



Q1 2023 Results

Photon Energy N.V.

12 May 2023

Leeton, Australia (14.6 MWp)

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Photon Energy Group

Business Model
Strategy
Financials
Outlook 2023
Q&As

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



Business Model

Strategy

Financials

Outlook 2023

Q&As

Slavkov, Czech Republic (1.2 MWp)

About Us

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

Photon Energy Group



Founded in
2008



Headquartered in
Amsterdam



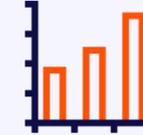
320+
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



3 x BUY
PT: EUR 4.04 - 4.60



Sustainability
Rating*

Solar Business Line

(Current core activity and strategic area of development)



940+ MWp
PV project pipeline



130+ MWp
constructed



+10.3 MWp
under
construction



113.1 MWp
proprietary portfolio



121.6 GWh
produced in 2022



430+ MWp
O&M portfolio



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

LERTA:
New Energy
Division

Water Business Line

(Strategic area of development)



PFAS**
patent pending

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

** Per- and polyfluoroalkyl substances

Our Global Presence

Focus on Europe and Australia

Project development

- ▶ Project pipeline with a combined capacity of **940+ MWp**
- ▶ Focus on Hungary, Poland, Romania and Australia

Electricity generation (113.1 MWp)

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

O&M (430+ MWp)

- ▶ Full Operations and Maintenance services in Czechia, Slovakia, Romania, Hungary and Australia (380+ MWp)
- ▶ Specialised technical services for PV inverters (~50 MWp)

New Energy Division

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



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



Business Model

Strategy

Financials

Outlook 2023

Q&As

Sydney, Australia (100 kWp)

Lerta – New Energy Division

We have completed the acquisition of the Polish company to **forward integrate into the energy value chain** in CEE and beyond.

About the transaction

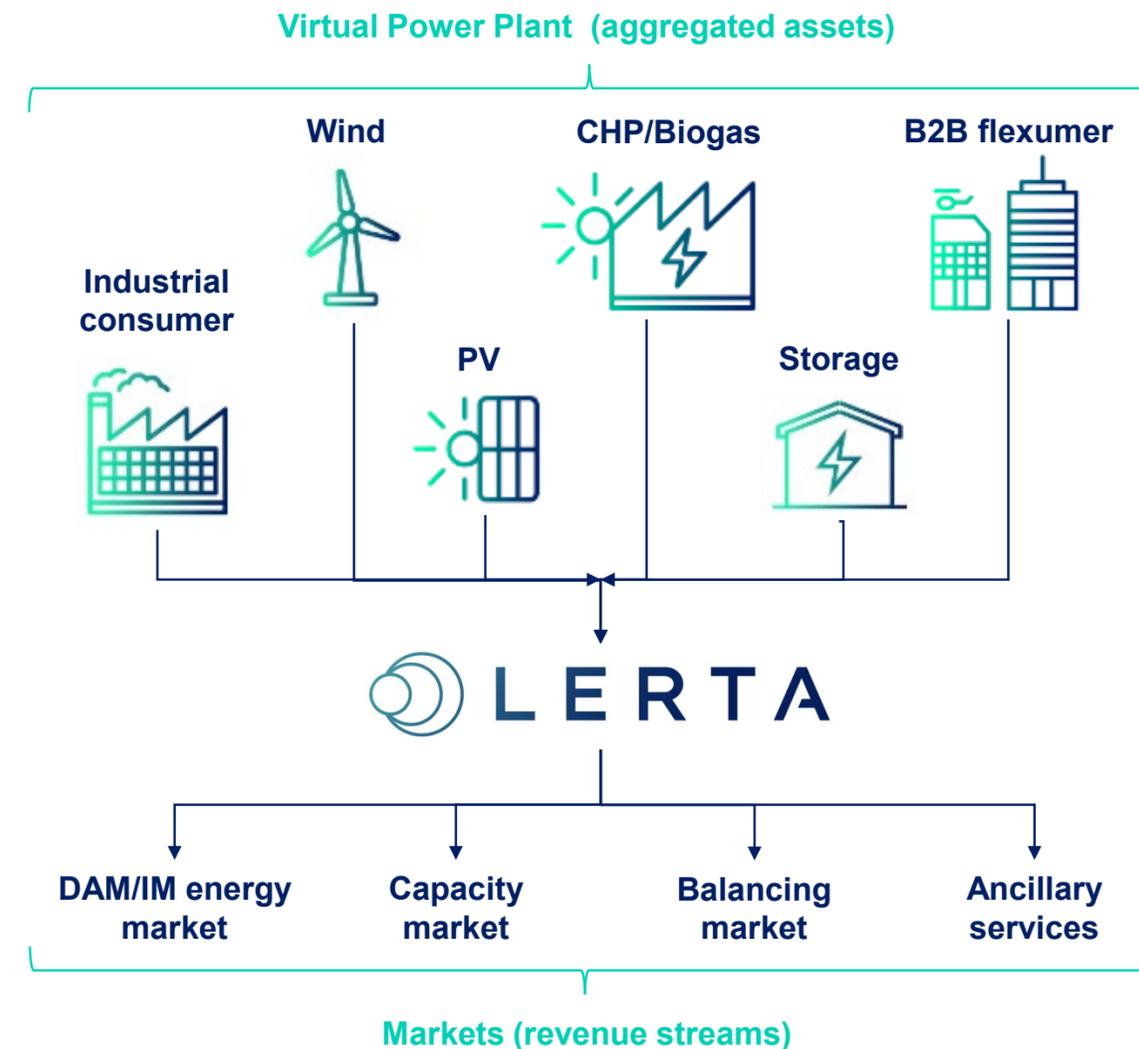
- ▶ Photon Energy increased its stake from 24% to a controlling interest of 85.6% as of 31.12.2022 and to 100% on 1 February 2023 **keeping the founders on board.**
- ▶ Lerta’s capabilities will help Photon Energy to better **access the electricity markets** with its own assets and beyond in the future.
- ▶ Lerta’s experience will foster future **electricity trading, capacity market services** and **C&I business** within Photon Energy Group.



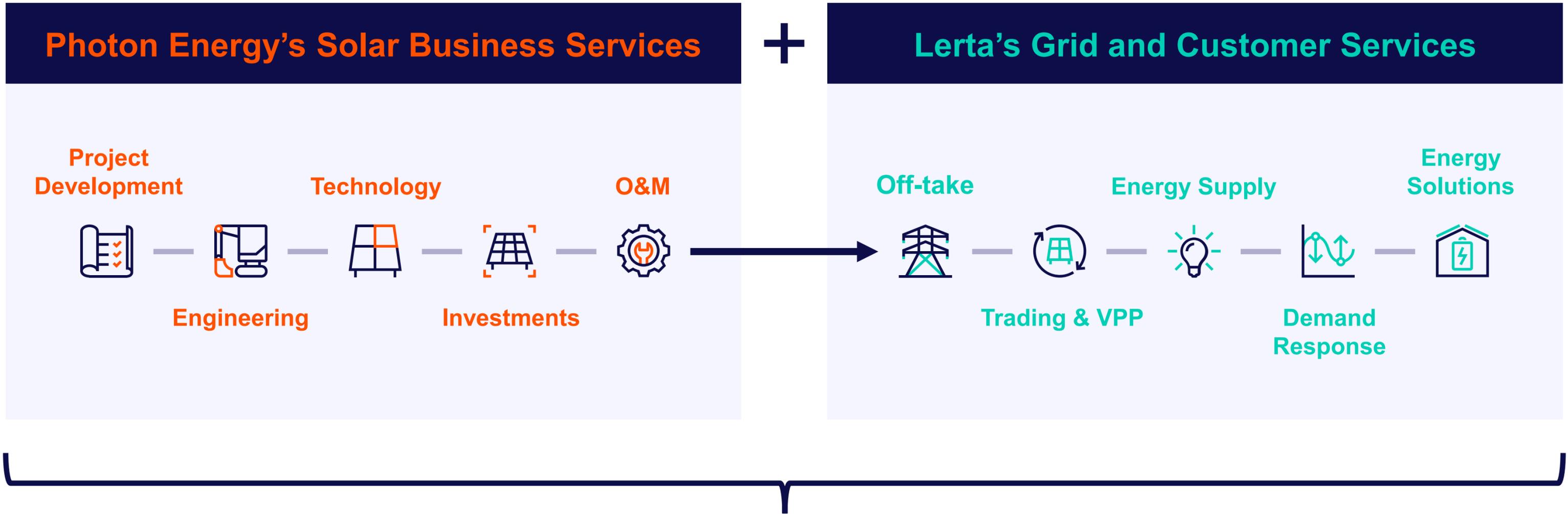
About Lerta



- ▶ Lerta has energy **trading licenses in six European markets**, aggregates assets using Virtual Power Plant technology (approx. 290 MW under management), provide grid services including balancing, demand side response and capacity market.



