



Q3 2024 Results Conference

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Photon Energy N.V.

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Business Results
Financial Results
2024 Guidance
Q&As

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



Business Results

Financial Results

2024 Guidance

Q&As

Slavkov, Czech Republic (1.2 MWp)

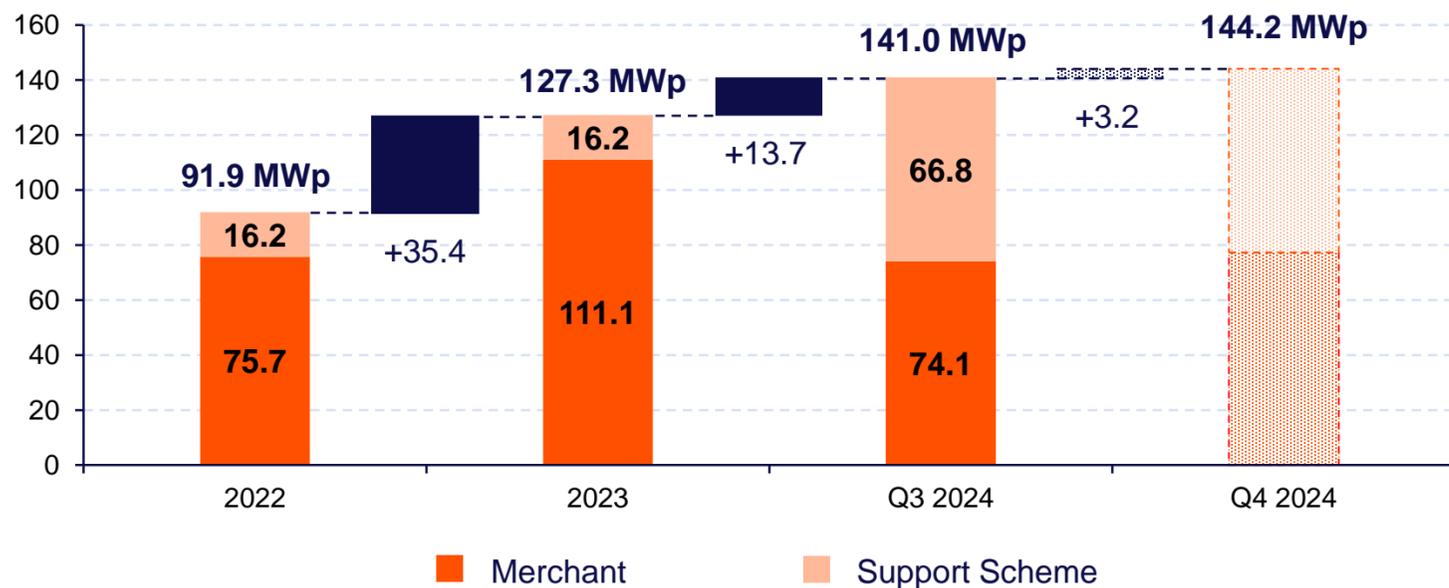
Segment: Investments

IPP Portfolio, Electricity Generation

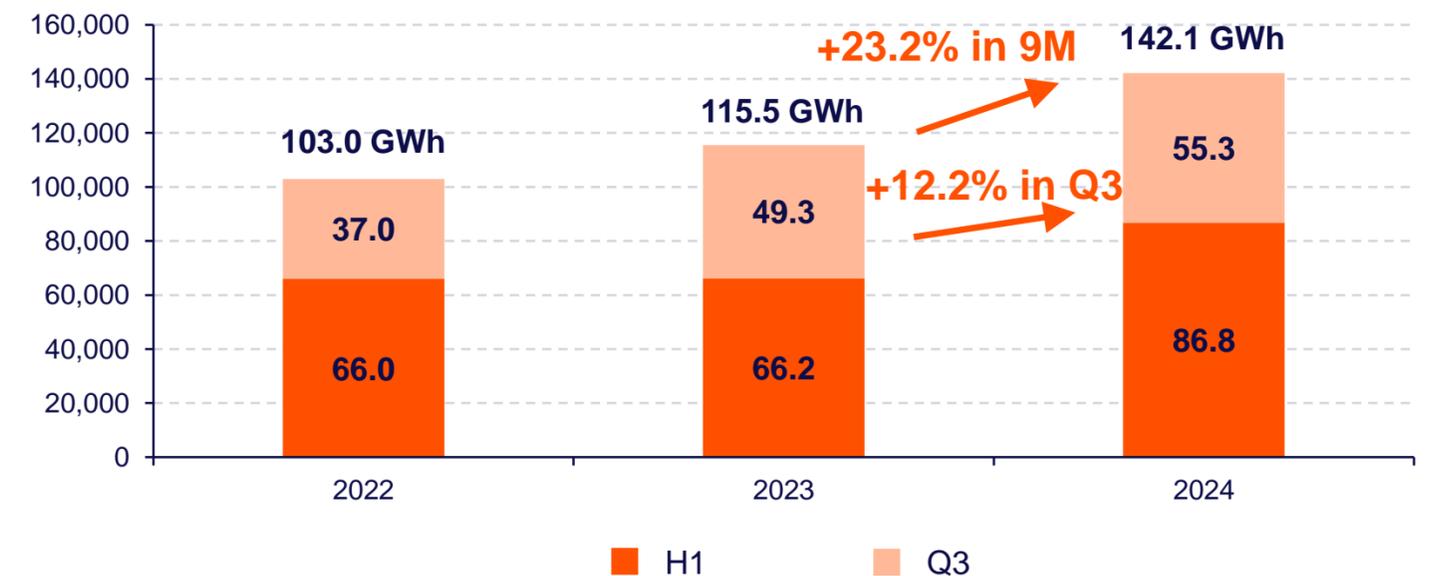
- ▶ **8.2 MWp commissioned in Q3 2024** (7.5 MWp in Faget 3 / merchant and 0.66 MWp in Nagykata / PPA), bringing IPP portfolio to 141.0 MWp; **additional 3.2 MWp commissioned in October 2024** (Sarulesti / merchant).
- ▶ **Sale of 14.5 MWp** of operating PV assets in Australia – strategic decision to divest assets with the lowest profitability; transaction completed in **October 2024**.

- ▶ Strong electricity generation of **55.3 GWh in Q3 2024 (+12.2% YoY)** and 142.1 GWh YTD (+ 23.2% YoY) on the back of capacity increase.
- ▶ **Specific yield of 404.2 kWh/kWp** in Q3 2024 compared to 416.9 kWh/kWp in Q3 2023 (-3.0% YoY) due to **unfavourable weather** in September (heavy cloud cover and heavy rain in the CEE region).

