Photon Energy Group

Photon Energy N.V.

Annual Report 2024

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Legal form: Joint-stock company (Naamloze Vennootschap)
Registration: Dutch Chamber of Commerce (Kamer van Koophandel)
Company No.: 51447126
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This report is available online at photonenergy.com

For questions contact our Investor Relations Department at ir@photonenergy.com

Photon Energy Group

Clean energy and water. The fundamentals of life.

Founded
in 2008

Active in
15+ countries

330+
employees

1.0 GWp
PV projects in development

129.6 MWp
proprietary portfolio

1,100+ MWp
O&M portfolio

162.8 GWh of clean
energy produced in 2024

Shares traded in Poland,
Germany and the Czech Republic

66,682 tonnes of CO_2e
emissions avoided in 2024

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Făget II, Romania

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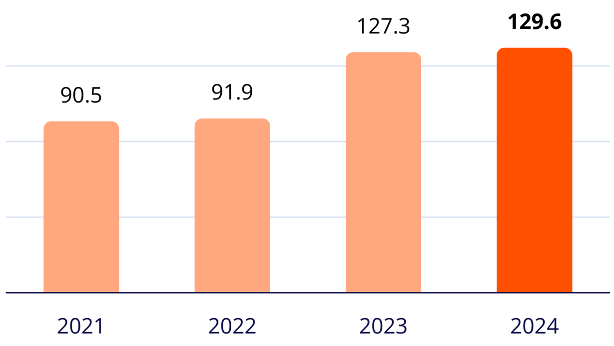
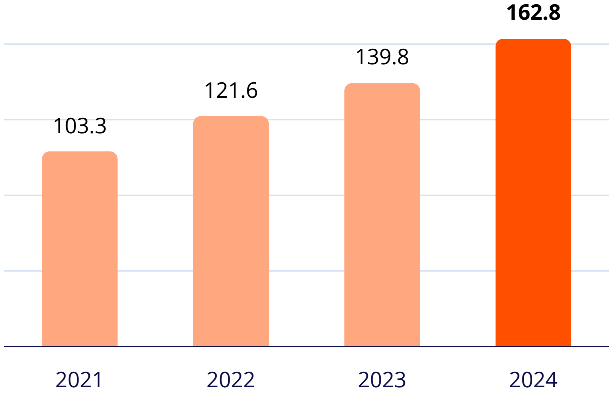
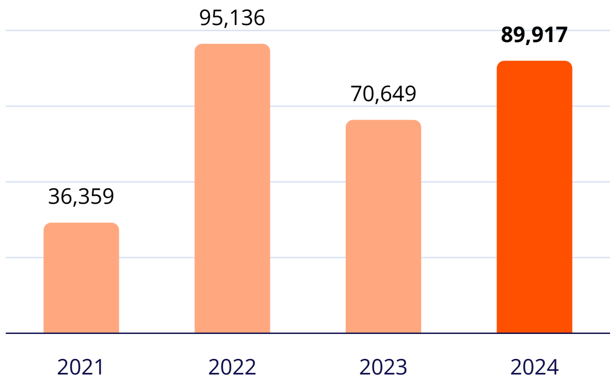
IPP Portfolio *(In MWp)*



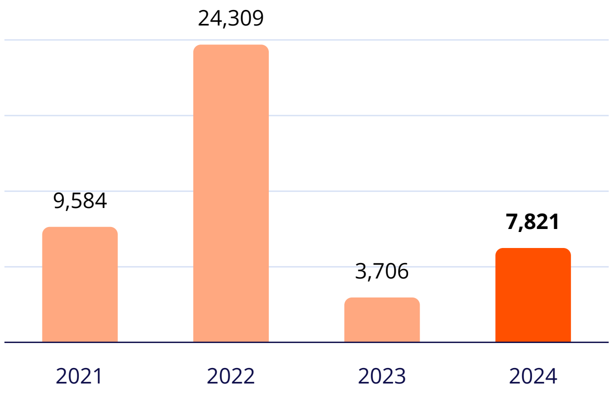
Energy Generation *(In GWh)*



Total Revenues *(In thousands of EUR)*

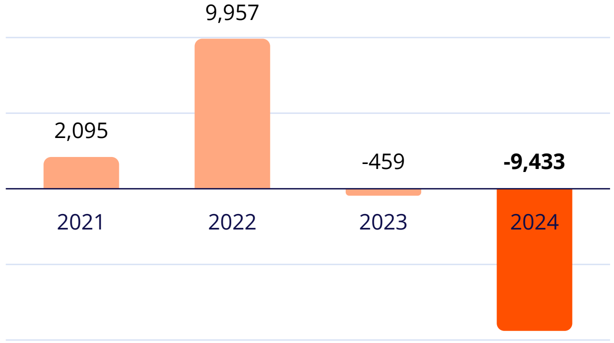


EBITDA *(In thousands of EUR)*

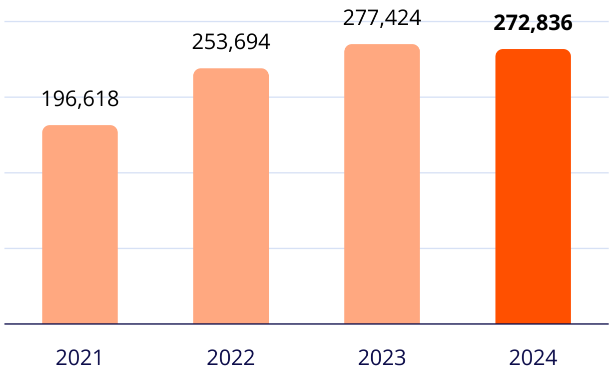


Total Comprehensive Income

(In thousands of EUR)

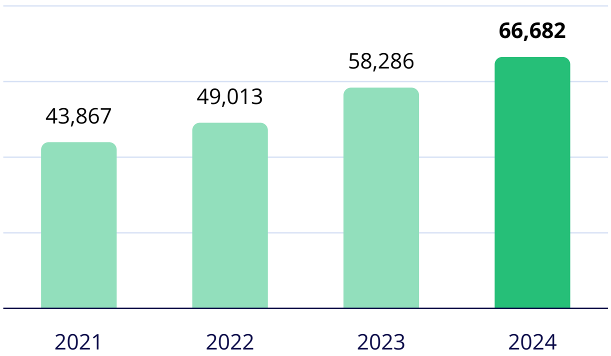


Total Assets *(In thousands of EUR)*

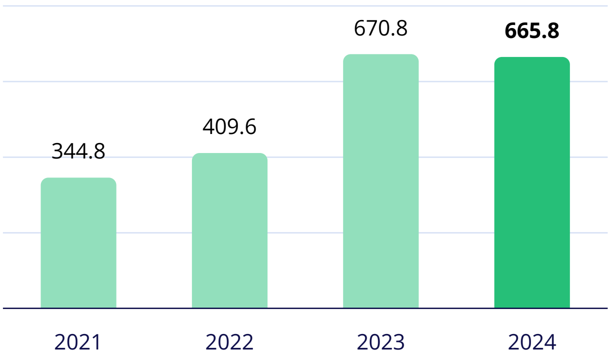


Environment, Social Conduct & Governance

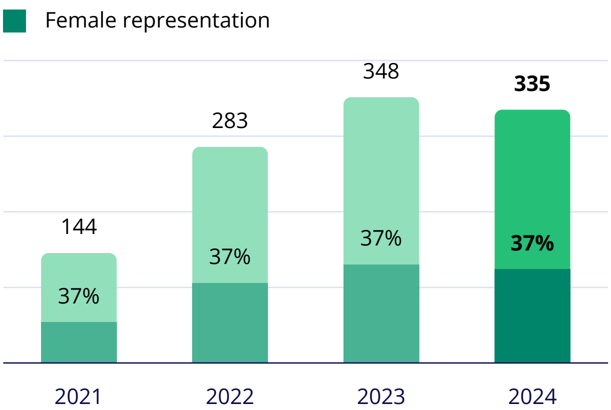
GHG emissions avoided *(In tonnes of CO_2e)*



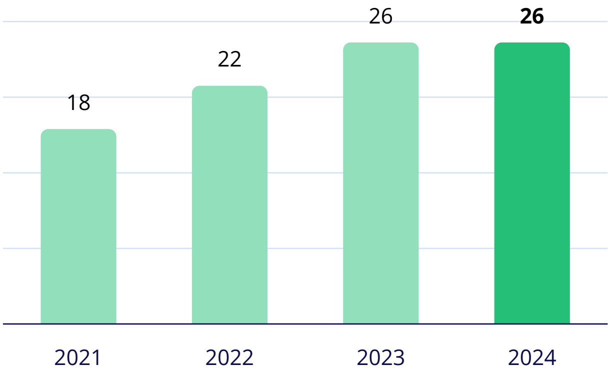
Scope 1 & 2 emissions *(In tonnes of CO_2e)*



Number of Employees



Nationalities



Letter from the Management

Co-founder and CEO Georg Hotar (L) with CFO David Forth (R)

Dear Stakeholders,

We expected 2024 to mark a financial turnaround from top-line growth to bottom-line improvements, and this proved to be the case. Revenue grew solidly by 27.3% year-on-year, reaching a total of EUR 89.9 million. We also achieved a qualitative shift in our revenue mix, with a growing share of stable, recurring revenues and higher-margin segments, resulting in EBITDA more than doubling year-on-year to EUR 7.8 million.

While the progress was substantial, it did not fully meet our expectations. Headwinds in H2 2024 partially diverted us from our growth trajectory, particularly in terms of profitability. As a result, the profits delivered fell short of earlier expectations. Let me summarise what worked last year, and what did not.

What went well?

Throughout the year, we successfully stabilised revenues by increasing the share of recurring and predictable revenue streams. By balancing our generation portfolio 50/50 between support schemes and energy market exposure, we were able to capitalise on electricity price recovery while mitigating market risks through FiT support. A 15.4% increase in revenues year-on-year to EUR 24.7 million validated this approach. The performance of our generation segment would have been even stronger if not for regulatory changes adopted in H2 2024 in Romania , which eroded a portion of our revenues and, consequently, our profits.

We also delivered on our commitments in the New Energy division, nearly tripling revenues from capacity contracts. Combined with growth in the origination and trading business, this resulted in total revenues of EUR 32.5 million, making it the Group's second most profitable segment. On 1 December 2024, Photon Energy became the first officially registered energy aggregator in Poland, offering ancillary and energy flexibility services to optimise energy consumption on the wholesale market. Currently, our services are primarily aimed at commercial businesses and large industrial clients, as well as energy storage and energy generators, as energy flexibility provides the greatest benefits in these sectors.

Strong revenue expansion was recorded across all of our business segments. The engineering segment achieved its highest-ever construction volumes for third-party projects in the Group's history. Additionally, we successfully completed our first project with a 20-year PPA for a well-known automotive manufacturer, demonstrating our ability to meet the growing demand for clean energy through our integrated value chain. Our O&M segment surpassed the 1 GWp threshold in assets under contract. In 2024 alone, we secured an additional capacity of over 400 MWp, further strengthening our position as a leading O&M service provider in the CEE region. Although only about 70% of this capacity was generating revenue last year, with the remaining portion still under construction or in the commissioning stage, we expect this new capacity to drive revenue growth as it comes online in 2025.

Last but not least, after PV technology sales bottomed out in mid-2024, we made a bold decision to revamp our team and sales strategy—a move that quickly yielded positive results. With stronger efforts, a broader market focus, an expanded product range, and growing demand for PV technology, we achieved significant volume growth in Q4 2024 and anticipate accelerated revenue and profitability growth from this segment in 2025 and beyond.

Below the operating line , we realised an additional capital gain of EUR 1.1 million from the sale of project rights to the Maryvale Solar Farm in Australia. This transaction dates back to December 2021, with the gain resulting from the completion of additional milestones that triggered an additional contractual payment. This final event highlights that project development can be a highly profitable business, and we have extensive experience in utility-scale, projects, however, the process—from inception to completion—takes time and is often accompanied by unforeseen challenges.

What didn't go well?

Despite growing demand and business volumes, market conditions were still challenging. This was particularly visible in our engineering segments and technology trading. Margins were eroded by rising costs in the engineering segment, driven by ongoing EPC contracts for C&I clients in Australia and New Zealand, where certain milestones have yet to be achieved. In the PV technology trading segment, despite a significant increase in trading volumes in H2 2024, margins remained squeezed due to the clearance of inventory hangover. The good news is that the old inventories were fully liquidated and we can move into 2025 with a clear balance sheet.

In addition to lower profitability in recurring business, certain non-recurring events—some of which were unforeseen—had an impact on overall profitability and deviation from expected financial results. The most material was a loss of EUR 1.55 million booked on the divestment of 14.5 MWp of operational assets and the 8.2 MWp/10.9 MWh hybrid solar/battery project in New South Wales, Australia. This transaction had a one-off negative impact on our bottom line but contributed EUR 6.0 million into our liquidity and improved the generation portfolio profile, as we disposed of the assets with the lowest profitability rate.

Another significant event was the sale transaction concluded in May 2024, which resulted in a profit recognition of EUR 0.9 million in Q2 2024. This gain had to be reversed in Q4 2024 as the completion of the 20.4 MWp project development in Poland was postponed to 2025. Additionally, we incurred EUR 0.55 million in higher-than-expected costs in 2024 related to restructuring, severance, and write-offs stemming from the clearance of old working capital positions.

Outlook for 2025

We expect to continue growing our businesses and recovering profitability. Positive trends in energy markets, combined with the balanced risk profile of our portfolio, give us confidence in further improvements in the generation segment's performance. While capacity market contracts will be lower this year, we anticipate growth in the energy trading business, driven by rising electricity prices and the launch of ancillary services in Poland.

We also expect further growth in engineering revenues, supported by existing contracts and ongoing negotiations with new C&I clients. The O&M segment will reflect the impact of recent capacity acquisitions, while technology trading—already showing strong momentum in Q4 2024—is expected to achieve significant year-on-year revenue growth with healthy margins.

Additionally, we have observed increasing interest in our environmental remediation business. Though still at a small scale, its commercial applications have been successfully demonstrated through multiple pilot-scale projects.

Finally, despite some delays, we remain optimistic about monetising our project development efforts and finalising the sale of our PV projects globally.

Conclusion

We continue our work towards becoming a self-sustaining business based on what we sell and deliver to our external clients in a recurring manner, with the spirit that has turned Photon Energy Group and its business lines into respected brands in the markets where we operate. We will continue to expand recurring revenue stream through the combination of high-performance PV generation assets, combined with the enhanced ability to access the full revenue stack available to grid-connected energy assets.

We would like to thank all our stakeholders, particularly employees, clients and suppliers for their continued support and trust. Although we weren't able to realise all of our goals in 2024, we deeply appreciate the continued support of our stakeholders through these challenging times. We remain dedicated to proving their faith in us is justified as we move forward.

We will keep working to bring value to all of them.

Sincerely,

Georg Hotar, Director   David Forth, Director

Amsterdam, 24 April 2025

Who We Are

Photon Energy Group is a group of companies with a shared mission: making **clean energy, clean water and clean environments** more accessible to everyone.

Photon Energy

Comprehensive solutions to support the generation of clean energy and the integration of renewables into the power supply.

Photon Water

Complete treatment and management solutions for water bodies and systems, including drinking water, reservoirs and wells.

Photon Remediation

Advanced environmental cleanup solutions for the safe and effective removal of PFAS and other contamination.

How do we accomplish our mission?
We start with our values.

Innovation

We think creatively to deliver solutions and actualise our vision.

Safety

We prioritise the health and well-being of everyone impacted by our work.

Sustainability

We understand the importance of foresight and long-term thinking.

Community

We believe it is our responsibility to enrich every community we are a part of.

Performance

We focus on solutions and deliver on our commitments.

Integrity

We operate with honesty and respect, and we never compromise our values.

What We Offer

Photon Energy

Powering the Future

Comprehensive solutions to support the generation of clean energy and the integration of renewables into the power supply.

How do we support the generation of clean energy?

We help build and optimise solar power plants and energy storage systems.

Grounded in over 17 years of industry experience, we offer full-lifecycle solutions for utility-scale and on-site solar power and energy storage systems. We are also an Independent Power Producer, with a growing portfolio of PV power plants around the world.

Our solutions include

- Project Development
- Engineering, Procurement & Construction
- Wholesale PV Components
- Operations and Maintenance
- Asset Management
- Battery Energy Storage System Optimisation

How do we help integrate renewables into the power supply?

We buy and sell energy from renewable sources.

We sell energy directly from solar power plants that we own, and through the Photon Energy Virtual Power Plant, we offtake and supply energy from all renewable sources, including wind and biogas.

We help our clients monetise their energy flexibility to support grid stability.

As a licensed energy aggregator, we can provide access to opportunities for our clients to monetise their energy flexibility. This allows both energy generators and consumers to support the stability of their electricity grid and directly benefit from the green transition.

Our solutions include

- Energy Flexibility Monetisation
- Energy Offtake
- Clean Energy Supply and PPAs

A Closer Look at Energy Flexibility

In order for an electricity grid to function properly, the supply of energy must always match demand.

Although renewables are vital for our planet's future, they're usually less controllable than traditional power sources. So as more renewable sources are integrated into energy grids, the more challenging it becomes to balance supply and demand.

That's where energy flexibility comes in.

Through localised mechanisms including DSR programs, the Capacity Market and Ancillary Services, energy generators and consumers can be paid to adjust their energy production or consumption to keep the grid balanced. This helps ensure a steady, reliable flow of electricity and the successful integration of renewables into the power supply.

Photon Water

Clean Water for a Healthy World

Complete treatment and management solutions for water bodies and systems, including drinking water, reservoirs and wells.

Our solutions include

- Water Treatment
- Water Body Management
- Water Well Services
- Consulting Services

Everything we do is grounded in rigorous R&D

Partnerships with leading academic institutions and participation in governmental research programmes help us stay at the forefront of developments and opportunities.

Photon Remediation

Safeguarding Our Environment

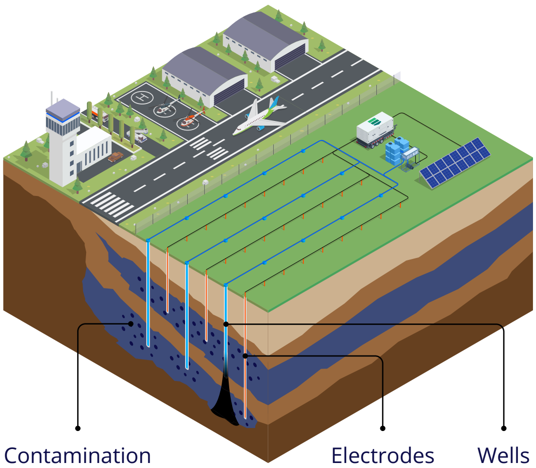
Advanced environmental cleanup solutions for the safe and effective removal of PFAS and other contamination

Our solutions include

- PFAS Management
- Environmental Remediation
- Consulting Services

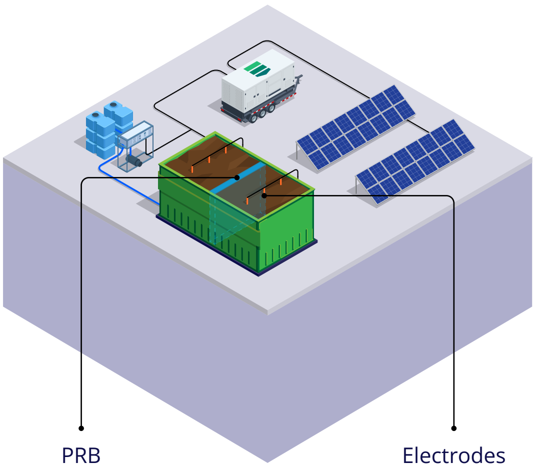
WaterGuard Nano™

Patented technology demonstrating 70% to 90% PFAS removal at the pilot stage.



EarthGuard PRB™

An emerging technology demonstrating up to 95% PFAS removal in early testing.



A Closer Look at PFAS

PFAS are a group of chemicals used in a range of industrial and consumer products, including non-stick cookware and firefighting foams.

They're also called the "forever chemicals" because they resist degradation and accumulate in the environment. They've been shown to have adverse effects on human health, wildlife and the environment.

At Photon Water and Photon Remediation, we specialise in developing PFAS management and remediation solutions that are effective, sustainable and safe.

Our Team Culture

"Photon Remediation is at the forefront of innovative environmental solutions. It's incredibly rewarding to be part of a team that's making a real impact by transforming contaminated sites into safe, sustainable spaces for future generations."

Cassandre Perron

Project Manager, Photon Remediation

"The supportive environment and collaborative culture have allowed me to grow professionally. I'm inspired by the leadership and the innovative approach. The sense of teamwork is unmatched, and I truly appreciate the trust and responsibility I've been given."

Joel Djopwouo

Project Development Specialist

"I appreciate being part of a company that not only drives green energy innovation but also values its employees by creating a supportive and growth-enhancing work environment."

Katarzyna Brocka

HR Business Partner

"I appreciate the company's dynamic approach to energy markets, combining innovation and sustainability to deliver top-tier trading and asset management services. It's exciting to contribute to a company that is shaping the future of renewable energy in Europe."

Šimon Cibulka

Ancillary Services Project Manager

Sustainable Clothing Swap

Prague, Czech Republic

Corporate Social Responsibility Day

Poznań, Poland

All-staff Meeting / Christmas Party

Prague, Czech Republic

Our Competitive Strengths

Industry Experience

Over fifteen years of experience in the development, engineering, construction and operation of PV systems.

Vertical Integration

In-house teams for each stage of PV projects, providing us with easy access to technology and direct partnerships with key industry players.

Focus on Innovation

Cutting-edge technology and solutions including RayGen's hydrothermal solar power and our patented environmental remediation technology.

Customised Solutions

A holistic approach allows us to offer comprehensive solutions to our clients to meet their unique needs.

Sustainable Energy Source

As an Independent Power Producer we generate renewable energy ourselves, allowing a unique insight into the needs of our clients.

Global Outlook, Local Expertise

We combine localised market insights with the experience and resources of an international organisation.

Our History

2008
Photon Energy is founded. We are listed on the NewConnect market of the Warsaw Stock Exchange.

2009
We construct our first PV projects, including our first proprietary power plant in the Czech Republic.

2010
We construct plants with a combined capacity of 32 MWp in the Czech Republic and Slovakia.

2011
We construct new power plants in Germany, Italy and Slovakia.

2012
We establish our office in Australia and our new corporate HQ in the Netherlands.

2013
We place our first corporate bond on the Frankfurt Stock Exchange.

2014
We install our first solar storage battery system in Australia and add five countries to our O&M portfolio.

2015
We hit the 150 MWp mark for O&M services provided in Europe and Australia.

2016
We commission four power plants in Australia. Our shares are listed in Prague, along with a corporate bond.

2017
We establish our office in Hungary and expand our vision to include clean water solutions through Photon Water.

2018
Our first Hungarian power plants are connected to the grid.

2019
We complete the roll-out of rooftop solar systems across 30 ALDI locations and build 20 power plants in Hungary.

2020
Our proprietary portfolio reaches 74.7 MWp, and we commission two utility-scale power plants.

2021
Our shares are listed on the regulated markets of Warsaw and Prague, and on the Quotation Board of the Frankfurt Stock Exchange.

2022
Lerta joins Photon Energy Group, expanding our comprehensive clean energy solutions even further.

2023
We add 35 MWp of new solar assets to our IPP portfolio in the strongest expansion in the company's history.

2024 in Review

162.8 GWh of clean energy produced (+16.5%)

66,682 tonnes of CO_2e emissions avoided (+14.4%)

Over 1 GWp of O&M contracts (400+ MWp added)

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY

JANUARY

Project Sale and Development Partnership with INWE Group

We sell the project development rights to our PV Project in Złoczew, Poland (2.3 MW AC) to INWE Group's subsidiary PM PV 7.

FEBRUARY

Expansion of Solar Portfolio in Romania

We connect a 3.8 MWp solar power plant near Bocșa, Caraș-Severin County, bringing our total capacity in Romania to 39.1 MWp.

MARCH

316 MW Secured in Poland

We secure Polish capacity market contracts for 316 MW, locking in revenues of EUR 13 million for 2025.

APRIL

20.8 MWp EPC and O&M Contract

We expand our footprint in Australasia by signing a 20.8 MWp EPC and O&M contract in New Zealand.

MAY

20.4 MWp Solar PV Project Sold to Uniper

We conclude a conditional Share Purchase Agreement for the sale of our large utility-scale project in Domanowo, Poland.

EUR 15M Financing Secured From EBRD

Photon Energy Group secures EUR 15 million in multi-tranche project financing from the European Bank for Reconstruction and Development.

JUNE

Battelle 2024 Chlorinated Conference

We present at the Battelle Conference in Denver, Colorado, showcasing our in-situ PFAS remediation solutions for contaminated soil and groundwater.

AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

Făget III Connected

We connect Făget III to the grid, a 7.5 MWp solar PV power plant in Romania and the largest in the group's IPP portfolio.

First Energy Aggregator in Poland

We become the first company officially listed as an energy aggregator by the Polish Energy Regulatory Office.

Forvia's First On-Site Solar

We develop, build, and operate a 658 kWp solar PV power plant on FORVIA's premises in Hungary.
It is projected to generate 14.1 GWh of electricity over the 20-year contract period.

Assets Sold to CleanPeak

We sell two operating solar power plants (14.5 MWp total) and a hybrid development-stage solar/battery project (8.2 MWp / 10.9 MWh) in New South Wales, Australia, to CleanPeak Energy.

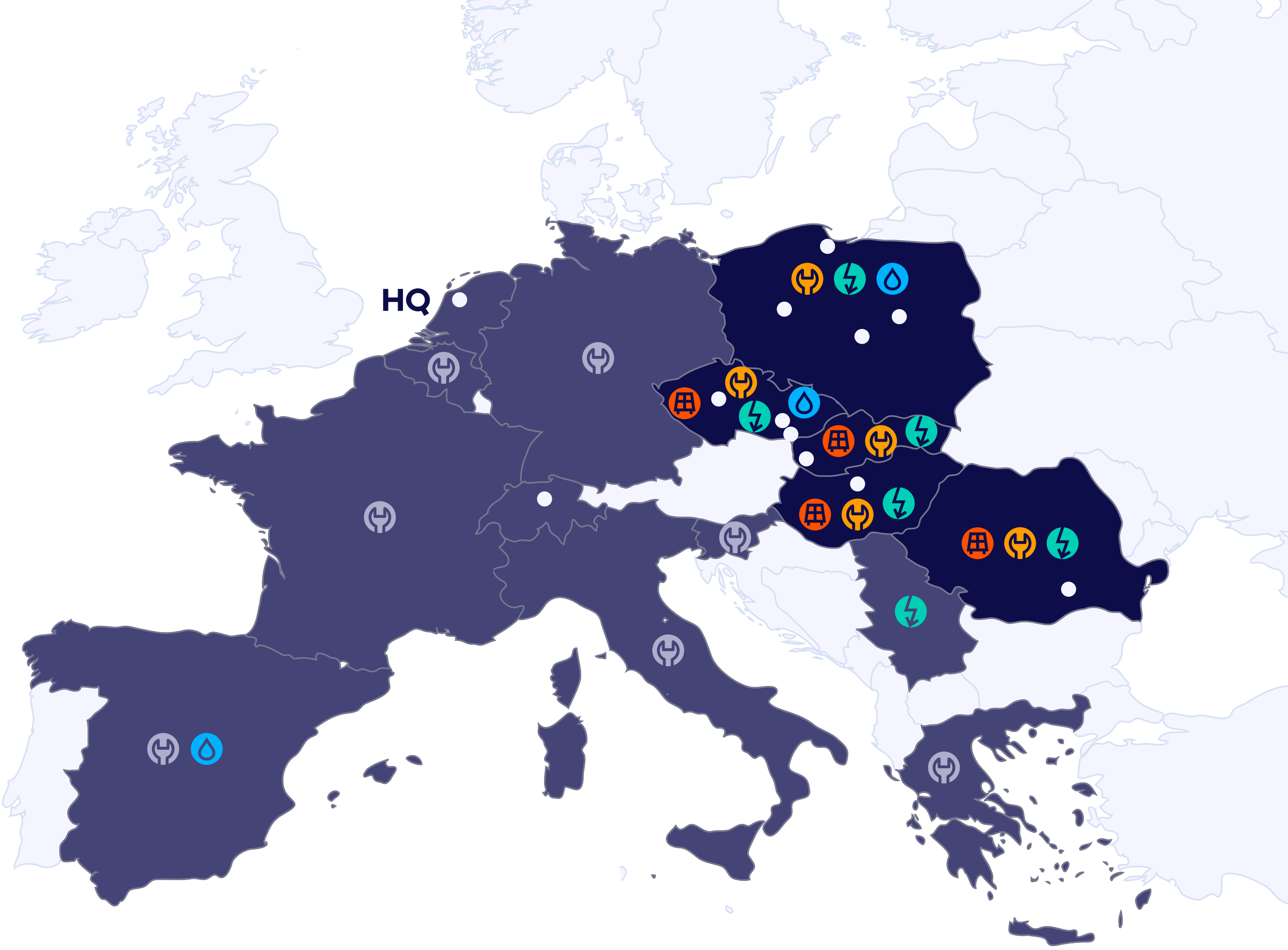
Romanian IPP Portfolio Over 50 MWp

The Sărulești power plant, our thirteenth Romanian PV asset, brings the total capacity of our Romanian portfolio to 51.6 MWp.

ESG Transparency Award

We receive the EUPD 2024 ESG Transparency Award, recognizing our commitment to sustainable practices and transparency in our ESG reporting.

Global Presence



Proprietary Power Plants

Inverter Maintenance Services

Photon Water Services

O&M Services for Power Plants

Energy Trading Licence

Photon Energy Group Office

Selected Projects

Photo: Far North Solar Farm

Photon Energy

Pukenui: EPC and O&M for 20.8 MWp Solar Project in New Zealand

Our first utility-scale project in New Zealand

Breaking New Ground in Australasia

Owned by Aquila Clean Energy APAC and Far North Solar Farm (FNSF), the project marks Photon Energy's entry into the New Zealand market, leveraging its extensive experience in Australia and Europe.

Installed Capacity

20.8 MWp

Building a Sustainable Future

The solar farm will feature high-efficiency PV modules on a mix of fixed East-West and North-facing ground mounts, connecting to the Top Energy network. Upon completion, Photon Energy will provide ongoing O&M services, ensuring long-term performance and reliability. This milestone project reinforces Photon Energy's commitment to expanding its footprint in the region and supporting New Zealand's renewable energy transition.

Photon Remediation

Safe Removal of Hazardous Liquid Waste from Indorama Plant

Performed in full compliance with NSW EPA regulations

A Complex Decommissioning Challenge

Following the decommissioning of the Indorama chemical plant at Botany Industrial Park, the safe removal of hazardous liquid waste and contaminated equipment was a top priority. With strict environmental regulations in place, the project required meticulous planning to ensure safe and compliant disposal.

8,000 L

of hazardous liquid waste safely removed

A Phased, Compliant Solution

Photon Remediation implemented a step-by-step disposal strategy, starting with a comprehensive waste assessment. A vacuum truck extracted the liquid waste, which was transported to licensed treatment facilities. Contaminated equipment and containers were then safely demobilised, staged, and lifted for disposal at regulated sites. Through careful coordination and project management, all safety and environmental standards were met, ensuring a smooth and compliant operation.

Photon Energy

20-Year Solar PPA with FORVIA Clarion Hungary

Installed Capacity

658 kWp

Expanding Renewable Solutions for Industry

Photon Energy has signed a 20-year power purchase agreement (PPA) with FORVIA Clarion Hungary, a subsidiary of global automotive leader FORVIA. The agreement covers the development, construction, and operation of a 658 kWp solar PV plant at FORVIA's production site. The plant will supply 100% of its generated energy directly to the facility, significantly reducing its carbon footprint and energy costs.

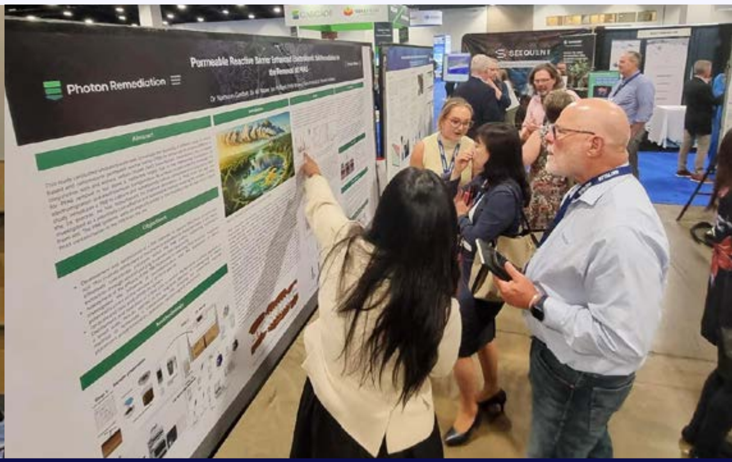
Maximising Efficiency with Smart Design

Designed for optimal space usage, the installation will feature 1,236 monofacial solar modules in an East/West configuration, generating 14.1 GWh over the contract period. The system is expected to offset 20% of the site's annual electricity consumption, preventing 3,620 tonnes of CO_2 emissions. This project marks a key milestone in Photon Energy's growing on-site PPA portfolio for commercial and industrial clients across Central and Eastern Europe.

Industry Events

GOVNET Rooftop PV and Storage Solar Summit

Bucharest, Romania



Batelle's Chlorinated Conference

Denver, USA

Smart Energy Forum

Prague, Czech Republic

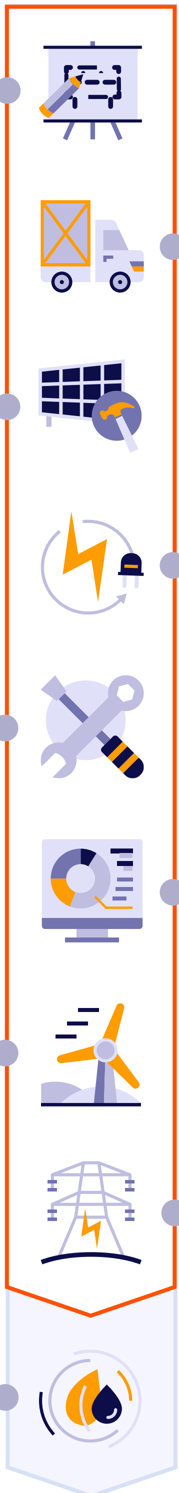
Management Report

Bocșa, Romania

The Board of Directors presents their report together with the annual financial statements of Photon Energy N.V. (the “Company”) for the year ended 31 December 2024. The Management Report complies with the Dutch Disclosure of Non-Financial Information.

Photon Energy N.V. is a joint-stock company incorporated under the laws of the Netherlands on 9 December 2010. The statutory seat of the Company is Barbara Strozzilaan 201, 1083HN Amsterdam. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s jointly controlled entities. The full list of entities within the Group can be found in Note 40 to the financial statements.

