



Q3 2022 Results

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

Photon Energy N.V.

14 November 2022

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Business Model

Strategy and Outlook

Q3 2022 Financials

Q&A Session



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About Us

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

Photon Energy Group



Founded in
2008



Headquartered in
Amsterdam



~200
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



3 x BUY
PT: EUR 3.12 - 4.20



Sustainability
Rating*

Solar Business Line

(Current core activity and strategic area of development)



~ 899 MWp
PV project pipeline



120+ MWp
constructed

+28.3 MWp
under
construction



91.9 MWp
proprietary portfolio



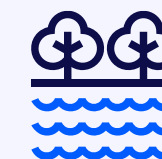
103 GWh
produced in 2021



~ 380 MWp
O&M portfolio

Water Business Line

(Strategic area of development)



605 ha
of lakes and
ponds managed



3,500 m of wells
drilled, maintained
or decommissioned



PFAS
patent pending

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

Our Global Presence

Focus on Europe and Australia

Project development

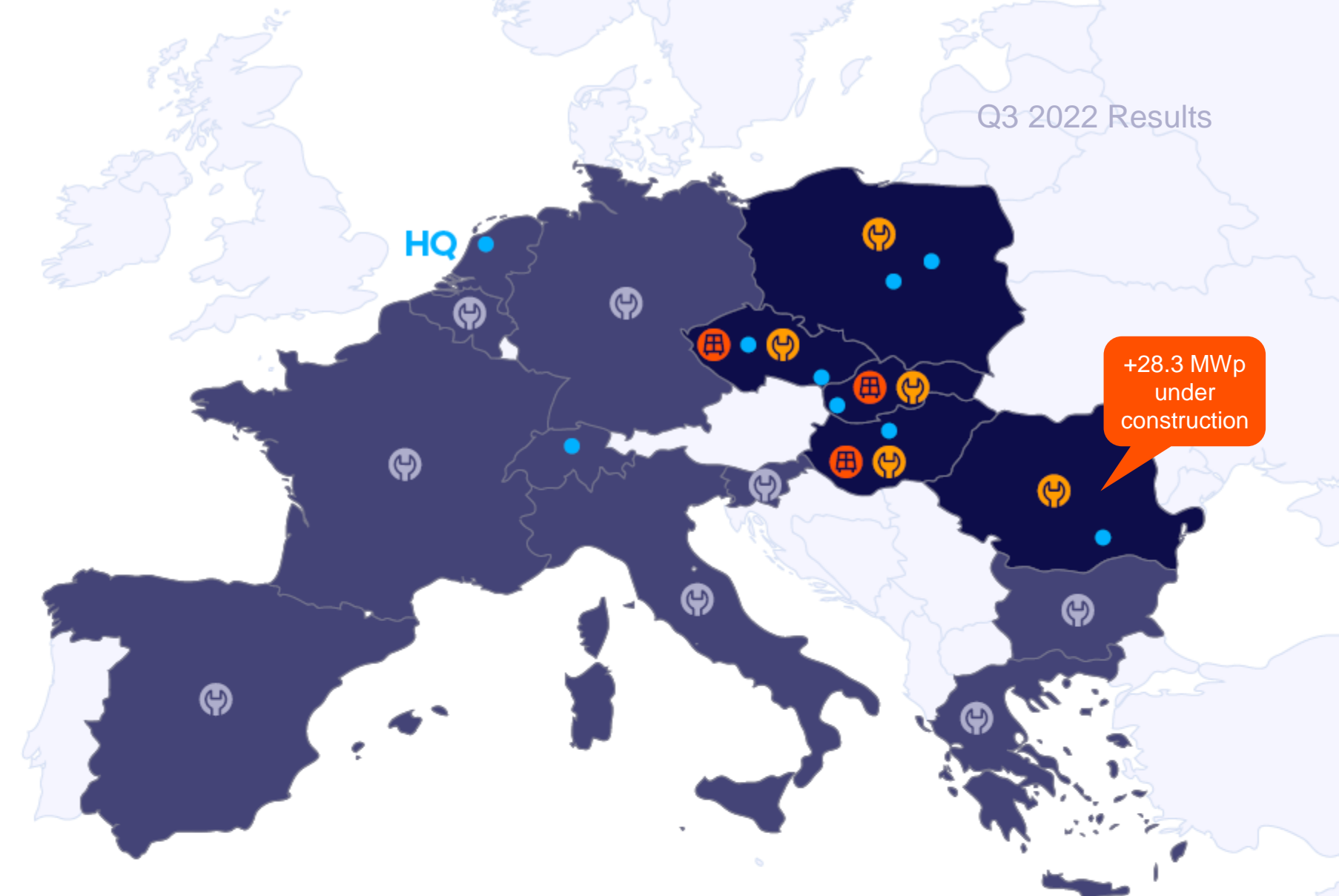
- ▶ Project pipeline with a combined capacity of 899 MWp
- ▶ Focus on Australia, Hungary, Poland and Romania

Electricity production (91.9 MWp)

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

O&M (~380 MWp)

- ▶ Full Operations and Maintenance services in the Czech Republic, Slovakia, Romania, Hungary and Australia (~330 MWp)
- ▶ Specialised technical services for PV inverters in other European countries (~50 MWp)



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





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Key Strategy Drivers

Expansion of recurring revenue streams to increase Group value:

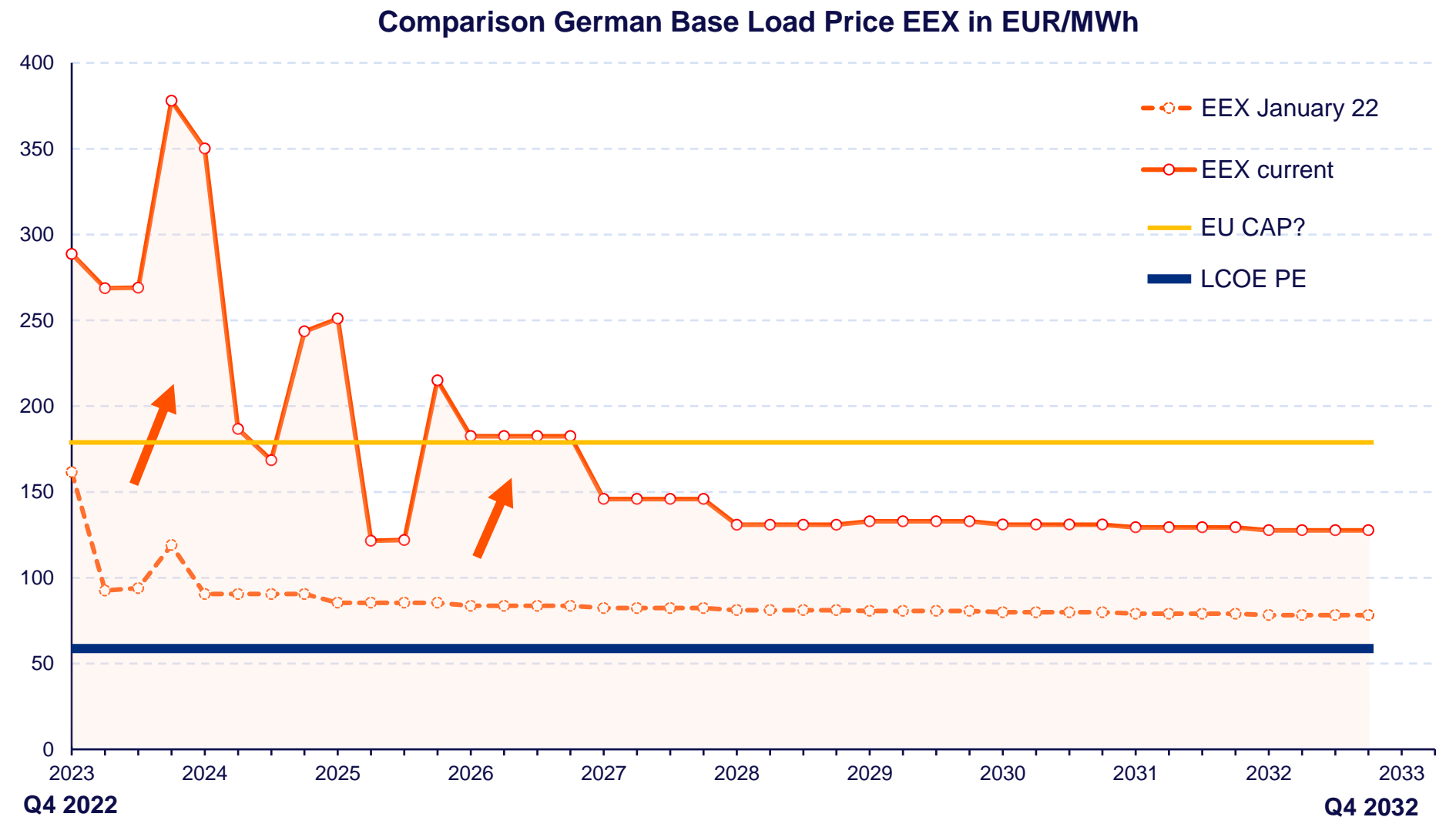
- I. **Electricity generation: Develop pipeline of projects**, in-house or through co-development, to expand our PV proprietary portfolio and increase stable revenues from clean electricity generation and grid support services.
- II. **Engineering (EPC):** Design and construct customized, **decentralized**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



