



Q2 2024 Results Conference

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David Forth, CFO

Photon Energy N.V.

20 August 2024

Leeton, Australia (7.5 MWp)

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Business Review
Financial Results
Guidance
Q&As

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



Photon Energy Group

Business Review

Financial Results

Guidance

Q&As

Slavkov, Czech Republic (1.2 MWp)

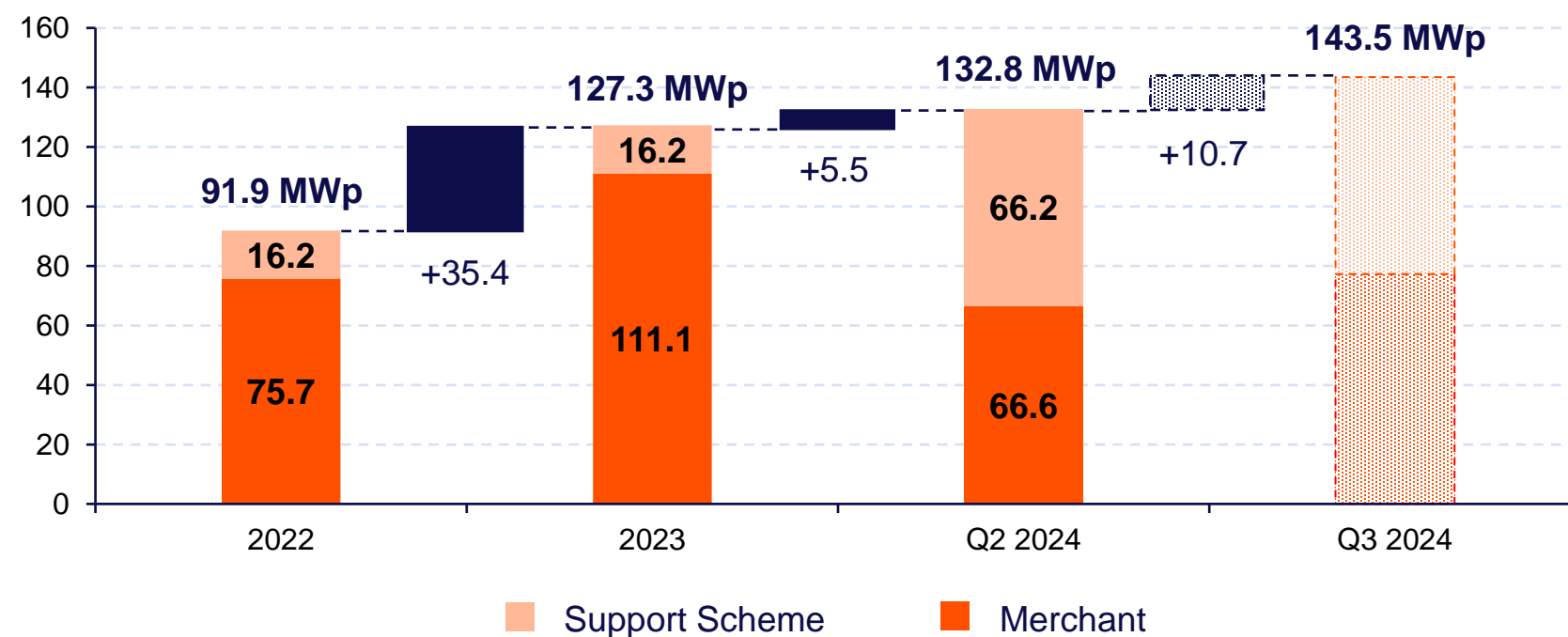
Segment: Investments

IPP portfolio, Electricity generation

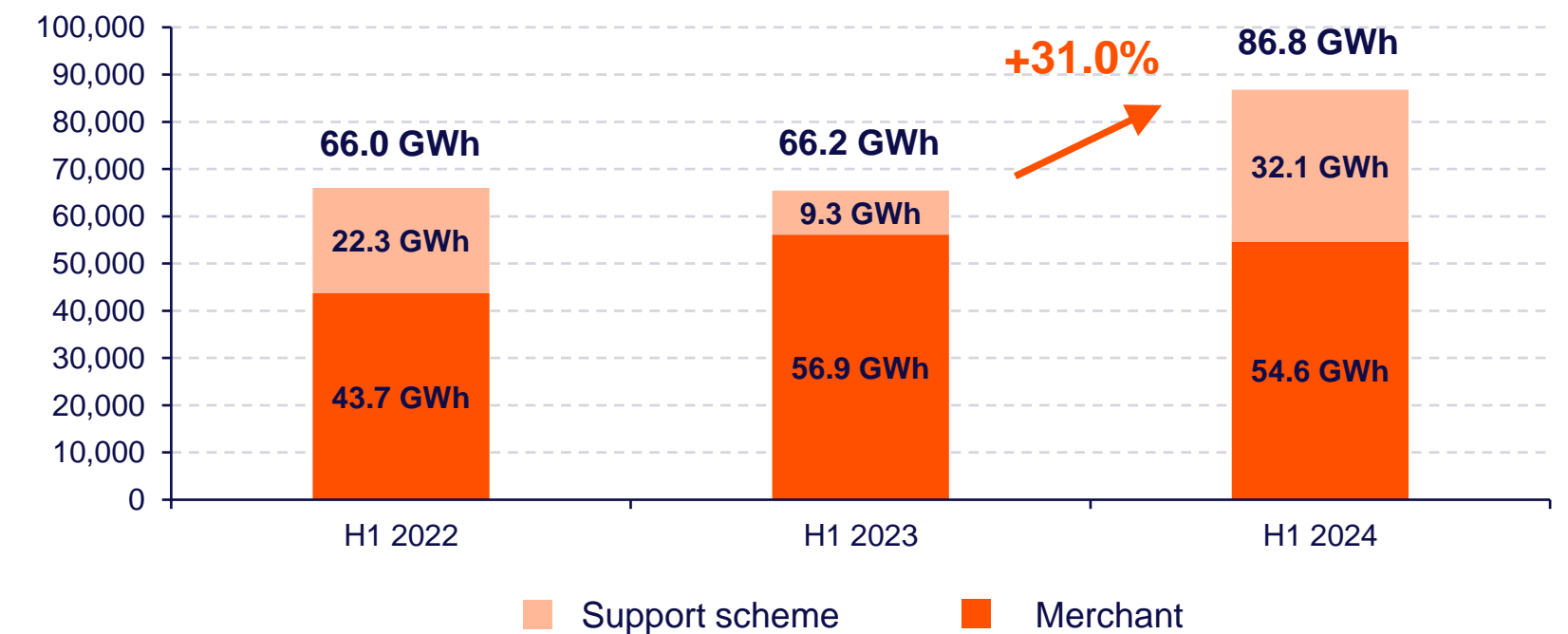
- ▶ 3.8 MWp commissioned in January 2024, and 1.7 MWp commissioned in April 2024, bringing IPP portfolio to 132.8 MWp.
- ▶ 10.7 MWp work-in-progress; expected commissioning date Q3 2024 bringing the IPP portfolio to 143.5 MWp.