Our Integrated Business Model



Project Development

- Site development and permitting for solar power plants and battery energy storage systems (BESS)
- Design and engineering works
- Financial modelling

Technology Trading

- Procurement of components for our own PV projects
- Distribution of PV components and batteries to customers

Construction

- Managing construction of PV and BESS assets
- Utility-scale or off-grid systems

Electricity Generation

- Management and financial optimisation of our IPP portfolio
- Sales model based on a mix of feed-in-tariff and merchant

Operations and Maintenance

- Performance optimisation for PV assets
- Monitoring services
- Maintenance and repairs

Asset Management and Optimisation

- Asset management for solar power plants
- BESS optimisation

Energy Offtake and Supply

- Offtaking energy from all renewable sources, including wind and biogas
- Trading on energy markets

Energy Flexibility

- Providing access to local flexibility mechanisms, including ancillary services and the capacity market

Other Activities: Water and Remediation

- PFAS management
- Water treatment and management
- Environmental remediation
- Ongoing R&D

Our Markets

PV Industry Worldwide

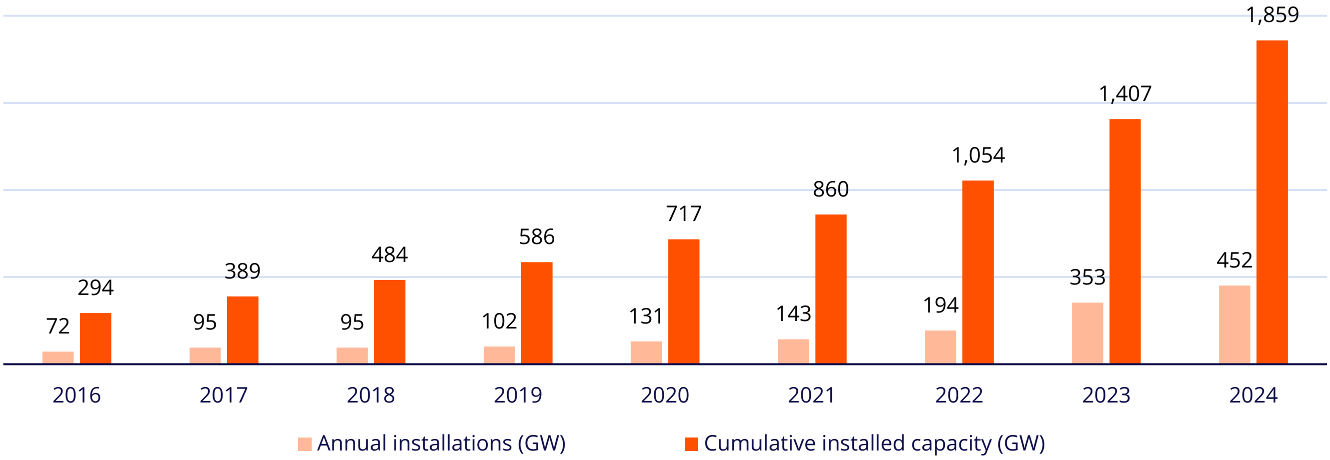
As reported by the International Renewable Energy Agency ("IRENA"), solar photovoltaics grew by 451.9 GW in 2024, reaching a total global capacity of 1,859 GW. Asia has more than doubled its installed solar power since 2022, with 247.9 GW added in 2023 and 327.1 GW added in 2024. However, the largest capacity increases occurred in China (+278.0 GW) and India (+24.5 GW). Outside Asia, the United States added 38.3 GW of solar capacity in 2024 – a 54.0% increase to that of its 2023 value – followed by Brazil (+ 15.2 GW) and Germany (+15.1 GW).

According to the International Energy Agency (IEA), global solar PV generation reached 2,000 TWh in 2024, accounting for 7% of global electricity generation. This marks an increase from 2023, when solar energy contributed 5% of global electricity generation.

The IEA predicts that over the next three years, approximately 600 TWh of additional electricity will be generated from solar annually.

Evolution of Global Annual and Cumulative Installed Capacity, 2016–2024

Source: www.irena.org



PV Industry in Europe

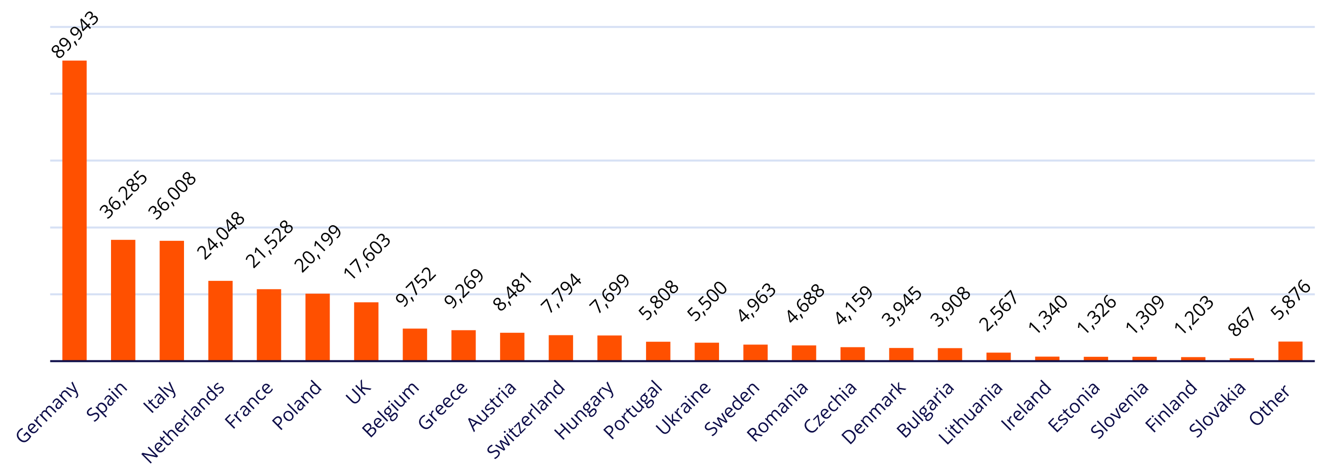
According to the International Renewable Energy Agency, the total solar PV capacity added in 2024, in Europe, amounted to 58.8 GW and stood at 338.4 GW.

Germany recorded the highest absolute increase in PV capacity, adding 15.1 GW in 2024 and maintaining its position as the region's leader with a total capacity of nearly 90 GW. It was followed by Spain and Italy, which both added more than 29 GW last year.

Among Central and Eastern European (CEE) countries, Poland led in installed photovoltaic capacity, reaching 20.2 GW by the end of 2024 – an increase of 3.8 GW from the previous year. Hungary followed with 7.7 GW, adding 1.8 GW, while Romania also demonstrated strong growth, ending the year with 4.7 GW – an increase of 1.7 GW. These figures highlight Poland's leadership in the region and position Hungary and Romania among the top-performing CEE countries in solar energy expansion. According to Eurostat, in 2024, renewable sources accounted for 46.9% of the EU's net electricity generation, with solar power contributing 22.4% of this share.

Solar PV installed capacity in Europe, 2024 (MW)

Source: www.irena.org



Our Key Markets

Australia

2024 Market Overview

According to Australian PV Institute, in 2024, Australia's solar photovoltaic generation saw significant growth. As of September 2024, Australia's over 3.92 million solar PV installations had an estimated combined capacity of 38.0 GW, with rooftop installations surpassing 25 GW. Solar accounted for 19.6% (or 46.7 TWh) of Australia's electrical energy production in the National Electricity Market and South West Interconnected System in 2024.

38.0 GW
Total PV capacity at the end of 2024

46.7 TWh
Total PV energy generation in 2024

Photon Energy in Australia

IPP Portfolio
14.6 MWp*

PV Generation
20.1 GWh

O&M Services
24.2 MWp

Czech Republic

2024 Market Overview

According to the Czech Solar Association, energy providers connected solar power plants with a total capacity of 967 MWp to the grid in 2024, matching the previous record year. The installed capacity increased by 28% YoY, while the total number of installations grew by 27%. The total capacity of all solar power plants in the Czech Republic reached 4.2 GWp in 2024. In total, more than 212,000 photovoltaic power plants are supplying electricity to the grid, with over 184,000 of them installed on the rooftops of family homes.

4.2 GW
Total PV capacity at the end of 2024

3.9 TWh
Total PV energy generation in 2024

Photon Energy in the Czech Republic

IPP Portfolio
15.0 MWp

PV Generation
16.0 GWh

O&M Services
117.4 MWp

Slovakia

2024 Market Overview

Slovakia added 274 MW of solar in 2024, according to figures from the Slovak Association of the Photovoltaic Industry (SAPI). The result is a slight increase on 2023 levels, when a total 267 MW was installed. According to PV-magazine.com, last year's deployment consisted of 113.6 MW of residential solar, 142.7 MW of commercial-scale solar and 17.7 MW of utility-scale solar.

0.9 GW
Total PV capacity at the end of 2024

0.5 TWh
Total PV energy generation in 2024

Photon Energy in Slovakia

IPP Portfolio
10.4 MWp

PV Generation
10.9 GWh

O&M Services
20.5 MWp

** includes 14.5 MWp of operating assets which were sold as of 31 October 2024*

Hungary

2024 Market Overview

According to a report published by the Ministry of Energy, as of the beginning of 2025, Hungary's installed photovoltaic capacity reached 7.7 GW, significantly exceeding the original target for 2030. In addition, since 2020, photovoltaic installed capacity has achieved an 80% increase, and since 2022, it has increased by more than 1.2 GW annually for three consecutive years, with strong development momentum.

7.7 GW
Total PV capacity at the end of 2024

5.7 TWh
Total PV energy generation in 2024

Photon Energy in Hungary

IPP Portfolio
52.5 MWp

PV Generation
59.4 GWh

O&M Services
393.2 MWp

Romania

2024 Market Overview

According to IRENA, the photovoltaic sector in Romania continues its upward trajectory, reaching 4.7 GW of installed capacity in 2024, with a growth of 1.8 GW compared to the previous year. At the beginning of 2025, 1.6 GW are already in various stages of development, with an additional 2 GW expected to be added throughout the year. This positions the country on track to meet its 2030 targets.

4.7 GW
Total PV capacity at the end of 2024

2.1 TWh
Total PV energy generation in 2024

Photon Energy in Romania

IPP Portfolio
51.6 MWp

PV Generation
56.4 GWh

O&M Services
87.0 MWp

Poland

2024 Market Overview

By the end of 2024, the country had installed a total capacity of 20.2 GW of photovoltaics (IRENA), targeting further growth in solar capacity, with ambitious plans to reach 40 GW by 2030. This goal aligns with Poland's broader energy transition strategy, which includes a significant expansion of offshore wind, biomass, and energy storage technologies. The share of solar in electricity generation grew from 6.76% in 2023 to 8.97% in 2024.

20.2 GW
Total PV capacity at the end of 2024

17.3 TWh
Total PV energy generation in 2024

Photon Energy in Poland

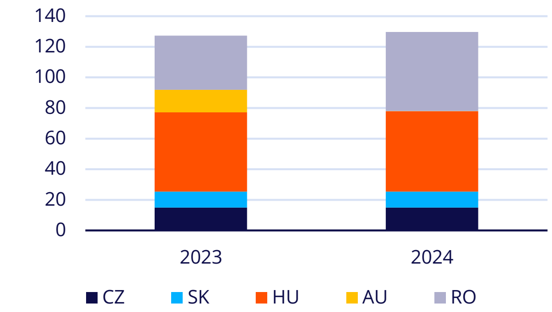
O&M Services
413.2 MWp

Business Performance

Operational Highlights

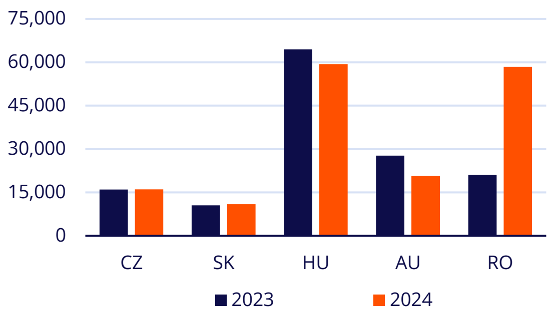
16.9 MWp of New Capacity Added but Offset with Divestments in Australia at YE 2024

Proprietary IPP Portfolio *(MWp)*	**2024**	**2023**
Czech PP	15.0	15.0
Slovak PP	10.4	10.4
Hungarian PP	52.5	51.8
Australian PP	0.1	14.7
Romanian PP	51.6	35.4
Total Proprietary Portfolio	**129.6**	**127.3**



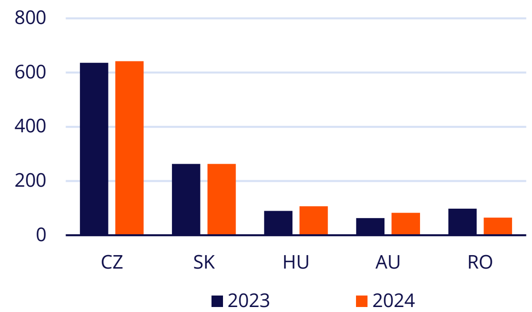
Strong Electricity Generation up by 16.5% YoY Thanks to New Capacities Added in Romania

Electricity Generation *(MWh)*	**2024**	**2023**
Generation Czech PP	16,046	15,989
Generation Slovak PP	10,918	10,558
Generation Hungarian PP	59,390	64,447
Generation Australian PP	20,123	27,742
Generation Romanian PP	56,353	21,069
Total Generation in the Period	**162,830**	**139,805**



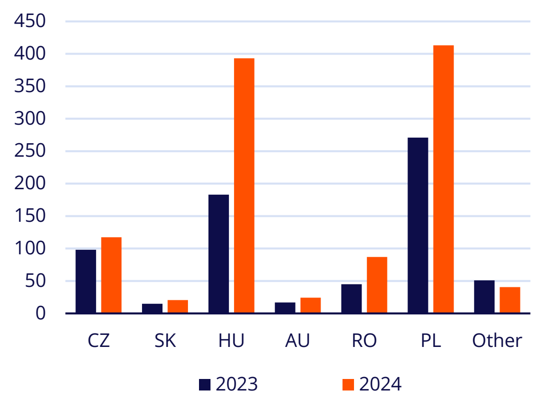
Negative Impact of Regulatory Changes in Romania on Average Realised Electricity Prices

Realised Electricity Prices *(EUR/MWh)*	**2024**	**2023**
Czech PP	642	636
Slovak PP	263	263
Hungarian PP	107	90
Australian PP	86	61
Romanian PP	65	97
Total Proprietary Portfolio	**157**	**161**



Strongest Growth of O&M Contracts in the History of Photon Energy Group

O&M per Country *(MWp)*	**2024**	**2023**
Czech Republic	117	98
Slovakia	21	15
Hungary	393	183
Australia	24	17
Romania	87	45
Poland	413	271
Other countries	41	51
Total	**1,096**	**680**



In the Management's view, the most important events which influenced the Group's operations and consolidated financial results in year 2024 include:

16.9 MWp Added to IPP Portfolio

In 2024, the Group finalised the commissioning process and grid-connected the remaining power plants from the second batch in Romania. The total capacity added to the proprietary portfolio in 2024 was 16.2 MWp and included the following power plants: Bocsa (3.8 MWp), Magureni (1.7 MWp), Sarulesti (3.2 MWp), and Faget 3 (7.5 MWp). Additionally, the Group developed, constructed and now operates a 658 kWp PV power plant for Forvia's Clarion Hungary on the client's premises and under a power purchase agreement.

If not for the divestments described below, the Group's IPP portfolio at the end of 2024 would have increased to 143.5 MWp. However, including the divestments of Australian assets, it increased to 129.6 MWp (+1.9% YoY) at the end of the reporting period.

Electricity Generation of 162.8 MWp, up 16.5% YoY

The generation results of the proprietary portfolio in 2024 came in at 162.8 GWh, up by 16.5% YoY, compared to 139.8 GWh in 2023. This was possible thanks to additional new capacities added (+16.9 MWp). The results of energy generation came below the energy forecasts of 177.6 GWh, due to impediments related to the commissioning and DSO contracting processes of the second batch of power plants in Romania. Despite more experience after the commissioning of the first batch, the second batch came also significantly behind the assumed schedule. Additionally, in December 2024, following the TSO's decision, the 7.5 MWp Faget 3 power plant was temporarily switched off. The plant must secure grid commissioning approval from the TSO, which is anticipated to be granted by March 2025. Last but not least, lower production in 2024 can be attributed to the sale of 14.5 MWp of operational PV assets in Australia, which were sold as of the end of October 2024. Previously, these Australian assets had enabled us to offset the lower generation output of European power plants during the winter months.

Despite some of the above negative factors, the generation output was sound and was a primary reason for the growth of revenues from the sale of electricity.

Return to Feed-in-tariffs in the Czech Republic and Hungary

As of 1 January 2024, the Czech IPP portfolio was switched from the green bonus system back to feed-in-tariff (FIT). From the Group's portfolio, 795 kWp were entitled to a FIT in the amount of 684 EUR/MWh while the remaining 14.2 MWp to a FIT of 637 EUR/MWh throughout 2024.

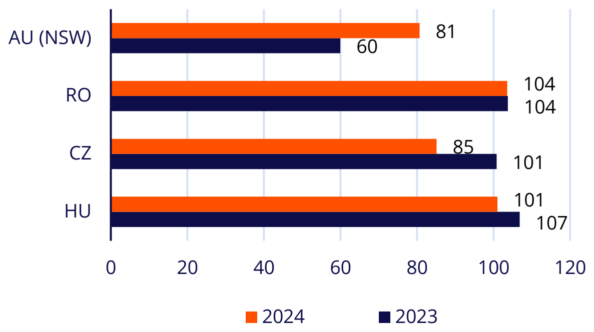
The same decision was taken regarding our Hungarian portfolio but was effective as of 1 April 2024, when the Hungarian power plants with a capacity of 35.0 MWp were switched from merchant to FIT, entitled to receive HUF 47,040 (EUR 119.25) per MWh, until the end of 2024, subject to indexation in future years. The remaining 11.2 MWp in Hungary continued to operate under the merchant model, selling electricity on energy markets.

As a result, as of 1 April 2024 Photon Energy Group's total proprietary portfolio of 132.8 MWp was rebalanced with a nearly equal split between FIT and merchant models. In the Management's view, the rebalancing of the revenue model of the IPP portfolio provided an optimal risk-adjusted value solution for the Group in 2024.

Electricity Prices Increased but Only in H2 2024

Average electricity prices on the day-ahead market in 2024 were slightly lower than in 2023, except for Australia. The prices in the CEE region bottomed out in Q1 and then picked up from the end of Q2 onwards, towards the end of 2024.

Average Energy Market Prices (EUR/MWh)



In Hungary the average energy prices in 2024 of 101 EUR /MWh declined by 5.4% YoY from the average of 107 EUR/MWh. A similar trend was observed in the Czech Republic where prices went down from 101 EUR/MWh in 2023 to 85 EUR/MWh in 2024, -15.7% YoY. In Romania, the average energy prices remained stable at the level of 104 EUR/MWh in both years. In Australia, the trend was different, and the prices increased from 60 EUR/MWh to 81 EUR/MWh in 2024, up by 34.5% YoY.

Photon Energy Australia Secured a 20.8 MWp EPC Contract

In February 2024 Photon Energy Australia signed a contract for a 20.8 MWp solar project. Photon Energy was also selected to provide ongoing O&M services for the project moving forward. The acquisition of this contract had a significant impact on the growing revenues from engineering segment in 2024.

Polish Capacity Market Contract for 316 MW in 2025

In March 2024, Photon Energy succeeded in the additional 2025 Polish capacity auction with a contracted Demand Side Response capacity of 315 MW. With the previously contracted capacity of 10 MW for 2025, the Company's total capacity obligation of 326 MW will ensure PLN 56.1 million (EUR 13 million) in capacity market revenues for 2025. For further details please refer to ESPI report 9/2024 here.

Divestment of Projects from the Polish Development Pipeline

In May 2024, the Company concluded a preliminary agreement for the sale of a photovoltaic project in Poland with a total capacity of 20.4 MW. The conclusion of the final share purchase agreement is expected after meeting certain conditions precedent, including obtaining full ready-to-build status. This divestment was in line with the Company's strategy which assumes that some of our pure PV projects, which do not guarantee the achievement of ROI required by Photon Energy Group will be sold to third parties or converted to utility PV-hybrid projects or pure utility energy storage projects.

The settlement of this transaction was planned in two instalments. The first one was paid in Q2 2024, while the closing payment was expected in Q4 2024. As the finalisation of the project development and conclusion of the sale was postponed, the capital gain of EUR 0.9 million recognised in Q2 2024 had to be reversed in Q4 2024 and the completion of this transaction was postponed until 2025.

Project Financing Agreement for EUR 15 Million with EBRD

In May 2024, the Company signed a senior secured loan agreement in the amount of up to EUR 15 million with European Bank for Reconstruction and Development ("EBRD"). The Loan is denominated in EUR. The financing period is 7 years from the date of conclusion and the interest rate on the Loan will be calculated on the basis of a variable reference rate based on the six months Euribor, increased by the bank's margin. The signing of the agreement represents the Group's second project financing of European PV assets that operate on a merchant basis, selling energy to the market without a power purchase agreement or state support. The EBRD's investment was aimed at financing the construction and completion of Photon Energy's portfolio of six solar parks with a capacity of 29 MWp in Romania an expansion of demand response services, capacity market bonds and the research and development CapEx of Lerta S.A.

Management Changes in the New Energy Division

As of 14 June, Borys Tomala, the Director of the New Energy Division, and Krzysztof Drożyński, the Director of Advanced Technologies, both co-founders of Lerta S.A., decided to leave Photon Energy Group. The departure of both founders took place 18 months after the completion of the acquisition of Lerta. The Management believes that this period was sufficient to integrate Lerta's business into Photon Energy Group. The New Energy Division covers capacity market and ancillary services, energy offtake and trading, as well as software development and Virtual Power Plant technology. The New Energy Division has successfully developed into the third largest aggregator in the Polish demand side response market and has become a core pillar of the Group's business model.

Presenting PFAS Results at Battelle's 2024 Conference

Photon Water successfully presented the results of its Australian PFAS remediation projects during Battelle's 2024 Chlorinated Conference, a prestigious gathering of environmental professionals in Denver, Colorado. The presentation of our trial project with the Australian Department of Defence represented a major milestone towards the commercialisation of our patent-pending in-situ electrochemical remediation technology for the removal of PFAS from groundwater. Supported by the decade-long experience with our in-situ technology for the remediation of other pollutants we are now ready for commercial scale-up with the ability to reduce the mass and mass flux of PFAS from groundwater in-situ without the need to filter, pump or remove contaminated water from site.

During Battelle's conference, in addition to the results of the groundwater remediation trial project, Photon Water also presented research results for its in-situ soil remediation solution, which incorporates an enhanced electrokinetic permeable reactive barrier (PRB). Based on late-stage project observations and research with the University of Technology Sydney, the principles of this electrokinetic technology are noted for their strong potential to remove PFAS from soil in commercial applications.

Photon Water has recently begun the process of rebranding its remediation solutions under the brand name Photon Remediation, and more information about its technology can be found at photonremediation.com.

Sale of 14.5 MWp of Operating Power Plants and 8.2 MWp Hybrid PV Project to CleanPeak Energy

In 2024, the Company sold two operating solar power plants with a combined capacity of 14.5 MWp and a hybrid development-stage solar / battery project with a capacity of 8.2 MWp / 10.9 MWh in New South Wales, Australia, to CleanPeak Energy. The sale was completed in October 2024.

The sale of the Leeton and Fivebough power plants reduced the IPP portfolio by 14.5 MWp to a total of 129.6 MWp. The transaction also included divestment of an 8.2 MWp / 10.9 MWh hybrid solar / battery project located in Boggabri, New South Wales, Australia. The sale of these assets resulted in a net cash contribution of nearly EUR 6.0 million and a book loss of EUR -1.55 million.

Construction Works Started on 5.1 MWp in Hungary

In the third quarter of 2024, the Group commenced the construction works on three photovoltaic (PV) power plants in Hungary, located within a 5 km radius in Tolna. Together, these projects have an installed capacity of 5.07 MWp, utilising a grid connection of 2.98 MW AC with an expected annual generation of 6,150 MWh, significantly contributing to the local energy supply. The proximity of the Tolna power plants enhances operational efficiency through shared infrastructure, streamlined logistics, and coordinated management, ultimately optimising project delivery. Photon Energy plans to trade most of the generated power on the intraday market, leveraging its experience with the merchant model.

The Tolna projects were completed and grid commissioned in March 2025, in accordance with grid connection requirements.

Energy Aggregator Listing by Polish Energy Regulator

In September, the Group has achieved a significant milestone, with its Polish subsidiary Photon Energy Trading PL becoming the first company to be officially listed as an energy aggregator by the Energy Regulatory Office (*Urząd Regulacji Energetyki / URE*) in Poland. The Company is now in pole position in the nascent Polish system and flexibility services market and intends to leverage our DSR aggregation experience across the entire spectrum of possibilities open to energy generators, energy storage systems and energy consumers in providing flexibility to the Polish power grid. Photon Energy began its aggregation activities in December 2024 across the areas served by major Polish grid operators. Energy aggregator status allows Photon Energy to provide essential ancillary and flexibility services, enhancing the stability and efficiency of Poland's electricity grid.

Commissioning of the First Solar Power Plant under PPA

On 30 September 2024 the Group started to operate an on-site solar photovoltaic (PV) power plant with an approximate capacity of 658 kWp. This power plant was designed as an optimal solution for Clarion Hungary, which will be the corporate offtaker for 100% of the energy produced by the power plant upon its completion. The operation of the power plant is based on a 20-year on-site PPA with Clarion Hungary, a subsidiary of FORVIA, the 7th biggest automotive technology supplier worldwide.

Under the PPA, Photon Energy developed, built and now operates the power plant. The installation is built on the grounds of the Clarion Hungary production facility in Nagykáta, some 80 km south-east of Budapest. Photon Energy had maximised the installed capacity within the limited area by using an east/west mounting structure to potentially cover over 20% of the site's annual electricity consumption with 1,248 monofacial modules to be installed, generating approximately 14.1 GWh over the duration of the PPA.

400+MWp of Assets Under O&M Contracts Added

During 2024, Photon Energy signed new contracts for O&M services, including full O&M services, contracts for assets under management and inverter maintenance solutions, for a total capacity of nearly 417 MWp. New clients were acquired primarily in Poland (142 MWp) and Hungary (210 MWp). The total portfolio of assets under O&M contracts signed at the end of December 2024 was 1,096 MWp. Out of that, about 70 percent of this capacity was generating revenue, while the remaining portion was not yet operational and undergoing construction or commissioning.

Changes in the Regulatory Framework Introduced in Romania

As of 1 October 2024, a new regulation (ORDINUL ANRE nr 60/2024), with specific articles nr 136 and nr 140, took effect and has impacted the PV industry in Romania. According to this new regulation, the "testing period", which was a maximum of a 2-year window for the solar assets before the final electricity licence is granted was reduced. Previously during this 2-year window, new solar assets benefited from a preferential treatment which assumed that the electricity sales prices were calculated on the basis of a 90-day rolling average. The changes introduced by a new regulation include a reduction of this 2-year window to 6 months for PV assets below 1 MW and 12 months for assets between 1-20 MWp, which includes all assets in the Group's portfolio. Only solar assets above 20 MWp capacity had this condition unchanged.

Additionally, the pricing terms have changed and instead of a 90-day rolling average, the respective Transmission System Operator (TSO) pays now for the energy generated according to the hourly production of the day and using hourly day-ahead market prices, capped at 400 LEI per MWh (approx. 80EUR/MWh). In case of negative day-ahead prices, the negative difference (hourly production times negative price) is deducted from the final invoice. This means that the protection mechanism against negative prices which existed in the past has ceased. Also, electricity produced on weekends and public holidays is not paid for.

Following the above changes, the expected revenues from the sale of electricity in Romania have not benefited from the recent and potential electricity price increases due to the cap level of EUR 80/MWh.

This new regulation has impacted all assets in the Group's Romanian portfolio (42.7 MWp) except for Siria (5.7 MWp) which had a different trading agreement in place effective as of 1 November 2024. Following these changes, electricity producers must obtain a licence from the authority in order to enter the sales system through the energy market or bilateral contracts, which could potentially offer higher sales revenues. The Group has already submitted the documents for obtaining licences for four power plants with a total installed capacity of 16.9 MWp. The three power plants in Calafat with total capacity of 6.0 MWp obtained licences in December 2024 and moved to the merchant model, benefiting from higher prices in December. After the reporting period, i.e. in February 2025, additional 3.8 MWp in Bocsa has secured a generation licence. The rest of the portfolio is expected to finalise this process during 2025. This will help to offset the negative impact of the regulatory changes.

Expected Impact of New Lex OZE III in the Czech Republic

On 11 December 2024 the Chamber of Deputies of the Parliament of Czech Republic during its 119th meeting approved the final version of Lex OZE III. The version submitted for further legislative proceeding and discussion in Senate Parliament of the Czech Republic provides for inter alia: (i) individual controls on the Internal Rate of Return (IRR) of PV Projects, which were connected to the grid in 2009 and 2010 and have a capacity of more than 30kW; such projects will be due to submit information related to IRR to the market operator on an annual basis.

Other drastic measures originally proposed in the Draft included: (ii) A removal of State support for renewable electricity production plants in times of negative electricity prices and (iii) a reduction of the overcompensation IRR range (6.3%-8.4%). The above mentioned proposals were dropped during the discussion or overruled and not submitted for further legislative proceeding before the Senate Parliament of the Czech Republic. The Senate sent the bill back to the Chamber of Deputies. The Chamber of Deputies then overruled the Senate. The President approved Lex OZE III. On 31 April 2024, the Czech Republic published in the official gazette Law No. 87/2025, amending Act No. 458/2000 Coll., on business conditions and the exercise of state administration in the energy sectors and on amending certain acts (Energy Act), as amended, and other related acts (i.e., Lex OZE III). The Czech Republic will in particular (a) conduct individual IRR controls and (b) prolong the period for the IRR calculation, thereby diminishing the support originally afforded to renewable electricity production plants.

Corporate Highlights

Appointment of David Forth as a new CFO

On 1 February 2024, the Board of Directors appointed David Forth as Group Chief Financial Officer. David Forth took over this position from Georg Hotar, the Chief Executive Officer of the Group, who assumed the responsibilities of Interim CFO on 12 May 2023. For more details on Mr. Forth's professional experience and credentials please refer to the Statutory Bodies section of this report.

Appointment of David Forth to the Management Board

On 2 May 2024, the Board of Directors announced that after more than 16 years of working with Photon Energy Group, Michael Gartner, one of the Group's founders, its CTO and member of the Board of Directors, had decided to retire from his day-to-day managerial duties, effective as of 31 December 2024. Michael Gartner resigned from seeking reappointment to the Board of Directors at the Group's Annual General Meeting on 14 June 2024, but was nominated to become a member of the Supervisory Board, effective as of 1 January 2025. The Supervisory Board nominated David Forth, the Group's CFO, to replace Michael Gartner on the Board of Directors of Photon Energy N.V., which became effective as of 14 June 2024.

After January 1, 2025 Mr. Gartner continued to be an employee of Photon Energy Group and continued to perform statutory functions for the Company's subsidiaries incorporated in Australia and New Zealand. Therefore, his appointment to Supervisory Board has not taken effect (due to incompatibility with Article 2:160 of the Dutch Civil Code). The Supervisory Board was informed of his continued employment with the Group by Mr. Gartner and has acknowledged that Mr. Gartner's appointment as a member of the Supervisory Board had not become effective.

Annual General Meeting 2024

In the financial year 2024, the Annual General Meeting was held on June 14, 2024. In addition to the items relating to the adoption of the annual accounts for 2023 financial year and discharge of the directors and supervisory directors mentioned above, the Annual General Meeting adopted the following resolutions: (a) It appointed Mr. Georg Hotar and Mr. David Forth as members of the Board of Directors for a period of 4 years from the day of appointment up to and including the day of the annual general meeting in 2028; (b) It appointed Mr. Marek Skreta and Ms. Boguslawa Skowronski as members of the Supervisory Board for a period of 4 years from the day of appointment up to and including the day of the annual general meeting in 2028; (c) It appointed Mr. Michael Gartner to the Supervisory Board for a period of 4 years from January 1, 2025 up to the date of annual general meeting in 2029; (d) It appointed PriceWaterhouseCoopers Accountant N.V. (PwC), with its office at Thomas R. Malthusstraat 5, 1066 JR Amsterdam to be the Company's auditor for the financial year 2024; (e) It adopted a Remuneration Report; (f) It granted authorization to the Board of Directors to acquire shares in the share capital of the Company for a period of 18 months, ending on 14th December, 2025. For more information please see the General Meetings section of the Corporate Governance page on our Investor Relations website.

Repurchases of EUR Green Bond 2021/2027

In 2024 the Group repurchased its 6.5% EUR Green Bond 2021/2027 on the market for the total nominal value of EUR 0.465 million recording a capital gain of EUR 0.124 million realised on this transaction.

Guidance Revision During Year 2024

On 18 November 2024, upon publication of Q3 2024 Financial Results, the Management Board revised its full-year 2024 guidance for EBITDA due to a combination of negative factors: a) lower than expected revenue from electricity generation, impacted by regulatory changes in Romania effective as of 1 October 2024, b) delays in commissioning new PV assets in Romania, c) lower revenues from capacity market contracts in Poland, due to regulatory adjustments. As electricity generation and capacity market contracts are the Group's highest-margin segments, the revenue decline significantly impacts the EBITDA result. Additionally, the Management had expected higher revenues and EBITDA in the second half of the year from new utility-scale EPC contracts, which was not achieved before year-end. Lastly, ongoing negative margins in technology trading, where prices remained under pressure, continued to erode the overall profitability of the Group. The combined effect of all these changes results in a revised EBITDA guidance of about EUR 10 million for year 2024, compared to the range of EUR 16-18 million expected earlier in the year.

Profit Warning for Q4 2024 and FY 2024

After the reporting period, on 11 February 2025, the Management Board of Photon Energy N.V. announced that, upon closing the accounting books and finalising the collection of financial data for Q4 2024 and the full year 2024, the preliminary results will deviate from the guidance published in ESPI report 34/2024, in particular in relation to EBITDA which was expected to be EUR 8.7 million, representing a shortfall of 13% compared to the guided amount of EUR 10 million. Lower than expected operating results stem from a combination of factors including, but not limited to: a) reversal of the first instalment of other gain realised in Q2 2024 on the sale of the 20.4 MW solar PV project in Poland for the amount of EUR 0.9 million, which had to be reversed in Q4 2024 due to the postponement of project completion into 2025; b) higher-than-expected costs related to restructuring and severance payments as well as write-offs resulting from a balance sheet review and the clearance of old working capital positions in the amount of EUR 0.55 million.

Subsequent Events

In the Management's view, the most important events from 1 January 2025 till the date of the publication of this report, include:

Return to the Green Bonus System in the Czech Republic

As of 1 January 2025, the Czech portfolio comprising of 15.0 MWp has been switched from the feed-in-tariff system to the green bonus system, which means that in 2025 the Czech power plants are entitled to the green bonus of CZK 16,362/MWh plus the market price, which will be realized by the trading department of New Energy division of Photon Energy Group.

