



Q2 2022 & H1 Results

**with Georg Hotar, CEO
and Clemens Wohlmuth, CFO**

Photon Energy N.V.

12 August 2022

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Business Model

Strategy and Outlook

Q2 & H1 2022 Financials

Q&A Session



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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



170+
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



3 x BUY
PT: PLN 14.58 -18.90



Sustainability
Rating*

Solar Business Line

(Current core activity and strategic area of development)



~ 825 MWp
PV project pipeline



120+ MWp
constructed



91.9 MWp
proprietary portfolio



103 GWh
produced in 2021



~ 327 MWp
O&M portfolio



605 ha
of lakes and
ponds managed



3,500 m of wells
drilled, maintained
or decommissioned



PFAS
patent pending

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

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**.



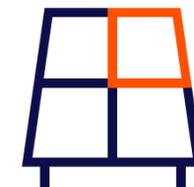
Operations and Maintenance

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.

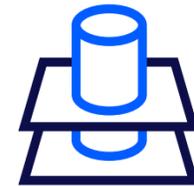


Treatment

We deliver treatment solutions including potable and wastewater treatment, hazardous liquid waste and industrial water treatment.

Remediation

We offer a range of remediation services, including our unique **nanoremediation** solution (including PFAS*), to eliminate contaminants from water and soil.



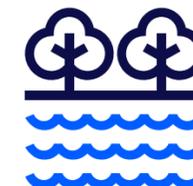
Wells and Resources

We provide complete services for wells and water resources, from planning and design to maintenance and decommissioning.



Research and Development

We work with leading academic institutions and participate in governmental research programmes to develop cutting-edge clean water solutions.



Water Resource Management

We help our customers make the best, most efficient use of their water resources, such as lakes, ponds and industrial water bodies.

* Per- and polyfluoroalkyl substances.

Our Global Presence

Focus on Europe and Australia

Project development

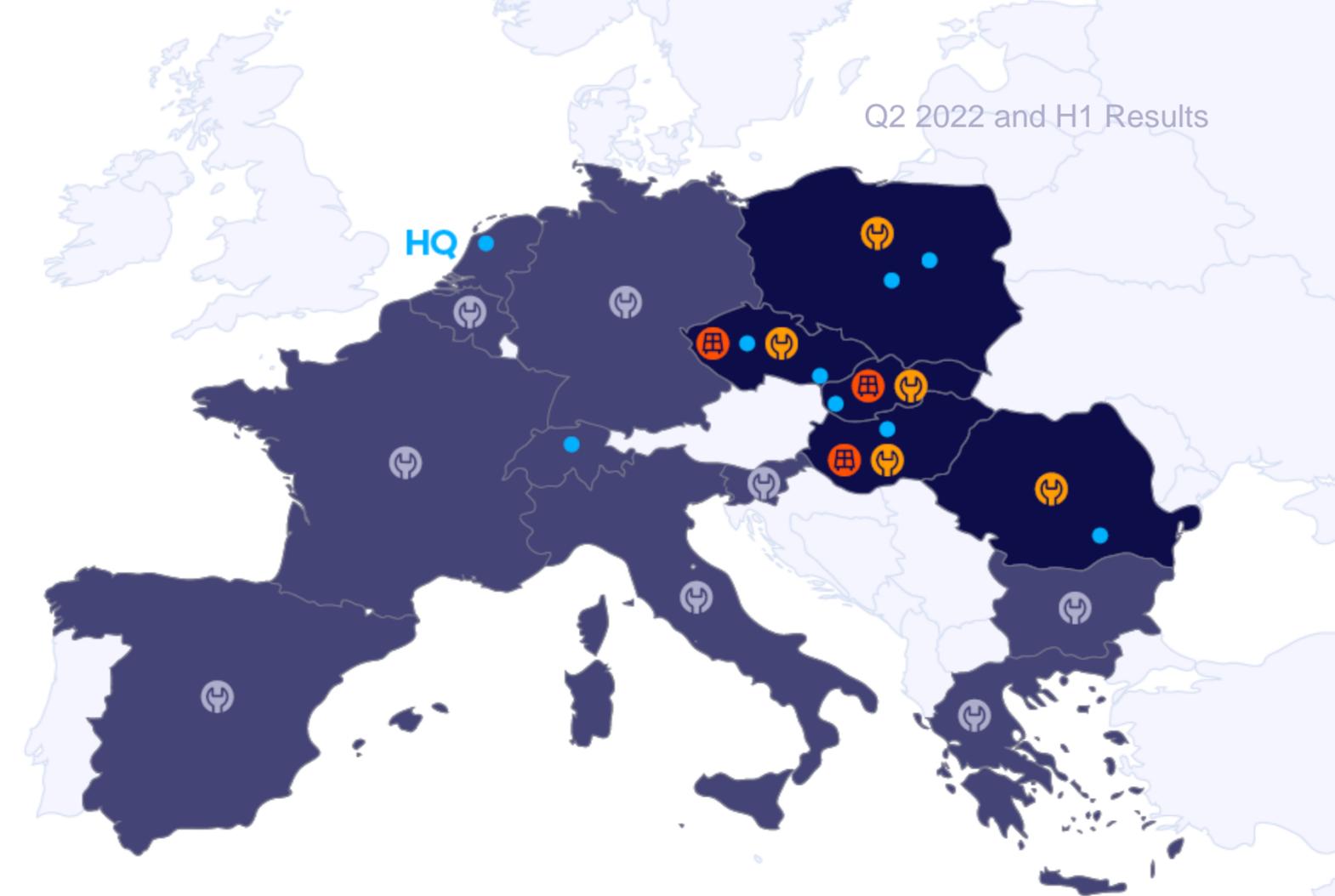
- ▶ Project pipeline with a combined capacity of 825 MWp
- ▶ Focus on Australia, Hungary, Poland and Romania

Electricity production (91.9 MWp)

- ▶ 11 proprietary power plants in the Czech Republic (15.0 MWp), 11 in Slovakia (10.5 MWp), 63 in Hungary (51.8 MWp) and 3 in Australia (14.6 MWp)

O&M (~327 MWp)