Expansion of Photon Energy's Business Model



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

RayGen Technology to Accelerate Further Capacity Growth

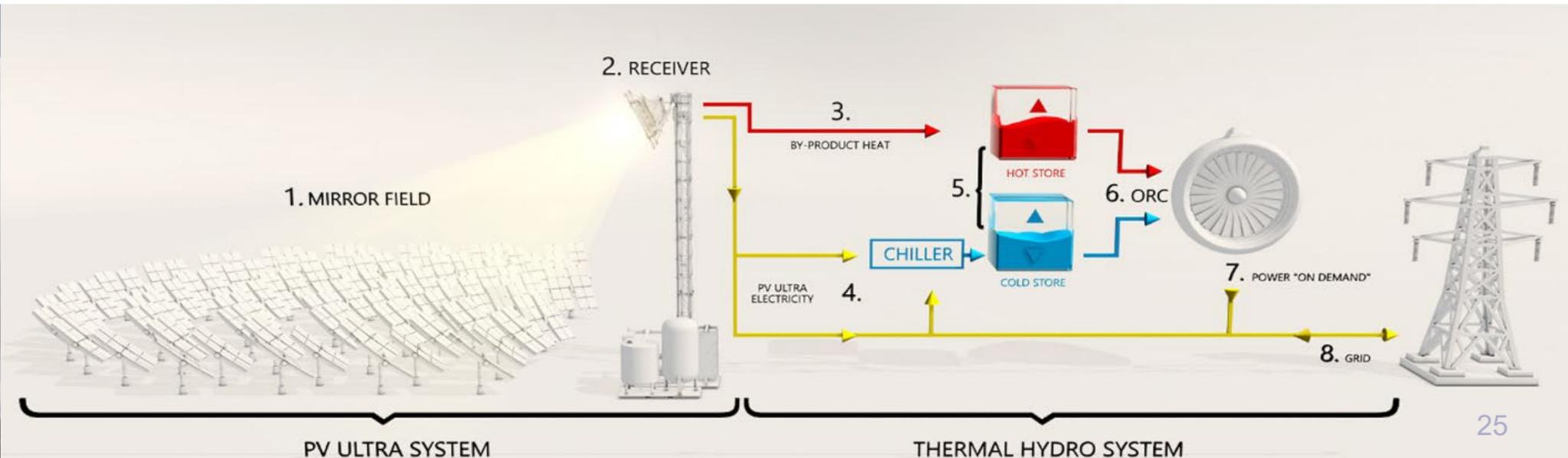


About the technology

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

About our partnership

- ▶ Photon Energy made a **minority equity investment** in the company in April 2020 and participated in second financing round with AGL, Schlumberger, Chevron, Equinor and others in April 2021.
- ▶ Photon Energy will **act as a project developer and EPC contractor** and a potential equity investor.
- ▶ Photon Energy is currently **working on the development of a 300 MWp / 3.6 GWh solar-plus-storage project**, which will exceed the 3 GWh capacity of the Ouarzazate Solar Power Station in Morocco, which currently has the world's largest energy storage capacity of any type, excluding pumped hydro.





Business Model
Strategy

Financials

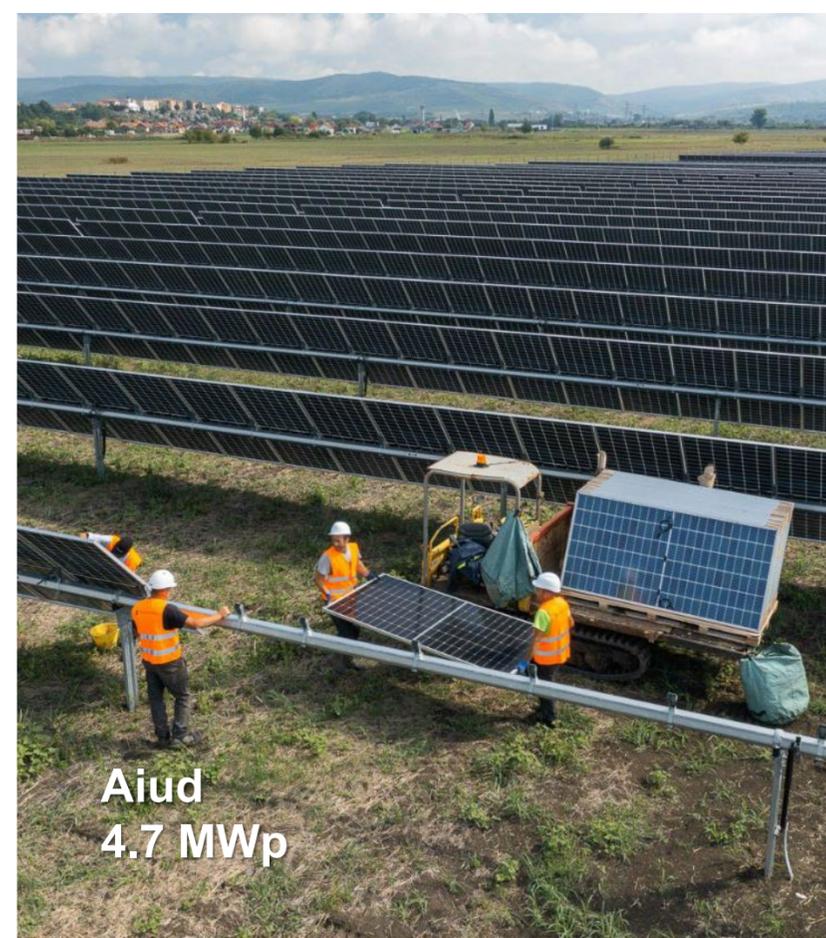
Outlook 2023

Q&As

Aiud, Romania (4.7 MWp)

Highlights Q1 2023

- ▶ Increase of investment into **LERTA** from 85.62% to **100%** ownership as of 1 February 2023
- ▶ Commissioning of a **5.7 MWp PV power plant in Siria, Romania** and another 5 power plants with a combined capacity of 15.5 MWp in Romania after the reporting period.
- ▶ **EUR 21.9 million long-term refinancing** secured for our Romanian portfolio.
- ▶ Photon Energy secured **DSR capacity of 389 MW** and locked-in EUR 24.8 million in 2024 revenue.
- ▶ Tap of 6.50% Green EUR Bond 2021/2027 by **EUR 2.5 million** to EUR 80.0 million.
- ▶ Renewal of a “**very good**” **ESG rating** received from imug rating after the reporting period.