- ▶ Electricity generation of 56.6 GWh in Q2 2024 (+36.8% YoY) and 86.8 GWh in H1 2024 (+31.0%) YoY; very good weather conditions in Q2 2024.
- ▶ Specific yield of 667.1 kWh/kWp in H1 2024 compared to 638.7 kWh/kWp in H1 2023 (+4.4% YoY) despite some technical issues in Puspokladany (HU) and temporary switch off power plants due to negative intra-day prices.

IPP Portfolio (MWp)



Electricity Generation (GWh)



Segment: Investments (IPP)

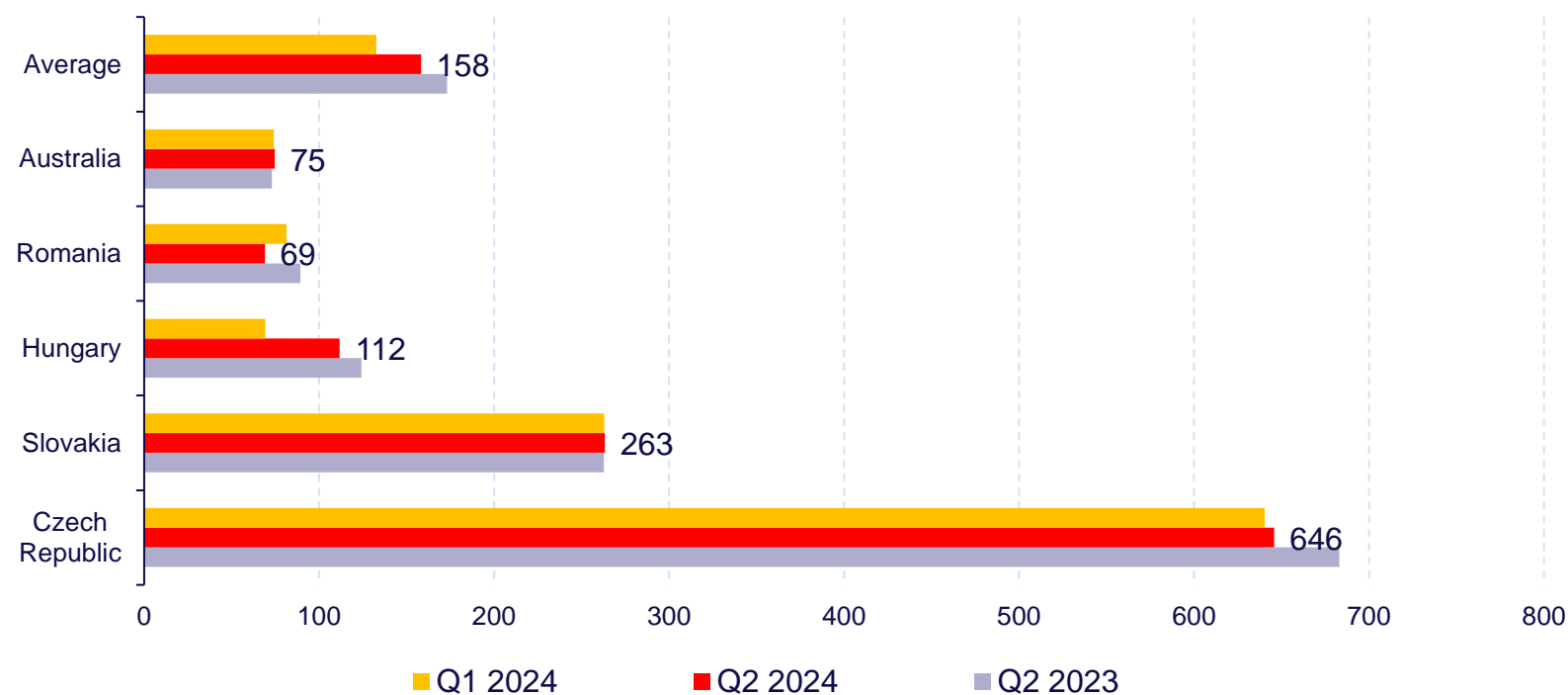
Electricity prices recovered in Q2 2024

- ▶ Average realized electricity prices in Q2 2024 of **158 EUR/MWh** compared to 133 EUR/MWh in Q1 2024 (+19.3% QoQ) and 173 EUR/MWh in Q2 2023 (-8.6% YoY).
- ▶ Price recovery in Q2 2024 partially due to rebalancing of our portfolio to 50/50 Merchant / FiT ratio and partially thanks to

electricity price recovery on energy markets.

- ▶ Average realized prices in July 2024 increased further to **169 EUR/MWh**.
- ▶ Risk of price cap in Romania at 80 EUR/MWh as of 1 October 2024; the scope and impact of regulations remain unclear.

Realized Average Revenue in Q2 2024 (EUR/MWh)



Revenue Model in Q2 2024






Country	Revenue model	Average EUR/MWh
CZ	FiT (100%)	EUR 646
HU	22% Merchant, 78% FiT	EUR 112
AU	99% Merchant, 1% FiT	EUR 75
RO	Merchant (100%)	EUR 69
SK	FiT (100%)	EUR 263
TOTAL PORTFOLIO		EUR 158

Project Pipeline

Expansion to South African Market

- ▶ Land secured for 12 MW utility-scale solar PV project in Atlantis, Cape Town and 250 MW RayGen concentrated solar power plant with 1.8 GWh thermal hydro storage in South Africa.
- ▶ Pipeline revised in Australia; projects downsized to 250 MWp in total, due to near term transmission system constraints and water supply constraints.
- ▶ Construction of 18.0 MWp in Romania expected to kick off in Q3 2024;
- ▶ Preliminary agreement for the sale of 20.4 MWp project in Poland signed in Q1 2024. Final share purchase agreement expected in Q4 2024.
- ▶ Other negotiations for sale of PV projects have slowed down due to market uncertainties.