The Future of Our Business is the Energy Market

Increasing energy prices in our key markets

Key Figures	Electricity spot price / daily average 31 October 2022	Electricity Forward price 2023E
Romania	~166 EUR per MWh	~301 EUR per MWh
Poland	~135 EUR per MWh	~187 EUR per MWh
Hungary	~146 EUR per MWh	~326 EUR per MWh
Czech Republic	~145 EUR per MWh	~301 EUR per MWh
Slovakia	~145 EUR per MWh	~318 EUR per MWh
Australia	~126 EUR per MWh	~122 EUR per MWh

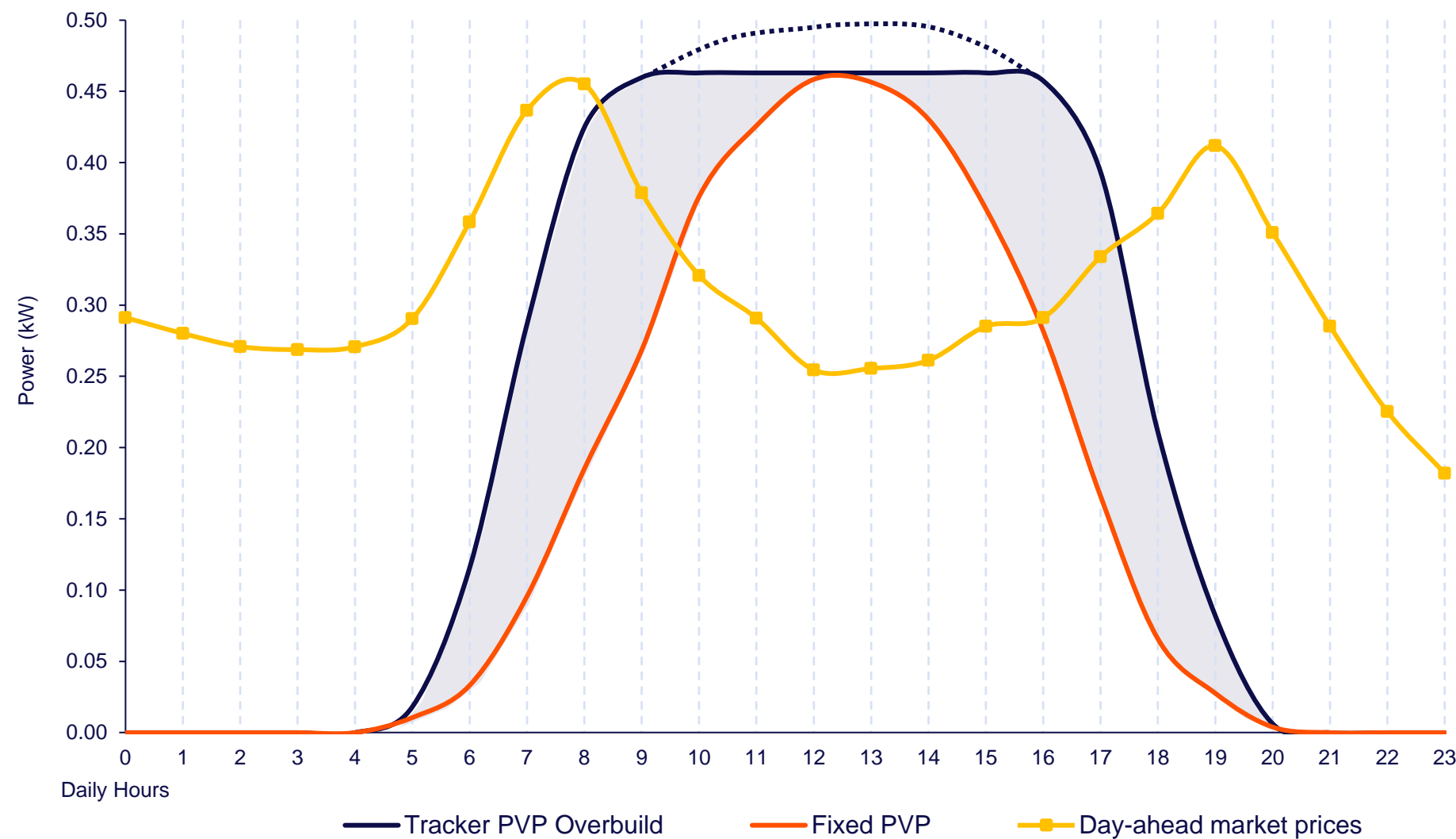


Current Levelized Cost of Electricity (LCOE) is between 56 and 61 EUR per MWh.