- ▶ Full Operations and Maintenance services in the Czech Republic, Slovakia, Romania, Hungary and Australia (~267 MWp)
- ▶ Specialised technical services for PV inverters in other European countries (~60 MWp)



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





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Key Strategy Drivers

Expansion of recurring revenue streams to increase Group value:

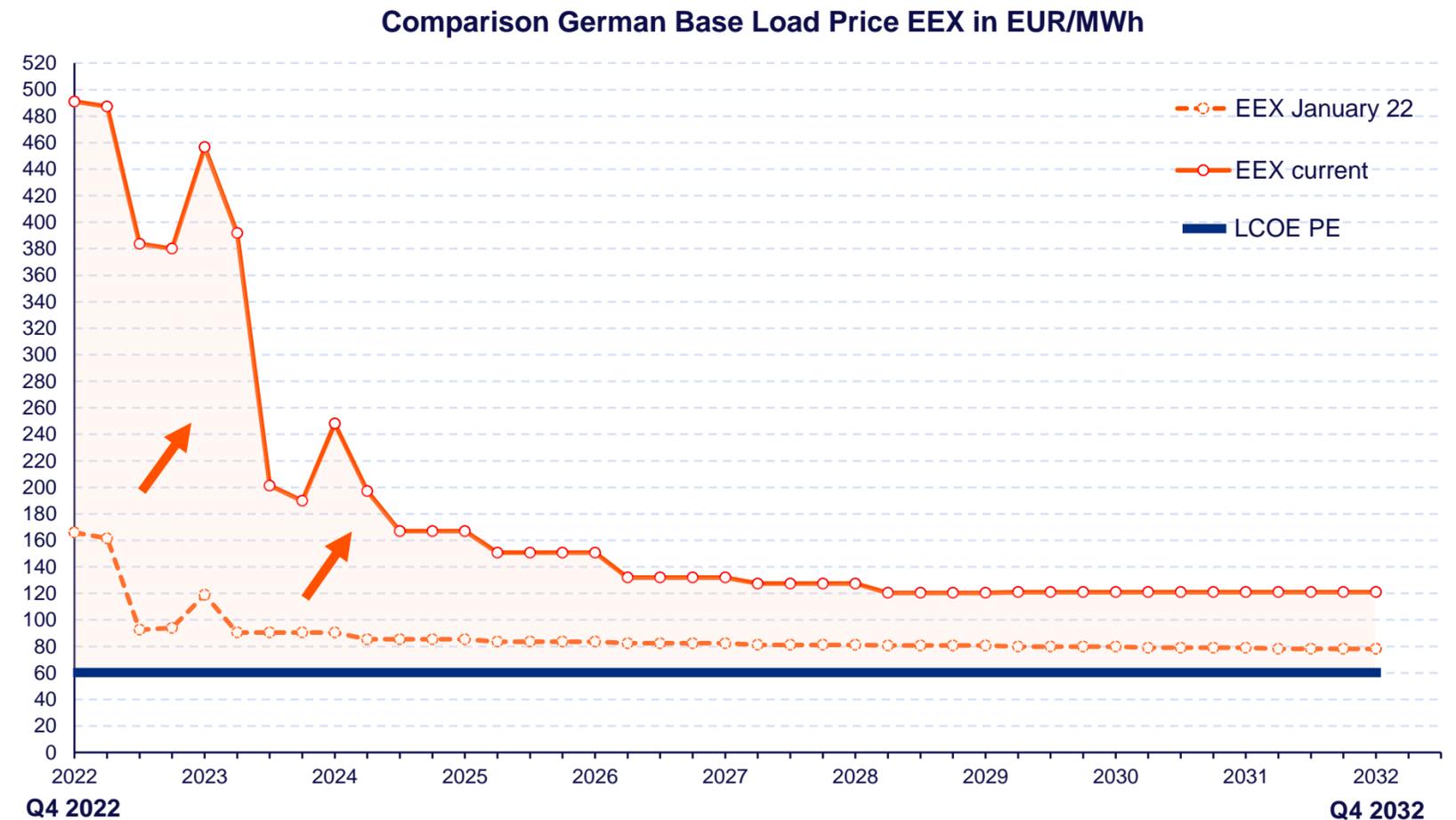
- I. **Electricity generation: Develop pipeline of projects**, in-house or through co-development, to expand our PV proprietary portfolio and increase stable revenues from clean electricity generation and grid support services.
- II. **Engineering (EPC):** Design and construct customized, **decentralized** clean energy **generation solutions** using the Group's integrated approach, cutting edge PV technology and **energy storage solutions**.
- III. **O&M:** Maximise the energy generation output of proprietary and clients' PV power plants and optimise the useful life of PV assets.
- IV. **Technology:** Utilise existing economies of scale to generate additional trading revenues from PV modules, inverters, batteries and other components.
- V. **Water:** Become a leading worldwide player in the PFAS remediation industry and grow the share of the water activity to a material scale.



The Future of Our Business is the Energy Market

Increasing energy prices in our key markets

Key Figures	Electricity spot price / daily average 8 August 2022	Electricity Forward price 2023E
Romania	~351 EUR per MWh	~425 EUR per MWh
Poland	~261 EUR per MWh	~329 EUR per MWh
Hungary	~378 EUR per MWh	~434 EUR per MWh
Czech Republic	~370 EUR per MWh	~408 EUR per MWh
Slovakia	~378 EUR per MWh	~431 EUR per MWh
Australia	~151 EUR per MWh	n/a



Current LCOE is between 56 and 61 EUR per MWh.

Increasing energy prices and declining LCOE give a chance of operating on mentioned PV markets independently of support schemes – similarly to conventional energy sources through „market approach“. This fact may significantly boost further development of local solar markets.