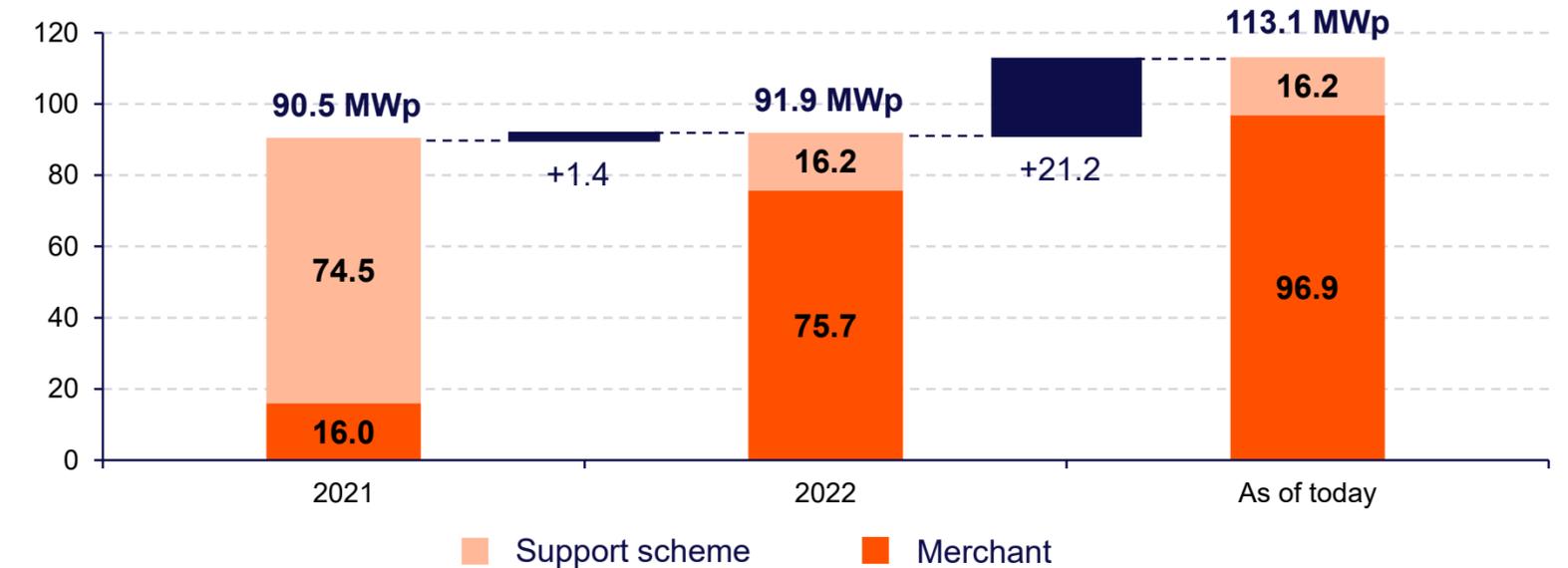


Business Development

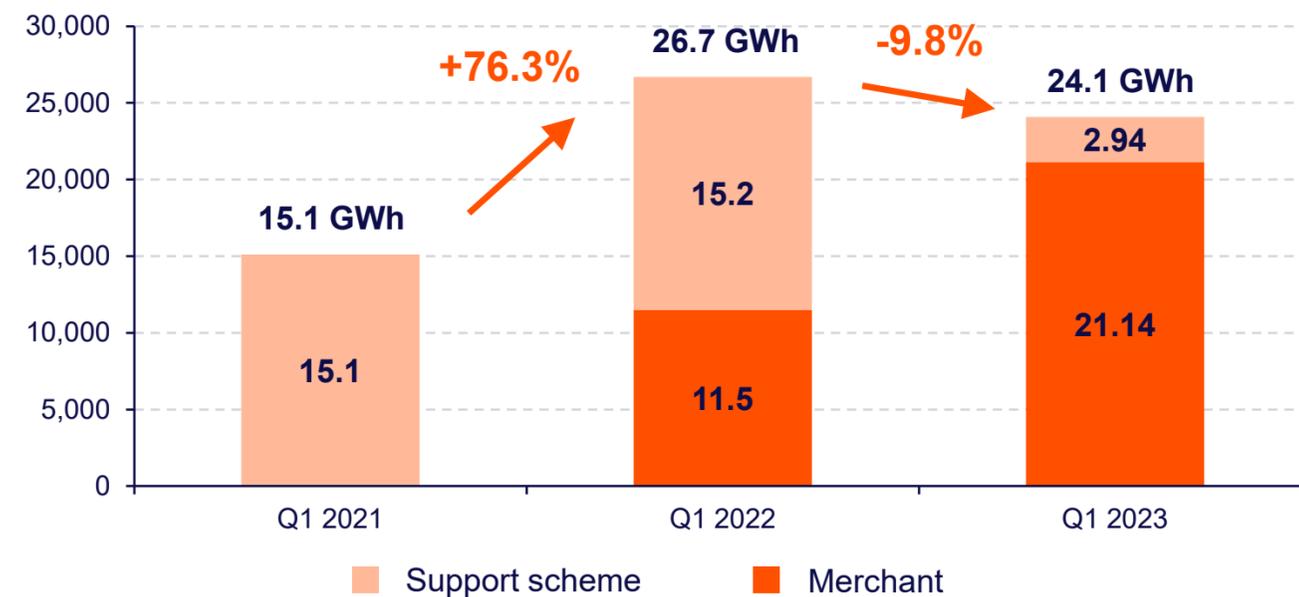
Continued progress across all segments

- ▶ **24.1 GWh of electricity (-9.8% YoY) generated** by our proprietary power plant portfolio in Q1 2023.
- ▶ **Commissioning of a 5.7 MWp PV power plant in Siria, Romania**, another 5 power plants with a combined capacity of 15.5 MWp in Romania after the reporting period.

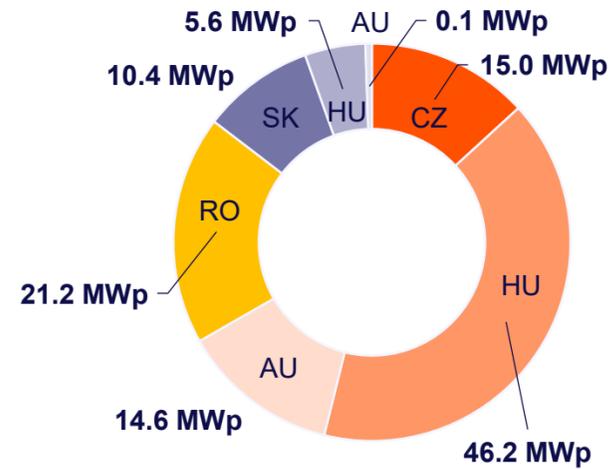
Proprietary portfolio, cumulated (MWp)



Electricity generation total portfolio



Market exposure in Q1 2023



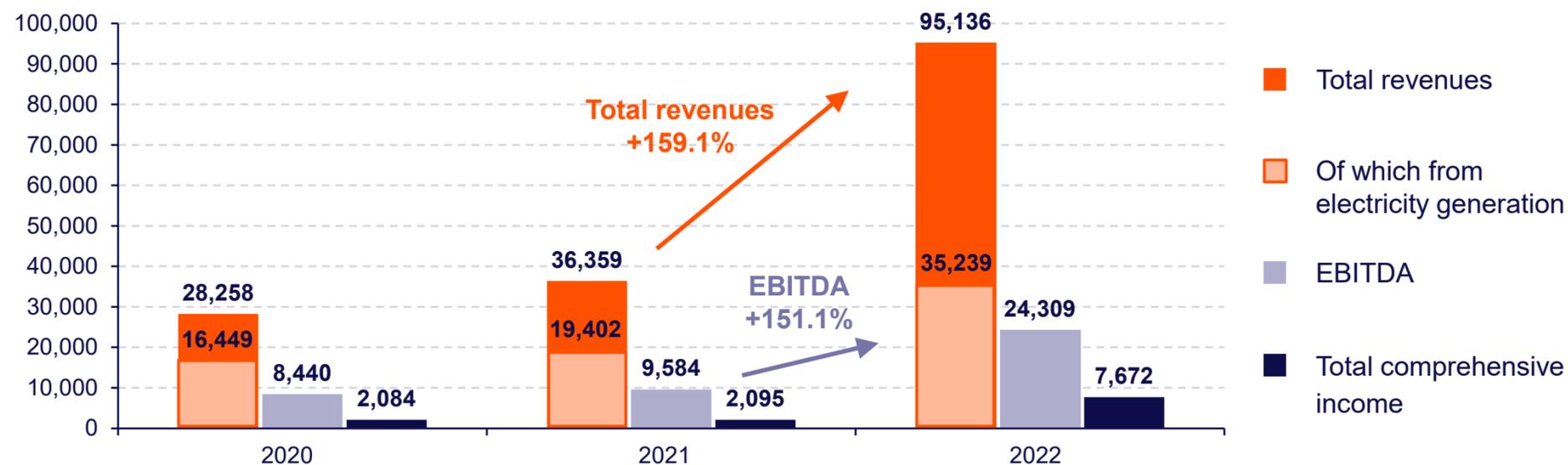
Country	Revenue model	Realized Revenue per MWh
Czech Republic	Green Bonus + Merchant	EUR 683
Hungary	Merchant	EUR 127
Australia	Merchant	EUR 72
Romania	Merchant	EUR 89
Slovakia	FIT	EUR 263
Hungary	FIT	EUR 104
Australia	FIT	EUR 204