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

Overbuilding and Using Trackers Makes the Investment More Attractive

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



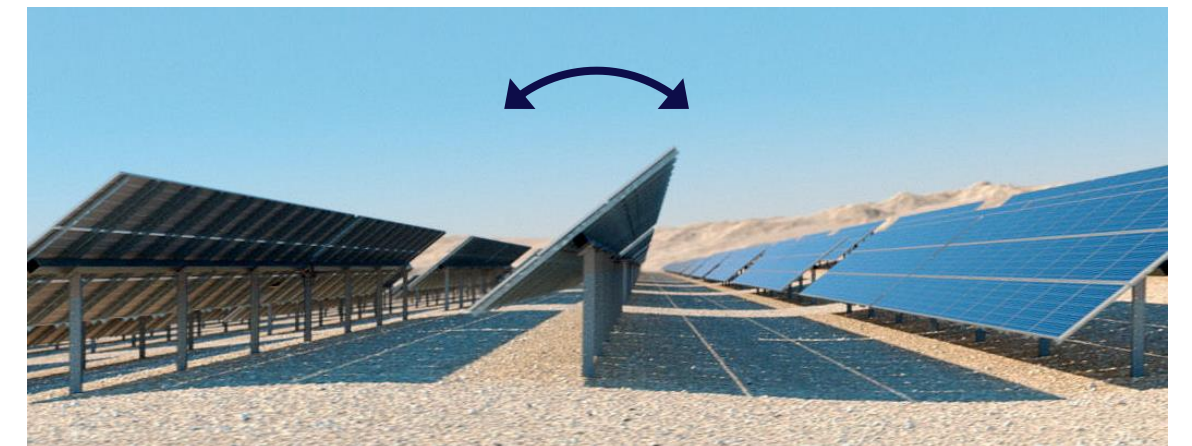
Fixed-tilt installation



← WEST

EAST →





Single-axis trackers



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

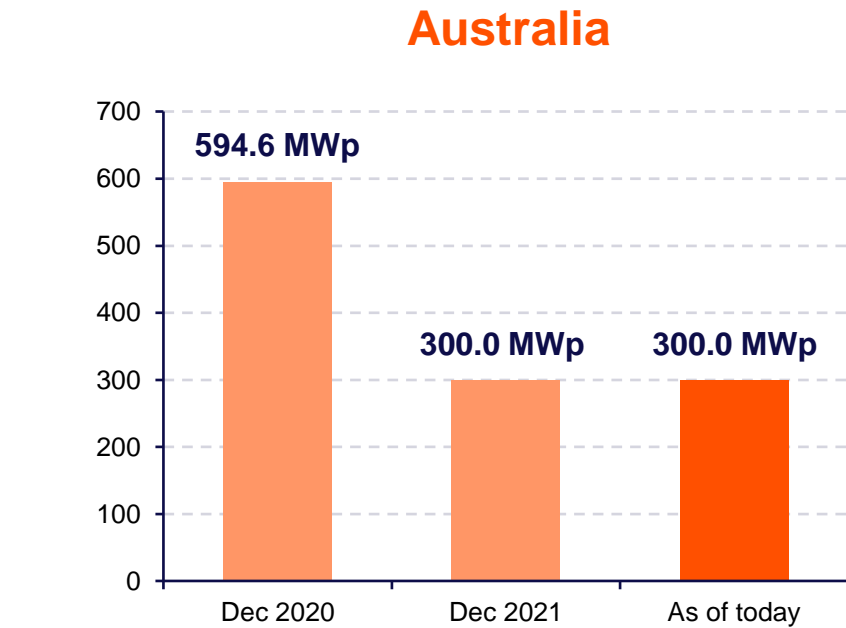
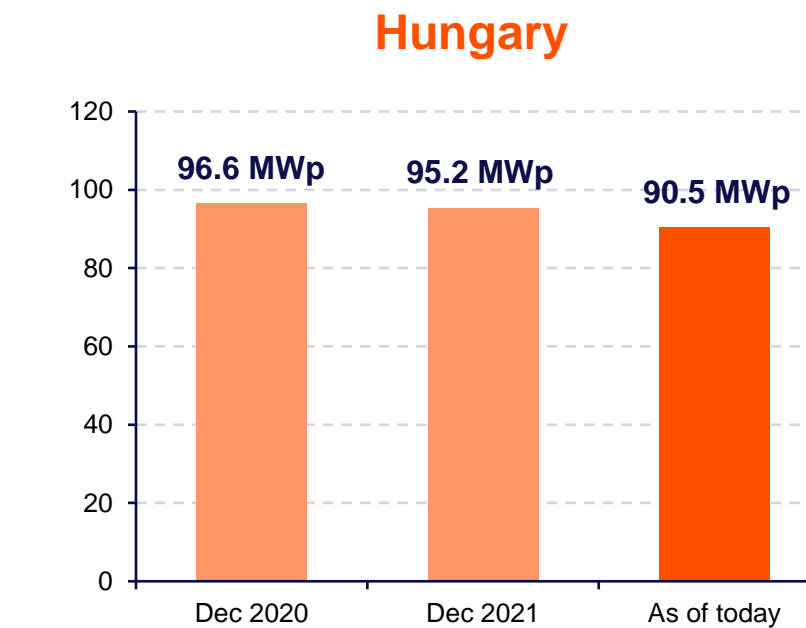
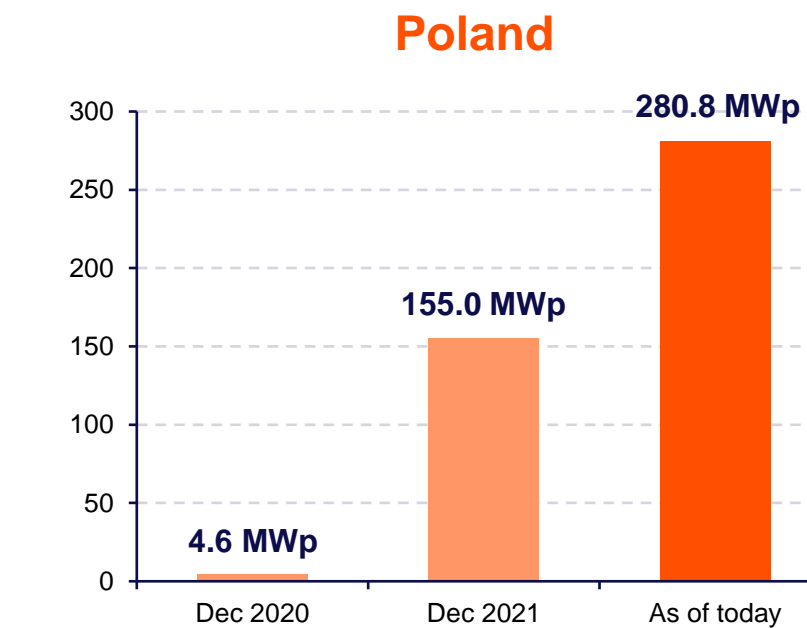
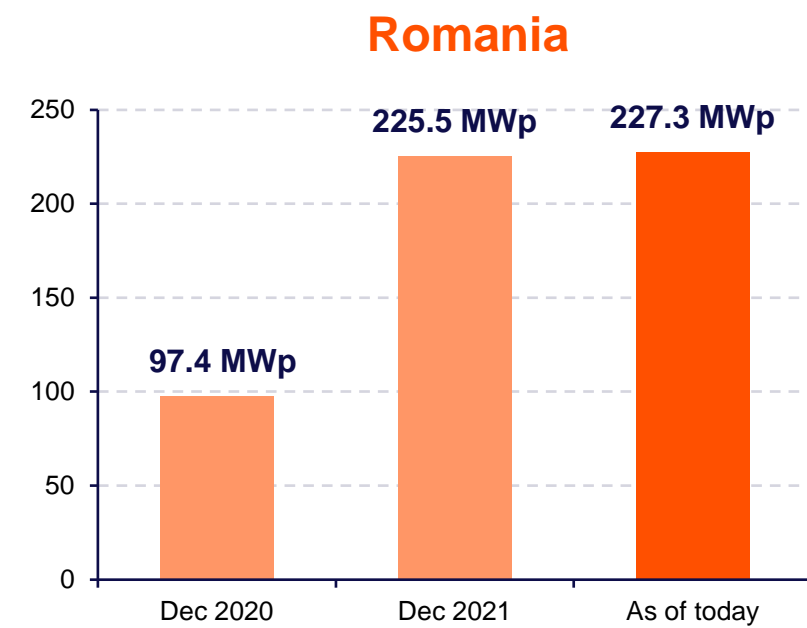
Essential for our Growth is our Project Pipeline

Pipeline in development (in MWp)

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Romania	14.9	83.7	97.2	3.2	28.3	227.3
 Poland	250.9	29.9	-	-	-	280.8
 Hungary	64.6	21.8	1.4	2.7	-	90.5
 Australia	-	300.0	-	-	-	300.0
Total pipeline	330.4	435.4	98.5	5.9	28.3	898.5