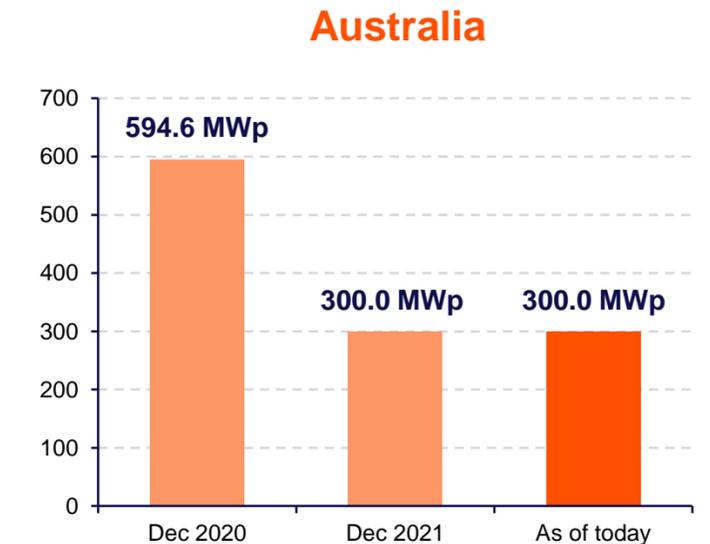
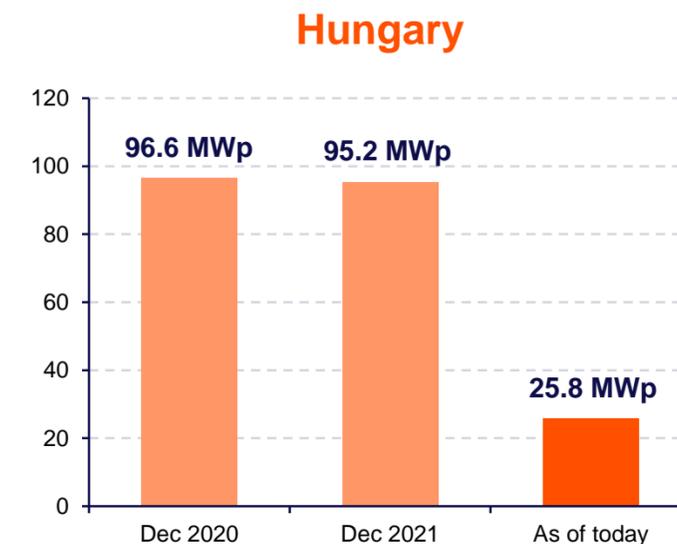
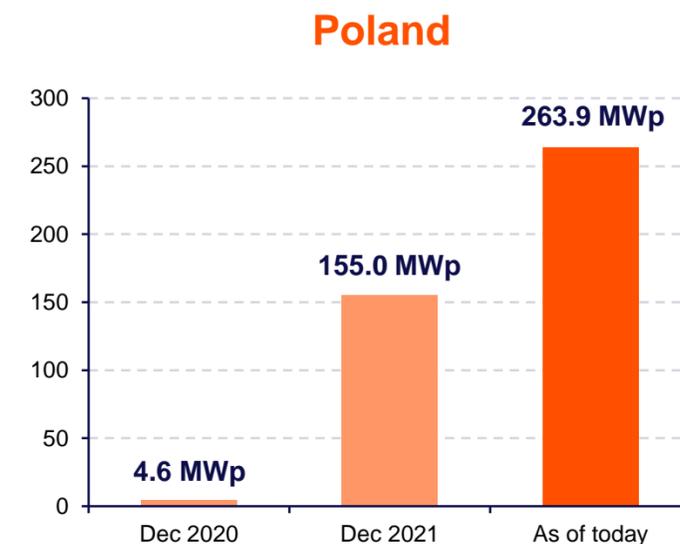
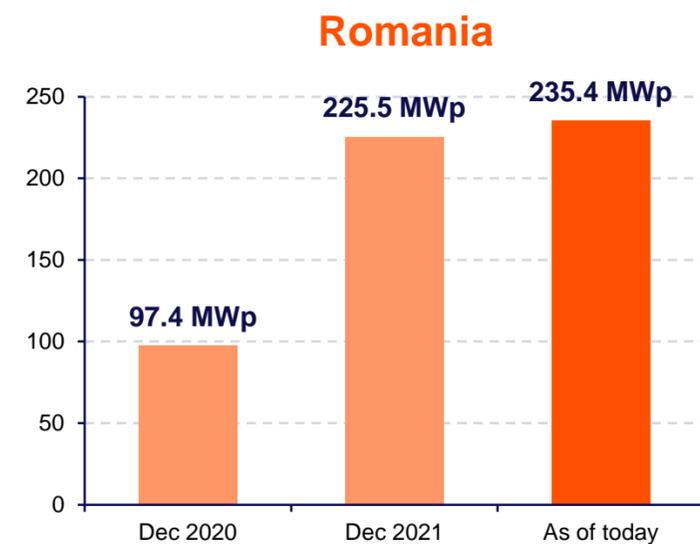
Project Development

Pipeline in development (in MWp)

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Romania	33.2	81.5	87.9	16.3	16.5	235.4
 Poland	234.0	29.9	-	-	-	263.9
 Hungary	-	23.1	2.7	-	-	25.8
 Australia	-	300.0	-	-	-	300.0
Total pipeline	267.2	434.5	90.6	16.3	16.5	825.1

Pipeline development

- ▶ The typical development period of new PVPPs is 12–24 months and the construction period – additional 6–12 months.
- ▶ European projects under development expected to be launched in years 2022-2024, subject i.a. to availability of financing.
- ▶ After achieving Ready-to-build stage the Company has an option to sell the project rights, reporting capital gains and raising funds to finance new projects with a greater potential of value creation.
- ▶ New developments in Australia to be analysed, prepared and carried out using the innovative PV technology and energy storage system provided by RayGen, a Company in which the Group has a minority equity investment of 9.0%