Q1 2023 Financial Results

Income Statement

In thousand EUR	Q1 2023	Q1 2022	Change in %	FY 2022
Total revenues	19,280	9,137	111.1%	95,136
<i>of which from electricity generation</i>	4,150	4,951	-16.2%	35,239
EBITDA	330	2,024	-83.7%	24,309
EBIT	-1,569	528	<i>nm</i>	16,985
Net profit/Net loss	-4,170	-1,491	<i>nm</i>	6,262
Other comprehensive income (OCI)	2,520	3,279	-23.1%	1,410
Total comprehensive income (TCI)	-1,649	1,789	<i>nm</i>	7,672

In thousand EUR



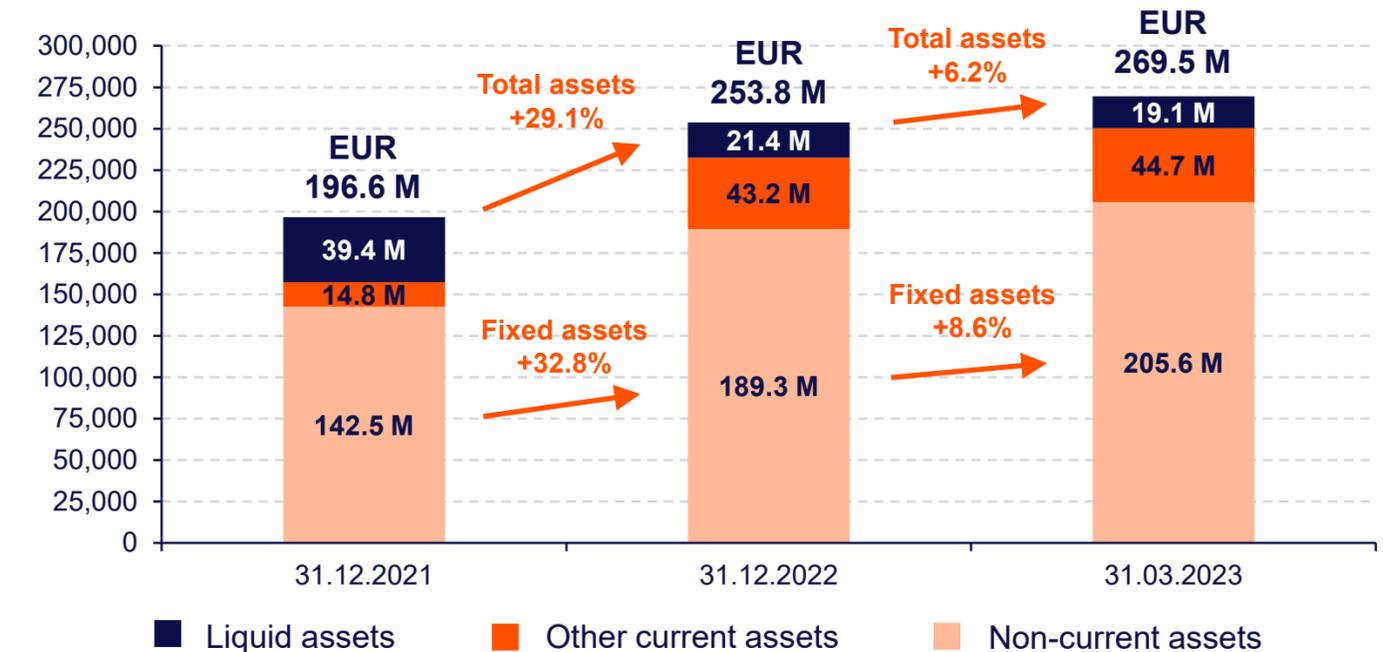
- ▶ Q1 2023 revenues doubled to a Q1 record of EUR 19.280 million (+111.0% YoY) despite challenging weather and market conditions affecting the electricity revenues from its proprietary portfolio.
- ▶ Q1 EBITDA of EUR 0.330 million (-83.7% YoY) impacted by a higher contribution of lower margin revenues, one-off transaction costs related to the acquisition of Lerta and a growing headcount to support the business growth.

Q1 2023 Financial Results

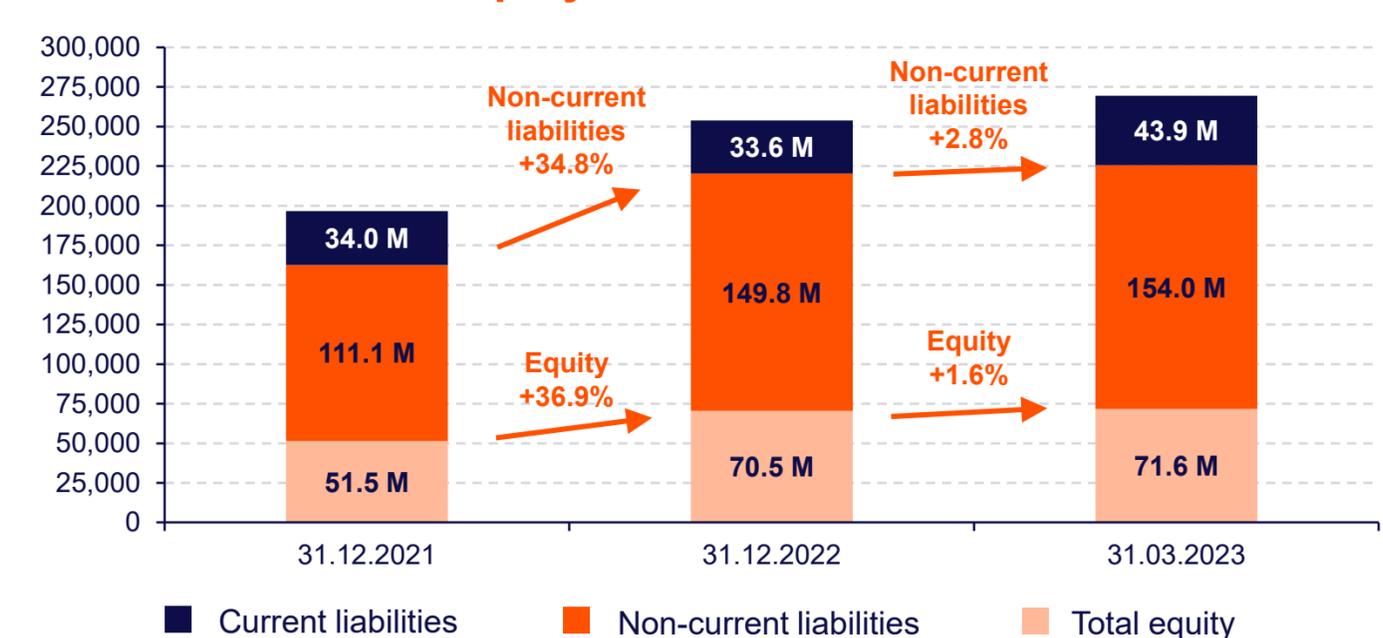
Balance Sheet

- ▶ **Increase of Fixed assets:** mainly resulting from the addition of the power plant commissioned in Siria, an increase of our assets in progress in Romania, offset by the ongoing depreciation of our portfolio of power plants, and advances paid related to Lerta activities.
- ▶ **Equity** increase reflecting the transfer of treasury shares in line with the Lerta acquisition partially compensated by the TCI for the period.
- ▶ **Long term liabilities increased** due to an increased placement of our EUR Green bond amounting of EUR 2.5 million, the leasing of new facilities in Australia and Romania.
- ▶ **Increase of Current liabilities** mainly due to the conclusion of a new credit line up to EUR 5.0 million between Photon Energy Technology CEE s.r.o. and Unicredit Bank Czech Republic and Slovakia a.s., meant to be used for working capital needs of the trading business activities, and to an increase in trade and other payables connected to Lerta.

