem of PFAS contamination in ground water.

PFAS – the asbestos of the 21st century.

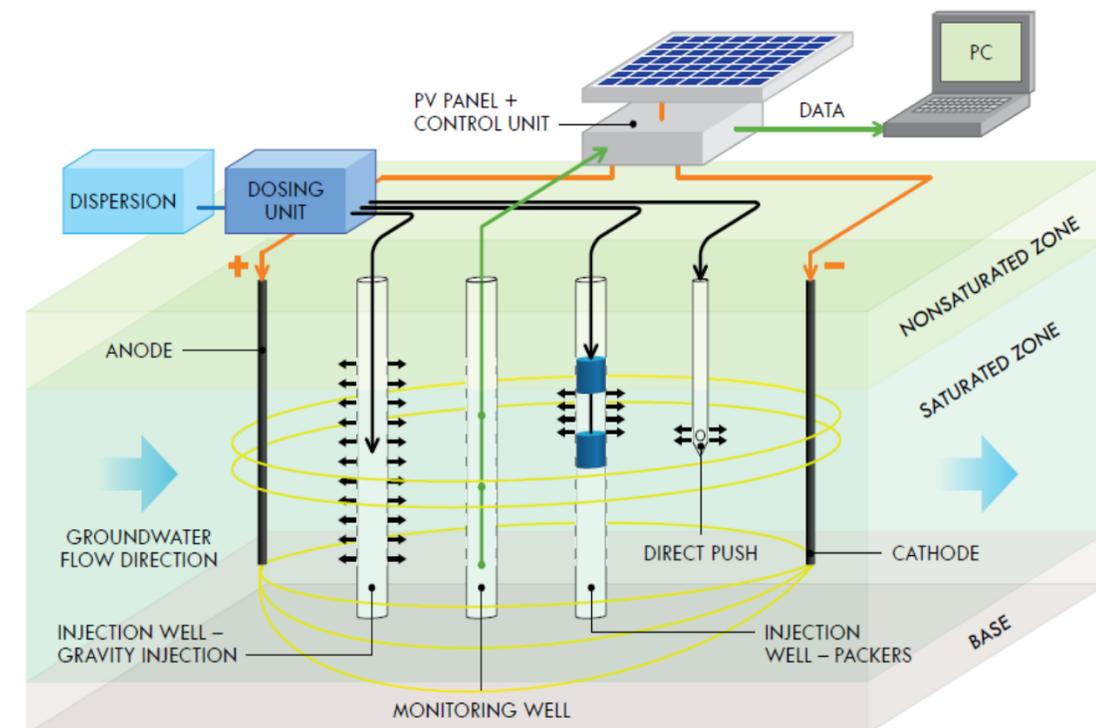
Per- and polyfluorinated substances (PFAS) – group of chemicals used to make various industrial and household products that migrate into liquids in the landfill, further moving into leachate collection systems and/or directly into the natural environment. PFAS **do not break down naturally, and they pose a serious risk to people health and environment.**

Our Nano-remediation solution

A **proprietary patent-pending solution**, to remove PFAS from groundwater in-situ - without the need for pumping and surface treatment or disposal processes.

Large-scale demonstrations at real contaminated sites have confirmed the performance of nanoremediation, especially in low permeability soils.

- ▶ Our continued R&D of our proprietary In-situ nano-remediation technology is showing very encouraging results in removing per and polyfluoroalkyl substances (PFAS) from ground water and soil and we are now concentrating our efforts on commercialisation.
- ▶ Additionally, contingency time has been added to our 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 seven months, adjusting the completion date to 29 January 2024.
- ▶ The commercialization plan is currently under development.





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Outlook 2023

Q&As

Siria, Romania (5.7 MWp)

H1 2023 Financial Results

Income Statement

In thousand EUR	Q2 2023	Q2 2022	YoY change	H1 2023	H1 2022	YoY change
Total revenues	20,951	23,229	-9.8%	40,231	32,367	+24.3%
<i>of which from electricity generation</i>	7,194	10,963	-34.4%	11,344	15,913	-28.7%
<i>other revenues</i>	13,757	12,266	+12.2%	28,887	16,453	+75.6%
EBITDA	2,503	8,119	-69.2%	2,833	10,143	-72.1%
EBIT	100	4,640	-97.9%	-1,469	5,169	NA
Net profit/Net loss	-3,275	2,030	NA	-7,445	539	NA
Total Comprehensive Income (TCI)	765	546	40.0%	-885	2,335	NA