Innovative PV technology and energy storage system



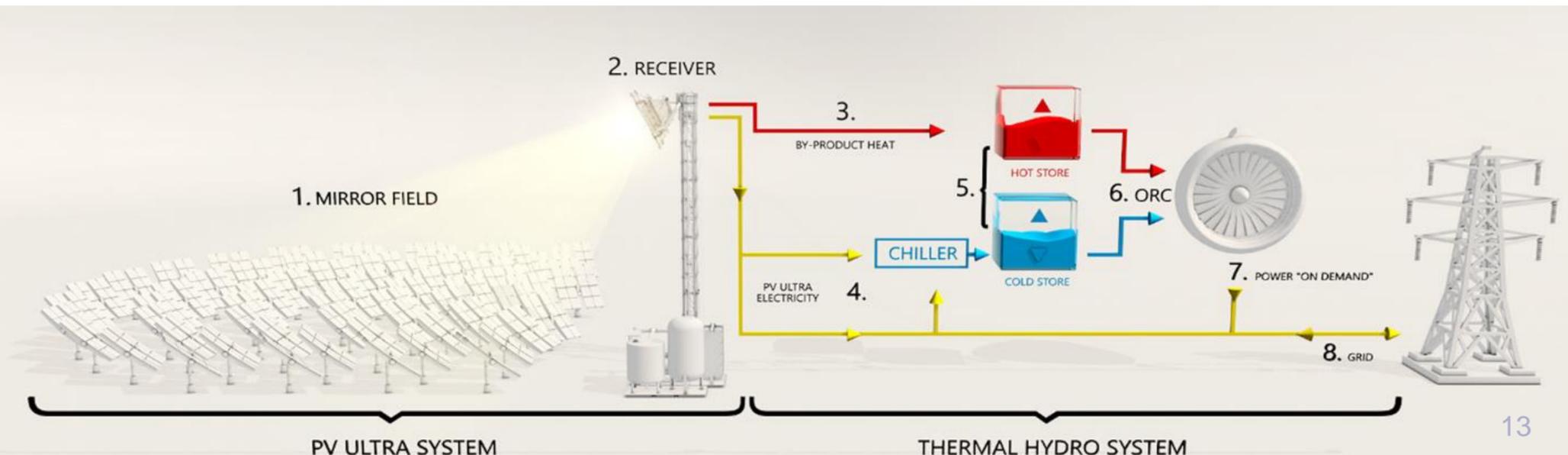
We have partnered with RayGen to develop projects using the Melbourne-based company's innovative solar-plus-storage technology.

About the partnership

- ▶ Photon Energy will act as a project developer and EPC contractor and an potential equity investor.
- ▶ Photon Energy made a minority equity investment in the company in April 2020 and participated in second financing round with AGL, Schlumberger, Chevron and others in April 2021.
- ▶ We are currently working on the development of a 300 MWp / 3.6 GWh solar-plus-storage project.

About the technology

- ▶ RayGen has combined its proprietary solar technology, **PV Ultra**, with its unique storage system, **Thermal Hydro**.
- ▶ The PV Ultra system generates both electricity and heat by focusing sunlight onto tower-mounted PV receivers.
- ▶ Thermal Hydro uses hot- and cold-water reservoirs to store the thermal and electrical energy generated by PV Ultra.
- ▶ The storage system can then be used to drive a heat-to-power engine, which provides reliable, on-demand power.



Photon Energy: Outlook for our Business

Our New Guidance for 2022

- ▶ **Revenues** projected to reach **EUR 85.0 million** (from our previous guidance of up to EUR 65 million), representing a 134% increase YoY
- ▶ Leading to a 150% YoY **EBITDA** increase to **EUR 24.0 million** from our previous guidance of up to EUR 18 million)

Our 2024E Targets and KPIs

- ▶ **Proprietary portfolio:** at least 600 MWp
- ▶ **Additional projects in pipeline:** ~1.5 GWp
- ▶ **Portfolio under O&M*:** at least 1.0 GWp
- ▶ **EBITDA growth from 2020:** ~5x (EUR 42 million) + additional upside from targeted roll-out of the nanoremediation technology
- ▶ **Equity ratio:** >25%

** Includes both the internal and the external portfolio*





Business Model

Strategy and Outlook

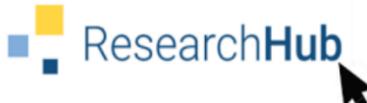
Q2 & H1 2022 Financials

Q&A Session

Recent Highlights

- ▶ **Switch of Czech portfolio** to market-linked “**Green Bonus**” support scheme as of January and **switch of 43.5 MWp of our Hungarian PV portfolio** to merchant electricity sales as of April.
- ▶ Commissioning of a **1.4 MWp** power plant in **Tolna, Hungary**, expanding the Company’s portfolio of proprietary power plants in Hungary to a total of 63, with a combined capacity of 51.8 MWp.
- ▶ **Construction start** of our first five power plants in **Romania**, with a combined capacity of **16.5 MWp**.
- ▶ Tap of our Green EUR Bond 2021/2027 for EUR 10.0 million 6.50% to **EUR 65 million**.
- ▶ Our share received three ‘**buy**’ recommendations from research houses AlsterResearch (Germany), WOOD &Company (Czech Republic) and IPOPEMA (Poland), respectively.