IPP Portfolio (MWp)



Electricity Generation (GWh)



Segment: Investments (IPP)

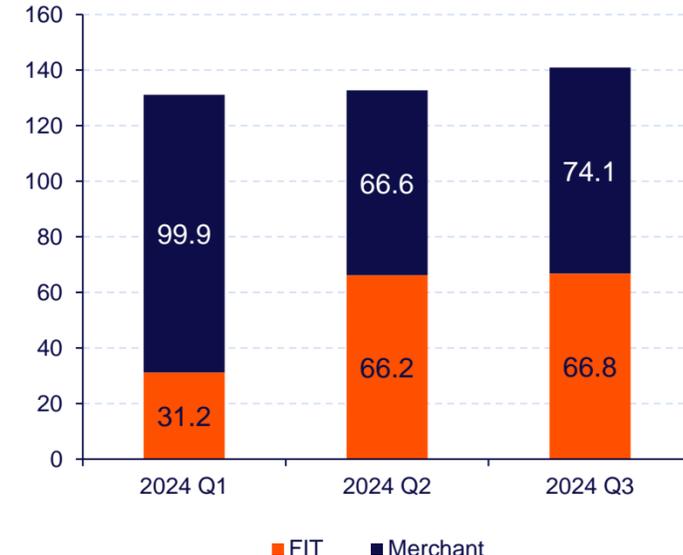
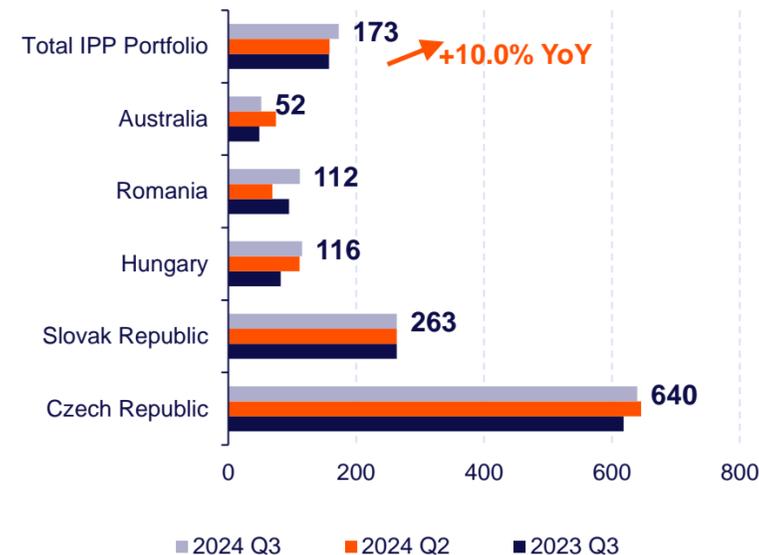
Electricity Prices Recovered but Regulatory Changes Reversed this Trend

- ▶ Average realised electricity prices increased to **173 EUR/MWh in Q3 2024**, compared to 158 EUR / MWh in both Q2 2024 and Q3 2023, +10% QoQ and YoY;
- ▶ The share of a **merchant model versus feed-in-tariff** changed from 50/50 to **53/47** percent.
- ▶ Expected negative regulatory changes in the Czech Republic, currently under discussions, include: (i) removal of State support for renewable electricity production plants in times of negative electricity

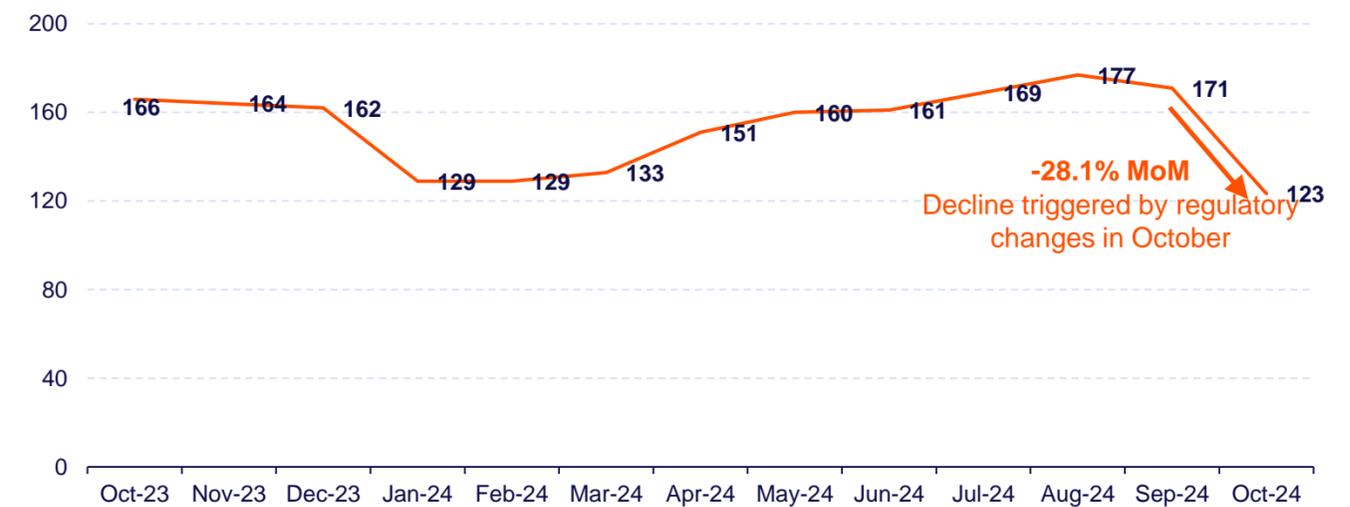
prices. (ii) reduction of the compensation IRR range (6.3%-8.4%) and (iii) recalculation of the IRR based on an expected lifespan of 10 to 20 years longer than the previously applied 20-year life span.

- ▶ **Negative regulatory changes in Romania as of 1 October 2024:** i) revised sales price mechanism changed from 90-day trailing average to a selling electricity at a day-ahead prices, ii) excluding weekends and public holidays and negative prices deducted from final TSO's invoice iii) price cap of EUR 80/MWh.

Realized Average Revenue in Q3 2024 (EUR/MWh)



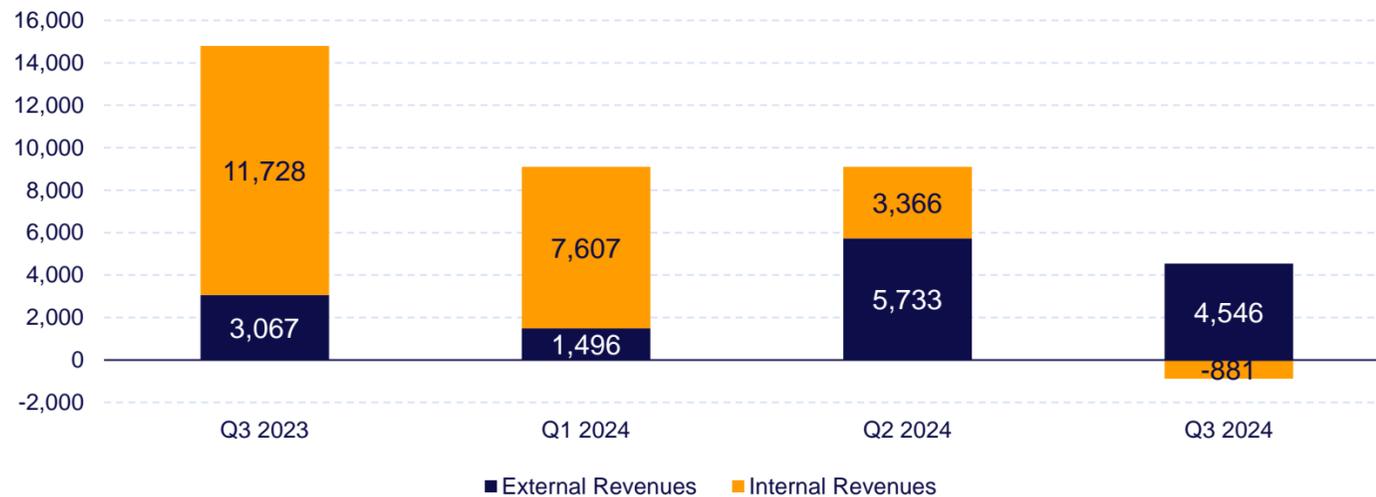
Realized Average Revenue in the Last 12 Months (EUR/MWh)