Assets



Total liabilities and equity

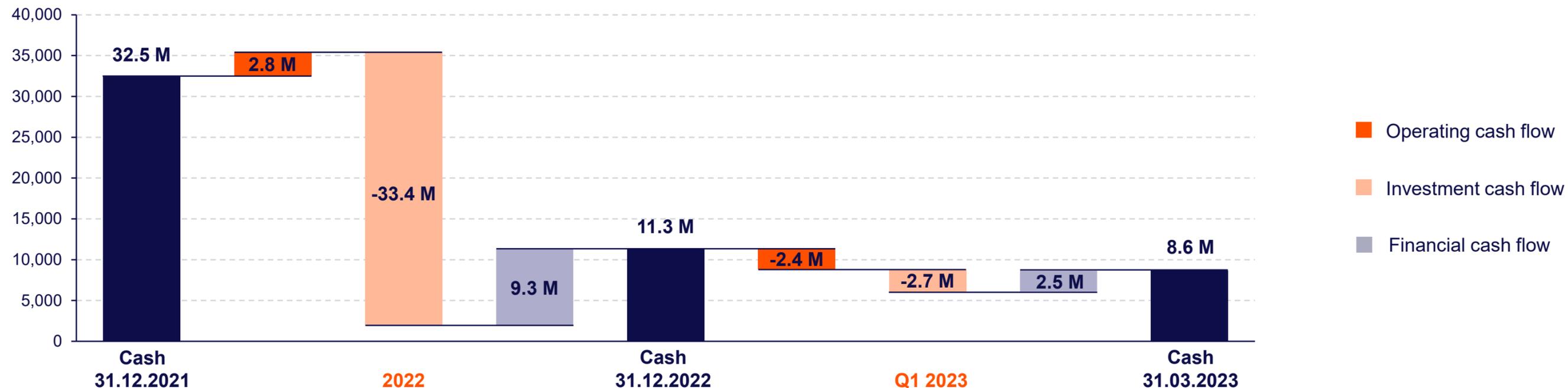


Q1 2023 Financial Results

Cash Flow

In thousand EUR	Q1 2023	Q1 2022
Operating cash flow	-2,428	-6,502
Investment cash flow	-2,732	-904
Financial cash flow	2,525	-4,916
Net change in cash	-2,635	-12,321

- ▶ **Negative operating cash flow** driven by negative changes in the net working capital (e.g. increased inventories and activities connected to Lerta) which could not be compensated by the operating result of the current period.
- ▶ **Increased investment cash flow** related to work in progress for our proprietary portfolio in Romania and Hungary.
- ▶ **Positive financial cash flow** impacted by the additional placement of our EUR Green bond 2021/27 and the working capital financing of Photon Energy Technology CEE s.r.o., partially compensated by scheduled repayments of bank financing and interest expenses.





Business Model
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Financials

Outlook 2023

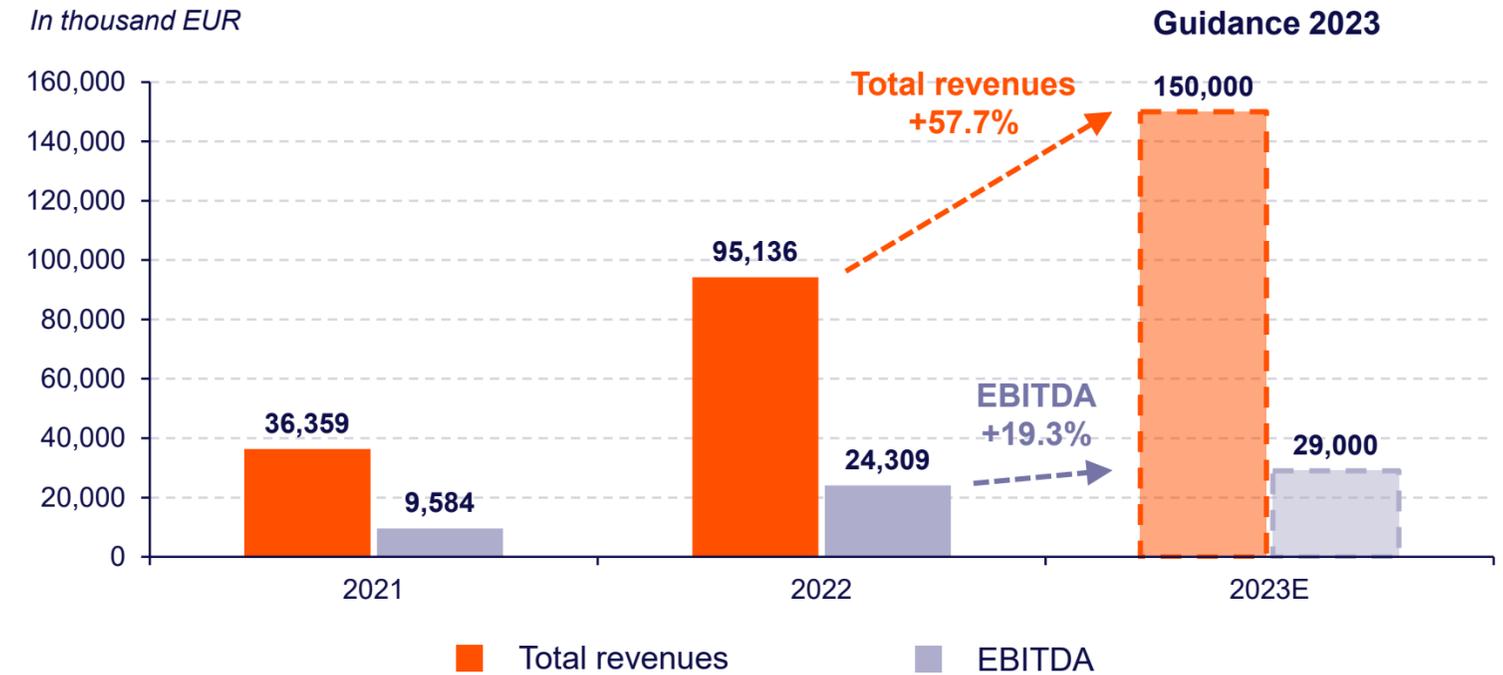
Q&As

Siria, Romania (5.7 MWp)

Photon Energy: Outlook for 2023

Revenue and EBITDA Guidance

- ▶ **Revenues** projected to reach **EUR 150.0 million** representing a 57.7% increase YoY.
- ▶ Leading to a 19.3% YoY **EBITDA** increase to **EUR 29.0 million**.
- ▶ With the expansion of our business model by the recent acquisition of Lerta, our mid-term guidance is under revision.





