



Photon Energy N.V.

Management Report and Interim Consolidated Financial Statements for H1 2023

For the period of 6 Months Ended 30 June 2023

16 August 2023 | Amsterdam, The Netherlands

1. Selected Financial Results

1.1 Selected consolidated, unaudited financial results of the Group for the period from 1 January to 30 June 2023

in Thousands	EUR		PLN		CZK	
	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023
Total revenues	32,367	40,231	150,030	186,056	797,792	953,053
EBITDA	10,143	2,833	47,016	13,102	250,010	67,112
EBIT	5,169	-1,469	23,959	-6,794	127,405	-34,800
Profit / loss before taxation	1,270	-6,973	5,887	-32,248	31,304	-165,187
Profit/loss from continuing operations	539	-7,445	2,499	-34,431	13,287	-176,369
Total comprehensive income	2,335	-885	10,822	-4,092	57,547	-20,959
Operating cash flow	-6,696	-9,299	-31,037	-43,005	-165,042	-220,289
Investment cash flow	-4,267	-8,523	-19,780	-39,416	-105,182	-201,906
Financial cash flow	-1,043	14,793	-4,836	68,413	-25,714	350,439
Net change in cash	-12,006	-3,030	-55,653	-14,013	-295,938	-71,779
EUR exchange rate - low	-	-	4.493	4.426	24.150	23.275
EUR exchange rate - average	-	-	4.635	4.625	24.649	23.690
EUR exchange rate - end of period	-	-	4.953	4.787	25.865	24.175
EUR exchange rate - high	-	-	4.493	4.426	24.150	23.275
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Non-current assets	189,259	209,641	885,868	930,561	4,563,990	4,974,781
Current assets	64,547	67,848	302,124	301,166	1,556,543	1,610,033
Of which Liquid assets	21,358	19,709	99,969	87,485	515,041	467,695
Total assets	253,806	277,489	1,187,992	1,231,727	6,120,532	6,584,814
Total equity	70,475	72,152	329,872	320,272	1,699,502	1,712,175
Current liabilities	33,539	31,145	156,984	138,247	808,783	739,071
Non-current liabilities	149,792	174,193	701,131	773,214	3,612,228	4,133,600

Notes: Exchange rates provided by the European Central Bank.

All balance sheet data as of 31.12.2022 have been extracted from audited figures for FY 2022.

Financial highlights:

- ▶ Unaudited consolidated revenues increased to EUR 40.231 million in H1 2023 from EUR 32.367 million in H1 2022, up by 24.3% YoY.
- ▶ EBITDA amounted to EUR 2.833 million in H1 2023 compared to EUR 10.143 million in H1 2022, down by 72.1% YoY.
- ▶ EBIT declined to a negative of EUR -1.469 million in H1 2023 compared to EUR 5.169 million in H1 2022.
- ▶ Net loss amounted to EUR 7.445 million in H1 2023 compared to a net profit of EUR 0.539 million a year ago.
- ▶ Total comprehensive income amounted to EUR -0.885 million, compared to a profit of EUR 2.335 million recorded in the same period last year.
- ▶ Equity increased to EUR 72.152 million, compared to EUR 70.475 million at the end of 2022. The adjusted equity ratio stays at 29.4%, still in line with the bond governance.
- ▶ The Management reviewed its full year 2023 guidance and revised revenues expectations from EUR 150 million to EUR 110 million and EBITDA expectations from EUR 29.0 million to EUR 10 million, compared to earlier assumptions. 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.

Other highlights:

- ▶ Commissioning of new power plants in Romania with a total capacity of 22.1 MWp increased the proprietary portfolio by 23.0% YTD. Additional 3.2 MWp in Romania has been connected after the reporting date, bringing the proprietary portfolio to a total generating capacity of 116.3 MWp as of the reporting date;
 - ▶ Start of the construction works on 20.1 MWp of new PV power plants in Romania with another 18.5 MWp or projects at the ready-to-built stage to move into construction phase in Q4 2023.
 - ▶ Expansion of project pipeline to 1.2 GWp primarily driven by new projects based on RayGen technology in Australia.
 - ▶ Signing of 158 MWp assets under O&M contracts bringing the total O&M portfolio to a total of 542 MWp, up by 41.3% YTD.
 - ▶ Very encouraging results in PFAS trail; Efforts concentrated on commercialisation..
 - ▶ Renewal of 'Very Good' Rating from ESG Rating Agency imug rating
- Completion of the share buyback programme which resulted in the acquisition of 250,000 shares for the total amount of EUR 0.720 million.

1.2 Selected consolidated, unaudited, financial results of the Group, for the period from 1 April to 30 June 2023

in Thousands	EUR		PLN		CZK	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Total revenues	23,229	20,951	107,963	95,034	572,457	494,193
EBITDA	8,119	2,503	37,735	11,354	200,085	59,041
EBIT	4,640	100	21,568	454	114,359	2,359
Profit / loss before taxation	2,619	-2,800	12,173	-12,701	64,545	-66,046
Profit / loss from continuing operations	2,030	-3,275	9,433	-14,855	50,019	-77,251
Total comprehensive income	546	765	2,537	3,469	13,451	18,041
Operating cash flow	-194	-6,872	-902	-31,172	-4,783	-162,097
Investment cash flow	-3,364	-5,791	-15,633	-26,268	-82,891	-136,598
Financial cash flow	3,872	12,267	17,997	55,643	95,428	289,354
Net change in cash	315	-395	1,462	-1,792	7,754	-9,317
EUR exchange rate - low	-	-	4.569	4.426	24.320	23.275
EUR exchange rate - average	-	-	4.648	4.536	24.644	23.588
EUR exchange rate - end of period	-	-	4.713	4.685	25.365	23.820
EUR exchange rate - high	-	-	4.569	4.426	24.320	23.275

1.3 Standalone financial results of Photon Energy N.V., for the period from 1 April to 30 June 2022

in Thousands	EUR		PLN		CZK	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Net turnover	1,158	2,430	5,380	11,022	28,526	57,316
Total operating income	1,158	2,430	5,380	11,022	28,526	57,316
Results before tax	-1,743	52	-8,102	238	-42,959	1,235
Net result after tax	-1,743	52	-8,102	238	-42,959	1,235
EUR exchange rate - low	-	-	4.569	4.426	24.320	23.275
EUR exchange rate - average	-	-	4.713	4.685	25.365	23.820
EUR exchange rate - end of period	-	-	4.648	4.536	24.644	23.588
EUR exchange rate - high	-	-	4.689	4.439	24.740	23.730
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Fixed assets	98,590	101,471	461,473	450,411	2,377,507	2,407,900
Current assets	111,224	102,589	520,607	455,375	2,682,168	2,434,435
Cash at banks and in hand	20,602	1,342	96,431	5,956	496,813	31,843
Total assets	209,814	204,060	982,080	905,787	5,059,675	4,842,335
Total equity	102,962	106,076	481,934	470,853	2,482,925	2,517,182
Current liabilities	7,972	16,608	37,315	73,720	192,248	394,110
Long-term debt	80,271	81,376	375,726	361,213	1,935,738	1,931,043

Notes:

Exchange rates are provided by the European Central Bank.

All balance sheet data as of 31.12.2022 have been extracted from audited figures for FY 2022.

All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period.

Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI). According to IAS 16, Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.

EPC stands for Engineering, Procurement and Construction and refers to services related to project design, engineering, procurement and construction of solar power plants.

Throughout this report Photon Energy Group is referred to as the "Group", the "Company", the "Issuer" and/or "Photon Energy".

2. Management Report

2.1 A note from the management board

Wayne Gretzky was one of the most successful ice hockey players of all time. When asked about the secret of his success, he replied: 'I skate to where the puck is going to be, not where it has been.'

This is easier said than done in most businesses, but given the market's volatility, regulatory uncertainties and technological developments, it is definitely the case in the global energy sector at this point in time. The puck is moving at unprecedented speed, creating the appearance of multiple pucks in play at the same time. This in turn makes operational and financial planning a complex exercise requiring a profound understanding of underlying trends, combined with substantial operational agility.

This dynamic situation has turned 2023 to date into a very challenging year with several negative trends adversely impacting our financial results. However, there have been also several positive developments which we would like to highlight. While they are not yet visible in our financial statements, the progress achieved has been tangible and will bring us closer towards our strategic long-term goals.

Key factors underpinning our financial results in H1 2023 include material delays in the connection process of Romanian power plants with a total capacity of 32 MWp. The construction works commenced mid-2022 with expected connection dates in late 2022 to early 2023. Unfortunately, there were impediments related to grid-connection works, commissioning and DSO contracting. This resulted in no visibility on the connection dates and up to eight months' delay in commissioning. However, the lesson was learned and we managed to ensure that the second batch of power plants which are currently under construction (20.1 MWp) are set to be executed smoothly and ready to generate electricity before the sunny season kicks off in 2024. If we achieve this milestone, at the beginning of 2024 our proprietary portfolio will increase to over 143 MWp, representing a 56% increase versus YE 2022..

Unfavourable weather conditions also had a detrimental impact on our financial results in H1 2023, resulting in a weak specific performance ratio of our existing generation assets. This created an output in H1 2023 15.6% lower than initial forecasts. On top of that, reduced energy prices with significant deterioration of the energy market trends in the second quarter of the reporting period (in details described in chapter 2.4) caused a material erosion of our profitability, with approximately EUR 4.0 million less profits contributed by the generation segments at EBITDA level. Additional negative trends were recorded in the technology trading segment, where we observed significant deterioration of market conditions with less demand and increased inventories, driving technology prices down. This was visible in the prices of residential batteries, added for distribution in 2022, but also to a lesser extent in the drop of module prices.

On the other hand, there were numerous positive developments on the operational side of our business, bringing the Group closer towards our long-term goals, which aim to expand recurring stream of revenues through the combination of high-performance PV generation and storage assets, combined with the enhanced ability to access the full revenue stack available to grid-connected energy storage assets, resulting from our acquisition of Lerta.

Firstly, our New Energy division, which was created as of January 2023 after the acquisition of Lerta, has already a material contribution to the Group's top line. But what is even more remarkable is the prospects it has generated for the coming year. In March 2023, through its subsidiaries, the New Energy division succeeded in the

DSR capacity auctions in Poland and secured revenues of EUR 25 million for 2024, representing a triple increase compared to this year (EUR 7.7 million).

Our EPC business in Australia recorded a positive expansion as we completed EPC projects with a value of EUR 3.2 million in H1, and continue working on additional projects in Australia set to be completed in the second half of this year and which will contribute additional EUR5.4 million from our commercial and industrial (C&I) clients.

Finally, we have recorded a significant expansion of our O&M portfolio in the reporting period, with approximately 158 MWp of new assets added under contractual operational and maintenance services. Unfortunately, profitability in H1 2023 suffered, as detailed in the comments to the results of the business segments (chapter 5.0), but we expect the growth momentum to be maintained, driven primarily by bundling these services with origination and trading (O&T) and DSR services, provided by the New Energy division.

Other positive developments worth highlighting include the trial project for the Australian Government Department of Defence, which included the implementation and testing of our in-situ PFAS remediation technology. 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 to be seven months, adjusting the completion date to 29 January 2024.

Likewise, developments on RayGen's technology are progressing, with RayGen's first's energy storage project of 50MWh in Carwarp Victoria progressing well, with an official event scheduled for late August this year. Additionally, our project pipeline increased to 1.2 GWp driven primarily by utility-scale projects in Australia, based on RayGen technology. Photon Energy Australia also advanced the development works of the Yadnarie project, bringing us closer to the ready-to-build stage. Based on the geotechnical investigation and environmental review, we have had to revisit the areas of land that are suitable to construct on, and have therefore downsized the project to 200 MWp DC and 115 MW AC..

To conclude, the results for the six-months period and the prospects for the remaining part of year 2023, which currently remain subject to a high-level of uncertainty, made the management board to revise its full-year guidance down, expecting consolidated revenues to amount to EUR 110 million versus EUR 150 million communicated earlier. At the same time, we expect EBITDA to amount to EUR 10 million, compared to EUR 29 million communicated earlier. This represents an expected increase of 15.6% YOY on the top line and a decline of 58.9% YOY at EBITDA level. 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.

2.2 Comments to the consolidated financial results of the Group, in H1 2023

In the first six months of 2023, Photon Energy Group increased its consolidated revenues to EUR 40.231 million (+24.3% YOY)

compared to EUR 32.367 million a year earlier, despite a challenging situation on the energy market and unfavourable weather conditions. Revenues from electricity generation amounted to EUR 11.344 million, down by 28.7% YOY mainly due to lower average realized electricity prices which declined from EUR 245 / MWh in H1 2022 to EUR 176 / MWh in the reporting period (-28.2% YoY). At the same time electricity generation remained stable at 66.5 GWh (-0.9% YoY) but 15.5% below the expected level.

The drop of electricity generation revenues was more than compensated by an increase of revenues from other segments which totalled EUR 28.887 million in the reporting period, up by 75.6% YOY. This growth was attributable mainly to the additional revenues from the capacity market (Demand Side Response) as well as origination and trading which are currently represented under the segment – New Energy. Additional growth has also been recorded in other segments including PV component trading, engineering services and operations & maintenance business.

Unaudited consolidated EBITDA dropped to EUR 2.833 million compared to EUR 10.143 million a year earlier, down by 72.1% YOY. Semi-annual EBIT swung from EUR 5.169 million in H1 2022 to a negative amount of EUR -1.469 million in the reporting period. The Group's operating profitability has been negatively impacted by lower contribution of power generation with a higher share of lower margin segments, growing headcount (nearly doubled YOY) and hence personnel costs. It is also worth noting that the Group is carrying out significant efforts related to business development and R&D (see details in chapter 9) which in the short-term impact the bottom line.

Depreciation remained stable amounting to EUR 4.373 million in H1 2023, compared to EUR 4.350 million in the same period last year.

The bottom line has been 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 as a result of the refinancing of our Czech portfolio in the total amount of EUR 28.1 million and non-recourse project refinancing in the amount of EUR 21.9 million related to our newly-connected power plants in Romania.

On the bottom line, the Group recorded a net loss of EUR 7.445 million versus a profit of EUR 0.539 million in H1 2022.

Other comprehensive income has been positively impacted by the revaluation of our newly connected Romanian power plants in Siria, Calafat, Teius and Aiud in the total amount of approximately EUR 4.0 million, the revaluation of the existing proprietary portfolio in the amount of approximately EUR 0.940 million and a positive foreign exchange difference in the Czech Republic and Hungary. The total comprehensive income amounted to a loss of EUR 0.885 million compared to a profit of EUR 2.335 million a year earlier.

Consolidated equity increased to EUR 72.152 million, up by 2.4% YTD. The adjusted equity ratio decreased slightly to 29.4% compared to 32.0% at the end of 2022, remaining soundly above the level required under the Green Bond covenants.

2.3 Photon Energy Group revises its guidance for 2023

Following the semi-annual results the management decided to revise its full year guidance and decrease estimations of consolidated revenues for 2023 to EUR 110.0 million from EUR 150 million announced on 15 February 2023. Current revenue expectations compared to 2022 consolidated revenues of EUR 95.1 million translate into a 15.6% increase YOY. At the same time management decided to decrease its EBITDA guidance from EUR 29.0 million announced on 15 February 2023 to EUR 10 million, which compared

to EBITDA of EUR 24.3 million achieved in 2022 represents a decline of 58.9% YOY.

2.4 Summary of key events material for the Group's operations in the reporting period.

In the management's view the most important events which influenced the Group's operations and consolidated financial results in the first half of year 2023 include:

Expansion of the proprietary IPP portfolio by 22.1 MWp

During the reporting period, the Group has completed and grid-connected its first Romanian PV power plants with a total capacity of 22.1 MWp including: 5.7 MWp in the municipality of Șiria, 6.0 MWp in Calafat, 4.7 MWp in Aiud, and 4.7 MWp in Teius. Additional 3.2 MWp located in Făget town, western Romania was connected to the grid after the reporting period i.e. on 10 August 2023, bringing the total capacity of proprietary portfolio to 116.2 MWp. Due to the delays in the commissioning process electricity production of those power plants commenced later than initially assumed and hence resulted in lower generation results than expected in the reporting period. Nevertheless, the expansion of our IPP portfolio by 22.1 MWp added in H1 2023 (up by 23.0% YTD) and additional 10.2 MWp of generating assets to be added in H2 2023, shall bring the total IPP portfolio to a total of at least 123.2 MWp at year end. Additionally, the Group commenced construction works on additional 20.1 MWp power plants in Romania which shall be completed at the verge of 2023/2024 and shall translate into a total capacity of over 143 MWp in the proprietary portfolio, up by 56% versus 2022 year-end levels.

Commencement of the construction works on additional 20.1 MWp of new power plants in Romania.

During the reporting period the Group commenced the construction works on 20.1 MWp of new power plants in Romania scheduled to be completed by the end of 2023. The construction of another 18.5 MWp, which have reached the ready-to-built stage is scheduled to commence in Q4 2023, in line with the conditions agreed with respective DSO and providing the financing sources are secured. Expanding our IPP portfolio has always been at the top of our strategic goals, aimed at growing the recurring revenue stream from clean electricity generation. The successful construction and commissioning of our first PV assets in Romania this year represents a true milestone for Photon Energy Group which combined with the non-recourse refinancing agreement secured with Austrian Raiffeisen Bank International (RBI) confirms that our integrated business model has been successfully deployed in the Romanian energy market.

Unfavourable weather conditions adversely impacted the performance of the Group's generation assets.

Unfavourable weather conditions resulted in the material underperformance of our power generating assets, which generated approximately 15.6% less electricity than expected by the energy audits. This was related to a higher number of cloudy days and higher temperatures, both of which have a negative impact on the efficiency of PV panels. The lower efficiency has been partially compensated by the increased capacity of newly commissioned power plants in Romania. However, due to the delay in the commissioning process mentioned above, the positive impact of the portfolio expansion could not fully offset unfavourable weather conditions.

Electricity prices declined in H1 2023 compared to the corresponding period of the previous year.

Electricity prices on the day-ahead market declined on all markets where the Group is selling electricity on a merchant basis. In

Hungary the average energy prices in H1 2023 declined to 116.30 EUR/MWh from a level of 219.71 EUR/MWh in H1 2022, down by 47.1% YOY. In the Czech Republic, the average energy prices amounted to 111.56 EUR/MWh in H1 2023 compared to 197.74 EUR/MWh in H1 2022, 43.6% lower YOY. The same trend has been observed in Romania where prices declined from 210.71 EUR/MWh in H1 2022 to 109.15 EUR/MWh in the reporting period, 48.2% lower YoY.

In the first half of 2022, no negative prices have been observed in the day-ahead markets in Hungary, the Czech Republic or Romania. In contrast, in the comparable period of 2023, negative prices were recorded in all markets. In Hungary, 42 hours were negative, representing about 1% of all hours in the period under consideration. In the Czech Republic the number was 55 hours, or about 1.3% of all hours in the period under consideration. In Romania the number was 21 hours, or about 0.5% of all hours in the period under consideration. Negative prices are especially present in the sunny months, due to the strong production from renewable resources. Hence the majority of negative prices were observed towards the end of the reporting period. Surpluses of energy from sources that are weather-dependent are causing an oversupply in the energy market, driving prices down during the midday hours of the day. The second factor is reduced demand on weekends and due to the holiday season.

In Australia the situation was slightly different with the first quarter still recording positive price development trends when the Australian power plants generated the most energy due to the summer season. Since April 2023, the situation has changed and prices have started declining by 41%, 39% and 74% YOY in April, May and June, respectively.

Signing a non-recourse project refinancing agreement for EUR 21.9 million, for Romanian power plants and increase of 6.5% EURO Green Bond by EUR 2.5 million.

In March 2023, the Group closed a non-recourse project refinancing agreement in the amount of EUR 21.9 million with RBI for its portfolio of PV power plants in Romania with a total installed capacity of 31.5 MWp. The signing of the agreement represents the Group's first project financing of European PV assets that operate on a merchant basis, selling energy to the market without a power purchase agreement or state support. To date, only the Company's two merchant utility-scale power plants in Leeton, Australia, which have a combined installed capacity of 14.6 MWp, have obtained non-recourse project financing.

Additionally in the same period the Group has successfully increased its 6.50% Green EUR Bond 2021/27 by an additional EUR 2.5 million, bringing it to a total issue volume of EUR 80.0 million.

The Group started fully consolidating the results of Lerta Group, after the acquisition completed in December 2022.

The acquisition of Lerta at the end of year 2022 resulted in new opportunities but also new challenges that are and will remain visible during the course of this year. Lerta is a young business and as such provides higher growth potential while already significantly contributing to the Group's top line and overall competitiveness of our product offerings. However, the integration of both businesses is a demanding task and requires significant resources.

In March 2023, the Company secured, through its Lerta subsidiaries, DSR capacity of 375 MW in the additional Polish TSO auction for 2024, which with the previously contracted capacity of 14 MW for 2024, locks in PLN 116.8 million (EUR 24.8 million) in total DSR revenues for 2024. This will more than triple DSR revenues and shall provide a positive contribution to the profitability of the Group going forward. Markets for DSR, electricity trading and ancillary services are being established in our current home markets

in the CEE region and in Australia, as well as a rapidly growing number of markets worldwide.

Completion of the share buyback programme and the acquisition of 250,000 shares for EUR 0.720 million.

In June 2023, the Company completed the share buyback program announced on 16 December 2022, as the total number of shares to be purchased under the Programme had been reached. Within the period from 19 December 2022 to 7 June 2023, the Company purchased 250,000 shares in the share capital of the Company for the total value of PLN 3.204 million (EUR 0.720 million), with an average price of PLN 12.82 per share. Shares purchased under the Programme constitute approx. 0.41% of the share capital and were acquired to meet the obligations arising from the share purchase programme for the employees of the Photon Energy Group's entities.