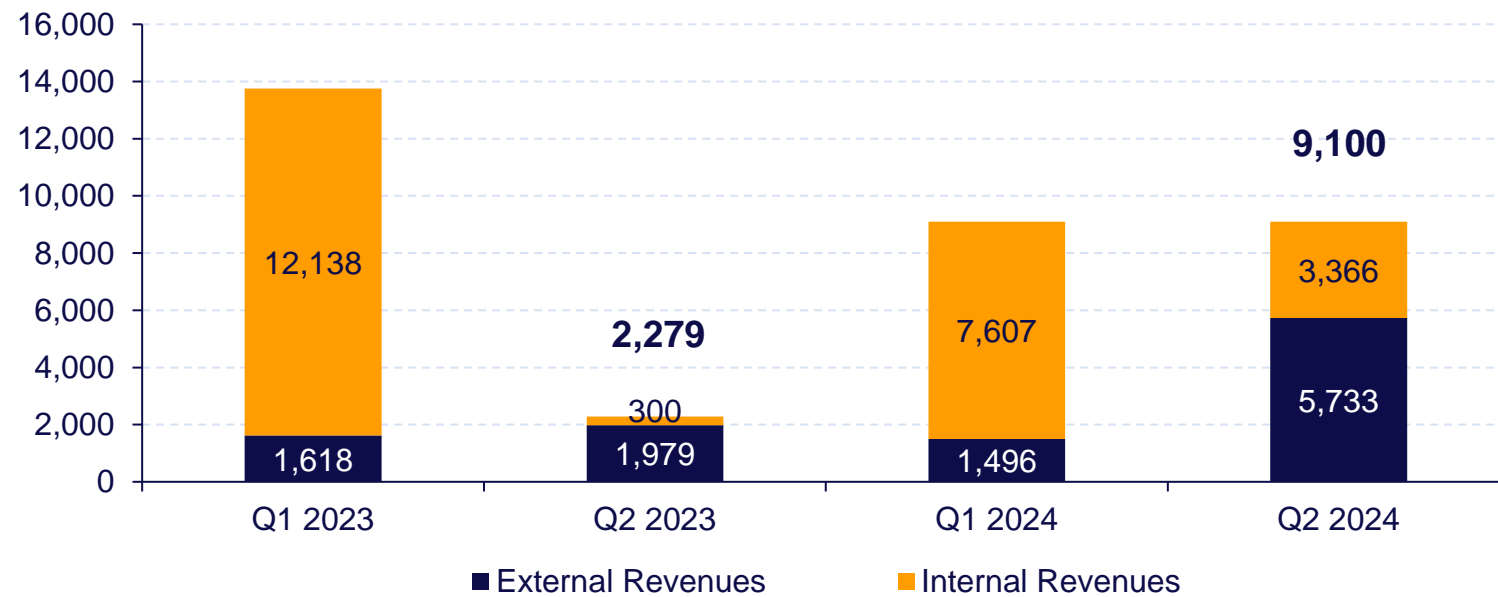
Projects Under Development

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Romania	8.4	80.1	61.7	36.4	10.7	197.4
 Poland	252.5	17.2	20.3	-	-	290.0
 Hungary	25.0	-	2.7	5.1	-	32.7
 Australia	90.0	-	159.8	-	-	249.8
 South Africa	262.0	-	-	-	-	262.0
Total in MWp	637.9	97.3	244.5	41.5	10.7	1,031.9

Other Business Segments

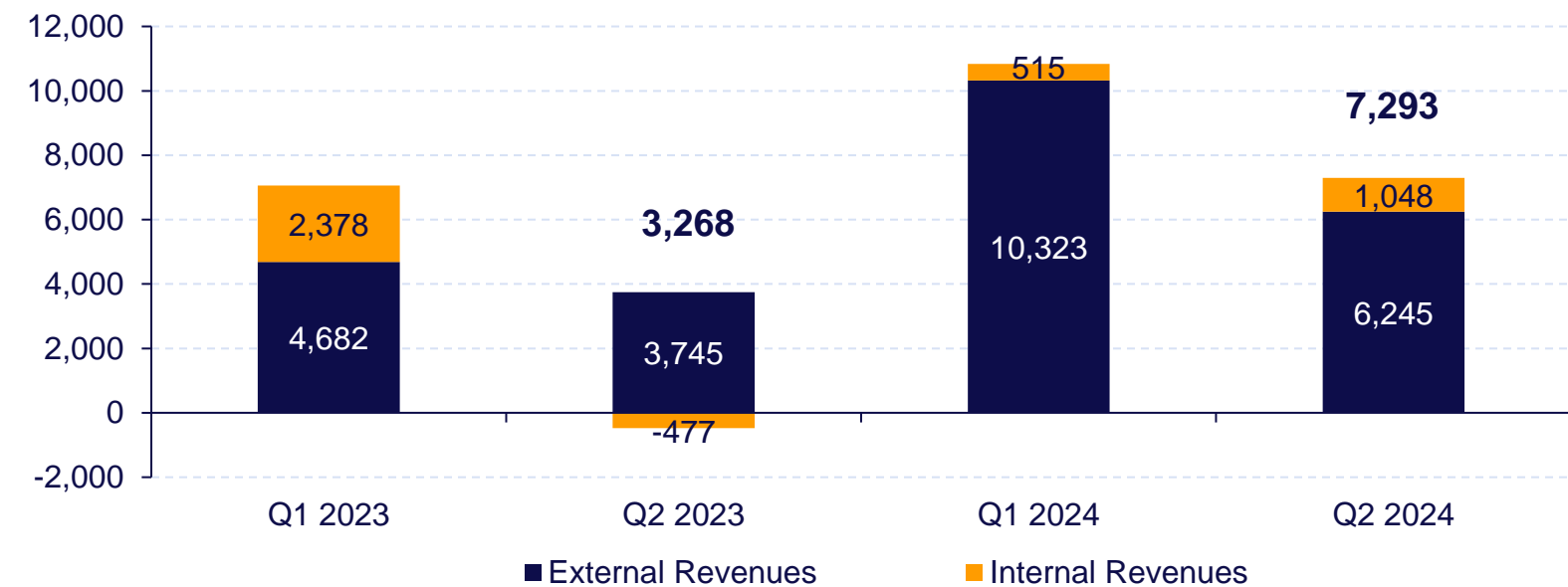
Strong growth in EPC and New Energy

Engineering Revenues (EUR 000s)



- ▶ Significant growth of external business reaching EUR 5.7 million in Q2 2024 (+190% YoY) on the back of new contracts for C&I clients.
- ▶ First 20-year on-site PPA project with Forvia in Hungary completed; 21 MWp Pukenui project in New Zealand progressing in line with the schedule.
- ▶ Profitability of EPC contracts is expected to improve towards the end of year.

New Energy Revenues (EUR 000s)