<p>KFM-Barometer Mittelstandsanleihen November 2021</p> <p>6,50%-Anleihe Photon Energy N.V. Anleihe 21/27, WKN A3KWKY</p>	 <p>★★★★☆</p> <p>Attraktiv (4 von 5)</p>	 <p>Best Issuer Green SME Bonds 2021</p> <p>Photon Energy Group</p> <p>BOND MAGAZINE</p>	<p>BUY (INITIATION)</p> <table><tr><td>Target price</td><td>EUR 4.10 (none)</td></tr><tr><td>Current price</td><td>EUR 1.90</td></tr><tr><td>Up/downside</td><td>115.5%</td></tr></table> 	Target price	EUR 4.10 (none)	Current price	EUR 1.90	Up/downside	115.5%
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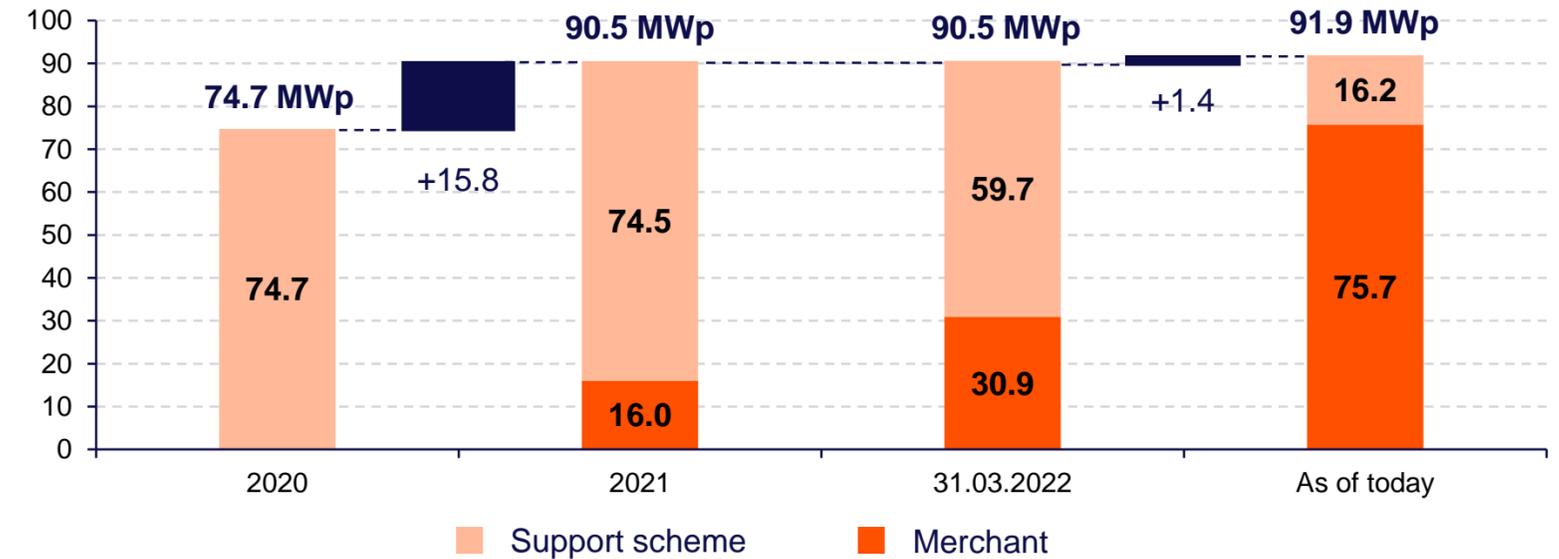


Business Development in Q2/H1 2022

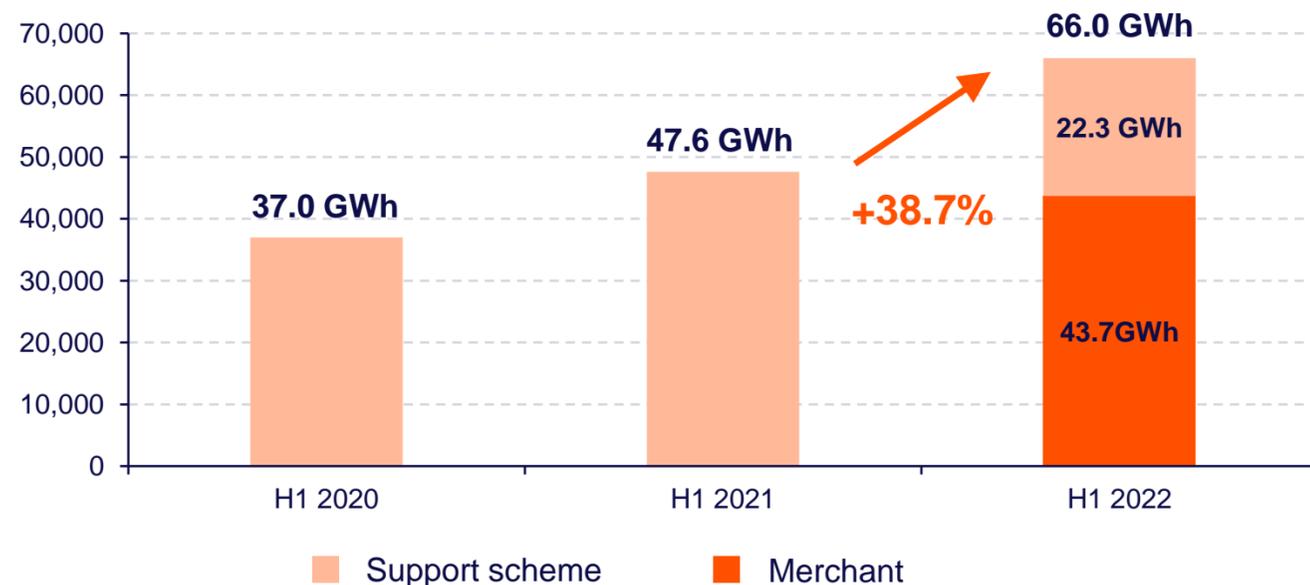
Continued progress across all segments

- ▶ **39.3 GWh of electricity (+21.2 YoY) generated** by our proprietary power plant portfolio in Q2 2022.
- ▶ Connection of **1.4 MWp in Tolna, Hungary** in May; another fully merchant project.
- ▶ **Construction start on 5 projects in Romania** with a combined capacity of 16.4 MWp.

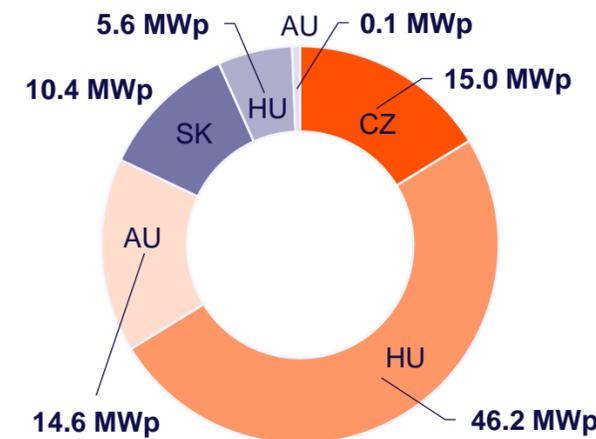
Proprietary portfolio, cumulated (MWp)



Electricity generation total portfolio



Market exposure since April 2022



Country	Revenue model	Realized Revenue per MWh
Czech Republic	Green Bonus + Merchant	EUR 762
Hungary	Merchant	EUR 197
Australia	Merchant	EUR 113
Slovakia	FIT	EUR 263
Hungary	FIT	EUR 96
Australia	FIT	EUR 229