Receiving a "very-good" sustainability rating by imug rating

The Company received a "very good" sustainability rating for its ESG practices and business model from imug rating, an independent institution that assessed the Company's policies and activities in the area of sustainability. Imug rating renewed its rating of 'very good', two years after an initial evaluation conducted in May 2021. Imug rating is one of the leading sustainability rating agencies in Germany and a specialist in ESG research. We are proud that our ESG practices have been rated 'very good' by imug rating. This validates our strategy, which sees sustainability as a key driver of value creation for our Company. Since it is our mission to make a positive societal contribution through a strong focus on sustainability, we attach a high value to this rating as a demonstration of our commitment to transparency and trustworthiness to our stakeholders.

Resignation of Andrej Horansky as the Group's CFO after two months.

In May 2023, Photon Energy Group announced the departure of Andrej Horansky from his position as Group CFO after his appointment two months earlier. Andrej Horansky's resignation has been submitted for personal reasons. The Group's CEO Georg Hotar has assumed CFO responsibilities on an interim basis until a new Group CFO is appointed.

2.5 Summary of events material for the Groups operations after the reporting period.

There were no material events for the Group's operations after the reporting date.

Higher price volatility of 6.5% Euro Green Bond 2021/2027

After the reporting period i.e. in July 2023, the Group's 6.5% Green Euro Bond 2021/2027 (ISIN DE000A3KWKY4) has experienced significant price volatility, falling to as low as 60% of the par value before recovering and stabilizing at price levels above 80%, as of the reporting date. The reason for these fluctuations is unclear but it seems possible that the fall in bond prices is the result of an unfortunate combination of market factors, including announcements of painful bond restructurings by other German SME issuers and the announced liquidation of the largest German SME bond fund, which is an investor in the group's EUR Green Bond.

2.6 Strategy and its execution

The Group's has come a long way in building high-performance PV assets providing the best possible electricity production profile in relation to electricity market realities. In H1 2023, the growing maturity of energy storage systems and, post Lerta-integration, enhanced ability to access the full revenue stack available to grid-

connected energy storage assets lead the Photon Energy Group to consider a pivot in its strategy and adjust its long-term goals.

At this point in time, the achievable return-on-investment (ROI) on utility PV-hybrid power plants as well as pure utility energy storage assets appears to be materially higher than on even the most competitive pure PV power plants. In an ongoing process the Photon Energy Group is evaluating the highest value utilization of its current utility PV project pipeline in the light of existing and the likely development of the regulatory frameworks across all markets where projects are being developed as well as potential new markets. The result of this process will be the completion of a part of the pipeline in their current form as pure utility PV power plants, the disposal of a part of the pipeline to third parties (in the form of project rights or as operating assets), the conversion of another part of the current pipeline to utility PV-hybrid projects and the commencement of the development of both utility PV-hybrid and pure utility energy storage projects. Furthermore, the potential to retrofit existing PV power plants in the Group's proprietary portfolio with energy storage (with or without the re-powering of the PV plant itself) will be evaluated and executed.

This pivot in our project development strategy has led to a revision of the previously announced target of 600 MWp of PV power plants in the Group's proprietary portfolio by year-end 2024 down to 200 MWp.

The severity of this reduction is driven by the recent developments on the market, price caps introduced in Poland in combination with other market-specific factors which made it very challenging to generate returns above our cost of capital by investing in pure utility PV assets.

With regards to other operational targets the capacity under O&M as of the end of 2024 is expected to meet the communicated target of 1 GWp.

Other strategic targets are under revision and will be communicated towards the end of 2023 when more visibility and clarity on the pricing structure of our generation assets for 2024 is clearer.

2.7 Main risks for the remaining six months of the year

According to the management's view, the principal risks and uncertainties for the remaining six months of the financial year, which may have an impact on the Group's financial condition and results of operations include but are not limited to:

Risk of declining electricity prices

As of the reporting date, the Group operates 96.9 MWp of PV power plants (85.7%) under the merchant model, i.e. selling electricity at day-ahead market prices. Hence this part of its portfolio is exposed the risk of declining electricity prices in the remaining months of the year. In H1 2023, the market trends were very unfavourable and the average realized revenues per MWh of sold electricity declined by 28.2% YOY, compared to H1 2022. As electricity prices continued to decline after the reporting period, while in the comparable period of the last year this trend had an opposite direction, there is a risk that declining electricity prices may have even stronger adversary impact on revenues and profits of the

generation segment in the second half of the year. However, it is worth mentioning that in those 96.9 MWp of merchant portfolio, approximately 15.0 MWp of PV assets in the Czech Republic benefit from the green bonus system, which is a combination of spot prices and a fixed support mechanism and results in the average realized revenues materially above market levels. Financial results and operational cash-flow could be negatively impacted by a further deterioration of the market trends in the second half of 2023.

Risk associated with the decline in the project pipeline

To grow up its generation assets by developing and commissioning more solar power plants, the Group's future success depends on its ability to develop projects and expand its PV project pipeline. However, there are risks of possible delays and cost overruns in the project development process, as a result of external factors, which may be beyond the Group's control. This could include delays in regulatory approvals, technology procurement, grid-connection and/or denial of required regulatory approvals and decisions. As a result the Group could experience a contraction of the project pipeline and/or sunk costs related to projects which could no longer be pursued as they do not ensure attractive returns. If certain factors develop differently to what has been planned, this could have an adverse effect on the proprietary portfolio's expansion and profitability of the Group during the second half of this year.

Risk of financing sources for future projects and portfolio expansion of the Group

The Group's pipeline of projects requires financing for further development and construction works with a mixture of equity and third-party funding. Due to the lower operating cash flows than expected at the beginning of this year and uncertainty in the global credit and lending environment, the Group cannot make assurances that financial institutions will continue offering sufficient funding to continue the expansion of the generation assets as planned. There is also no guarantee that the Group will be sufficiently successful at acquiring the external financing at the required amount under acceptable conditions and for the desired period in order to realise the intended multiple use of its capital and thereby to be able to meet its yield expectations and to fulfil the financing and growth strategy in the given market, which would have an adverse effect on the commercial development of the Group and would constrain the growth of the Group.

Risk arising from possible delays or cancellation of projects in the pipeline

The results of the Group depend to a significant extent on the operations of photovoltaic power plants and the sale of electricity. The commissioning of new photovoltaic power plant can be delayed and the commissioning of such plant can take place later than initially planned, which can lead to a loss of earnings. In the case of the abandonment of a project, some advance payments may be lost under certain circumstances. Such delays have occurred during the course of this year and may continue during the remaining months, which have impacted and might continue to negatively impact the financial and operational results of the Group.

3. Business Updates

Proprietary portfolio

The table below presents the portfolio of operating power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 June 2023, in the Czech Republic, Slovakia, Hungary and Australia with a total installed capacity of 113.1 MWp.

Table 3.1. The proprietary portfolio of Photon Energy N.V. as of 30 June 2023

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec-10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov-10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec-10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec-10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec-10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec-10
7	Mostkovice SPV 3 ¹	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec-09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec-10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec-10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec-10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec-10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec-10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec-10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec-10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec-10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun-11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun-11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun-11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun-11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun-11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun-11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun-11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb-13
24	Leeton	Leeton Solar Farm Pty Ltd	AUS	7,261	100%	7,261	Aug-21
25	Fivebough	Fivebough Solar Farm Pty Ltd	AUS	7,261	100%	7,261	Aug-21
26	Tiszakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
27	Tiszakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
28	Tiszakécske 3	Solarkit Befektetési Kft.	HU	689	100%	689	Dec-18
29	Tiszakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
30	Tiszakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
31	Tiszakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
32	Tiszakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
33	Tiszakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
34	Almásfüzitő 1	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfüzitő 2	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfüzitő 3	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfüzitő 4	Ráció Master Kft.	HU	695	100%	695	Mar-19
38	Almásfüzitő 5	Ráció Master Kft.	HU	695	100%	695	Mar-19
39	Almásfüzitő 6	Ráció Master Kft.	HU	660	100%	660	Mar-19
40	Almásfüzitő 7	Ráció Master Kft.	HU	691	100%	691	Mar-19
41	Almásfüzitő 8	Ráció Master Kft.	HU	668	100%	668	Mar-19
42	Nagyecsed 1	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
43	Nagyecsed 2	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
44	Nagyecsed 3	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
45	Fertőd I No 1	Fertőd Napenergia-Termelő Kft.	HU	528	100%	528	Mar 18
46	Fertőd II No 2	Photon Energy HU SPV 1 Kft	HU	699	100%	699	Nov-19
47	Fertőd II No 3	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
48	Fertőd II No 4	Alfemo Alpha Kft.	HU	699	100%	699	Nov-19
49	Fertőd II No 5	Ráció Master Kft.	HU	691	100%	691	Nov-19
50	Fertőd II No 6	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
51	Kunszentmárton I No 1	Ventiterra Kft.	HU	697	100%	697	Nov-19
52	Kunszentmárton I No 2	Ventiterra Kft.	HU	697	100%	697	Nov-19
53	Kunszentmárton II No 1	Ventiterra Alpha Kft.	HU	693	100%	693	May-20
54	Kunszentmárton II No 2	Ventiterra Beta Kft.	HU	693	100%	693	May-20
55	Taszár 1	Optisolar Kft.	HU	701	100%	701	Dec-19
56	Taszár 2	Optisolar Kft.	HU	701	100%	701	Dec-19
57	Taszár 3	Optisolar Kft.	HU	701	100%	701	Dec-19
58	Monor 1	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
59	Monor 2	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
60	Monor 3	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
61	Monor 4	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
62	Monor 5	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
63	Monor 6	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
64	Monor 7	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
65	Monor 8	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
66	Tata 1	Tataimmo Kft.	HU	672	100%	696	Mar-20
67	Tata 2	ALFEMO Beta Kft.	HU	676	100%	696	Mar-20
68	Tata 3	ALFEMO Gamma Kft.	HU	667	100%	696	Feb-20
69	Tata 4	Tataimmo Kft.	HU	672	100%	696	Mar-20
70	Tata 5	Öregfal Kft.	HU	672	100%	696	Mar-20
71	Tata 6	Tataimmo Kft.	HU	672	100%	696	Feb-20
72	Tata 7	European Sport Contact Kft.	HU	672	100%	696	Feb-20
73	Tata 8	Tataimmo Kft.	HU	672	100%	696	Mar-20
74	Malyi-1	Zuggo - Dulo Kft.	HU	695	100%	695	May-20
75	Malyi 2	Egespart Kft.	HU	695	100%	695	May-20
76	Malyi 3	Zemplenimpex Kft.	HU	695	100%	695	May-20
77	Püspökladány1	Ladány Solar Alpha Kft.	HU	1,406	100%	1,406	Nov-20
78	Püspökladány 2	Ladány Solar Alpha Kft.	HU	1,420	100%	1,420	Oct-20
79	Püspökladány 3	Ladány Solar Alpha Kft.	HU	1,420	100%	1,420	Oct-20
80	Püspökladány 4	Ladány Solar Beta Kft.	HU	1,406	100%	1,406	Oct-20
81	Püspökladány 5	Ladány Solar Beta Kft.	HU	1,420	100%	1,420	Oct-20
82	Püspökladány 6	Ladány Solar Beta Kft.	HU	1,394	100%	1,394	Oct-20
83	Püspökladány 7	Ladány Solar Gamma Kft.	HU	1,406	100%	1,406	Nov-20
84	Püspökladány 8	Ladány Solar Gamma Kft.	HU	1,420	100%	1,420	Oct-20
85	Püspökladány 9	Ladány Solar Delta Kft.	HU	1,406	100%	1,406	Oct-20
86	Püspökladány 10	Ladány Solar Delta Kft.	HU	1,420	100%	1,420	Oct-20
87	Tolna 1	Barbican Solar Kft.	HU	1,358	100%	1,358	Dec-21
88	Tolna 2	Hampstead Solar Kft.	HU	1,358	100%	1,358	May-22
89	Siria	Siria Solar Srl.	RO	5,691	100%	5,691	Feb -23
90	Calafat 1	Chesham Solar Srl	RO	2,890	100%	2,890	Apr-23
91	Calafat 2	Chesham Solar Srl	RO	1,935	100%	1,935	Apr-23
92	Calafat 3	Chesham Solar Srl	RO	1,203	100%	1,203	Apr-23
93	Aiud	Holloway Solar Srl	RO	4,730	100%	4,730	May-23
94	Teius	Holloway Solar Srl	RO	4,730	100%	4,730	May-23
Total				113,084			

¹ Photon SPV 3 owns two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp).

Generation results

In Q2 2023 the proprietary power plants generated 41.4 GWh of electricity, (+5.2% YoY) while in H1 2023 generation amounted to 65.5 GWh (-0.9% YoY). This represents an avoidance of 25,940 tonnes of CO₂ emissions compared to 26,266 tonnes in H1 2022.

Table 3.2. Generation results in Q2 2023 and H1 2023 (YTD)

Project name	Capacity	AVG rev. (EUR)	Prod. Q2	Proj. Q2	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh	kWh	kWh	%	kWh	kWh	%	kWh
Komorovice	2,354	651 EUR	881,257	939,284	-6.2%	1,249,885	1,350,570	-7.5%	-12.7%
Zvíkov I	2,031	651 EUR	785,752	831,651	-5.5%	1,139,110	1,238,270	-8.0%	-10.7%
Dolní Dvořiště	1,645	650 EUR	569,219	607,594	-6.3%	816,817	879,565	-7.1%	-8.4%
Svatoslav	1,231	650 EUR	405,803	451,431	-10.1%	578,128	640,650	-9.8%	-14.2%
Slavkov	1,159	652 EUR	465,754	500,666	-7.0%	674,450	735,595	-8.3%	-14.6%
Mostkovice SPV 1	210	589 EUR	77,837	83,673	-7.0%	112,818	121,068	-6.8%	-13.7%
Mostkovice SPV 3*	926	735 EUR	355,082	375,242	-5.4%	511,325	540,296	-5.4%	-13.1%
Zdice I	1,499	651 EUR	615,142	639,499	-3.8%	875,099	927,880	-5.7%	-9.7%
Zdice II	1,499	651 EUR	616,116	647,929	-4.9%	876,063	943,546	-7.2%	-11.0%
Radvanice	2,305	651 EUR	929,657	952,373	-2.4%	1,304,671	1,366,501	-4.5%	-11.3%
Břeclav rooftop	137	591 EUR	53,606	58,141	-7.8%	77,611	85,908	-9.7%	-17.1%
Total Czech PP¹	14,996	655 EUR	5,755,225	6,087,482	-5.5%	8,215,977	8,829,850	-7.0%	-11.7%
Babiná II	999	271 EUR	317,730	358,224	-11.3%	462,755	509,235	-9.1%	-18.0%
Babina III	999	271 EUR	317,820	363,679	-12.6%	428,822	517,994	-17.2%	-23.5%
Prša I.	999	270 EUR	349,191	374,805	-6.8%	503,330	539,009	-6.6%	-14.5%
Blatna	700	273 EUR	252,971	272,065	-7.0%	354,788	381,972	-7.1%	-13.5%
Mokra Luka 1	963	258 EUR	381,316	377,958	0.9%	595,551	599,534	-0.7%	-15.1%
Mokra Luka 2	963	257 EUR	383,145	405,297	-5.5%	604,698	634,713	-4.7%	-15.2%
Jovice 1	979	263 EUR	310,611	326,012	-4.7%	454,716	467,652	-2.8%	-10.5%
Jovice 2	979	263 EUR	300,719	325,158	-7.5%	440,219	465,742	-5.5%	-12.7%
Brestovec	850	257 EUR	339,825	358,889	-5.3%	497,814	540,379	-7.9%	-16.7%
Polianka	999	261 EUR	340,189	367,535	-7.4%	474,835	513,859	-7.6%	-15.0%
Myjava	999	259 EUR	386,636	412,950	-6.4%	554,076	599,015	-7.5%	-13.7%
Total Slovak PP	10,429	263 EUR	3,680,153	3,942,572	-6.7%	5,371,604	5,769,103	-6.9%	-15.4%
Tiszakécske 1	689	94 EUR	276,780	306,543	-9.7%	434,540	460,512	-5.6%	-12.3%
Tiszakécske 2	689	95 EUR	277,800	306,543	-9.4%	437,465	460,512	-5.0%	-12.2%
Tiszakécske 3	689	93 EUR	274,123	306,543	-10.6%	422,380	460,512	-8.3%	-12.0%
Tiszakécske 4	689	95 EUR	278,151	306,543	-9.3%	438,978	460,512	-4.7%	-11.3%
Tiszakécske 5	689	95 EUR	277,136	306,543	-9.6%	435,572	460,512	-5.4%	-12.1%
Tiszakécske 6	689	95 EUR	277,012	306,543	-9.6%	435,739	460,512	-5.4%	-12.2%
Tiszakécske 7	689	95 EUR	277,306	306,543	-9.5%	436,559	460,512	-5.2%	-12.2%
Tiszakécske 8	689	94 EUR	276,351	306,543	-9.8%	432,906	460,512	-6.0%	-11.4%
Almásfüzitő 1	695	94 EUR	272,724	299,471	-8.9%	417,124	449,887	-7.3%	-14.4%
Almásfüzitő 2	695	94 EUR	266,510	290,886	-8.4%	406,293	436,991	-7.0%	-14.1%
Almásfüzitő 3	695	94 EUR	259,830	290,368	-10.5%	401,792	436,213	-7.9%	-15.5%
Almásfüzitő 4	695	94 EUR	272,203	299,836	-9.2%	417,024	450,436	-7.4%	-14.6%
Almásfüzitő 5	695	94 EUR	275,588	303,945	-9.3%	425,661	456,608	-6.8%	-14.4%
Almásfüzitő 6	660	94 EUR	275,387	302,233	-8.9%	423,225	454,037	-6.8%	-14.2%
Almásfüzitő 7	691	94 EUR	275,525	300,832	-8.4%	422,713	451,932	-6.5%	-14.0%
Almásfüzitő 8	668	94 EUR	278,034	295,962	-6.1%	424,254	444,616	-4.6%	-10.5%
Nagyecsed 1	689	96 EUR	287,424	288,408	-0.3%	434,187	433,395	0.2%	-8.8%
Nagyecsed 2	689	96 EUR	285,521	288,408	-1.0%	431,821	433,395	-0.4%	-8.8%
Nagyecsed 3	689	95 EUR	283,818	288,934	-1.8%	428,960	433,723	-1.1%	-10.4%
Fertod I	528	91 EUR	226,960	221,862	2.3%	336,064	333,297	0.8%	-11.7%
Fertod II No 2	699	93 EUR	287,957	297,439	-3.2%	433,053	446,834	-3.1%	-12.2%
Fertod II No 3	699	93 EUR	287,017	296,105	-3.1%	432,374	444,831	-2.8%	-11.7%
Fertod II No 4	699	93 EUR	286,302	293,770	-2.5%	431,102	441,322	-2.3%	-11.5%
Fertod II No 5	691	93 EUR	285,621	290,794	-1.8%	429,249	436,851	-1.7%	-12.0%