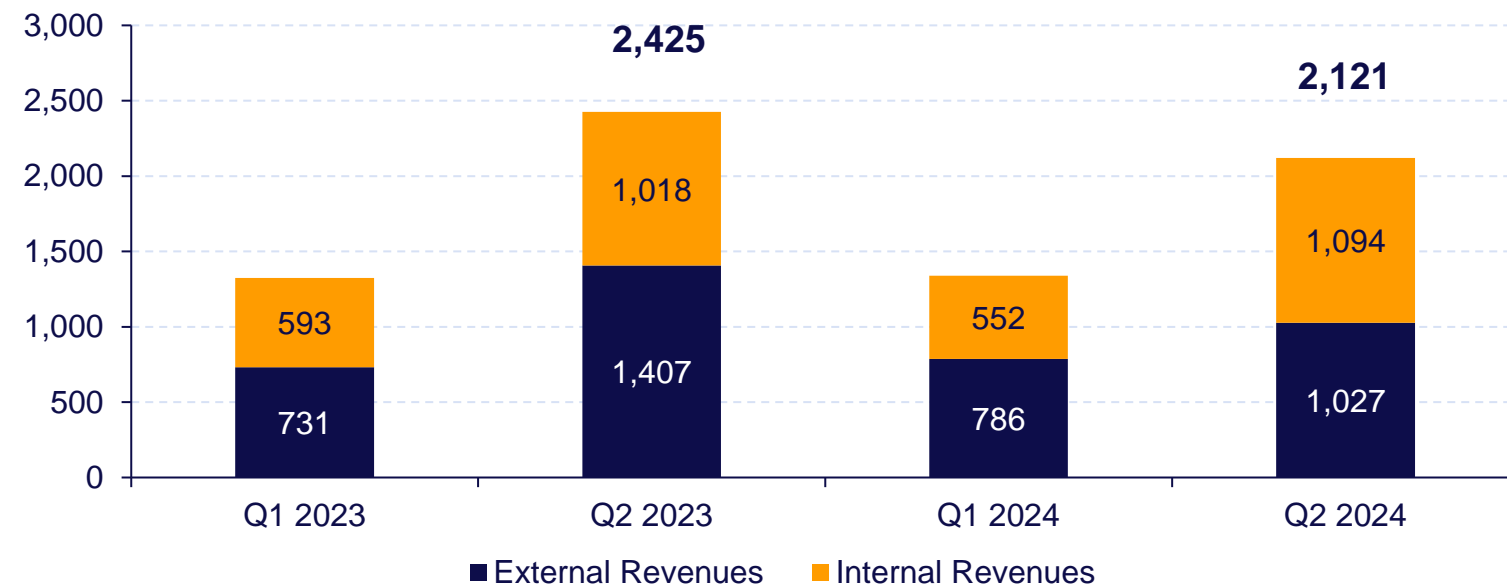


- ▶ Capacity market revenues of EUR 4.3 million Q2 2024 (+197% YoY) but lower compared to Q1 2024 of EUR 7.3 million due to lower contractual prices in Q2 and Q3.
- ▶ O&T revenues of EUR 1.9 million in Q2 2024 (-57.5% YoY) due to lower volumes of electricity traded and lower electricity prices.

Other Business Segments

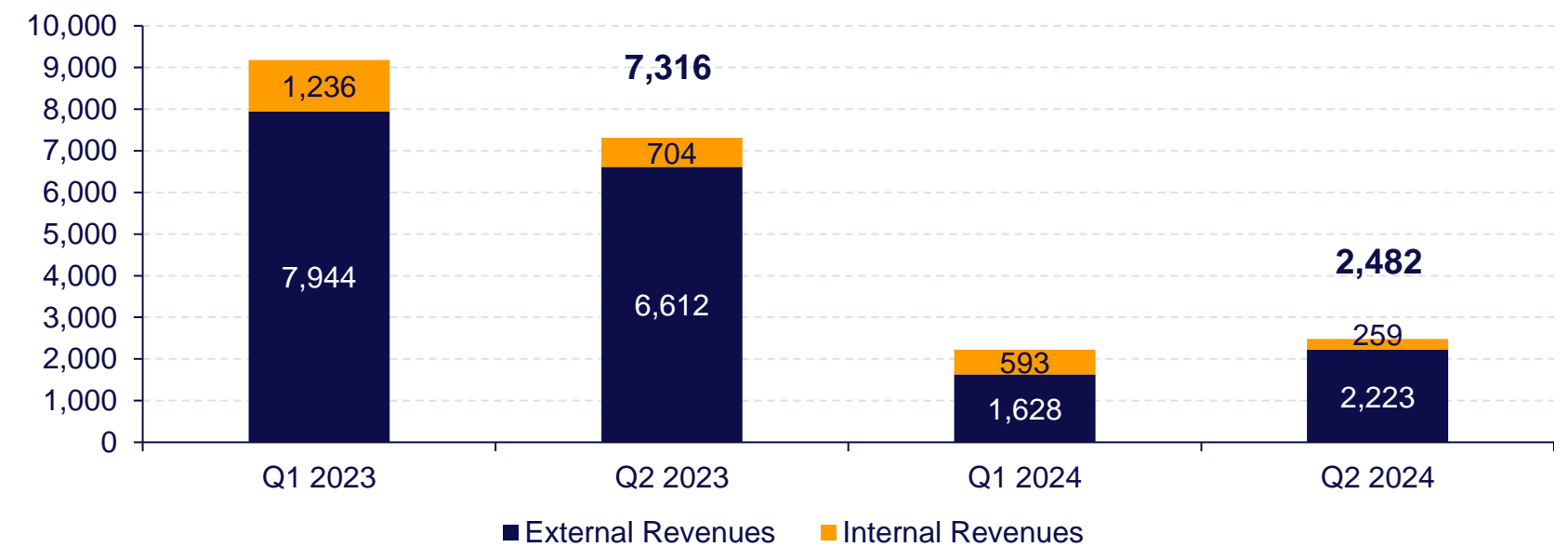
O&M and Technology Trading

O&M Revenues (EUR 000s)



- ▶ External revenues of EUR 1.0 million in Q2 2024 compared to EUR 1.4 million in Q2 2023 (-27.0% YoY);
- ▶ Total capacity under O&M increased to 889 MWp; some newly contracted assets are in the taking-over process and have had delays in commissioning hence some revenues are delayed.
- ▶ Segment is still loss making but the bottom line is improving thanks to the economies of scale.

PV Component Trading Revenues (EUR 000s)



- ▶ External revenues of EUR 2.2 million in Q2 2024, compared to EUR 6.6 million in Q2 2023 (-79.5% YoY). The trading volumes for batteries and inverters improved in Q2 2024.
- ▶ The prices of PV technology remain under the pressure.
- ▶ We have strengthened our position as an official distributor of the Solinteg inverters and continue to install batteries for our end-customers.

Business Highlights in Q2 2024

- ▶ IPP portfolio up to **132.8 MWp** (+17.4% YoY); expected growth to **143.5 MWp in Q3 2024**
- ▶ **Solid electricity generation** of 56.6 GWh (+36.8% YoY) in Q2 2024 and 86.8 GWp YTD (+31.0% YoY).
- ▶ **Recovery of an average realized revenues** from 133 EUR/MWh in Q1 2024 to **158 EUR/MWh in Q2 2024**. Positive trend continued in July 2024.
- ▶ Building more **resilient business model** – replacing highly volatile revenues from technology trading with revenues from EPC business and capacity market contracts.
- ▶ **Expansion of O&M portfolio to 900 MWp**, bringing it closer to a target of 1 GWp; slow and steady improvement of margins.
- ▶ **Sale of project rights for 20.4 MWp** in Poland concluded in May 2024; sales efforts on the disposal of other assets continue.
- ▶ EBRD agreement for a financing facility of up to **EUR 15 million** signed in May 2024.
- ▶ **Further geographical diversification** – expansion of project pipeline with 262 MWp of South African projects.





Business Review

Financial Results

Guidance

Q&As

Siria, Romania (5.7 MWp)

Financial Results

Income Statement, strong Q2 results

In thousand EUR	Q2 2024	Q2 2023	YoY change	H1 2024	H2 2023	YoY change
Total revenues	23,914	20,951	14.1%	41,289	40,231	2.6%
<i>of which from electricity generation</i>	8,549	7,194	18.8%	12,295	11,344	8.4%
<i>other revenues</i>	15,365	13,757	11.7%	28,994	28,887	0.4%
EBITDA	5,274	2,503	110.7%	6,057	2,833	113.8%
EBIT	2,268	100	2175.2%	843	-1,469	NA
Net profit/Net loss	-2,789	-3,275	NA	-4,109	-7,445	NA
Total Comprehensive Income (TCI)	-5,112	765	NA	-6,220	-885	NA