Q2 2022 and H1 2022 Financial Results

Income Statement

In thousand EUR	Q2 2021	Q2 2022	Change in %	H1 2021	H1 2022	Change in %
Total revenues	9,855	23,229	135.7%	14,425	32,367	124.4%
<i>of which from electricity generation</i>	<i>6,886</i>	<i>10,963</i>	<i>59.2%</i>	<i>9,828</i>	<i>15,913</i>	<i>61.9%</i>
EBITDA	3,898	8,119	108.3%	4,120	10,143	146.2%
EBIT	968	4,640	379.3%	-507	5,169	nm
Net profit/Net loss	-869	2,030	nm	-4,037	539	nm
Total comprehensive income (TCI)	505	546	8.0%	2,297	2,335	1.6%

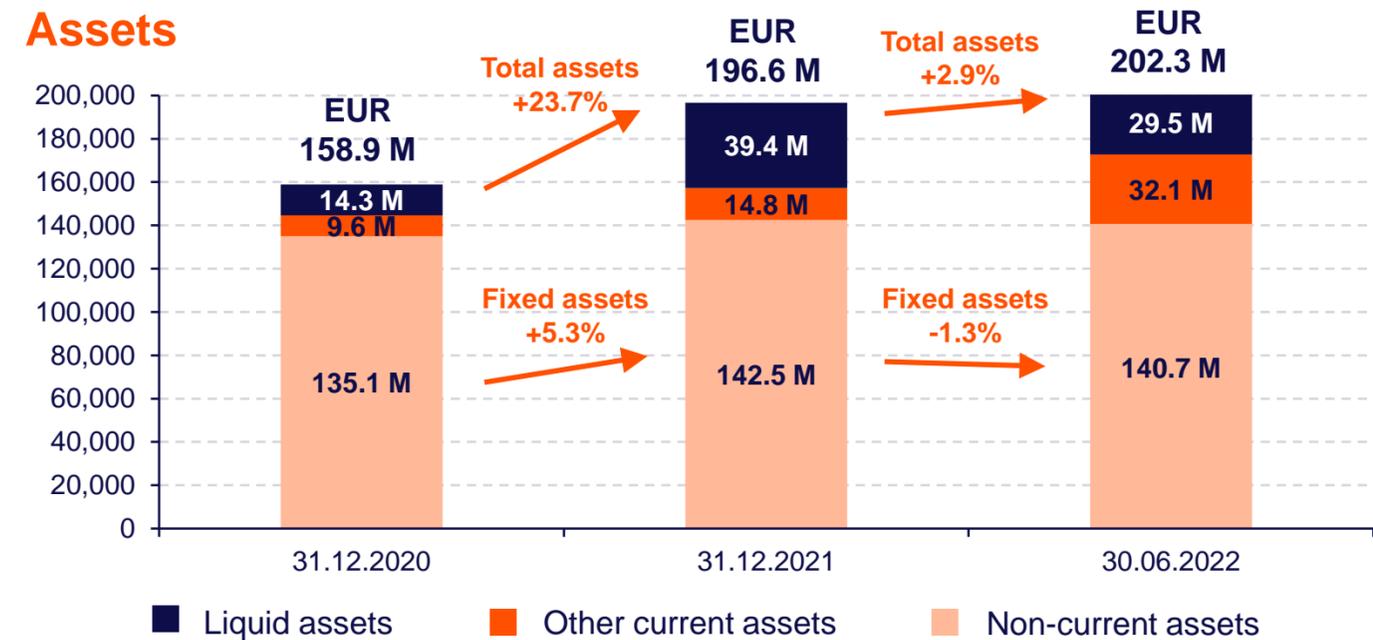
- ▶ **Revenues more than doubled in Q2 2022** based on electricity generation due to additional installed capacity, high electricity prices and solid growth in other revenues (mainly technology sales) and **EBITDA increased by 108.3%** to EUR 8.119 million.
- ▶ In the first half of 2022, **revenues rose to EUR 32.367 million (up 124.4%)**, while **EBITDA grew by 146.2% to EUR 10.143 million**.
- ▶ **The Group turned positive at the pre-tax and after-tax levels** in both Q2 and H1 2022.
- ▶ The Group's **revenue expectations for the year 2022** were raised to **EUR 85 million** from our previous guidance of up to EUR 65 million, and the Group's **EBITDA target to EUR 24 million** from our previous guidance of up to EUR 18 million.