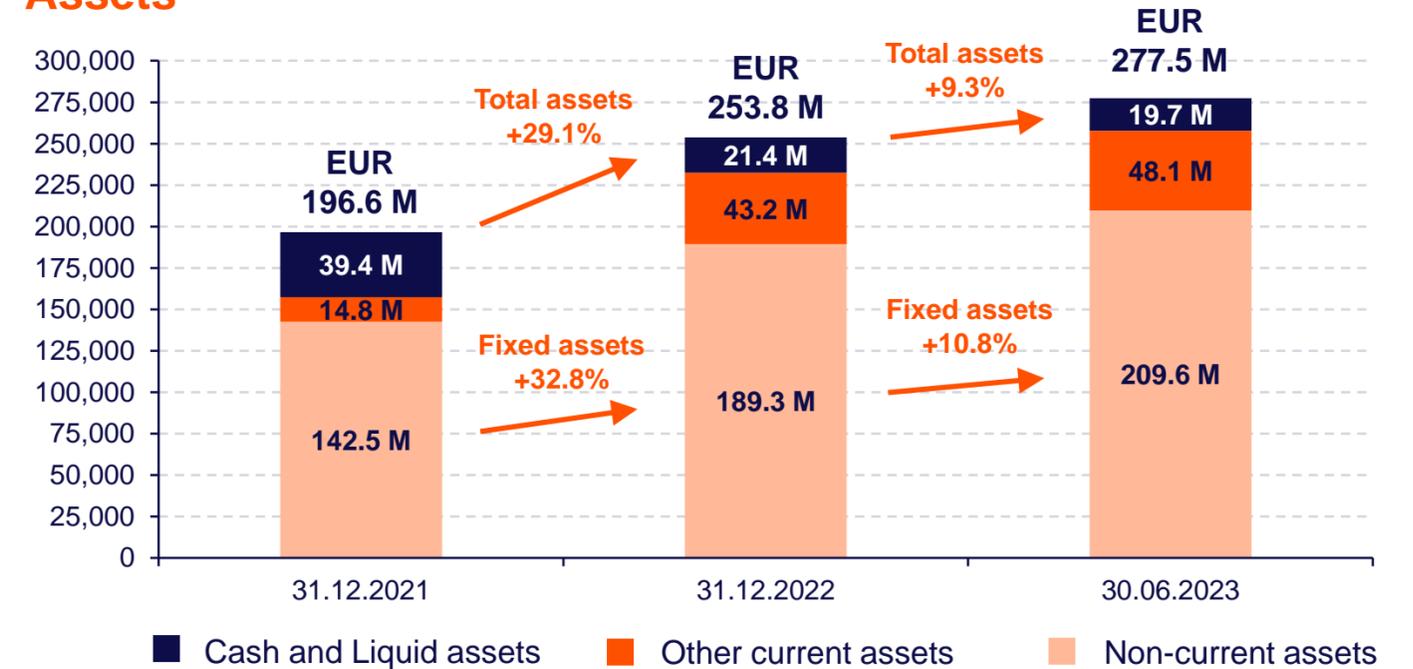
- ▶ Total revenues increased to EUR 40.2 million, +24.3% YOY thanks to **new revenue streams from capacity market**, Origination & Trading, **growing revenues from EPC contracts** in Australia and increase in **PV technology sales**, despite deterioration in PV market conditions.
- ▶ EBITDA decreased to EUR 2.8 million, down by 72.1% YOY, due to **weaker generation revenues** (lower volumes and prices), **higher personnel costs** (headcount doubled YOY), and other costs related to **business development and R&D**.
- ▶ Net loss amounted to EUR -7.5 million due to increased interest costs related to higher bank financing (additional EUR 21.9 million) and increased EUR Green Bond to EUR 80 million.
- ▶ Total comprehensive income includes revaluation of newly connected power plants in Romania (**EUR 4.0 million**), revaluation of other assets (**EUR 0.9 million**) and positive foreign exchange difference (**EUR 1.2 million**).

