

Photon Energy N.V. Closes 2020 with Improved EBITDA and Accelerating Project Development

- ▶ EBITDA improved by 3.2% despite a 6.3% decrease in revenues
- ▶ PV power plants with a combined capacity of 23 MWp built and added to the Company's proprietary portfolio in Hungary; two utility-scale power plants with a combined capacity of 14.6 MWp brought to the commissioning stage in Australia
- ▶ Project pipeline exceeding 200 MWp in Hungary, Romania and Poland

Amsterdam – 12 February 2021 – Photon Energy N.V. (WSE&PSE: PEN, FSX: A1T9KW) ('Photon Energy Group' or the 'Company') today reported unaudited financial results for the fourth quarter of 2020 and for the fiscal year ending on 31 December 2020.

2020 Highlights

In 2020, the pandemic had little impact on the Company's EPC and O&M business segments. PV power plants with a combined capacity of 23.0 MWp were built for the Company's proprietary portfolio and successfully refinanced long-term, while a capacity of 34.0 MWp increased the O&M contract base. In the town of Leeton, Australia, two utility-scale power plants with a combined capacity of 14.6 MWp were brought to the commissioning stage, and the construction of a hybrid solar and battery storage system was completed on Lord Howe Island. Significant progress was also made in project development efforts in Hungary, Romania and Poland, where the Company increased its development pipeline for PV projects to a combined capacity of over 200 MWp.

2020 was also a crucial year for the Company in terms of its presence on capital markets as the Company's 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 Company anticipates that the listings will help stimulate trading liquidity and diversify its investor base by providing investment opportunities to institutional and retail investors across Europe.

'Building on our experience and expanding our project development pipeline, we are embarking on an exciting new path where solar energy, energy storage and water technologies will be combined to create wide-ranging, adaptable water and energy solutions,' commented **Georg Hotar, CEO of Photon Energy Group**. 'We undertook important steps to strengthen our business in 2020 and are now looking forward to the opportunities that 2021 will bring.'

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 8.195 million (+3.2% 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 in 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 0.116 million, compared to a profit of EUR 1.147 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 the power plants and is long-term, with tenors of up to 15 years. Thus a higher level of debt is specific to our industry.

Following the connection of the new PV plants in Hungary the Company's total comprehensive income in 2020 still 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%.

2021 Outlook

The Company intends to continue challenging and transforming the renewables industry, as illustrated by its recently concluded strategic investments: RayGen, a company specialising in high-efficiency concentrated PV generation with thermal absorption and storage, as well as Lerta, which develops Virtual Power Plant technologies and services. The launch of the Company's in-situ nanoremediation technology is also very promising; the Company is proud to be working with the Australian Department of Defence to deploy its proprietary nanoremediation technology to demonstrate the in-situ removal of harmful Per- and polyfluorinated substances (PFAS) from groundwater without the need for pumping and surface treatment or disposal processes.

Q4 2020 Results Presentation

The Company will host a live webcast on **Monday 15 February at 11:00am CEST** to present its fourth-quarter results and hold a Q&A session. Attendees are invited to submit questions during the session through the chat box or in advance via email to ir@photonenergy.com.

Webcast: <https://tailorsgroup.clickmeeting.com/photon-energy-q4-2020-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 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 821 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 Stock Exchanges. The company is headquartered in Amsterdam, with offices in Australia, South America and across Europe.

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