Project name	Capacity	AVG revenue (EUR)	Prod. Q2 2023	Proj. Q2 2023	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh	kWh	kWh	%	kWh	kWh	%	kWh
Fertod II No 6	699	93 EUR	285,025	292,866	-2.7%	429,457	439,965	-2.4%	-12.0%
Kunszentmárton I No 1	697	96 EUR	283,447	317,936	-10.8%	452,491	477,627	-5.3%	-11.7%
Kunszentmárton I No 2	697	96 EUR	281,241	317,936	-11.5%	447,457	477,627	-6.3%	-11.9%
Kunszentmárton II No 1	693	95 EUR	284,578	306,477	-7.1%	432,953	460,413	-6.0%	-15.8%
Kunszentmárton II No 2	693	96 EUR	287,906	306,477	-6.1%	458,409	460,413	-0.4%	-11.3%
Taszár 1	701	97 EUR	263,216	276,955	-5.0%	420,785	416,063	1.1%	-14.3%
Taszár 2	701	96 EUR	265,986	281,156	-5.4%	420,046	422,373	-0.6%	-15.8%
Taszár 3	701	96 EUR	265,721	281,922	-5.7%	422,963	423,524	-0.1%	-15.3%
Monor 1	688	96 EUR	276,022	304,680	-9.4%	443,169	457,713	-3.2%	-12.2%
Monor 2	696	96 EUR	277,323	301,358	-8.0%	435,248	452,723	-3.9%	-12.4%
Monor 3	696	96 EUR	278,746	304,890	-8.6%	438,825	458,028	-4.2%	-13.0%
Monor 4	696	96 EUR	277,456	304,627	-8.9%	437,364	457,633	-4.4%	-13.3%
Monor 5	688	96 EUR	277,964	292,788	-5.1%	439,339	439,847	-0.1%	-12.9%
Monor 6	696	96 EUR	275,293	304,284	-9.5%	436,142	457,118	-4.6%	-13.6%
Monor 7	696	96 EUR	277,741	303,842	-8.6%	437,110	456,453	-4.2%	-13.0%
Monor 8	696	96 EUR	278,988	306,190	-8.9%	439,910	459,980	-4.4%	-13.2%
Tata 1	672	95 EUR	307,541	333,583	-7.8%	445,055	501,133	-11.2%	-15.1%
Tata 2	676	95 EUR	255,935	334,805	-23.6%	390,491	502,969	-22.4%	-16.6%
Tata 3	667	95 EUR	255,916	334,805	-23.6%	390,782	502,969	-22.3%	-16.6%
Tata 4	672	95 EUR	310,367	339,425	-8.6%	449,611	509,909	-11.8%	-15.8%
Tata 5	672	95 EUR	306,330	334,805	-8.5%	444,853	502,969	-11.6%	-16.0%
Tata 6	672	95 EUR	307,867	326,358	-5.7%	437,992	490,279	-10.7%	-14.1%
Tata 7	672	95 EUR	307,132	334,805	-8.3%	436,408	502,969	-13.2%	-17.2%
Tata 8	672	95 EUR	309,908	339,854	-8.8%	442,427	510,554	-13.3%	-17.2%
Malyi 1	695	95 EUR	291,604	293,791	-0.7%	438,026	435,615	0.6%	-7.7%
Malyi 2	695	95 EUR	291,390	294,074	-0.9%	438,453	436,152	0.5%	-11.1%
Malyi 3	695	95 EUR	292,019	294,074	-0.7%	439,693	436,152	0.8%	-11.0%
Püspökladány 1	1,406	107 EUR	671,106	720,088	-6.8%	954,225	1,081,768	-11.8%	-13.8%
Püspökladány 2	1,420	96 EUR	668,371	744,837	-10.3%	981,320	1,118,949	-12.3%	-14.2%
Püspökladány 3	1,420	96 EUR	658,138	731,583	-10.0%	971,860	1,099,037	-11.6%	-13.4%
Püspökladány 4	1,406	94 EUR	671,613	712,896	-5.8%	964,380	1,070,964	-10.0%	-13.5%
Püspökladány 5	1,420	96 EUR	679,291	732,767	-7.3%	1,001,234	1,100,817	-9.0%	-12.2%
Püspökladány 6	1,394	107 EUR	665,714	708,993	-6.1%	967,964	1,065,101	-9.1%	-12.6%
Püspökladány 7	1,406	107 EUR	667,228	728,256	-8.4%	976,371	1,094,040	-10.8%	-12.2%
Püspökladány 8	1,420	96 EUR	579,659	733,527	-21.0%	892,227	1,101,958	-19.0%	-20.3%
Püspökladány 9	1,406	107 EUR	672,009	729,331	-7.9%	982,014	1,095,655	-10.4%	-11.8%
Püspökladány 10	1,420	96 EUR	675,170	732,452	-7.8%	988,151	1,100,343	-10.2%	-11.8%
Tolna 1	1,358	95 EUR	685,451	748,368	-8.4%	1,005,499	1,124,253	-10.6%	-13.1%
Facankert (Tolna 2)	1,358	96 EUR	704,953	760,979	-7.4%	1,030,858	1,143,198	-9.8%	N/A
Total Hungarian PP	51,814	96 EUR	22,292,443	24,242,061	-8.0%	33,630,593	36,413,716	-7.6%	-11.7%
Siria	5,691	103 EUR	2,685,904	3,113,041	-13.7%	3,083,384	3,515,011	-12.3%	N/A
Calafat 1	2,890	93 EUR	540,562	1,332,574	-59.4%	540,562	1,395,345	-61.3%	N/A
Calafat 2	1,935	93 EUR	399,532	895,280	-55.4%	399,532	936,965	-57.4%	N/A
Calafat 3	1,203	93 EUR	250,599	563,377	-55.5%	250,599	669,437	-62.6%	N/A
Aiud	4,730	91 EUR	483,120	2,463,000	-80.4%	483,120	3,046,000	-84.1%	N/A
Teius	4,730	91 EUR	319,440	2,539,000	-87.4%	319,440	3,134,000	-89.8%	N/A
Total Romanian PP²	21,179	99 EUR	4,679,157	10,906,272	-57.1%	5,076,637	12,696,758	-60.0%	N/A
Symonston	144	192 EUR	22,717	27,825	-18.4%	68,117	76,678	-11.2%	-5.4%
Leeton	7,261	72 EUR	2,539,464	2,670,664	-4.9%	6,756,464	6,944,526	-2.7%	10.1%
Fivebough	7,261	74 EUR	2,405,005	2,621,689	-8.3%	6,340,005	6,854,571	-7.5%	4.6%
Total Australian PP	14,666	73 EUR	4,967,187	5,320,177	-6.6%	13,164,587	13,875,775	-5.1%	7.3%
Total	113,084	176 EUR	41,374,165	50,498,565	-18.1%	65,459,397	77,585,202	-15.6%	-0.9%

Notes: * Total result for Mostkovice SPV 3 and Mostkovice SPV 3R, as the same company "SPV3" owns both power p-ants.
 1 - Green Bonus + realized electricity price during the reporting period in the Czech Republic.
 - Realized electricity price in Hungary.
 - Realized electricity price + Australian Large-scale Generation Certificate spot closing price in Australia.

Chart 3.1 Total production of the Czech portfolio

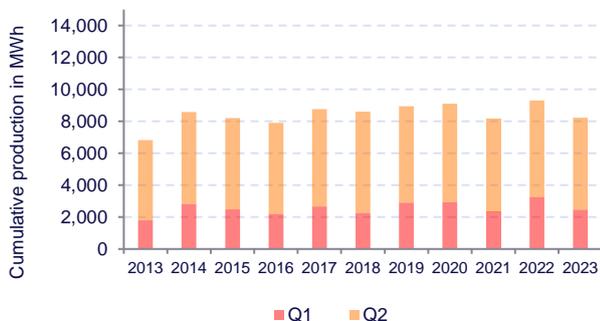


Chart 3.2 Total production of the Slovak portfolio



Chart 3.3 Total production of the Hungarian portfolio



Chart 3.4 Total production of the Australian portfolio



O&M services

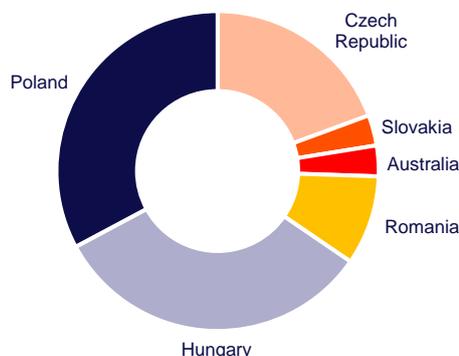
Photon Energy remained focused on delivering Operations & Maintenance services. As of the end of the reporting period, full O&M services contracts amounted to approximately 542 MWp, up by 158 MWp in H1 2023. This can be broken down geographically into 95.8 MWp operated in the Czech Republic, 161.2 MWp in Hungary, 15.3 MWp in Slovakia, 15.3 MWp in Australia, 44.8 MWp in Romania and 162.6 MWp in Poland.

As far as the "Inverter Cardio" services contracts are concerned, the Group is servicing 46.8 MWp of central inverters, down by 3 MWp in H1 2023, as a result of a liquidation decision on the side of the asset owner. Central inverters are currently serviced in France, Italy, Belgium, Czech Republic, Slovakia, Slovenia and Germany.

Chart 3.5 Full O&M services and inverter cardio, in MWp



Chart 3.6 Full O&M services – geographical split, in H1 2023.



Reporting on Photon Energy's project pipeline

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of project development activities is to expand the PV proprietary portfolio, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with the goal of exiting the projects to such investors entirely. Ownership of project rights provides

Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver for Photon Energy's future growth. The Group's experience in project development and financing in various markets and jurisdictions is an important competitive advantage and mitigates the inherent risks related to project development. Projects currently developed by the Photon Energy group are presented in the below table.

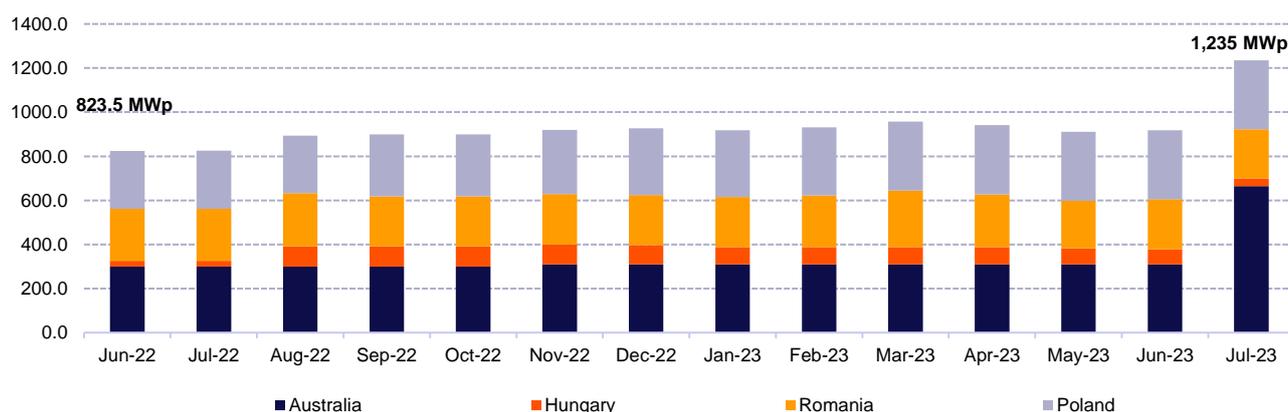
Table 3.3 Projects under development in June 2023 (DC capacity)*

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

*Development phases are described in the glossary available at the end of this chapter. Photon Energy refers to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

**Projects in feasibility stage 1. are presented at AC capacity as DC is difficult to estimate at the early-stage of utility scale projects.

Chart 3.4 Project pipeline as of the reporting date, in MWp DC



In the reporting period the pipeline of projects under development increased by 308.9 MWp compared to 31 December 2022 due to changes in Australia, Romania and Hungary, namely:

- ▶ In Romania the Group commissioned 21.2 MWp in H1 2023, what resulted in a decrease of the pipeline. At the same time new projects were acquired so the pipeline in Romania remained stable. As of the reporting date, 30.3 MWp remains under construction and shall be completed and commissioned towards the end of the year.
- ▶ In Australia four new projects at feasibility stage in the amount of 455 MWp AC were added to the pipeline, all of which are located in New South Wales. All these projects are developed using RayGen technology and assume a total estimated energy storage of 3.5 MWh. RayGen's first energy storage project of 50 MWh in Carwarp Victoria is progressing well, with an official event scheduled for late August.

Yadnarie's project DC capacity has been reduced from 300 MWp DC to 200 MWp as a consequence of the geotechnical investigation and environmental studies, which resulted in a revision of the areas of land suitable for the construction of the power plant and a decision to down-size the project by 100 MWp at the DC level. At the same time AC capacity has been reduced by 35 MWp from 150 MWp to 115 MWp.

- ▶ In Hungary, due to changes in regulations and challenges in the development process connected to the reclassification of the zoning areas required for the building permit some projects in early development stage and under feasibility studies were recalibrated, resulting in downsizing the Hungarian pipeline from 68.8 MWp as of Dec 2022 to 34.4 MWp in the reporting period.
- ▶ In Poland the pipeline increased from 303 MWp to 313 MWp but still the majority of projects remains at the feasibility stage due to grid-capacity constraints.

Table 3.4. Progress on Projects Ready-to-Build stage 4, as of the reporting date.

Country	Location	Dev. phase	Equity share	MWp DC	Commercial Model	Land	Grid connection	Construction permit	Expected SoC ¹	Update on the project
Romania	Tamadu Mare-1	4	100%	4.2	Merchant/PPA	Secured	Secured	Secured	Q4 2023	Projects adheres to DSO schedule for grid reinforcement works
Romania	Tamadu Mare-2	4	100%	6.5	Merchant/PPA	Secured	Secured	Secured	Q4 2023	Projects adheres to DSO schedule for grid reinforcement works
Romania	Sannicolau Mare	4	100%	7.8	Merchant/PPA	Secured	Secured	Secured	Q4 2023	Project awaits DSO relocation of overhead cable prior to start of construction.
Hungary	Tolna 2	4	100%	1.3	Merchant/PPA	Secured	Secured	Secured	Q2 2024	Construction date delayed due to DSO commissioning timeline.
Hungary	Tolna 3	4	100%	1.3	Merchant/PPA	Secured	Secured	Secured	Q2 2024	Construction date delayed due to DSO commissioning timeline.
Hungary	Tolna 5	4	100%	1.3	Merchant/PPA	Secured	Secured	Secured	Q1 2024	Construction date delayed due to DSO commissioning timeline.
TOTAL				22.6						

¹ SoC stands for expected start of construction date.

Table 3.5. Progress on projects under construction, as of the reporting date.

Country	Location	Dev. phase	Equity share	MWp DC	Commercial Model	Construction progress						
Romania	Sahateni 1	5	100%	7.1	Merchant/PPA	100%	✓	✓	✓	✓	✓	✓
Romania	Faget 1	5	100%	3.1	Merchant/PPA	100%	✓	✓	✓	✓	✓	✓
Romania	Faget 2	5	100%	3.9	Merchant/PPA	59%	✓	✓	✓	✓		
Romania	Sarulesti	5	100%	3.2	Merchant/PPA	52%	✓	✓				
Romania	Magureni	5	100%	1.7	Merchant/PPA	49%	✓	✓	✓	✓		
Romania	Bosca	5	100%	3.8	Merchant/PPA	28%	✓	✓				
Romania	Faget 3	5	100%	7.5	Merchant/PPA	48%	✓	✓				
TOTAL				30.3								

Procurement



Site preparations



Substructures



Technology installed



Connection works



Comissioning



Projects Highlights:

In the reporting period the following projects shall be highlighted:

- ▶ Făget 2 Project (3.9 MWp-DC) located in Făget Town, Western Romania.

Ready-to-Build (RtB) stage on Făget 2 project was reached early in May 2023 and the construction works were kicked off on 15 May 2023. The technology procured includes Longi bifacial PV modules, Huawei inverters and single-axis trackers provided by Zimmermann PV Tracker.

The DC capacity amounts to 3.5 MWp and AC to 3.0 MWp and it is secured with E-Distribuție Banat SA as DSO. The construction process is very advanced (59% of construction works has been completed till the reporting date) and the commissioning of this power plant is planned for Q3 2023. The delivery of the upgraded trafo station represents a critical point of the project and poses the highest risk for any delays in the commissioning process.

Some of the projects highlights include the specific features such as: a) very short grid connection, b) supplementary plots of land which were acquired in order to maximize the installed capacity, and c) upgraded access road by the co-developer.

The off-take model is of the merchant type and the annual generation expected is of 5.6 GWh, at P90 annual production probability. The construction works are financed from Group's cash flow and the project shall be refinanced upon commissioning.

- ▶ Magureni Project (1.7 MWp-DC) located in Commune of Sarulesti, village of Magureni, in Romania.

Ready-to-Build (RtB) stage on Magureni project was reached on 22 February 2023 however, the official mandatory communications documents toward the Sarulesti Townhall and Construction State Inspectorate (ISC) set the start of construction date for 17 April 2023.

The technology procured consists of PV panels and inverters of various tier-one producers including Longi and Jinko to be mounted on the single-axis trackers. The DC and AC capacities for the project were secured with E-Distribuție Banat SA as respective DSO and are as follows: a) DC power-1700.01 kWp, and b) AC power-1250 kW. The construction process is advanced (49% of works are completed till the reporting date) and the commissioning is planned for Q3/Q4 2023.

The off-take model is of the merchant type and the annual generation expected is of 2.2 GWh, at P90 annual production probability. Specific features of the project include: a) very short grid connection line (50m), and b) access road upgraded by the co-developer.

The delivery of the trafo station represents a critical element of the project and poses the highest risk for the commissioning date and possible delays on that front.

The project is financed from Group's cash flow and shall be refinance upon commissioning.

Glossary of terms	Definitions
Development phase 1: "Feasibility"	LOI or MOU signed, location scouted and analyzed, working on land lease/purchase, environmental assessment and application for grid connection.
Development phase 2: "Early development"	Signing of land option, lease or purchase agreement, Environmental assessment (environmental impact studies "EIS" for Australia), preliminary design. Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.). Specific to Australia: community consultation, technical studies.
Development phase 3: "Advanced development"	In Europe: Finishing work on construction permitting, Receiving of MGT (HU)/ATR (ROM) Letter, Finishing work on permitting for connection line, etc. In Australia: Site footprint and layout finalised, Environmental Impact Statement and development application lodged. Grid connection studies and design submitted.
Development phase 4: "Ready-to-build technical"	In Europe: Project is technical ready to build, we work on offtake model (if not FIT or auction), securing financing (internal/external). In Australia: Development application approved, offer to connect to grid received and detailed design commenced. Financing and off-take models/arrangements (internal/external) under negotiation.
Development phase 5: "Under construction"	Procurement of components, site construction until the connection to the grid. On top for Australian projects, signature of Financing and off-take agreements, reception of Construction certificate, conclusion of connection agreement, EPC agreement, Grid connection works agreements.
DC and AC capacity	Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore, for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays within the grid connection limits.

4. Enterprise Value, Share & Bond Price Performance

Main market of the Warsaw Stock Exchange

On 30 June 2022 the Company's shares (ISIN NL0010391108) closed at a price of PLN0 12.50 (-4.6% YTD), corresponding to a price to book ratio of 2.4. The average monthly trading volume amounted to 287,772 shares in H1 2023, compared to an average monthly trading volume of 341,011 shares in H1 2022.

As of 5 January 2021, the Company's shares are listed on the regulated market of the Warsaw Stock Exchange (WSE). Prior to that date, the shares were listed in the alternative system of trading – NewConnect, organized by WSE.

Chart 4.1. Total monthly volumes vs. daily closing stock prices



Chart 4.2. Enterprise value vs. trailing 12 months (TTM) EBITDA

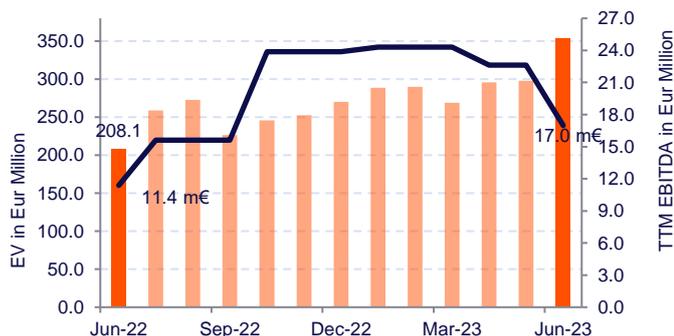
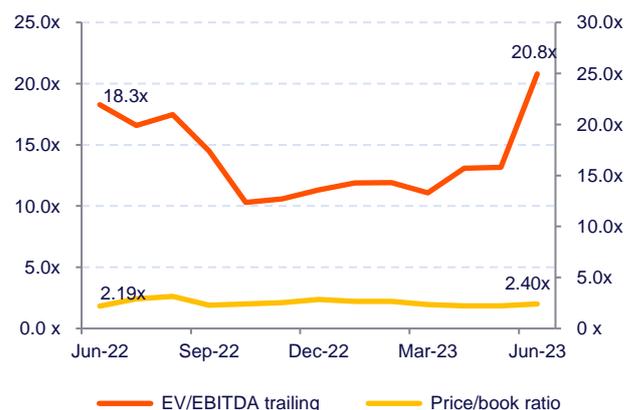


Chart 4.3 Enterprise value / trailing 12 months EBITDA and price to book ratio



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus net debt, defined as Interest-bearing liabilities minus Liquid assets.

The trailing 12-month EBITDA is the sum of EBITDA reported in the last four quarterly reports including this reporting period, ie. Q2 2022, Q4 2022 Q1 2023 and Q2 2023.

Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the last quarterly report.

EV/EBITDA ratio – is calculated by dividing the Enterprise Value by the Trailing 12 months (TTM) EBITDA.

Main market of the Prague Stock Exchange

On 30 June 2023 the share price (ISIN NL0010391108) closed at a level of CZK 67.20 (+1.6% YTD). The Company reports an average monthly trading volume of 214,456 shares in H1 2023 compared to an average of 433,937 in H1 2022.

As of 5 January 2021 the Company's shares are listed on the regulated market of the Prague Stock Exchange (PSE). Prior to that date, the shares were traded on Free Market of PSE.

Quotation Board of the Frankfurt Stock Exchange

On 30 June 2023, the share price (FSX: A1T9KW) closed at a level of EUR 2.77 (+1.1% YTD). The Company reports an average monthly trading volume of 14,045 shares YTD, compared to an average of 41,491 in comparable period of 2022.

The Company's shares have been traded on the Quotation Board of the Frankfurt Stock Exchange since 11 January 2021. Additionally the Company's shares are traded on the Free Market (Freiverkehr) of the Munich Stock Exchange since 28 July 2020, Free

Market (Freiverkehr) of the Berlin Stock Exchange since 13 January 2021 and on the Free Market (Freiverkehr) of the Stuttgart Stock Exchange since 14 January 2021.

XETRA Trading Platform (German Stock Exchange)

On 30 June 2023, the share price (FSX: A1T9KW) closed at a level of EUR 2.82 (+2.5% YTD). The average monthly trading volume amounted to 41,873 shares in H1 2023. The Company's shares

have been listed on the electronic trading platform XETRA (provided by the German Stock Exchange) since 7 December 2022.

Bond trading performance

As of the reporting date, the Company has two outstanding bonds, including:

- ▶ CZK Bond 2016/2023 with a 6.00% annual coupon and monthly payments in the Czech Republic. This bond (ISIN CZ0000000815) has a nominal value of CZK 30,000 and is traded on the Free Market of the Prague Stock Exchange. The outstanding amount is CZK 75.9 million (EUR 3.1 million) and will be repaid on 13 December 2023.