H1 2023 Balance Sheet

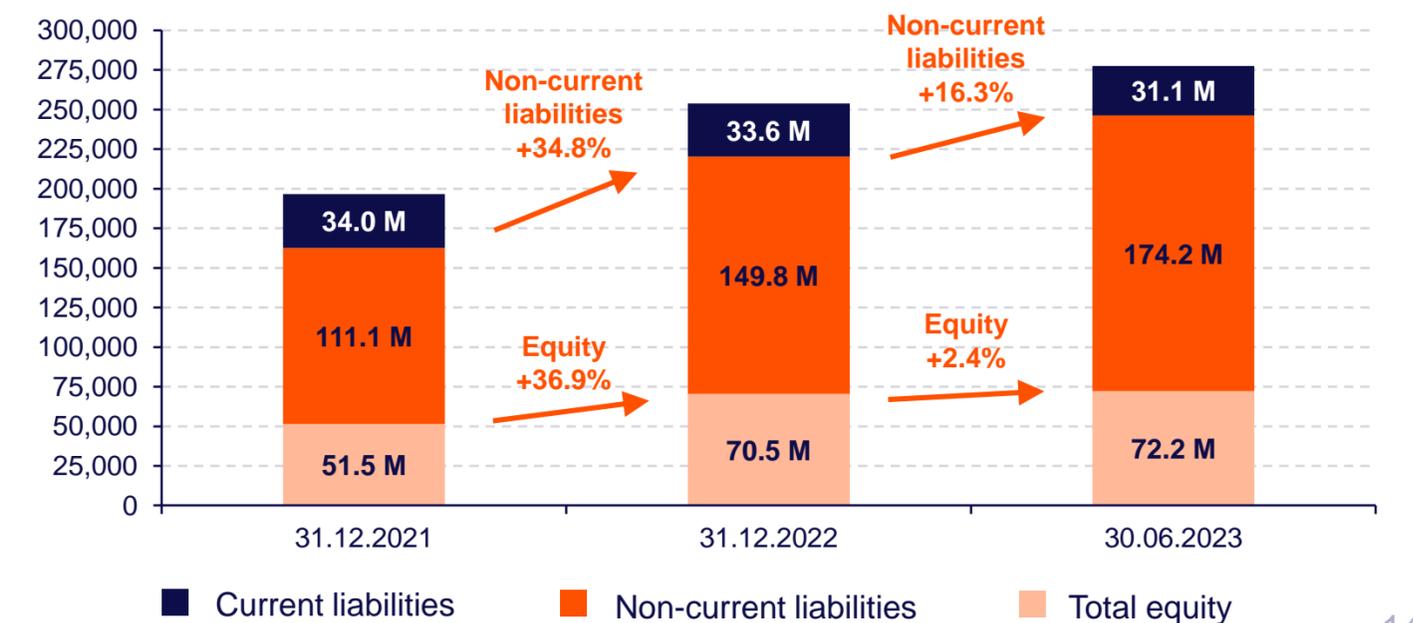
Balance Sheet

- ▶ **Increase of Fixed assets:** resulting from the addition of the power plant commissioned in Romania and advances paid related to Lerta activities.
- ▶ **Equity** increase reflecting the transfer of treasury shares in line with the Lerta acquisition and revaluation of power plants in Romania as well as existing portfolio.
- ▶ **Long-term liabilities increased** due to project refinancing agreement for EUR 21.9 million related to Romanian power plans and an increased placement of our EUR Green Bond amounting of EUR 2.5 million.
- ▶ **Increase of Current liabilities** due to an increase in trade and other receivables connected to VAT receivable related to the Romanian power plants under construction and in a lesser extend to technology business growth.