Other Business Segments

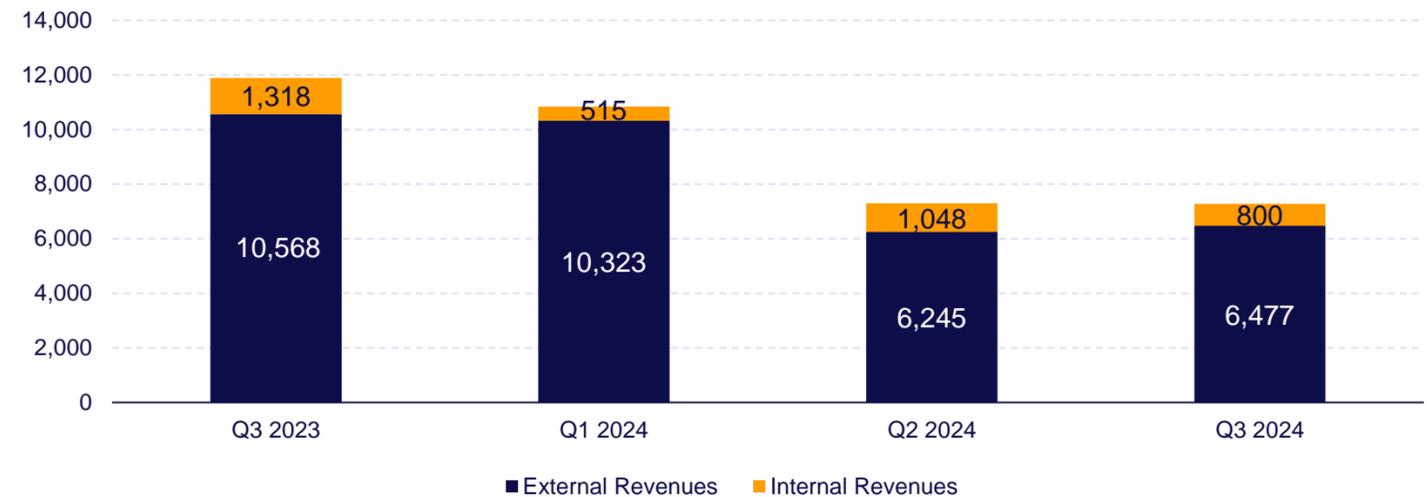
Engineering and New Energy

Engineering Revenues (EUR 000s)



- ▶ External revenues of EUR 4.5 million in Q3 2024 (+48.2% YoY) and EUR 11.8 million in 9M 2024 (+76.7% YoY), related primarily to EPC contracts for C&I clients in Australia and utility scale in New Zealand.
- ▶ Smaller contribution from PV Solutions segment for C&I clients in the Czech Republic, but demand is expected to grow in the future.

New Energy Revenues (EUR 000s)

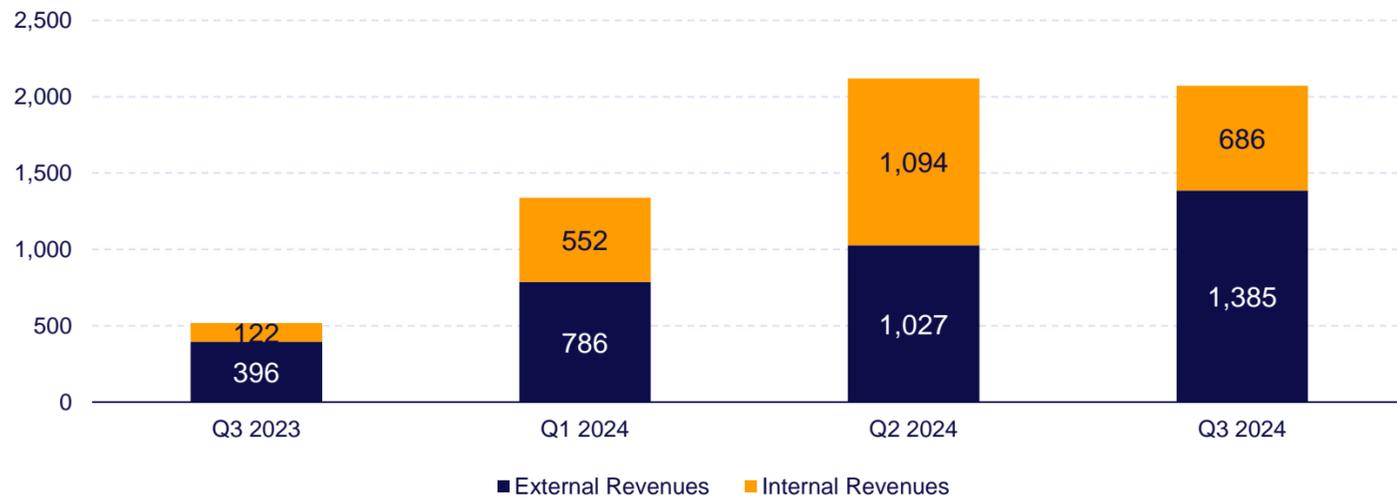


- ▶ External revenues of EUR 6.5 million (-38.7% YoY) including capacity market revenues of EUR 3.9 million Q3 2024 (+181% YoY). Decline attributable mainly to lower O&T revenues of EUR 2.9 million in Q3 2024 (-43.7% YoY) resulting from lower volumes and lower electricity prices.
- ▶ Regulatory changes introduced as of 1 October 2024 will result in a decrease of expected annual revenues from capacity market contracts from EUR 24 million to approx. EUR 21 million for FY 2024.