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Q&As

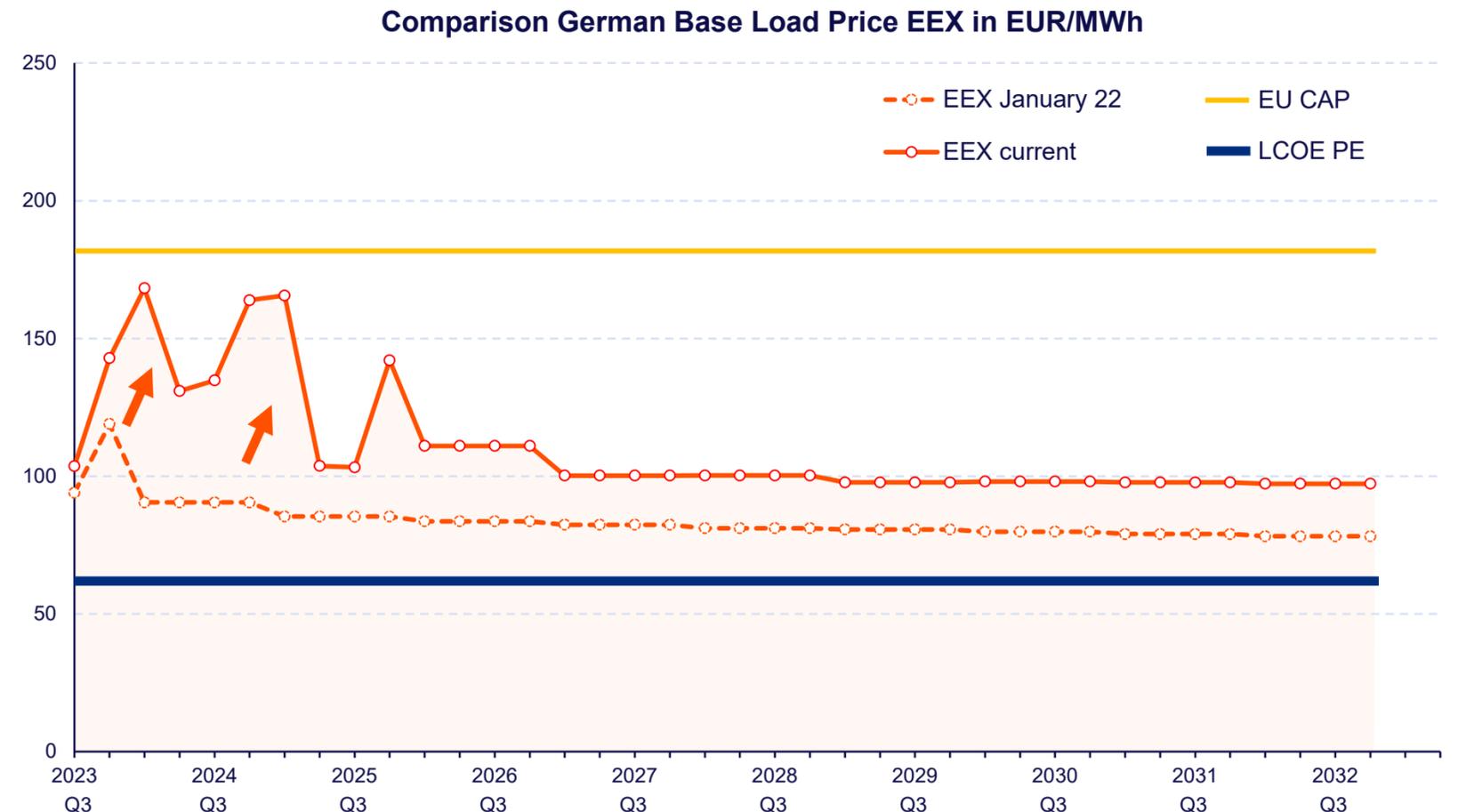


Annex

The Future of Our Business is the Energy Market

High energy prices in our key markets

Key Figures	Electricity spot price / daily average 1 March 2023	Electricity Forward price 2024
Romania	~152 EUR per MWh	~156 EUR per MWh
Poland	~156 EUR per MWh	~155 EUR per MWh
Hungary	~152 EUR per MWh	~163 EUR per MWh
Czech Republic	~148 EUR per MWh	~150 EUR per MWh
Slovakia	~151 EUR per MWh	~158 EUR per MWh
Australia	~61 EUR per MWh	~110 EUR per MWh



Current Levelized Cost of Electricity (LCOE) is between 60 and 70 EUR per MWh.

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

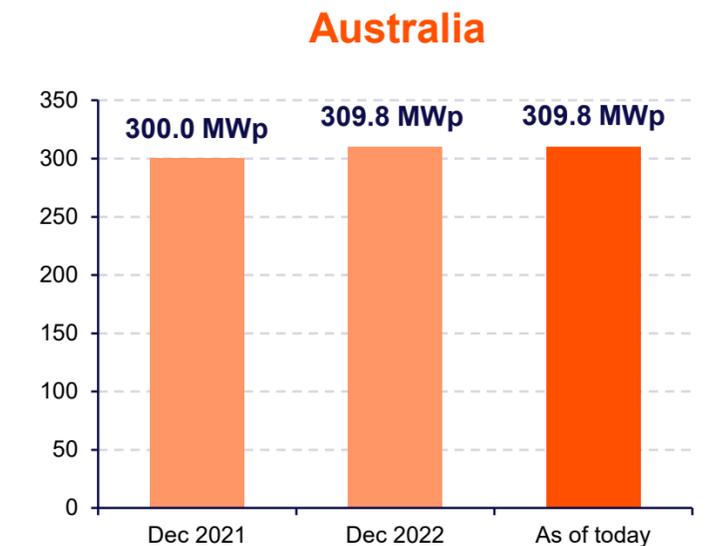
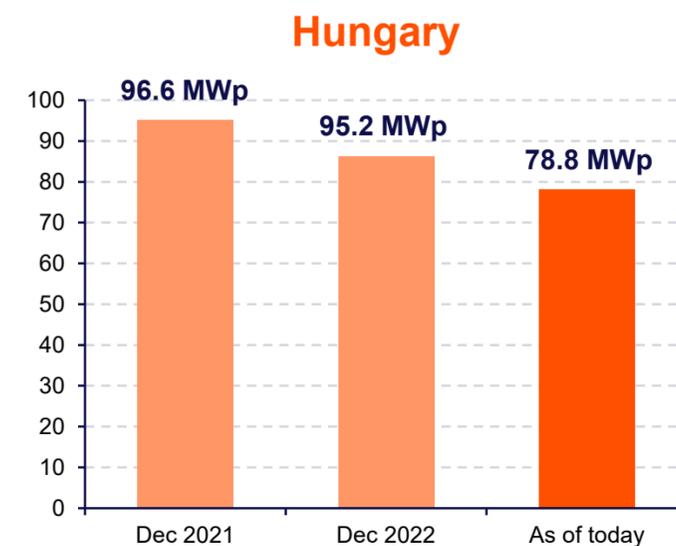
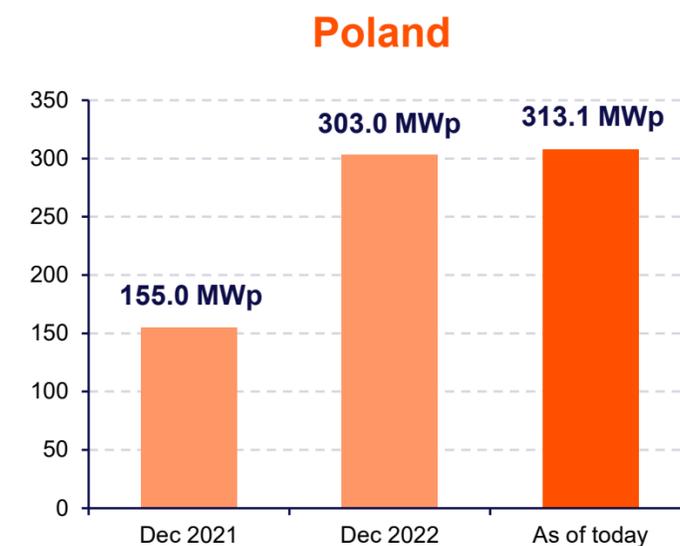
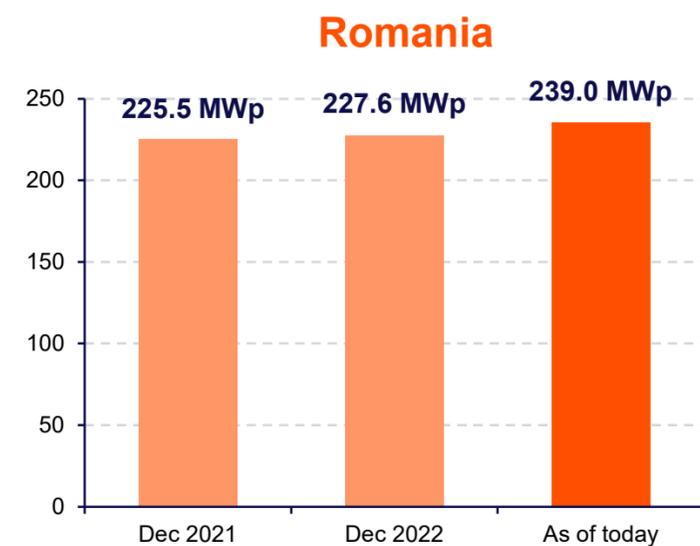
Essential for our Growth is our Project Pipeline

Pipeline of projects under development (in MWp)

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Romania	28.9	90.1	73.3	36.3	10.4	239.0
 Poland	275.1	34.1	3.9	-	-	313.1
 Hungary	60.5	13.6	0.7	4.1	-	78.8
 Australia	-	300.0	9.8	-	-	309.8
Total pipeline	364.4	437.8	87.7	40.4	10.4	940.7

Project development process

- ▶ The typical development period of new PVPPs is 12–24 months and the construction period – additional 6–12 months.
- ▶ After achieving Ready-to-build stage the Company has an option to sell the project rights, reporting capital gains and raising funds to finance new projects with a greater potential of value creation.
- ▶ New large scale utility developments in Australia to be analysed, prepared and carried out using the innovative PV technology and energy storage system provided by RayGen, a Company in which the Group has a minority equity investment of 7.49%.