Pipeline development

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



RayGen Technology to Accelerate Further Capacity Growth

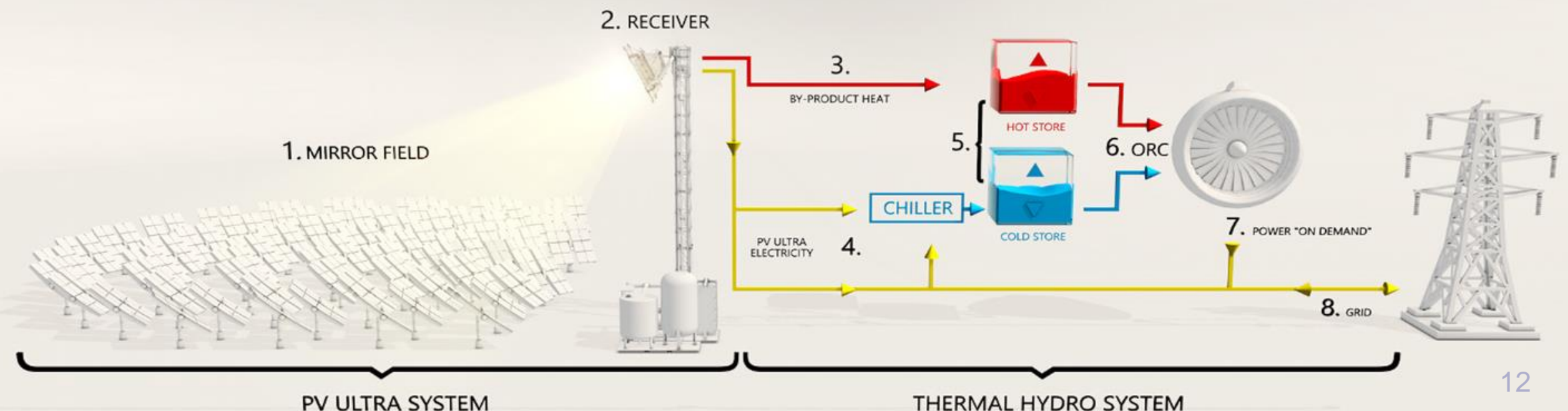


About the technology

- ▶ 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 and others in April 2021.
- ▶ Photon Energy will **act as a project developer and EPC contractor** and an 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.



Photon Energy: Outlook for our Business

Our Guidance for 2022

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

Our 2024E Targets and KPIs

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

** Includes both the internal and the external portfolio*





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Highlights in Q3 and after

- ▶ **Construction start** of our first seven power plants in **Romania**, with a combined capacity of **28.3 MWp**.
- ▶ **KFM Barometer** reevaluates our **Green EUR bond** still as **attractive** with 4 out of 5 stars.
- ▶ **Tap** of our 6.50% Green EUR Bond 2021/2027 by EUR 12.5 million to **EUR 77.5 million** in October/November.
- ▶ **Repayment** of our 7.75% corporate bond 2017/2022 on 27 October.
- ▶ **EUR 28.1 million long-term refinancing** secured for our Czech portfolio in October.
- ▶ **Provisions recorded for the Hungarian Windfall tax of 65%** applied to extra revenues above the original support schemes (affects 9.8 MWp of our 51.8 MWp Hungarian portfolio).

KFM-Barometer
Mittelstandsanleihen
November 2021

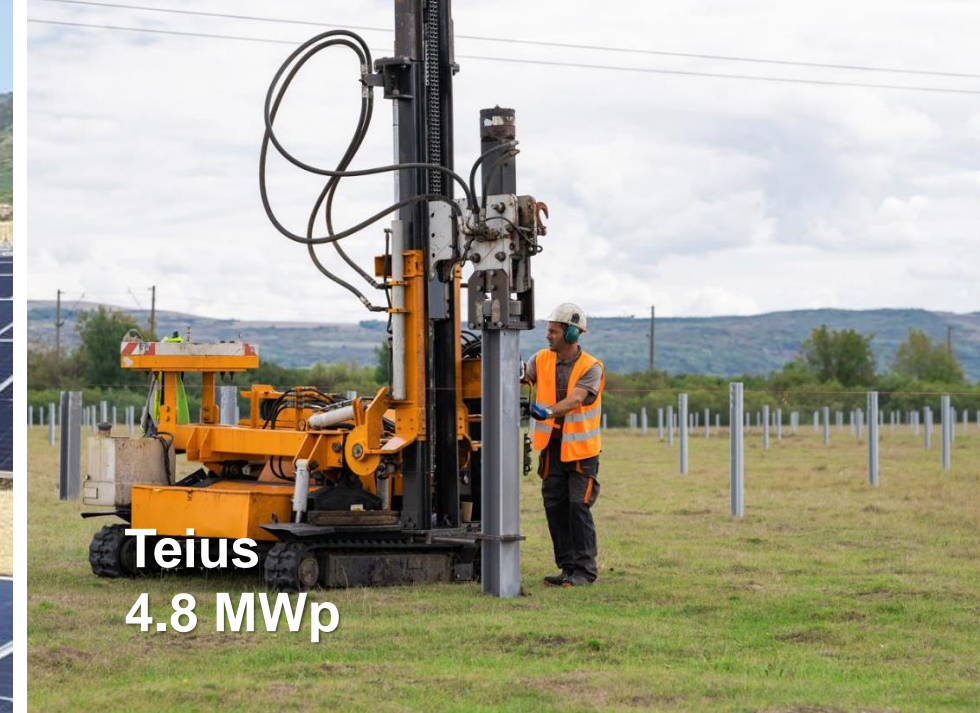
6,50%-Anleihe
Photon Energy N.V.
Anleihe 21/27, WKN A3KWKY



Attraktiv
(4 von 5)