Assets



Total liabilities and equity

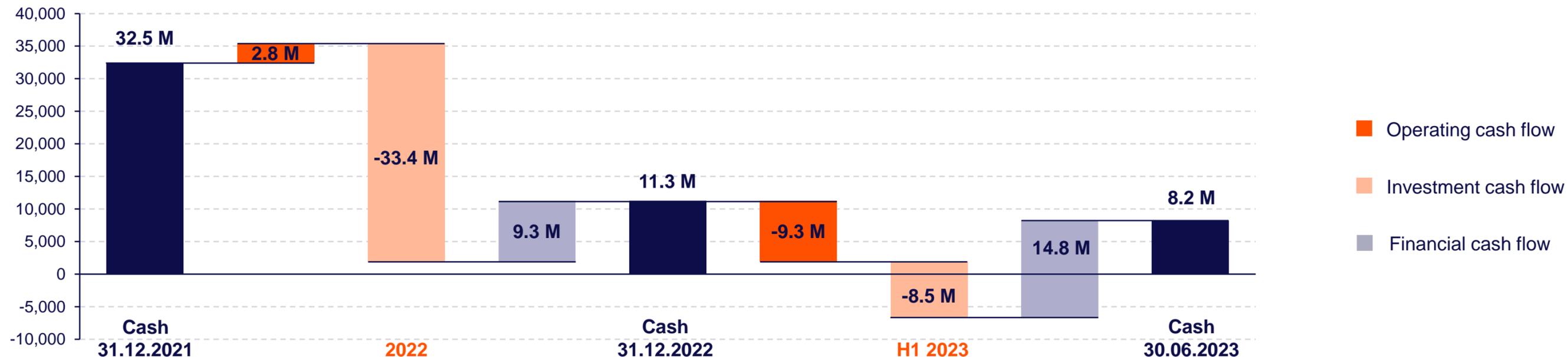


H1 2023 Cash Flow

Cash Flow Development

<i>In thousand EUR</i>	H1 2023	H1 2022
Operating cash flow	-9,299	-6,696
Investment cash flow	-8,523	-4,267
Financial cash flow	14,793	-1,043
Net change in cash	-3,030	-12,006

- ▶ **Negative operating cash flow** driven by negative financial result and changes in the net working capital (e.g. increased inventories and activities connected to Lerta).
- ▶ **Increased investment cash flow** related to work in progress for our proprietary portfolio in Romania.
- ▶ **Positive financial cash flow** related to project refinancing agreement for EUR 21.9 million related to Romanian power plans and an increased placement of our EUR Green Bond amounting of EUR 2.5 million.





Photon Energy Group

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Sydney, Australia (100 kWp)

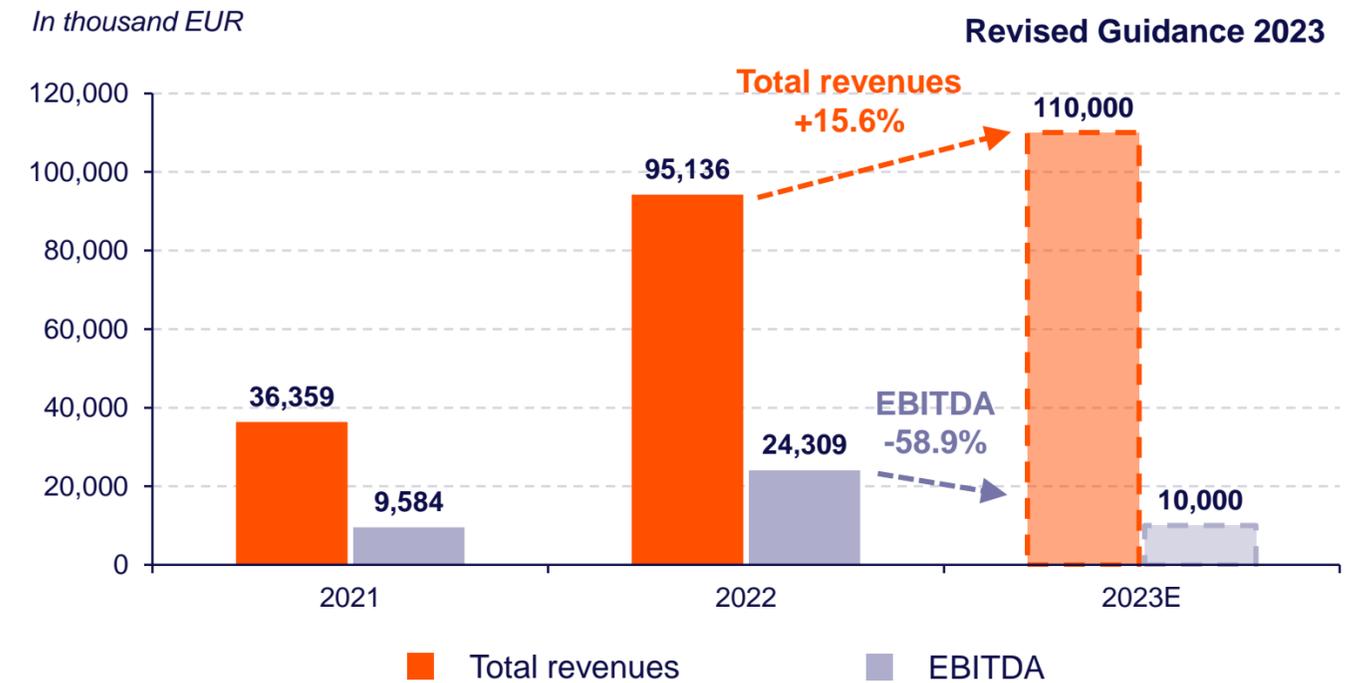
Photon Energy: Outlook 2023

Revised Guidance for 2023

- ▶ **Revenues** revised from EUR 150 million down to **EUR 110.0 million, +15.6% YOY** compared to 2022 revenues.
- ▶ **EBITDA** revised from EUR 29 million to **EUR 10.0 million, -58.9% YOY** compared to **2022 EBITDA**.
- ▶ Other Comprehensive Income from the revaluation of newly connected PV power plants and capital gains from the **potential disposal of project rights are expected to contribute positively to the Group's Total Comprehensive Income during H2 2023**.