Other Business Segments

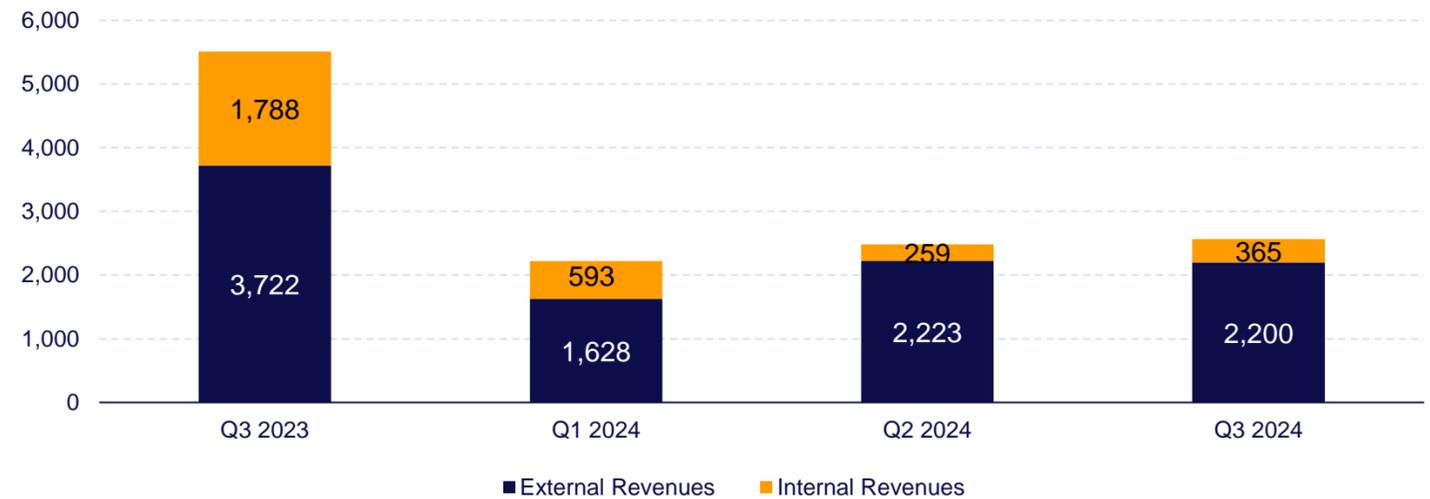
O&M and PV Technology Trading

O&M Revenues (EUR 000s)



- ▶ External revenues of EUR 1.4 million in Q3 2024 and EUR 3.2 million in 9M 2024 (+26.2% YoY); growing trend related to higher generation, prices and contractual capacities under O&M.
- ▶ Total capacity of O&M contracts remained unchanged at nearly 900 MWp out of which approximately 150 MWp is not yet not commissioned and hence not generating revenues.

PV Component Trading Revenues (EUR 000s)

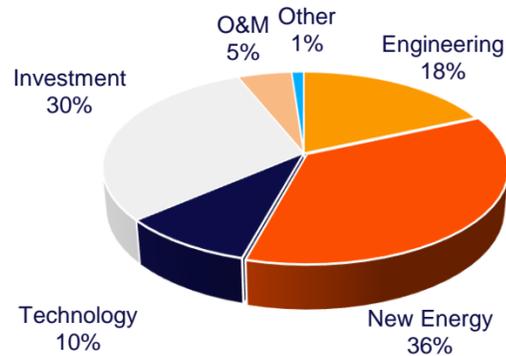


- ▶ External revenues of EUR 2.2 million in Q3 2024, compared to EUR 3.7 million in Q3 2023 (-40.9% YoY). The trading volumes of batteries and inverters improved compared to Q2 2024, but prices remain under pressure.
- ▶ Revamped technology team and broadened our market focus; with stronger efforts and growing demand for PV technology, we anticipate accelerated growth in the upcoming quarters.

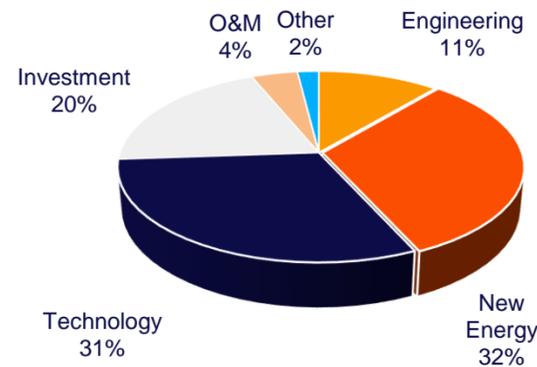
External Revenue Mix and Profitability

More Stable Revenues and Higher Margins

Revenue mix 9M 2024

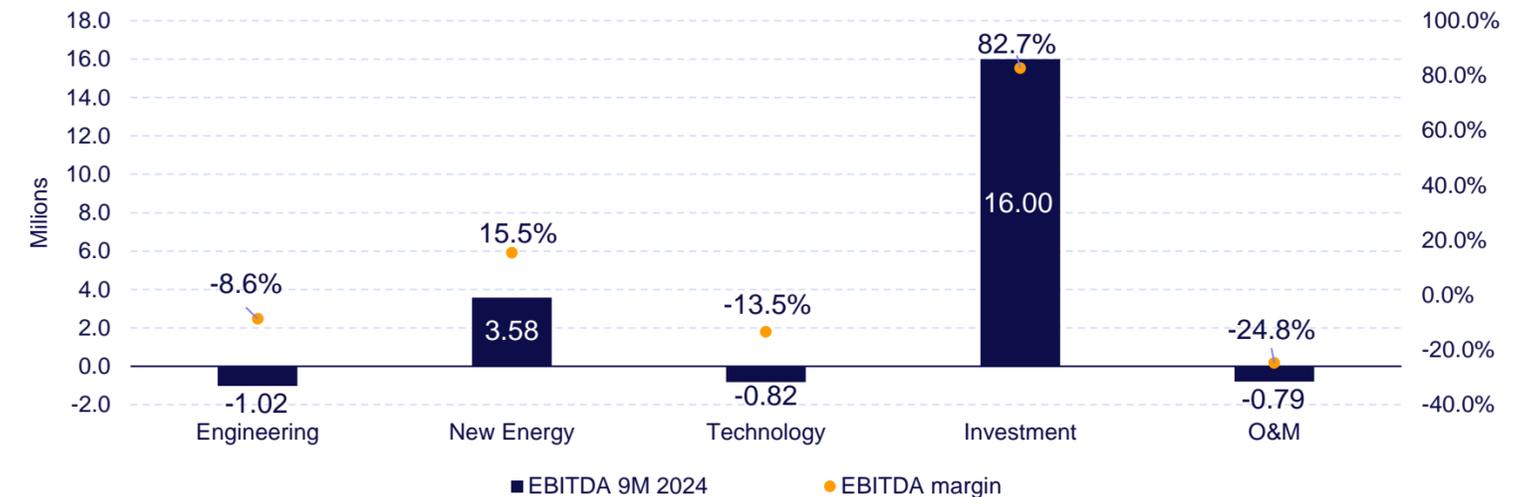


Revenue mix 9M 2023



- ▶ More balanced revenue mix; less dependence on the volatile technology trading segment, which represented only 10% in 9M 2024 compared to 31% in 9M 2023.
- ▶ Increased share of higher margin segments represented by the Investment and New Energy which contributed in total 66% of revenues in 9M 2024, compared to 52% in the comparable period.