Freezing of Feed-in-Tariff Indexation in Hungary

Based on the government decree number 7/2025 (I.31) (hereinafter "Decree"), effective as of 1 January 2025, the Hungarian government decided to suspend the Annex No. 5 of the KÁT decree from January 1, 2025, until the end of the state of emergency, but at most until the end of 2029. Based on this decision the indexation of KAT type feed-in-tariff (FIT) was frozen until the above-mentioned dates and the mandatory take-over prices will remain at the level of HUF 47.04 / kWh (EUR 114.3 / MWh). This applies to around 33.6 MWp of our Hungarian power plants. In case of power plants under KAT and METAR Premium feed-in-tariffs the Decree is not applicable and the level of FIT which in the current year is set a HUF 48.31 / kWh (EUR 117.4 / MWh) will remain adjusted with the consumer price index (CPI) as previously. This applies to 7.0 MWp of our assets.

The freezing of feed-in-tariff indexation in Hungary impacted the book value of our power plants with KAT tariffs on 31 December 2024. The changes have had a negative impact of EUR 2.3 million on our total non-current assets, and this reduces the Group's total equity by the same amount

Based on the Decree, if the value of the last annual CPI index published by the Central Statistical Office reaches 1.06, then the freezing will not be applicable for the current year.

Temporary Shut Down of 7.1 MWp of Assets in Romania

In February 2025, another power plant in Romania, with a capacity of 7.1 MWp, located in Sahateni, was shut down following the Transmission System Operator's (TSO) decision. This together with Faget 3, a 7.5 MWp power plant disconnected in December 2024, represents 14.6 MWp and 28.3% of the total capacity installed in Romania. Both power plants must secure grid commissioning approval from the TSO, which is anticipated to be granted in Q1-Q2 2025. This temporary shutdown of 14.6 MWp of operating PV assets in Romania will negatively impact the generation revenues and hence financial results in 2025 and were unexpected by the Management.

250 MWp Grid Connection Capacity Received in South Africa

In January 2025, Photon Energy made significant progress in the development of a 250 MW concentrated solar PV plant with 150 MW (1.8 GWh, 12 hours) of thermal hydro storage in Winterton, KwaZulu-Natal, South Africa, by receiving favourable grid connection terms.

In the next phase of development, Photon Energy will collaborate with Eskom, the local Distribution System Operator (DSO) and the largest electricity producer in Africa, to design and implement the necessary technical solutions for integrating the plant into both the regional and national grid. This partnership aims to ensure grid stability, optimise energy distribution, and provide essential services such as frequency regulation and peak load management. By working closely with the DSO, Photon Energy intends to secure deployment of this advanced technology, delivering significant value to both the energy sector and local communities. The project is making steady progress, with the Environmental Impact Assessment (EIA) to be concluded by Q4 this year and zoning processes advancing.

Financial Performance

Financial Review

In thousands of EUR	**2024**	**2023**
Revenue	**89,917**	**70,649**
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	7,821	3,706
Results from operating activities (EBIT)	-2,753	-5,196
Profit / loss before taxation (EBT)	-13,824	-16,302
Profit / loss	-13,196	-15,750
Other comprehensive income	3,763	15,291
Total comprehensive income	**-9,433**	**-459**
Non-current assets	216,890	225,003
Current assets	55,946	52,421
Of which Liquid assets	14,352	12,978
Total assets	**272,836**	**277,424**
Total equity	**60,065**	**69,504**
Non-current liabilities	**167,661**	**178,348**
Current liabilities	**45,110**	**29,572**
Operating cash flow	14,318	7,214
Investment cash flow	-1,393	-26,709
Financial cash flow	-10,326	14,062
Net change in cash	**2,599**	**-5,434**

Note:

For simplicity, the following separators were used throughout this report: point "." for decimals, comma "," for thousand and million.

Comments to Financial Results in 2024

In 2024, we achieved a solid growth in consolidated revenues, reaching EUR 89.917 million (+27.3% YoY) compared to EUR 70.649 million in the previous year. This was driven by the strong performance of our solar generation assets and even greater revenue increases in other segments, particularly Engineering and the New Energy division. Revenues from sales of electricity grew to EUR 24.705 million (+15.4% YoY), primarily fuelled by increased electricity generation, which rose to 162.8 GWh (+16.5% YoY). This expansion was largely supported by the commissioning of 16.2 MWp of new assets in Romania and 0.7 MWp in Hungary. Conversely, the sale of 14.5 MWp in Australia had a counterbalancing effect on overall generation growth. However, as the latter transaction was completed at the end of October 2024, its impact remained limited. Regarding energy market conditions, electricity prices bottomed out in Q1 2024 and followed an upward trend until September. However, in Q4, negative regulatory changes in Romania significantly disrupted this trajectory, leading to a sharp decline in prices from EUR 173/MWh to EUR 136/MWh quarter-on-quarter. Despite these regulatory challenges, the overall performance of our generation assets remains strong with average realised prices in 2024 of EUR 157 / MWh (-3.0% YoY), demonstrating the resilience and agility of our business model.

Other revenues increased even stronger by 32.4% on average, to EUR 65.212 million in FY 2024. The most significant impact came from Engineering business, where revenues increased to 17.974 million, up by 98.2% YoY and followed by the New Energy division where revenues increased to EUR 32.531 million, up by 32.7% YoY. The PV technology segment had contracted revenues of EUR 11.283 million, down by 40.1% YoY but it is worth noting that we have observed a significant pick up in technology trading volumes in the last quarter of 2024 and expect this trend to continue into 2025. Finally, revenues from O&M contributed EUR 4.111 million, up by 14.3% YoY, while the “Other” segment, which includes water and remediation services, contracted to EUR 1.432 million, down by 21.5% though this segment represents only about 2% of our revenue mix. Overall, we believe we achieved a great deal last year—stabilising and diversifying our revenue streams, optimising our business model’s risk profile, and not only expanding existing operations but also introducing new services and revenue sources to drive further growth.

On the cost side, raw materials and consumables expenses remained relatively stable at EUR 37.989 million, up by 3.0% YoY as the decline in technology sales was offset partially by increased engineering business. Personnel expenses declined by 2.8% YoY to EUR 17.954 million as a result of a 4.0% decline in the employee headcount YoY.

Other expenses amounted to EUR 25.715 million, up by 136.0% YoY as a result of an increased Engineering and New Energy division direct costs due to increased business activity.

The above changes resulted in EBITDA of EUR 7.821 million, more than doubling year-on-year, compared to EUR 3.706 million in 2023.

Below EBITDA, we have booked a one-off gain of EUR 1.1 million related to the sale of project rights to the Maryvale Solar Farm in Australia. This transaction dates to December 2021, and this gain resulted from the completion of additional milestones, triggering an additional contractual payment. On the other hand we have booked a loss on disposal of Australian assets of EUR -1.55 million concluded in October 2024 (for more details see our ESPI 29/2024).

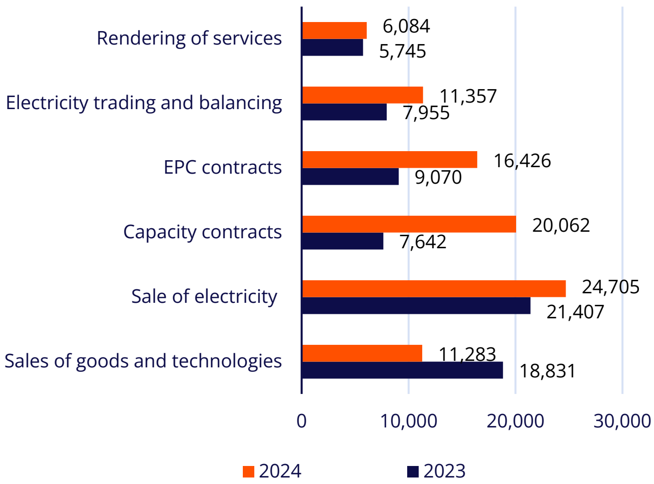
Depreciation remained stable at EUR 10.904 million (-1.3% YoY). As a result EBIT amounted to a loss of EUR -2.753 million in 2024 compared to a loss of EUR -5.196 million in 2023.

Interest expenses amounted to EUR 11.543 million in 2024 and remained stable (+1.0% YoY).

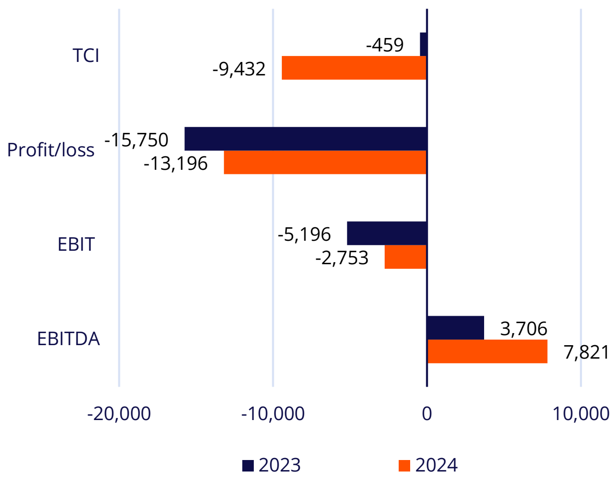
At the bottom line, the Group recorded a net loss of EUR -13.196 million in 2024. Other comprehensive income (OCI) was positive and amounted to EUR 3.763 million as a result of a revaluation of the commissioning of 16.9 MWp in Romania and revaluation of the existing assets, compared to profit of EUR 15.291 million in 2023.

As a result, the Group posted a total comprehensive income of EUR -9.433 million in 2024 compared to EUR -0.459 million in 2023.

Revenues by type, 2023–2024 (In thousands of EUR):



Profitability by type, 2023–2024 (In thousands of EUR):



Cash Flow

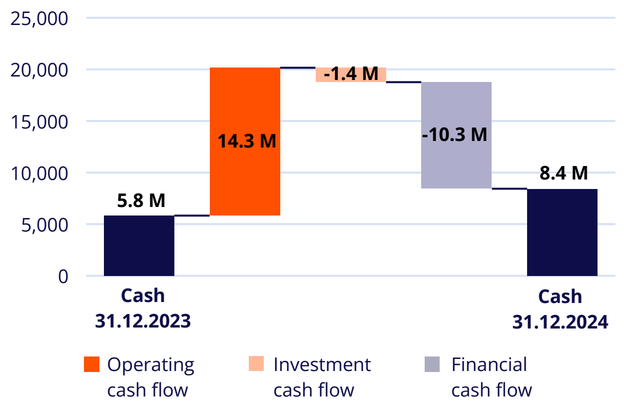
The Group posted a positive operating cash flow in 2024 of EUR 14.318 million, compared to EUR 7.214 million in 2023, mainly thanks to positive working capital developments.

Investment cash flow equalled to EUR -1.393 million in 2024 and was much smaller compared to EUR -26.709 million in 2023. The Group posted smaller investment outlays related to the construction of new PV assets, in the amount of EUR -6.976 million, which was partially offset by the proceeds from divestments of Australian assets in the amount of EUR 5.955 million.

Financial cash flow was negative, with EUR -10.326 million in 2024, compared to EUR 14.062 million in 2023. The main reason for this was the scheduled repayment of debt and interest.

Overall, the cash position increased to EUR 8.437 million at the end of 2024 compared to EUR 5.838 million at the end of 2023.

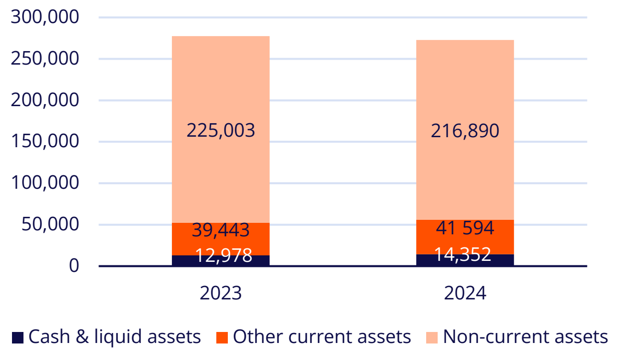
Cash flow (In thousands of EUR):



Financial Position

At the end of 2024, non-current assets amounted to EUR 216.890 million, compared to EUR 225.003 million at the end of 2023. The decline of EUR 8.113 million was mainly due to the sale of Australian solar assets and project rights as described in ESPI report 29/2024, and the freezing of feed-in-tariff indexation in Hungary (see section Subsequent Events of this Report) have impacted the book value of our power plants with KAT tariffs on 31 December 2024. The changes have had a negative impact of EUR 2.3 million on our total non-current assets.
Current assets increased by EUR 3.525 million and stood at EUR 55.946 million compared to EUR 52.421 million at YE 2023. Main changes during the year include a reduction in inventories by EUR 7.3 million, which was offset by increased trade and other receivables by EUR 10.2 million.

Assets (In thousands of EUR):

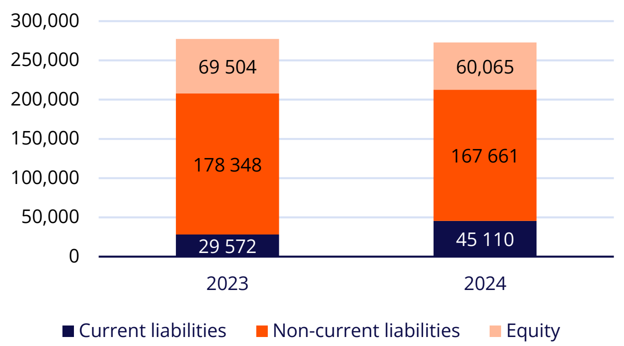


Non-current liabilities decreased to EUR 167.661 million, down by EUR 10.687 million compared to YE 2023. This reduction was driven by the scheduled repayment of debt and deconsolidation of debt related to sale of the Australian assets.

Current liabilities amounted to EUR 45.110 million, up by EUR 15.538 million compared to YE 2023, partly due to an increase in trade and other payables by EUR 7.7 million resulting from increased Engineering activities and Technology sales, and also to reclassification of a EUR 5.0 million loan from long-term to current liabilities.

Equity amounted to EUR 60.065 million, down by EUR 9.438 million compared to YE 2023. Changes reflect the negative results of operations during the reporting period and include the negative impact stemming from the freezing of the feed-in-tariff in Hungary by EUR 2.3 million, as described earlier.

Equity and liabilities (In thousands of EUR):



Financing Activity

In 2024, the total interest-bearing loans and borrowings of the Group decreased by EUR 4.456 million to EUR 174.688 million as the scheduled repayments of loans and repayment of debt related to the sales of Australian solar power plants exceeded the new drawdowns. Additionally, the Group purchased EUR 0.465 million of nominal value of its 6.50% Green EUR Bond 2021/27 (ISIN: DE000A3KWKY4), directly on the market.

In May 2024, the Group signed a senior secured loan agreement with European Bank for Reconstruction and Development ("EBRD") for the amount of up to EUR 15 million ("Loan"), denominated in EUR, for the period of 7 years. The interest rate is calculated on the basis of a variable reference rate based on the six months Euribor and increased by the bank's margin. In 2024, the nominal interest rate on that Loan was 6M EURIBOR+ 3.62% p.a. The purpose of this Loan was to finance the construction and completion of Photon Energy's portfolio of six solar parks with a capacity of 29 MWp in Romania. By the end of 2024, a total of EUR 5 million was drawn on this Loan.

In 2024, the Group was in compliance with all financial covenants except interest coverage ratio required by one lender. However, a waiver was obtained in February 2025 and therefore this does not represent an event of default under the borrowing agreements. The relevant loan was reclassified to the short-term liabilities, as the waiver had not been obtained before year-end.

The Group's total loans and borrowings as of the reporting date can be found in Note 31: Loans and Borrowings of the Financial Statements.

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy will be formed according to further negotiations with the Group's creditors.

The Group's net debt to adjusted equity ratios at the end of the reporting periods were as follows:

In thousands of EUR	**2024**	**2023**
Total liabilities	212,771	207,920
Less: Liquid assets	14,352	12,978
Net debt	198,420	194,942
Total equity	60,408	69,767
Net debt to equity ratio	**3.285**	**2.794**

Equity ratios:

	2024	**2023**
Full Equity ratio	22.0%	25.1%
Adjusted Equity ratio (for bond governance)	25.6%	28.0%

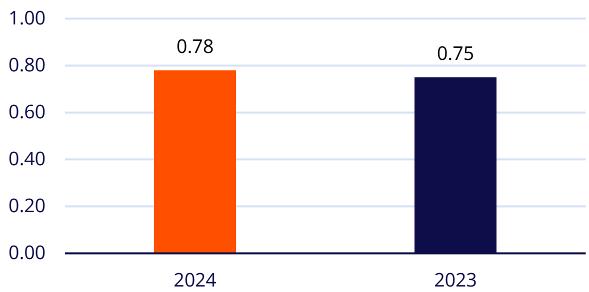
Adjusted Equity ratio is calculated as:

Total Equity / Loans and Borrowings (non-current liabilities) + Issued Bonds and Other Long-term Liabilities + Loans and Borrowings (current liabilities) + Issued Bonds and Other Loans (current liabilities).

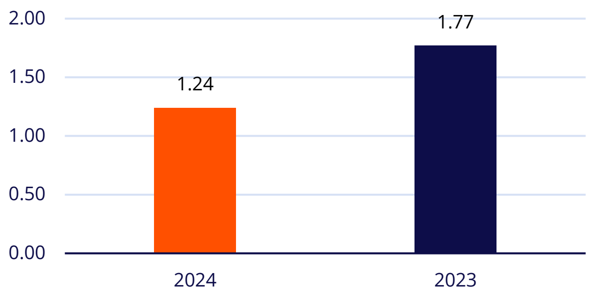
There were no changes in the Group's approach to capital management during the year.

Selected Debt and Liquidity Indicators

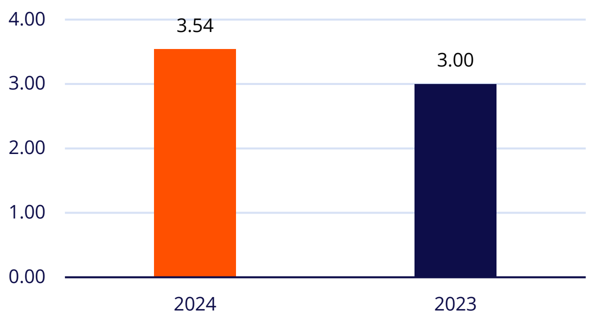
Debt to Assets Ratio (Total Liabilities / Total Assets)



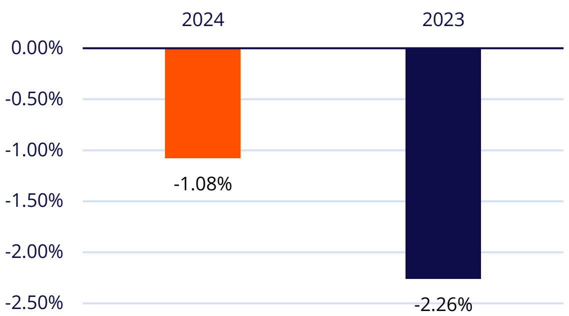
Current Ratio (Current Assets / Current Liabilities)



Debt to Equity Ratio
(Total Liabilities / Shareholders' Equity)



Solvency Ratio (Net Income + Depreciation / Current and Non-current Liabilities)



Research and Development

In 2024, Photon Energy Group invested approximately EUR 3.52 million into R&D to address the strategic needs of our business.

1) The total R&D expenses related to the Virtual Power Plant (VPP) amounted to EUR 3.30 million in 2024 and included developing new functionalities for our VPP platform: a digital technology to aggregate energy from renewable sources including solar, wind and biogas, energy storage facilities, grid operators and consumers. Our VPP platform required upgrading to significantly extend and scale its capacity to aggregate customer generation assets. New functionalities primarily expand our Demand Side Response and energy services and allow us to extend our market access in this segment and provide more flexibility to the energy system and the grid.

2) In 2024, we expensed in total about EUR 0.26 million on the following R&D projects related to water and remediation:

   a) Enhanced In Situ Bioremediation for Contaminated Land Remediation (EiCLaR): a European/Chinese consortium with the aim of developing scientific and technical innovations for in-situ electro–nano-bioremediation technologies. Within the project, the effectiveness of in-situ electro-nano-bioremediation at a site contaminated with chlorinated hydrocarbons was developed and piloted on a large scale.

   b) PFASTECH: a Czech project focused on the development of technologies for the treatment of drinking water and groundwater contaminated with PFAS. In addition to laboratory testing, field pilot tests are being conducted at sites adversely affected by PFAS contamination. A technology based on a combination of membrane filtration and selective sorption has been successfully developed and tested for drinking water, and an electrochemically assisted nanoremediation technology for groundwater.

   c) LIFE4ZOO: water resource management in visitor attractions; a system which meets the challenges of both suboptimal water-use and low resilience to water shortages that are faced by zoos. This project demonstrates a structured and integrated approach to water management that supports local water re-use, decreases wastewater treatment demand, avoids surface water risks, and buffers water in engineered wetlands.

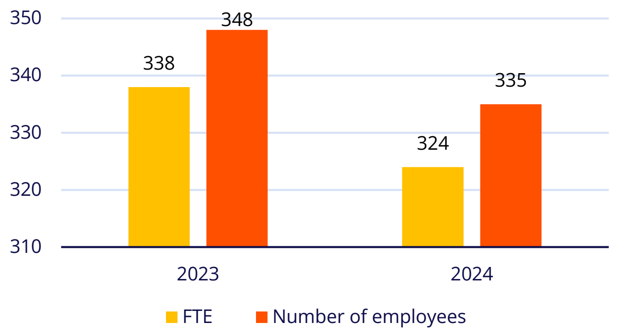
Human Resources

We are proud to have very diversified, skilled and dedicated employees who are driven by the values and vision of Photon Energy Group. Our diverse team of colleagues, comprising 26 nationalities, is one of our greatest strengths. Part of our success derives from our commitment to create equal employment opportunities, foster diversity, inclusion, and a sense of belonging. We are proud to report that in 2024 our adjusted gender pay gap ratio was 7.9%. This is an excellent result, confirming our commitment to equality and inclusion. We strive to ensure a supportive and productive work environment where employees feel respected and recognised for their efforts.

Overall remuneration of employees is a combination of a fixed salary and variable bonus related to performance. Additional benefits such as gym cards, meal vouchers, and medical care are offered in line with local market practises. Some of our employees participate in the Employee Share Purchase Programme, which gives them a right to receive an additional 10% bonus of their gross salary net of taxes, paid in Company shares. More information on our commitments related to our human resources can be found in ESG section of this Management report.

As of 31 December 2024, Photon Energy Group had 335 employees compared to 348 employees in the comparable period last year, translating into 324 FTE, compared to 338 FTE as of the end of 2023.

Total Number of Employees and FTE Employees



Full-time equivalent (FTE) *of 1.0 means that the person is equivalent to a full-time employee, while an FTE of 0.5 signals that the employee is only half-time.*

Sponsorship & Donations

In line with the Warsaw Stock Exchange Best Practices 2021, Photon Energy Group discloses the following amounts which were donated to various public institutions, sport clubs and other organisations in 2024.

No	Type of donation	Organisation	Amount in EUR
1	Sport	Football club Svatoslav	800
2	Public institutions	City of Zdice	4,000
3	Public institutions	SH CMS – Fire Brigade Svatoslav	800
4	Charity organisations	DOBRÝ ANDĚL and others	880
5	Other	Miscellaneous	507
Total			**6,987**

Strategy Execution

Strategic Goals	Execution in 2024
Investments: increase the production of clean energy by expanding the electricity generation capacity of our proprietary PV power plants. The target for 2024 was set at 200 MWp.	Our proprietary portfolio of PV power plants grew from 127.3 MWp in 2023 to 129.6 MWp at year-end 2024, reflecting a net increase of 2.3 MWp. However, while 16.9 MWp of new PV capacity was added in 2024—compared to 35.4 MWp in 2023—this growth was largely offset by the sale of 14.5 MWp of operating assets in Australia at the end of October. Even excluding the Australian divestment, we fell short of our 2024 target of 200 MWp. The main reasons for this shortfall can be attributed to recent energy market developments, particularly the impact of the so-called "duck curve" in electricity prices. Combined with other PV market-specific factors and regulatory risks, these conditions made it challenging to generate returns above our cost of capital through investments in pure utility-scale PV assets. Consequently, we revised our project pipeline, as outlined below, and halted investments in new assets. On the back of IPP portfolio increase in 2024, the total output of clean electricity generation increased from 139.8 GWh in 2023 to 162.8 GWh, up by 16.5% YoY, in line with the strategy.
Investments: expand PV project pipeline, including both projects developed in-house and co-developments, to drive further generation capacity growth. The target for 2024 was expanding the project pipeline to 1.5 GWp.	The project pipeline decreased by more than 200 MWp to a total of 1.0 GWp in 2024. The main reason for this is the project pipeline downsizing in Australia where, upon performing further project development works and analysis of RayGen projects, the total capacity of 660 MWp DC was reduced to 260 MW DC. The challenges which resulted in project downsizing were based on new variables learned during the Yadnarie project development, including (i) near-term transmission constraints, (ii) water supply constraints (mainly impacts timing and storage) and (iii) investment considerations. In some cases when the lease option expired and the management decided not to renew the lease option, hence the project ceased to qualify as eligible to be included in the project pipeline. On the other hand, new projects were added to our pipeline in the South African market. The decision to invest into the development of particular projects was taken in 2024. After thorough preparations, we secured 262 MWp of new project capacities, including a 12 MWp utility-scale solar PV project, which is currently in the tender process for a 20- year power purchase agreement with the City of Cape town, and a 250 MWp RayGen concentrated solar power plant with 1.8 GWh of thermal hydro storage, where major milestones were achieved including signing the agreement with the landowners, initiating the Environmental Impact Assessment and receiving the grid connection capacity. The target of a 1.5 GWp project pipeline was not achieved, as ROI on pure PV assets has declined, and the Management decided to pivot its strategy in such a manner that only a part of the project pipeline will be completed in its current form, with part to be sold to third parties or converted to utility PV-hybrid projects or pure utility energy storage projects. In 2024, the Group continued sale negotiations and completed the sale of the 8.2 MWp / 10.9 MWh hybrid solar / battery project located in Boggabri, New South Wales, Australia and signed the agreement for the sale of a 20.4 MWp PV project in Poland to Uniper.
New Energy: increase contracted DSR capacities by 100 MWp p.a. up to 700 MW in 2027.	Photon Energy secured DSR capacity contracts for 2024 of 389 MW compared to 134 MW in 2023, delivering on the promised strategic goal. This resulted in total DSR revenues of EUR 21.7 million, up from EUR 7.6 million in 2023. However, the DSR capacity contracts for year 2025, secured in March 2024 amounted to 316 MW, locking us in revenues of EUR 13 million for 2025, below the goal of 500 MW.
Engineering: grow EPC business by leveraging existing experience and know-how into offering of EPC services for commercial and industrial clients, behind-the-meter PV solutions and PPA agreements in Australia and Europe.	Our third-party EPC business continued to flourish in 2024, with external revenues of EUR 18.0 million, nearly doubling YoY, driven primarily by Australian business for commercial and industrial clients (C&I) and the utility-scale project in New Zealand (20.8 MWp). The share of C&I projects in the Czech and Slovak markets has also been growing but these revenues represented about 10% of the overall volume. In Hungary, we signed our first 20-year PPA to develop, build, own and operate a 658 kWp behind-the-meter solar PV power installation. Revenues from constructing power plants for third parties are on the rise, driven by increasing demand and positive references from satisfied customers. However, the volume of engineering business in 2024 was lower than initially expected, due to prolonged sales negotiations processes.

O&M: expand portfolio of contracts under O&M services to 1.0 GWp by 2024, and achieve high generation results and revenues for clients.	In 2024, our O&M segment surpassed the threshold of 1.0 GWp in assets under O&M contracts. O&M contracts increased by more than 400 MWp in 2024, compared to 300 MWp in 2023, with the strongest expansion recorded in Hungary (200+ MWp), followed by Poland (140+ MWp) and Romania (40+ MWp). Thanks to a strong operating leverage and low capital outlays needed, the Group intends to further grow its O&M portfolio to improve the profitability of this segment going forward. Currently, only about 70% of this capacity is generating revenue, while the remaining portion is not yet operational and undergoing construction or commissioning. The new capacity will deliver revenue growth as it comes on-line during 2025.
Technology: procure and trade PV components through cooperation with PV technology manufacturers.	The beginning of 2024 was still difficult for the PV sector across the CEE region, amidst significant oversupply resulting in prices for PV components remaining under pressure. Our Technology business line was not immune to these developments and held an increased level of inventories. The expected pick-up of EPC business in the Czech Republic increased the demand for PV components in mid-2024 but not enough to recognise the growth of revenues year-on-year. In Q4 2024, we revamped our Technology business. Our new team expanded to several new markets beyond the CEE region, including Germany, Austria, Belgium, Italy, Croatia, Slovenia, Lithuania, Bulgaria, Ukraine, Moldova, Armenia, Albania, Serbia, and North Macedonia. Additionally, the new team brought more Tier 1 brands into our portfolio, particularly for solar modules, further strengthening our market position. With stronger efforts, a wider market focus and growing demand for PV technology, we recognised a significant growth of sales volumes in Q4 2024 and we anticipate accelerated growth and profitability from this business in the year ahead.
Water: deploy remediation solutions for groundwater contamination, with a focus on PFAS remediation.	Our pilot trial with the Australian Department of Defence demonstrated a reduction in PFAS concentration of up to 80-100% from initial levels and was extended till April 2024, to review the trial conclusions and identify opportunities for further application of the PFAS remediation technology. In June 2024, Photon Water successfully presented the results of its Australian PFAS remediation projects during Battelle’s 2024 Chlorinated Conference, a prestigious gathering of environmental professionals in Denver, Colorado. During Battelle’s conference, in addition to the results of the groundwater remediation trial project, Photon Water also presented research results for its in-situ soil remediation solution, which incorporates an enhanced electrokinetic permeable reactive barrier (PRB). Based on late-stage project observations and research with the University of Technology Sydney, the principles of this electrokinetic technology are noted for their strong potential to remove PFAS from soil in commercial applications. In 2024, we enhanced our marketing activities, beginning the rebranding of our remediation solutions as Photon Remediation. This included the launch of a new website, marking the official introduction of our remediation business line. Other work and projects include: a) an extensive investigation of PFAS contamination of drinking water and groundwater around an international airport in the EU; b) a completion of a pilot project, followed by the launch of the full-scale remediation of a site contaminated with chlorinated hydrocarbons for Solvay in Spain. A combination of our nanoremediation technology and bioremediation was fully tested at the site; c) a pilot project in Jesenný, located in the Semily region of the Czech Republic, to tackle groundwater pollution caused by chlorinated hydrocarbons. The project involved the application of nano-iron combined with a direct current electric field to enhance the efficiency of pollutant removal. A risk analysis was completed for a mercury-contaminated site. The client and investor for this project were the Ministry of Finance of the Czech Republic and the chemical factory Spolchemie. Other water projects included the revitalisation of a stream in Prague’s Nusle District, and complex activities carried out at more than 10 ponds in the Czech Republic to reduce the consequences of eutrophication by suppressing the growth of cyanobacteria and algae.

Risk Management and Internal Control Systems

Risk management is an essential part of business management systems, providing the basis for the decision-making processes and optimising the probability and the impact of risks that the Group is exposed to. The Group's risk management systems were established to identify and analyse risks faced by the Group, to set appropriate risk limits, to define policies and controlling systems, to monitor risks and adherence to these limits and policies, and to insure realisation of assumed business goals.

The below table presents the responsibilities for the risk management and internal control systems within the organisational structure.

Table 1. Responsibilities for the Risk Management and Internal Control Systems within the Organization

SUPERVISORY BOARD						
MANAGEMENT BOARD						
Strategic Management	**Compliance Management**	**Market Risk Management**	**Financial Management**	**Operational Management**	**ESG Department**	**Audit Committee**
Objectives: ▸ Strategy planning and execution ▸ Reporting in line with the required regulations ▸ Business development and innovation ▸ Regulatory risks	**Objectives:** ▸ Adherence to legal regulations and best standards ▸ Implementing regulated market best practises ▸ Managing and enforcing internal policies and code of ethics ▸ Ensuring training and awareness about relevant regulations, ethical standards and best practises	**Objectives:** ▸ On-going assessment of market risks and the Group's exposure to changes in the energy prices, exchange rates and interest rates ▸ Overviewing customers and vendors in line with KYC and KYS policies ▸ Establishing VAR limits	**Objectives:** ▸ Cash flow management to ensure liquidity ▸ Compliance with IFRS and reporting regulations ▸ Managing debt capacity and capital structure	**Objectives:** ▸ Management of Human Resources ▸ Health and Safety ▸ Efficiency of operational processes	**Objectives:** ▸ Analysing climate-related risks ▸ Ensuring compliance with ESG disclosures ▸ Implementation of sustainability initiatives	**Objectives:** ▸ Assessment of internal risk management systems, controlling and legal compliance policies
Responsible: Management Board	**Responsible:** Compliance Manager	**Responsible:** Risk Manager	**Responsible:** Chief Financial Officer	**Responsible:** Chief Operating Officer	**Responsible:** ESG Manager	**Responsible:** The Head of Audit Committee

The Group focuses on risks with a high impact on the business and/or high probability of occurrence, taking into consideration the Group's risk appetite. Our risk appetite refers to the nature and extent of risks we are willing to incur to achieve our strategic objectives, taking into account the current financial standing of the Group.

Among others, the risk appetite considers possible revenue growth, earnings sustainability, capital management, environmental impact, employee well-being and safety, and value creation for all stakeholders. Proper identification of risks significantly reduces but does not eliminate the possibility that other risks can occur. Other events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial may, individually or cumulatively, prove to be important and may have a negative impact on the Group's business, financial condition, results of operations and prospects.

Internal Control Systems in Connection with Financial Reporting

With respect to financial reporting, the Company's general objective is to have reliable reporting and ensure that transactions are recorded and reported completely and correctly. Key elements of the internal control system include budgeting, defining operational key performance indicators (KPIs) and financial goals set for each business segment on annual basis. Budgeting and forecasting processes are performed primarily by the controlling department with close cooperation with the individual business representatives and with support of project finance, asset management, consolidation and reporting departments.

Business performance is reviewed quarterly. Potential deviations between budget and actuals are analysed and discussed with the responsible managers, and corrections are incorporated into the updated versions of forecasts/budgets. If material deviations are identified, the updated guidance is published on the regulated markets to inform the stakeholders about the changes in the expected course of the business. Our financial reporting procedures and internal control systems are continuously improved, to ensure reliable and transparent presentation of the financial results.

The Board of Directors reviews the Group's financial performance and assesses whether adequate processes are in place to evaluate the risks and effectiveness of control measures related to the financial reporting process at all levels of the organisation. The Audit Committee oversees the Company's finances, financial reporting as well as the Internal Audit functions, as part of the Company's corporate governance procedures.