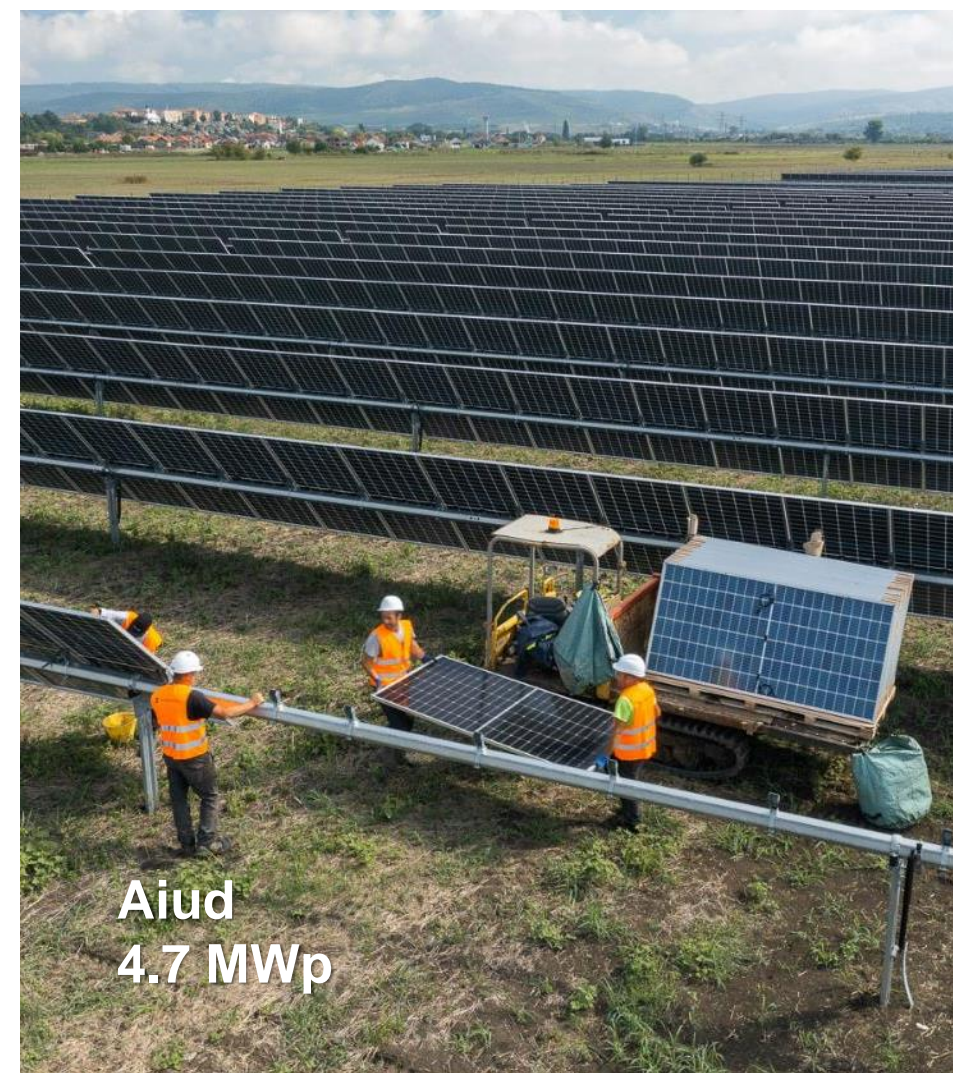
Siria
5.7 MWp



Teius
4.8 MWp



Săhăteni
7.1 MWp



Aiud
4.7 MWp



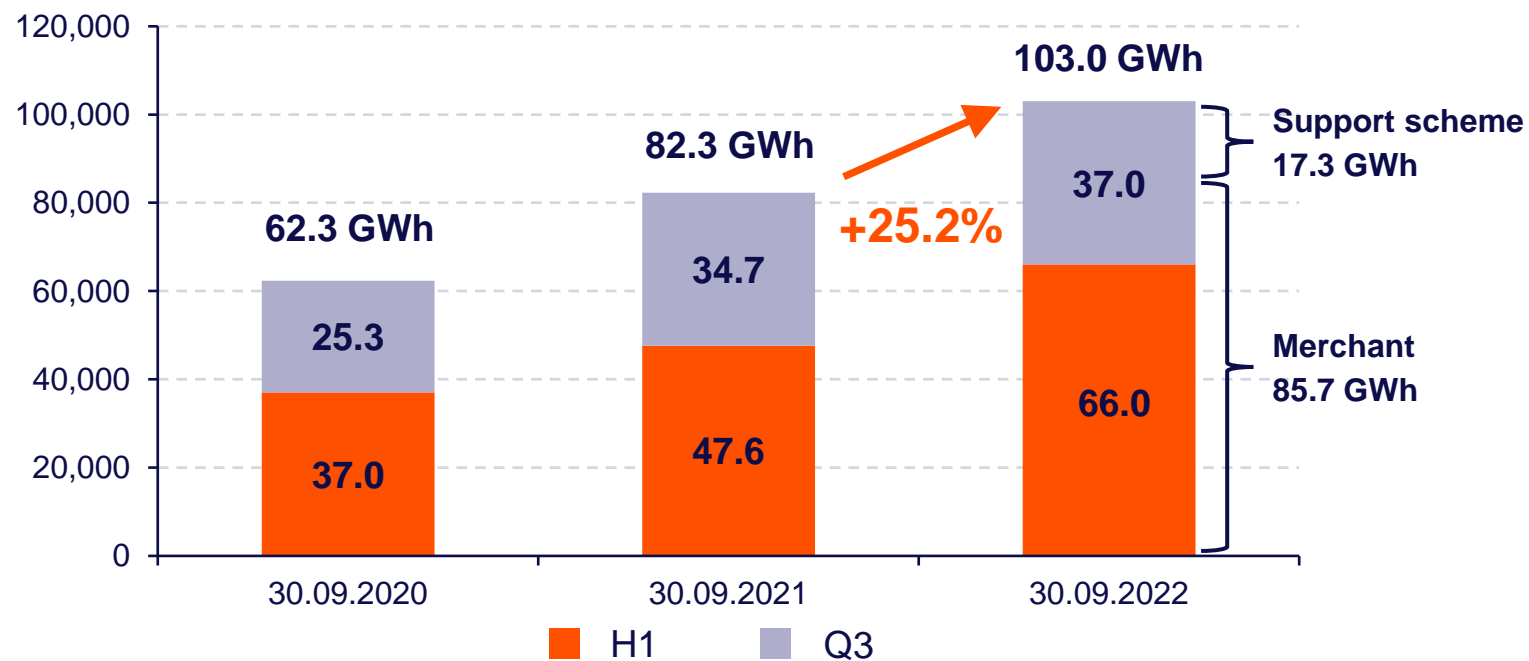
Calafat
6.1 MWp

Business Development

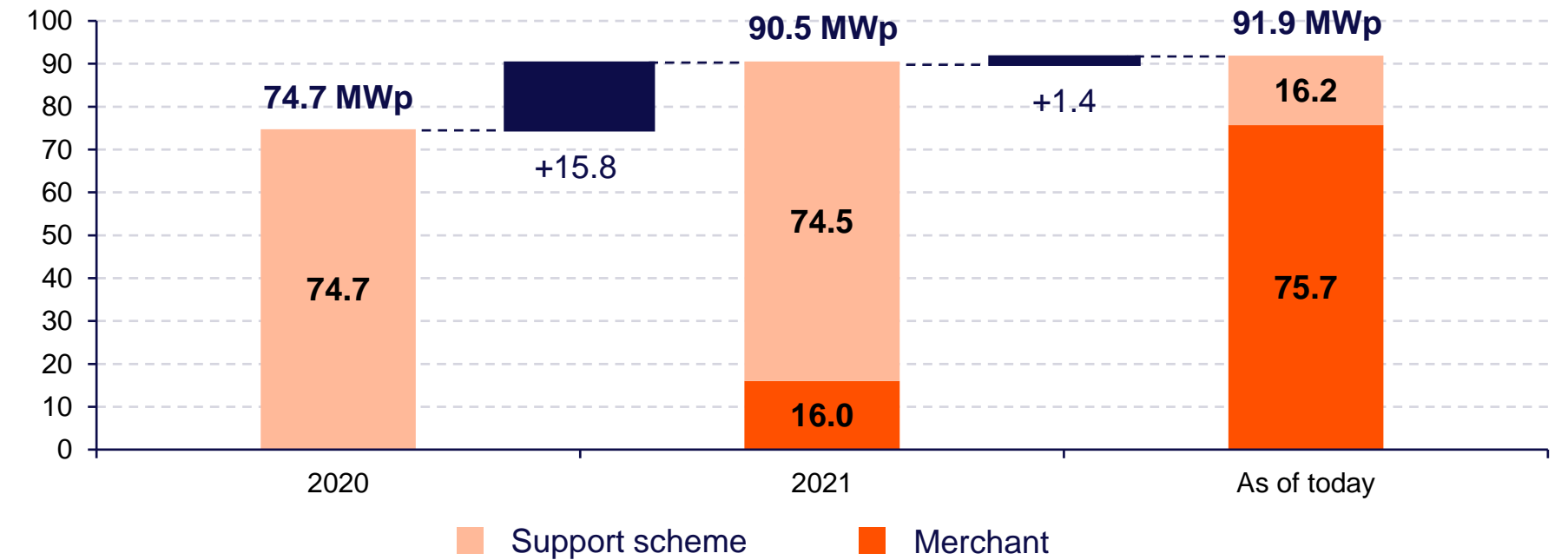
Continued progress across all segments

- ▶ **103.0 GWh of electricity (+25.2% YoY) generated** by our proprietary power plant portfolio in Q1–Q3 2022, on par with the full-year production for 2021 .
- ▶ Connection of **1.4 MWp in Tolna, Hungary** in May; a fully merchant project.
- ▶ **First ground-breaking in Romania.** Currently **7 projects** with a combined capacity of **28.3 MWp** under construction.