Q2 2022 Financial Results

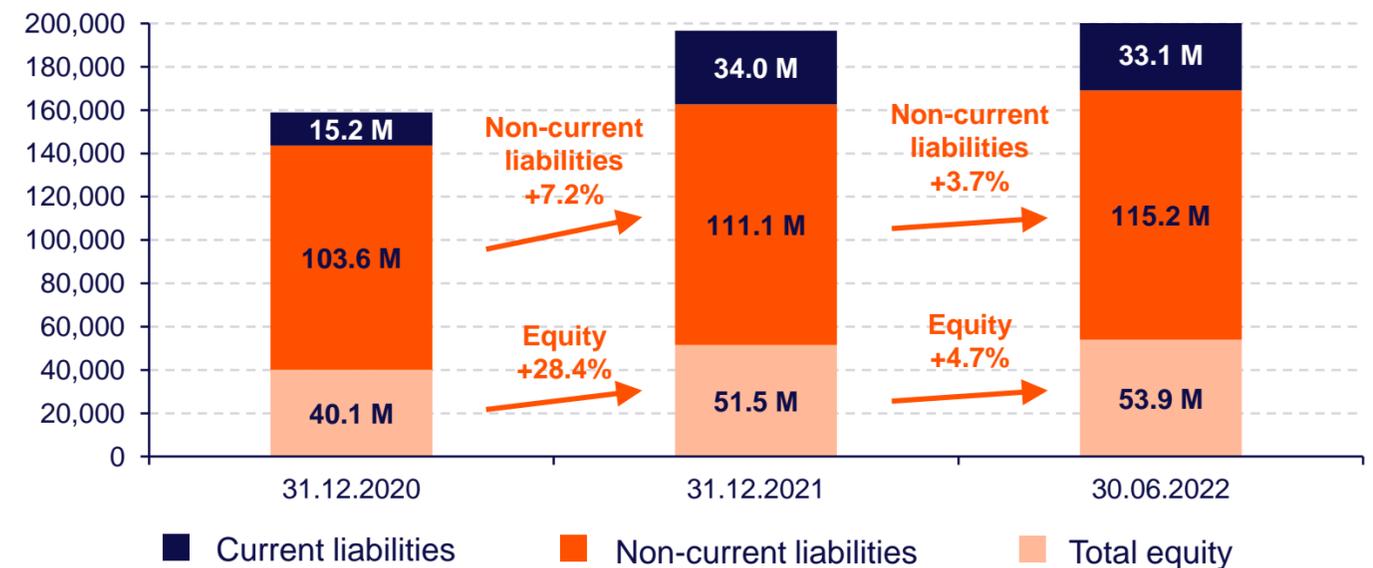
Balance Sheet

- ▶ **Fixed assets** affected by a weakening Hungarian Forint (HUF) impacting the EUR value of the Company's Hungarian portfolio.
- ▶ Increase of **Current assets** caused by increase of trade and other receivables connected to business growth. .
- ▶ **Equity** increase reflecting the **TCI** for the period **improving the adjusted equity** ratio to **29.3%** from 28.8% at year end.
- ▶ **Long term liabilities increased** due to the increased placement of our EUR Green bond amounting to EUR 10.0 million partially compensated by repayments of project financing.
- ▶ **Decrease of Current liabilities** connected to a decrease in trade and other payables, and an early repayment of the Group's EUR 2017/22 bond by EUR 1.3 million.
- ▶ Current liabilities include the **outstanding amount of the EUR 2017/22 bond** of EUR 22.4 million as of 30 June 2022 (EUR 21.0 million as of today), which will be repaid on 27 October 2022 from liquid assets. In addition, the company is securing long-term financing in line with the Company's financing and growth strategy.

Assets



Total liabilities and equity



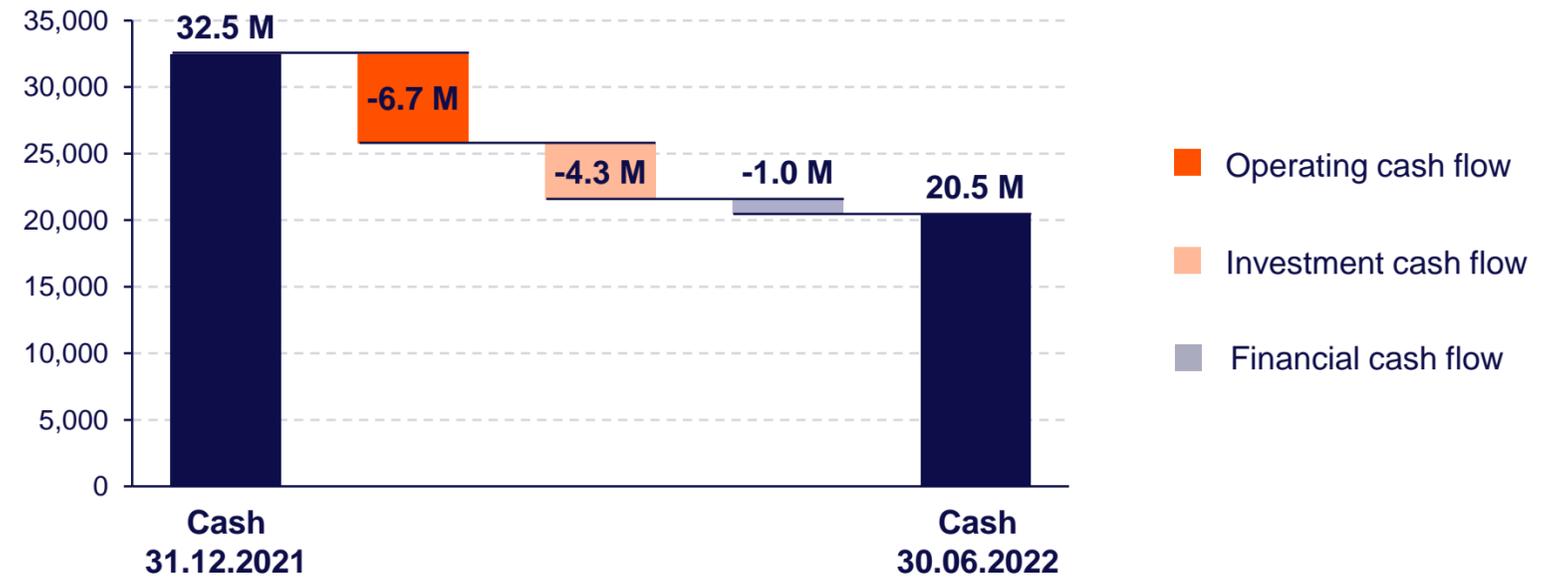
H1 2022 Financial Results

Cash Flow Statement

<i>In thousand EUR</i>	H1 2021	H1 2022
Operating cash flow	-1,583	-6,696
Investment cash flow	-7,670	-4,267
Financial cash flow	15,434	-1,043
Net change in cash	4,670	-12,006

- ▶ **Lower operating cash flow** driven by an increase in trade receivables from energy generation and growing Technology sales, increases in advance payments and inventories connected to the growth of our Technology sales.
- ▶ **Increased investment cash flow** mainly into proprietary portfolio (in Romania, Poland, Hungary and Australia).
- ▶ **Financial cash flow** impacted by the EUR 10 million increase of our EUR Green bond placement, and an early repayment of our EUR 2017/22 bond, interest and repayments for project financing.