Compliance Management

The Group has a very low risk-acceptance level with regards to risks relating to compliance with legislation and regulations. The regulatory environment is monitored on an ongoing basis. The Group's Code of Ethics and Anti-bribery and Anti-corruption Policy act as control measures against bribery and corruption, alongside the Misconduct Reporting Policy. Onboarding and regular follow-up training sessions are required for employees with regard to these policies. Tax policies are formulated by both the Group and individual companies. The Group follows the rules regarding tax profits in the countries where it provides its services. The Group does not engage in any aggressive tax planning or structuring activities. There is no formalised tax policy, however certain procedures are in place, such as engaging tax advisors in each country of operation, monitoring developments in taxation and related financial regulations, and identification and analysis of tax risks prior to entering new markets. The Group continually evaluates tax impact and identified tax risks.

Risk Categories

Strategic Risks	Market Risks	Financial Risks	Climate Change Risks	Compliance Risks	Operational Risks

Table 2. Risk Categories and Management Measures

Type of Risk	Risk Description	Management Measures
Strategic Risks		
Risk of ineffective strategic planning and strategy execution	Risk of ineffective strategic planning and execution due to unreliable scenario analysis, incorrect assumptions, and inability to accurately forecast and promptly respond to changes in these assumptions, preventing proper strategic adjustments to a changing environment.	▸ Budgeting and controlling of the budget versus actual numbers, on a quarterly basis ▸ Conducting scenario analysis on a project basis ▸ Overview of the strategy by the Supervisory Board
Risk to business development	The development and/or acquisition of a project is always based on an economic calculation which involves certain assumptions, such as the development of market interest rates, feed-in tariff, electricity prices or the price of green certificates, success in obtaining regulatory permits etc. These assumptions could prove to be incorrect or develop differently to what was planned leading to different results than initially assumed.	▸ Diversification of business model on a geographical and sectoral basis ▸ Performing scenario analysis to verify the sensitivity of the project to various assumptions ▸ Minimizing external costs by in-house project development from feasibility to Ready-to-Build stage (RtB) ▸ Mapping regulatory and political landscape prior to entering a market or commencing a project through both in-house and external advisors
Risks of changes to the level of governance support to photovoltaic power generation	PV power plants are dependent on state subsidies, particularly those which were built during times when photovoltaic sector was not yet competitive without such subsidies. However it creates a dependence on political decisions and this may change and threaten the viability of investment decisions.	▸ Geographical and business diversification ▸ Balancing of the PV portfolio between merchant and FIT ▸ Multinational Group structure to optimise the investment protection against retroactive changes in regulatory environment that can be potentially introduced by countries in which the Group operates ▸ Liaising with industry associations, other trade organisations and local authorities to have early notification of any planned regulatory changes

Market Risks		
Risk of volatility of electricity prices	Risk of adverse energy market trends and/or prices volatility movements (price risk) and/or lack of demand or oversupply of renewable energy, which might result in negative electricity prices.	▸ Diversified business model ▸ Balancing of PV portfolio between merchant and FiT ▸ VAR based position limits in the energy markets ▸ Sophisticated pricing model which has a built-in reserve to cover market risks
Geopolitical risks	Risk associated with international conflicts, wars, terrorist acts, and tensions between states which impact the normal and peaceful course of international relations and can result in various restrictions, sanctions, taxes etc. For the Group, the most apparent materialisation of this risk is represented by the ongoing war in Ukraine and the introduction of US trade tariffs. The war in Ukraine may directly impact the Group's operations, as the Group distributes PV technology to the Ukrainian market. Currently, the Group's exposure to the Ukrainian market is limited, with sales of PV technology in 2024 amounting to less than 1% of revenues. However, if the conflict between Russia and Ukraine escalates or spreads to other European countries, the consequences could be more severe and potentially threaten the Group's operations in other Central and Eastern European (CEE) markets. Regarding the US tariffs recently announced by the Trump administration, the impact is currently difficult to estimate. It will largely depend on the reciprocal actions taken by other countries, primarily China, which is the world's largest producer of PV technology. US tariffs on Chinese and European imports may result in an increased supply of PV technology in European markets, potentially exerting downward pressure on module and battery prices. On the other hand, the cost of some high-tech components imported from the US—such as chips used in inverters—could rise, creating upward pricing pressure. Given the unpredictability of international affairs, the precise impact of this risk remains difficult to forecast. The situation needs to be closely monitored in line with developments in international relations and additional adjustments may need to be required to mitigate this risk.	▸ Limited exposure to the Ukrainian market through the sale of PV modules but without meaningful impact on the Group's business. ▸ No exposure to Russian markets ▸ Monitoring the international situation and adjusting the business operations accordingly. ▸ Diversified distribution channels ▸ Price adjustments in EPC contracts might be implemented if needed
Credit and counterparty risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, including the electricity distributors.	▸ Counterparty onboarding policies evaluating credit and other risks related to customers and suppliers ▸ Credit insurance
Regulatory Risk	Risk of adverse evolution of legislative or regulatory landscape, and/or ineffective identification, assessment, management and monitoring of legislative/regulatory changes.	▸ Geographical and business diversification ▸ Ongoing monitoring of regulatory environment and all relevant legal regulations performed both in-house and through external advisors ▸ Multinational Group structure to optimise the investment protection against retroactive (negatively impacting) changes in regulatory environment potentially introduced by countries in which the Group operates

		▸ Liaising with policy makers and industry associations and other trade organisations to have early notification of any upcoming regulatory changes ▸ Sourcing local expertise to understand the markets and political landscape prior to entering a market and during operations
Foreign currency exchange rates	The Group's business transactions are carried out in various currencies and hence the changes in exchange rates between various currencies may result in net gains or losses, which are difficult to predict. The transactions of the Group entities are mainly denominated in CZK, EUR, AUD, CHF, RON, PLN and HUF.	▸ The Group does not manage the foreign currency risk using FX derivatives, but rather natural hedging by actively managing FX positions. It is not done in a formalised way
Interest rate risk	Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is measured by the extent to which changes in market interest rates impact on net interest expense and the value of our power plants.	▸ Interest rate derivatives such as swaps to hedge the interest rate risk
Financial Risks		
Liquidity risk	Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.	▸ Cash-flow planning and budgeting ▸ Cash-flow committee which overviews payment process and the Group's liquidity
Inflation risk	State support, especially feed-in tariffs, is indexed in the cases of Czech and Hungarian projects, i.e. they are subject to inflationary adjustment that is defined by a specific band. In case of high inflation, there is consequently a risk that the running operative costs increase while the yields will not be adjusted accordingly. In projects that are not supported by the state there is a different risk - namely that by lower inflation the calculated market prices for electricity will not develop as it was planned.	▸ Mechanism of feed-in-tariff indexation, with an annual inflation index, is a mitigation measure ▸ Indexation clauses in O&M contracts
Risk associated with the valuation of special purpose vehicles	In its Consolidated Financial Statements, the Group uses the Discounted Cash Flow (DCF) method based on IAS 16 rules for the revaluation of the special purpose vehicles (SPVs) and its property. In the financial statements, the updated value is higher than the purchase price, and consequently also above the acquisition costs. There is a risk that the assumptions and foundations of the evaluation will change and prove to be incorrect or overly favourable and that extraordinary impairment in the balance sheet of the company will be necessary.	▸ Monitoring of assumptions and changes in those variable assumptions on a quarterly basis and making an adjustment when needed
Climate Related Risks		
Physical risks – meteorological risks	The performance and earning potential of the companies within the Group are significantly influenced by meteorological conditions. While certain revenues for a generated kWh of energy are guaranteed through state subsidy programs, the actual volume of energy generated is highly dependent on sunshine duration and solar irradiance. Meteorological risks include extreme weather events such as: strong winds and hailstorms, which can cause physical damage to solar panels;	▸ Using high-quality materials and advanced technology such as trackers dynamic panel adjustments, which follow the sunshine and can withstand unfavourable weather conditions ▸ Implementing regular maintenance schedules ▸ Advanced monitoring systems (24/7) and early warning systems ▸ Incorporation of battery storage systems, when possible

	heatwaves can reduce panel efficiency and accelerate material degradation; heavy rainfall and flooding can damage electrical components; snow accumulation can reduce energy production; lightning and thunderstorms pose risks of power surges and system failures; dust and sandstorms can also reduce panel efficiency and increase maintenance requirements.	▸ Using remote sensing technologies and drones for inspection and maintenance of solar installations ▸ Comprehensive insurance policies that cover a wide range of natural disasters
Physical risks – environmental risks	The solar industry faces several environmental risks that can impact the efficiency, reliability and lifespan of PV installations. The environmental risks that treat our assets potentially could be wildfires, rising sea levels, earthquakes, landslides, and drought.	▸ Maintaining a defensible space by clearing vegetation around solar installations to reduce fuel for fires ▸ Conduct regular maintenance to remove debris and ensure all components are in good condition ▸ Thorough site assessment to identify environmental risks at feasibility stage and to evaluate its materiality and probability ▸ Monitoring of water usage and implementing water conservation measures ▸ Fire-resistant material and cabling
Policy / regulatory landscape risks	The Group must comply with all applicable laws, regulations, and directives at the location of each PV power plant. These regulations cover airborne emissions, sewage, soil and groundwater protection, as well as health and safety standards. Changes in these regulations could pose a threat to the continuity of the Group's operations and business activities, and may also prompt third parties to initiate legal proceedings or demand costly measures to control and remediate environmental pollution or to upgrade technical facilities. The potential risks include but are not limited to: habitat loss and fragmentation, affecting local wildlife and ecosystems; restrictions on water resources and water pollution, waste generation and waste management related to the end-of-life disposal and utilisation of solar panels.	▸ Performing environmental studies and environmental permits obtained at the stage of project development ▸ Implementing a biodiversity project to reduce the impacts and risks of regulatory sanctions, fines, and reputational damage ▸ Avoidance of using chemicals for cleaning solar panels to mitigate the risk of pollution ▸ Making sure that our power plants are not located in water-stressed areas ▸ Handling waste from remediation with care and disposal of it in accordance with local regulations ▸ Developing a comprehensive end-of-life waste management and disposal plan
Supply chain – resource risks	The production of solar panels requires raw materials like silicon, silver, and rare earth elements, which can lead to resource depletion and environmental degradation if not sourced sustainably.	▸ Diversification of suppliers ▸ Keeping on-going dialogue with key suppliers on the environmental issues
Compliance Risk		
Risk of non-compliance with financial, tax and other required regulations.	Risk of a breach of international or national financial laws and regulations, breach of international or national fiscal laws and regulations and other regulations applicable to the Group's business such as electricity markets, distribution, generation, procurement, permitting, stock exchanges etc.	▸ On-going legal monitoring in all jurisdictions ▸ Ad-hoc consultations with experts on extraordinary regulatory changes and new regulations and implications for the Group ▸ Proper due-diligence, legal and other consultancy whenever a new project is being analysed and executed ▸ Counterparty onboarding policies evaluating risks related to customers and suppliers, such as potential exposure of a counterparty to sanctions or forced/child labour or to other violations of international law
Risk associated with cybersecurity	Cybersecurity attacks or employees' non-compliance with information security and confidentiality policies could result in impairment of operations, loss of data or intellectual property, and reputation or brand damage. These in turn could lead to	▸ Various controls are in place to prevent such events including Use of IT Asset policy and policies related to confidentiality of data, employee trainings regarding cybersecurity, antivirus software, multi-factor authentication and role-based access to all systems. Further controls are in

	additional costs and time associated with recovery and possible regulatory fines.	place to mitigate the possible impacts, including off-site backup of core data ▸ Servers hosting business critical applications are deployed in cloud environment, all communication with these servers is secured with encryption. ▸ We have also implemented SSO (single-sign-on) where possible to reduce password usage / possibility to compromise the password. An IT helpdesk is accessible to report any issues encountered in this area. ▸ ISO 27001 certification is in the preparation stage
Corporate governance	Risk of ineffective corporate governance frameworks/rules and/or lack of integrity and transparency within decision-making processes.	▸ Independent Supervisory Board ▸ Supervisory Board's annual revision of compliance with corporate governance codes and detailed Supervisory Board report ▸ No conflict of interest and related party transactions rules in all legal environment when the Group is operating; Supervisory Board approval required for certain related-party transactions ▸ Proper minute keeping by the statutory bodies ▸ Anonymous whistleblowing portal available to all stakeholders
Corporate culture and ethics	Risk of violation of ethical principles defined by the Group and inability to put in place policies and processes to ensure the respect of diversity, equal opportunity, unethical behaviours and breach of ethical values of the Group.	▸ Implementation and training of the code of ethics, including training of employees and contractors ▸ Implementation and training of the antibribery policy including training of employees and contractors ▸ Enforcement of our values on third parties ▸ Whistleblowing portal open to employees and third parties
Stakeholder engagement	Risk to ineffectively engage key stakeholders on strategic positioning on sustainability and financial goals due to a lack of understanding, anticipating or orienting their expectations, which might cause an incomplete integration of such expectations into Group's business strategy and sustainability planning processes, with a potential negative impact on its reputation and competitiveness.	▸ Existence of stakeholder engagement policy ▸ Conducting all-Group townhall meetings and employee engagement surveys ▸ Engaging with local communities, municipal and other government authorities during the development of the project ▸ Conducting environmental surveys ▸ Holding regular investor's meetings, in person and on-line ▸ Transparent regulatory disclosures ▸ KYC and KYS procedures
Operational Risks		
Risk of loss of key personnel	Risk of losing valuable human capital and/or inability to acquire high-skilled and competent professionals caused by the absence or inadequacy of training programs, ineffectiveness of incentive schemes, inadequate staff turnover planning process or inability to define effective employees recruiting processes and retention policies.	▸ Employee turnover ratio is periodically measured and monitored ▸ Employee Share Purchase Program used as a bonus ▸ Regular employee review and calibration process ▸ Formalisation of processes to minimise the risk of know-how loss
Health and safety	Risk that inappropriate working environments, structures, machineries and business operations which may negatively impact on health and safety conditions of employees and other stakeholders involved. Risk of a breach in complying with	▸ ISO 9001, 14001 and 45001certifications for our Operations and Maintenance, Engineering and Solutions (performing EPC construction on ground and rooftop installations) subsidiaries are in place

	international, country or local laws and regulations on health and safety.	▸ Strict use of protective wear and tools by employees working in power plants and constructions sites ▸ Trainings on regular basis according to the requirements of local legislation for all employees, special focus on technical positions (construction, electricians etc.) ▸ Liability insurance in place ▸ H&S standards required from all subcontractors and periodic checks thereof
Efficiency of operational processes	Risk of incurring higher operating costs or delays as well as reduced revenue streams due to an inadequate management of operating processes and activities, a lack of data quality, incomplete or ineffective monitoring over internal performances and internal reporting.	▸ Implementing proper budgeting and monitoring processes ▸ Standardisation of processes ▸ ERP system and integration of processes and control within ERP system

Sustainability Commitments

2024 Sustainability Highlights

Tracking our **CO_2e footprint** across Scope 1, 2 emissions, and some elements of Scope 3 emissions.

ESG Transparency Award with an "Excellent Class" rating and a score of 82/100**.**

Employee engagement and **ESG survey,** gender pay gap ratio of 7.9%.

Stakeholder Engagement Policy to reinforce a constructive dialogue with stakeholders.

CSR Day program as part of our donation policy enhancing our engagement with local communities.

Third-party conduct principles to improve our **due diligence process on human rights in our supply chain.**

For further details, read our 2024 sustainability report at **ir.photonenergy.com/sustainability-and-esg**.
Please note that sustainability report is not a part of the Annual Report for the year 2024.

Environmental Data	**2024**	**2023**
Percentage of revenues connected to activities which create sustainable value	100%	100%
Clean energy generated by our Proprietary portfolio of PV power plants	162.8 GWh	139.8 GWh
Assessment of our carbon footprint across scope 1 and 2 emissions (CO_2e tonnes)	665.8	670.8
CO_2e	66,682 tonnes *(+14.4%)*	58,286 tonnes *(+19.0%)*
Social Data		
Number of full-time staff / number of employees	313 / 335 *(93.4%)*	338 / 348 *(94%)*
Percentage of female employees	37%	37%
Number of employees who completed training courses	230 / 348 (66%)	230 / 348 (66%)
Turnover ratio	35%	35%
Adjusted Gender Pay Gap between male and female employees (as a % of male gross salary) ** analysis performed based on comparable job positions*	7.9%	0.3%
Lost time injuries	0	0
Governance Data		
Contributions to political parties as percentage of total revenues	0%	0%
Claims against the Company ruled by a court as a percentage of total revenues	0%	0%
Gender equality Board of Directors (female/male)	0%	0%
Gender equality Supervisory Board (female/male)	33%	33%
Responsible procurement, subjected to due diligence	100% of our technology purchases	100% of our technology purchases

Sustainability Rating

Our ESG performance was reconfirmed in May 2023 as 'very good', scoring 77/100 from imug | rating, a leading German sustainability rating agency. Independent sustainability rating ensures that we hold ourselves to the highest standards and provide stakeholders with confidence in our genuine commitment to a sustainable business model.

imug | rating has over 20 years of experience in sustainable finance and socially responsible investment (SRI), making it one of the leading sustainability rating agencies in Germany and a specialist in customised ESG research.

ESG Transparency Award

In 2024, we received ESG Transparency Award, an "Excellent Class" rating and were chosen as "Leading Company" in ESG transparency from EuPD Research Centre, achieving a score of 82/100. This accomplishment reflects our dedication, and we are actively working to further improve our rankings. EuPD Research specialise in primary data-driven research and consulting services across global energy markets, focusing on electricity, heat, mobility, and energy efficiency for over 23 years. EuPD Research is known for its rigorous evaluation processes and independent assessments, providing valuable insights and certifications that help companies enhance their sustainability practices.

Environment

Environmental stewardship is integral to our operations at Photon Energy Group. We adhere strictly to local environmental regulations, ensuring compliance and accountability in all our field operations. From waste management to landscape maintenance, we prioritise sustainable practices to minimise our ecological footprint and uphold our commitment to environmental preservation.

- **Monitoring Environmental Impact**

  The potential negative environmental impact of our projects is identified during the project development stage, and corresponding investigations are carried out for all size of projects. We take great care assessing, managing, and monitoring any possible impacts on local communities. We are committed to minimising our impact on the environment, and to ensure the health and safety of communities impacted by our work, by complying with relevant state and local environmental policies as well as industry-specific legislation. During the construction, operation, and maintenance of our PV power plants, we have not encountered any incidents or injuries impacting the communities neighbouring our sites.

- **Comprehensive Waste Management**

  We have implemented an Extended Producer Responsibility (EPR) system for on-site construction waste management. This proactive approach ensures proper disposal and recycling of waste generated during the construction of our PV power plants. Through partnerships with certified waste management facilities, we strive to divert as much waste as possible from landfills.

- **Chemical-Free Landscape Management**

  For the cleaning of PV panels, we use only demineralised water, no chemical agents.

- **Mitigation of Impact on Biodiversity**

  In 2024, Photon Energy Group continued its partnership with the Czech University of Life Sciences Prague to enhance biodiversity at their photovoltaic power plants. Supported by the Technological Agency of the Czech Republic under the EU's Environment for Life Programme, the initiative aims to optimise biodiversity in solar parks located in open countryside. Researchers are studying vegetation and species at these parks to develop standards for integrating biodiversity-enhancing measures. Extensive biodiversity monitoring was conducted in spring and summer 2024, with the first measures implemented at the FVE Komorovice power plant in autumn 2024. This included planting native shrubs, establishing a flower meadow, and creating habitats for solitary bees and reptiles. Initial results were presented at the 53rd Annual Conference of the German Ecological Society. By selecting diverse plant species and nurturing ecosystems around power plants, Photon Energy contributes to preserving natural habitats and counteracting habitat fragmentation. This proactive approach strengthens ecosystem resilience and supports the transition to a low-carbon future.

- **Minimising Our Carbon Footprint**

  Our solar power plants generated 162.8 GWh of clean electricity in 2024, contributing to the avoidance of 66,682 (*+14.4%*) tonnes of CO2e emissions compared to conventional electricity production. In 2024, total scope 1 and 2 emissions amounted to 665.8 tonnes of CO2e, reflecting a 0.8% decrease from the 670.8 tonnes of CO2e emission in 2023.

- **Clean Water Solutions**

  In 2024, Photon Water revitalized the Botič Stream in Prague's Nusle District, stabilising the embankment and improving water retention to create a healthier environment for wildlife and visitors. This project reflects our commitment to sustainable water management and environmental conservation, contributing to the well-being of local ecosystems and communities.

  In 2024, Photon Water initiated a pilot project in Jesenný, located in the Semily region of the Czech Republic, to tackle groundwater pollution caused by chlorinated hydrocarbons. Utilising our advanced nanoremediation technology, the project involves the application of nano-iron combined with a direct current electric field to enhance the efficiency of pollutant removal. This innovative approach focuses on reductive dechlorination as part of a broader feasibility study of remedial measures at the Jesenný - Bohuňovsko site. Funded by the European Union through the Operational Programme Environment 2021–2027, this project is a significant step in Photon Water's efforts to address historical environmental pollution and improve groundwater quality.

  In both the Czech Republic and Australia, Photon Water began the PFAS_Tech project, which aims to advance and validate technologies designed to remove PFAS contamination from the environment. Specifically, the project concentrates on two critical aspects: the treatment of drinking water and the in-situ remediation of PFAS in groundwater.

- **Innovative Remediation Solutions**

  In 2024, we began the process of rebranding our remediation solutions under Photon Remediation, marking the official introduction of our remediation line of business. At Photon Remediation, we utilise specialized, innovative environmental cleanup solutions, particularly targeting persistent pollutants like PFAS (per- and polyfluoroalkyl substances). Utilising our patented in-situ remediation technology, we effectively break down PFAS and other contaminants in surface water, groundwater, and soil without the need for excavation or pumping. This advanced nano-remediation approach ensures a sustainable and efficient method for addressing environmental pollution. By collaborating with various stakeholders, we aim to deploy these cutting-edge technologies globally, contributing to cleaner water and healthier ecosystems.

Social Conduct

Commitments Related to Human Resources

We are proud to have built a dynamic, diverse team of colleagues, comprising 26 nationalities. This vibrant community is one of our greatest strengths and we are dedicated to its continued enrichment. Our key social commitments and initiatives related to our human resources include:

- Stringent health and safety policies and procedures ensuring compliance with applicable laws and regulations.
- Equal employment opportunities, regardless of gender, race, religion, disability, sexual orientation, or age. Embracing diversity and an inclusive work environment is clearly visible in a diversified cultural profile of our employees. In 2024 our Group adjusted gender pay gap (GPG) ratio calculated according to the formula = (average gross male earning – average gross female earning)/ average gross male earning * 100% amounted to 7.9%. This value means that on average woman in Photon Energy Group earns 7.9% less than her male counterpart. Group adjusted GPG is calculated using thirty-nine comparable positions across five countries, including seventeen men and twenty-two women.
- Self-evaluation through an online performance and development platform. This is designed to help our employees and managers to define operational goals and objectively measure performance, aligned with a merit-based remuneration policy, including performance-related bonuses, individual bonuses, a long-term incentive plan, and project-based special pay-outs.
- Family-friendly regulations to achieve optimal work-life balance. This entails offering flexible job arrangements, including remote work options and digitised workplaces. Our home office policy, coupled with trust-based, flexible working hours, allows employees to work remotely, accommodating their individual needs and preferences.
- Improving our intranet to enable international working groups, networking, and connection. Regular business updates via our internal newsletter, and regular all-staff meetings and Q&A sessions with our CEO to maintain strong corporate culture.
- An internal ESG survey showed that 92% of our employees agreed or strongly agreed that working in a renewable company has been motivating. Around 94% of employees agreed that equal opportunities and respectful treatment are valued in Photon Energy Group. Last but not least, 88% of employees agreed or strongly agreed that equal opportunities for women exist in pay, promotions, and leadership roles.

Commitments Related to Communities

We recognise the profound impact that our operations might have on local communities. As a responsible company, we prioritise fostering positive relationships with the communities in which we operate. Our social commitments include:

- Engaging in preliminary discussion with local authorities as a mean of ensuring each project’s compatibility with territorial and community policies.
- Safeguarding the privacy of our customers, suppliers, and employees’ data. We have policies and procedures in place to ensure that sensitive data is protected, including electronic data stored in our systems.
- We follow all local guidelines and regulations regarding community involvement and consultation.
- When working with subcontractors, we prioritise local suppliers to have a positive impact on the local economy through job creation.

Other initiatives which prove our commitments to give back to local communities included:

- A CSR Day initiative enables employees to donate one working day to a charity, within the scope of our Donation Policy, making positive impact, connecting with local communities and improving environment.
- In 2024, we initiated the implementation of new automated procedures for Know Your Counterparty (KYC) to further ensure ethical and responsible business practices. We have fortified our supply chain due diligence process for third parties to integrate human rights compliance considerations into our evaluation process effectively.

More details can be found in our 2024 Sustainability Report, which is available on our website. Our 2024 Sustainability Report is not a part of this Annual Report 2024. For more details on corporate governance, see the Corporate Governance section of this report.

Shares and Bonds

Share Capital

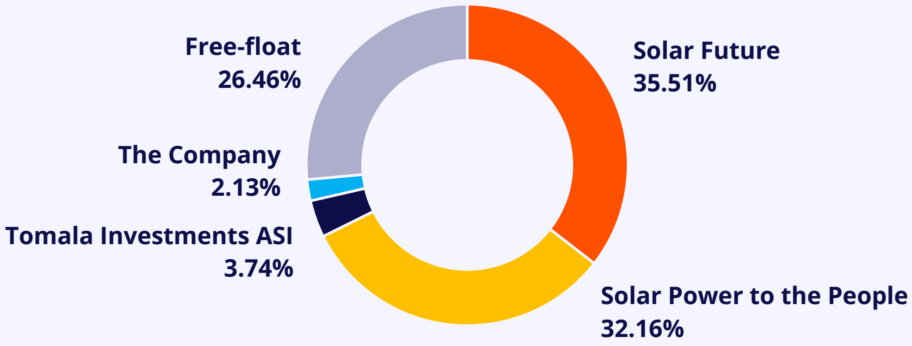
The Company's issued share capital is EUR 612,385 divided into 61,238,521 shares with a nominal value of EUR 0.01 each. Each share has one vote at the General Meeting of Shareholders, with the exception of the treasury shares held by the Company. The Company's share capital is described in the Corporate Governance section and Note 4.3.5 Share Capital, Note 30. Capital and Reserves and Corporate Governance Section of this Report.

There is no limitation on transfer of the Company's shares with the exception of the restriction imposed on employees who participate in the Company's Employee Share Purchase Programme (ESPP). According to the ESPP, employees are not allowed to sell their shares for the period of three years from the moment the shares were deposited on their account.

In addition, certain restrictions are imposed on the Company to acquire and hold its own shares. Under Article 9.1, the Company may only acquire fully paid-up shares in its own share capital for no consideration or provided that the Company's equity minus the acquisition price is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law. No acquisition pursuant to Article 9.1 shall be permitted if a period of six months following the end of a financial year has expired without the annual accounts for such year having been adopted.

Shareholding Structure

For more detailed information on the shareholding structure please refer to the Corporate Governance section of this Report.



Solar Future and Solar Power to the People are controlled by the co-founders of Photon Energy N.V. For details please see Corporate Governance section of this Management Report.

Share Trading Details (ISIN: NL 0010391108)

Trading of the Company's shares on the regulated markets of the Warsaw Stock Exchange (WSE) (Giełda Papierów Wartościowych w Warszawie) and Prague Stock Exchange (PSE) (Burza cenných papírů Praha) commenced on 5 January 2021.

Prior to that date, the Company's shares were traded in the alternative system of trading i.e. on NewConnect organized by the Warsaw Stock Exchange and on the Free Market of the Prague Stock Exchange.

Market Maker in Poland

Dom Maklerski PKO Bank Polski
Address: ul. Puławska 15, 02-515 Warszawa, Poland
Web address: www.dm.pkobp.pl

The admission to listing and trading of the Company's shares on the Quotation Board of the Frankfurt Stock Exchange followed on 11 January 2021.

The Company's shares have been listed on the electronic trading platform XETRA (provided by the German Stock Exchange) since 7 December 2022.

Dividend Policy

The Company's strategy is to create value for its shareholders through strong expansion in the globalising photovoltaic industry. For as long as value-creating growth and investment opportunities exist, the Board of Directors does not intend to propose to distribute dividends to shareholders.

Employee Share Purchase Programme

The management of the Company recognises the significant contribution of the team members to the future development of the Group. Therefore, it operates an Employee Share Purchase Programme as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares for participating employees equal to 10% of their gross compensation net of taxes. Starting from 1 January 2023, participants of the Employee Share Purchase Programme have the right to dispose their shares after three-yar period of holding them.

During the reporting period, the Company transferred in total 189,919 shares to its employees eligible for the share.

Share Performance in 2024

Main Market of the Warsaw Stock Exchange

Market: GPW Parallel Market, Warsaw, Poland
Ticker: PEN
Web address: www.gpw.pl

Selected Share Information	PLN
Opening price (2 January 2024)	8.12
52-week max (6 February 2024)	9.08
52-week min (12 December 2024)	3.94
Closing price (30 December 2024)	**4.27**

Source: www.gpw.pl

The trading volume in 2024 amounted to 2,666,657 shares compared to 3,419,137 shares in 2023.

Main Market of the Prague Stock Exchange

Market: Standard Market, Prague, Czech Republic
Ticker: PEN
Web address: https://www.pse.cz/en/

Selected Share Information	CZK
Opening price (2 January 2024)	46.30
52-week max (2 February 2024)	51.40
52-week min (12 December 2024)	22.00
Closing price (30 December 2024)	**23.70**

Source: http://www.pse.cz

The Company reports a yearly trading volume of 3,860,473 shares in 2024, compared to 3,076,521 shares traded in 2023.

Xetra

Market: Xetra
WKN: A1T9KW
Web address: https://www.boerse-frankfurt.de/

Selected Share Information	EUR
Opening price (2 January 2024)	1.83
52-week max (30 January 2024)	2.10
52-week min (23 December 2024)	0.81
Closing price (30 December 2024)	**0.91**

Source: www.gpw.pl

The trading volume in 2024 amounted to 392,039, compared to 622,570 shares in 2023.

Quotation Board of the Frankfurt Stock Exchange

Market: Quotation Board/ Frankfurt Stock Exchange, Germany
WKN: A1T9KW
Web address: https://www.boerse-frankfurt.de/

Selected Share Information	EUR
Opening price (2 January 2024)	1.804
52-week max (1 February 2024)	2.095
52-week min (18 December 2024)	0.876
Closing price (30 December 2024)	**0.916**

Source: https://www.boerse-frankfurt.de/

The trading volume in 2024 amounted to 97,564 compared to 152,396 shares in 2023.

Our Bonds

As of the reporting date, the Company has one outstanding 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) which was initially placed in the amount of EUR 55 million in November 2021. During year 2022 the Company successfully increased its Green EUR Bond 2021/27 to a total amount of EUR 77.5 million. In March 2023 the Company successfully tapped its bond by additional amount of EUR 2.5 million to the total of EUR 80.0 million.

During 2023 the Company repurchased EUR 0.615 million of nominal value.

During 2024 the Company repurchased EUR 0.465 million of nominal value.

As of the reporting date, the total outstanding amount of the Bond was EUR 78.9 million. For more details see Note 32. Loans and Borrowings.

The Company intends to use the net proceeds of the green bond placement to finance or refinance, in part or in whole, new and/or existing eligible assets, as well as financial instruments that were used to finance such projects or assets, in accordance with the Company's Green Finance Framework, enabling Photon Energy Group to make a significant contribution to an environmentally friendly future.

Green EUR Bond 2021/2027 was confirmed by imug | rating with regard to its sustainability in a Second Party Opinion, and can be traded on the Open Market of the Frankfurt Stock Exchange.

Bonds Performance in 2024

Green EUR Bond 2021/27 Trading Performance in Frankfurt

In the trading period from 1 January 2024 until 31 December 2024, the trading volume amounted to EUR 2.372 million (nominal value, in Frankfurt) with an opening price on 2 January 2024 of 69.00 and a closing price on 30 December 2024 of 45.00, compared to EUR 5.113 million (nominal value, in Frankfurt) with an opening price on of 101.69 and a closing price of 69.00 in Frankfurt, in year 2023.

Communication with Investors

- The Company's website continued to be developed to ensure it remains a principal source of information on the Group and its activities. An Investor Relations news service allows investors to stay up to date on company announcements, reports and other ad hoc information.
- The Company hosted live webcasts to present its quarterly results. Presentations and video recordings of the events are available in the Investor Relations section of our website.
- The Company participated in the Deutsches Eigenkapitalforum held in Frankfurt in November 2024.
- Additional one-on-one meetings with institutional investors were organised upon request.
- Responding to emails sent to ir@photonenergy.com, if possible and in line with the best standards of communication with capital markets.

Board of Directors Statement

The Directors are responsible for preparing the Company's Annual Report. The Company's Annual Report comprises, among others, 'At a Glance', 'Management Report' and 'Corporate Governance' sections of the annual report respectively, the financial statements which comprise the consolidated and company financial statements, and the other information pursuant to Part 9 of Book 2 DCC. The information reported in the 'At a Glance', 'Management Report' and 'Corporate Governance' sections of the annual report, together represent the Directors' Report ('Bestuurverslag') within the meaning of article 2:391 of the Dutch Civil Code.

The Board of Directors has assessed the effectiveness of the design and operation of the internal control and risk management systems.

On the basis of this report, and in accordance with:

- Best practice 1.4.3 of the Dutch Corporate Governance Code of December 2016, and Article 5:25c of the Financial Supervision Act,
- The aforementioned assessment, the current state of affairs, and to its best knowledge, the Board of Directors declares that:
- The report gives sufficient insight into any shortcomings in the operation of the internal risk management and control systems.
- The aforementioned systems provide a reasonable degree of assurance that the financial reporting does not contain any material misstatement.
- Drawing up the financial reporting on a going concern basis is justified based on the current state of affairs.
- The Director's report states any material risks and uncertainties that are relevant with regards to the expectation of continuity of the Company for a period of 12 months after drawing up the report.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

In view of the above, the Board of Directors declares that to the best of its knowledge:

- The annual accounts give a true and fair view of the assets, liabilities, financial position and results of the Company and the subsidiaries included in accordance with IFRS accounting standards as adopted by the EU.

  The Directors' Report gives a true and fair view of the situation as of 31 December 2024 and of the state of affairs of the company and its consolidated subsidiaries in the 2024 financial year, the details of which are included in its annual accounts, and that the Directors' Report describes the main risks faced by the company.

Amsterdam, 24 April 2025

The Board of Directors:

Georg Hotar, Director

David Forth, Director

Corporate Governance

Prša, Slovakia

Statutory Bodies

Management Board

Georg Hotar Chief Executive Officer, Co-founder

Georg co-founded Photon Energy in 2008 and was the company's CFO until 2011. Since then he has spearheaded the group's expansion in Europe and overseas as CEO. Georg has extensive knowledge of the solar energy industry as well as in international finance. Before Photon Energy, Georg established a finance and strategy advisory boutique focused on the CEE region and previously held various positions in financial services in London, Zurich and Prague.