External EBITDA (MEUR) and EBITDA margin in 9M 2024



- ▶ Investments and New Energy segments – main drivers of the Group’s profitability with EUR 16.0 million from Investments and EUR 3.6 million from New Energy, which resulted in margins of 82.7% and 15.5%, respectively.
- ▶ Engineering recorded a loss of EUR -1.0 million, related to lower than expected volumes and project delays.
- ▶ External EBITDA in O&M remains negative at EUR -0.8 million; some of the newly contracted assets were not yet commissioned and hence not yet generating revenues.
- ▶ Technology booked a loss of EUR -0.8 million, due to continuing low trading volumes and low market prices.



Photon Energy Group

Business Results

Financial Results

Guidance

Q&As

Siria, Romania (5.7 MWp)

Financial Results

Income Statement, Strong Q3 2023 Results

| In thousand EUR | Q3 2024 | Q3 2023 | YoY change | 9M 2024 | 9M 2023 | YoY change |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Total revenues | 22,852 | 19,225 | 18.9% | 64,141 | 59,456 | 7.9% |
| <i>of which from electricity generation</i> | 9,036 | 7,320 | 23.5% | 21,331 | 18,663 | 14.3% |
| <i>other revenues</i> | 13,816 | 11,905 | 16.0% | 42,810 | 40,792 | 4.9% |
| EBITDA | 3,800 | 1,917 | 98.2% | 9,857 | 4,750 | 107.5% |
| EBIT | 384 | -1,046 | -136.7% | 1,227 | -2,515 | NA |
| Net profit/Net loss | -2,959 | -2,150 | 37.6% | -7,068 | -9,595 | NA |
| Total Comprehensive Income (TCI) | 1,018 | 335 | 203.8% | -5,202 | -549 | NA |

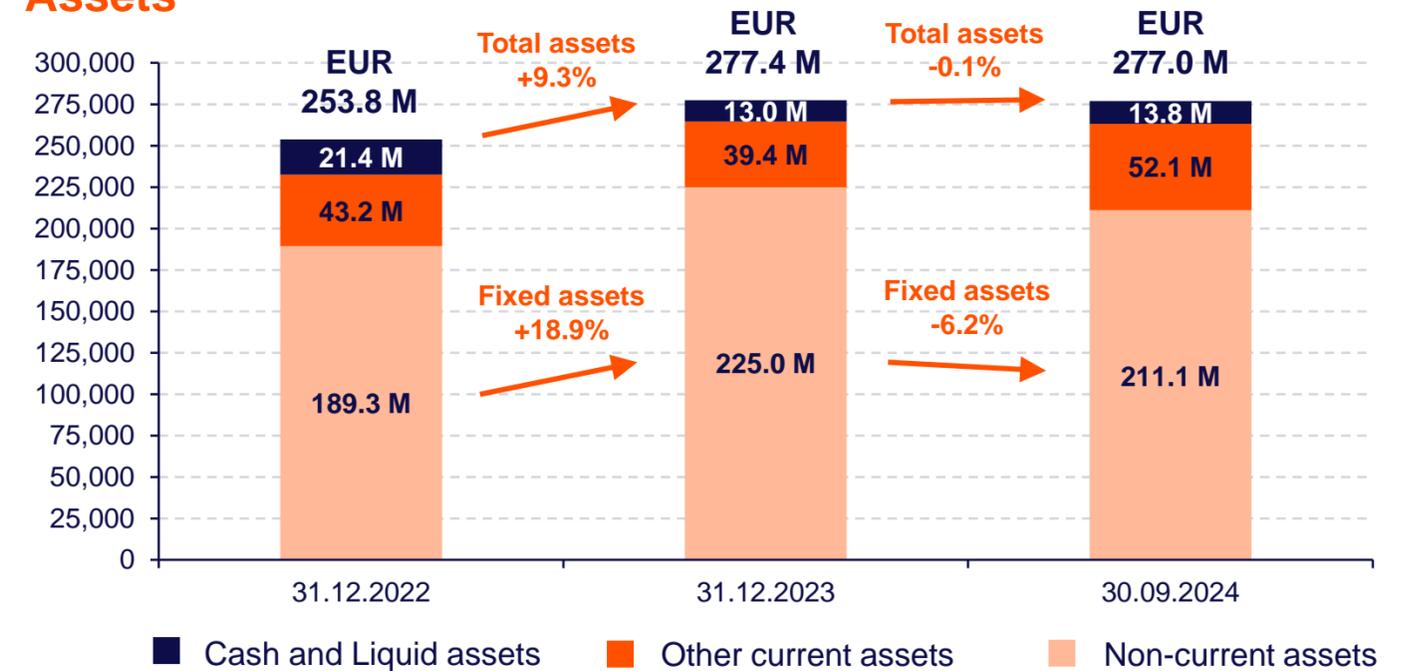
- ▶ Electricity generation revenue of EUR 9.036 million in Q3 2024, up by 23.5% YoY due to a combined positive effect of increasing electricity generation by 12.2% YoY and prices increasing to 173 EUR/MWh, up by 7.6% YoY.
- ▶ Other revenues of EUR 13.816 million in Q3 2024, representing an 16.0% increase YoY; highly volatile revenues from technology trading were replaced with Engineering business and capacity market contracts.
- ▶ EBITDA of 3.800 million in Q3 2024 (+98.2% YoY). The strongest contribution of Investments and New Energy segments.
- ▶ Total comprehensive income of EUR 1.018 million in Q3 2024 thanks to positive revaluation of new assets (EUR 2.150 million) and FX translation difference of EUR 2.524 million.