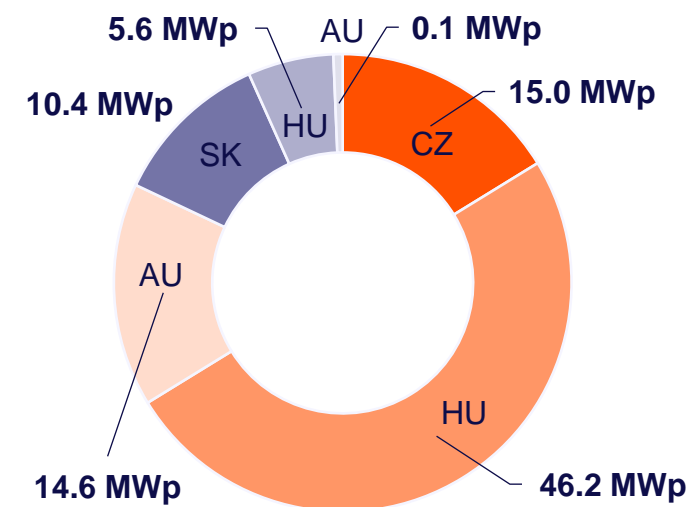
Electricity generation total portfolio



Proprietary portfolio, cumulated (MWp)



Market exposure



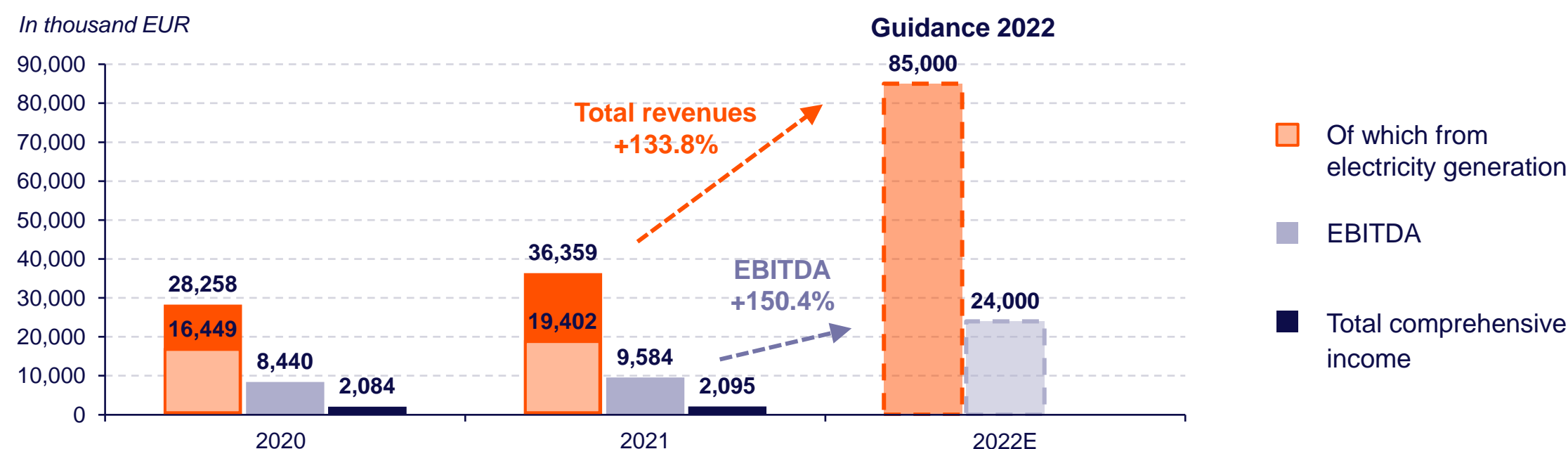
Country	Revenue model	Realized Revenue per MWh
Czech Republic	Green Bonus + Merchant	EUR 825
Hungary	Merchant	EUR 297
Australia	Merchant	EUR 119
Slovakia	FIT	EUR 263
Hungary	FIT	EUR 95
Australia	FIT	EUR 239

Q3 2022 and Q1–Q3 Financial Results

Income Statement

In thousand EUR	Q3 2021	Q3 2022	Change in %	Q1–Q3 2021	Q1–Q3 2022	Change in %
Total revenues	10,200	35,419	+247.2%	24,625	67,785	175.3%
<i>of which from electricity generation</i>	<i>6,566</i>	<i>15,506</i>	<i>136.1%</i>	<i>16,395</i>	<i>31,419</i>	<i>91.6%</i>
EBITDA	4,433	12,710	186.7%	8,554	22,853	167.2%
EBIT	416	9,735	2,238.1%	-91	14,904	nm
Net profit/Net loss	-1,405	6,013	nm	-5,442	6,552	nm
Total comprehensive income (TCI)	-1,179	4,023	nm	1,119	6,358	468.4%

- ▶ **Q3 2022 revenues and EBITDA surpassed the record first-half year's results**, bringing the Company's **nine-month revenues to EUR 67.785 million** (up 175.3% YoY) and **EBITDA and EUR 22.853 million** (up 167.2% YoY), respectively.
- ▶ The Company turned around a net loss of EUR -1.405 million recorded in Q3 2021 to a **net profit of EUR 6.013 million in Q3 2022**, respectively **EUR 6.552 million year-to-date**.
- ▶ Other comprehensive income slightly affected by weakening Hungarian Forint.
- ▶ **The management confirms its full-year 2022 guidance** of consolidated revenues of EUR 85 million and EBITDA of EUR 24 million.