David Forth Chief Financial Officer

David is a British national who has gained extensive experience in top managerial positions with multinational companies including British Petroleum, BAT, Schneider Electric, Adecco and Costa Coffee. Prior to joining Photon Energy Group, he was Interim CFO of Cake Box plc and then Eurowag (W.A.G. Payment Solutions plc). David is a British Chartered Accountant (FCA), after qualifying with KPMG in London, and has an LLB (Hons) Degree in Law from Queen Mary University of London.

Supervisory Board

Bogusława Skowroński Member of the Supervisory Board

Bogusława is an independent Supervisory Board member as defined by the Dutch Corporate Governance Code. She is an entrepreneur, technology start-up ecosystem builder, VC and angel investor. She has gained financial experience in organizations such as Union Bank of Switzerland, European Bank for Reconstruction and Development and Capital Solutions proAlfa, a company which she founded. She is an active member of the Polish capital market and has advised many companies on their strategies and transactions. She co-founded MIT Enterprise Forum CEE, an equity-free startup acceleration program.

Marek Skreta Chairman of the Supervisory Board, Member of the Audit Committee

Marek is the chairman of the Photon Energy Group supervisory board and a member of the audit committee. He is the co-founder and CEO of P4 Wealth Management in Zurich and serves as a member of the board and head advisor at R2G in Prague, a private investment platform which he helped to establish. Prior to this, he was a managing director at UBS Switzerland AG and a director at Credit Suisse in Zurich. His earlier professional experience included providing advisory services to family offices and private equity funds on investments in the CEE region and M&A transactions.

Ariel Sergio Davidoff Member of the Supervisory Board, Chairman of the Audit Committee

Ariel is a member of the Photon Energy Group supervisory board and chairman of the audit committee. He is a partner at Lindemannlaw, an international law firm based in Zurich. The law firm focuses on UHNW entrepreneurs and regulated clients, such as banks, external asset managers and mutual funds. Prior to joining Lindemannlaw, Ariel held various positions in the banking industry in Switzerland and Lichtenstein, including the position of CEO. In addition, he recently co-funded several companies in the Swiss financial sector.

Strong corporate governance, transparency and accountability are essential for Photon Energy Group and fit in line with our core values such as integrity, sustainability and responsibility to enrich every community we are part of.

We believe that strong corporate governance structure and policies create a framework that defines healthy relationship among shareholders, the Board of Directors and our other key stakeholders. Good corporate governance fosters a culture of integrity, transparency and leads to a positive performing and sustainable business. Through effective corporate governance practises we intend to promote long-term sustainable value creation for all our stakeholders.

We also engage in dialogue with our stakeholders to make sure that their interests are respected and we build trust within communities which we impact. We have adopted a Stakeholder Engagement Policy that details the ways of dialogue with individual stakeholders. Corporate governance policies which we are implementing are enforced and applied consistently.

Composition & Functioning of the Statutory Bodies

The Company has a two-tier corporate structure. The managing body of the Company is the Board of Directors comprising of Managing Directors, and the supervising body of the Company is the Supervisory Board comprising of Supervisory Directors.

Board of Directors

The Board of Directors is the statutory executive body (*raad van bestuur*) and managing directors are collectively responsible for the Company's management and the general affairs of the Company. The Board of Directors is responsible for the day-to-day operations of the Company. In fulfilling their duties, the Managing Directors shall serve the interest of the Company and the business enterprise which it operates. Resolutions of the Board of Directors with regard to an important change in the identity or character of the Company or the business enterprise are subject to the approval of the General Meeting, including in any case: (a) transfer of the business enterprise to a third party; (b) entry into or termination of a long-term cooperation with another entity as a fully liable partner in a limited or general partnership, if such cooperation or termination thereof is of far-reaching significance to the Company; (c) acquisition or disposal by the Company of participating interest with a value of at least one third of the amount of the Company's assets.

Managing Directors are appointed by the General Meeting and the Board of Directors consists of such number of Managing Directors as the General Meeting may determine. Currently, the Board of Directors consists of two Managing Directors. In accordance with the Company's Articles of Association, a member of the Board of Directors shall be appointed by the General Meeting for a maximum period of four years and his term of office shall lapse on the day of the Annual General Meeting to be held in the fourth year after the year of his appointment. A Board member may always be re-appointed for another maximum period of four years. The General Meeting may at any time suspend and dismiss a Board member. The Supervisory Board is not authorised to suspend a Managing Director.

Representation

The Board of Directors is entitled to represent the Company. The power to represent the Company is also vested in each Managing Director individually.

Composition of the Board of Directors

Name	Position	Age	Gender	Date of appointment
Georg Hotar	Director *(Bestuurder)*	49	Male	14 June 2024*
David Forth	Director *(Bestuurder)*	70	Male	14 June 2024

** Mr Hotar has been the Company's managing director since 9 December 2010, however, due to the changes in the Company's corporate structure, new term of their office (previously unlimited and currently term of four years) started on 14 June 2024 and shall expire in 2028. Mr. Gartner who had been on the Company's Board of Directors since its inception decided to resign from the Board of Directors in 2024 and was appointed to the Supervisory Board effective 1 January, 2025, more information below at Supervisory Board. Mr. Gartner was replaced by Mr. David Forth.*

Supervisory Board

The Supervisory Board is a supervisory body (*raad van toezicht)* and supervisory directors are collectively responsible for supervising the policies of the Board of Directors and the general affairs of the Company. The Company shall have two or more Supervisory Directors. A Supervisory Director shall be appointed for a maximum period of four (4) years and his term of office shall lapse on the day of the Annual General Meeting to be held in the fourth year after the year of his appointment. A Supervisory Director may only be reappointed for another maximum period of four (4) years, after which he/she may only be re-appointed once for a maximum period of two (2) years, which term may only be extended once for a maximum period of two (2) years.

The duty of the Supervisory Board is to supervise the policies of the Board of Directors and the general course of affairs of the Company and its affiliated business. The supervision of the Board of Directors shall include the following areas: (a) the achievement of the Company's objectives; (b) the corporate strategy and risks; (c) the financial reporting process; (iv) compliance with legislation and regulation, (e) functioning and effectiveness of the internal risk management and control systems; (g) the Company/shareholder relationship; (h) compliance with and maintaining of the Company's corporate governance structure; (i) preparation of the annual accounts.

The General Meeting shall, at all times have the power to dismiss or suspend each supervisory director.

Composition of Supervisory Board

Name	Age	Gender	Nationality	Date of Appointment	Term of Office	Function	Independence Status
Marek Skreta	58	Male	Swiss	14.6.2024	2028	Chairman of the Supervisory Board	Independent
Boguslawa Skowronski	68	Female	Polish, Swiss, U.S.	14.6.2024	2028	Member of the Supervisory Board	Independent
Ariel Sergio Davidoff	57	Male	Swiss	31.5.2022	2026	Chairman of the Audit Committee	Independent

The Supervisory Board and Audit Committee is comprised of three members, Boguslawa Skowronski, Marek Skreta and Ariel Sergio Davidoff, appointed to a four-year term of office. Mr. Michael Gartner, former Managing Director of the Company, was appointed into the Supervisory Board by the 2024 Annual General Meeting, with effect from 1 January 2025. As of this date, however, Mr. Gartner continued to be an employee of Photon Energy Group and continued to perform statutory functions for the Company's subsidiaries incorporated in Australia and New Zealand. Therefore, his appointment has not taken effect (due to incompatibility with Article 2:160 of the Dutch Civil Code). The Supervisory Board was informed of his continued employment with the Group by Mr. Gartner and has acknowledged that Mr. Gartner's appointment as a member of the Supervisory Board did not become effective. Mr. Gartner intends to run for the Supervisory Board membership in the future after resigning from all his employee and statutory functions with the Company.

All three members are independent within the meaning of the Dutch Corporate Code. To our best knowledge, there were no transactions in the course of the year 2024, in which a conflict of interest with the members of the Supervisory Board occurred.

Audit Committee

The Supervisory Board has the right to create various committees, such as Audit, Remuneration or Selection and Appointment committee. Due to a small size of the Company's Supervisory Board (3 members), only an Audit Committee is formally set up by the Supervisory Board and the role of the other committees is performed by the Supervisory Board as a whole.

Audit Committee's role is to facilitate Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. It monitors the Board of Directors with regards to: (a) relations with external auditors; (b) tax policy of the Company; (c) financing of the Company; (d) application of IT, including the risk related to cybersecurity.

The Company does not have a formally set up internal audit unit. As of the date of this report the function of internal audit unit is performed by one senior employee ("audit specialist") with competence and knowledge of accounting and auditing procedures who is tasked with the role by the Board of Directors. There is no formal procedure, and the tasks are performed informally. The Risk Manager who reports directly to the Board of Directors also supports Internal Audit function. In addition, risks associated with non-compliance in financial and technical processes are monitored by another employee (statutory reporting and compliance project manager). The Supervisory Board performed an annual assessment of internal audit procedures and included its conclusions with regards to the existing alternative measures, along with the resulting recommendations, in the report of the Supervisory Board.

Diversity and Succession of the Boards

The desired composition of the Supervisory Board is such that the combined expertise, experience, diversity and independence of the Supervisory Board members enables the Supervisory Board to best carry out the variety of its responsibilities and duties with regard to the Company and all stakeholders involved including its shareholders, consistent with applicable law and regulations. Pursuant to the Supervisory Board's Profile, adopted by the Supervisory Board in 2022 and published on the Company's website, the Supervisory Board strives for a mixed composition in respect of gender, age, nationality and background. Its aim is to have a composition consisting of at least one third (1/3) female members and at least one third (1/3) male members. The Supervisory Board complies with this requirement and also other criteria of diversity of expertise and experience.

Due to the small size of the Board of Directors, the target minimum participation of the minority group of at least 30% was not achieved. The Diversity Policy for the Board of Directors, adopted by the Supervisory Board in October 2022, assumes that in case of an enlargement of the Board of Directors from its current size, the Supervisory Board shall make best efforts to nominate a person in order to reflect the following ratio: at least 30% of female representation in the Board of Directors and at least 30% of male representation in the Board of Directors. The targets are considered appropriate.

The Supervisory Board has also adopted a rotation schedule and succession policy to provide continuity and avoid extended vacancies in the positions of the Supervisory Board / Audit Committee. Photon Energy's succession plan is designed to ensure that the proper function and necessary fulfilment of the Supervisory Board is met in case of vacancy.

In the event of an emergency departure, resignation or other vacancy in the Supervisory Board, the Chairman of the Supervisory Board, if unavailable, the Chairman of the Audit Committee, if unavailable, any other member of the Supervisory Board shall convene an extraordinary meeting of the Supervisory Board within one month from the day of such vacancy to discuss the functioning of the Supervisory Board and a new distribution of tasks within the Supervisory Board/Audit Committee.

Share Capital

The Company's share capital is EUR 612,385.21 divided into 61,238,521 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up. Each share has one vote at the General Meeting, with the exception of the treasury shares held by the Company (see below).

Restrictions on Transfer and Acquisition of Securities

There is no limitation on transfer of the Company's shares with the exception of the restriction imposed on employees who hold shares based on the Company's Employee Share Purchase Programme (ESPP) which is part of a remuneration plan for employees. According to the ESPP, employees are not allowed to sell their shares acquired through the ESPP for three years after the shares were deposited on their account.

In addition, certain restrictions are imposed on the Company to acquire its own shares (treasury shares). Under Article 9.1 of the Articles of Association, the Company may only acquire fully paid-up shares in its own share capital for no consideration or provided that the Company's equity minus the acquisition price is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law. No acquisition pursuant to Article 9.1 shall be permitted if a period of six months following the end of a financial year has expired without the annual accounts for such year having been adopted. The Company is not allowed to vote the treasury shares and when determining to what extent the voting rights are represented at the general meeting, they will not be taken into account.

Share Buyback

The Company did not perform any share buybacks in the course of 2024.

Shareholding Structure

As of 31 December 2024 (and in comparison, the structure as of the end of the financial year 2023), to the knowledge of the management, the shareholder structure was as follows:

Shareholders	No. of shares as of 31.12.2024	No. of shares as of 31.12.2023	% of capital as of 31.12.2024	% of capital as of 31.12.2023	No. of votes at the Shareholders Meeting as of 31.12.2024	No. of votes at the Shareholders Meeting as of 31.12.2023	% of votes at the Shareholders Meeting as of 31.12.2024	% of votes at the Shareholders Meeting as of 31.12.2023
Solar Future Cooperatief U.A.	21,748,075	21,769,075	*35.51%*	*35.55%*	21,748,075	21,769,075	*36.29%*	*36.44%*
Solar Power to the People Cooperatief U.A.	19,694,640	20,057,485	*32.16%*	*32.75%*	19,694,640	20,057,485	*32.86%*	*33.57%*
Tomala Investments ASI Sp. z o.o.	2,288,537	2,288,537	*3.74%*	*3.74%*	2,288,537	2,288,537	*3.82%*	*3.83%*
Photon Energy N.V.	1,304,862	1,491,781	*2.13%*	*2.44%*	0	0	*0.00%*	*0.00%*
Free float	16,202,407	15,631,643	*26.46%*	*25.52%*	16,202,407	15,631,643	*27.03%*	*26.16%*
Total	**61,238,521**	**61,238,521**	***100.00%***	***100.00%***	**59,933,659**	**59,746,740**	***100.00%***	***100.00%***

The ultimate beneficial owner of Solar Future Cooperatief U.A. is Michael Gartner, the ultimate beneficial owner of Solar Power to the People Cooperatief U.A. is Georg Hotar and the ultimate beneficial owner of Tomala Investments ASI Sp. z o.o. is Borys Tomala. In addition, Mr. Gartner owns 25,258 shares in the Company (0.041% of share capital) directly, Mr. Hotar owns 77,661 shares in the Company (0.127% of share capital) directly and Mr. Tomala owns 5.233 shares in the Company (0.0085% of share capital) directly.

Solely by virtue of the voting power they hold, Solar Future Cooperatief U. A. and Solar Power to the People Cooperatief U.A. (and Messrs. Gartner and Hotar indirectly) are controlling shareholders of the Company. Based on representations of the members of the Board of Directors, there are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company. There are no holders of holders of any securities with special control rights within the meaning of Article 10 of EU Takeover Directive.

Shareholders Meetings

The Annual General Meeting is held within six months of the end of the financial year. The agenda for the Annual General Meeting shall in any case include the following items: (a) the consideration of the directors' report; (b) the adoption of the annual accounts and the allocation of the profits; (c) the granting of discharge to the managing directors for their management and the supervisory directors for their supervision during the past financial year.

Voting at General Meeting

Each share confers one vote, except for the shares in the ownership of the Company (the treasury shares) which are restricted from voting. Unless the law or the Company's articles of association require a larger majority, all resolutions shall be adopted by an absolute majority of votes cast. A resolution of the General Meeting to limit or exclude pre-emption rights or to designate Board of Directors competent to limit or exclude pre-emption rights shall require a majority of at least eighty percent (80%) of the votes cast. Such a special majority is also required for the amendment of this particular provision in the Articles of Association. More about amendments of the Articles of Association are in the section “Articles of Association” below.

Annual General Meeting 2024

In the financial year 2024, the Annual General Meeting was held on 14 June 2024. In addition to the items relating to the adoption of the annual accounts for the 2023 financial year and discharge of the directors and supervisory directors mentioned above, the Annual General Meeting adopted the following resolutions: (a) It appointed Mr. Georg Hotar and Mr. David Forth as members of the Board of Directors for a period of 4 years from the day of appointment up to and including the day of the annual general meeting in 2028; (b) It appointed Mr. Marek Skreta and Ms. Boguslawa Skowronski as members of the Supervisory Board for a period of 4 years from the day of appointment up to and including the day of the annual general meeting in 2028; (c) It appointed Mr. Michael Gartner to the Supervisory Board for a period of 4 years from 1 January 2025 up to the date of annual general meeting in 2029; (d) It appointed PriceWaterhouseCoopers Accountant N.V. (PwC), with its office at Thomas R. Malthusstraat 5, 1066 JR Amsterdam to be the Company’s auditor for the financial year 2024; (e) It adopted a Remuneration Report; (f) It granted authorization to the Board of Directors to acquire shares in the share capital of the Company for a period of 18 months, ending on 14 December 2025. For more information, please visit the General Meetings section of the Corporate Governance page on our Investor Relations website.

Articles of Association

Our Articles of Association outline certain of the Company’s basic principles relating to corporate governance and organisation. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and in the Corporate Documents section of the Corporate Governance page on our Investor Relations website.

Amendment of Articles of Association

The resolution to amend the Articles of Association may only be adopted by the General Meeting on the proposal of the Board of Directors and it is adopted with a simple majority of votes cast. Notwithstanding the aforementioned, a resolution to amend Article 7.3 of the Articles of Association involving a change of the provision relating to the qualified majority to limit or exclude pre-emption rights or to designate the Board of Directors competent to limit or exclude pre-emption rights, requires a majority of at least eighty percent (80%) of the votes cast by the General Meeting. A proposal to amend the Articles of Association shall always be mentioned in the notice of the General Meeting. Furthermore, a resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.

The Articles of Association regulate the role, powers, and decision-making process of the Company bodies; the procedure for share subscription and issue, increase and decrease of share capital, share buy back and ownership of treasury shares. Some of the procedures have been described above.

Issue of Shares

The General Meeting is authorised to issue shares unless it transfers this authority to the Board of Directors (one authorization can be for a maximum of 5 years). Upon issue of shares, each shareholder shall have a pre-emption right in proportion to the aggregate nominal value of his shares. The pre-emption right can be restricted or excluded by a resolution of the General Meeting (or resolution of Board of Directors if it is authorised to do so by the General Meeting).

The General Meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the nominal value of shares by an amendment of the articles of association. This resolution shall specify the shares to which the resolution applies and shall describe how such a resolution shall be implemented. The amount of the issued share capital may not fall below the minimum share capital as required by law in effect at the time of the resolution. A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting. The Board of Directors was granted an authorisation to issue and grant rights to subscribe shares up to 10 million shares in the Company’s share capital by the Annual General Meeting held on 31 May 2022. This authorisation ends on 31 May 2027. Based on this authorisation, the Board of Directors issued 1,238,521 new shares in the capital of the Company on 1 February 2023 in connection with the acquisition of Lerta S.A. In addition to this authorisation, ending on 31 May 2027, the Board of Directors is also authorised to issue 880,277 shares in the share capital of the Company pursuant to the resolution of the Annual General Meeting held on 21 June, 2023. This authorization expires on 21 June 2028. According to both resolutions, the Board of Directors is also authorised to limit/exclude pre-emption rights relating to the newly issued shares.

Related Party Transactions

Material Related Party Transactions (RPT) require a special procedure under Dutch Civil Code and Company's internal bylaws. A transaction is material if (a) information about this transaction is inside information (as set out in article 7(1) of the Market Abuse Regulation) and (b) it is a transaction between the Company and a related party. Related parties are managing directors, supervisory directors, shareholders representing (alone or together) at least 10% of the issued share capital, and auditors.

If the material RPT is not in the ordinary course of business or not concluded on normal market terms, the RPT must be: (a) submitted for approval by the Supervisory Board; and (b) publicly announced at the latest at the conclusion of the transaction. If the MAR requires the information to be published at an earlier stage, that requirement prevails.

Where the material RPT involves a managing or supervisory director or a shareholder, that director or shareholder may not take part in the decision-making to approve the RPT. If a subsidiary of a company enters into a material RPT with a related party, the material RPT must also be publicly announced, but no approval by the Supervisory Board is required.

The following loans were granted to the Managing Directors the majority of which were extended prior to the Company being listed on public markets and thus not being subject to RPT regulations. The Supervisory Board approved the loans with a resolution passed on 30th April, 2024.

Loans Provided Directly to Managing Directors and Significant Shareholders

Name	Amount in EUR	Interest Rate	Term***
Georg Hotar	90,289	3M EURIBOR + 3%	due on 31.12.2025
Georg Hotar	606,189	3M PRIBOR + 3%	due on 31.12.2025
Michael Gartner*	99,183	3M EURIBOR + 3%	due on 31.12.2025
Michael Gartner*	-271,762**	3M PRIBOR + 3%	due on 31.12.2025

** Mr. Gartner is no longer a Managing Director, but he is a significant shareholder owning more than 10% of the Company's share capital and voting rights*

***Photon Energie s.r.o., an entity controlled by Mr. Michael Gartner, has extended a loan to the Company in the amount of EUR 271,762 in 2024*

**** Loans provided indirectly to companies controlled by the Managing Directors*

Loans provided indirectly to companies controlled by the Managing Directors

Name	Amount in EUR	Interest Rate	Term
Solar Power to the People Cooperatief U.A. *	629,441	3M EURIBOR + 3%	due on 31.12.2025
Solar Age Investments B.V. **	1,401,233	3M EURIBOR + 3%	due on 31.12.2025

** Entity 100% owned by Georg Hotar*

*** Entity owned by Michael Gartner (51.67%) and by Georg Hotar (48.33%)*

Corporate Culture and Policies

Good corporate governance is essential to creating an atmosphere of trust and building solid, lasting relationships with stakeholders, from suppliers to employees and investors, in accordance with Group values. We strive to have open culture and integrity, and to act transparently towards investors and other stakeholders. We promote focus on sustainability (renewable energy and water management are the Company's business fundamentals). We are committed to make positive contribution in the society.

We focus on innovation and think creatively when devising a solution. We prioritise health, safety and the wellbeing of everyone impacted by our work. Our focus is also on community – we believe it is our responsibility to enrich the community we are part of.

We take decisions based on careful consideration and we take responsibility for them. We value honesty and act respectfully towards colleagues, customers, engaged communities and other stakeholders. An open and transparent culture within the organisation, coupled with the capacity to reflect and be self-critical, makes identifying risks in a timely manner possible. The Company aims to have open culture where employees are recognised, and therefore, great value is placed on integrity of employees' conduct and professional attitude in which managers lead by example. Mutual respect is the basis for making well-considered decisions. A balanced relationship in the Company's senior management and balance in terms of personalities, expertise and skills are an important principle. There is zero tolerance for discrimination, harassment, corrupt practises, and fraud. The Board of Directors and the most senior management maintains direct contact with employees in all parts of the Group which includes taking part in informal gatherings.

It's also important to measure and evaluate employment practises. We have carried out employee engagement surveys in collaboration with a third party to ensure anonymity. We encourage employees to participate in these surveys because they provide important information on employees' satisfaction, motivation and expectation. Employee engagement is a concept that describes the level of enthusiasm and dedication an employee feels toward their job. Engaged employees care about their work and about the performance of the Company and feel that their efforts make a difference. Our engagement surveys measure a level of an employee satisfaction and commitment both internally and externally to the organisation, expressed as a percentage or score. Participation in the engagement survey in 2024 increased by 22% year-to-year and the average level of engagement was 74%.

The Company's values are directly or indirectly reflected in the Group policies which are applicable and binding on all employees. The below is a summary of these policies.

Ethical Conduct

The Company has adopted Code of Ethics binding to its employees. It contains a set of principles which the Company adheres to relating to human rights, good working conditions, prohibition of forced and child labour, and prohibition of corruptive, fraudulent, collusive practises. It also contains a section with specific rules of conduct for the area of purchasing and procurement. Each employee is obliged to get acquainted with it and sign it upon commencement of employment as well as upon any changes.

The document was updated several times, *inter alia* to integrate principles regarding the gender-based violence and harassment (GBVH) and to specify more in detail the commitment to upholding the human rights, including no forced or child labour, through our supply chain. Three of the five highest scoring questions in the Company's engagement survey related to the employees' reflection of ethical conduct within the Company where 98% of participants responded they are well aware of the Company's code of conduct and its ethics policies, 95% of participants think that the Company provides equal opportunities to everyone regardless of gender, age ethnicity or sexual orientation and 93% of participants were confident that the Company would take appropriate action to respond to bribery.

Third Party Conduct Principles

After implementing the Code of Ethics defining the Company values, we started to require from our partners and suppliers to follow these rules as well. The Company has therefore established Third Party Conduct Principles reflecting the Group's core values and the basic principles laid out in the Group's Code of Ethics which are relevant for each partner and supplier ("Third Party") that works with the Group. These are for example rules preventing corruption, zero tolerance to forced and child labour, rules ensuring decent working conditions, occupational health and safety and other workers' rights and rules aiming to preserve natural environment. The counterparties are required to sign, acknowledge and commit to adhere to and comply with these principles.

Antibribery Policy and Whistleblowing

The purpose of Antibribery Policy is to outline measures taken by Photon Energy Group against specific unethical or illegal conduct which may be considered corruption. It provides information and guidance on how to identify and proceed in situations which may lead to or may constitute bribery and corruption. In addition, a new antibribery training was completed for the entire Photon Energy Group.

The Company also set up a misconduct whistleblowing portal (SpeakUp Line) through which concerns ethical and other misconduct that can be considered a violation of law or the Code of Ethics (such as for example, discrimination, bribery, harassment) can be reported by all stakeholders (both internal and external). The hotline is independently operated, confidential and anonymous and is available in all areas and languages where the Company operates. The Whistleblowing Policy creates a detailed procedure for processing a complaint and ensuring objectivity and independence. All reports are assessed by the compliance team (privacy officer) and then addressed on a case by-case basis. The compliance department and the Board of Directors reviews the process and reports and ensures that there are arrangements in place in the event an independent investigation is needed, and follow-up action is taken. In the reporting year, there were three reports received through the whistleblowing channel which were properly investigated and reported to management. Follow-up measures were taken; one complaint resulted in disciplinary proceedings.

Insider Trading Policy and Managers Transaction Policy

Since Company has its shares listed on regulated markets and has its seat registered in the Netherlands, it must comply with the Dutch Financial Supervision Act and with the MAR (Market Abuse Regulation). This policy which is signed by all Group employees along with their contract of employment, has been developed to make sure that employees understand their obligations to preserve the confidentiality of undisclosed information and their legal obligation not to use inside information for trading Company's shares or bonds. Employees who have permanent access to confidential, inside information are on the insiders' list and subject to trading restriction periods. They are reminded of their obligations on a quarterly basis.

Senior managers who can be identified as Persons Discharging with Managerial Responsibilities (as defined in the MAR) have a special position with any publicly tradable company and therefore the MAR and other applicable laws impose more stringent reporting requirements on them. According to Article 19 of the MAR, persons discharging managerial responsibilities (PDMR), as well as persons closely associated with them, must notify the Company as the issuer and the competent authority (which is the Dutch Autoriteit Financiële Markten or AFM) of every transaction conducted on their own account relating to the shares or debt instruments which reaches a threshold of EUR 5,000 and any subsequent transaction within a calendar year (1.1–31.12. of a respective year). Effective from 4 December 2024, this threshold was increased to EUR 20,000 within a calendar year by the EU Listing Act. The Group's Managers Transaction Policy informs the PDMR of these obligations and provides guidance on how to report that transaction, informs them what their other disclosure duties are (when they reach or cross certain thresholds in ownership of Company's shares) and when there are closed periods in which the PDMRs and insiders are restricted from trading the securities.

Cybersecurity and Use of IT Assets

Increased threats of potential cyber risks and related requirements that will have to be implemented as a result of the NIS 2 Directive (energy industry considered as the essential infrastructure) have elevated IT and cybersecurity to a top strategic priority. The NIS 2 Directive, which came into force in January 2023, has required EU Member States to incorporate its provisions into national legislation by October 2024. It establishes stricter cybersecurity risk management measures and reporting obligations, expanding its scope to cover more entities and introducing additional mandatory security measures and incident notification requirements. For organisations within its scope, compliance with new cybersecurity requirements will be mandatory. National legislations are currently in various stages of transposition of this directive into national law, with Hungary and Slovakia having already adopted a new cybersecurity law. The Company has established a project group to oversee the implementation of NIS 2 requirements and monitor developments in national legislation across relevant jurisdictions.

In 2023, the Company conducted an ISO/IEC 27001 audit to ensure the confidentiality, integrity, and availability of information assets. Based on the findings, an action plan has been developed, aiming to achieve certification for relevant parts of the Company. A Policy on Use of IT assets was adopted in 2023. The policy's objective is to contribute to the protection of the Company assets, train and guide employees, provide clear outline and information on how to prevent cyber-attacks and prevent an unauthorized release of confidential information.

Health and Safety

A healthy and safe working environment is an important focus within the Group, and preventing accidents culture is an important part of this. The Company has a health and safety policy implemented in each of its jurisdictions to reflect local legal requirements. The employees are subject to periodic training necessary for and relevant to, the nature of the work they perform. Our Operations and Maintenance and Engineering companies are certified under the ISO 9001, 14001 and 45001. These ISO standards cover quality management, environmental and occupational health and safety systems. 95% of employees participating in engagement survey responded that they are never put into a position when their safety is compromised.

Decree Article 10 EU Takeover Directive

According to the Dutch Decree Article 10 EU Takeover Directive, Photon Energy N.V. is required to report on the following:

a) The structure of the capital – *please see above section, **Share Capital***

b) Any restrictions on the transfer of securities – *please see above section **Restrictions on Transfer and Acquisition of Securities***

c) Significant direct and indirect shareholdings – *please see above section **Shareholding Structure***

d) The holders of any securities with special control rights and a description of those rights – *there are none in the Company*

e) The system of control of any employee share scheme where the control rights are not exercised directly by the employees – *there are none in the Company*

f) Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities – *please see above section **Share Capital***

g) Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC – *there are none in the Company*

h) The rules governing the appointment and replacement of board members and the amendment of the articles of association – *please see above sections **Board of Directors**, **Supervisory Board** and **Amendment of the Articles of Association***

i) The powers of board members, and in particular the power to issue or buy back shares - *please see above sections **Board of Directors**, **Supervisory Board and Share Buyback***

j) Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements – *the Company has entered into a number of financing agreements which stipulate that a change of control requires notification to the lender and renders the entire loan, together with accrued interest, immediately due and payable. In addition, the Terms & Conditions of the Green EUR Bond 2021/27, the bondholders are entitled but not obliged to demand redemption or – upon the Company's election – repurchase of their bonds in whole or in part by the Company or by a third party at the Company's request. The early redemption may only take effect if the bondholders owning bond of a nominal value of at least 50% of the total nominal principal value of outstanding have exercised the redemption option. Please not that the definition of 'change of control' varies in each facility agreement.*

k) Any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid - *there are none in the Company*.

Stakeholder Dialogue

The Company adopted a concise Stakeholder Dialogue Policy in 2024 which is also published on our website.

It details our engagement and communication with stakeholders such as shareholders, bond investors, suppliers, customers, local communities.

Below is an overview of stakeholder groups and the ways the Company engages and communicates with them:

Stakeholder Group	Ways of Engagement and Communication
Employees	All-employee town-hall style meetings, trainings, team buildings, engagement surveys, the Grid (all Group internal resource and communication system), and individual email communication.
Investors/shareholders	Annual and Extraordinary shareholders meetings, quarterly investors presentations, road shows and investors' conferences which provide an opportunity to engage into a direct dialogue with the investment community, periodic and ad-hoc reports, publication of research and valuations by various research institutes and analysts whenever possible and allowed under the conditions of co-operation with the respective research house.
Customers	Periodic meetings, trade fair participations, key account management.
Suppliers	Periodic meetings, trade fair participations, close contact and DD of supply chain management, in particular with regard to human rights commitments and environmental policies.
Local Communities	Discussion and meetings with local authorities at multiple level, universities, local research institutes, and residents living close to our PV installations, employee volunteering, CSR days, company donations.
Governments and Regulators	Conferences, meetings, dialogue on legislative changes through local solar associations or local experts, policy and legislative developments.
Industry Groups	Solar Associations, Intersolar, Clean Energy Council, Australian Land and Groundwater Associations.

Diversity for the Group

A Diversity and Inclusion Policy for the entire enterprise was adopted in 2024 and its objective is to ensure that diversity and inclusion are integral parts of our corporate culture and decision-making processes. By fostering an inclusive environment, we aim to leverage the diverse talents, ideas, and contributions of our employees to drive innovation and excellence in all aspects of our business. that all employees receive fair and impartial treatment and have access, support and resources so that they can prosper.

Photon Energy Group is an international undertaking with subsidiaries in a number of countries and a workforce that includes many nationalities (26 in total). It is a matter in which the Group takes great pride. Diversity in Photon Energy Group focuses on a variety of abilities, skills, and nationalities. Our employees consist of a mix of men and women and there is a balanced age distribution. More than 94% of the respondents in our engagement survey feel that the organisation provides equal opportunities to everyone, regardless of age, gender, religion or sexual orientation; the same percentage responded that they are treated with respect and dignity. Diversity of our workforce brings along a very broad set of skills and experience. We have a strong ambition to set ourselves ambitious targets in terms of gender diversity; however, the proportion of women in the technical and technological areas is relatively low due to the nature of the work and the lack of labour market supply.

We are committed to target and recruit more women also for more senior positions and nurture the talent by introducing programs for middle and senior management to achieve gender balance. A 4-point action plan was prepared in 2024 by the HR department to help the Group achieve gender balance including for example, to open every managerial position internally first to give everyone the opportunity to apply for, to continue supporting female employees returning from maternity leave (providing flexible workloads, a hybrid work regime) and to identify key factors that would support female employees' ambitions to develop their leadership potential.

Employee Gender Split Total

Employees – Total Headcount	Count of Gender	Average Age	Age Range
Male	210	39.5	20–65
Female	125	37.8	23–57
Grand Total	**335**	**38.9**	**20–65**

Gender Split per Function 2024 (Employees, Management and Supervisory Boards)

	Total	Male	Female	Male %	Female %	Target
Management Board	**2**	**2**	**0**	**100%**	**0%**	**1/3**
Supervisory Board	**3**	**2**	**1**	**66%**	**34%**	**1/3**
Senior and Mid-level Management	**54**	**41**	**13**			**n/a**
Senior Management	3	3	0	100%	0%	n/a
Mid-level Management	51	38	13	75%	25%	n/a
Professionals (Prof. + Admin)	**281**	**169**	**112**	**60%**	**40%**	**n/a**
Professional	262	165	97	63%	37%	n/a
Administration	19	4	15	21%	79%	n/a

KYS/KYC and Other Policies

We are also launching an Onboarding Policy for Know Your Supplier and Know Your Customer procedures and supply chain management through our ERP system.

Compliance with Corporate Governance Codes

Dutch Corporate Governance Code

The Company is required to apply the Dutch Corporate Governance Code 2022 because its shares are admitted to trading on an EU regulated market. The Dutch Corporate Governance Code 2022 (DCGC) was prepared by the Dutch Corporate Governance Code Monitoring Committee (Committee) which adopted a revised text, taking effect from 1 January 2023. The DCGC was updated in areas such as focus on sustainable, long-term value creation, diversity and the role of the Supervisory Board and stakeholder dialogue. The application of the principles and best practice provisions of the DCGC is not compulsory and is subject to the "comply or explain" (*pas toe of leg uit*) principle.