Balance Sheet

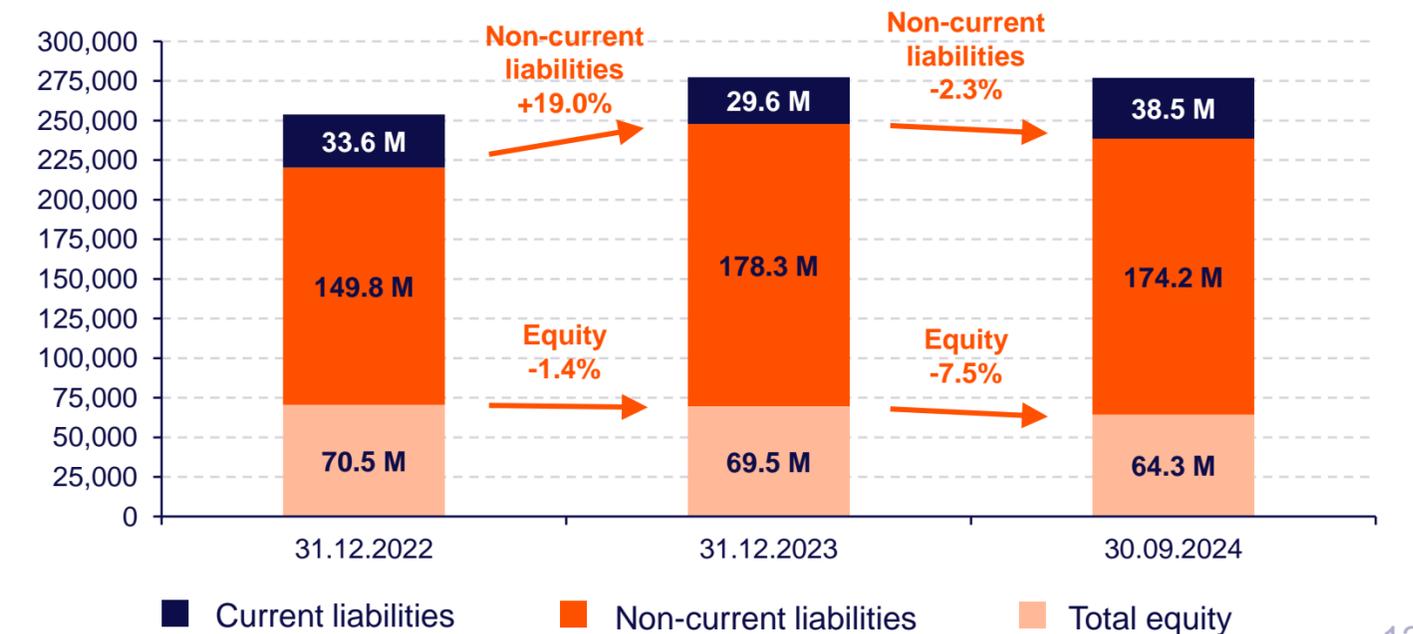
Balance Sheet

- ▶ **Fixed assets** of EUR 211.071 million down by EUR 13.932 million compared to YE 2023, due to asset reclassification from long term to short term assets held for sale related to the sale of 14.5 MWp and 8.2 MWp / 10.9 MWh hybrid solar/battery project in Australia.
- ▶ **Current assets** increased to EUR 65.912 million, up by EUR 13.491 million compared to YE 2023, due to the same reasons described above and positive working capital developments.
- ▶ **Equity** of EUR 64.300 million, down by EUR 5.202 million compared to YE 2023, reflect the negative results of operations during the reporting period; adjusted equity ratio of 26.8%, above bond covenant of 25.0%.
- ▶ **Long-term liabilities** decreased to EUR 174.206 million, down by EUR 4.142 million compared to YE 2023, as a result of asset reclassification.
- ▶ **Current liabilities** amounted to EUR 38.477 million, up by EUR 8.904 million due compared to YE 2023, due to the same asset reclassification and an increase of trade payables.

Assets



Total liabilities and equity

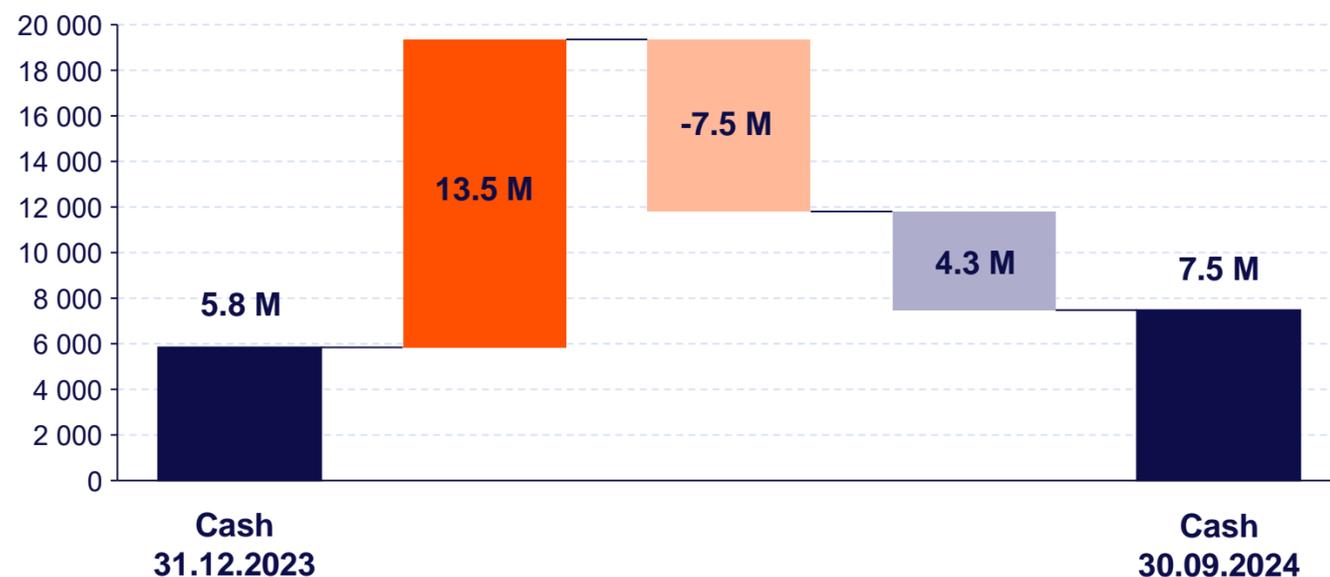


Cash Flow

Cash Flow Development

| In thousand EUR | Q3 2024 | Q3 2023 |
|---------------------------|---------------|---------------|
| Operating cash flow | 6,882 | 5,467 |
| Investment cash flow | -2,876 | -9,214 |
| Financial cash flow | -5,147 | 2,064 |
| Net change in cash | -1,141 | -1,683 |

- ▶ **Operating cash flow** of EUR 6.882 million, mainly thanks to positive operating result, net working capital developments and FX translations.
- ▶ **Investment cash flow** of EUR -2.876 million related to work in progress for our proprietary portfolio in Romania.
- ▶ **Financial cash flow** of EUR -5.157 million as a net result of repaid borrowings and interest costs.
- ▶ **Net cash** position decreased to EUR 7.476 million.