Overbuilding and Using Trackers Makes the Investment More Attractive

Daily production profile (fixed and trackers) vs HUPX DAM hourly electricity prices

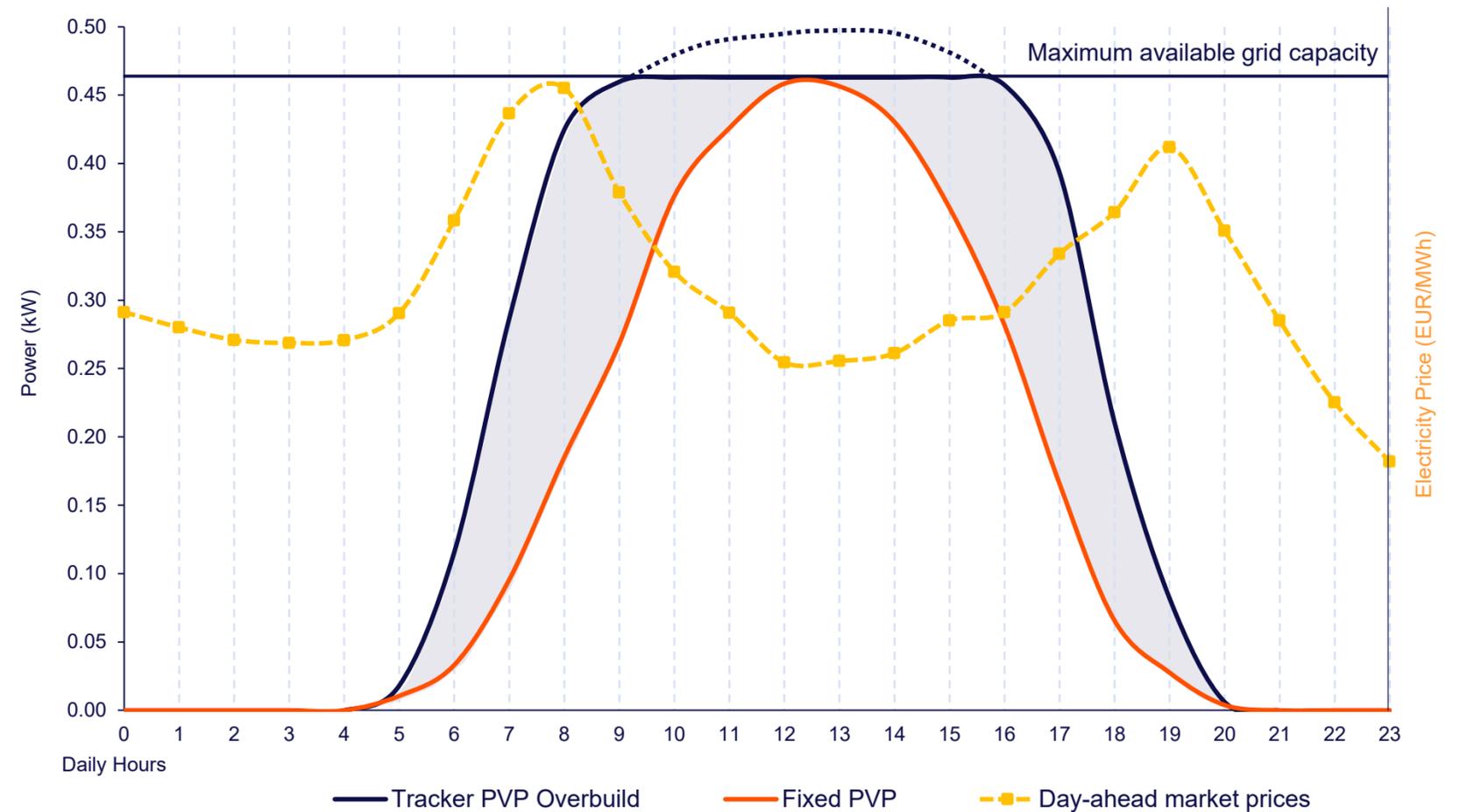


Fixed-tilt installation

← WEST EAST →



Single-axis trackers



Higher electricity production during morning and evening hours when electricity prices are more attractive => higher total revenues

Business Model: Solar Services

Our services cover the entire lifecycle of photovoltaic systems.



Project Development

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



Operations and Maintenance

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



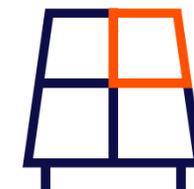
Engineering (EPC)

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



Electricity Generation

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

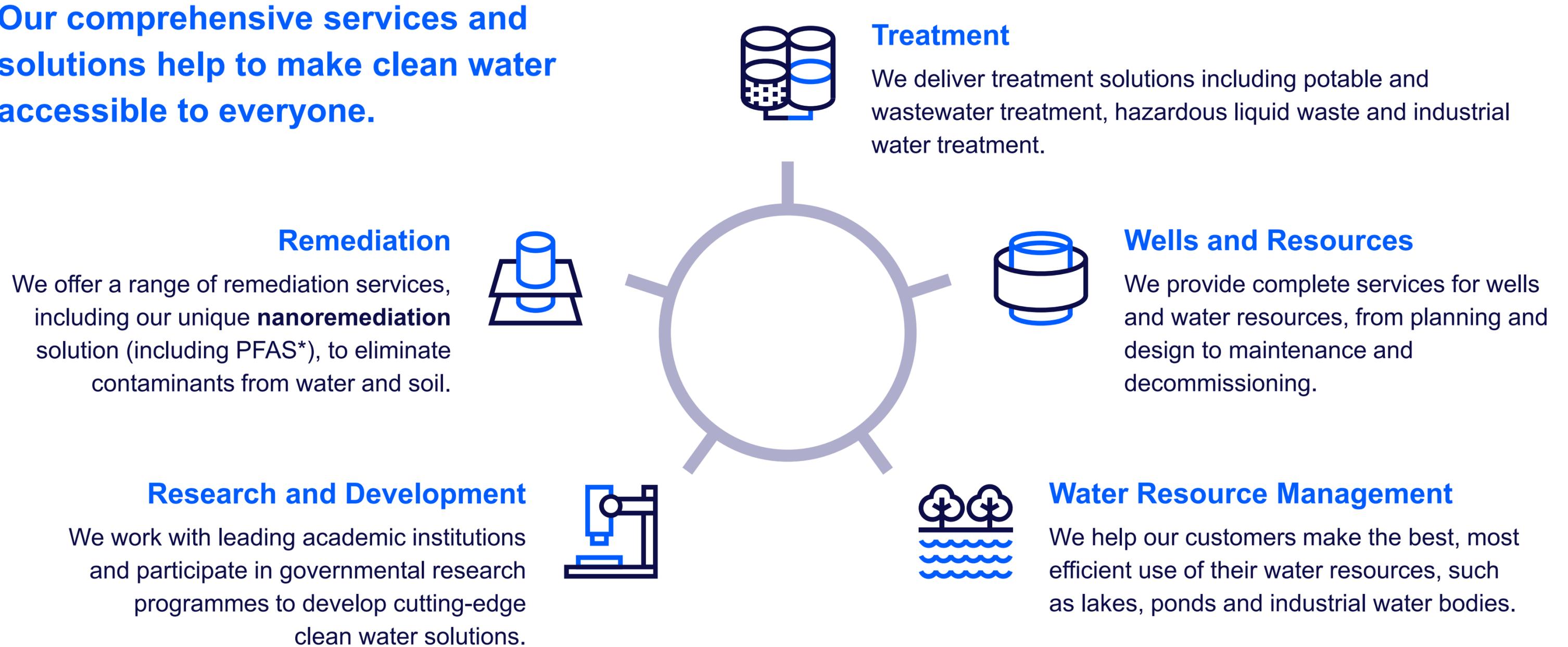


Technology

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

Business Model: Water Services

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



* Per- and polyfluoroalkyl substances.