- ▶ Green EUR Bond 2021/2027 with an annual coupon of 6.50% and quarterly payments. This bond (ISIN: DE000A3KWKY4) received imug | rating with regards to its sustainability in a Second Party Opinion, and can be traded on the Open Market of the Frankfurt Stock Exchange. The total outstanding amount of this bond as of the reporting date is EUR 80 million. The net proceeds of this Green bond will be invested in accordance with the Company's Green Finance Framework, published on the Company's website.

Green EUR Bond 2021/27 trading performance

Green EUR Bond 2021/27 trading performance to date

In the reporting period until 30 June 2023, the overall trading volume amounted to EUR 1.449 million in nominal terms, with an opening price of 102.40% and a closing price of 92.00% on 30 June 2023 in Frankfurt. During this period the average daily turnover amounted to EUR 11,409 in nominal terms compared to EUR 15,331 in a comparable period of the last year.

After the reporting period, the Green Euro Bond has been a subject to significant price swings and the price fell to 78.50% as of 31 July 2023. At the same time i.e. from July 2023 till 31 July 2023, the overall trading volumes increased significantly with the total monthly trading volume of EUR 0.895 million resulting in the daily trading volumes of EUR 42,619. As of the reporting date the price of the bond stabilized above 80% of the par value.

Chart 4.4. Total monthly volumes vs. daily closing Green Bond prices



CZK Bond trading performance in Prague

In the reporting period there was no trading activity of this bond. From the date of bond listing on Free Market of PSE, i.e. from 12 December 2016 until 30 June 2023, the trading volume amounted to CZK 40.500 million with a closing price of CZK 98.00.

5. Comments to H1 2023 Consolidated, Unaudited Financial Statements

Profit and Loss statement

In the first six months of 2023, Photon Energy Group increased its consolidated revenues to EUR 40.231 million (+24.3% YOY) compared to EUR 32.367 million a year earlier, despite a challenging situation on the energy market and unfavourable weather conditions. Revenues from electricity generation amounted to EUR 11.344 million, down by 28.7% YOY mainly due to lower average realized electricity prices which went down from EUR 245 / MWh in H1 2022 to EUR 176 / MWh in the reporting period (-28.2% YoY). At the same time the electricity generation remained stable at 66.5 GWh (-0.9% YoY) however, 15.5% below the expected level.

The decline of electricity generation revenues was more than compensated by an increase of revenues from other segments which totalled EUR 28.887 million in the reporting period, up by 75.6% YOY. This growth was attributable mainly to the additional revenues from the capacity market (Demand Side Response) as well as origination and trading which are currently represented under segment - new energy segment. Additional growth was also recorded in other segments including PV component trading, engineering services and Operations & Maintenance business.

Unaudited consolidated EBITDA dropped to EUR 2.833 million compared to EUR 10.143 million a year earlier, down by 72.1% YOY. Semi-annual EBIT swung from EUR 5.169 million in H1 2022 to a negative amount of EUR -1.469 million in the reporting period. The Group's operating profitability was negatively impacted by a larger contribution of lower margin revenues from the sale of PV

components, a growing headcount (nearly doubled YOY) and hence personnel costs and expansion of other costs which include costs related to R&D projects described in chapter 9.

Depreciation remained stable amounting to EUR 4.373 million in H1 2023, compared to EUR 4.350 million in a comparable period last year.

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 the bank financing as a result of the refinancing of our Czech portfolio in the total amount of EUR 28.1 million and non-recourse project refinancing agreement in the amount of EUR 21.9 million related to newly-connected power plants in Romania.

On the bottom line, the Group recorded a net loss of EUR 7.445 million versus a profit of EUR 0.539 million in H1 2022.

Other comprehensive income was positively impacted by the revaluation of our newly connected Romanian power plants in Siria, Calafat, Teius and Aiud in the total amount of approximately EUR 4.0 million, revaluation of the existing proprietary portfolio in the amount of approximately EUR 0.940 million and a positive foreign exchange difference in the Czech Republic and Hungary. The total comprehensive income amounted to a loss of EUR 0.885 million compared to a profit of EUR 2.335 million a year earlier.

Table 5.1. Summary of selected positions from profit and loss statement

Category (in thousands of EUR)	Q1 2022	Q2 2022	H1 2022	Q1 2023	Q2 2023	H1 2023	YoY
Total revenues	9,137	23,229	32,367	19,280	20,951	40,231	24.3%
<i>Revenues from electricity generation</i>	4,951	10,963	15,913	4,150	7,194	11,344	-28.7%
<i>Other revenues</i>	4,187	12,266	16,453	15,129	13,757	28,887	75.6%
EBITDA	2,024	8,119	10,143	330	2,503	2,833	-72.1%
EBIT	528	4,640	5,169	-1,569	100	-1,469	NA
Profit/loss from continuing operations	-1,491	2,030	539	-4,170	-3,275	-7,445	NA
Total comprehensive income	1,789	546	2,335	-1,649	765	-885	NA

Chart 5.1. Revenues, EBITDA and EBITDA margin, by quarters during year 2022-2023.

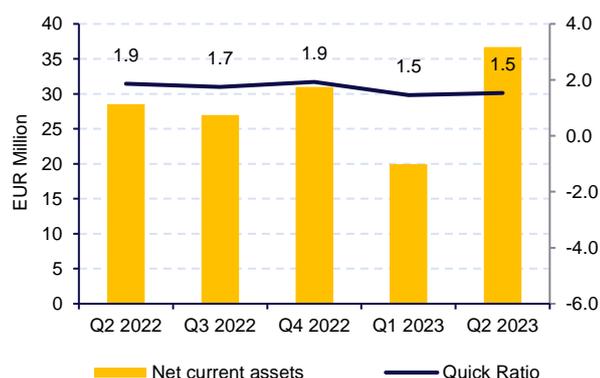


Balance Sheet

At the end of the reporting period total non-current assets amounted to EUR 209.641 million, representing a 10.8% YTD increase compared to the end of 2022. This was primarily driven by the growing value of the proprietary portfolio related to the commissioning of 22.1 MWp in PV power plants, in Romania and advance payments related to the Group's activities on the capacity market.

Current assets increased to the total amount of EUR 67.848 million, up by 5.1% compared to the end of 2022, driven by an increase in trade and other receivables connected to VAT receivable related to

Chart 5.2. Net current assets



Changes in equity

Equity increased to the total of EUR 72.152 million, up by 2.4% YTD, reflecting the other comprehensive income for the period related to newly connected power plants in Romania, revaluation of existing power plants and an increase in currency translation reserves.

Cash Flow

The Group posted an operating cash flow of EUR-9.299 million, compared to EUR-6.696 million in H1 2022. Negative operating cash flow was mainly driven by the results of the current reporting period, adjustments in the net working capital, including increased trade receivables and a non-cash item related to FX translation difference.

Investment cash flow equalled to EUR -8.523 million in H1 2023 compared to EUR -4.267 million in H1 2022, due to the expenses

Business segments analysis

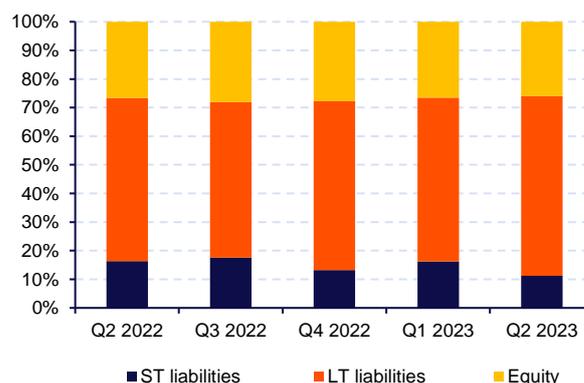
The Group results of business segments are very encouraging at the top line and mixed on the bottom line. At the revenue level there have been positive developments noted on almost every business segment except for investment i.e. revenues from generation of electricity. The strongest positive contribution to the consolidated revenues was recorded in the PV technology trading business which after excellent results in 2022 managed to further increase revenues despite weaker demand and stronger competition on the PV market. Significantly positive impact to the Group's revenues was coming from new energy division which includes primarily revenues from DSR services (capacity market) and origination & trading business i.e. off take of electricity, trading, supply, balancing and other generator-oriented services. This segment was added as of 1 January 2023 hence no comparable data is available. H1 2023 was also a very positive period for the engineering segment which

the Romanian power plants under construction and in a lesser extend to technology business growth.

Non-current liabilities increased to EUR 174.193 million, up by 16.3% compared to the end of 2022. This increase is primarily related to the project refinancing of the Romanian portfolio in the amount of and EUR 21.9 million, which was signed in March 2023.

Current liabilities amounted to EUR 31.145 million and declined by 7.1% compared to the end of 2022, mainly due to the technology business and lower accruals.

Chart 5.3. Breakdown of liabilities and equity



The adjusted equity ratio decreased to 29.4%, (defined as total equity divided by total capital, being the sum of interest-bearing debt and equity) compared to 32.0% at the end of 2022 but still remaining at a sound level above the level required under the bond governance.

related to the construction of power plants in Romania and other projects related costs.

Financial cash flow amounted to EUR 14.793 million in H1 2023, compared to EUR -1.043 million in H1 2022, due to drawing on the project financing agreement signed with Ausitrian Raiffeisen Bank International in the amount of EUR 21.9 million and additional EUR 2.5 million tap of EUR Green Bond 2021/2027 in March 2023.

Overall, liquid assets decreased to EUR 19.709 million at the end of H1 2023 compared to EUR 21.358 million at the end of 2022.

expanded revenues related to inter-group projects under construction for the proprietary portfolio but also external revenues from the third parties, mainly PV projects currently executed in Australia. Growth of revenues from O&M services was primarily driven by the acquisition of new capacities under O&M contracts (for details see chapter 3. Business updates). Only revenues from investments segment contracted YOY, as a result of weaker electricity prices, delays in the commissioning of the Romanian power plants and unfavourable weather conditions.

At EBITDA level the picture looks a bit mixed with still significant contribution of the investment segment which thanks to the highest EBITDA margin is still a major driver of the Group's profitability. On the other hand compared to last year this contribution is lower by EUR 4.0 million. Another segments which posted positive developments in the reporting period include new energy division with

EBITDA margin of 17.9%, engineering business which recorded sound 15.6% EBITDA margin, and technology trading where EBITDA margins shrunk to the level of 6.1%. On the other hand O&M segment moved into a negative zone with margin slightly below zero - 3.6%.

O&M due to losses realized on contracts in Poland (start-up losses related to market entry) and the Czech Republic where part of the contractual revenues is linked to electricity prices, hence declining electricity prices were partially eroding contractual revenues and adversely impacting margins.

Chart 5.4. Total revenues by segment, in EUR

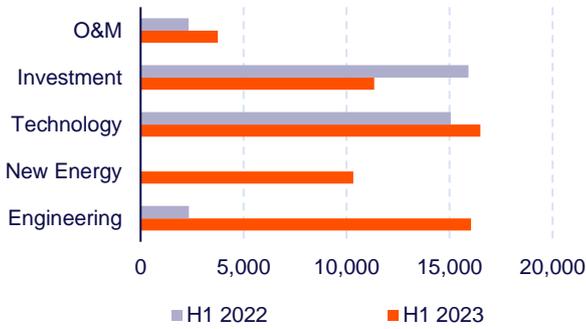


Chart 5.5. Break-down of revenues by segments, in H1 2023

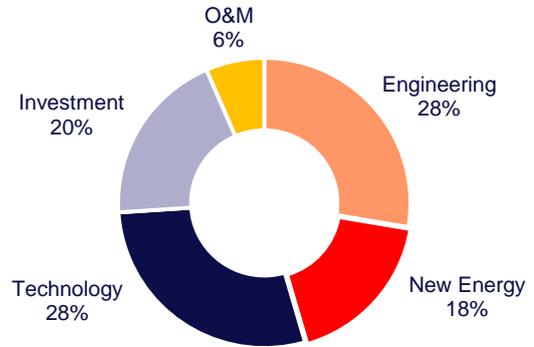
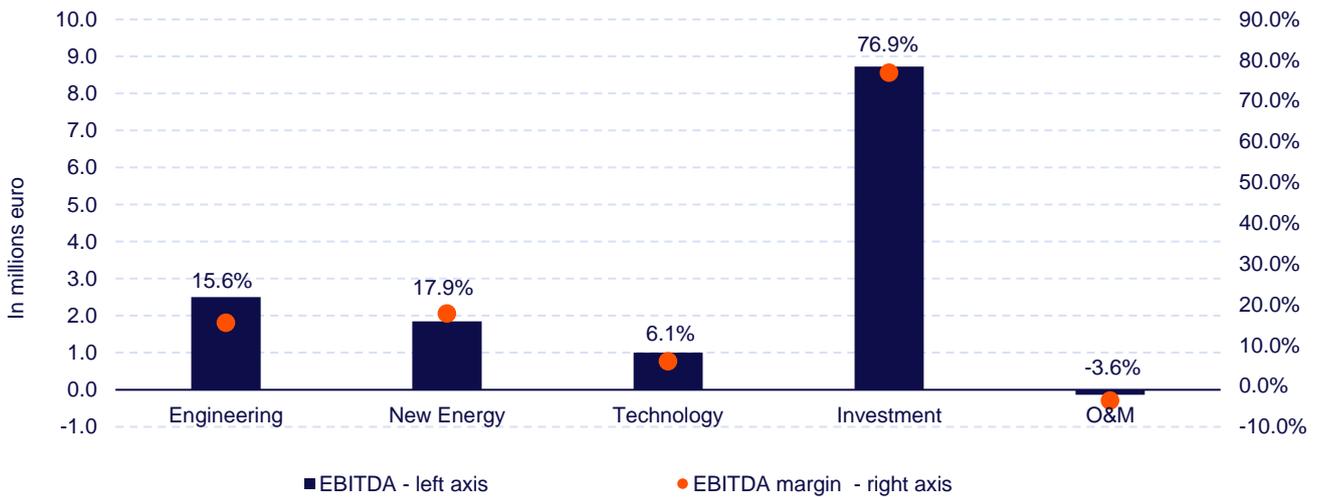


Chart 5.6. EBITDA and EBITDA margin realized per business segment in H1 2023.



6. General Information About the Issuer

The table below presents general information about Photon Energy NV, hereinafter referred to as the “PENV”, “Issuer”, “the Group” and/or the “Company”.

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands
Registration:	Dutch Chamber of Commerce (Kamer van Koophandel)
Company number:	51447126
Tax-ID:	NL850020827B01
Ticker:	PEN
Web:	www.photonenergy.com

7. Statutory Bodies of the Issuer

Board of directors as of 30 June 2023

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer’s Board of Directors has the following members:

Name	Position	Date of birth	Start of function
Georg Hotar	Director (<i>Bestuurder</i>)	21. 04. 1975	4 December 2020*
Michael Gartner	Director (<i>Bestuurder</i>)	29. 06. 1968	4 December 2020*

Mr Hotar and Mr Gartner have been the Company’s managing directors since 9 December 2010; however, new term of their office (previously unlimited and currently term of four years) has started on 4 December 2020, due to the changes in the Company’s corporate structure.

Supervisory board

The supervisory body of the Company is the Supervisory Board comprising the supervisory directors. As of the reporting date, Boguslaw Skowronski, Marek Skreta and Ariel Sergio Davidoff are the Company’s supervisory directors.

The supervisory board provides guidance and oversight to the management board on the general affairs of the company. The supervisory board members also serve as an audit committee.

8. Description of the Issuer’s Business

Photon Energy NV is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group (“Group”) offers comprehensive photovoltaic solutions and services that cover their entire lifecycle of photovoltaic power plants and energy solutions for energy producers and consumers.

The Group is vertically integrated in the downstream segment of the photovoltaic industry, which include:

- ▶ **Engineering:** Design and construction of on-grid and off-grid installations, including battery storage solutions,
- ▶ **Technology:** Trading of PV-components (modules, inverters and batteries).
- ▶ **Investments (Electricity Generation):** Investments in PV power plants and sustainable production and sale of electricity.

- ▶ **Operations & maintenance:** monitoring of operations and maintenance of PV power plants, including a proprietary control room and production monitoring.
- ▶ **New Energy:** capacity market, energy trading, and supply, real-time asset aggregator, DSR and other energy solutions to develop and provide next generation energy services to energy consumers and generators with energy storage playing growing role.

In addition, the Group’s segment Others includes **Water business** which offers comprehensive services in the fields of contaminated land, ground water remediation and water purification.

Country-specific references

As of the end of the reporting period, Photon Energy is active with 333 professionals in nine countries across three continents (headquartered in Amsterdam), with a track record of building more than

140 MWp of grid-connected PV plants across five countries, a proprietary portfolio of 113.1 MWp of PV plants and 542 MWp of PV power plants under O&M management across two continents.

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



9. Implementation of Innovative Activities in the Group

In 2023 the Photon Energy Group is planning to invest approximately EUR 2.5 million into R&D to address the strategic needs of the business. The three main areas of investment are:

1. The capabilities of our VPP platform, which we gained from the acquisition of Lerta, is being upgraded to significantly extend and scale our aggregation of generation and customer assets. This significantly expands our Demand Response and Energy Services capabilities and allow us to extend our market access in the fastest growing segments of our New Energy business.
2. A short-term photovoltaic power plant generation forecasting tool which aims to provide short-term generation forecasts to maximise the market value of solar power and minimise the balancing costs in the energy market. This project is also part of the development pipeline of Lerta and is partially funded by a Polish Fast-Track Grant of approximately PLN 3. million.
3. 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.

10. Employees

As of 30 June 2023, Photon Energy Group had 343 employees (compared to 176 employees at the end of H1 2022) translating into 333.0 FTE (compared to 171.5 FTE as of the end of H1 2022).

The total number of employees now includes Lerta's employees.

Chart 10. Total number of employees and FTE employees



Full-time equivalent (FTE) is a unit that indicates the workload of a person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time employee, while an FTE of 0.5 signals that the employee is only half-time.

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it operates an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for participating employees equal to 10% of their gross compensation net of taxes. Starting from 1 January 2023, participants of the Employee Share Purchase Programme have the right to dispose their shares during the employment contract, after three years of holding the shares.

During the reporting period, the Company transferred 32,514 shares to its employees eligible for the share bonus in line with the Employee Share Purchase Programme.

11. Group Structure

The following table presents the Group's structure (subsidiaries and joint ventures) and the holding company's stake in the entities comprising the Group as of 30 June 2023.

Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V. (PENV)	Holding	NL	Full Cons.	-
2 Photon Energy Operations NL B.V. (former Photon Directors B.V.)	100%	NL	Full Cons.	PEONV
3 Photon Energy Engineering B.V. (PEEBV)	100%	NL	Full Cons.	PENV
4 Photon Energy Operations N.V. (PEONV)	100%	NL	Full Cons.	PENV
5 Photon Remediation Technology N.V.	100%	NL	Full Cons.	PENV
6 Photon Energy Australia Pty Ltd.	100%	AU	Full Cons.	PENV
7 Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Full Cons.	PENV
8 Leeton Solar Farm Pty Ltd (former Photon Energy AUS SPV 2 Pty. Ltd.)	100%	AU	Full Cons.	PENV
9 Fivebough Solar Farm Pty Ltd. (former Photon Energy AUS SPV 3 Pty. Ltd.)	100%	AU	Full Cons.	PENV
10 Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Full Cons.	PENV
11 Photon Energy AUS SPV 6 Pty. Ltd.	51%	AU	Equity	PENV
12 Photon Energy Operations Australia Pty.Ltd.	100%	AU	Full Cons.	PEONV
13 Photon Energy Engineering Australia Pty Ltd	100%	AU	Full Cons.	PEEBV
14 Photon Remediation Technology Australia Pty Ltd.	100%	AU	Full Cons.	PRTNV
15 Photon Energy SGA Pty. Ltd.	100%	AU	Full Cons.	PENV
16 Photon Water Australia Pty. Ltd.	100%	AU	Full Cons.	PENV
17 Raygen Resources Pty. Ltd.	7.60%	AU	Equity	PENV
18 Photon New Energy Pty. Ltd.	100%	AU	Full Cons.	PENV
19 Global Investment Protection AG	100%	CH	Full Cons.	PENV
20 Photon Energy Investments AG (PEIAG)	100%	CH	Full Cons.	PENV
21 KORADOL AG (KOAG)	100%	CH	Full Cons.	PENV
22 Photon Energy Solutions A.G.	100%	CH	Full Cons.	PENV
23 Photon Property AG,	100%	CH	Full Cons.	PENV
24 Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
25 Photon Energy Solutions CZ a.s.(former Photon Energy Solutions CZ s.r.o.)	100%	CZ	Full Cons.	KOAG
26 Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KOAG
27 Photon Energy Operations CZ s.r.o. (PEOCZ)	100%	CZ	Full Cons.	PEONV
28 Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
29 Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
30 Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
31 Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Full Cons.	PENV
32 Photon Energy Engineering s.r.o. (former Photon Energy Solutions s.r.o.) (PEECZ)	100%	CZ	Full Cons.	PENV
33 Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
34 Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
35 Photon Maintenance s.r.o. (former The Special One s.r.o.)	100%	CZ	Full Cons.	PENV
36 Exit 90 SPV s.r.o.	100%	CZ	Full Cons.	KOAG
37 Onyx Energy s. r. o.	100%	CZ	Full Cons.	KOAG
38 Onyx Energy projekt II s.r.o.	100%	CZ	Full Cons.	KOAG
39 Photon SPV 3 s.r.o.	100%	CZ	Full Cons.	KOAG
40 Photon SPV 4 s.r.o.	100%	CZ	Full Cons.	KOAG
41 Photon SPV 6 s.r.o.	100%	CZ	Full Cons.	KOAG
42 Photon SPV 8 s.r.o.	100%	CZ	Full Cons.	KOAG
43 Photon SPV 10 s.r.o.	100%	CZ	Full Cons.	KOAG
44 Kaliopé Property, s.r.o.	100%	CZ	Full Cons.	KOAG
45 PESPV 1 s.r.o.	100%	CZ	Full Cons.	PESCSZ
46 PESPV 2 s.r.o.	100%	CZ	Full Cons.	PESCSZ
47 Photon Energy Solutions s.r.o.	100%	CZ	Full Cons.	PESCSZ
48 Lerta Czech Republic s.r.o.	100%	CZ	Full Cons.	Lerta S.A.
49 Photon Energy Technology EU GmbH	100%	DE	Full Cons.	PENV
50 Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
51 EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
52 EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
53 Fotonika s.r.o.	100%	SK	Full Cons.	PENV
54 Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
55 Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
56 Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
57 Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
58 Solarpark Polianka s.r.o.	50%	SK	Equity	PENV

	Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
59	SUN4ENERGY ZVB s.r.o.	100%	SK	Full Cons.	PENV
60	SUN4ENERGY ZVC s.r.o.	100%	SK	Full Cons.	PENV
61	ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
62	Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
63	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	PEIAG
64	Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	PEIAG
65	Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
66	Photon Energy Engineering HU Kft.	100%	HU	Full Cons.	PENV
67	Future Solar Energy Kft	100%	HU	Full Cons.	PEIAG
68	Montagem Befektetési Kft.	100%	HU	Full Cons.	PEIAG
69	Solarit Befektetési Kft.	100%	HU	Full Cons.	PEIAG
70	Energy499 Invest Kft.	100%	HU	Full Cons.	PEIAG
71	SunCollector Kft.	100%	HU	Full Cons.	PEIAG
72	Green-symbol Invest Kft.	100%	HU	Full Cons.	PEIAG
73	Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	PEIAG
74	Onyx-sun Kft.	100%	HU	Full Cons.	PEIAG
75	Tataimmo Kft	100%	HU	Full Cons.	PEIAG
76	Öreghal Kft.	100%	HU	Full Cons.	PEIAG
77	European Sport Contact Kft.	100%	HU	Full Cons.	PEIAG
78	ALFEMO Alpha Kft.	100%	HU	Full Cons.	PEIAG
79	ALFEMO Beta Kft.	100%	HU	Full Cons.	PEIAG
80	ALFEMO Gamma Kft.	100%	HU	Full Cons.	PEIAG
81	Archway Solar Kft.	100%	HU	Full Cons.	PENV
82	Belsize Solar Kft.	100%	HU	Full Cons.	PEIAG
83	Blackhorse Solar Kft.	100%	HU	Full Cons.	PEIAG
84	Camden Solar Kft	100%	HU	Full Cons.	PEIAG
85	Ráció Master Oktatási	100%	HU	Full Cons.	PEIAG
86	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	PEIAG
87	MEDIÁTOR PV Plant Kft.	100%	HU	Full Cons.	PEIAG
88	PROMA Mátra PV Plant Kft.	100%	HU	Full Cons.	PEIAG
89	Optisolar Kft.	100%	HU	Full Cons.	PEIAG
90	Ladány Solar Alpha Kft.	100%	HU	Full Cons.	PEIAG
91	Ladány Solar Beta Kft.	100%	HU	Full Cons.	PEIAG
92	Ladány Solar Gamma Kft.	100%	HU	Full Cons.	PEIAG
93	Ladány Solar Delta Kft.	100%	HU	Full Cons.	PEIAG
94	ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	PEIAG
95	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kf	100%	HU	Full Cons.	PEIAG
96	ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	PEIAG
97	Ventiterra Kft.	100%	HU	Full Cons.	PEIAG
98	VENTITERRA ALFA Kft.	100%	HU	Full Cons.	PEIAG
99	VENTITERRA BETA Kft.	100%	HU	Full Cons.	PEIAG
100	Hendon Solar Kft.	100%	HU	Full Cons.	PEIAG
101	Mayfair Solar Kft.	100%	HU	Full Cons.	PEIAG
102	Holborn Solar Kft.	100%	HU	Full Cons.	PEIAG
103	Lerta Energy HU Kft.	100%	HU	Full cons.	Lerta S.A.
104	LERTA Magyarország Kft.	100%	HU	Full cons.	Lerta S.A.
105	Photon New Energy Alfa Kft.	100%	HU	Full cons.	PEIAG
106	Photon New Energy Beta Kft.	100%	HU	Full cons.	PEIAG
107	Dartford Solar Kft.	100%	HU	Full cons.	PEIAG
108	Rochester Solar Kft.	100%	HU	Full cons.	PEIAG
109	Newhamp Solar Kft.	100%	HU	Full cons.	PEIAG
110	Brixton Solar Kft.	100%	HU	Full cons.	PEIAG
111	Lerta Lithuania UAB	100%	LI	Full cons.	Lerta S.A.
112	Photon Energy Project Development XXX (PEPD)	99%	MN	Full Cons.	PEP
113	PEPD Solar XXX.	100%	MN	Full Cons.	PEPD
114	Photon Energy Solutions PL S.A.	100%	PL	Full Cons.	PENV
115	Photon Energy Polska Sp. Z o.o.	100%	PL	Full cons.	PENV
116	Photon Energy Operations PL Sp. z o.o.	100%	PL	Full cons.	PEONV
117	Alperton Solar Sp. z o.o.	100%	PL	Full cons.	PENV
118	Beckton Solar Sp. z o.o.	100%	PL	Full cons.	PENV
119	Debden Solar Sp. z o.o.	100%	PL	Full cons.	PENV
120	Chigwell Solar Sp. z o.o.	100%	PL	Full cons.	PENV
121	Ealing Solar Sp. z o.o.	100%	PL	Full cons.	PENV
122	Lerta S.A.	100%	PL	Full cons.	PENV
123	Lerta Poland Sp. z o.o.	100%	PL	Full cons.	Lerta S.A.

Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner	
124	Lerta Power Poland Sp. z o.o.	100%	PL	Full cons.	Lerta S.A.
125	Lerta JRM Sp. z o.o.	100%	PL	Full cons.	Lerta S.A.
126	Lerta Technology Sp. z o.o.	100%	PL	Full cons.	Lerta S.A.
127	Stanford Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
128	Halton Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
129	Aldgate Solar Srl	100%	RO	Full cons.	PEP & PEECZ
130	Holloway Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
131	Moorgate Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
132	Redbridge Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
133	Watford Solar Srl	100%	RO	Full cons.	PEP & PEECZ
134	Photon Energy Operations Romania Srl.	100%	RO	Full cons.	PEONV &
135	Greenford Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
136	Chesham Solar Srl.	100%	RO	Full cons.	PEP & PEECZ
137	Photon Energy Romania Srl.	100%	RO	Full cons.	PENV & PEP
138	Siria Solar SRL	100%	RO	Full Cons.	PEIAG & KOAG
139	Brentford Solar SRL	100%	RO	Full cons.	PEP & PEECZ
140	Camberwell Solar SRL	100%	RO	Full cons.	PEP & PEECZ
141	Deptford Solar SRL	100%	RO	Full cons.	PEP & PEECZ
142	Harlow Solar SRL	100%	RO	Full cons.	PEP & PEECZ
143	Kenton Solar SRL	100%	RO	Full cons.	PEP & PEECZ
144	Lancaster Solar SRL	100%	RO	Full cons.	PEP & PEECZ
145	Perivale Solar SRL	100%	RO	Full cons.	PEP & PEECZ
146	Romford Solar SRL	100%	RO	Full cons.	PEP & PEECZ
147	Stratford Solar SRL	100%	RO	Full cons.	PEP & PEECZ
148	Weston Solar SRL	100%	RO	Full cons.	PEP & PEECZ
149	Photon Energy Engineering Romania SRL	100%	RO	Full cons.	PENV & PEP
150	Lerta Energy S.r.l.	100%	RO	Full cons.	Lerta S.A.
151	Faget Solar Three Srl.	100%	RO	Full cons.	PEP & PEECZ
152	Photon Renewable Energy Pty. Ltd.	100%	SA	Full Cons.	PENV
153	Solar Age SPV 1 Pty. Ltd.	100%	SA	Full Cons.	PENV

Notes:

Country of registration:

AU – Australia

DE – Germany

MN – Mongolia

RO – Romania

CH – Switzerland

HU – Hungary

PL – Poland

SK – Slovakia

CZ – Czech Republic

NL – Netherlands

PE – Peru

SA – South Africa

LI – Lithuania

Consolidation method:

Full Cons. – Full Consolidation

Not Cons. – Not Consolidated

Equity – Equity Method

PEP & PEECZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

12. Detailed Consolidated Financial Results for Q2 2023

The tables below present the consolidated and unaudited financial statements of Photon Energy Group for the period starting on 1 April 2023 and ending on 30 June 2023 and the corresponding

period of the previous year. The reported data is presented in accordance with International Financial and Reporting Standards (IFRS).

Statement of Comprehensive Income

<i>in Thousands</i>	EUR		PLN		CZK	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Total revenues	23,229	20,951	107,963	95,034	572,457	494,193
<i>Out of that: Revenues from electricity generation</i>	10,963	7,194	50,953	32,632	270,167	169,692
<i>Out of that: Other revenues</i>	12,266	13,757	57,011	62,402	302,290	324,501
Other income	56	143	258	649	1,368	3,373
Raw materials and consumables used	-8,966	-9,034	-41,671	-40,978	-220,956	-213,094
Solar levy	-710	-593	-3,301	-2,690	-17,501	-13,988
Personnel expenses	-2,089	-3,794	-9,711	-17,210	-51,490	-89,493
Other expenses	-3,400	-5,170	-15,803	-23,451	-83,793	-121,950
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	8,119	2,503	37,735	11,354	200,085	59,041
Depreciation	-2,854	-2,420	-13,267	-10,977	-70,345	-57,083
Impairment charges	-662	-71	-3,077	-322	-16,316	-1,675
Gain (loss) on disposal of investments	0	0	0	0	0	0
Share of profit equity accounted investments (net of tax)	38	88	176	399	935	2,076
Result from operating activities (EBIT)	4,640	100	21,568	454	114,359	2,359
Financial income	-217	202	-1,007	916	-5,338	4,765
Financial expenses	-2,174	-2,954	-10,103	-13,399	-53,571	-69,679
Revaluation of derivatives	369	-147	1,715	-667	9,096	-3,467
Profit/loss before taxations (EBT)	2,619	-2,800	12,173	-12,701	64,545	-66,046
Income tax due/deferred	-589	-476	-2,740	-2,159	-14,527	-11,228
Profit/loss from continuing operations	2,030	-3,275	9,433	-14,855	50,019	-77,251
Profit/loss	2,030	-3,275	9,433	-14,855	50,019	-77,251
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Revaluation of property, plant and equipment	433	3,790	2,011	17,192	10,661	89,399
Revaluation of other investments	0	0	0	0	0	0
Items that will be reclassified subsequently to profit or loss						
Foreign currency translation diff. - foreign operations	-2,340	147	-10,877	667	-57,672	3,467
Derivatives (hedging)	424	103	1,970	467	10,447	2,430
Items that will be reclassified subsequently to profit or loss - related to JV						
Derivatives (hedging)	0	0	-1	-1	-4	-4
Other comprehensive income for the period	-1,484	4,040	-6,896	18,325	-36,567	95,292
Total comprehensive income for the period	546	765	2,537	3,469	13,451	18,041
Profit attributable to:						
<i>Attributable to the equity holders</i>	2,038	-3,281	9,472	-14,883	50,222	-77,392
<i>Attributable to non-controlling interest</i>	-8	5	-38	23	-203	118
Profit for the period	2,030	-3,275	9,433	-14,855	50,019	-77,251
Total comprehensive income attributable to:						
<i>Attributable to the equity holders</i>	554	759	2,576	3,443	13,660	17,903
<i>Attributable to non-controlling interest</i>	-8	5	-38	23	-203	118
Total comprehensive income for the period	546	765	2,537	3,470	13,457	18,045
Average no. of shares outstanding (in thousand)	56,287	59,757	56,287	59,757	56,287	59,757
Earnings per share outstanding	0.036	-0.055	0.168	-0.249	0.892	-1.295
Comprehensive income per share outstanding	0.010	0.013	0.046	0.058	0.243	0.300
<i>EUR exchange rate – low</i>	-	-	4.569	4.426	24.320	23.275
<i>EUR exchange rate – average</i>	-	-	4.648	4.536	24.644	23.588
<i>EUR exchange rate – high</i>	-	-	4.713	4.685	25.365	23.820

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Intangible assets	7,479	7,930	35,008	35,200	180,363	188,179
Goodwill	15,466	15,462	72,393	68,633	372,968	366,913
Property, plant and equipment	145,549	159,707	681,271	708,913	3,509,906	3,789,847
PPE – Lands	5,318	5,542	24,894	24,600	128,256	131,512
PPE – Photovoltaic power plants	110,603	130,466	517,699	579,117	2,667,187	3,095,958
PPE – Equipment	1,519	1,567	7,109	6,956	36,628	37,185
PPE – Assets in progress	28,108	22,132	131,567	98,240	677,835	525,192
Right of use - leased asset	3,449	4,411	16,143	19,580	83,170	104,673
L-T advances for PPE	780	3,439	3,650	15,265	18,806	81,607
Other receivables - non-current	543	544	2,540	2,415	13,085	12,909
Long-term receivable from derivatives	5,087	5,400	23,809	23,970	122,662	128,142
Investments in equity-accounted investees	1,509	1,680	7,062	7,457	36,384	39,866
Deferred tax assets	1,601	2,792	7,494	12,393	38,608	66,254
Other non-current financial assets	7,816	8,295	36,587	36,820	188,494	196,840
Non-current assets	189,259	209,641	885,868	930,561	4,563,990	4,974,781
Inventories	20,328	17,674	95,148	78,452	490,201	419,404
Contract asset	1,154	716	5,400	3,178	27,822	16,991
Trade receivables	9,624	13,043	45,046	57,896	232,077	309,510
Other receivables	9,039	12,885	42,308	57,194	217,973	305,761
Loans to related parties	2,447	2,748	11,456	12,198	59,019	65,210
Current income tax receivables	0	0	0	0	00	0
Prepaid expenses	597	1,073	2,792	4,763	14,385	25,462
Liquid assets	21,358	19,709	99,969	87,485	515,041	467,695
Cash and cash equivalents	11,271	8,241	52,755	36,580	271,794	195,559
Liquid assets with restriction on disposition	6,373	7,652	29,829	33,966	153,680	181,582
Precious metals	3,714	3,816	17,385	16,939	89,567	90,554
Assets held for sale	0	0	0	0	0	0
Current assets	64,547	67,848	302,124	301,166	1,556,543	1,610,033
Total assets	253,806	277,489	1,187,992	1,231,727	6,120,532	6,584,814
Share capital	600	612	2,808	2,717	14,469	14,523
Share premium	40,524	40,512	189,682	179,826	977,242	961,350
Reserves	45,044	53,554	210,838	237,717	1,086,238	1,270,836
Legal reserve	13	13	63	59	322	317
Retained earnings	-15,408	-21,732	-72,122	-96,465	-371,573	-515,700
Other capital funds	38	38	178	169	916	902
Treasury shares held	-139	-614	-651	-2,725	-3,352	-14,570
Equity attributable to owners of the Company	70,672	72,383	330,796	321,298	1,704,262	1,717,657
Non-controlling interests	-197	-231	-924	-1,025	-4,760	-5,482
Total equity	70,475	72,152	329,872	320,272	1,699,502	1,712,175
Loans and borrowings	58,446	79,355	273,569	352,244	1,409,428	1,883,094
Issued bonds	76,511	79,064	358,125	350,952	1,845,060	1,876,189
Lease liability	2,914	3,723	13,640	16,526	70,272	88,347
Other non-current liabilities	230	242	1,077	1,074	5,549	5,743
Provisions	566	574	2,647	2,548	13,637	13,621
Other loans	0	0	0	0	0	0
Deferred tax liabilities	11,125	11,234	52,073	49,866	268,282	266,583
Non-current liabilities	149,792	174,193	701,131	773,214	3,612,228	4,133,600
Loans and borrowings	7,259	6,516	33,977	28,923	175,052	154,625
Issued bonds	3,670	3,716	17,178	16,495	88,503	88,181
Trade payables	11,988	13,824	56,112	61,362	289,090	328,044
Other payables	6,610	3,837	30,941	17,032	159,407	91,052
Contract liabilities	592	482	2,771	2,140	14,277	11,438
Other short-term liabilities	0	0	0	0	0	0
Lease liability	712	847	3,330	3,760	17,159	20,099
Current tax liabilities	2,708	1,922	12,674	8,531	65,295	45,609
Current liabilities	33,539	31,145	156,984	138,247	808,783	739,071

Total Liabilities	183,330	205,338	858,116	911,461	4,421,012	4,872,671
TOTAL Equity & Liabilities	253,806	277,489	1,187,992	1,231,729	6,120,537	6,584,822
<i>No. of shares outstanding in thousand</i>	<i>58,667</i>	<i>61,239</i>	<i>58,667</i>	<i>61,239</i>	<i>58,667</i>	<i>61,239</i>
<i>Book value per share outstanding</i>	<i>1.201</i>	<i>1.178</i>	<i>5.623</i>	<i>5.230</i>	<i>28.969</i>	<i>27.959</i>

Cash Flow Statement

<i>in Thousands</i>	EUR		PLN		CZK	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Cash flows from operating activities						
Profit/Loss for the year before tax	2,619	-2,800	12,173	-12,701	64,545	-66,046
Adjustments for:						
Depreciation	2,854	2,420	13,267	10,977	70,345	57,083
Impairment charges	662	71	3,077	322	16,316	1,675
Other changes in fixed assets	0	0	0	0	0	0
Share of profit of equity-accounted investments	-38	-88	-176	-399	-935	-2,076
Profit/Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	2,120	3,038	9,853	13,780	52,245	71,660
Gain on disposal of financial investments	0	0	0	0	0	0
Net finance costs	2,021	2,899	9,395	13,150	49,813	68,382
Changes in:						
Trade and other receivables	-8,307	-6,796	-38,608	-30,827	-204,711	-160,304
Gross amount due from customers for contract work	394	-110	1,833	-499	9,719	-2,595
Precious metals	0	0	0	0	0	0
Prepaid expenses	-58	340	-267	1,542	-1,418	8,020
Inventories	-1,933	2,626	-8,985	11,912	-47,639	61,942
Trade and other payables	371	-6,705	1,724	-30,414	9,140	-158,158
Income tax paid (advances)	-901	-1,766	-4,188	-8,011	-22,205	-41,656
Net cash from operating activities	-194	-6,872	-902	-31,172	-4,783	-162,097
Cash flows from investing activities						
Acquisition of property, plant and equipment	-3,054	-5,802	-14,194	-26,318	-75,262	-136,858
Acquisition of subsidiaries, associates, joint ventures	-5	-583	-23	-2,644	-123	-13,752
Acquisition of precious metals	-277	0	-1,287	0	-6,826	0
Acquisition of other non-current financial investments	-28	0	-128	0	-679	0
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Net cash from investing activities	-3,364	-5,791	-15,633	-26,268	-82,891	-136,598
Cash flows from financing activities						
Proceeds from issuance of ordinary shares/Repurchase of treasury shares	-48	0	-225	0	-1,192	0
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	0	17,440	0	79,108	0	411,375
Transfer to/from restricted cash account	277	-1,056	1,288	-4,790	6,831	-24,909
Repayment of borrowings	-2,830	-868	-13,153	-3,937	-69,742	-20,474
Repayment of principal element of lease liability	-168	-244	-781	-1,107	-4,140	-5,755
Proceeds from issuing bonds	10,000	0	46,477	0	246,439	0
Payment of placement fees	-108	0	-501	0	-2,655	0
Repayment of long term liabilities/bonds	-1,210	0	-5,624	0	-29,819	0
Interest payments	-2,041	-3,005	-9,485	-13,631	-50,294	-70,882
Net cash from financing activities	3,872	12,267	17,997	55,643	95,428	289,354
Net decrease/increase in cash and cash equivalents	315	-395	1,462	-1,792	7,754	-9,317
Cash and cash equivalents at the beginning of the period	20,184	8,635	93,812	39,169	497,425	8,635
Cash and cash equivalents at the end of the period	20,499	8,240	95,275	37,377	505,178	194,365
<i>EUR exchange rate – low</i>	-	-	4.569	4.426	24.320	23.275
<i>EUR exchange rate – average</i>	-	-	4.648	4.536	24.644	23.588
<i>EUR exchange rate – high</i>	-	-	4.713	4.685	25.365	23.820

13. Detailed Entity Financial Results for Q2 2023

The tables below present the **unaudited entity** financial statements of Photon Energy N.V. for the three-month period starting on 1 April 2023 and ending on 30 June 2023 and the corresponding period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

<i>in Thousands (except EPS)</i>	EUR		PLN		CZK	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Net turnover	1,158	2,430	5,380	11,022	28,526	57,316
Other operating income	0	0	0	0	0	0
Total operating income	1,158	2,430	5,380	11,022	28,526	57,316
Costs of raw materials and consumables	0	0	0	0	0	0
Wages and salaries	-3	-4	-16	-16	-83	-86
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	0	-4	0	-16	0	-85
Impairment of current assets	0	0	0	0	0	0
Other operating expenses	-1,152	-2,432	-5,352	-11,031	-28,380	-57,365
Total operating expenses	-1,155	-2,439	-5,368	-11,064	-28,462	-57,536
Other interest income and similar income	-5	1,362	-23	6,178	-124	32,127
Changes in value of fixed asset investments	0	-149	0	-676	0	-3,514
Interest expense and similar expenses	-1,741	-1,151	-8,091	-5,222	-42,900	-27,157
Results before tax	-1,743	52	-8,102	238	-42,959	1,235
Taxes	0	0	0	0	0	0
Share in profit/loss of participations	0	0	0	0	0	0
Net result after tax	-1,743	52	-8,102	238	-42,959	1,235

