

## ESPI report

Company: Photon Energy N.V.

Number: 8/2024

Date: 2024-03-19

Market types: Warsaw Stock Exchange and Prague Stock Exchange regulated markets

**Title:** Photon Energy switches 35 MWp of its Hungarian PV portfolio back to Feed-In-Tariff

### Detailed data:

The Management Board of Photon Energy N.V. informs that as of 1 April 2024 additional 35 MWp of DC capacity in the Hungarian proprietary portfolio will be switched from the merchant model, i.e. selling electricity on the day-ahead energy market, back to the Feed-In-Tariff based on the power plants' KÁT or METÁR-KÁT-licenses, as applicable.

The decision to return to the Feed-In-Tariff (FIT) is possible thanks to the Government Decree No 787/2021 (XII.27.), published on 27 December 2021, which came into effect on 1 January 2022, and which allows PV power plants to temporarily exit the support schemes and then return to the respective support schemes at any time after a 12-month period. In the case of Photon Energy Group's assets, the 12-month period has passed on 1 April 2023. Given the uncertainties on the energy market, the formal application process to return to the support system has been initiated earlier this year and the positive decision has been issued by the Independent Transmission Operator MAVIR, on the basis of which additional 35 MWp of PV capacity in Hungary will return to the support system mechanism as of 1 April 2024, with an approved Feed-in-Tariff of HUF 47,040 (EUR 119.25/MWh) until the end of 2024 and subject to indexation in future years.

As of today, out of 51.8 MWp in the proprietary Hungarian portfolio, only 5.6 MWp of DC capacity is entitled to the support system based on METÁR-licenses at a rate of HUF 47,040/MWh (EUR 119.25/MWh). After 1 April 2024 additional 51 power plants with a total capacity of 35 MWp in the Hungarian portfolio will be entitled to receive the FIT based on their KÁT or METÁR-KÁT-licenses. The remaining 11.2 MWp of PV power plants which will remain in the merchant model include six METÁR-licensed PV power plants, which have permanently exited the support scheme in 2022 with a combined installed capacity of 8.5 MWp, and two PV power plants with a total capacity of 2.7 MWp, which were never entitled to any support scheme.

As a result of this decision, as of 1 April 2024 the Photon Energy Group's total proprietary portfolio of 131.1 MWp will be rebalanced with 64.9 MWp of installed capacity under Feed-in-Tariffs and 66.2 MWp remaining in the merchant model, which results in an almost even split between Feed-in-Tariffs and merchant. The Management Board of Photon Energy N.V. is convinced that based on current electricity prices which in January and February 2024 in Hungary amounted to an average of EUR 78/MWh and the remaining market outlook for this year, the return to the support mechanism in Hungary, as well as the Czech Republic as of 1 January 2024, was a justified decision and will improve the Group's revenue profile and profitability this year.

**Legal basis:** Art. 17.1 MAR.