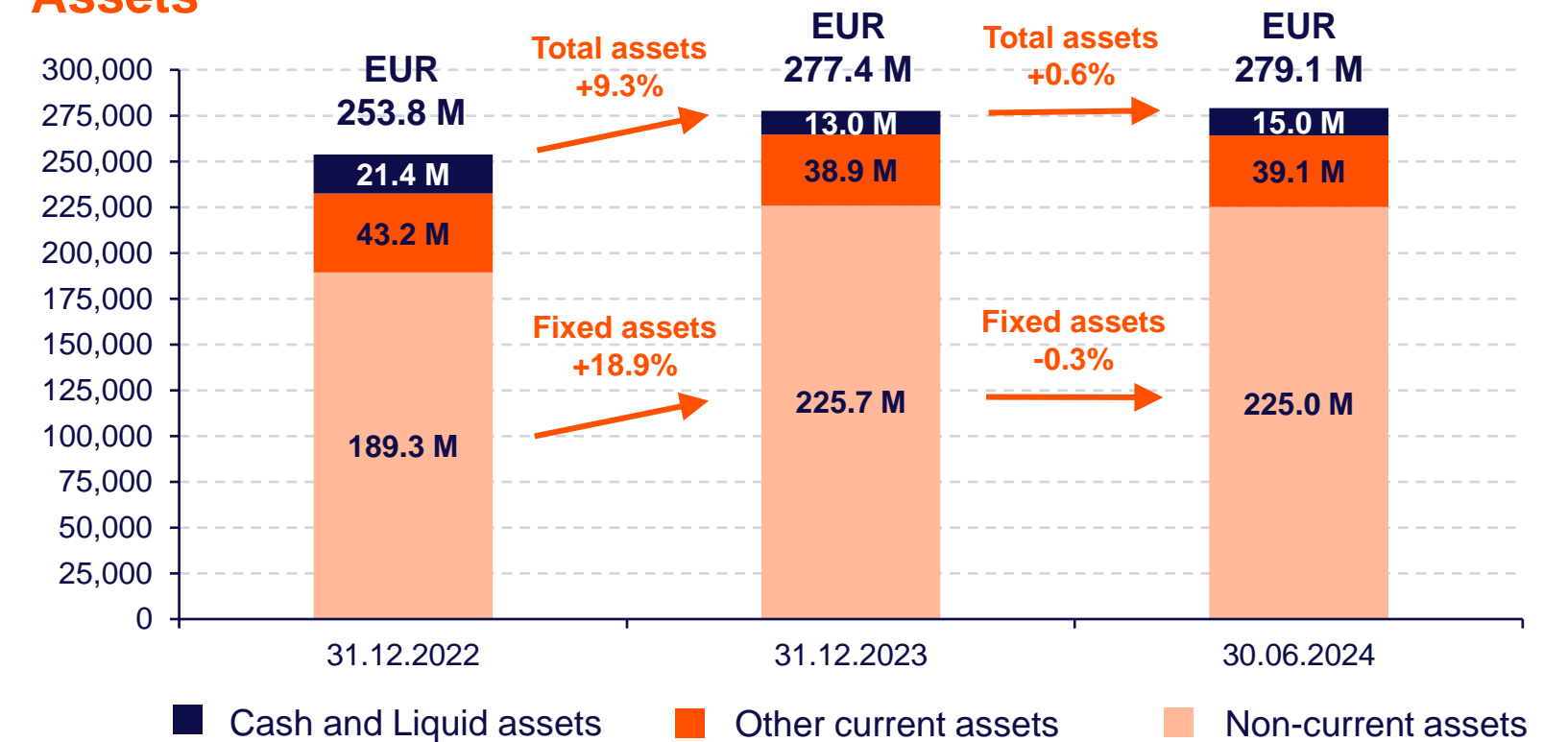
- ▶ Electricity generation revenue of EUR 8.549 million, up by 18.8% YoY due to strong output growth (+36.8% YoY) and price recovery.
- ▶ Other revenues of EUR 15.365 million, up by 11.7% YoY; highly volatile revenues from technology trading were replaced with predictable EPC business and capacity market contracts.
- ▶ EUR 1.9 million of other income related to sale of project Domanovo in PL and supplier's credit note.
- ▶ EBITDA of 5.274 million (+110.7% YoY). Profits generated by Investments and New Energy segments.
- ▶ Total comprehensive income of EUR -5.112 million; bottom line heavily impacted by non-cash FX translations of EUR -1.6 million in financial losses and EUR -2.8 million in OCI.