Report on compliance with the Dutch Corporate Governance Code can be found on the Company's website, section Investor Relations.

Principle / Best Practice	Explanation of Departure from the Dutch Corporate Governance Code
Chapter 1. Long-Term Value Creation	
Internal Audit Function (Principle 1.3)	**Partially applied.** The Company partially adheres to this principle. An explanation of how the Company departs from the principle is based on the analysis of the individual best practises below.
Appointment and dismissal (Best practice 1.3.1) and assessment of the internal audit function (Best practise 1.3.2)	**Not applied.** The Company does not apply this best practice as there is no formal internal audit unit in the Company. As of the date of this report the function of internal audit unit is performed by one senior employee ("audit specialist") with competence and knowledge of accounting and auditing procedures who is tasked with the role by the Board of Directors. The Supervisory Board performed an annual assessment of internal audit procedures and included its conclusions with regards to the existing alternative measures, along with any resulting recommendations, in the report of the Supervisory Board. The Risk Manager who reports directly to the Board of Directors and the Statutory reporting and compliance manager support the Internal Audit function.
Internal Audit Plan (Best practise 1.3.3-1.3.5)	**Not applied.** The Internal audit plan is not formally drawn up and executed due to the non-existence of a formal internal audit function.
Chapter 2. Effective Management and Supervision	
Composition and size (Principle 2.1)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Diversity Policy and accountability about diversity (Best practise 2.1.6)	**Partially applied.** The diversity requirements for the Supervisory Board are listed in the Profile of the Supervisory Board adopted in 2021 and amended in 2023. The Company complies with Article 2:142b of the Dutch Civil Code with regard to statutory quota for the Supervisory Board ((at least 1/3 of the Supervisory Board members are male and at least 1/3 are female) even though this Article is not applicable to the Company not being listed on Euronext. The Diversity Policy for the Board of Directors was adopted in 2022. Due to the size of the Board of Directors, which consists of two members one of them being a founder and major shareholder of the Company, the target minimum participation of the minority group of at least 30% was not achieved. The Diversity Policy assumes that in case of an enlargement of the Board of Directors from the current size, the Supervisory Board shall make best efforts to nominate a person in order to reflect the following ratio: at least 30% of the Board of

Principle / Best Practice	Explanation of Departure from the Dutch Corporate Governance Code
	Directors will be comprised of women and at least 30% of the Board of Directors will be comprised of men. The Company has adopted an enterprise D&I policy, which is discussed above in the Diversity and Inclusion section. We have a strong ambition to set ourselves ambitious targets in terms of gender diversity; however, the proportion of women in the technical and technological areas is relatively low due to the nature of the work and the lack of labour market supply.
Appointment, succession and evaluation (Principle 2.2)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below. The Company believes that it adheres to this principle partially as transparency of the procedures is ensured by the formal rules set out in the current regulations of the Company, i.e. in Articles of Association.
Succession (Best practise 2.2.4)	**Partially applied.** The succession plan for the Supervisory Board was implemented in 2022. Succession plan for the Board of Directors has not been implemented.
Duties of the selection and appointment committee (Best practice 2.2.5)	**Not applicable.** This best practice has not been applied as there is no selection and appointment committee appointed in the Supervisory Board due its limited size. The entire Supervisory Board performs the function of the committee. It should be noted that the Articles of Association allow that such committees are appointed by the Supervisory Board in the future, at the discretion of the Supervisory Board and according to the needs of the Company.
Culture (Principle 2.5.4)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Employee participation (Best practice 2.5.3)	**Not applied.** The limited size of the Company, its distribution over several countries of operation and its flat managerial structure does not justify implementation of an employee participation body.
Preventing conflict of interest (Principle 2.7)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Personal loans (Best practice 2.7.6)	**Not applied.** This best practice has not been applied as the Company has granted such loans to its Board of Directors' member and companies controlled by him. All details about the loans are disclosed in the corporate governance report. These loans were extended prior to the Company being listed on the main public market. The loans were approved by the Supervisory Board on 30 April 2024.
Chapter 3. Remuneration	
Determination of Board of Directors remuneration (Principle 3.2)	**Not applied.** The Supervisory Board has not submitted the remuneration proposal to the General Meeting and the remuneration was not discussed. More info on remuneration in the Remuneration report.
Accountability for implementation of remuneration policy (Principle 3.4)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Agreement of Board of Directors member (Best practice 3.4.2)	**Not applied.** This best practice is not applicable as there are no Board of Directors' agreements in place between the Company and Board of Directors members. The Board of Directors was appointed by notarial deed of incorporation in 2010 and re-appointed for the term of 4 years by the 2024 Annual General Meeting.
Chapter 4. The General Meeting	
Provision of information (Principle 4.2)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Policy on bilateral contacts with shareholders (Best practice 4.2.2)	**Partially applied**. The Company adopted the Stakeholder Dialogue Policy in which it describes the means of communication with various stakeholders, including shareholders. The Company does not formulate a separate bilateral policy of dialogue between the Company and its shareholders. The Company however keeps a dialogue with its shareholders and provides extensive reports to its shareholders and investors, also with a quarterly online presentation of business update and financial results during which questions from shareholders and investors are answered. In addition, one of the Company's major shareholders serve on the Board of Directors and some of Company employees are Company's shareholders through Employee Share Purchase Program. This unique set-up allows for more communication channels between the Company and its shareholders.
Outline of anti-takeover measures (Best practice 4.2.6)	**Not applied.** This best practise has not been applied as there are no anti-takeover measures implemented by the Company. The Articles of Association state that anti-takeover measures may be adopted by the Supervisory Board, when necessary.
Casting votes (principle 4.3)	**Partially applied.** An explanation how the Company deviates from this principle is based on the analysis of the individual best practises discussed below.
Voting right on financing preference shares (Best practice 4.3.4)	**Not applicable.** There are no preference shares.
Publication of institutional investors' voting policy (Best practice 4.3.5)	**Not applied.** The Company has not implemented a voting policy for institutional investors as there are currently no institutional investors who have expressed an interest in participation in the Company's general meetings and a need for such policy to be implemented.
Report on the implementation of institutional investors' voting policy (Best practice 4.3.6)	**Not applied.** See explanation above in point 4.3.5.
Abstaining from voting and Share lending 4.3.7 and 4.3.8	**Not applicable.** No shareholders have short position in the Company and no Company shares were lent.
Issuing depositary receipts for shares (Principle 4.5)	**Not applicable.** The Company has not issued depository receipts for shares.

Best Practice for GPW Listed Companies

The WSE Best Practices for companies listed on WSE 2021 is a set of recommendations, principles, best practices and rules of procedure for governing bodies of publicly listed companies and their shareholders. The publicly listed companies shall disclose information on their compliance with corporate governance rules and the scope of information to be provided. If a publicly listed company does not comply with any specific rule on a permanent basis or has breached it incidentally, such publicly listed company is required to disclose this fact in the form of a current report. Furthermore, a publicly listed company is required to attach to its annual report information on the scope in which it complied with the WSE Best Practices 2021 in a given financial year. Accordingly, the Company has taken or will take the necessary actions to observe all the rules comprising the WSE Best Practices to the fullest extent possible. Below is a list of Best Practises which the Company applies only partially or does not apply. The rest of the Best Practises are observed and applied by the Company.

No.	Principle / Best Practice	Comments of the Company
	1. Management Board, Supervisory Board	
2.2.	Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.	**The principle is not applied** The target minimum participation of the minority group of at least 30% was achieved in case of the composition of the Supervisory Board. Due to the size of the Management Board, which consists of two members, the target minimum participation of the minority group of at least 30% was not achieved. The diversity policy assumes that in case of an enlargement of the Management Board from the current size, the Supervisory Board shall make best efforts to nominate a person in order to reflect the following ratio: at least 30% of the Management Board will be comprised of women and at least 30% of the Management Board will be comprised of men.
2.7.	A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.	**The principle is not applied** The principle is not applied however in the Rules of Procedure of the Supervisory Board point 3.2 states that "Management Board members and Supervisory Board members, shall report any other positions they may have to the Supervisory Board in advance and, at least annually, the other positions should be discussed at the Supervisory board meeting". This partially mitigates the risks which are addressed by this principle.
	2. Internal Systems and Functions	
3.2.	Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.	**The principle is not applied.** The Management Board and Supervisory Board believe that the current organisation and resources responsible for the individual systems are sufficient and adequate to the size of the Company and specifics of its business. Given the nature of the Company's business, it seems reasonable to keep risk management and controlling department integrated as a part of the financial department, as they all provide necessary input for the investment decisions. This ensures that both financial and non-financial information is collected, analysed, and processed within the same department and the optimal business decision is taken. For more details, please see the Supervisory Board report for the year 2024.
3.3	Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.	**The principle is not applied** The Audit Committee has performed a thorough and continuous review of the internal risk management systems, internal audit function, controlling and legal compliance policies, throughout the year and also during its on-site visits in May and November 2024. The assessment includes the evaluation of the existing processes in place, human resources, its competences, and responsibilities as well as the reporting structure within the organization. The chairman of the Audit Committee performed the analysis through the consultations with the responsible personnel (the management, CFO, COO, the head of risk, finance director, the head of accounting and consolidation, and the head of compliance). He reviewed the procedures and evaluated whether adequate resources are in place and discussed relevant topics with external auditors. He observed that the finance and controlling departments are stabilised and robust and sufficient human resources are allocated. While a bulk of the finance processes remain to be put into a more formal setting, the Audit Committee concluded that the current measures with respect to internal audit function are more or less adequate and there is no indication of any fraud. They recommended that a stronger formalization of the internal

No.	Principle / Best Practice	Comments of the Company
		audit function (either through hiring of an appropriate candidate or sourced out externally with the consulting firms) is desirable, in line with the recommendation published in the 2023 annual report. The focus is on elimination of manual errors. The results of this analysis were discussed with the Board of Directors
3.6.	The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.	**The principle is not applied.** This principle is not applied as there is no separate internal audit unit in the Company, there is no head of the internal audit department, who could be placed in the organisational structure as required by this principle. Further explanation can be found in comment 3.1. and 3.3.
3.10.	Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.	***The principle is not applicable.*** The Company was in the third year of this obligation hence this obligation to review the internal audit function by an independent auditor was not required in the course of the reporting period.
	3. General Meeting, Shareholder Relations	
4.1.	Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.	**The principle is not applied.** Historically, there has never been an interest expressed by minority shareholders to participate in a general meeting by means of electronic communication (e-meeting). While the company does not offer participation at the general meeting through electronic means of communication, it provides its shareholders an option to (i) vote in advance on all resolutions on the agenda of a general meeting; and (ii) ask questions in advance, in order to ensure full participation of all shareholders. The shareholders also have an option to participate in quarterly investors podcast where they can pose questions and learn in detail about financial results, business development and strategy.
4.3.	Companies provide a public real-life broadcast of the general meeting.	**The principle is not applied.** Please see the explanation provided in the principle 4.1.

The full text of the statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021 is available on the Company’s website.

Supervisory Board Report

The Supervisory Board of the Company is responsible for supervising and advising the Board of Directors. In exercising its role, the Supervisory Board follows the applicable law, the Articles of Association of the Company, Dutch and Polish Corporate Code of Conduct, Rules of Procedure of the Supervisory Board, and the Company's interests. It is a separate body that operates independently of the Board of Directors.

Composition and Diversity

Name	Age	Gender	Nationality	Date of Appointment	Term of Office	Function	Independency Status
Marek Skreta	58	Male	Swiss	14.6.2024	2028	Chairman of the Supervisory Board	Independent
Boguslawa Skowronski	68	Female	Polish, Swiss, U.S.	14.6.2024	2028	Member of the Supervisory Board	Independent
Ariel Sergio Davidoff	57	Male	Swiss	31.5.2022	2026	Chairman of the Audit Committee	Independent

[1] *Independence is defined within the meaning of the Dutch Corporate Code*

In accordance with the Dutch Corporate Governance Code. the General Meeting may appoint the Supervisory Directors for a maximum of four years and his/her term of office shall lapse on the day of the annual General Meeting held in the fourth year after the year of his/her appointment. A Supervisory Director may be re-appointed once for another period of four years after which he/she may be re-appointed once for a maximum period of two years, which term may be extended once for a maximum period of two years. A Supervisory Director may serve for a maximum of 12 years in total.

The profile of the Supervisory Board member was prepared and adopted by the Supervisory Board on 31 March 2021 and is published on the Company's website. The composition of the Supervisory Board complies with the gender, expertise and other requirements as defined in the Supervisory Board profile and Dutch law. At least one third of the Supervisory Board is comprised of female members and at least one third is comprised of male members. The Succession and Retirement Plan was adopted on October 14, 2022 by the resolution of the Supervisory Board and ensures more staggered succession of Supervisory Directors. Two of the Supervisory Directors were reelected last year and will be serving on the Supervisory Board until 2028; one Supervisory Director's term expires in 2026.

The Supervisory Board is independent as a whole in accordance with the best practise provision 2.1.7. of the Dutch Corporate Governance Code, and all Supervisory Directors, including the chairman, are independent within the meaning of best practise provisions 2.1.8 and 2.1.9. of the Dutch Corporate Governance Code.

Role of the Supervisory Board

In accordance with the applicable law and the Rules of Procedure, the Supervisory Board is tasked with the supervision of the policies of the Board of Directors and the general course of affairs of the Company and its affiliated business. The supervision of the Board of Directors includes, *inter alia*, the strategy of the Company, the financial reporting process, functioning of internal risk management, maintenance of the Company's corporate governance structure, liaising with the Company's external auditor and supervision of preparation of annual accounts. Full account of the Supervisory Board responsibilities is given in Article IV of the Rules of Procedure, published on the Company's website.

Meetings

In accordance with the Article VII of the Rules of Procedure, the Supervisory Board meets whenever a Supervisory Director considers appropriate and as often as it is required for the proper performance of the Supervisory Board duties. In any event, the Supervisory Board shall meet at least once a year. The Supervisory Board may also adopt resolutions without holding a meeting provided that all Supervisory Directors have consented to this manner of adopting resolutions and the votes are cast in writing or by electronic means.

The Supervisory Board meets regularly with the Board of Directors to get current information about operations and other matters. The Supervisory Board is authorised to inspect the books and records of the Company, and the Board of Directors shall provide the Supervisory Board with information required for the performance of its duties. While the Chairman of the Supervisory Board coordinates the communication and information exchange between the Board of Directors and the Supervisory Board, each individual Supervisory Director shall have his/her own responsibility for obtaining the information from the Board of Directors. In addition, with the prior approval of the Board of Directors, the Supervisory Board may seek assistance of one or more experts in performing its duties at the expenses of the Company.

In the financial year 2024, reacting to the challenges of the Company during this year the Supervisory Board increased the frequency of its meetings and met 11 times, in person or through videoconference. Additionally, the Audit Committee met four times, in person or through videoconference. The Supervisory Board adopted one written resolution. In 2024, the Supervisory Board discussed a wide range of topics, including:

- Strategy and guidance for the year 2024 and sustainable long-term value creation were discussed at the beginning of the financial year and throughout the year. The Supervisory Board and the Management discussed the direction and focus of the Group on capacity market and aggregation, trading and origination, green bonus and other subsidies, and other strategies for sustainable long-term value creation, development of proprietary portfolio vs. acquisition of ready-to-built projects.
- Budget considerations, feed-in-tariffs versus merchant-based portfolio, revenue mix of the Group.
- Regulatory landscape and the risks involved (changes in supporting schemes in Czech Republic, Romania and Hungary)
- Continued integration and management of New Energy (Lerta) business, its business lines and the departure of the two founding members of Lerta.
- Financial results were discussed and analysed on quarterly basis, including focus on cashflow, maintaining liquidity and results and margins of the individual Company operational segments
- Developments and trends on energy markets in the EU, Australia and worldwide, and specifically in jurisdictions where the Company is active, volatility of electricity prices, existing and upcoming legislative changes affecting the Company's business; the component trading business and new team
- Divestment of developed projects in Poland, Divestment of projects in Australia (Leeton, Fivebough, Boggabri) and the direction of Australian business
- Development and construction of the proprietary portfolio in Romania
- RayGen's technology and development of Yadnarie, PFAS potential and other projects
- Financing of the Group and loans; development of the Company's share and Green Bond price
- Resignation of Mr. Gartner from the Board of Directors, his nomination into Supervisory Board and nomination of Mr. Forth into the Board of Directors
- The Audit Committee together with the external auditor discussed the audit plan, increase of materiality threshold (in relation to the increase of revenues), key audit matters, Lerta's goodwill and valuation of Australian business and the outcome of audit in accordance with the good practise 1.7.4 of the Dutch Corporate Governance Code
- The chairman of the Audit Committee made several on-site visits, met with the Board of Directors and individual employees/managers and reviewed Company's internal risk management, controlling, compliance and internal audit procedures (more on this topic below)
- The Supervisory Board also held an off-site meeting taking place in Germany. The sessions included online presentations by the division heads, discussions about the direction of the Group, cost-cutting measures to be taken, evaluation of various sources of cash flow
- Necessary implementation of the legislative requirements under the EU CSRD Directive (EU taxonomy), sustainability reporting and NIS2 Directive were discussed
- The Supervisory Board, through a written resolution approved the 2023 standalone and consolidated financial statements, loans extended to Managing Directors, and changes to Remuneration Policy.

Attendance of Supervisory Board Members	Supervisory Board Meetings
Boguslawa Skowronski	83%
Ariel Sergio Davidoff	100%
Marek Skreta	83%

Evaluation

During an open discussion in the meeting, the Supervisory Directors performed a self-evaluation and an evaluation of the Board of Directors, individually and as a whole. They agreed that the Supervisory Board operated efficiently and its cooperation with the Board of Directors and the auditors was good with appropriate distribution of the roles and tasks. It was concluded that the Supervisory Board as a whole, as well as its individual members, functioned well. The communication from the Board of Directors takes place in a transparent and constructive manner and the Board of Directors has been forthcoming in all requests for information.

The Supervisory Board has further evaluated the functioning of the Board of Directors as a whole, as well as its individual members in a closed meeting in accordance with best practise 2.2.7 of the Dutch Corporate Governance Code and in discussions with the Board of Directors. They stated that the communication between the Boards was very good; the discussions were held in an open and transparent atmosphere while maintaining a sufficiently critical review. The Managing Directors were available and active and provided all cooperation and information necessary for successful functioning of the Supervisory Board. The Supervisory Board has met more frequently than in the past (also due to the regularly scheduled monthly update calls) and also held an off-site meeting for 2 days with the aim to get acquainted with the Group's business more in detail (more info above in *Meetings*). The Chairman of the Supervisory Board expressed its appreciation of the work performed by the Head of Audit Committee and the Company Secretary.

Committees

In accordance with Article VIII of the Rules of Procedure, the Supervisory Board may appoint standing and/or ad hoc committees from among its members which are charged with tasks specified by the Supervisory Board. Currently, due to the small size of the Supervisory Board, the function of each committee is performed by the entire Supervisory Board. Apart from the Audit Committee, which the Supervisory Board created formally on 4 December 2020, no committees were formally established. Other committees, such as Remuneration Committee or Selection and Appointment Committee, will be established if the need for such committees arises in the future. Up until then, the Supervisory Board will perform all functions as a whole.

Work of the Audit Committee

The Company's Audit Committee (and in particular its Chairman) undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. It maintains contact with the external auditors and monitors the Board of Directors in connection with the Company's funding, tax policy and application of IT technology, especially with respect to cybersecurity.

In the course of 2024, Audit Committee met four times in total. The Audit Committee met three times with the external auditor, reviewed the audit plan and was presented with the outcome of the audit. The Head of Audit Committee visited Company headquarters and operations in the Czech Republic, conducted interviews with senior personnel and engaged in preparatory work for the Supervisory Board's meetings.

The Supervisory Board, performing a function of the Remuneration and Nomination Committee, evaluated the Board of Directors' and Supervisory Board's remuneration and prepared the Remuneration Report which shall be submitted to the General Meeting.

Assessment of the Internal Control, Internal Audit, Risk Management, Compliance Systems

The Audit Committee has performed a thorough and continuous review of the internal risk management systems, internal audit function, controlling and legal compliance policies, throughout the year and during its on-site visits in May and November 2024. The assessment includes the evaluation of the existing processes in place, human resources, its competences, and responsibilities as well as the reporting structure within the organisation. The chairman of the Audit Committee performed the analysis through the consultations with the responsible personnel (the management, CFO, COO, the head of risk, finance director, the head of accounting and consolidation, and the head of compliance). He reviewed the procedures and evaluated whether adequate resources are in place and discussed relevant topics with external auditors. He observed that the finance and controlling departments are stabilised and robust and sufficient human resources are allocated. While the bulk of the finance processes remains to be put into a more formal setting, the Audit Committee concluded that the current measures with respect to internal audit function are more or less adequate and there is no indication of any fraud. They recommended that a stronger formalisation of the internal audit function (either through hiring of an appropriate candidate or sourced out externally with the consulting firms) is desirable, in line with the recommendation published in the 2023 annual report. The focus is on elimination of manual errors. The results of this analysis were discussed with the Board of Directors.

Assessment of the Compliance with the Dutch and Polish Best Corporate Governance Standards

Supervisory Board reviewed the compliance report with the best Dutch and Polish corporate governance standards for 2024 and discussed with the Board of Directors the practises which were improved during year 2024 and those which still remain as 'not applied'. The Supervisory Board gave recommendations on measures which shall be taken to further improve the compliance with best practises during the course of the year 2025.

Assessment of the Rationality of Expenses Referred to in Principle 1.5 of the Polish Best Corporate Governance Standards (Donations and Sponsorship)

In accordance with the requirement of the Polish Corporate Governance Code, the Supervisory Board has reviewed the donations and sponsorship contributions for 2024. It views them as immaterial in terms of value, and legitimate given the core business of the Company. The Company's policy is to give back to local communities in which it operates its business, and it may have a form of local initiatives' support. An overview of the largest donations made in 2024 by the Company is located in 'Sponsorship and Donations' section of the Directors Report.

Financial Statements 2024

The financial statements are audited by PricewaterhouseCoopers Accountants N.V., which was appointed to be the Company's auditor by the Annual General Meeting on 14 June 2024. The Supervisory Board established that the external auditor was independent of the Company. The 2024 financial statements were approved by the Supervisory Board on 24 April 2025.

The Supervisory Board will submit the financial statements to the 2025 Annual General Meeting and will propose that the shareholders adopt them and release the Board of Directors from all liability in respect of its managerial activities and release the Supervisory Board from all liability in respect of its supervision duties.

Conclusion

The financial year 2024 was another challenging year when the Company had to cope with external factors such as unpredictability of electricity prices, unstable geopolitical situation, high interest rates and negative regulatory interventions. While the finance department has been largely stabilised under the new CFO, new (and old) internal challenges have continued, caused by the introduction of cost-cutting measures, the departure of Lerta's founders and complexity because of the wide variety of business divisions. Through a number of divestments and decreasing operational costs, the Company was able to stabilise its financial results, and we believe that we will be navigating calmer waters in 2025. On behalf of the Supervisory Board, we would like to thank the Board of Directors and all employees of Photon Energy Group for their commitment and personal contribution to the financial year 2024.

On behalf of the Supervisory Board, we would like to thank the Board of Directors and all employees of Photon Energy Group for their commitment and personal contribution to the successful financial year 2024.

Amsterdam, 24 April 2025

Marek Skreta

Boguslawa Skowronski

Ariel Sergio Davidoff

Remuneration Report

The remuneration of the Board of Directors is paid out in accordance with the Remuneration Policy, prepared by the Supervisory Board and adopted by the General Meeting on 1 June 2021. First amendment to the Remuneration Policy was submitted by the Supervisory Board to the General Meeting and adopted on 31 May 2022; second amendment was submitted by the Supervisory Board to the Annual General Meeting and adopted on June 14, 2024. The amendment adopted last year was adopted in order to better reflect the composition of the Board of Directors which now consists of a director who is a major shareholder as well as a director who does not hold shares in the Company. It aims to attract, motivate and retain qualified and experienced individuals and reward them with a competitive remuneration package while considering its size and unique characteristics. Gender, age, nationality, race, ethnic origin or other personal characteristics do not play any role in determining remuneration practice.

This Remuneration Report comprises information within the meaning of articles 2:135b Dutch Civil Code and Section 3.4.1 of the Dutch Corporate Governance Code 2022 and is also published as part of the 2024 Annual Report. It will be submitted to the General Meeting for an advisory vote. The Remuneration Report for the 2023 financial year was approved by the 2024 Annual General Meeting's unanimous vote.

The Board of Directors Remuneration

Fixed Remuneration

The Managing Directors take part in the Company's day-to-day activities and they receive a fixed remuneration adequate to the competitive market levels of remuneration. In 2024, the Company performed a comparison within a reference group of its industry peers listed on European public markets (France, Spain, Germany) and determined that the remuneration of both Management Board members was close to the median of the benchmark.

In accordance with the Remuneration Policy, Managing Directors receive their remuneration as part of their engagement with Photon Energy N.V. (Mr. Forth) or as part of their employment by an affiliated company within the Photon Energy Group (Mr. Hotar). They do not receive compensation for their duties performed in connection with serving on the Board of Directors of the Company or other Group of entities.

Furthermore, no emoluments of the Managing Directors, including pension payments were paid to the Managing Directors in 2024. No contracts with the Company nor any of its Subsidiaries have been provided to a Managing Director that give entitlement to benefits upon termination of employment. Mr. Georg Hotar receives a regular salary as an employee in his function as managing director of Global Investment Protection AG in Switzerland, Mr. David Forth is engaged by the Company based on a contract for services and receives compensation for his services and Mr. Michael Gartner received a salary as a managing director of Photon Energy Australia Pty Ltd.

Variable Remuneration and Stock Options

In accordance with the amended Remuneration Policy, an annual variable remuneration (short-term incentive) linked to companies KPIs and adequate to competitive market levels can be awarded to the Management Board members. In alignment with the Company's strategy, the Supervisory Board, at its discretion, will consider short or longer-term goals and their respective weights and targets for the respective bonus period; a part of the variable remuneration may therefore reflect a period longer than one performance year. The Supervisory Board shall also consider the following: (i) Company's strategy; (ii) historical performance and business outlook; (iii) long term value creation; (iv) stakeholders expectations. Due to the worsening of the Company's financial results in 2024, it was decided not to distribute variable remuneration to the Managing Directors and therefore no applicable performance targets were considered. No variable remuneration was paid to the Managing Directors in the financial year 2024.

The Managing Directors currently do not receive stock options or any other rights to acquire shares in the Company. In line with the Remuneration Policy, the interests of the Company in long-term value creation are ensured by the member of the Board of Directors and CEO being also the founder and majority shareholder of the Company. As such, the long-term incentive for the Board of Directors is the Company's share appreciation..

No stock options or other rights were granted to the Managing Directors or the employees of the Company in 2024.

Claw-backs/Severance Payments

No claw-back of remuneration was exercised in 2024. No severance payment was made to the members of the Board of Directors.

Overview of the Total Remuneration of the Board of Directors

In thousands of EUR	Total Fixed Compensation	Total Variable Compensation	Ratio Fixed Compensation / Total Compensation	Stock Options Granted
Georg Hotar, Managing Director and CEO				
2024	361	0	100%	0
2023	355	0	100%	0
2022	350	97	78%	0
2021	321	0	100%	0
Michael Gartner, Managing Director and CTO				0
2024	62	0	100%	0
2023	138	0	100%	0
2022	149	0	100%	0
2021	144	0	100%	0

**Mr. Gartner had served on the Board of Directors for only half a year – from 1st January 2024 until his resignation effective of 14th June 2024.*

David Forth, Managing Director and CFO**				0
2024	195	0	100%	0
2023	NA	NA	NA	0
2022	NA	NA	NA	0
2021	NA	NA	NA	0

***Mr. Forth has served on the Boad of Directors for 7.5 months starting 14th June 2024.*

Internal Pay Ratio

The average remuneration of employees who are not directors in 2024 was EUR 52,646 per year. The internal pay ratio, as average compensation of the Board of Directors' members in relation to the average annual compensation per full time employee of the Company for the financial year 2024 was 3.91 (below table).. The internal pay ratio of the remuneration of CEO in relation to the average annual compensation per full time employee was 6.86.

The Company's shares were not listed on the public regulated markets before January 2021, and therefore, the Company was not obliged to publish the Remuneration Report in the financial years prior to 2021. For this reason, the Company can only publish comparisons with previous three years.

Comparison of Internal Pay Ratio

Year	Internal Pay Ratio
2024	3.9
2023	5.6
2022	5.8
2021	5.3

Business performance highlights and remuneration comparison

	2024	2023	% change	2022	2021
Revenues	EUR 89.9 million	EUR 70.6 million	27.3%	EUR 95.1 million	EUR 36.4million
EBITDA	EUR 7.8 million	EUR 3.7 million	111.0%	EUR 24.3 million	EUR 9.6 million
Net result	EUR -13.7 million	EUR -15.75 million	NA	EUR 6.3 million	EUR -6.4 million
Installed Capacity	129.6 MWp	127.3 MWp	+1.9%	91.9 MWp	90.5 MWp
Number of Employees	335	348	-3.7%	220	144
Remuneration Board of Directors	EUR 617,708	EUR 493,000	+25.3%	EUR 596,000	EUR 465,000
Remuneration Employees without Board of Directors	EUR 17.531 million	EUR 17.986 million	-2.4%	EUR 8.490 million	EUR 5.955 million
Average compensation per full time employee	EUR 52 646	EUR 44 387	+18.6%	EUR 49 000	EUR 44 000

Loans

The following loans have been granted to the Managing Directors by the Company or the Company's affiliated entity.

Name	Loan Amount in 2024 (EUR)	% change	Loan Amount in 2023 (EUR)	Interest rate**	Term***
Georg Hotar, Managing Director and CEO	90,289	- 4.4%	728,359	3M EURIBOR + 3%	due on 31.12.2025
	606,189			3M PRIBOR + 3%	due on 31.12.2025
Michael Gartner, Managing Director and CTO	99,183	5.8%	93,719	3M EURIBOR + 3%	due on 31.12.2025
	-271,762*			3M PRIBOR + 3%	due on 31.12.2025

**Photon Energie s.r.o., an entity controlled by Mr. Michael Gartner, extended a loan to the Company in the amount of EUR 271,762 in 2024.*

***The interest accrues annually without compounding.*

****The loans are automatically prolonged by one year. In line with Supervisory Board approval for the 2024 year, there is a repayment plan of steps to be performed in 2025.*

The Company or its affiliated entity also provided loans to the entities fully owned by the Managing Directors.

In thousands of EUR	Loan Amount in 2024 (EUR)	Loan Amount in 2023 (EUR)	% change	Interest rate***	Term
Solar Age Investments B.V. **	1,401,233	1,342,756	4.3%	3M EURIBOR + 3%	due on 31.12.2025
Solar Power to the People Cooperatief U.A. *	629,441	650,474	-3.2%	3M EURIBOR + 3%	due on 31.12.2025

** Entity 100% owned by Georg Hotar.*

****The interest accrues annually without compounding.*

*** Entity jointly owned by Michael Gartner (51.67%) and by Georg Hotar (48.33%).*

In 2024 in total EUR 22,000 was repaid by Georg Hotar.

Supervisory Board Remuneration

The Remuneration Policy aims at providing a competitive compensation package to attract, motivate and retain qualified Supervisory Directors while considering the Company's size and its unique characteristics. This is essential for executing the Company's strategy and safeguarding and promoting its long-term value and sustainability. Supervisory Board members receive fixed remuneration for their responsibilities that does not depend on the Company's results in order to protect their independence when supervising the manner in which the Management Board members implement the long-term value creation strategy. These responsibilities are part of the membership of the Supervisory Board and its Audit Committee and the position of Chairman of the Supervisory Board and/or Audit Committee.

The certainty of the fixed compensation also allows Supervisory Board members in their supervisory role to focus on the long-term interest and sustainability of the Company. Each member of the Supervisory Board is entitled to reimbursement by the Company for all expenses incurred by him/her in connection with performing his/her duties as the Supervisory Board member. Due to its small size, all members of the Supervisory Board perform functions of the Audit and other Committees. Therefore, the chairman of the Supervisory Board and the chairman of the Audit Committee do not receive extra compensation for the performance of their function. At least two of the Audit Committee members comply with the requirement of financial expert within the meaning of Article 39, paragraph 1, of Directive 2014/56/EU.

The Company does not grant loans, advance payments or guarantees to members of the Supervisory Board.

Overview of the Supervisory Board Remuneration in 2024

In thousands of EUR	Total fixed compensation in 2024	Total fixed compensation in 2023	Total fixed compensation in 2022	Total fixed compensation in 2021
Boguslawa Skowronski	15	15	15	15
Marek Skreta	15	15	15	15
Ariel Sergio Davidoff*	15	15	8.75	n/a

** Mr. Davidoff's term of office commenced on 31 May 2022.*

Financials

Făget III, Romania

Photon Energy Group

Photon Energy N.V.

Financial Statements

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Consolidated Statement of Comprehensive Income for the Year Ended 31 December

In thousands of EUR	Note	2024	2023
Revenue	9	89,917	70,649
Other income	10	1,561	932
Raw materials and consumables used	11	-37,989	-36,877
Solar levy	12	-1,999	-1,621
Personnel expenses	13	-17,954	-18,479
Other expenses	14	-25,715	-10,898
Earnings before interest taxes depreciation & amortisation (EBITDA)		**7,821**	**3,706**
Depreciation and amortisation	18,19,21	-10,904	-11,044
Impairment charges	15	110	-977
Gain on investment revaluation	22	417	2,902
Gain (loss) on disposal of investments	28	-450	0
Share of profit equity-accounted investments (net of tax)	8	254	217
Results from operating activities (EBIT)		**-2,752**	**-5,196**
Financial income	16	612	743
Financial expenses	16	-11,543	-11,434
Foreign exchange gains and losses	16	-75	-221
Revaluation of derivatives	16	-66	-194
Profit/loss before taxation (EBT)		**-13,824**	**-16,302**
Income tax due/deferred	17	628	552
Profit/loss		**-13,196**	**-15,750**
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property plant and equipment	18,29	6,983	14,482
Revaluation of other investments	22	-271	5,235
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation difference – foreign operations	29	-2,673	-430
Derivatives (hedging)	29,35	-276	-3,996
Other comprehensive income		**3,763**	**15,291**
Total comprehensive income			
Profit/loss attributable to:			
Attributable to the owners of the company		-13,116	-15,684
Attributable to non-controlling interest		-80	-66
Profit/loss for the year		**-13,196**	**-15,750**
Total comprehensive income attributable to:			
Attributable to the owners of the company		-9,353	-393
Attributable to non-controlling interest		-80	-66
Total comprehensive income		**-9,433**	**-459**
Earnings per share			
Earnings per share (basic) (in EUR)	30	-0.221	-0.264
Earnings per share (diluted) (in EUR)	30	-0.221	-0.264
Total comprehensive income per share (in EUR)	30	-0.158	-0.007

The notes on pages 89 to 156 are an integral part of these financial statements.