Cash flow profile in H1 2022



Cash flow profile in Q2 2022





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Q2 & H1 2022 Financials

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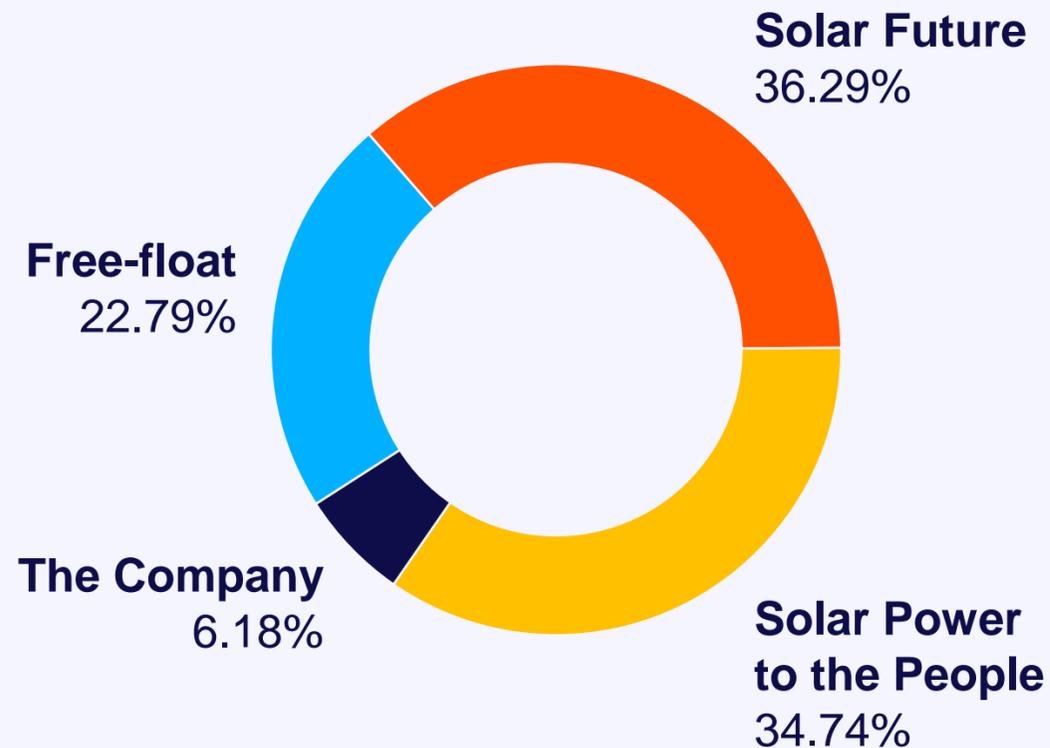


Annex



Our Shares

Shareholding Structure

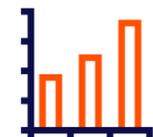


Solar Future and Solar Power to the People are controlled by the co-founders of Photon Energy N.V.

Shares

ISIN	NL0010391108
Shares outstanding	56,291,742
Free-float shares	13,673,292
Market cap 08.08.2022	EUR 165,005 thousand
Net debt 30.06.2022	EUR 103,015 thousand
Enterprise value 08.08.2022	EUR 268,021 thousand

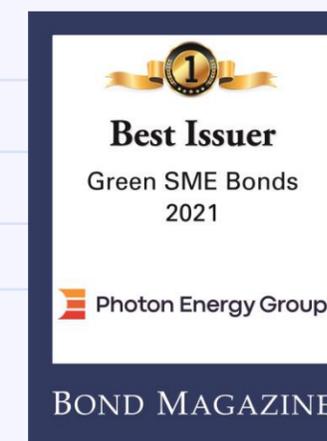
- ▶ Photon Energy is listed on the **regulated markets of Prague and Warsaw Stock Exchanges**.
- ▶ Additionally, it is listed on the **Frankfurt Quotation Board** and in alternative system of trading on stock exchanges in Berlin, Munich and Stuttgart.
- ▶ Photon Energy is following the Dutch **Corporate Governance Code** and the Best Practices of the Warsaw Stock Exchange.



3 x BUY
PT: PLN 14.58 -18.90

GREEN Bond 2021/27

Bond	EUR Bond 2017/2022	New GREEN EUR Bond 2021/2027
Volume	EUR 21.0 million outstanding	EUR 65 million
Coupon	7.75% p.a., quarterly payment	6.50% p.a., quarterly payment
Initial offering	27 October 2017	23 November 2021
Ratings/Awards	KFM Barometer 4,5 of 5 stars	<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: traded on Open Market of the Frankfurt Stock Exchange since 27 October 2017	Secondary market: trading on Open Market of the Frankfurt Stock Exchange since 23 November 2021
Covenants	<ul style="list-style-type: none"> ▶ Dividend restriction ▶ Group Equity ratio $\geq 25\%^*$ ▶ Cross default ▶ Negative pledge ▶ Pari passu – Equal seniority of existing and future unsecured claims ▶ Change of Control-Clause 	<ul style="list-style-type: none"> ▶ Dividend restriction (max 50% if EBITDA/ICR > 2) ▶ Group Equity ratio $\geq 25\%^*$ ▶ Cross default ▶ Negative pledge ▶ Pari passu ▶ Change of Control-Clause ▶ Transparency clause
Denomination	EUR 1,000	EUR 1,000
Term / Redemption	Five years / 27 October 2022 at par	Six years / 23 November 2027 at par
ISIN	DE 000A19MFH42	DE 000A3KWKY4



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

Management



Georg Hotar

CEO and Co-founder

Georg co-founded Photon Energy in 2008. He has extensive knowledge of the solar energy industry and international finance. In 2000 he established Central European Capital, a regional finance and strategy advisory boutique. He has also held various positions in financial services in London, Zurich and Prague.



Michael Gartner

CTO and Co-founder

Michael developed one of the first large PV installations in the Czech Republic before co-founding Photon Energy in 2008. He relocated to Australia in 2011 to start Photon Energy Australia, and is now instrumental in driving Photon Energy's off-grid and solar-hybrid power solutions.



Clemens Wohlmuth

CFO

Clemens joined Photon Energy in 2012 and is responsible for the group's overall financial strategy and direction. He brings many years of experience in financial management, having started his career in Ernst & Young in Austria and worked as CFO for Telekom Austria in the Czech Republic.



Ricky D'Ambrosca

COO

Rick is responsible the day-to-day administration of Photon Energy Group and its operational functions as a business. He joined the company in 2022 in order to strengthen our management team during this period of growth.