Balance Sheet

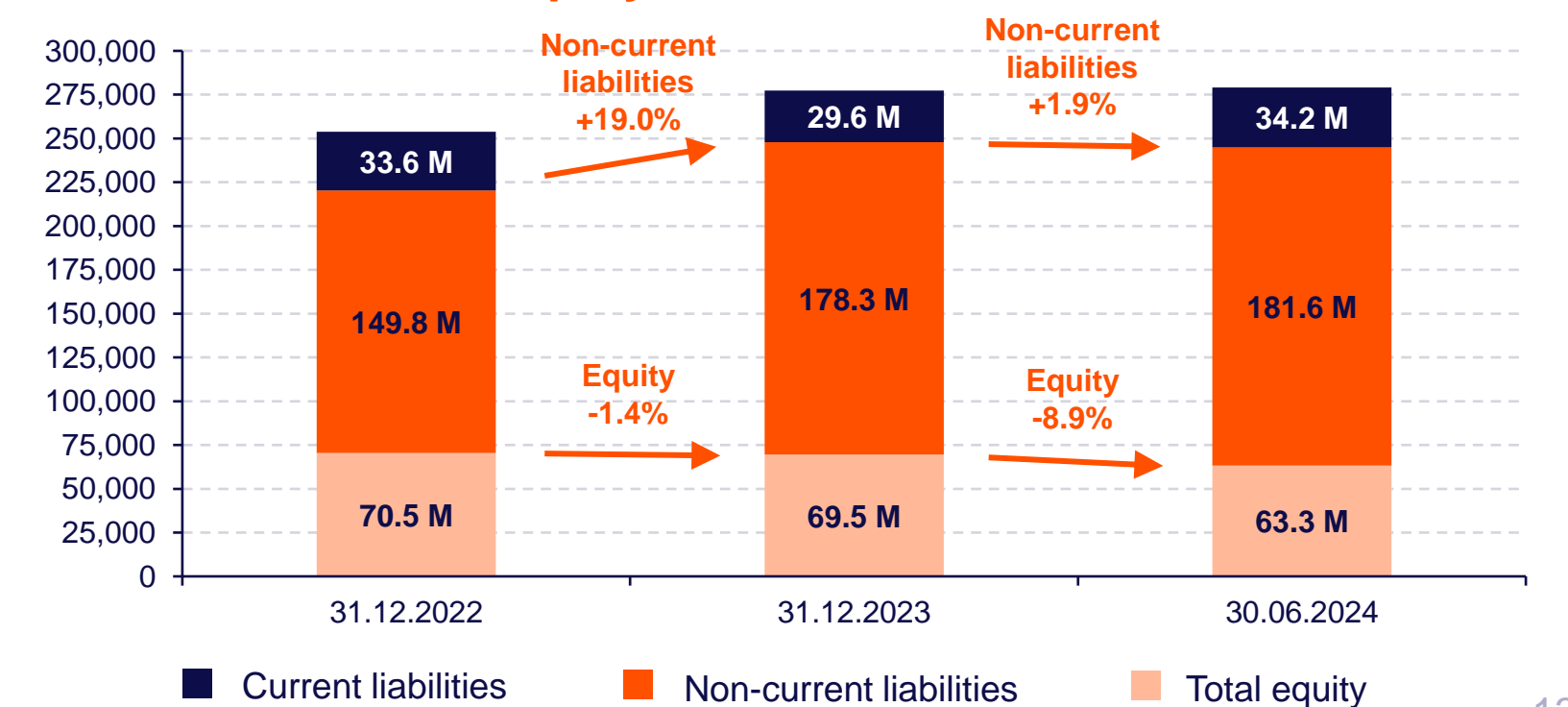
Balance Sheet

- ▶ **Fixed assets** of EUR 225.020 million remained stable; The positive developments related to the connection of 5.5 MWp of new assets in Romania, were offset by depreciation of IPP portfolio and appreciation of EUR against CEE currencies.
- ▶ **Current assets** increased to a total of EUR 54.081 million, up by EUR 1.660 million compared to the end of 2023, thanks to higher trade and other receivables, and improved cash position, which was partially offset by lower level of inventories.
- ▶ **Equity** of EUR 63.282 million, down by EUR -6.221 million due to the net loss and a negative change in the revaluation and currency translation reserves; adjusted equity ratio of 25.6%, slightly above bond covenant of 25% .
- ▶ **Long-term liabilities** increased to EUR 181.569 million, by EUR 3.221 million, as a result of drawing on EBRD financing.
- ▶ **Current liabilities** amounted to EUR 34.248 million, up by EUR 4.676 million due to an increase of trade payables by EUR 5.726 million.

Assets



Total liabilities and equity

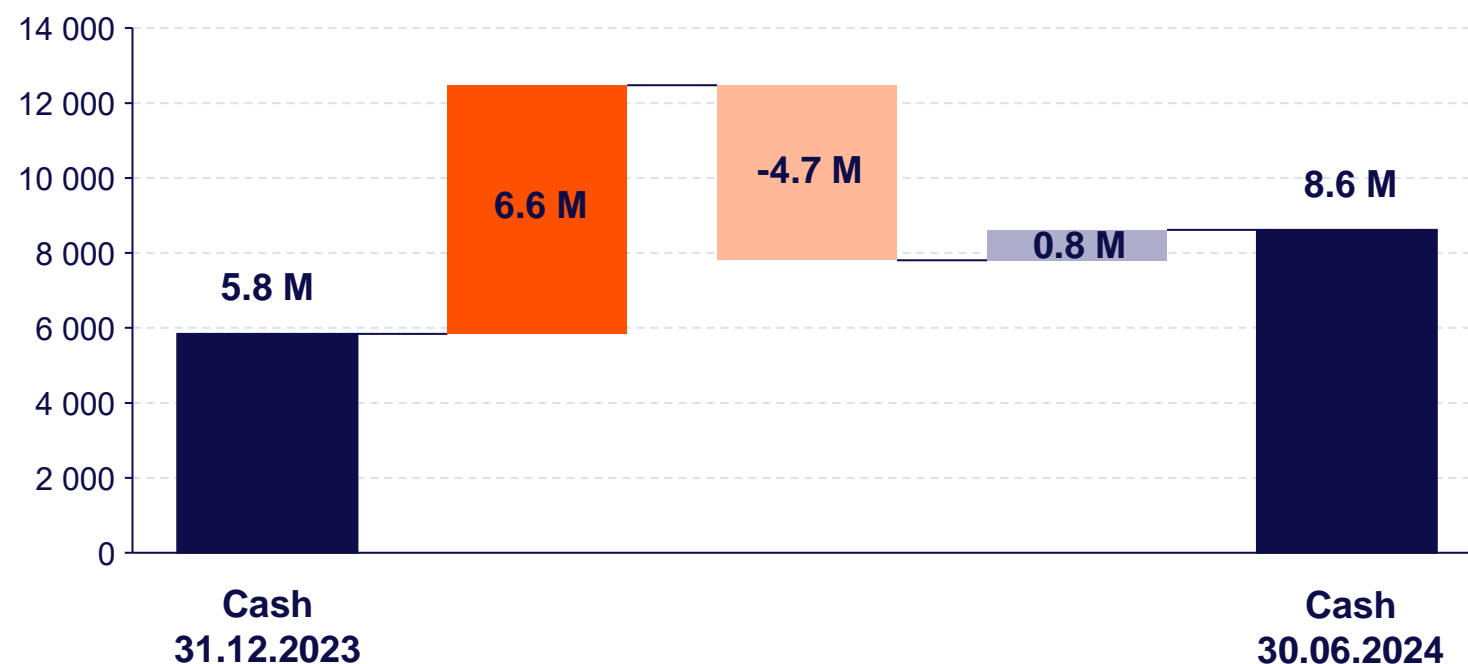


Cash Flow

Cash Flow Development

In thousand EUR	H1 2024	H1 2023
Operating cash flow	6,634	-9,299
Investment cash flow	-4,666	-8,524
Financial cash flow	811	14,793
Net change in cash	2,779	-3,030

- ▶ **Operating cash flow** of EUR 6.634 million, mainly thanks to positive net working capital developments and FX translations.
- ▶ **Investment cash flow** of EUR -4.666 million related to work in progress for our proprietary portfolio in Romania.
- ▶ **Financial cash flow** of EUR 0.811 million as a net result of new borrowings (EUR 5 million of EBRD loan) and interest expense and scheduled repayment of short-term financing.
- ▶ **Cash and liquid assets of EUR 15.0 million.**