Balance Sheet

<i>in Thousands</i>	EUR		PLN		CZK	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022	31.12.2022	30.06.2022
A. Fixed assets	98,590	101,471	461,473	450,411	2,377,507	2,407,900
I. Intangible fixed assets	12,251	15,019	57,343	66,666	295,433	356,397
3. Concessions, licences and intellectual property	12,251	14	57,343	61	295,433	327
4. Goodwill	0	15,005	0	66,605	0	356,071
II. Tangible fixed assets	0	0	0	0	0	0
III. Financial fixed assets	86,339	86,452	404,129	383,745	2,082,074	2,051,502
1. Interests in group companies	55,575	54,311	260,129	241,077	1,340,182	1,288,797
2. Accounts receivable from group companies	23,589	23,219	110,412	103,066	568,843	550,991
Treasury shares	0	627	0	2,782	0	14,871
5. Other investments	7,176	8,295	33,589	36,821	173,049	196,843
B. Current assets	111,224	102,589	520,607	455,375	2,682,168	2,434,435
I. Inventories	0	0	0	0	0	0
II. Accounts receivable	90,622	101,247	424,176	449,419	2,185,355	2,402,592
1. Trade debtors	11,457	7,511	53,627	33,340	276,286	178,238
2. From group companies	74,704	88,179	349,665	391,413	1,801,476	2,092,495
4. Other accounts receivable	3,455	1,084	16,171	4,813	83,312	25,731
6. Prepayments and accrued income	1,005	4,472	4,704	19,852	24,233	106,128
IV. Cash at banks and in hand	20,602	1,342	96,431	5,956	496,813	31,843
Assets	209,814	204,060	982,080	905,787	5,059,675	4,842,335
A. Equity	102,962	106,076	481,934	470,853	2,482,925	2,517,182
I. Called-up share capital	600	612	2,808	2,718	14,469	14,532
II. Share premium	50,555	53,623	236,633	238,025	1,219,133	1,272,480
III. Revaluation reserve	19,470	19,738	91,133	87,615	469,519	468,388
IV. Legal and statutory reserves	13	13	60	57	308	303
V. Other reserves	4,047	2,115	18,945	9,387	97,605	50,182
VI. Retained earnings	13,612	30,914	63,715	137,220	328,257	733,580
Profit for the year	14,804	-939	69,292	-4,168	356,991	-22,284
Treasury shares	-139		-652	0	-3,357	0
C. Long-term debt	80,271	81,376	375,726	361,213	1,935,738	1,931,043
2. Other bonds and private loans	78,024	79,094	365,210	351,083	1,881,560	1,876,890
7. Accounts payable to group companies	2,247	2,282	10,516	10,130	54,178	54,153
D. Current liabilities	7,972	16,608	37,315	73,720	192,248	394,110
2. Other bonds and private loans	3,146	3,686	14,726	16,362	75,867	87,469
5. Trade creditors	614	371	2,875	1,648	14,810	8,813
7. Accounts payable to group companies	3,869	6,828	18,111	30,307	93,310	162,019
11. Other liabilities	141	1,994	660	8,851	3,401	47,316
12. Accruals and deferred income	202	3,729	943	16,553	4,860	88,493
Equity and liabilities	191,205	204,060	894,975	905,787	4,610,911	4,842,335
<i>No. of shares outstanding in thousand</i>	58,667	56,292	58,667	56,292	58,667	56,292
<i>Book value per share outstanding</i>	1.755	1.884	8.215	8.365	42.322	44.717

14. Board of Directors Statement

The board of directors hereby represents, to the best of its knowledge, that the quarterly and semi-annual financial statements of the Company and its consolidated subsidiaries for the period ended 30 June 2023 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position and the result of the Company and its consolidated subsidiaries.

The board of directors also represents that the Management Report for the period ended 30 June 2023 gives a true and fair view of (1) the most important events that have occurred during the reporting period and their effect on the half-yearly accounts, (2) a description of the principal risks and uncertainties for the remaining six months of the financial year and (3) the most important transactions with related parties.

Amsterdam, 16 August 2023



Georg Hotar, member of the board of directors



Michael Gartner, member of the board of directors

15. Investor Relations Contact

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Photon Energy N.V.

Interim Consolidated

Financial Statements

For the Period of 6 Months Ended 30 June 2023



Consolidated Statement of Comprehensive Income

<i>In thousands of EUR</i>	Note	6 months to 30 June 2023	6 months to 30 June 2022
Revenue	8	40,231	32,367
Other income		248	79
Raw materials and consumables used		-22,068	-11,939
Solar levy		-844	-1,094
Personnel expenses		-7,800	-3,918
Other expenses		-6,932	-5,351
Earnings before interest, taxes, depreciation & amortisation (EBITDA)		2,833	10,143
Depreciation	9	-4,373	-4,350
Impairment charges		-73	-662
Gain (loss) on disposal of investments		0	0
Share of profit equity-accounted investments (net of tax)		142	38
Results from operating activities (EBIT)		-1,469	5,169
Financial income		321	24
Financial expenses	15	-5,760	-4,292
Revaluation of derivatives		-64	369
Profit/loss before taxation (EBT)		-6,973	1,270
Income tax due/deferred		-472	-731
Profit/loss from continuing operations		-7,445	539
Profit/loss		-7,445	539
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment		5,014	433
Revaluation of other investments	13	0	0
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation difference - foreign operations	13	1,231	-531
Derivatives (hedging)	13	315	1,885
Items that will be reclassified subsequently to profit or loss – related to JV			
Derivatives (hedging)		0	9
Other comprehensive income		6,560	1,796
Total comprehensive income		-885	2,335
Profit/loss attributable to:			
Attributable to the owners of the company		-7,411	575
Attributable to non-controlling interest		-34	-36
Profit/loss for the year		-7,445	539
Total comprehensive income attributable to:			
Attributable to the owners of the company		-851	2,371
Attributable to non-controlling interest		-34	-36
Total comprehensive income		-885	2,335
Earnings per share			
Earnings per share (basic) (in EUR)	14	-0.125	0.010
Earnings per share (diluted) (in EUR)	14	-0.124	0.010
Total comprehensive income per share (in EUR)	14	-0.014	0.042

The notes on pages 40 to 63 are an integral part of these financial statements.

Consolidated Statement of Financial Position

<i>In thousands of EUR</i>	Note	30 June 2023	31 December 2022
Assets			
Goodwill		15,462	15,446
Intangible assets		7,930	7,479
Property, plant and equipment	9	159,707	145,549
Right of use- leased assets		4,411	3,449
Long term advances		3,439	780
Investments in equity-accounted investees	6.4	1,680	1,509
Long-term receivable from derivatives		5,400	5,087
Other receivables - non-current		544	543
Deferred tax asset		2,792	1,601
Other non-current financial assets	10	8,295	7,816
Non-current assets		209,641	189,259
Inventories		17,674	20,328
Contract asset	11	716	1,154
Trade receivables		13,043	9,624
Other receivables		12,885	9,039
Loans to related parties	19	2,748	2,447
Current income tax receivable		0	0
Prepaid expenses		1,073	597
Liquid assets	12	19,709	21,358
<i>Cash and cash equivalents</i>		8,241	11,271
<i>Liquid assets with restriction on disposition</i>		7,652	6,373
<i>Precious metals</i>		3,816	3,714
Current assets		67,848	64,547
Total assets		277,489	253,806
Equity & Liabilities			
Equity			
	13		
Share capital		612	600
Share premium		40,512	40,524
Revaluation reserve		42,219	38,326
Legal reserve		13	13
Hedging reserve		4,670	4,355
Currency translation reserve		6,664	2,363
Retained earnings		-21,732	-15,408
Other capital funds		38	38
Treasury shares held		-614	-139
Equity attributable to owners of the Company		72,383	70,672
Non-controlling interests		-231	-197
Total equity		72,152	70,475
Liabilities			
Loans and borrowings	15	79,355	58,446
Issued bonds	15	79,064	76,511
Lease liability	15	3,723	2,914
Other non-current liabilities	15	242	230
Provisions		574	566
Deferred tax liabilities		11,234	11,125
Non-current liabilities		174,193	149,792
Loans and borrowings	15	6,516	7,259
Issued bonds	15	3,716	3,670
Trade payables		13,824	11,988
Other payables		3,837	6,610
Contract liabilities	11	482	592
Lease liability	15	847	712
Current tax liabilities		1,922	2,708
Current liabilities		31,145	33,539
Total liabilities		205,338	183,331
Total equity and liabilities		277,489	253,806

The notes on pages 40 to 63 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

<i>In thousands of EUR</i>	Note	Share capital	Share premium	Statutory reserve fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Other capital funds	Own treasury shares	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 1 January 2022		600	31,443	13	40,251	2,022	2,039	38	-38	-24,680	51,688	-150	51,538
Profit/loss for the year		-	-	-	-	-	-	-	-	575	575	-36	539
Increase in revaluation of PPE		-	-	-	433	-	-	-	-	-	433	-	433
Change in fair value of derivatives	13	-	-	-	-	-	1,885	-	-	-	1,885	-	1,885
Change in fair value of other investments (FVOCI)	10	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences		-	-	-	-	-531	-	-	-	-	-531	-	-531
Change in fair value of derivatives (JV share)	13	-	-	-	-	-	9	-	-	-	9	-	9
Other comprehensive income		-	-	-	433	-531	1,894	-	-	-	1,796	-	1,796
Total comprehensive income		-	-	-	433	-531	1,894	-	-	575	2,371	-36	2,335
Recycled from revaluation reserve to retained earnings		-	-	-	-1,431	-	-	-	-	1,431	0	-	0
New shares placed with share premium	13	-	82	-	-	-	-	-	-20	-	62	-	62
BALANCE at 30 June 2022		600	31,526	13	39,252	1,490	3,933	38	-58	-22,674	54,121	-186	53,935

<i>In thousands of EUR</i>	Note	Share capital	Share premium	Statutory reserve fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Other capital funds	Own treasury shares	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
BALANCE at 1 January 2023		600	40,524	13	38,326	2,363	4,355	38	-139	-15,408	70,672	-197	70,475
Profit/loss for the year		-	-	-	-	-	-	-	-	-7,445	-7,445	-34	-7,479
Increase in revaluation of PPE	9,13	-	-	-	5,014	-	-	-	-	-	5,014	-	5,014
Change in fair value of derivatives (net of DT)	13	-	-	-	-	-	315	-	-	-	315	-	315
Change in fair value of other investments (FVOCI)	10	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences		-	-	-	-	1,231	-	-	-	-	1,231	-	1,231
Change in fair value of derivatives (JV share)	13	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	5,014	1,231	315	-	-	-7,445	-885	-34	-918
Total comprehensive income		-	-	-	5,014	1,231	315	-	-	-7,445	-885	-34	-918
New shares placed with share premium	13										-		-
Other movement		12	-12			3,070			-475		2,595		2,595
Recycled from revaluation reserve to retained earnings		-	-	-	-1,121		-	-	-	1,121	-	-	-
BALANCE at 30 June 2023		612	40,512	13	42,219	6,664	4,670	38	-614	-21,732	72,383	-231	72,152

The notes on pages 40 to 63 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

<i>In thousands of EUR</i>	Note	6 months to 30 June 2023	6 months to 30 June 2022
Cash flows from operating activities			
Profit/loss before tax		-6,973	1,270
Adjustments for:			
Depreciation	9	4,373	4,350
Impairment charges		73	662
Share of profit of equity-accounted investments		-142	-38
Gain on disposal of financial investments		0	0
Net finance costs		5,503	3,899
Other non-cash items		-1,148	256
Changes in:			
Trade and other receivables		-10,226	-12,632
Gross amount due from customers for contract work		438	152
Prepaid expenses		-476	-98
Inventories		2,654	-2,197
Trade and other payables		-1,035	-1,227
Income tax paid (advances paid)		-2,339	-1,092
Net cash from operating activities		-9,299	-6,696
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	-7,875	-3,873
Acquisition of subsidiaries, associates, joint ventures		-648	-15
Acquisition of precious metals	12	-	-277
Acquisition of other non-current financial investments	10	-	-102
Net cash used in investing activities		-8,523	-4,267
Cash flows from financing activities			
Proceeds from issuance of ordinary shares/Repurchase of treasury shares	13	0	-21
Proceeds from borrowings	15	21,900	0
Transfer to/from restricted cash account	12	-1,279	-1,657
Repayment of borrowings	15	-2,252	-3,609
Repayment of principal element of lease liability	15	-530	-310
Proceeds from issuing bonds	15	2,500	10,000
Payment of placement fee	15	-75	-108
Repayment of long term liabilities/bonds	15	0	-1,310
Interest payments	15	-5,472	-4,028
Net cash from financing activities		14,793	-1,043
Net decrease/increase in cash and cash equivalents		-3,030	-12,006
Cash and cash equivalents at 1 January		11,271	32,506
Cash and cash equivalents at 30 June		8,241	20,499

The notes on pages 40 to 63 are an integral part of these interim financial statements.

Notes to the Interim Consolidated Financial Statements

For the Period of 6 Months Ended 30 June 2023



1. Reporting Entity

Photon Energy N.V. ("Photon Energy" or the "Company"), ID 51447126, is a joint-stock company incorporated under the laws of Netherlands on 9 December 2010.

The Group is engaged in the development of photovoltaic power plants. This activity involves securing suitable sites by purchase or long-term lease, obtaining all licenses and permits, the design,

installation of photovoltaic equipment, financing, operations and maintenance. Photon Energy pursues a comprehensive strategy of focusing both on green-field and rooftop installations while trying to cover the largest possible part of the value chain and lifecycle of the power plant. In addition, the Group launched a new service line Water which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification.

2. Basis of Preparation

2.1 Basis of Preparation and Statement of Compliance with IFRS

The Interim Consolidated Financial Statements are for the six months ended 30 June 2023 and are presented in EUR. The functional currencies used in the Group are CZK for Czech subsidiaries, EUR for Dutch, German and Slovak companies, CHF for Swiss subsidiary, HUF for Hungarian entities, AUD for Australian subsidiaries, ROM for Romanian entities and PLN for Polish entities. All financial information presented in EUR has been rounded to the nearest thousand.

The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

Photon Energy N.V. is the Group's ultimate parent company. It is a limited liability company incorporated and domiciled in Netherlands. The address of its registered office and principal place of business is Barbara Strozziilaan 201, 1083HN Amsterdam, Netherlands. Photon Energy NV's shares are listed on the regulated

markets of the Warsaw and Prague Stock Exchanges, as well as on the Quotation Board of the Frankfurt Stock Exchange. Trading of the shares on regulated markets on the Warsaw Stock Exchange and Prague Stock Exchange commenced on 5 January 2021. Trading of the Company's shares on the Quotation Board of the Open Market of the Frankfurt Stock Exchange (FSX) commenced on 11 January 2021. The listings did not involve any issuance of new shares.

The bond is traded on the Open Market of the Frankfurt Stock exchange, and on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart.

The Interim Financial Statements were approved for issue by the Board of Directors on 16 August 2023.

The Interim Consolidated Financial Statements are unaudited.

Going Concern

In preparing these accounts on a going concern basis, management used its best estimates to forecast cash movements over the next 12 months from the date of these interim accounts. As per today, management believes the Company will be able to repay its liabilities and ensure the further development of the Group.

3. Application of New and Revised EU IFRSs

3.1 New Standards Adopted at 1 January 2023

There are no accounting pronouncements which have become effective from 1 January 2023 that have a significant impact on the Group's interim consolidated financial statements.

4. Significant Accounting Policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2022.

5. Estimates and Judgements

When preparing the Interim Consolidated Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Consolidated Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual consolidated financial statements for the year ended 31 December 2022, except for following changes:

6. Significant Events and Transactions

6.1 Establishment of New Subsidiaries

During first 6 months of 2023, Photon Energy N.V. (directly or via its subsidiaries) incorporated the following subsidiaries:

- ▶ On **5 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Dartford Solar Kft.**
- ▶ On **5 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Photon New Energy Beta Kft.**
- ▶ On **10 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Photon New Energy Alfa Kft.**
- ▶ On **9 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Rochester Solar Kft.**
- ▶ On **10 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Newhamp Solar Kft.**
- ▶ On **11 May 2023**, Photon Energy Investments AG (ex ALFEMO AG) became 100% shareholder of **Brixton Solar Kft.**
- ▶ On **10 July 2023**, Photon Energy Solutions CZ a.s. became 100% shareholder of **Lerta Czech Republic s.r.o.**

6.2 Acquisition of New Subsidiaries and Associates

As the Group had already significant control over these entities, these acquisitions were considered to be transactions under common control and had no impact to consolidated

7. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues or incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and Board of directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The chief operating decision maker (CODM) has been identified as the Board of Directors and the CFO of the Group.

The Board of Directors identified the following segments to be reported:

- ▶ **Engineering:** Development, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy). This segment was formerly named Energy Solutions and included as well wholesale of technology, which became due to its size an own reportable segment. Further activities of project development were taken out of this segment and are reported now under "Others", since the nature of the activity changed from purely internal development for our own projects to project development for external partners,
- ▶ **Technology:** Wholesale, import and export of FVE components,
- ▶ **Investments (Electricity Generation):** Investment into photovoltaic power plants and generation of revenues

6.3. Other Development

There were following changes in the group structure during six months period to 30 June 2023:

- ▶ On **17 February 2023**, was registered merger of Barbican Solar Kft., Caledonian Solar Kft., Hampstead Solar Kft. and Ladány Solar Delta Kft. into **Ladány Solar Delta Kft.**, all three SPV's - Barbican Solar Kft., Caledonian Solar Kft., Hampstead Solar Kft. ceased to exist as of 16.2.2023.
- ▶ On **11 April 2023**, Photon Energy Projects s.r.o. became 95% shareholder and Photon Energy Engineering s.r.o. became 5% shareholder of **Faget Solar Three Srl.**

6.4. Financial Information for the Joint Ventures and Associates

Joint ventures

Total investments in equity-accounted investees amounting to EUR 1,680 thousand (31 December 2022: EUR 1,509 thousand) represent the nominal share in the joint ventures owned by the Group.

Disposals

There were no disposals of investments during H1 of 2023 nor 2022.

from production of electricity (this segment includes SPV that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity). Previously this segment was split into "Production of Electricity" and "PV Investments" as those income is generated by the same assets,

- ▶ **Operations & Maintenance:** Operations, maintenance and PVPP supervision. This segment includes also the services of Inverter Cardio and Monitoring and Control,
- ▶ **Other segments:** Other, not related to any of the above mentioned segments. Others include project development, water technology and remediation services and other less significant activities. None of these activities meets any of the quantitative thresholds for determining reportable segments in neither 2022 nor 2023.
- ▶ **New Energy:** Starting from 2023, the New Energy division was added to the Company's business lines. It consists of Lerta in its current form (capacity market, energy trading, real-time asset aggregator, DSR) and absorbed Photon Energy Solutions to develop and provide next generation energy services to energy consumers with energy storage playing growing role.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Interest income, interest expense and income tax charges are allocated directly to the segments. Segment capital expenditure is the total cost incurred during the reporting period to

acquire property, plant and equipment, and intangible assets other than goodwill.

Factors that Management Used to Identify the Reportable Segments

The Group's segments are strategic business units that focus on different business activities. They are managed separately because each business unit requires different processes.

Measurement of Operating Segment Profit or Loss, Assets and Liabilities

The Group's management and directors review financial information prepared based on IFRS as adopted by EU adjusted to meet the requirements of internal reporting. The financial information does not differ from IFRS as adopted by EU.

The Group's management and directors evaluate the segments based on total comprehensive income which is considered to be the key measure.