- Operating cash flow
- Investment cash flow
- Financial cash flow



Photon Energy Group

Business Results

Financial Results

Guidance

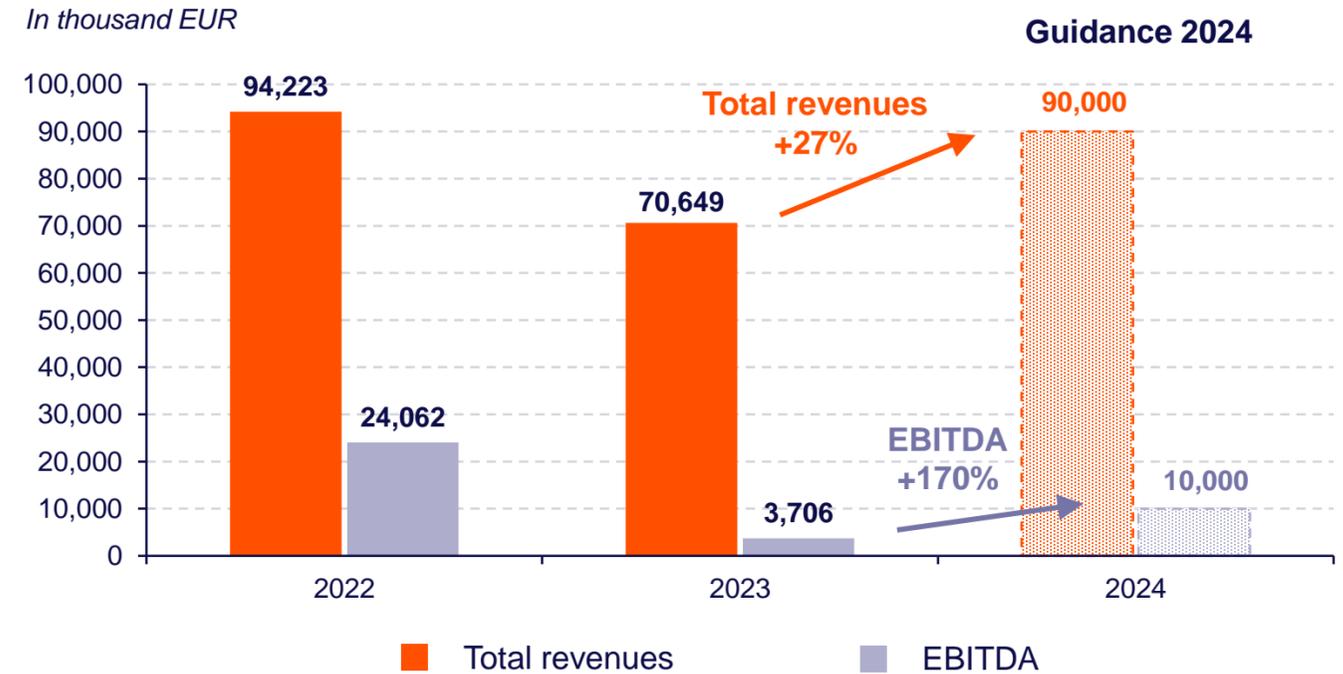
Q&As

Sydney, Australia (100 kWp)

Photon Energy: Guidance 2024

2024 FY Guidance

- ▶ In 9M 2024 consolidated revenues of EUR 64.141 million represents 71.3% of the lower guided threshold. Due to the regulatory changes introduced in Poland and Romania and delays in the commissioning of new assets in Romania, the expectations on the revenue line will be met but at the bottom range of the guidance so will amount to about EUR 90 million.
- ▶ 9M EBITDA amounted to EUR 9.857 million, approximately 61.6% of the lower end of the guided range. Management expects EBITDA to be lower than forecasted in May, due to: i) lower revenue from energy generation, ii) lower revenues from capacity market contracts; iii) lower than expected revenues and EBITDA from new utility-scale EPC contracts, iv) negative margins in technology trading segment.





Q&A



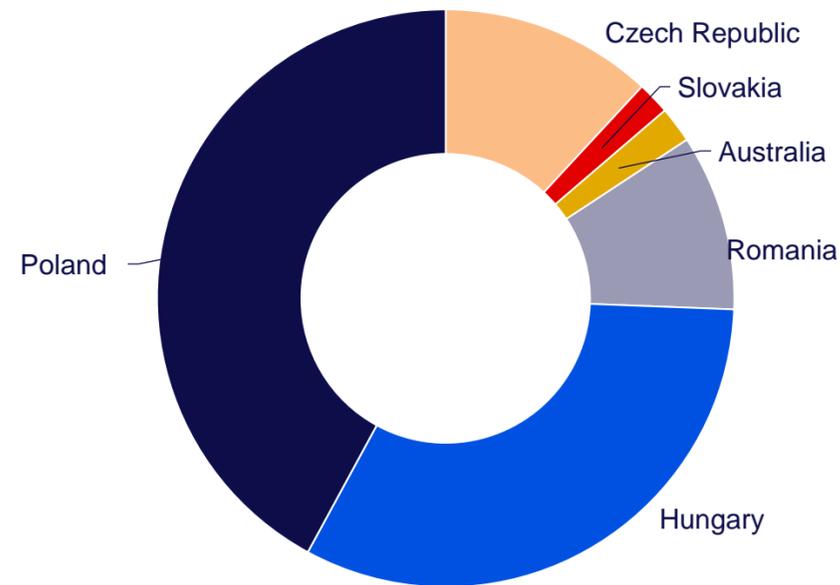
Thank you for joining us today!

O&M Contracts

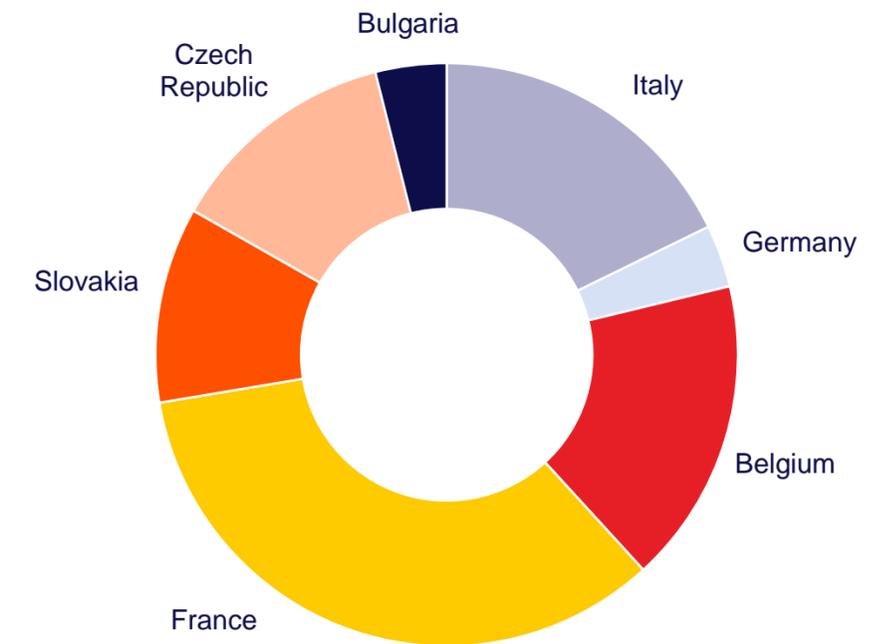
Capacity under O&M contracts, by country (MWp)

| Country | September 2024 |
|-----------------|----------------|
| Czech Republic | 99.8 |
| Slovakia | 15.3 |
| Australia | 17.0 |
| Romania | 82.7 |
| Hungary | 271.0 |
| Poland | 352.8 |
| Full O&M | 838.7 |
| Inverter Cardio | 50.6 |
| Total | 889.3 |

Full O&M contracts, by country



Inverter Cardio, by country



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



330+
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



Sustainability
Rating*

Energy Business Lines

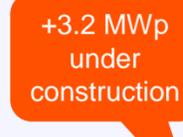
(Current core activity and strategic area of development)