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



Photon Energy Group

Business Review
Financial Results
Guidance

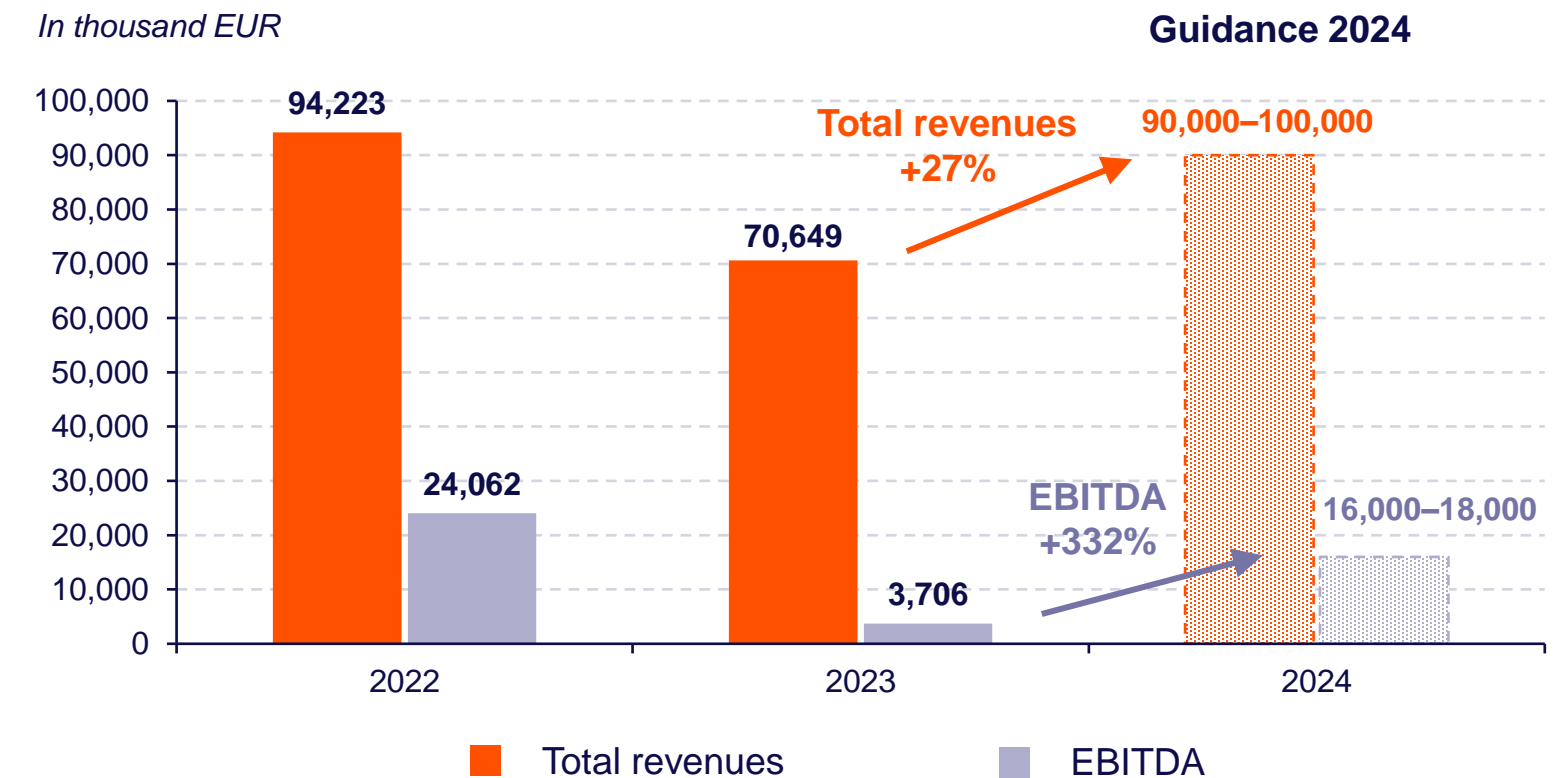
Q&As

Sydney, Australia (100 kWp)

Photon Energy: Guidance 2024

2024 FY Guidance

- ▶ In H1 2024 consolidated revenues of EUR 41.3 million represent 45.9% of the lower guided threshold. Given the seasonality of revenues, recent recovery of electricity prices and current course of business, Management expects the revenues in H2 2024 to be higher than in the reporting period and in line with guidance.
- ▶ H1 2024 EBITDA of EUR 6.1 million came at 37.9% of the lower end of the guided range. Continuing improvement in revenue mix and shift towards higher-margin business segments are expected to enhance profitability in H2 2024.





Q&A



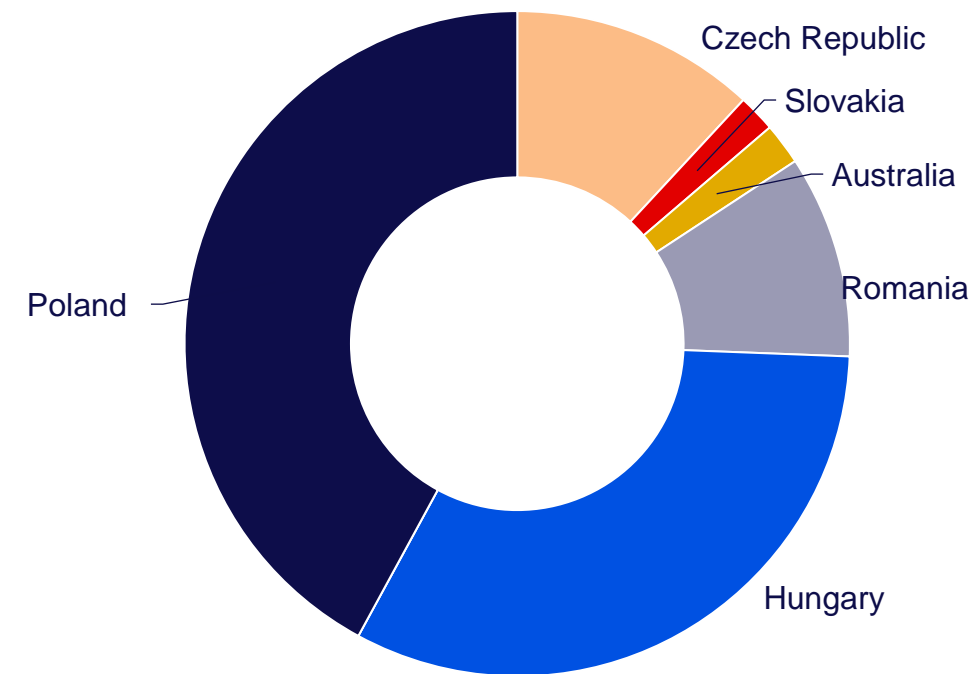
Thank you for joining us today!

O&M Contracts

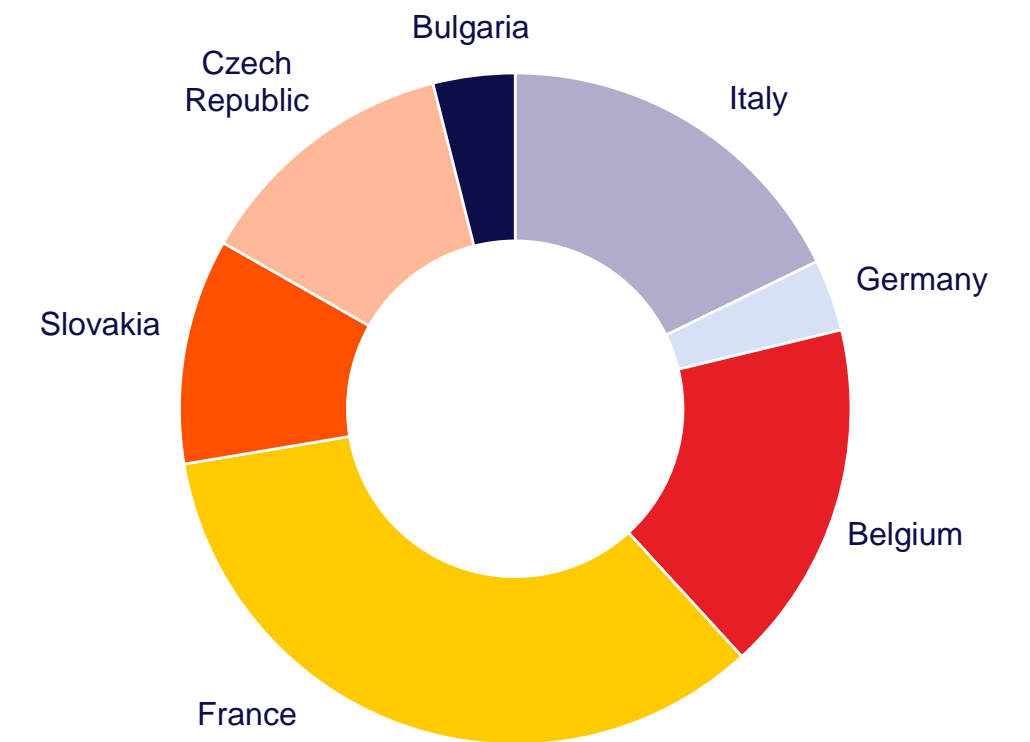
Capacity under O&M contracts, by country (MWp)