Revised 2024 Strategic Goals

- ▶ Revision of previously announced **target of 600 MWp** of PV power plants in the Group's proprietary portfolio **by year-end 2024 down to 200 MWp**.



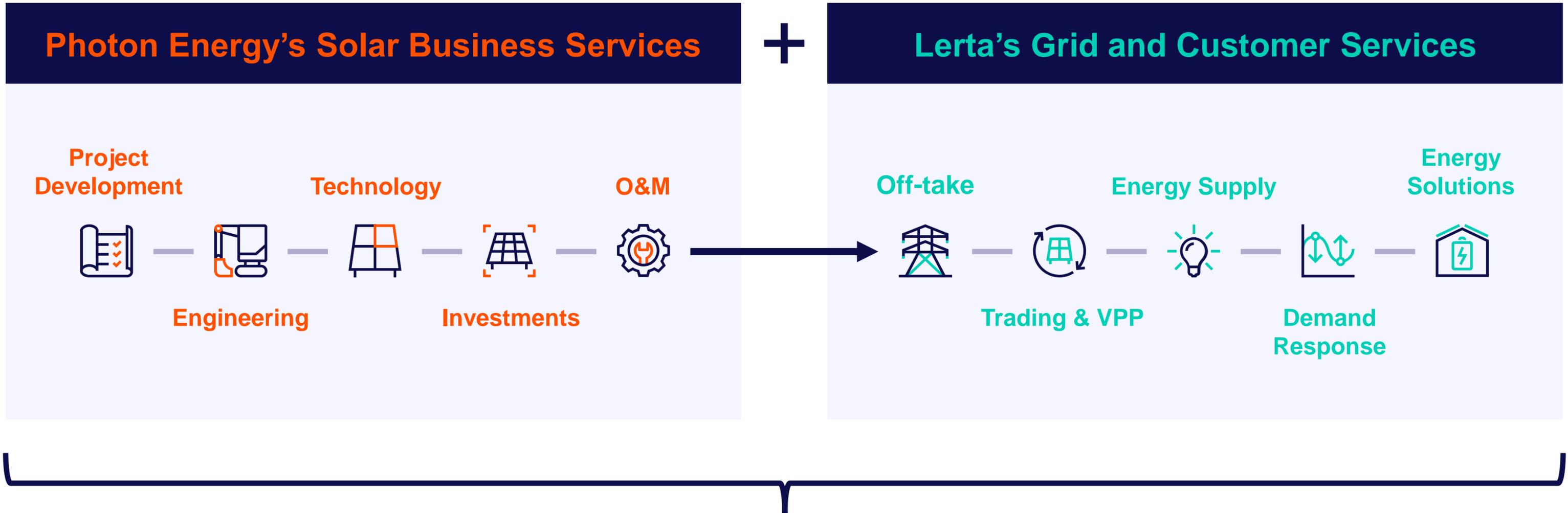


Q&A



Thank you for joining us today!

Expansion of Photon Energy's Business Model



The fusion of physical & digital energy to create a customer-centric renewable energy utility.

Business Model: Solar Services

Our services cover the entire lifecycle of photovoltaic systems.



Project Development

We **develop projects** in-house and **acquire them** at all stages of development.



Engineering (EPC)

We design and build **on- and off-grid** installations, including **energy storage solutions**.



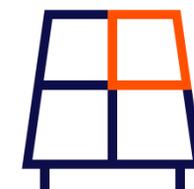
Operations and Maintenance

We provide a full range of O&M services, including **monitoring** and **inverter maintenance**.