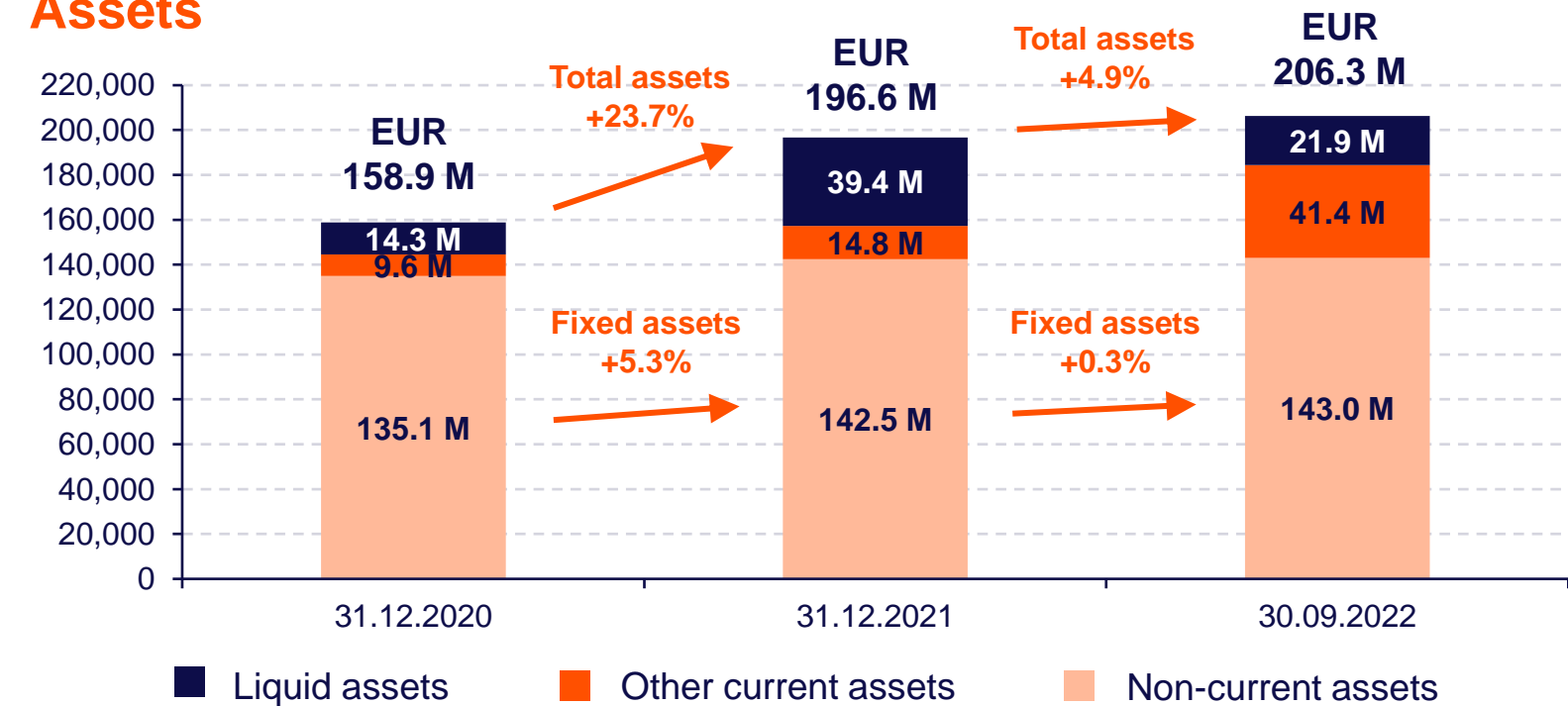


Q3 2022 and Q1–Q3 Financial Results

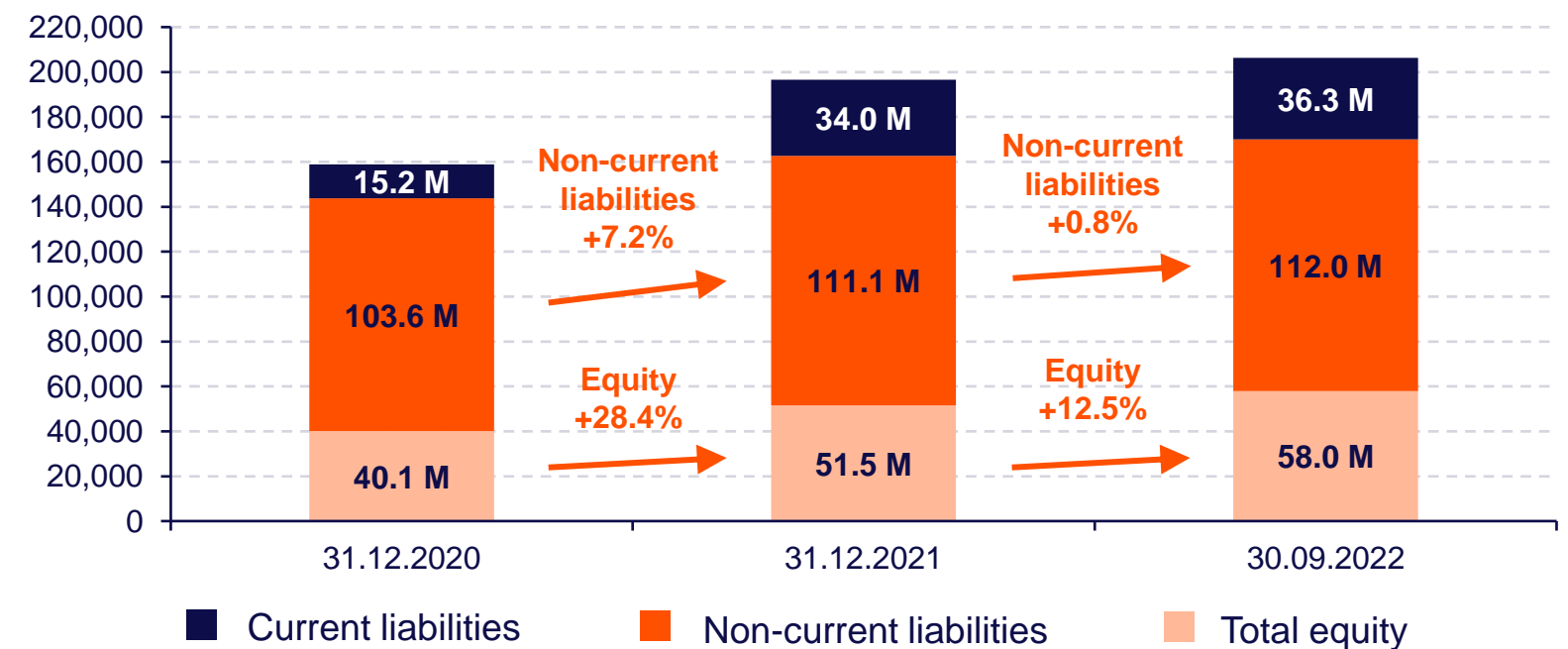
Balance Sheet

- ▶ **Stable Fixed assets:** depreciation and weakening Hungarian Forint impacting the EUR value of the Company’s Hungarian portfolio overcompensated by additional assets in progress.
- ▶ Increase of **Current assets** caused by increase of trade and other receivables connected to business growth.
- ▶ **Equity** increase reflecting the **TCI** for the period **improving the adjusted equity** ratio to **31.6%** from 28.8% at year end.
- ▶ **Long term liabilities increased** due to the increased placement of our EUR Green bond amounting to EUR 10.0 million in May partially compensated by repayments of project financing.
- ▶ **Decrease of Current liabilities** connected to a decrease in trade and other payables, and an early repayment of the Group’s EUR 2017/22 bond by EUR 1.3 million.
- ▶ Current liabilities include the **outstanding amount of the EUR 2017/22 bond** of EUR 20.9 million as of 30 September 2022 (EUR 15.2 million as of the repayment date), which was **fully repaid on 27 October 2022** from liquid assets.

Assets



Total liabilities and equity

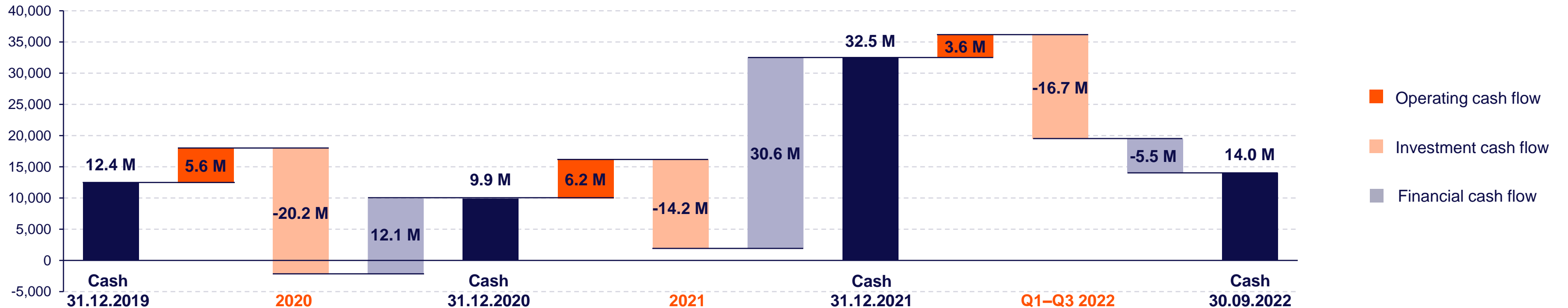


Q3 2022 and Q1–Q3 Financial Results

Cash Flow

<i>In thousand EUR</i>	Q3 2022	Q1–Q3 2022
Operating cash flow	10,286	3,590
Investment cash flow	-12,396	-16,660
Financial cash flow	-4,440	-5,483
Net change in cash	-6,547	-18,553

- ▶ **Positive Operating cash flow** driven by strong operational result, an increase in trade receivables from energy generation and growing technology sales, increases in advance payments and inventories connected to the growth of our technology sales.
- ▶ **Increased investment cash flow** mainly into proprietary portfolio (construction start in Romania and further development in Poland, Hungary and Australia).
- ▶ **Financial cash flow** impacted by regular interest cost, repayments of project finance, early repayments of loans in Hungary and an early repayment of our EUR 2017/22 bond.





Business Model

Strategy and Outlook

Q3 2022 Financials

Q&A Session



Annex



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**.



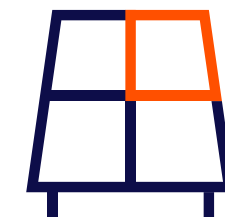
Engineering (EPC)

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**.