Consolidated Statement of Financial Position as of 31 December

In thousands of EUR	Note	31 December 2024	31 December 2023
Assets			
Goodwill	20	15,272	15,272
Intangible assets	21	10,635	8,062
Property, plant and equipment	18	159,058	172,511
Right of use- leased assets	19	5,353	4,990
Long term advances	25	875	0
Investments in equity-accounted investees	8	1,845	1,823
Long-term receivable from derivatives	25	1,653	2,012
Other receivables - non-current	25	510	534
Deferred tax asset	23	4,418	2,778
Other non-current financial assets	22	17,271	17,021
Non-current assets		**216,890**	**225,003**
Inventories	24	6,745	14,093
Contract asset	26	1,804	855
Trade receivables	25	8,871	4,870
Other receivables	25	18,025	12,105
Loans to related parties	25	2,826	2,815
Current income tax receivable	34	0	2,759
Prepaid expenses	25	1,273	1,287
Liquid assets	27	14,352	12,978
Cash and cash equivalents		8,437	*5,838*
Liquid assets with restriction on disposition		5,914	*7,140*
Asset held for sale	28	2,050	659
Current assets		**55,946**	**52,421**
Total assets		**272,836**	**277,424**
Equity & Liabilities			
Equity	29		
Share capital		612	612
Share premium		40,729	40,687
Revaluation reserve		58,315	55,668
Legal reserve		13	13
Hedging reserve		83	358
Currency translation reserve		-739	1,935
Retained earnings		-37,769	-28,717
Other capital funds	29	-12	38
Treasury shares held	29	-824	-827
Equity attributable to owners of the Company		**60,408**	**69,767**
Non-controlling interests		-343	-263
Total equity		**60,065**	**69,504**
Liabilities			
Loans and borrowings	31	72,205	82,073
Issued bonds	31	78,321	78,539
Lease liability	19	4,488	4,181
Other non-current liabilities	31	398	208
Provisions	31	544	555
Deferred tax liabilities	23	10,141	11,070
Long-term payables from derivatives	35	1,564	1,722
Non-current liabilities		**167,661**	**178,348**
Loans and borrowings	31	17,920	12,878
Issued bonds	31	537	529
Trade payables	33	16,780	9,308
Other payables	33	5,484	5,252
Contract liabilities	26	2,595	662
Loans from related parties		272	0
Lease liability	19	945	943
Current tax liabilities	17	577	0
Current liabilities		**45,110**	**29,572**
Total liabilities		**212,771**	**207,920**
Total equity and liabilities		**272,836**	**277,424**

The notes on pages 89 to 156 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December

In thousands of EUR	Note	Share capital	Share premium	Statutory reserve fund	Revaluation reserve	Currency translation reserve	Hedging reserve	Other capital funds	Own treasury shares	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Balance as at 1 January 2023	**29**	**600**	**40,524**	**13**	**38,326**	**2,364**	**4,354**	**38**	**-139**	**-15,408**	**70,672**	**-197**	**70,475**
Profit/loss for the year		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-15,684**	**-15,684**	**-66**	**-15,750**
Increase in revaluation of PPE	18	0	0	0	14,482	0	0	0	0	0	14,482	0	14,482
Change in fair value of derivatives	29	0	0	0	0	0	-3,996	0	0	0	-3,996	0	-3,996
Change in fair value of other investments (FVOCI)	22,28	0	0	0	5,235	0	0	0	0	0	5,235	0	5,235
Foreign currency translation differences (restated)	29	0	0	0	0	-430	0	0	0	0	-430	0	-430
Other comprehensive income (restated)		***0***	***0***	***0***	***19,717***	***-430***	***-3,996***	***0***	***0***	***0***	***15,291***	***0***	***15,291***
Total comprehensive income (restated)		***0***	***0***	***0***	***19,717***	***-430***	***-3,996***	***0***	***0***	***-15,684***	***-393***	***-66***	***-459***
Recycled from revaluation reserve to retained earnings	29	0	0	0	-2,375	0	0	0	0	2,375	0	0	0
Other transactions with owners in their capacity as owners	29	12	163	0	0	0	0	0	-688	0	-513	0	-513
BALANCE at 31 December 2023	**29**	**612**	**40,687**	**13**	**55,668**	**1,934**	**358**	**38**	**-827**	**-28,717**	**69,767**	**-263**	**69,504**
Profit/loss for the year		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-13,116**	**-13,116**	**-80**	**-13,196**
Increase in revaluation of PPE	18,28	0	0	0	6,983	0	0	0	0	0	6,983	0	6,983
Change in fair value of derivatives	29	0	0	0	0	0	-276	0	0	0	-276	0	-276
Change in fair value of other investments (FVOCI)	22	0	0	0	-271	0	0	0	0	0	-271	0	-271
Foreign currency translation differences	29	0	0	0	0	-2,673	0	0	0	0	-2,673	0	-2,673
Change in fair value of derivatives (JV share)	35	0	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive income		***0***	***0***	***0***	***6,712***	***-2,673***	***-276***	***0***	***0***	***0***	***3,763***	***0***	***3,763***
Total comprehensive income		***0***	***0***	***0***	***6,712***	***-2,673***	***-276***	***0***	***0***	***-13,116***	***-9,353***	***-80***	***-9,433***
Other movements	29	0	0	0	0	0	0	0	0	0	0	0	0
Recycled from revaluation reserve to retained earnings	29	0	0	0	-4,065	0	0	0	0	4,065	0	0	0
Other transactions with owners in their capacity as owners	29	0	42	0	0	0	0	-50	3	0	-5	0	-5
BALANCE at 31 December 2024	**29**	**612**	**40,729**	**13**	**58,315**	**-739**	**83**	**-12**	**-824**	**-37,769**	**60,408**	**-343**	**60,065**

The notes on pages 89 to 156 are an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December

In thousands of EUR	Note	2024	2023
Cash flows from operating activities			
Profit/loss for the year before tax		**-13,824**	**-16,302**
Adjustments for:			
Depreciation	18,19,21	10,904	11,044
Share of profit of equity-accounted investments	8	-254	-217
Impairment charges	25	110	977
Net finance costs	16	10,655	11,106
Other non-cash items	28	-535	-839
Changes in:			
Trade and other receivables	25	-9,818	1,457
Gross amount due from customers for contract work	26	-949	-360
Prepaid expenses	25	13	-691
Inventories	24	7,347	5,901
Trade and other payables	33	9,826	-3,990
Income tax received/paid (advances)	34	843	-4,883
Proceeds from sale of gold		0	4,012
Net cash from operating activities		**14,318**	**7,214**
Cash flows from investing activities			
Acquisition of property, plant and equipment	18	-6,976	-23,284
Acquisition of subsidiaries, associates, JV	8	-372	-3,425
Proceeds from sale of investments	8	5,955	0
Net cash used in investing activities		**-1,393**	**-26,709**
Cash flows from financing activities			
Proceeds from borrowings	31	11,359	38,710
Transfer to restricted cash account	27	-10,526	-10,638
Transfer from restricted cash account	27	9,596	9,871
Repayment of borrowings	31	-7,877	-9,934
Repayment of principal element of lease liability	19	-1,219	-1,177
Proceeds from issuing bonds	31	0	2,500
Payment of placement fee/exchange bonus fee for bonds issued	16	0	-75
Repayment of long term liabilities/bonds	31	-116	-3,761
Interest payments	31	-11,543	-11,434
Net cash from financing activities		**-10,326**	**14,062**
Net decrease/increase in cash and cash equivalents		**2,599**	**-5,433**
Cash and cash equivalents at 1 January		**5,838**	**11,271**
Cash and cash equivalents at 31 December	27	**8,437**	**5,838**

The notes on pages 89 to 156 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2024

1. Reporting Entity

Photon Energy N.V. ("Photon Energy" or the "Company"), ID 51447126, is a joint-stock company incorporated under the laws of Netherlands on 9 December 2010. The statutory seat of the Company is Barbara Strozzilaan 201, 1083HN Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in jointly controlled entities.

Photon Energy N.V. is the Group's ultimate parent company. It is a a joint-stock company incorporated and domiciled in the Netherlands. Principal place of business on the Company is the Netherlands.

Photon Energy NV's shares are listed on the regulated markets of the Warsaw and Prague Stock Exchanges, as well as on the Quotation Board of the Frankfurt Stock Exchange. Trading of the shares on regulated markets on the Warsaw Stock Exchange and Prague Stock Exchange commenced on 5 January 2021. Trading of the Company's shares on the Quotation Board of the Open Market of the Frankfurt Stock Exchange (FSX) commenced on 11 January 2021.

The bonds are traded on the Open Market of the Frankfurt Stock exchange, and on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart.

The Group is mainly engaged in the development and construction of photovoltaic power plants. This activity involves securing suitable sites by purchase or long-term lease, obtaining all licenses and permits, the design, procurement and installation of photovoltaic equipment, financing, operations and maintenance. Photon Energy pursues a comprehensive strategy of focusing both on green-field and rooftop installations while trying to cover the largest possible part of the value chain and lifecycle of the power plant. Another significant part of the business activities includes capacity market and electricity trading as represented by the New Energy segment.

2. Basis of Preparation

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRSs) as adopted by the European Union ("IFRS Accounting Standards ") and title 9 Book 2 of the Netherlands Civil code. It represents the international accounting standards adopted in the form of European Commission Regulations in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements were authorised for issue by the Board of Directors on 24 April 2025.

Going Concern

The annual financial statements of the Group show positive equity, positive EBITDA and positive operating CF as well. Negative net profit is not triggering going concern issue, as the EBITDA as such has significantly improved comparing to the prior year and despite the overall negative EBIT and net result, there is a positive trend in the development. Bottom lines, such as EBIT and net result are mostly influenced by high depreciation and interest expenses positions.

While assessing the going concern for the Company, the Management considered several critical scenarios including the following potential going concern risk triggers, such as:

1) Results presented in the most recent financial statements
2) Belated payments of non-core business-related liabilities
3) Inability to comply with the terms of loan agreement with EBRD (refer to detail description further in this chapter)

In general, the Group has complied with all bank loan covenants, except for the interest coverage ratio and equity ratio as included in the loan agreement with EBRD.

The group is required to fulfil the interest coverage and the equity ratio. As of the 31.12.2024, these covenants have not been met. In February 2025, the waiver for the breached covenant of Interest coverage ratio has been obtained and another one for the second covenant has been obtained in March 2025. The reclassification of the loan from the long-term to the short-term has been done on the face of financial statements as of 31.12.2024.

Based on the budget for 2025 the covenants are expected to be met in full.

In order to recover the losses incurred in 2024, the Group builds its budget for the next 12 months from the issuance of the audit opinion on the following revenue streams and cash inflows:

1) Significantly increased turnover of technology sales (already traceable in last quarter of 2024 and first quarter 2025)
2) EPC revenues resulting from newly signed/concluded EPC contracts
3) Stable and increasing revenues from new revenue streams in New Energy segment
4) Income from sale of assets (projects under development)
5) New bank financing
6) Increased budgeted margins

Considering the above, we do not expect liquidity issues for the upcoming 12 months after from the issuance of the audit opinion at the minimum.

The consolidated financial statements have been prepared on a going concern basis, resulting from the Management's assessment of the Company's ability to continue its operations for the foreseeable future.

2.2 Basis of Measurement

The consolidated financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Property, plant and equipment – photovoltaic power plants are measured at revalued amounts (for revaluation details refer to the note 19)
- Financial instruments, except for derivatives, FVPL and FVOCI financial investments, are measured at amortised costs
- Derivatives, FVPL and FVOCI financial investments are measured at fair value.
- Financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

2.3 Functional Currency

These financial statements are presented in EUR.

The functional currencies used in the Group are CZK for Czech subsidiaries, EUR for Dutch, German and Slovak companies, CHF for Swiss subsidiaries, HUF for Hungarian entities, AUD for Australian subsidiaries RON for Romanian entities, PLN for Polish entities, NZD for New Zealand entity and ZAR for South African entity. All financial information presented in EUR has been rounded to the nearest thousand.

2.4 Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes or below:

- Note 5.1 – Key assumptions used in discounted cash flow projections related to the valuation of the photovoltaic power plants
- Note 2.1 Statement of compliance- key assumptions used for the going concern
- Note 2.4.1. – Recognition of deferred tax asset
- Note 2.4.2. – Recognition of revenues from constructions contracts
- Note 2.4.3. – ECL measurement
- Note 2.4.4 – Key assumptions used in measurement of fair value of other financial investments
- Note 2.4.5 – Impairment of goodwill
- Note 2.4.6 – Initial recognition of intangible assets
- Note 2.4.7 – Useful economic life of tangible and intangible assets and right of use
- Note 2.4.8 – Business combination

Other factors, such as climate-related risks, do not have significant impact on Group's operations and do not lead to a significant risk of material adjustments and therefor are not considered to be significant judgements. The power plants are not affected by global warming itself. Potential increase of damages by thundersorms are covered by the insurance, which cost is minor. Due to the geographical diversification of the power plants there is no risk that a material part of the portfolio could be damaged at the same time.

The businesses reported in the New Energy segment, such as electricity trading and capacity market trading, including the assets held by these companies are not significantly affected by the climate related risks. Most of the non-current assets consist of intangible assets (e.g. software or goodwill) are not affected by climate change impact, disparities in resources or other ecological and sociological consequences. The market development and increasing volume of the power resources with the volatile level of production on the other hand leads to an increasing number of market participants and importance of capacity markets. Both factors positively influence market size and the performance of the segment.

2.4.1 Recognition of Deferred Tax Asset

The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary difference expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plan prepared by the Management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. More information relating to not-recognised deferred tax assets are presented in note 24.

2.4.2 Recognition of Revenues from Contracts with Customers

Revenues from contracts are recognised for engineering, procurement, and construction (EPC) contracts to external customers. The management estimates progress towards complete satisfaction of that performance obligation. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. The Group regularly reviews and validates the methods that are used for the progress estimation.

2.4.3 ECL Measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 26. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

2.4.4 Key Assumptions used in Measurement of Fair Value of Other Financial Investments

Other financial investments are stated at its fair value based on valuation models prepared by the Management. These models and the assumptions underlying them are regularly reviewed by the Management. The Management considers that the valuation of its other financial investment is currently subject to an increased degree of judgement and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

For the investment in Valuetech the profit share of the equity value of the participations in ValueTech is considered as of the reporting date with deduction of a 30% transaction discount (covering cost and price discounts) from this value.

Other financial investments include primarily ordinary and preference shares and related share options held (see also note 22). The principal assumptions underlying the estimation of the fair value are following:

- Probability of the realisation of the share options granted and expected market price of the shares to be purchased at the realisation of the share options
- Discount rate reflecting required return on investment on this type of the Group's investments

For investment in Valuetech

- Market price of the shares
- Transaction discount (covering cost and price discounts)
- Share on equity

These valuations are regularly compared to actual market data and most recent actual similar transactions made on the relevant market.

2.4.5 Impairment of Goodwill

Goodwill is reviewed at least annually for impairment. Any impairment loss is recognised as an expense immediately and is not subsequently reversed. For the purpose of impairment testing, goodwill is allocated to groups of individual Cash-Generating Units (CGUs) expected to benefit from the combination. If the recoverable amount of the CGU is less than the carrying amount of goodwill allocated to it, the resulting impairment loss is applied first to the allocated goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset. Reversals of impairment losses on goodwill are not permitted.

2.4.6 Initial Recognition of Intangible Assets

Intangible assets measured in fair value are recognized in the value calculated based on the discounted cash-flow model and will be regularly amortized in line with the utilization of the underlying contracts during the period of 2023-2027. Those assets (capacity market contracts) have been recognized during business combination performed at the end of year 2022 and they are disclosed in note 21.

2.4.7 Useful Economic Life of Tangible and Intagible Assets and Right of Use

Useful economic life of the intangible assets is determined in line with the underlying contracts, in case of the demand response contracts, it is a 5 years period for 2023-2027. Those assets (capacity market contracts) have been recognized during business combination (note 20) and they are disclosed in note 22. Right of use economic life is determined to be in line with the period of the contract signed for the lease of an underlying asset. Useful economic life of the tangible asset is usually defined for the period of the future estimated cash-flows, usually up to 25-30 years in case of the photovoltaic powerplants.

3. Application of New and Revised IFRS Accounting Standards

3.1 New and Revised IFRS Accounting Standards Affecting Amounts Reported in the Current Year (and/or Prior Years)

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, and which the Group has not early adopted.

The management assessed the impact of New and Revised IFRS Accounting Standards Affecting Amounts Reported in the Current Year and concluded that these has not had material impact on Consolidated financial statements as of 31.12.2024.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2024) have been reflected in Consolidated financial statements. In consequence the Group reported those accentuating policies, which have been considered as material in terms of the amendment.

3.2 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

New or amended IFRS Accounting Standards and interpretations issued by the IASB that have not yet become effective are generally not adopted until they become effective and endorsed by the EU. Management does not anticipate any significant impact on the Consolidated financial statements in the period of initial application from the adoption of these new standards and amendments, apart from IFRS 18 'Presentation and Disclosure in Financial Statements' which replaces IAS 1 effective from 1 January 2027. The new IFRS 18 is expected to change the presentation of the Income statement and to differentiate between earnings from operating activities, investment activities and financing activities. IFRS 18 will also add additional disclosures but will not change any accounting policies on recognition and measurement, hence it will not change reported net results.

4. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

4.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

4.1.1 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

4.1.2 Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group accounting policies.

4.1.3 Loss of Control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as other financial asset depending on the level of influence retained.

4.1.4 Investments in Associates and Jointly Controlled Entities (Equity-accounted Investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds 20 percent or more of the voting power of another entity. Joint ventures are arrangements that the Company controls jointly with one or more other investors, and over which the Company has rights to a share of the arrangements net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Share of profit equity-accounted investments (net of tax) is presented in Result from operating activities.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

4.1.5 Transactions Eliminated on Consolidation

Regarding subsidiaries all intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Regarding equity-accounted investees (see note 4.1.4) part of a margin on sales to these entities is eliminated. This part is calculated as a percentage of margins equal to the percentage of the entity's shares owned by the Group.

4.2 Foreign Currency

4.2.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss.

4.2.2 Foreign Operations

The assets and liabilities of foreign operations (those in the Czech Republic, Switzerland, Hungary, Romania, Poland, Australia, New Zealand and South Africa as of 31 December 2024 and 2023) are translated into Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at exchange rates at the dates of the transactions.

Loans between the Group entities and related foreign exchange gains or losses are eliminated upon consolidation. However, where the loan is between the Group entities that have different functional currencies, the foreign exchange gain or loss cannot be eliminated in full and is recognised in the consolidated profit or loss, unless the loan is not expected to be settled in the foreseeable future and thus forms part of the net investment in foreign operation. In such a case, the foreign exchange gain or loss is recognised in other comprehensive income.

4.2.3 Cash and Cash Equivalents/Liquid Assets

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost (AC) because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss (FVTPL).

Restricted balances are disclosed in the notes to cash and cash equivalents (note 28) for the purposes of the consolidated statement of cash flows. The debt service and project reserve accounts are excluded from cash and cash equivalents as they serve as collateral for the lending banks and can only be used with the approval of the lending banks.

4.2.4 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.3 Financial Instruments

Financial instruments are only used to mitigate risks and are not used for trading purposes.

4.3.1 Non-derivative Financial Assets

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are accounted for at trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within Impairment charges.

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL nor FVOCI):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

Financial Assets at Fair Value Through Profit or Loss (FVTPL) or/and at Fair Value Through Other Comprehensive Income ("FVOCI")

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised as FVOCI. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Financial Assets Impairment – Credit Loss Allowance for Expected Credit Loss (ECL)

Trade and other receivables, loans issued and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL.

The Group applies simplified approach for impairment of trade receivables and contract assets.

Financial Assets – Write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

4.3.2 Non-derivative Financial Liabilities

Classification and Initial Measurement of Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial Liabilities – Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

4.3.3 Derivative Financial Instruments

Derivative financial instruments, including interest rates swaps, are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivatives that do not meet the requirements for application of hedge accounting are included in profit or loss for the year.

4.3.4 Cash Flow Hedges that Qualify for Hedge Accounting

The Group decided to apply hedge accounting in accordance with IFRS 9. The Group designates certain derivatives prospectively as either a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of future cash flows attributable to a recognised asset or liability or a forecasted transaction (cash-flow hedge). Hedge accounting is used for derivatives designated in this way, provided that certain criteria, including defining the hedging strategy and hedging relationship before hedge accounting is applied and ongoing documentation of the actual and expected effectiveness of the hedge, are met.

Changes in the fair value of derivatives that qualify as effective fair-value hedges are recorded in the income statement, along with the corresponding change in fair value of the hedged asset or liability that is attributable to that specific hedged risk.

Changes in the fair value of derivatives that qualify as effective cash-flow hedges are recorded as revaluation reserve from assets and liabilities in equity and are transferred to the income statement and classified as an income or expense in the period during which the hedged item affects the income statement.

4.3.5 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

Where the Company or its subsidiaries purchase the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from the equity attributable to the Company's owners until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

4.4 Property, Plant and Equipment

4.4.1 Recognition and Measurement

Photovoltaic power plants are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed at sufficient regularity so that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. The need for revaluations is assessed every quarter.

For fair value determination see note 5.1.

Any revaluation surplus arising on the revaluation of such photovoltaic power plant is recognized in other comprehensive income and accumulated in equity, except to the extent that the surplus reverses a revaluation deficit on the same asset previously recognized in profit or loss. Any deficit on the revaluation of such photovoltaic power plants is recognized in profit or loss except to the extent that it reserves a previous revaluation surplus on the same asset, in which case the debit to that extent is recognized in other comprehensive income.

Photovoltaic power plants, which the Company consolidates, in the course of construction are carried at cost, less any recognized impairment loss. The cost of self-constructed assets includes the cost of materials and direct labor plus any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalized borrowing costs. Such properties are reported as Property, plant, equipment - Assets in progress and are classified to Property, plant and equipment - Photovoltaic power plants when completed and ready for use. These assets are completed and ready for use when the power plant is connected to the electricity network and all technical parameters necessary for electricity production are completed. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Additional costs capitalized in the value of the asset are included in the regular review of power plants value as done on quarterly basis.

The costs of maintenance, repairs, renewals or replacements which do not extend productive life are charged to operations as incurred. The costs of replacements and improvements which extend productive life are capitalized. The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

Included in the property plant and equipment are non separable intangible assets mainly relating to the rights to build and operate photovoltaic power plants in a specific country. Because the items are non separable, the rights are included in property, plant and equipment.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The gain or loss on disposal of an item of fixtures and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

4.4.2 Depreciation

Depreciation is recognized so as to write off the costs or revalued amount of property, plant and equipment (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation of revalued photovoltaic power plants is recognized in profit or loss. Every quarter the amount equal to the difference between depreciation based on the revalued carrying amount of photovoltaic power plants and depreciation based on asset's original cost is transferred directly to retained earnings. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows (based on the professional judgement combining the Feed in Tariff period and useful estimated live of the components and technology used in the power plants):

- Photovoltaic power plants 20-30 years
- Fixtures and equipment 3–10 years

4.5 Right-of-use Assets

The group leases land, various offices and vehicles. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease component based on their relative stand-alone prices.

Assets arising from a lease are initially measured on a present value basis. Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- cost to restore the asset to the conditions required by lease agreements.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

- Lands and easements lease term, 15-35 years
- Cars lease term, 5 years

4.6 Intangible Assets

The Group's intangible assets have definite useful lives and primarily include capitalised computer software and patents.

Development costs that are directly associated with identifiable and unique software or patents controlled by the Group are recorded as intangible assets if an inflow of incremental economic benefits exceeding costs is probable. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred.

Intangible assets are amortised using the straight-line method over their useful lives:

- Capitalised software development costs 3 years

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs of disposal.

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life of 5 years and are subsequently carried at cost less accumulated amortisation and impairment losses.

4.6.1 Goodwill

Goodwill is measured initially as described under "Consolidated financial statements " in note 4.1.1. Goodwill is not amortised but it is tested for impairment annually (note 2.4.5.). Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of the cash-generating unit containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

4.7 Impairment

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.8 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.9 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4.9.1 Warranties

A provision for warranties is recognized when the underlying services are sold, i.e. when the construction contracts are finished. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

4.10 Lease Liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable. There are no variable payments that are based on an index or a rate, no amounts expected to be payable by the Group under residual value guarantees nor purchase option for which the Group is reasonably certain to exercise that option.

Extension and termination options are included in some property leases across the Group. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, e.g. term, country, currency and collateral.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture with value of EUR 4 thousand or less.

4.11 Revenue Recognition

Revenue is income arising in the course of the Group's ordinary activities. The Group recognises revenues from the following activities:

- Revenue from electricity generation
- Revenue from electricity trading
- Revenue from capacity market contracts
- Revenue from engineering, procurement and construction (EPC)
- Revenue from sale of goods (solar panels, inverters and related technologies)
- Revenue from sale of services (e.g. maintenance, technical-administrative; installation)

Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

Revenue is recognised net of discounts, value added taxes, export duties and similar mandatory payment.

4.11.1 Revenue from Electricity Generation

Revenues from sale of electricity are coming from the sale of electricity produced and sold to merchant or to the local electricity distributor directly. Invoices are issued/ revenues are recognised only when the electricity is delivered to the distribution net in the volume reviewed and accepted by the distributors. No element of financing is deemed present as the sales are made with credit terms of 30 days, which is consistent with market practice.

Government grants for power generation intended as a compensation for the price of power, are recognised under revenue from electricity generation. The subsidies are based on the volume of electricity generate and sold to local electricity distributor and announced subsided unit price. The compensation is billed to the operator in the same moment as the revenues from the electricity sold.

Solar levy of 20% applied to electricity produced in the Czech Republic is presented separately in costs.

4.11.2 Revenue from Electricity Trading

Revenues from trading of electricity are primarily coming from the sale of electricity purchased on the market or from the generators. Revenues are recognised based on the daily reconciliations with clearing houses in the monthly billing period. The group is trading only on the intraday and day-ahead market only.

The Group purchased the whole outcome of the generator, therefore the Groupp controls it before physical delivery to customer and faces related risk including balancing of the balancing group. The selling price of the electricity is not fixed (do not represent fix fee). In consequence of those fact, the Group operates as at principal and recognize the revenues from electricity trading in the gross amount.

In case of imbalances minor revenues are also generated from the balancing market where balancing market operator is the customer. Billing arises monthly or in 10 days period.

No element of financing is deemed present as payments arise daily based on the daily reconciliation.

4.11.3 Revenue from the Capacity market contracts

Revenues from the capacity market contracts are recognized based on the fulfillment of the obligation of readiness to deliver capacity per capacity market units. Billing arises on the monthly basis.

The readiness might be tested by the market operator once a quarter per capacity market unit. Test result impacts the readiness recognition for the whole quarter.

No element of financing is deemed present as the sales are made with credit terms of 30 days.

4.11.4 Revenue from Sale of Goods

Sales are recognised when the control over the goods has transferred to the customer. This transfer of control is clearly defined in the contractual conditions. Group as a supplier does not provide in major of the cases any other separate performance as part of the delivery. In minor cases, the storage services, transportation, or arrangement of customs duty is provided and invoiced individually, however this is provided only on the individual basis and represents an immaterial part of the overall revenues within the sale of technology division.

No element of financing is deemed present as the sales are made with credit terms of 30-60 days, which is consistent with market practice. In most cases, the Company requires advance payments (partial or 100%) for the sales of goods. Advances received are recognised as contract liability.

If the Group provides any additional services to the customer after contract over goods has passed, revenues from such services is considered to be separate performance obligation and is recognised over the time the service is rendered.

4.11.5 Revenues from Sale of Services

Revenues from sale of services (e.g. maintenance, technical-administrative; installation) are recognised on regular and recurring basis for a fixed fee agreed in the contract, additionally to this ad-hoc interventions are invoiced based on the actual usage of the on call service intervention. In this case, the invoice is issued only on the basis of the accepted protocol confirming the services were really provided to the customer and were accepted. Part of this intervention and service provided can be also provision/usage of miscellaneous material that is at the end part of the total invoice. However, this is not provided independently without the related service so it cannot be considered as a separate performance obligation. No element of financing is deemed present as the sales are made with credit terms of 30 days, which is consistent with market practice.

4.11.6 Revenue from Engineering, Procurement and Construction (EPC)

Construction services are provided based on engineering, procurement and construction (EPC) contracts either to internal or external customers. In the contract, milestones for invoicing are clearly defined. The EPC provider commits himself to the construction and delivery of the power plant with the regular warranty for quality of the work delivered. No long-term extraordinary guarantees that could be considered as a separate obligation under IFRS 15 are provided. EPC services represent one single performance obligation as EPC services are not distinct to a customer and cannot be separated from each other.

Revenues from EPC are recognised over the time and include the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments. In accordance with contract terms, the Group has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Group recognised revenue by measuring the progress towards complete satisfaction of that performance obligation using the input method. The Group is entitled to invoice the customers when defined milestones are achieved. The Group recognises contract assets for construction work delivered. Invoiced amount of contract assets is reclassified to trade receivable upon its invoicing. In case the payment for the milestones exceed the amount of revenues recognised based on the input method, the Group recognises a contract liability. No significant financing component is deemed in EPC contracts, as the time period between revenue recognition based on input method and the milestone payment is always shorter that one year, in most cases with credit terms from 30 to 90 days.

4.12 Finance Income and Financial Expenses

Financial income comprises interest income on loans. Interest income is recognized in profit or loss using the effective interest rate method.

Financial expenses comprise interest expense on borrowings, bank account fees and net foreign currency losses. Interest expense is recognized using the effective interest rate method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss. Borrowing costs incurred by the Group directly attributable to the construction of power plants is capitalized in the cost of the related asset until the date of its completion.

Foreign currency gains and losses are reported on a net basis and recognised in profit and loss.

4.13 Employee Benefits

Wages, salaries, contributions to the state pension and social insurance funds in the Czech Republic, Slovakia, Hungary, Poland, Romania, Netherlands, Switzerland and Australia, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group. Beside the contributions to the statutory defined contribution schemes, there are no other obligations of the Group beyond these contributions.

The Group also provides an Employee Share Purchase program to some of its employees. Under this program, the employees receive an automatic monthly bonus of 10% to their gross salary and the difference between after-tax amounts of 100% and 110% of the base salary is used for the purchase of shares. The 10% bonus to the gross salary as well as related social and health contribution are recorded and expense in each respective period.

4.14 Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss for the year as other income over the period necessary to match them with the costs that they are intended to compensate.

Compensations from government agencies related to revenue from fixed feed-in-tariffs, where applicable, are included in Revenue from electricity generation, as they represent part of the Group's core activity clearly linked to the model of PVP revenue from sales of electricity.

4.15 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax liability is recognized for assets revaluation reported in other comprehensive income and other temporary differences. Assets revaluation represents the revaluation of photovoltaic power plants described in note 4.4.1.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.16 Earnings Per Share

The Group uses ordinary shares only. The Group presents basic earnings per share and total comprehensive income per share data.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding during the year for the diluting effect of the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified condition.

Total comprehensive income per share is calculated by dividing the total comprehensive income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Total diluted comprehensive income per share is calculated by dividing the total comprehensive income by the weighted average number of common shares outstanding during the year adjusted for the diluting effect of the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified condition.

4.17 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Reportable segments whose revenue, result or assets are ten percent or more of all the segments are reported separately. Reportable segments including information on how operating segments are aggregated are included in note 7.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's office premises), head office expenses, and other minor expenses non-allocable to any of the segments.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

4.18 Alternative Performance Measures

The Board of Directors evaluates the Company's and the Group's performance using selected financial statements subtotals and ratios presented in this section as Alternative Performance Measures (APM) within the meaning of the ESMA Guidelines on Alternative Performance Measures. The disclosed Alternative Performance Measures comply with ESMA Guidelines on Alternative Performance Measures. The Board of Directors believes that the Alternative Performance Measures are among the measures used by the Board of Directors to evaluate the financial performance of the Company and the Group, and they are frequently used by securities analysts, investors and other interested parties to perform their own evaluation. They do not have uniform definitions and are not calculated by entities in the same manner; therefore, no assurance may be given that the Alternative Performance Measures of the Group will be comparable with similar ratios presented by other entities, including entities operating in the same sector as the Group.

The following tables show the basic Alternative Performance Measures of the Group used by the Board of Directors as of the dates and for the periods indicated along with a justification for their use, as well as the method of calculation of the individual Alternative Performance Measures with reference to the specific financial statement items.

EBITDA

In thousands of EUR		2024	2023
A.	Revenue	89,917	70,649
B.	Other income	1,561	932
C.	Raw materials and consumables used	-37,989	-36,877
D.	Solar levy	-1,999	-1,621
E.	Personnel expenses	-17,954	-18,479
F.	Other expenses	-25,715	-10,898
EBITDA = (A+B+C+D+E+F)	**Earnings before interest taxes depreciation & amortisation (EBITDA)**	**7,821**	**3,706**

Liquid assets

In thousands of EUR		2024	2023
A.	Cash and cash equivalents	8,437	5,838
B.	Liquid assets with restriction on disposition	5,914	7,140
Liquid assets = (A+B)	**Liquid assets**	**14,352**	**12,978**

Total comprehensive loss per share

In EUR		2024	2023
A.	Total comprehensive loss (in thousands EUR)	-9,433	-459
B.	Average number of shares (in thousands)	59,825	59,608
TCL per share = A/B	**Total comprehensive loss (TCL) per share**	**-0.158**	**-0.008**

The table below presents the definitions of the Alternative Performance Measures and the rationale for their use.

Name of Alternative Performance Measure	Definitions	Rationale for using the Alternative Performance Measure
EBITDA	The Group defines EBITDA for a respective period as earnings on continuing operations for such period before interest, taxes, depreciation and amortisation.	EBITDA measures the Group's operating performance net of financial burdens and amortisation, depreciation and impairment, which makes it possible to analyse performance regardless of any changes in interest bearing liabilities or the balance of noncurrent assets held by the Group, which, through depreciation and amortisation, may affect other performance measures.
Liquid assets	The Group defines Liquid assets for a respective period as sum all cash and cash equivalents, cash depostis with restrictions and liquide precious metals (not used as an invetory for an operation activities).	Liquid assets measure the Group's value of bank account balances and liquid precious metals regardless of the restrictions imposed on the account by the bank.
Total comprehensive income/loss per share	The Group defines total comprehensive income/loss per share as a ration of TCI (TCL) and average number of ordinary shares issued.	Total comprehensive income/loss per share measure the leverage of TCI (TCL) per average number of ordinary share issued. The measure provides a comprehensive and holistic view of the Group's financial performance taking into account not only the net income but also OCI.

4.19 Assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use. This classification is applied only when the asset is available for immediate sale in its present condition and the sale is highly probable within one year from the date of classification. Management must be committed to the plan to sell the asset, and the asset must be actively marketed at a reasonable price in relation to its fair value.

Upon classification as held for sale, the asset is measured at the lower of its carrying amount and fair value less costs to sell. If the fair value less costs to sell is lower than the carrying amount, an impairment loss is recognized in the income statement. Any subsequent increase in fair value less costs to sell is recognized as a gain, but not in excess of the cumulative impairment loss previously recognized.