Country	July 2024
Czech Republic	99.8
Slovakia	15.4
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



370+
Employees



Active in
10+ countries



Shares traded
in PL, CZ and DE



5 x BUY
PT: EUR 2.80 - 4.1



Sustainability
Rating*

Energy Business Lines

(Current core activity and strategic area of development)



1.2+ GWp
PV project pipeline



170+ MWp
constructed



+20.1 MWp
under
construction



127.3 MWp
proprietary portfolio



139.4 GWh
produced in 2023



700+ MWp
O&M portfolio



LERTA:
New Energy
Division

389 MW
capacity market
in 2024

Water Business Line

(Strategic area of development)

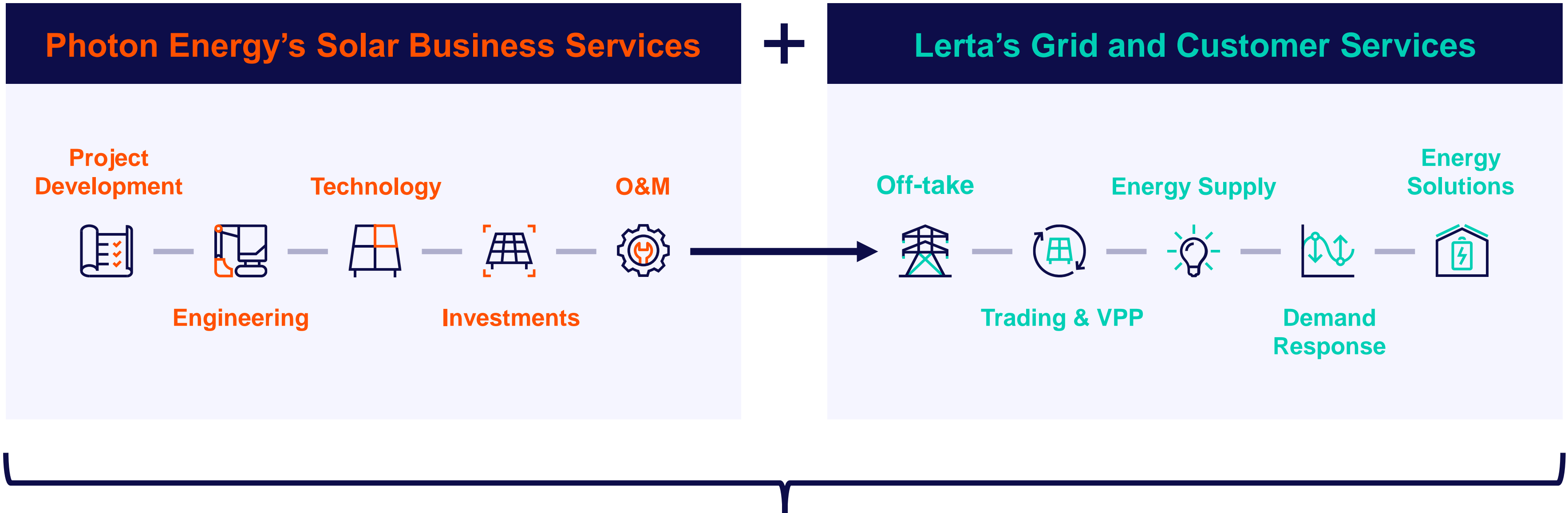


PFAS**
patent pending

* 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.

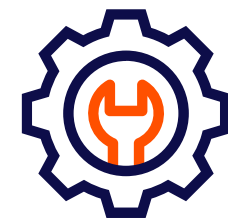
Business Model: Solar Services

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**.



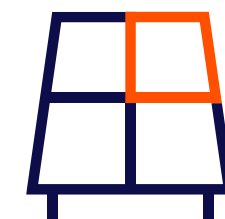
Engineering (EPC)

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**.

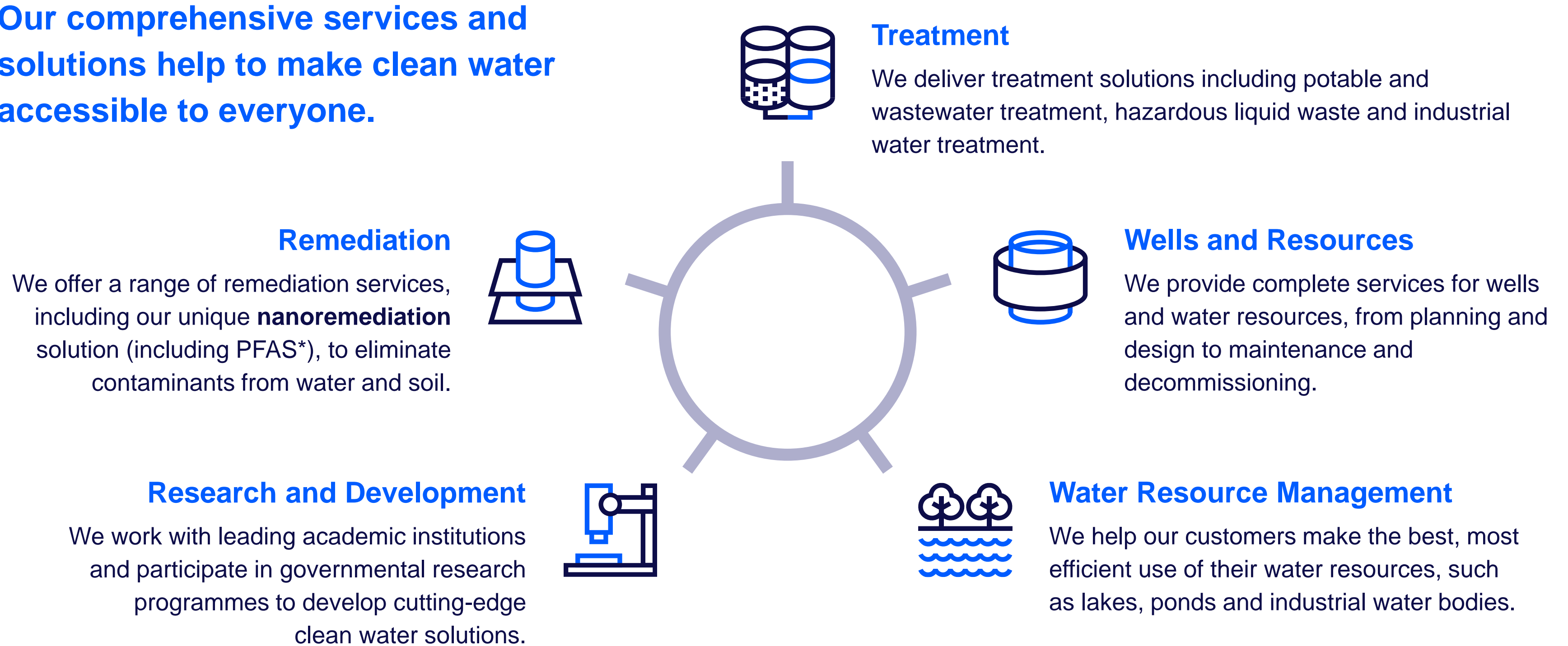


Technology

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 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	
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.