During the six month period to 30 June 2023, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Operating segments for the period from 1 January 2023 to 30 June 2023

<i>In thousands of EUR</i>	Engineering	New Energy	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	3,597	8,427	14,556	11,344	2,138	168	40,231	0	40,231
Internal revenues from the sale of products, goods & services	12,438	1,901	1,940	0	1,611	12,814	30,705	-30,705	0
Total revenues	16,035	10,329	16,497	11,344	3,749	12,982	70,936	-30,705	40,231
Other external income	13	41	2	27	10	156	248	0	248
Raw materials and consumables used	-5,319	-3,879	-14,555	-20	-197	-129	-24,099	2,031	-22,068
Solar levy	0	0	0	-844	0	0	-844	0	-844
Personnel expenses and other expenses	-8,226	-4,647	-940	-1,784	-3,697	-8,138	-27,432	12,699	-14,732
EBITDA	2,503	1,844	1,003	8,723	-135	4,871	18,809	-15,975	2,833
Depreciation	-55	-173	-27	-3,187	-331	-599	-4,373	0	-4,373
Impairment charges	0	-51	-21	0	0	0	-73	0	-73
Gain/(Loss) on disposal of investments	0	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	142	0	0	142	0	142
Result from operating activities (EBIT)	2,448	1,620	955	5,679	-467	4,271	14,506	-15,975	-1,469
Financial income	13	4	3	453	160	2,311	2,944	-2,623	321
Interest expense	-374	-135	-278	-2,881	-247	-4,208	-8,122	2,650	-5,472
Other net financial expenses	-255	104	132	-698	212	215	-289	0	-289
Revaluation of derivatives	0	0	0	215	0	-280	-64	0	-64
Profit/loss before taxation (EBT)	1,832	1,593	812	2,769	-341	2,310	8,974	-15,948	-6,973
Income Tax (income and deferred)	-135	-364	-140	-1,326	0	1,493	-472	0	-472
Profit/loss after taxation	1,697	1,229	672	1,443	-341	3,805	8,502	-15,948	-7,445
Other comprehensive income	11	-189	-9	8,452	-107	-1,597	6,560	0	6,560
Total comprehensive Income	1,708	1,040	662	9,895	-448	2,208	15,062	-15,948	-885
Assets	34,116	24,252	22,389	204,902	17,494	232,920	536,073	-258,584	277,489
Liabilities	-29,012	-21,645	-18,106	-134,717	28,009	-277,954	-453,426	248,088	-205,338
Investments in JV and associates accounted for by equity method	0	0	0	1,680	0	0	1,680	0	1,680
Additions to non-current assets	0	0	0	15,970	0	0	15,970	0	15,970

Operating segments for the period from 1 January 2022 to 30 June 2022

<i>In thousands of EUR</i>	Engineering	New Energy	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	1,458	0	13,507	15,913	1,294	195	32,367	0	32,367
Internal revenues from the sale of products, goods & services	887	0	1,552	0	1,038	3,832	7,309	-7,309	0
Total revenues	2,345	0	15,059	15,913	2,332	4,027	39,676	-7,309	32,367
Other external income	-17	0	5	8	12	81	89	-10	79
Raw materials and consumables used	-713	0	-12,770	-28	-107	-21	-13,638	1,699	-11,939
Solar levy	0	0	0	-1,094	0	0	-1,094	0	-1,094
Personnel expenses and other expenses	-2,658	-2	-652	-2,026	-2,040	-5,108	-12,486	3,216	-9 270
EBITDA	-1,043	-2	1,643	12,773	197	-1,020	12,547	-2,404	10 143
Depreciation	-26	0	-17	-3,644	-298	-365	-4,350	0	-4 350
Impairment charges	0	0	-655	0	-7	0	-662	0	-662
Gain/(Loss) on disposal of investments	0	0	0	0	0	0	0	0	0
Profit/loss share in entities in equivalency	0	0	0	38	0	0	38	0	38
Result from operating activities (EBIT)	-1,069	-2	970	9,167	-108	-1,385	7,573	-2,404	5,169
Financial income	585	0	-47	-317	89	2,001	2,310	-2,285	24
Interest expense	-260	0	-100	-1,851	-226	-4,140	-6,578	2,285	-4,292
Other net financial expenses	0	0	0	0	0	0	0	0	0
Revaluation of derivatives	0	0	0	0	0	369	369	0	369
Profit/loss before taxation (EBT)	-744	-2	823	6,999	-245	-3,156	3,674	-2,404	1,270
Income Tax (income and deferred)	0	0	-1	-723	0	-6	-731	0	-731
Profit/loss after taxation	-744	-2	822	6,275	-245	-3,162	2,943	-2,404	539
Other comprehensive income	99	0	-12	1,258	74	376	1,796	0	1,796
Total comprehensive Income	-645	-2	810	7,533	-171	-2,786	4,740	-2,404	2,335
Assets	29,204	8	16,350	161,019	15,188	202,510	424,279	-222,024	202,255
Liabilities	-30,199	-2	-15,352	-103,366	-26,444	-192,576	-367,938	219,620	-148,319
Investments in JV accounted for by equity method	0	0	0	4,850	0	0	4,850	0	4 850
Additions to non-current assets	0	0	0	3,873	0	0	3,873	0	3,873

7. Operating Segments (Continued)

All the operational segments are managed on an international basis (not on a country level). In H1 2023 and H1 2022 the Group operated in the Czech Republic, Slovak Republic, Germany, Hungary, Australia, Switzerland, Romania, Poland, Mongolia, South Africa, and the Netherlands with headquarters in the Netherlands.

In first 6 months of 2023 and in 2022, revenues were generated in all above mentioned markets, except of the Netherlands, Mongolia, South Africa. Non-current assets (power plants) are located in the

Czech Republic, Slovak Republic, Hungary, Romania and Australia.

For the booking of transactions between the segments, the same rules for the recognition are applied as for the third parties.

Major Customer

The Group has many customers. For the companies selling electricity, there is usually only one distribution company, which buys produced electricity. These local electricity distributors further deliver and resell electricity to final customers. Distributors are obliged

to purchase all of the electricity production for the price based on Feed in Tariff prices or market prices. The Group as such is not dependent on any individual customer.

Revenues from customers over 10% of total revenues

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
European Commodity Clearing	5,996	-*
OTE, a.s.	4,139	-*
Lerta Energy HU Kft.(including CZ branch)	-*	2,869
Total revenue from customers over 10% of total revenues	10,135	2,869
Total revenue	40,231	32,367

*did not exceed 10% of total revenues

The Czech SPVs producing electricity opted for the green bonus support for 2022 and 2023, which is paid by OTE, a.s. ("OTE" Czech electricity market operator). In 2022 in addition, the Czech SPVs sold the produced electricity to Lerta Energy HU Kft at market prices (revenues from Lerta HU Kft are eliminated in 2023). Revenues from sale of electricity to European Commodity Clearing amounted to EUR 5,996 thousand as of 30th June 2023 and

exceeded 10% of the total revenues. Revenues from sale of electricity to OTE, a.s. amounted to EUR 4,139 thousand as of 30th June 2023 and exceeded 10% of the total revenues.

All revenues from OTE, a.s. and European Commodity Clearing are presented in the Segment Investments in 2023 and represent revenues from sale of electricity from various PVPs.

8. Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions:

Timing of revenues:

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
At a point of time	14,556	13,507
Over time	20,867	13,250
Total revenue from contracts with customers	35,423	26,757
Compensations for sales from electricity generation (OTE and OKTE)	4,808	5,610
Total revenue	40,231	32,367

Revenues by major revenue types:

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
Sale of electricity	6,536	10,303
Revenues from EPC contracts	3,597	1,458
Sale of goods and technologies	14,556	13,507
Rendering of services	10,733	1,489
Total revenue from contracts with customers	35,423	26,757
Compensations for sales from electricity generation	4,808	5,610
Total revenue	40,231	32,367

The Group uses various revenue models for PVP generating revenues from sale of electricity – fixed feed in tariffs, contracts for difference, and the merchant model.

In 2022 and 2023, Czech SPVs opted for the green bonus scheme, under which produced electricity is sold to the distributors at market price and a green bonus set as fixed amount per MWh produced is received from OTE.

During 2022 and 2023, some of the Hungarian SPVs opted out from KAT/Metar fixed feed in tariffs and are also selling produced electricity to electricity traders at market price.

As the Group operates in regulated business under various models for PVP revenues from sales of electricity, the Group invoices the revenues from sale of electricity to different partners, including government agencies which in fact does not receive any generated

electricity, such as the short-term electricity market operator OKTE, a.s. ("OKTE") in Slovakia and OTE, a.s. in Czech Republic. Total amount of compensations for sales from electricity generation invoiced to OKTE and OTE in first half of 2023 amounted to EUR 4,808 thousand (H1 of 2022: EUR 5,610 thousand).

Even though the revenues were invoiced in 2023 and 2022 to government agency, the Group does not consider them to be government grants and recognized them as revenues from sale of electricity as these revenues are representing core activity of the Group and are clearly linked to revenue model that is determined for each PVP.

Revenues by geographical split:

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
Czech Republic	21,585	17,534
Slovak Republic	1,399	1,184
Australia	4,432	1,144
Germany	0	574
Hungary	8,714	6,321
Romania	718	-
Poland	3,383	-
Other	-	-
Total revenue from contracts with customers	35,423	26,757
Compensations for sales from electricity generation – Czech Republic and Slovakia	4,808	5,610
Total revenue	40,231	32,367

9. Property, Plant and Equipment

<i>In thousands of EUR</i>	Land	Photovoltaic power plant	Other equipment	In progress	Total Corrected
Net carrying amounts					
Gross revalued amount at 1 January 2023	5,318	182,230	2,550	28,108	218,206
Accumulated depreciation at 1 January 2023	0	-71,627	-1,030	0	-72,657
Net carrying amounts 1 January 2023	5,318	110,603	1,520	28,108	145,549
Other Additions/Transfers	0	15,213	1,718	-5,976	10,955
Revaluation increase	0	5,014	0	0	5,014
Depreciation for the year	0	-3,187	-1,186	0	-4,373
Effect of movements in exchange rates	224	2,823	-485	0	2,562
Net carrying amounts					
Gross revalued amount at 30 June 2023	5,542	205,511	4,268	22,132	237,453
Accumulated depreciation at 30 June 2023	0	-75,045	-2,701	0	-77,746
Net carrying amounts 30 June 2023	5,542	130,466	1,567	22,132	159,707
Net carrying amounts					
Gross revalued amount at 31 December 2022	5,169	182,473	1,628	3,052	192,322
Accumulated depreciation at 31 December 2022	0	-64,208	-622		-64,830
Net carrying amounts 1 January 2022	5,169	118,265	1,006	3,052	127,492
Other Additions/Transfers	142	1,493	1,037	1,201	3,873
Revaluation increase	0	475	0	0	475
Depreciation for the year	0	-3,664	-686	0	-4,350
Effect of movements in exchange rates	-87	-2,624	-401	727	-2,385
Net carrying amounts					
Gross revalued amount at 30 June 2022	5,223	179,590	2,665	4,980	192,458
Accumulated depreciation at 30 June 2022	0	-65,645	-1,709	0	-67,354
Net carrying amounts 30 June 2022	5,223	113,945	956	4,980	125,104

Non-current assets by geographical location ⁽ⁱ⁾

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
The Czech Republic	49,792	52,055
The Slovak Republic	10,412	47,905
Netherlands	20	27,126
Hungary	48,655	25,383
Australia	25,498	23,580
Poland	27,754	11,102
Romania	47,509	67
Total	209,641	187,217

Note: (i) Non-current assets presented consist mainly of property, plant and equipment (lands, photovoltaic power plants, other equipment, and assets under construction), and assets in progress.

Revalued amount of EUR 130,466 thousand as at 30 June 2023 (31 December 2022: EUR 110,603 thousand) includes net carrying amount of photovoltaic power plants and value of land connected to the photovoltaic power plants of EUR 5,542 thousand as at 30 June 2023 (31 December 2022: EUR 5,318 thousand) which are included under Land.

During H1 2023, the Group performed revaluation of a newly connected power plant in Romania resulting in an increase of the value of property, plant, and equipment by EUR 19,281 thousand, including the impact of deferred tax.

During H1 2022, the Group performed revaluation of a newly connected power plant in Hungary resulting in an increase of the value

of property, plant, and equipment by EUR 433 thousand, including the impact of deferred tax.

Property, plant and equipment under construction

Property, plant and equipment under construction equaled to the amount of EUR 22,132 thousand (31 December 2022: EUR 28,108 thousand) comprising mainly of power plants under construction in Romania (H1 2022: Hungary, Romania).

Sale of property, plant and equipment

There were no sales of property, plant, and equipment in H1 2023 nor 1H 2022.

10. Other Financial Investments

Other non-current investments include following investments:

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
Other financial investments		
Other financial assets at FVTPL	1,657	1,698
Other financial assets at FVOCI	6,638	6,118
Total non-current financial assets	8,295	7,816

The table below discloses investments in equity securities at 30 June 2023 by measurement categories and classes:

<i>In thousands of EUR</i>	Other financial assets at FVTPL	Other financial assets at FVOCI	Total
Other financial investments			
Corporate shares		6,638	6,638
Share options (note 16)	1,657		1,657
Total Other financial investments at 31 December 2022	1,657	6,638	8,295

The table below discloses investments in equity securities at 31 December 2022 by measurement categories and classes:

<i>In thousands of EUR</i>	Other financial assets at FVTPL	Other financial assets at FVOCI	Total
Other financial investments			
Corporate shares	-	6,118	6,118
Share options	1,698	-	1,698
Total Other financial investments at 31 December 2022	1,698	6,118	7,816

(a) Other financial assets at FVOCI – Corporate shares

At 30 June 2023, the Group designated investments disclosed in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be

held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

<i>In thousands of EUR</i>	Fair value at 30 June 2023	Dividend income recognised for the period H1 2023
Other financial assets at FVOCI		
Investment in Raygen Resources Pty Ltd ordinary shares	4,055	0
Investment in Raygen Resources Pty Ltd preference shares	1,978	0
Investment in ValueTech Fund shares	605	0
Total Other financial assets at FVOCI	6,638	0

At 31 December 2022, the Group designated investments disclosed in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are

expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

<i>In thousands of EUR</i>	Fair value at 31 December 2022	Dividend income recognised for the period H1 2022
Other financial assets at FVOCI		
Investment in Raygen Resources Pty Ltd ordinary shares	3,534	0
Investment in Raygen Resources Pty Ltd preference shares	1,978	0
Investment in ValueTech Fund shares	605	0
Total Other financial assets at FVOCI	6,118	0

At 30 June 2023 and 31 December 2022 securities at FVOCI include equity securities which are not publicly traded. Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. For these investments,

fair value is estimated by reference to subscription value of additional shares placed.

Reconciliation of movements in Other financial assets at FVOCI follows:

<i>In thousands of EUR</i>	Valuetech	Investment in Raygen Resources Pty Ltd	Investment in Lerta SA	Total
Other financial assets at FVOCI as at 1 January 2022	0	5,355	3,139	2,042
Revaluation recognised in OCI	605	0	0	605
Fx impact	0	158	63	221
Derecognition (change of consolidation method)	0	0	-3,202	-3,202
Other financial assets at FVOCI as at 31 December 2022	605	5,513	0	6,118
Derecognition of FVOCI investment, recognition in Investments in equity accounted investments	0	0	0	0
Increase in cost value	0	800	0	800
Revaluation recognised in OCI	0	0	0	0
FX impact		-280	0	-280
Other financial assets at FVOCI as at 30 June 2023	605	6,033	0	6,638

During H1 2023 the Group invested additional EUR 800 thousand as convertible note held as equity in Raygen Resources Pty Ltd.

At the year-end 2022, the Group has revalued its share in the Valuetech fund based on the equity value of the participations in the

Valuetech books. The revaluation presented in OCI equaled to EUR 605 thousand. This value was maintained also as of 30th June 2023.

11. Assets and Liabilities Arising from Contracts with Customers

The Group has recognised following assets and liabilities arising from contracts with customers:

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
Current contract assets from contracts with customers	716	1,154
Loss allowance	0	0
Total current contract assets	716	1,154
Contract liabilities – advances from customers	482	592
Total current contract liabilities	482	592

Contract assets represents un-invoiced part of recognised revenue based on progress towards complete satisfaction. Invoiced amount of contract assets is reclassified to trade receivable upon its invoicing.

At 30 June 2023 the most significant part of the contract asset was represented by New Woodonga project in Australia of EUR 527 thousand (31 December 2022: EUR 897 thousand).

12. Liquid Assets

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at banks. Cash and cash equivalents at the end of the reporting period as shown

in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
Cash and cash equivalents	8,241	11,271
Cash with restriction on disposition	7,652	6,373
Precious metals	3,816	3,714
Liquid assets	19,709	21,358

Cash with restriction on disposition includes mainly DSRA (debt service reserve accounts) and MRA (maintenance reserve accounts) for Slovak, Hungarian, Romanian and Australian SPVs and guarantees issued.

Movement in Cash with restriction on disposition relating to borrowings in H1 2023 of EUR 1,279 thousand (H1 2022: EUR 1,657 thousand) was presented in Cash flows from financing activities.

13. Capital and Reserves

Share capital and share premium

Ordinary shares

<i>In shares</i>	30 June 2023	31 December 2022
On issue at 1 January	60,000,000	60,000,000
On issue at the end of the reporting period – fully paid	61,238,521	60,000,000

The share capital is fully paid-up.

Ordinary shares

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

Treasury shares

At 30 June 2023 treasury shares included 1,544,000 ordinary shares of the Company (31 December 2022: 1,332,797 ordinary shares) owned directly by the Company. These ordinary shares carry no voting rights at the Shareholders Meeting.

Share premium represents the excess of contributions received over the nominal value of shares issued. Proceeds from allocation of treasury shares to employees in excess to nominal value of shares are also recorded in Share premium. Nominal value of sold treasury shares is recorded against Treasury shares reserve.

Share buy back programme

The share buyback program implemented on the basis of the General Meeting Resolution, which granted an authorization to the Management Board of the Company to acquire shares in the share capital of the Company, for consideration, for the period of 18 months, commencing on 31 May 2022 and ending on 30 November 2023 was completed, as the total number of shares in the share capital of the Company to be purchased under the Programme was reached. Under the Programme, within the period from 19 December 2022 to 7 June 2023, through the brokerage house of Santander Bank Polska S.A – Santander Biuro Maklerskie with a seat in Warsaw, Poland, the Company purchased the total number of 250,000 shares in the share capital of the Company, ISIN: NL0010391108 (the “Shares”) for the total price of PLN

3,204,053.76 with an average unit Share price of PLN 12.82. These Shares constitute, approx. 0.41% of the share capital of the Company and entitle to 250,000 votes at the General Meeting of the Company. Under the Programme, no transactions were concluded for the acquisition of Shares on the Prague Stock Exchange or the Open market of the Frankfurt Stock Exchange. Taking into account the above transactions, as of 7th. June 2023, the Company holds a total of 1,541,094 own shares, constituting 2.52% of the share capital of the Company, entitling to 1,541,094 votes at the General Meeting of the Company. The Company cannot execute voting rights from the treasury shares. The purpose of the acquisition of Shares under the Programme was to meet the obligations arising from the share purchase programme for the employees of Photon Energy Group’s entities.

Movement in share capital can be analysed as follow:

<i>In thousands of EUR</i>	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2023	600	40,524	-139	40,985
Treasury shares allocated to employees	12	-12	-475	-475
Treasury share acquired from the market	-	-	-	-
At 30 June 2023	612	40,512	-614	40,510

<i>In thousands of EUR</i>	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2022	600	31,443	-38	32,005
Treasury shares allocated to employees	0	151	-101	50
Other movement	0	149	0	148
Acquisition of subsidiary	0	8,781	0	8,781
At 31 December 2022	600	40,524	-139	40,985

As of 30 June, 2023 the shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. of votes at Shareholders Meeting	% of votes at Shareholders Meeting
Solar Future Cooperatief U.A.	21,769,075	35.55%	21,769,075	36.47%
Solar Power to the People Cooperatief U.A.	20,273,255	33.11%	20,273,255	33.96%
Photon Energy N.V.	1,544,000	2.52%	0	0.00%
Free float	17,652,191	28.83%	17,652,191	29.57%
Total	61,238,521	100.00%	59,694,521	100.00%

As of 31 December 2022 the shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. of votes at Shareholders Meeting	% of votes at Shareholders Meeting
Solar Future Cooperatief U.A.	21,775,075	36.29%	21,775,075	37.12%
Solar Power to the People Cooperatief U.A.	20,492,057	34.15%	20,492,057	34.93%
Photon Energy N.V.	1,332,797	2.22%	0	0.00%
Free float	16,400,071	27.33%	16,400,071	27.95%
Total	60,000,000	100.00%	58,667,203	100.00%

Mr. Michael Gartner and Mr. Georg Hotar are the only members of the Company’s Board of Directors.

Mr. Michael Gartner indirectly owns 36.5 % (31 December 2022: 37.12 %) of the votes, via Solar Future Cooperative U.A. and

directly 0.04% (31 December 2022: 0.04 %) of votes at the Shareholders Meeting. Mr. Georg Hotar indirectly owns 34 % (31 December 2022: 34.93 %) of votes, via Solar Power to the People Coöperatief U.A. and directly 0.13% (31 December 2022: 0.13%) of votes at the Shareholders Meeting.

The Free float includes shares allocated to the employee share purchase programme. The disposition rights to these shares are

limited and employees can dispose of these shares only under specific conditions.

The other reserves relate to the legal reserve; the revaluation of property, plant and equipment – photovoltaic power plants the hedging reserve and the currency translation reserve.

Movement in Other reserves can be analysed as follow:

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
Statutory reserve fund	13	13
Revaluation reserve	42,219	38,326
Currency translation reserve	6,664	2,363
Hedging reserve	4,670	4,355
Other capital funds	38	38
Total reserves	53,604	45,095

Revaluation reserve

<i>In thousands of EUR</i>	Revaluation reserve – PPE	Revaluation reserve – Other financial investments	Revaluation reserve total
Balance as at 1 January 2022	37,594	2,657	40,251
Increase of revaluation reserve	432	605	1,038
Increase of revaluation reserve - DT recognised	0	0	0
Share on increase on revaluation of properties - JV	0	0	0
Move from revaluation reserve to retained earnings	-2,963	0	-2,963
Other movements	1	0	1
Balance as at 31 December 2022	35,065	3,262	38,326
Increase of revaluation reserve	5,014	0	2,754
Increase of revaluation reserve - DT recognised	0	0	0
Share on increase on revaluation of properties - JV	0	0	0
Move from revaluation reserve to retained earnings	-1,121	0	-1,121
Other movements	-1	0	-1
Balance as at 30 June 2023	38,957	3,262	42,219

The revaluation reserve arises on the revaluation of photovoltaic power plants (PVP).

In H1 2023, the Group performed revaluations of the newly connected power plant in Romania resulting in an increase of the value of property, plant, and equipment by the total amount of EUR 4,821 thousand, net amount recognised in revaluation reserve resulting from this amounted to EUR 4,075 thousand. Rest of the revaluation relates to the outstanding portfolio that was revalued based on the current market conditions, EUR 939 thousand.

The revaluation reserve is being released to the retained earnings during the duration of the expected useful life (as of 1 January 2022 prolonged to 25 years for Slovakia, Czech Republic and Hungary (see also Note 5) and Australia 30 years).