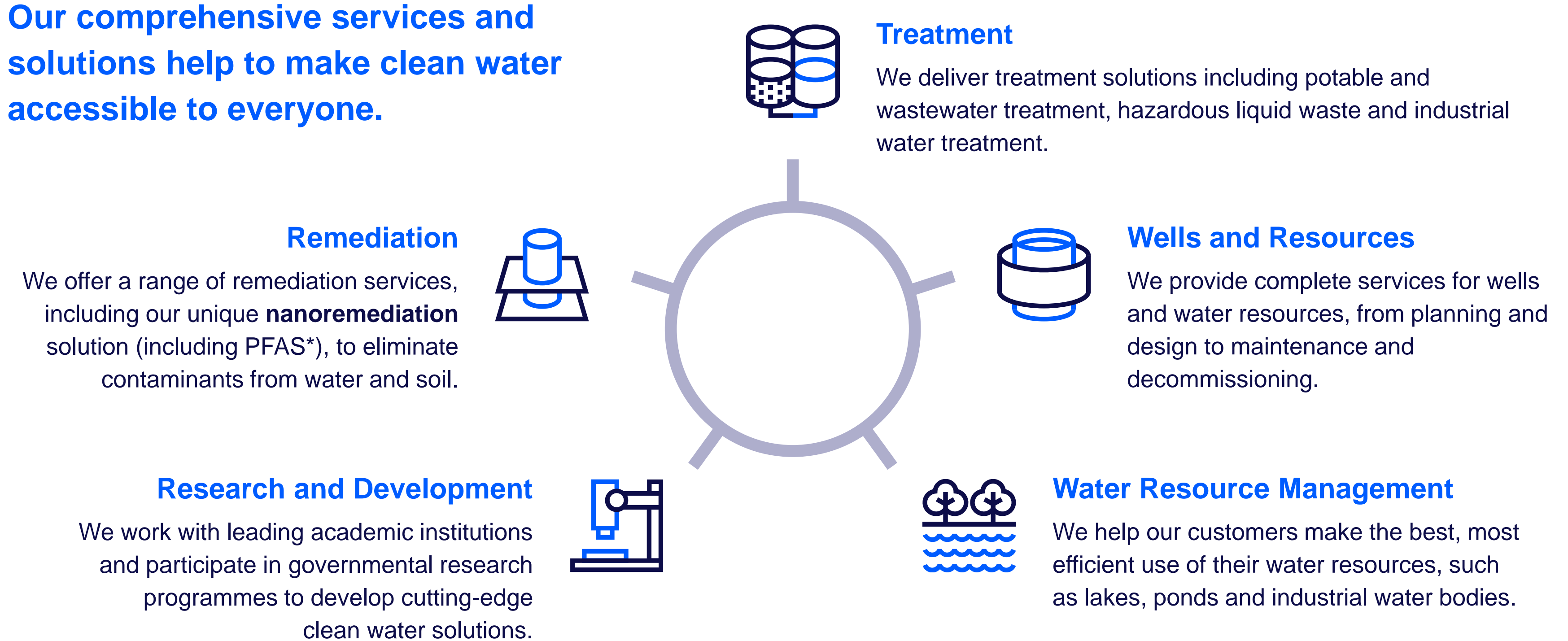


Technology

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

Business Model: Water Services

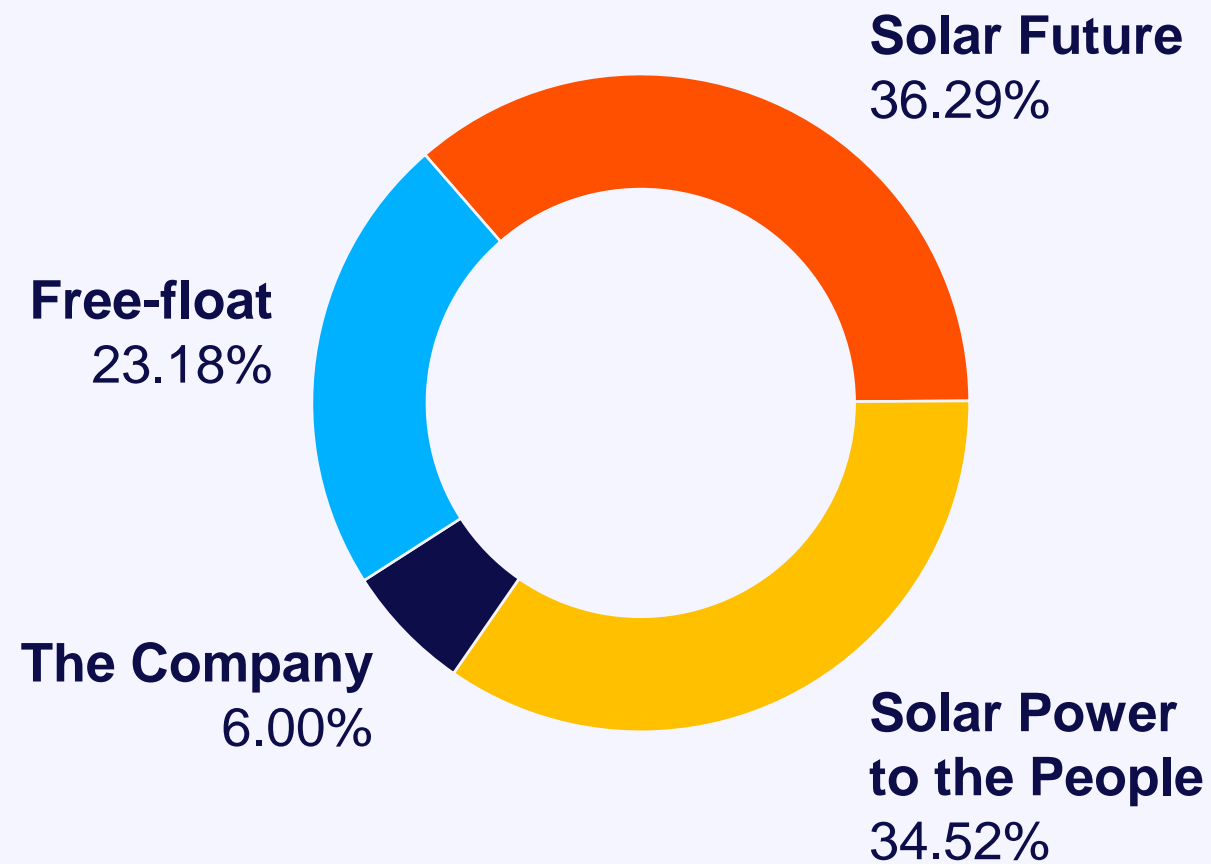
Our comprehensive services and solutions help to make clean water accessible to everyone.



* Per- and polyfluoroalkyl substances.

Our Share

Shareholding Structure

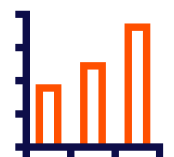


Solar Future and Solar Power to the People are controlled by the co-founders of Photon Energy N.V.

Shares

ISIN	NL0010391108
Shares outstanding	56,398,083
Shares in free-float	13,909,633
Market cap 10.11.2022	EUR 164 million
Net debt 30.09.2022	EUR 106 million
Enterprise value 10.11.2022	EUR 270 million

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



3 x BUY
PT: EUR 3.12 – 4.20

GREEN Bond 2021/27

Bond	New GREEN EUR Bond 2021/2027	 <p>Best Issuer Green SME Bonds 2021</p>  <p>BOND MAGAZINE</p>
Volume	EUR 77.5 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	 <p>6,50%-Anleihe Photon Energy N.V. Anleihe 21/27, WKN A3KWKY</p> <p>Attraktiv (4 von 5)</p>
Term / Redemption	Six years / 23 November 2027 at par	
ISIN	DE 000A3KWKY4	

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

Management



Georg Hotar

CEO and Co-founder

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



Michael Gartner

CTO and Co-founder

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



Clemens Wohlmuth

CFO

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



Ricky D'Ambrosca

COO

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