Electricity Generation

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

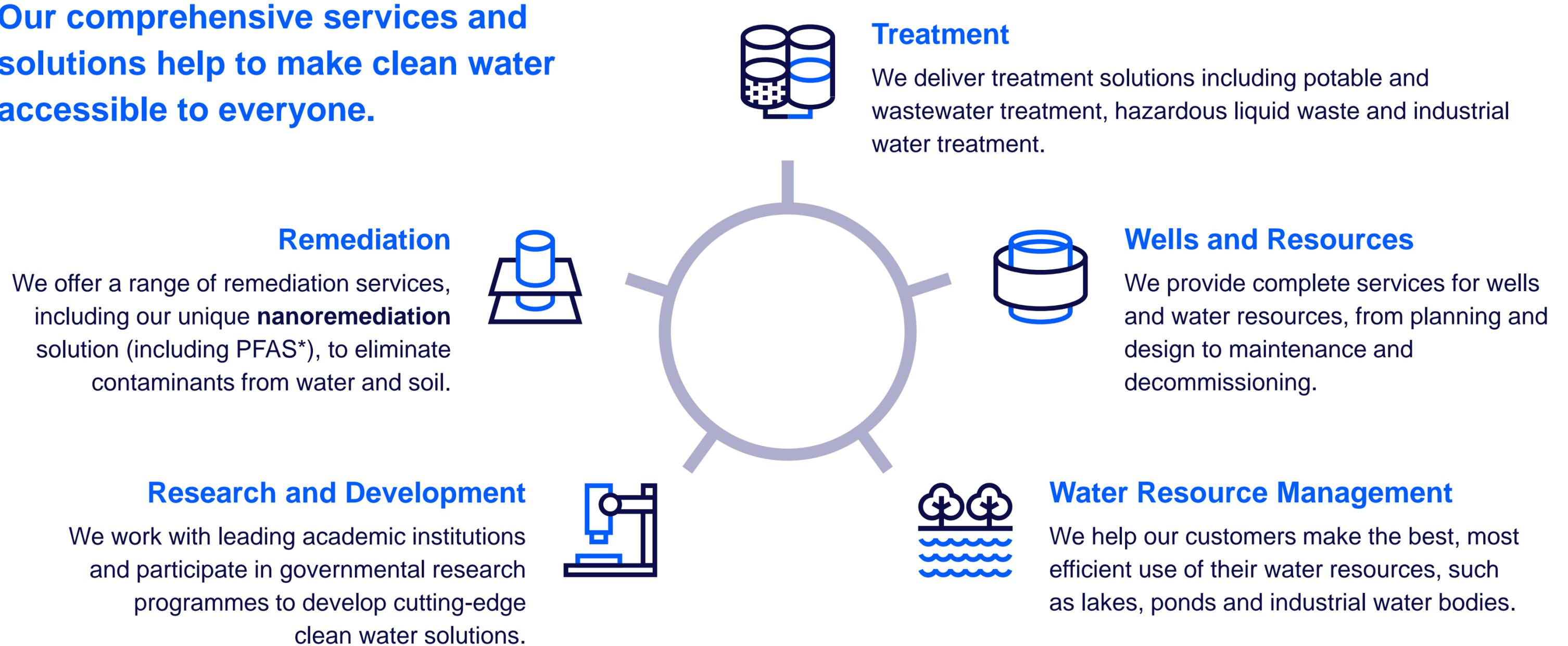


Technology

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

Business Model: Water Services

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



* Per- and polyfluoroalkyl substances.

GREEN EUR Bond 2021/27

Bond	GREEN EUR Bond 2021/2027	 Best Issuer Green SME Bonds 2021  BOND MAGAZINE
Volume	EUR 80.0 million	
Coupon	6.50% p.a., quarterly payment	
Initial offering	23 November 2021	
Ratings/Awards	<ul style="list-style-type: none"> ▶ IMUG rating – <u>second party opinion</u>, ▶ KFM Barometer 4 of 5 stars ▶ Best Issuer Green SME Bonds 2021 	
Segment	Secondary market: trading on Open Market of the Frankfurt Stock Exchange since 23 November 2021	
Covenants	<ul style="list-style-type: none"> ▶ Dividend restriction (max 50% if EBITDA/ICR > 2) ▶ Group Equity ratio ≥ 25%* ▶ Cross default ▶ Negative pledge ▶ Pari passu ▶ Change of Control-Clause ▶ Transparency clause 	
Denomination	EUR 1,000	
Term / Redemption	Six years / 23 November 2027 at par	
ISIN	DE 000A3KWKY4	

KFM-Barometer
Mittelstandsanleihen
November 2021

6,50%-Anleihe
Photon Energy N.V.
Anleihe 21/27, WKN A3KWKY


 ★★☆☆☆
Attraktiv
 (4 von 5)

* The Group defines and calculates adjusted equity ratio as total equity divided by the sum of interest-bearing debt and equity.