The amount equal to the amount of depreciation coming from revaluation recycled to retained earnings in H1 2023 equals to EUR 1,121 thousand (1H 2022: EUR 1,431 thousand).

The revaluation reserve as such cannot be distributed only the amounts released to retained earnings can be distributed to the shareholder.

Foreign currency translation reserve

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
Balance at beginning of period	2,363	2,021
Foreign currency differences arising from the translation of financial statements and foreign exchange gains or losses arising from net investments	4,301	-531
Balance at end of period	6,664	1,490

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of operations using different currency from Euro. It relates to Czech Republic, Hungary, Poland, Romania, Switzerland and Australia.

In accordance with accounting policies are foreign exchange gains or losses arising from net investments in foreign operations also recognised in other comprehensive income.

This reserve cannot be distributed.

Derivatives hedging reserve

<i>In thousands of EUR</i>	6 months to 30 June 2023	6 months to 30 June 2022
Balance at beginning of period	4,355	2,039
Change in fair value of hedging derivatives – fully consolidated entities (net of deferred tax)	315	1,885
Share on change in fair value of hedging derivatives of JV	0	9
Balance at end of period	4,670	3,933

Derivatives hedging reserve cannot be distributed.

14. Earnings Per Share

<i>In EUR</i>	H1 2023	H1 2022
Basic earnings per share	-0.125	0.010
Diluted earnings per share	-0,124	0.010
Total comprehensive income per share		
Basic TCI per share	-0,014	0.042
Diluted TCI per share	-0,014	0.040

Basic and diluted earnings per share

The calculation of basic earnings per share for H1 of 2023 was based on the loss attributable to ordinary shareholders of EUR -7,445 thousand and weighted average number of ordinary shares outstanding of 59,757 thousand (H1 2022: 56,277 thousand).

Share on profit of equity-accounted investees for H1 2023 amounted to EUR 142 thousand (H1 2022: EUR 36 thousand).

Basic and diluted total comprehensive income per share

The calculation of total comprehensive earnings per share and diluted total comprehensive earnings per share H1 of 2023 and H1

2022 was based on the total comprehensive income of EUR -851 thousand (H1 2022: EUR 2,371 thousand) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding of 59,757 thousand (H1 2022: 56,277 thousand).

Weighted average number of ordinary shares

The Company's issued share capital is EUR 610,238 divided into 61,238,521 shares with a nominal value of EUR 0.01 each as of the end of June 2023. The number of shares at the year-end 2022 was 60,000,000.

15. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

<i>In thousands of EUR</i>	30 June 2023	31 December 2022
Non-current loans and borrowings		
Issued bonds	79,064	76,511
Long-term secured bank loans	79,355	58,446
Long term lease liability	3,723	2,914
Long-term portion of other loans	242	230
Total non-current loans and borrowings	162,384	138,101

Current loans and borrowings		
Issued bonds	3,716	3,670
Current portion of long-term secured bank loans, including accrued interest	6,516	7,259
Short-term lease liability	847	712
Total current loans and borrowings	11,079	11,641
Total loans and borrowings	173,463	149,742

Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

<i>In thousands of EUR</i>	Borrowings	Issued bonds	Lease liabilities	Other liabilities from financing activities	Total
Liabilities from financing activities at 1 January 2023	65,705	80,181	3,626	230	149,742
Cash flows					
Loan drawdowns/New issues of bonds	21,900	2,500	0	0	24,400
Repayments of principal	-2,252	0	-530	0	-2,782
Interest payments	-2,510	-2,706	-93	-51	-5,360
Non-cash changes					0
New leasing contracts	0	0	1,474	0	1,474
Interest expense	2,510	2,818	93	51	5,472
Foreign exchange adjustments	518	-13	0	12	517
Liabilities from financing activities at 30 June 2023	85,871	82,780	4,570	242	173,463

Repayments of loan principal of EUR 2,252 thousand in first half of 2023 (1H 2022: EUR 3,609 thousand) include regular repayments of loans provided in EUR, HUF and AUD of EUR thousand (1H 2022: regular repayment of EUR 1,419 thousand and extraordinary repayment of CIB loan for Ladany Solar Delta of EUR 2,190 thousand).

Liabilities from financing activities at 1 January 2022	45,460	81,330	2,273	373	129,436
Cash flows					
Loan drawdowns/New issues of bonds	-	10,000	-	-	10,000
Repayments of principal	-3,609	-1,310	-310	-83	-5,312
Interest payments	-1,131	-2,843	-41	-13	-4,028
Non-cash changes					
New leasing contracts	-	-	512	-	512
Interest expense	1,131	3,107	41	13	4,292
Foreign exchange adjustments	-2,095	-54	64	-	-2,085
Liabilities from financing activities at 30 June 2022	39,756	90,230	2,539	290	132,816

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

<i>In thousands of EUR</i>	Currency	Nominal interest rate	Year of maturity	30 June 2023		31 December 2022	
				Credit limit	Utilised	Credit limit	Utilised
Secured bank loan (Unicredit)	CZK	3M PRIBOR + 1.9%	31.12.2029	18,997	18,997	18,701	18,701
Secured bank loan (Unicredit)	EUR	3M EURIBOR + 2.35%	31.12.2025	7,575	7,575	9,017	9,017
Secured bank loan (Unicredit)	EUR	3M EURIBOR + 1.55%	30.6.2025 – 30.9.2027	3,243	3,243	3,763	3,763
Secured bank loan (K&H)	HUF	3M BUBOR + 2.2–2.5%	28.6.2034 31.3.2035	12,454	12,454	11,779	11,779
Secured bank loan (K&H)	EUR	3M EURIBOR + 2.5-2.8%	28.6.2034 31.3.2025	7,732	7,732	7,882	7,882
Secured bank loan (CIB)	HUF	3M BUBOR + 2.5%	31.12.2035	5,639	5,639	5,386	5,386
Secured bank loan (CIB)	EUR	3M EURIBOR + 2.75%	30.6.2032	4,213	4,213	4,384	4,384
Secured bank loan (Infradebt)	AUD	3M BBSW (min 0,5%)+2,35-3,25%	31.12.2025	3,743	3,743	4,295	4,295
Secured bank loan Raiffesien Bank Intl	EUR	3M BUBOR+3.95%	31.3.2028	21,900	21,900	0	0
Accrued fees and interest					375	0	498
Total interest bearing loans				85,496	85,871	65,207	65,705

Issued bonds

<i>In thousands of EUR</i>	Amortised amount		Fair value	
	30 June 2023	2022	30 June 2023	2022
Current liabilities				
CZK bond 2016/23	3,146	3,146	3,022	3,127
Green bond 2021/27	570	524	0	0
Non-current liabilities				
Green bond 2021/27	79,064	76,511	71,113	70,284
CZK bond 2016/23	0	0	0	0
Total	82,780	80,181	74,135	73,411

During 1H 2022 the Company issued additional EUR green bond in nominal value of 10,000,000 under the existing program. Total amount of placement costs paid for the issuance of additional green bonds in 1H 2022 amounted to EUR 108 thousand. During 1H 2023 the Company issued additional EUR green bond of 2,500 thousand. Total amount of placement costs paid for this issuance in 1H 2023 amounted to EUR 75 thousand.

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 7,63% (applicable credit spread) + risk free rate for relevant currency (2022: 6,78%) and are within level 2 of the fair value hierarchy.

The table below shows non-derivative financial liabilities at 30 June 2023 and 31 December 2022 by their remaining contractual maturity:

30 June 2023

<i>In thousands of EUR</i>	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Non- derivative Financial liabilities						
Secured bank loans	85,871	12,765	12,504	49,310	32,913	107,493
Derivatives	-5,400	-641	-628	-2,477	-1,653	-5,400
Bonds	82,780	8,916	5,200	85,200	0	99,316
Lease liability	4,570	847	940	2,808	0	4,596
Other LT loans	242	242	0	0		242
Trade and other payables	14,557	14,557	0	0	0	14,557
Total future payments, including future principal and interest payments	182,620	36,686	18,016	134,841	31,260	220,804

31 December 2022

<i>In thousands of EUR</i>	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Non-derivative financial liabilities						
Secured bank loans	65,705	12,789	12,157	37,027	39,987	101,960
Derivatives	-5,092	-2,394	-2,380	-5,592	-1,850	-12,216
Bonds	80,181	8,341	5,038	92,613	0	105,991
Lease liability	3,626	865	731	1,236	1,912	4,744
Other L-T loans	230	0	230	0	0	230
Trade and other payables	16,337	16,337	0	0	0	16,337
Total future payments, including future principal and interest payments	160,987	35,938	15,776	125,284	40,049	217,046

16. Derivative Financial Instruments

<i>In thousands of EUR</i>	30 June 2023		31 December 2022	
	Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
Interest rate swaps, fair values, at the end of reporting period				
Trading derivatives	215	0	217	0
Hedging derivatives	5,185	0	4,981	-106
Value of interest rate swaps	5,400	0	5,198	-106
Net value of interest rate swaps	5,400	0	5,092	-106
Other Derivative Financial Instruments				
Shares options (Note 10)	1,657	0	1,699	0
Net Value of Other Derivative Financial Instruments	1,657	0	1,699	0

Derivatives with positive fair values are included in Other receivables, derivatives with negative fair values are included in Other liabilities.

17. Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- ▶ **Level 1** are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,
- ▶ **Level 2** measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
- ▶ **Level 3** measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is

assessed against the fair value measurement in its entirety.

The fair values of financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows. For the other financial assets/financial liabilities, the fair value approximates the carrying amount.

17.1 Recurring Fair Value Measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of EUR</i>	30 June 2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Precious metals	3,816	0	0	3,816	3,714	0	0	3,714
Derivatives	0	5,400	0	5,400	0	5,087	0	5,087
Other financial investments	0	0	8,295	8,295	0	0	7,816	7,816
Non financial assets								
Property, plant and equipment	0	0	136,007	136,007	0	0	115,921	115,912
Total assets recurring FV measurement	3,816	5,400	144,302	153,518	3,714	5,087	123,737	132,538
Financial liabilities								
Derivatives	0	0	0	0	0	0	0	0
Total liabilities recurring FV measurement	0	0	0	0	0	0	0	0

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows:

30 June 2023:

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	136,007	DCF	Discount rate Production volume Revenue model	See below	See below	See below
Other financial investments	8,295	MtM	Probability estimates Expected share price	See below	See below	See below
Total assets recurring FV measurement	144,302					

31 December 2022:

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	115,921	DCF	Discount rate Production volume Revenue model	See below	See below	See below
Other financial investments	7,816	MtM	Probability estimates Expected share price	See below	See below	See below
Total assets recurring FV measurement	123,737					

The DCF Equity valuation method is based on a Discounted Cash Flow method. It includes the future cash flows available to the shareholders/providers of equity of photovoltaic projects (i.e. after all debt repayments and interests) that are later discounted by relevant discount rates (Levered Cost of Equity). The risk profile is represented by a discount rate (Levered Cost of Equity). Due to existence of senior project finance the cost of equity calculated by CAPM formula is adjusted by Miller-Modigliani formula to achieve the most precise cost of equity levered for each project respecting its unique capital structure.

In the valuation model, a quarterly discount is applied. This is based on the fact that debt repayments are happening on quarterly

basis. This is effecting the overall change in financing structure and indirectly affecting cost of equity levered.

The used Levered Cost of Equity rates to discount estimated cash flows, vary between countries from 7.9% to 25.6% for H1 2023 (2022: 9% to 26%).

Other financial investments are stated at its fair value based on valuation models prepared by management. Other financial investments include primarily ordinary and preference shares and related share options held. The principal assumptions, in addition to the market price of the shares, are probability of the realisation of the share options granted and discount rate reflecting required return on investment on this type of the Group's investments.

Sensitivity analysis of DCF for power plants – change in Levered Cost of Equity

The below analysis shows impact of change in the used Levered Cost of Equity rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 30 June 2023:

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-4,419	-8.2%	6,463	12.1%
CZ power plants	-2,488	-5.8%	3,169	7.3%
SK power plants	-900	-8.0%	1,101	9.8%
RO power plants	-1,276	-6.9%	2,064	11.2%
AU power plants	-1,809	-14.4%	2,791	22.3%

The below analysis shows impact of change in the used Levered Cost of Equity rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 31 December 2022:

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-2,515	-5.2%	3,490	7.2%
CZ power plants	-2,197	-5.0%	2,778	6.3%
SK power plants	-1,043	-8.8%	1,313	11.1%
AU power plants	-2,087	-13.8%	3,252	21.6%

Sensitivity analysis of DCF for power plants – change in production output

The below analysis shows impact of change in production output by +/-2% on the enterprise/entity value in absolute and relative figures as of 30 June 2023:

<i>In thousands of EUR</i>	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	917	1.7%	-955	-1.8%
CZ power plants	817	1.9%	-816	-1.9%
SK power plants	266	2.4%	-266	-2.4%
RO power plants	314	1.7%	-313	-1.7%
AU power plants	254	2.0%	-254	-2.0%

The below analysis shows impact of change in production output by +/-2% on the enterprise/entity value in absolute and relative figures as of 31 December 2022:

<i>In thousands of EUR</i>	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	745	1.5%	-748	-1.5%
CZ power plants	809	1.8%	-808	-1.8%
SK power plants	196	2.3%	-196	-2.3%
AU power plants	308	2.0%	-308	-2.0%

Sensitivity analysis of DCF for power plants – change in electricity and LGC prices

The below analysis shows impact of change in electricity prices by +/-10% on the enterprise/entity value for selected power plants in absolute and relative figures as of 30 June 2023:

<i>In thousands of EUR</i>	Electricity prices +10%	Electricity prices +10% in %	Electricity prices -10%	Electricity prices -10% in %
HU power plants - FIT	44	0.7%	-44	-0.7%
HU power plants - Merchant	2,192	4.6%	-2,141	-4.5%
RO power plants	1,927	10.4%	-1,911	-10.3%
AU power plants - prices	749	6.0%	-748	-6.0%
AU power plants - LGCs	188	1.5%	-188	-1.5%

n/a* - as the PVP opted out from fixed feed in tariff schemes in Hungary, no sensitivity to FIT is applicable

The below analysis shows impact of change in electricity prices by +/-10% on the enterprise/entity value for selected power plants in absolute and relative figures as of 31 December 2022:

<i>In thousands of EUR</i>	Electricity prices +10%	Electricity prices +10% in %	Electricity prices -10%	Electricity prices -10% in %
HU power plants - FIT	19	1.6%	-19	-1.6%
HU power plants - Merchant	2,845	6.5%	-2,768	-6.3%
AU power plants - prices	944	6.3%	-944	-6.3%
AU power plants - LGCs	228	1.5%	-228	-1.5%

Sensitivity analysis of MtM of other financial investments – changes in significant estimates

The below analysis shows impact of change in significant estimates on the MtM value in absolute and relative figures as of 30 June 2023:

<i>In thousands of EUR</i>	Market price of the share +10%	Market price of the share +10% in %	Market price of the share -10%	Market price of the share -10% in %
Investment in Raygen Resources Pty Ltd	769	9.2%	-769	-9.2%

*

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
Investment in Raygen Resources Pty Ltd	-76	-0.9%	76	0.9%

<i>In thousands of EUR</i>	Probability +10%	Probability +10% in %	Probability -10%	Probability -10% in %
Investment in Raygen Resources Pty Ltd	230	2.7%	-230	-2.7%

The below analysis shows impact of change in significant estimates on the MtM value in absolute and relative figures as of 31 December 2022:

<i>In thousands of EUR</i>	Market price of the share +10%	Market price of the share +10% in %	Market price of the share -10%	Market price of the share -10% in %
Investment in Raygen Resources Pty Ltd	548	7.6%	-548	-7.6%

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
Investment in Raygen Resources Pty Ltd	-66	-0.9%	71	+1.0%

<i>In thousands of EUR</i>	Probability +10%	Probability +10% in %	Probability -10%	Probability -10% in %
Investment in Raygen Resources Pty Ltd	255	3.6%	-255	-3.6%

17.2 Assets and Liabilities Not Measured at Fair Value but for Which Fair Value is Disclosed

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

<i>In thousands of EUR</i>	30 June 2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at AC								
Trade and other receivables	0	25,928	0	25,928	0	12,366	0	12,366
Loans provided	0	2,748	0	2,748	0	2,447	0	2,447
Other	0	15,893	0	15,893	0	17,644	0	17,644
Total assets	0	44,569	0	44,569	0	32,457	0	32,457
Financial liabilities								
Borrowings								
Bank loan	0	85,871	0	85,871	0	65,705	0	65,705
Issued bonds	0	74,135	0	74,135	0	73,411	0	73,411
Lease liabilities	0	4,570	0	4,570	0	3,626	0	3,626
Other non-current liabilities	0	242	0	242	0	230	0	230
Other financial liabilities								
Trade and other payables	0	14,557	0	14,557	0	16,337	0	16,337
Total liabilities	0	179,375	0	179,375	0	159,309	0	159,309

All financial assets and financial liabilities have been defined to Level 2.

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique.

Financial Assets Carried at Amortised Cost

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar

credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

Liabilities Carried at Amortised Cost

The fair value of issued bonds is based on quoted market prices. Fair values of other liabilities were determined using valuation techniques.

18. Presentation of Financial Instruments by Measurement Category

For the purposes of measurement, IFRS 9 Financial Instruments classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (c) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial

recognition. In addition, finance lease receivables form a separate category.

The following table provides a reconciliation of financial assets with these measurements:

30 June 2023:

<i>In thousands of EUR</i>	FVOCI	FVPL	AC	Total
Assets				
Cash and cash equivalents	0	0	8,241	8,241
Liquid assets with restriction on disposition	0	0	7,652	7,652
Precious metals	0	3,816	0	3,816
Other financial assets	6,638	1,657	0	8,295
Trade and other receivables	5,615	215	25,928	31,758
Loans provided	0	0	2,748	2,748
Total financial assets	12,253	5,688	44,569	62,510

As of 30 June 2023, all of the Group's financial were carried at AC.

31 December 2022:

<i>In thousands of EUR</i>	FVOCI	FVPL	AC	Total
Assets				
Cash and cash equivalents	0	0	11,271	11,271
Liquid assets with restriction on disposition	0	0	6,373	6,373
Precious metals	0	3,714	0	3,714
Other financial assets	6,118	1,698	0	7,816
Trade and other receivables	4,875	217	12,366	17,458
Loans provided	0	0	2,447	2,447
Total financial assets	10,993	5,629	32,457	49,079

As of 31 December 2022, all of the Group's financial were carried at AC.

19. Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Balances and transactions between the Company and its subsidiaries which are related parties of the Company have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The Company is jointly controlled by Mr. Michael Gartner (via Solar Future Coöperatief U.A.) and Mr. Georg Hotar (via Solar Power to the People Coöperatief U.A.), who are the Company's directors.

At 30 June 2023, the outstanding balances with related parties were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	-	75	-
Loans issued	1,911	5	837
Investments in JV	-	1,680	-

Loans issued to related parties include loans to Solar Age Investments B.V. and Solar Power to the People U.A. which are short term for a period of up to 12 month and bear interest rate of 3%.

At 31 December 2022, the outstanding balances with related parties were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	-	107	-
Loans issued	1,762	-	685
Investments in JV	-	1,509	-

Loans issued to related parties include loans to Solar Age Investments B.V. and Solar Power to the People U.A. which are short term for a period of up to 12 month and bear interest rate of 3%.

The income and expense items with related parties for the period of 6 months ended 2023 were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
	-	37	-
- Interest income	38		6

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Revenue from services rendered	-	58	-
- Interest income	95	-	-

There are no other rights and obligations connected to related parties at 30 June 2023 nor 31 December 2022.

Key Management Compensation

Key management includes Members of the board of directors and Senior management. Members of the board of directors did not receive any compensation during first half of 2023 nor first half of 2022 for their duties serving on the board of directors for the Group of entities. Furthermore, no emoluments of managing directors, including pension obligations were charged to the Company. No service contracts with the Company nor any of its Subsidiaries have been provided to a member of the Board of Directors for benefits upon termination of employment. Mr Georg Hotar receives a regular salary as an employee in his function as managing director of Global Investment Protection AG in Switzerland and Mr Gartner receives a regular salary as an employee in his function as managing

director of Photon Energy Australia Pty Ltd. in Australia. These compensations are in no direct relation to their Board of Director functions. The overall cost of compensations for the key management from their employment relations with the Company or its subsidiaries in the first half of 2023 amounted to EUR 560 thousand (H1 2022: EUR 607 thousand, 2022: EUR 1,119 thousand). The agreements between the key management with the Company or its Subsidiaries do not foresee any severance payments, company pension plans or other deferred compensation. Termination period of the agreements is up to six months. There are no commitments and contingent obligations towards key management personnel at 30 June 2023 nor 31 December 2022.

20. Subsequent Events

There were following subsequent events that have impact on the interim consolidated financial statements:

- ▶ On **24 July 2023**, Photon Energy Investments AG became 95% shareholder of **Aldgate Solar S.R.L., (RO-ALD; Romania)**, and KORADOL AG became shareholder of remaining 5%
- ▶ On **24 July 2023**, Photon Energy Investments AG became 95% shareholder of **Holloway Solar S.R.L., (RO-HOL; Romania)**, and KORADOL AG became shareholder of remaining 5%
- ▶ On **24 July 2023**, Photon Energy Investments AG became 95% shareholder of **Chesham Solar S.R.L., (RO-ALD; Romania)**, and KORADOL AG became shareholder of remaining 5%
- ▶ On **24 July 2023**, Photon Energy Investments AG became 95% shareholder of **Watford Solar S.R.L., (RO-ALD; Romania)**, and KORADOL AG became shareholder of remaining 5%