Photon Water – Business Opportunity Still Not Priced In

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

Definition of Global Hazard

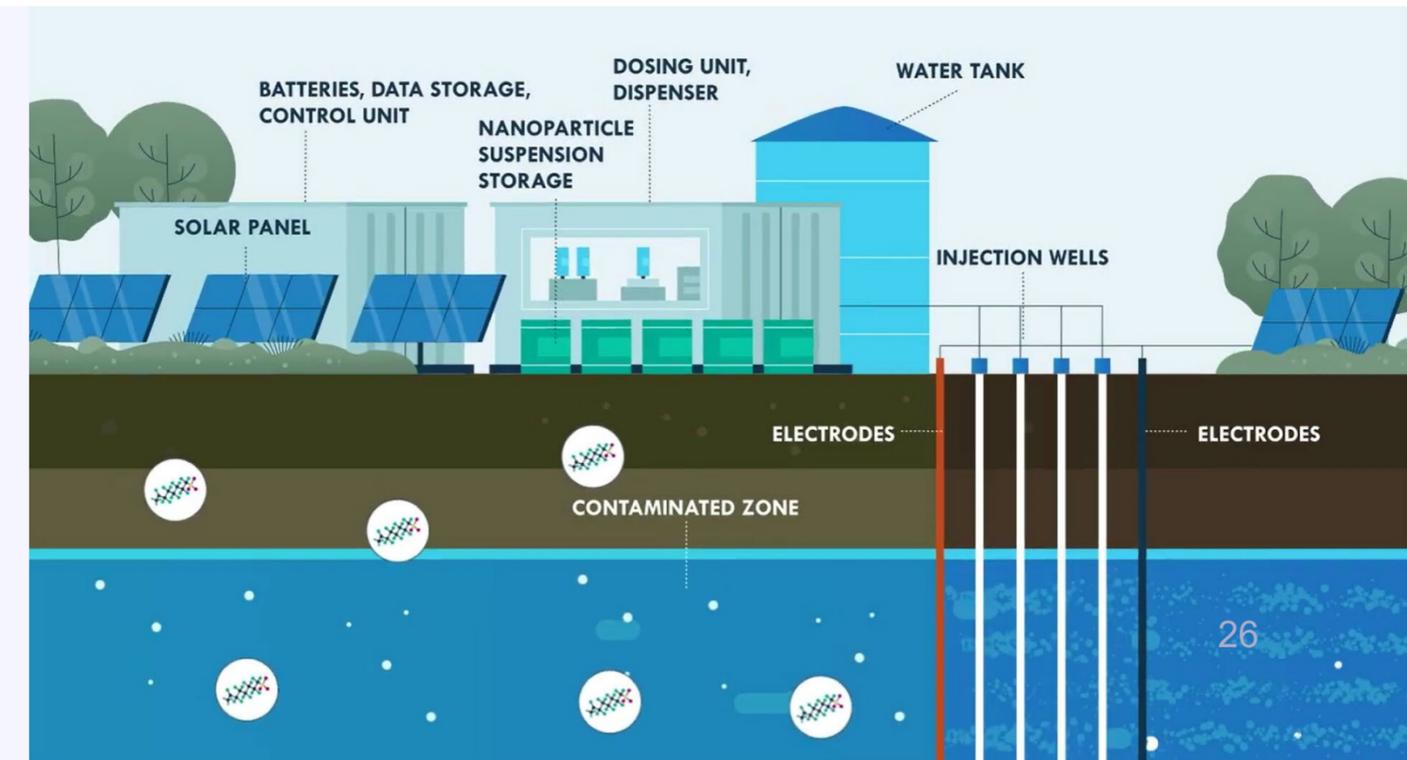
Per- and polyfluorinated substances (PFAS) – group of chemicals used to make various industrial and household products. PFASs can migrate into liquids in the landfill, further moving into leachate collection systems and/or directly into the natural environment. PFAS do not break down naturally, and they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

Our Nano-remediation solution

It is a **proprietary patent-pending solution**, which enables in-site removal of PFAS from groundwater without the need for pumping and surface treatment or disposal processes. The Company signed **an agreement with the Australian Department of Defense**, on the basis of which the trial is performed to confirm the efficacy of this technology.

Perspective Markets:

- ▶ **Australia** – is expected that the liquid waste market will grow at the level of **3–5% annually**, whilst selected segments such as **PFAS/PFOA** are projected to grow at rates over **100% per annum**.
- ▶ **Europe** – compared to Australia, European market is **at the earlier stage of defining and handling the PFAS** contamination issue, but a **similar market development path is expected.**



Our Share

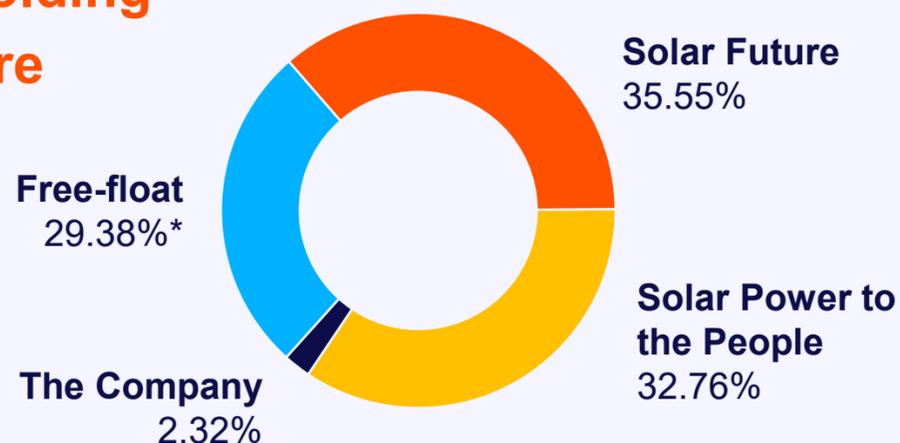
ISIN	NL0010391108
Shares outstanding	59,819,838
Shares in free-float	17,990,627
Market cap 30.04.2023	EUR 158 million
Net debt 31.03.2023	EUR 138 million
Enterprise value 30.04.2023	EUR 296 million

Research

Institution	Rating	Target Price*		
AlsterResearch	Buy	EUR 4.60	PLN 21.55	CZK 109
IPOPEMA	Buy	EUR 4.04	PLN 18.91	CZK 96
WOOD & Company	Buy	EUR 4.42	PLN 20.73	CZK 105

*Prices in bold stated by research reports; other currencies included for reference.

Shareholding Structure



* including Lerta founders' shareholding of 5.78%.

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

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

GREEN EUR Bond 2021/27

Bond	GREEN EUR Bond 2021/2027	 <p>Best Issuer Green SME Bonds 2021</p>  <p>BOND MAGAZINE</p>
Volume	EUR 80.0 million	
Coupon	6.50% p.a., quarterly payment	
Initial offering	23 November 2021	
Ratings/Awards	<ul style="list-style-type: none"> ▶ IMUG rating – <u>second party opinion</u>, ▶ KFM Barometer 4 of 5 stars ▶ Best Issuer Green SME Bonds 2021 	
Segment	Secondary market: trading on Open Market of the Frankfurt Stock Exchange since 23 November 2021	
Covenants	<ul style="list-style-type: none"> ▶ Dividend restriction (max 50% if EBITDA/ICR > 2) ▶ Group Equity ratio ≥ 25%* ▶ Cross default ▶ Negative pledge ▶ Pari passu ▶ Change of Control-Clause ▶ Transparency clause 	
Denomination	EUR 1,000	
Term / Redemption	Six years / 23 November 2027 at par	 <p>KFM-Barometer Mittelstandsanleihen November 2021</p> <p>6,50%-Anleihe Photon Energy N.V. Anleihe 21/27, WKN A3KWKY</p> <p>Attraktiv (4 von 5)</p>
ISIN	DE 000A3KWKY4	

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