1.0+ GWp
PV project pipeline



180+ MWp
constructed



141.0 MWp
proprietary portfolio



139.8 GWh
produced in 2023



900 MWp
O&M portfolio



389 MW
capacity market
in 2024

LERTA:
New Energy
Division

Water Business Line

(Strategic area of development)

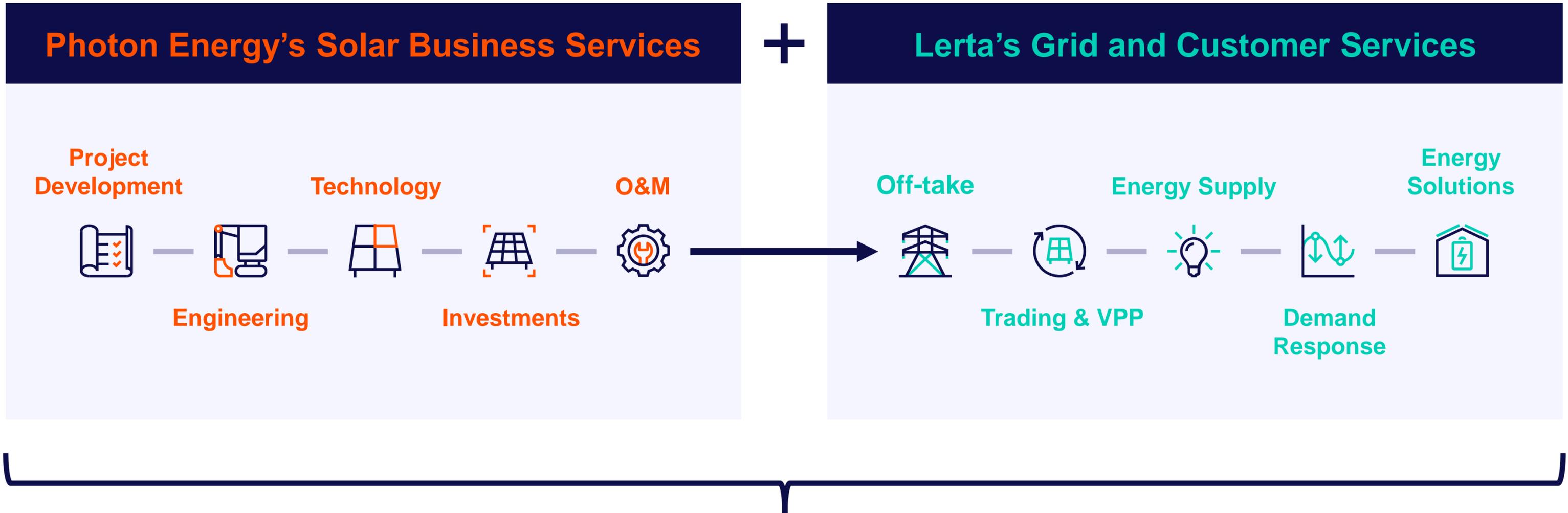


PFAS**
patent pending

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

** Per- and polyfluoroalkyl substances

Expansion of Photon Energy's Business Model



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

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**.



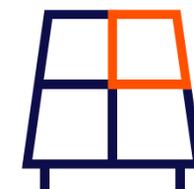
Engineering (EPC)

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**.

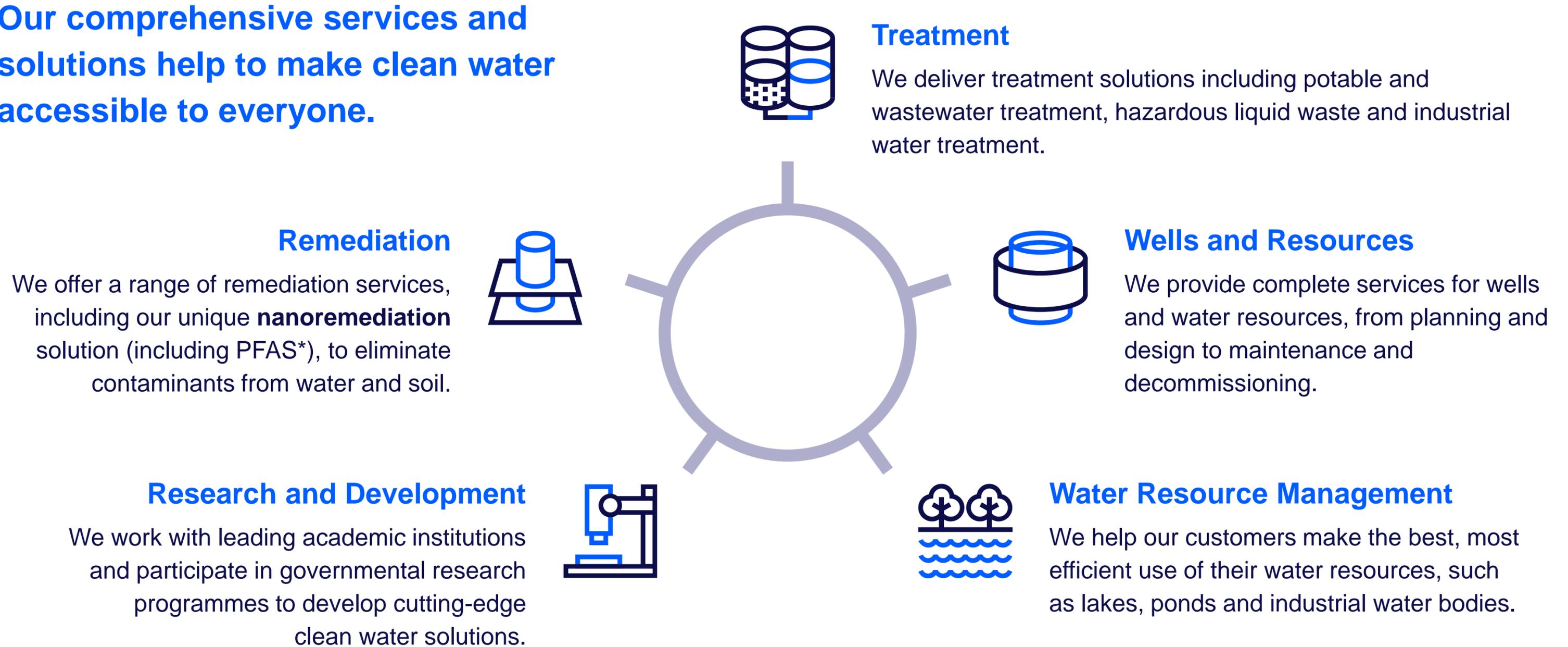


Technology

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.

GREEN EUR Bond 2021/27

| | | |
|--------------------------|---|---|
| Bond | GREEN EUR Bond 2021/2027 |  Best Issuer Green SME Bonds 2021  Photon Energy Group BOND MAGAZINE |
| Volume | EUR 79.4 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 | |
| ISIN | DE 000A3KWKY4 | |

KFM-Barometer
Mittelstandsanleihen
November 2021

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


 ★★☆☆☆
Attraktiv
 (4 von 5)

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