Assets classified as held for sale are not depreciated or amortized from the date of classification. Any income or expenses related to these assets continue to be recognized in profit or loss, except for depreciation and amortization charges, which are no longer applied. If a disposal group includes liabilities directly associated with the assets held for sale, these liabilities are also presented separately in the statement of financial position.

5. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.1 Property, Plant and Equipment

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach, using quoted market prices for similar items when available, or the income approach (an internally generated discounted cash-flow model) if there is no market-based evidence of the fair value.

For photovoltaic power plants comparable market prices are not sufficiently available due to a lack of transactions in some markets and a lack of public available specific data of such transactions. The market values of power plants significantly vary dependent on a large number of parameters, which are usually not sufficiently disclosed. Those parameters are among others the actual feed-in-tariff and its duration, actual and expected production output, used technology components, contracted operating cost of the power plant, financing structure, conditions and financing cost, etc. Most investors use the income approach also as a basis to determine a purchase price for a transaction. Based on the aforementioned lack of reliable and comparable market data, the income approach is used by the Company as a more relevant method. Under this approach the fair value of photovoltaic power plants is based on an internally generated discounted cash flow models, discounted at weighted average cost of capital. For PVPs the future cash flows are calculated for the period equaling the estimated useful life (30 years in the Czech Republic, Slovakia, Romania and Hungary) and are based on Feed-in-Tariffs, Green bonus scheme (applicable for the Czech Republic) or expected electricity and certificate prices on the relevant markets and on the WACC (Weighted Average Cost of Capital).

On a quarterly basis, management reviews the expected costs of debt of individual projects vis-à-vis actual interest cost, financial market conditions, and interest rate for a 10-year state bond. On a quarterly basis, management also reviews expected cost of equity for the period of the cash flow model. Based on the those cost the WACC is revised as well. The initial valuations are done as of the date of put in use of an individual power plant, and each model is periodically reviewed and any potential change in inputs is considered. As of 31 December 2024 the cash flow projections are prepared for 30 years in Czech Republic, Slovak Republic, Romania and Hungary, equal to the expected technical and commercial life time of the projects. Main other inputs used in the models are the following: overall project budget, taxes, interest rates, reserve funds, feed in tariff or electricity market price assumptions, OPEX, CAPEX and degradation factor assumption.

The revaluation reserve created, based on the DCF models, is annually released to the retained earnings in the amount equal to the depreciation calculated from the amount of revaluation (see also Note 4.4.2 Depreciation).

The DCF to Entity Valuation method assesses the value of photovoltaic projects by discounting future cash flows available to equity holders and debt providers using the Weighted Average Cost of Capital (WACC), which reflects the project's risk profile. A quarterly discounting approach is applied to align with quarterly debt repayments that impact the financing structure. WACC rates used for discounting vary by country, ranging from 6% to 10% in 2024 (compared to 5% to 13% in 2023), reflecting differences in market conditions, risk factors, and financing costs.

Changes in the Valuation Parameters in 2024

Several adjustments have been made to valuation parameters to better reflect market conditions and financing structures. Adjustments in WACC input parameters include using an optimal market-based Debt-to-Equity (D/E) ratio instead of the specific capital structure of each SPV at a given time. The cost of debt is calculated using the risk-free rate plus a margin and a small company premium has been introduced where the feed-in tariff does not apply. The assumed project lifetime has been extended from 25 to 30 years. Country-specific changes include the transition from the Feed-in Tariff to the Green Bonus scheme in the Czech Republic, which has led to an increase in the portfolio's value. In Hungary, the freeze of KAT indexation for the next five years has been reflected in the valuation. These modifications ensure alignment with market conditions and regulatory updates. Changes in valuation parametrs resulting in the 6.5 mil EUR increase in portfolio value.

Changes in the Valuation Parameters in 2023

The most significant change in the valuations is related to Photon's biggest portfolio in Hungary. A major part of Hungarian PVPs is set to return under feed-in tariff scheme from 1.4.2024. The current tariff price (47.04 KUF/kWh) is substantially above the expected market price resulting in the 6.5 mil EUR increase in portfolio value. Also Czech PVPs is set to return under feed-in tariff scheme, the effect on the valuation has not been significant therefore the value of the portfolio has not been revaluated.

Major technical modifications in general set-up of models is in the calculation of the Discount Rate which was switched from Levered Cost of Equity to WACC which is more suitable considering the debt/equity structure of SPVs.

5.2 Financial Instruments – Other Financial Assets and Derivatives

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

6. Financial Risk Management

6.1 Risk Management Framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

6.2 Regulatory Risk

Risk of adverse evolution of legislative or regulatory landscape, and/or ineffective identification, assessment, management and monitoring of legislative/regulatory changes. Lack of a systematic assessment process of regulatory risks coming from new strategic and business initiatives.

Company uses the following measures in order to diminish the impacts of the regulatory risk:

- Geographical and business diversification
- Balancing of the PV portfolio between merchant and FiT
- Ongoing monitoring of regulatory environment and all relevant legal regulations performed both in-house and through external advisors
- Multinational Group structure to optimize the investment protection against retroactive (negatively impacting) changes in regulatory environment potentially introduced by countries in which the Group operates
- Liaising with policy makers and industry associations and other trade organizations to have an early bird notification on any upcoming regulatory changes
- Employing local experts to understand the markets and political landscape we are operating in both prior to entering a project and throughout its lifecycle.

On 11 December 2024 the Chamber of Deputies of the Parliament of Czech Republic during its 119th meeting approved the final version of so-called Lex OZE III, which is amending inter alia Act No. 165/2012 of the Coll. Act on Supported Sources of Energy. The version submitted for further legislative proceeding and discussion in Senate Parliament of the Czech Republic provides for: (i) individual controls on the Internal Rate of Return (IRR) of PV Projects, which were connected to the grid in years 2009 and 2010 and have a capacity of more than 30kW; such projects will be due to submit information related to IRR to the market operator on an annual basis. The changes assumed in Lex OZE III and described in point (i) above are currently not expected to have a material impact on Photon Energy Group and its overall financial results going forward, if approved in the current form.

As of 1 October 2024, a new regulation (ORDINUL ANRE nr 60/2024), with specific articles nr 136 and nr 140, took effect and has impacted the PV industry in Romania. According to this new regulation, the "testing period", which was a maximum of a 2-year window for the solar assets before the final electricity licence is granted was reduced. Previously during this 2-year window, new solar assets benefited from a preferential treatment which assumed that the electricity sales prices were calculated on the basis of a 90-day rolling average. The changes introduced by a new regulation include a reduction of this 2-year window to 6 months for PV assets below 1 MW and 12 months for assets between 1-20 MWp, which includes all assets in the Group's portfolio. Only solar assets above 20 MWp capacity will have this condition unchanged.

Additionally, the pricing terms have changed and instead of a 90-day rolling average, the respective Transmission System Operator (TSO) will pay for the energy generated according to the hourly production of the day and using hourly day-ahead market prices, capped at 400 LEI per MWh (approx. 80EUR/MWh).

In case of negative day-ahead prices, the negative difference (hourly production times negative price) will be deducted from the final invoice. This means that the protection mechanism against negative prices which existed in the past has ceased. Also, electricity produced on weekends and public holidays is not paid for.

Following the above changes, the expected revenues from the sale of electricity in Romania will not benefit from the recent and potential electricity price increases due to the cap level of EUR 80/MWh.

This new regulation has impacted all assets in the Group's Romanian portfolio (42.7 MWp) except for Siria (5.7 MWp) which had a different trading agreement in place effective as of 1 November 2024. Following these changes, electricity producers must obtain a licence from the authority in order to enter the sales system through the energy market or bilateral contracts, which could potentially offer higher sales revenues. The Group has already submitted the documents for obtaining licences for four power plants with a total installed capacity of 16.9 MWp. The three power plants in Calafat with total capacity of 6.0 MWp obtained licences in December 2024 and moved to the merchant model, benefiting from higher prices in December. After the reporting period, i.e. in February 2025, additional 3.8 MWp in Bocsa has secured a generation licence. The rest of the portfolio is expected to finalise this process during 2025. This will help to offset the negative impact of the regulatory changes.

6.3 Geopolitical Risk

Risk associated with international conflicts, wars, terrorist acts, and tensions between states that affect the normal and peaceful course of international relations and can result in various restrictions, sanctions, taxes etc. The most apparent materialization of this risk for the Group is Ukrainian war and related to this. Currently the Group has very limited exposure to Ukrainian market and no exposure to Russia so this risk is not material for the Group. However, this risk needs to be monitored in line with the development of international relations on this front. Regarding the US tariffs recently announced by the Trump administration, the impact is currently difficult to estimate. It will largely depend on the reciprocal actions taken by other countries, primarily China, which is the world's largest producer of PV technology. US tariffs on Chinese and European imports may result in an increased supply of PV technology in European markets, potentially exerting downward pressure on module and battery prices. On the other hand, the cost of some high-tech components imported from the US—such as chips used in inverters—could rise, creating upward pricing pressure.

Given the unpredictability of international affairs, the precise impact of this risk remains difficult to forecast. The situation needs to be closely monitored in line with developments in international relations and additional adjustments may need to be required to mitigate this risk.

Diminishing measures:

- Limited exposure to Ukrainian market through the sale of PV modules but without meaningful impact on the Group's business.
- No exposure to Russian markets
- Monitoring the international situation and adjusting the business operations accordingly.
- Diversified supply channels
- Price adjustments in EPC contracts might be implemented if needed

6.4 Currency Risk

The Group's business transactions are carried our in various currencies and hence the changes in exchange rates between various currencies may result in net gains or losses, which are difficult to predict. The transactions of the Group entities are mainly denominated in CZK, EUR, AUD, CHF, RON, PLN, HUF, NZD and ZAR.

The Group does not manage the foreign currency risk by the use of FX derivatives, it rather uses natural hedging by actively managing FX positions. It is not done in a formalised way.

6.5 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, including the electricity distributors.

6.5.1 Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. In most cases, the Company requires advance payments (partial or 100%) for the delivery of technology in order to minimise the credit risk. Additionally, in case of new customers, the company looks for market references of the potential customers that are available in public resources. The collections are regularly (weekly basis) monitored by the responsible employees (Finance and business holders) and any significant overdue receivables are discussed with the management of the company. Management of the company is responsible for the decision whether allowance is to be created or any other steps need to be performed.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

6.5.2 Liquid assets with restriction on disposition

The Group held liquid assets of EUR 14,352 thousand at 31 December 2024 (2023: EUR 12,978 thousand), which represents its maximum credit exposure on these assets. Liquid Assets consist of following items:

In thousands of EUR	**2024**	**2023**
Cash and cash equivalents	8,437	5,838
Cash with restriction on disposition	5,914	7,140
Liquid assets	**14,352**	**12,978**

The cash and cash equivalents and liquid assets with restriction on disposition are held with banks and financial institution counterparties. Only those banks and financial institutions, which were approved by the members of the board of directors, can be used by the Group.

Some of the cash held by the Czech, Slovak, Hungarian and Australian SPVs having received external financing is restricted only for certain transactions, e.g. debt service, or maintenance service for inverters. Further, several bank guarantees have been issued by banks for Photon Energy Engineering Australia Pty Ltd., for which the banks requested security deposits. Total amount of this restricted cash by these companies is EUR 5,914 thousand as at 31 December 2024 (2023: EUR 7,140 thousand), see also note 28.

6.6 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

6.7 Interest Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is measured by the extent to which changes in market interest rates impact on net interest expense. The Company uses interest rate derivatives for managing the interest rate risk.

All the connected SPVs refinanced by bank, consolidated in full or by using the equity method by the Group, own interest rate derivatives used for hedging. The purpose of the derivatives is to hedge against movement of interest rates. Concluding the derivative contract was one of conditions required by financing bank as defined in the Loan contract.

The change in fair value of these derivatives is recognized via equity of the Company and the result is shown in Derivatives reserve of the Company's equity.

6.8 Inflation Risk

State support, especially feed-in tariffs, is indexed in the cases of Czech, Slovakian and Hungarian projects; i.e. they are subject to inflationary adjustment that is defined by a specific band. In case of high inflation, there is consequently a risk that the running operative costs increase while the yields will not be adjusted accordingly. In projects that are not supported by the state there is a different risk - namely that by lower inflation the calculated market prices for electricity will not develop as it was planned.

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy will unwind accordingly to the further negotiations with the Group's creditors.

The Group's net debt to equity ratio at the reporting date was as follows:

In thousands of EUR	**2024**	**2023**
Total liabilities	212,771	207,920
Less: Liquid assets	14,352	12,978
Net debt	198,420	194,942
Total equity	60,408	69,767
Net debt to equity ratio at 31 December	**3.285**	**2.794**

Equity ratios:

	2024	**2023**
Full Equity ratio	22.0%	25.1%
Adjusted Equity ratio (for bond governance)	25.6%	28.0%

Adjusted Equity ratio is calculated as Total Equity/(Loans and borrowings (Non-current liabilities)+ Issued bonds and Other long term liabilities+ Loans and borrowings (Current liabilities)+ Issued bonds and Other loans (Current liabilities)).

There were no changes in the Group's approach to capital management during the year.

7. Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues or incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and Board of directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The chief operating decision maker (CODM) has been identified as the Board of Directors and the CFO of the Group.

The Board of Directors identified the following segments to be reported:

- **Engineering**: Development, engineering and construction services of-turn-key photovoltaic systems' installations for external clients and Photon Energy). This segment was formerly named Energy Solutions and included as well wholesale of technology, which became due to its size an own reportable segment. Further activities of project development were taken out of this segment and are reported now under "Others", since the nature of the activity changed from purely internal development for our own projects to project development for external partners,
- **Technology**: Wholesale, import and export of FVE components,
- **Investments (Electricity Generation)**: Investment into photovoltaic power plants and generation of revenues from production of electricity (this segment includes SPV that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity). Previously this segment was split into "Production of Electricity" and "PV Investments" as those income is generated by the same assets,
- **Operations & Maintenance**: Operations, maintenance and PVPP supervision. This segment includes also the services of Inverter Cardio and Monitoring and Control,
- **Other segments**: Other, not related to any of the above mentioned segments. Others include project development, water technology and remediation services and other activities, such as corporate services. None of these activities meets any of the quantitative thresholds for determining reportable segments in neither 2023 nor 2024.
- **New Energy:** Capacity markets, energy trading, demand side response. Starting from 2023, the New Energy division was added to the Company's business lines. It consists of Lerta in its current form (capacity market, energy trading, real-time asset aggregator, DSR) and absorbed division of Photon Energy Solutions (Solutions entities) to develop and provide next generation energy services to energy consumers with energy storage playing growing role.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Interest income, interest expense and income tax charges are allocated directly to the segments. Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, and intangible assets other than goodwill.

Factors that Management Used to Identify the Reportable Segments

The Group's segments are strategic business units that focus on different business activities. They are managed separately because each business unit requires different processes.

Measurement of Operating Segment Profit or Loss, Assets and Liabilities

The Group's management and directors review financial information prepared based on IFRS as adopted by EU adjusted to meet the requirements of internal reporting. The financial information does not differ from IFRS as adopted by EU.

The Group's management and directors evaluate the segments based on total comprehensive income which is considered to be the key measure.

Information About Reportable Segment Profit or Loss, Assets and Liabilities

Information About Reportable Segments

Operating segments for the period from 1 January 2024 to 31 December 2024

In thousands of EUR	Engineering	New Energy	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	17,974	32,531	11,283	22,585	4,111	1,432	**89,917**	0	**89,917**
Internal revenues from the sale of products, goods & services	15,027	3,177	2,016	2,119	5,494	22,836	**50,669**	-50,669	**0**
Total revenues	33,001	35,708	13,299	24,704	9,605	24,268	**140,585**	-50,669	**89,917**
Other external income	48	186	671	252	83	321	**1,561**	0	**1,561**
Raw materials and consumables used	-4,677	-20,203	-11,944	-176	-592	-397	**-37,989**	0	**-37,989**
Raw materials and consumables used within segments	-154	-1,940	-1,970	-559	-174	-6	**-4,803**	4,803	**0**
Solar levy	0	0	0	-1,999	0	0	**-1,999**	0	**-1,999**
Personnel expenses and other expenses	-14,558	-7,829	-1,422	-1,978	-5,410	-12,471	**-43,669**	0	**-43,669**
Personnel and other expenses within segments	-13,344	-2,952	-369	-2,680	-5,078	-11,051	**-35,475**	35,475	**0**
EBITDA	**316**	**2,970**	**-1,734**	**17,564**	**-1,566**	**663**	**18,213**	**-10,391**	**7,821**
External EBITDA	**-1,213**	**4,684**	**-1,411**	**18,684**	**-1,808**	**-11,115**	**7,821**	**0**	**7,821**
Depreciation	-60	-984	-64	-8,346	-148	-1,303	**-10,904**	0	**-10,904**
Impairment charges	-41	26	124	0	0	0	**110**	0	**110**
Other gain (loss)	0	0	0	0	0	417	**417**	0	**417**
Gain (loss) on disposal of investments	0	0	0	0	0	-450	**-450**	0	**-450**
Profit/loss share in equity-accounted investees	0	0	0	254	0	0	**254**	0	**254**
Results from operating activities (EBIT)	**215**	**2,012**	**-1,674**	**9,472**	**-1,714**	**-673**	**7,638**	**-10,391**	**-2,753**
Financial income	706	1,553	30	1,249	1,053	11,135	**15,726**	-15,114	**612**
Financial expenses	-1,714	-1,661	-612	-10,306	-1,787	-10,764	**-26,844**	15,227	**-11,617**
Revaluation of derivatives	0	0	0	-66	0	0	**-66**	0	**-66**
Profit/loss before taxation (EBT)	**-793**	**1,904**	**-2,256**	**349**	**-2,449**	**-302**	**-3,546**	**-10,279**	**-13,824**
Income Tax (income and deferred)	1,295	-807	0	56	-67	151	**628**	0	**628**
Profit/loss after taxation	**502**	**1,097**	**-2,256**	**405**	**-2,515**	**-150**	**-2,917**	**-10,279**	**-13,196**
Other comprehensive income	129	342	91	5,669	-98	-2,370	**3,763**	0	**3,763**
Total comprehensive Income	**631**	**1,439**	**-2,165**	**6,074**	**-2,613**	**-2,520**	**846**	**-10,279**	**-9,433**
Assets	**46,505**	**31,541**	**14,867**	**199,114**	**25,870**	**266,595**	**584,493**	**-311,656**	**272,836**
Liabilities	**-47,608**	**-26,317**	**-15,131**	**-156,510**	**-39,399**	**-234,657**	**-519,622**	**306,851**	**-212,771**
Investments in JV accounted for by equity method	0	0	0	1,845	0	0	**1,845**	0	**1,845**
Additions to non-current assets	0	4,179	0	14,600	0	0	**18,779**	0	**18,779**

Operating segments for the period from 1 January 2023 to 31 December 2023

In thousands of EUR	Engineering	New Energy	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	9,070	24,507	18,831	12,820	3,597	1,824	**70,649**	0	**70,649**
Internal revenues from the sale of products, goods & services	18,139	5,120	5,034	8,587	2,436	23,176	**62,492**	-62,492	**0**
Total revenues	**27,209**	**29,627**	**23,865**	**21,407**	**6,033**	**25,000**	**133,141**	**-62,492**	**70,649**
Other external income	36	82	19	8	30	757	**932**	0	**932**
Raw materials and consumables used	-3,842	-11,684	-20,327	-28	-294	-702	**-36,877**	0	**-36,877**
Raw materials and consumables used within segments	-3,037	-8,846	-1,125	0	-70	0	**-13,078**	13,078	**0**
Solar levy	0	0	0	-1,621	0	0	**-1,621**	0	**-1,621**
Personnel expenses and other expenses	-8,158	-6,116	-1,398	-2,979	-4,350	-6,376	**-29,377**	0	**-29,377**
Personnel and other expenses within segments	-10,235	-4,283	-27	-1,230	-1,536	-22,958	**-40,269**	40,269	**0**
EBITDA	**1,973**	**-1,220**	**1,007**	**15,557**	**-187**	**-4,279**	12,851	**-9,145**	**3,706**
External EBITDA	**-2,894**	**6,789**	**-2,875**	**8,200**	**-1,017**	**-4,497**	3,706	**0**	**3,706**
Depreciation	-99	-1,828	-61	-7,288	-498	-1,270	**-11,044**	0	**-11,044**
Impairment charges	0	-121	-856	0	0	0	**-977**	0	**-977**
Other gain (loss)	0	0	0	0	0	2,902	**2,902**	0	**2,902**
Gain (loss) on disposal of investments	0	0	0	0	0	0	**0**	0	**0**
Profit/loss share in equity-accounted investees	0	0	0	217	0	0	**217**	0	**217**
Results from operating activities (EBIT)	**1,874**	**-3,168**	**90**	**8,486**	**-685**	**-2,647**	3,949	**-9,145**	**-5,196**
Financial income	132	531	25	1,632	1,111	13,562	**16,993**	-16,250	**743**
Interest expense	-1,566	-1,065	-765	-8,441	-1,580	-14,020	**-27,437**	16,003	**-11,434**
Financial espenses	-338	15	-342	-779	-5	1,228	**-221**	0	**-221**
Revaluation of derivatives	0	0	0	-115	0	-79	**-194**	0	**-194**
Profit/loss before taxation (EBT)	**102**	**-3,687**	**-992**	**783**	**-1,159**	**-1,957**	**-6,910**	**-9,392**	**-16,302**
Income Tax (income and deferred)	1,172	-133	0	-744	-9	266	**552**	0	**552**
Profit/loss after taxation	**1,274**	**-3,821**	**-992**	**39**	**-1,168**	**-1,690**	**-6,358**	**-9,392**	**-15,750**
Other comprehensive income	-158	-198	-198	12,773	223	2,849	**15,291**	0	**15,291**
Total comprehensive Income	**1,116**	**-4,019**	**-1,190**	**12,812**	**-945**	**1,159**	8,933	**-9,392**	-459
Assets	**43,504**	**46,422**	**22,172**	**190,985**	**19,095**	**224,056**	546,234	**-268,810**	277,424
Liabilities	**-45,252**	**-36,309**	**-18,973**	**-152,202**	**-29,929**	**-190,552**	-473,217	**265,297**	-207,920
Investments in JV accounted for by equity method	0	0	0	1,823	0	0	**1,823**	0	**1,823**
Additions to non-current assets	0	0	0	38,859	0	0	**38,859**	0	**38,859**

7. Operating Segments (Continued)

All the operational segments are managed on an international basis (not on a country level). In 2024, the Group operated in the Czech Republic, Slovak Republic, Germany, Hungary, Australia, Switzerland, Romania, Poland, Mongolia, South Africa and the Netherlands with headquarters in the Netherlands.

In 2024, revenues were generated in all above mentioned markets, except of the Netherlands, Mongolia and South Africa. Non-current assets (power plants) are located in the Czech Republic, Slovak Republic, Hungary, Romania and Australia.

For the booking of transactions between the segments, the same rules for the recognition are applied as for the third parties.

Geographical information below, including revenues based on the geographical location of entities generating the revenues and segment assets based on the geographical location of the assets is presented in notes 10 and 19.

Major Customer

The Group has many customers. For the companies selling electricity, there is usually only one distribution company, which buys produced electricity in a region. These local electricity distributors further deliver and resell electricity to final customers. Distributors are obliged to purchase all of the electricity production for the price based on Feed in Tariff prices. The Group as such is not dependent on any individual customer.

During 2024 Czech SPVs applied for green bonus program.

In 2024 and 2023 the Group commissioned a powerplants in Romania where electricity is sold directly into the wholesale electricity market and the revenues from sale of this electricity are based on actual market prices.

Revenues from customers over 10% of total revenues

In thousands of EUR	2024	2023
European Commodity Clearing Luxembourg	4,727	11,664
Polskie Sieci Elektroenergetyczne S.A.	20,747	8,328
OTE, a.s.	1,429	9,748
Total revenue from customers over 10% of total revenues	**26,904**	**29,739**
Total revenue	**89,917**	**70,649**

Revenues from European Commodity Clearing Luxembourg is presented in segment New Energy and represent sales of electricity. Revenues from Polskie Sieci Elektroenergetyczne S.A. is representing mostly gains from capacity market and they are also presented in New Energy Segment. A smaller part of revenues from OTE, a.s. are presented in segment New Energy, but a major part of revenues from sale of internally generated electricity are still presented in segment Investments.

Non-current assets by geographical location

In thousands of EUR	2024	2023
The Czech Republic	40,233	45,017
Hungary	58,753	56,736
Romania	62,394	53,653
Poland	28,119	25,765
Australia	18,025	34,126
The Slovak Republic	9,272	9,618
Netherlands	93	87
Total	**216,890**	**225,003**

8. Acquisitions of Subsidiary and Non-controlling Interests; Financial Information for the Joint Ventures; Sale of subsidiaries

8.1 Establishment of New Subsidiaries

During 2024, Photon Energy N.V. (directly or via its subsidiaries) incorporated the following subsidiaries:

- On 25 March 2024, Photon Energy Projects s.r.o. became a 95% shareholder of ELBA SOLAR SRL and Photon Energy Engineering s.r.o. became the shareholder of the remaining 5%.
- On 8 May 2024, Photon Energy N.V. became 100% shareholder of Domanowo Solar Sp. z o.o., (PL-DOM; Poland);

During 2023, Photon Energy N.V. (directly or via its subsidiaries) incorporated the following subsidiaries:

- On 5 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Dartford Solar Kft.
- On 5 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Photon New Energy Beta Kft. Followingly, on 24 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Beta Kft.
- On 9 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Rochester-Solar Kft.
- On 10 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Newhamp-Solar Kft.
- On 10 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Photon New Energy Alfa Kft. Followingly, on 22 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Alfa Kft.
- On 11 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Brixton Solar Kft.
- On 21 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Gamma Kft.
- On 28 September 2023, Photon Energy N.V. became 100% shareholder of Photon Energy AUS SPV 14 Pty. Ltd.
- On 9 November 2023, Photon Energy Engineering B.V. became 100% shareholder of Photon Energy Engineering NZ Pty. Limited.

During 2023, Photon Energy N.V. (directly or via its subsidiaries) acquired the controlling share in the following entities:

- On 11 April 2023, Photon Energy Projects s.r.o. became 95% shareholder and Photon Energy Engineering s.r.o. became 5% shareholder of Faget Solar Three Srl.
- On 21 August 2023, Photon Energy Projects s.r.o. became 95% shareholder of Giulvaz Solar S.R.L., and Photon Energy Engineering s.r.o. became shareholder of remaining 5%
- On 5 September 2023, Photon Energy Projects s.r.o. became 95% shareholder of Faget Solar Five S.R.L., and Photon Energy Engineering s.r.o. became shareholder of remaining 5%

8.2 Acquisitions of Subsidiaries

During 2024, Photon Energy N.V. (directly or via its subsidiaries) acquired the controlling share in the following entities:

- On 9 January 2024, Photon Energy Projects s.r.o. became a 95% shareholder of Faget Solar Four S.R.L.

During 2023, Photon Energy N.V. (directly or via its subsidiaries) acquired the controlling share in the following entities:

- On 5 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Photon New Energy Beta Kft. Followingly, on 24 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Beta Kft.
- On 10 May 2023, Photon Energy Investments AG (ex-ALFEMO AG) became 100% shareholder of Photon New Energy Alfa Kft. Followingly, on 22 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Alfa Kft.
- On 21 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Gamma Kft.
- On 11 April 2023, Photon Energy Projects s.r.o. became 95% shareholder and Photon Energy Engineering s.r.o. became 5% shareholder of Faget Solar Three Srl.
- On 21 August 2023, Photon Energy Projects s.r.o. became 95% shareholder of Giulvaz Solar S.R.L., and Photon Energy Engineering s.r.o. became shareholder of remaining 5%
- On 5 September 2023, Photon Energy Projects s.r.o. became 95% shareholder of Faget Solar Five S.R.L., and Photon Energy Engineering s.r.o. became shareholder of remaining 5%

Other Developments in 2024

- As of 25 September 2024, the company Lerta Lithuania UAB (LT-LER; Lithuania) has entered into liquidation proceedings.
- As of 31 October 2024, Photon Energy N.V. has sold its 100% share in Leeton Solar Farm Pty. Ltd., Fivebough Solar Farm Pty. Ltd. And Photon Energy AUS SPV 6 Pty Ltd.
- As of 1 December 2024, the companies Lerta Poland Sp. z o.o. (PL-LP; Poland) and Photon Energy Trading PL Sp. z o.o. (PL-TRA; Poland) have ceased to exist due to a merger with the company Lerta JRM Sp. z o.o. (PL-LJRM; Poland). As the last step of the merger, the successor company Lerta JRM Sp. z o.o. (PL-LJRM;

Poland) has been renamed to Photon Energy Trading PL Sp. z o.o. (PL-TRD; Poland).

Other Developments in 2023

- On 17 February 2023, the merger of Barbican Solar Kft., Caledonian Solar Kft., Hampstead Solar Kft. and Ladány Solar Delta Kft. into Ladány Solar Delta Kft. was registered. The three SPV's Barbican Solar Kft., Caledonian Solar Kft., Hampstead Solar Kft. ceased to exist as of 16 February.
- On 10 July 2023, Photon Energy Solutions CZ a.s. became 100% shareholder of Lerta Czech Republic s.r.o.
- On 24 July 2023, Photon Energy Investments AG became 95% shareholder of Aldgate Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 24 July 2023, Photon Energy Investments AG became 95% shareholder of Holloway Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 24 July 2023, Photon Energy Investments AG became 95% shareholder of Chesham Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 24 July 2023, Photon Energy Investments AG became 95% shareholder of Watford Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 21 August 2023, Photon Energy Solutions AG became 100% shareholder of Photon New Energy Gamma Kft.,
- On 23 August 2023, Photon Energy Investments AG became 95% shareholder of Brentford Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 23 August 2023, Photon Energy Investments AG became 95% shareholder of Greenford Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 23 August 2023, Photon Energy Investments AG became 95% shareholder of Halton Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 23 August 2023, Photon Energy Investments AG became 95% shareholder of Kenton Solar S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 23 August 2023, Photon Energy Investments AG became 95% shareholder of Faget Solar Three S.R.L., and KORADOL AG became shareholder of remaining 5%
- On 27 September 2023, Lerta Power Poland Sp. z o.o has changed its name to Photon Energy Trading PL Sp. z o.o.,
- On 6 November 2023, Lerta Energy Srl. has changed its name to Photon Energy Solutions Romania Srl.,
- On 9 November 2023, Lerta Technology Sp. z o.o. has changed its name to Photon Energy Systems Sp. z o.o.

8.3 Financial Information for the Joint Ventures

The table below summarises the movements in the carrying amount of the Group's investments in joint ventures.

In thousands of EUR	2024	2023
	Joint ventures	Joint ventures
Carrying amount at 1 January	**1,823**	**1,635**
Share of profit of joint ventures	254	217
Share of other comprehensive income of joint ventures	-231	29
Dividends received from joint ventures	0	-59
Carrying amount at 31 December	**1,845**	**1,823**

Joint ventures

Investments in equity-accounted investees amounting to EUR 1,845 thousand (2023: EUR 1,823 thousand) represent the nominal share in the joint ventures owned by the Group.

2024:

In thousands of EUR	**Photon SK SPV 1**	**Solarpark Myjava**	**Solarpark Polianka**	**Total**
Definition	joint venture	joint venture	joint venture	
Share	50%	50%	50%	
Equity of the entity	1,324	1,049	1,319	3,691
Share on equity	**662**	**524**	**659**	**1,845**
Net profit	175	174	159	508
Share of profit	**87**	**87**	**79**	**254**
Cash and cash equivalents	119	117	114	350
Current assets	210	215	202	627
Long-term assets	1,684	1,198	1,767	4,649
Current liabilities (financial)	-231	-118	-205	-554
Long-term liabilities (financial)	-24	0	-131	-155
Depreciation	-92	-101	-90	-283
Interest expense	-7	-4	-10	-22
Revenues	263	288	260	811
Other comprehensive income	-75	-83	-74	-231
Dividends paid	0	0	0	0
Total comprehensive income (loss)	**13**	**4**	**5**	**22**

2023:

In thousands of EUR	**Photon SK SPV 1**	**Solarpark Myjava**	**Solarpark Polianka**	**Total**
Definition	joint venture	joint venture	joint venture	
Share	50%	50%	50%	
Equity of the entity	1,298	1,040	1,308	3,646
Share on equity	**649**	**520**	**654**	**1,823**
Net profit	-143	-163	-128	-434
Share of profit	**-72**	**-81**	**-64**	**-217**
Cash and cash equivalents	90	96	77	263
Current assets	178	188	163	529
Long-term assets	1,831	1,363	1,909	5,102
Current liabilities (financial)	-217	-217	-188	-622
Long-term liabilities (financial)	-159	-34	-253	-446
Depreciation	97	108	108	313
Interest expense	11	8	13	33
Revenues	-251	-277	-249	-777
Other comprehensive income	-4	-2	-7	-13
Dividends paid	-33	-12	-14	-59
Total comprehensive income (loss)	**96**	**117**	**102**	**314**

All of the entities included in the above table are accounted for using the equity method of consolidation as at 31 December 2024 and 31 December 2023. The above included joint ventures can distribute profit only after agreement of the financing bank and the approval of the co-owner of the entity (via the general meeting).

8.4 Sale of Subsidiaries

As of 31 October 2024, Photon Energy N.V. has sold its 100% share in Leeton Solar Farm Pty. Ltd., Fivebough Solar Farm Pty. Ltd. And Photon Energy AUS SPV 6 Pty Ltd.

Futher details and calculation of the gain (loss) of the sale are presented in the chapter 29.

9. Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions:

Timing of revenues:

In thousands of EUR	2024	2023
At a point of time	11,283	18,831
Over time	77,043	50,458
Total revenue from contracts with customers	**88,327**	**69,289**
Compensations for sales from electricity generation	1,590	1,360
Total revenue	**89,917**	**70,649**

Revenues by major revenue types:

In thousands of EUR	2024	2023
Sale of goods and technologies	11,283	18,831
Sale of electricity and certificates	23,115	20,047
Revenues from capacity market contracts	20,062	7,642
Revenues from EPC contracts	16,426	9,070
Revenues from electricity trading and balancing	11,357	7,955
Rendering of services	6,084	5,744
Total revenue from contracts with customers	**88,327**	**69,289**
Compensations for sales from electricity generation	1,590	1,360
Total revenue	**89,917**	**70,649**

The Group uses various revenue models for PVP generating revenues from sale of electricity – fixed feed in tariffs, contracts for difference, and going forward the merchant model (sale of electricity into the wholesale market at actual market prices).

Revenues from sales of electricity from fixed feed-in-tariffs in 2024 amounted to EUR 19,628 thousand (2023: EUR: 11,605 thousand), and revenues from sales of electricity for market price amounted to EUR 5,077 thousand (2023: EUR 9,802 thousand).

Total amount of subsidies returned under the contract for difference scheme (MAVIR) in 2024 was EUR 302 thousand (2023: EUR 195 thousand) as the average market price of electricity sold to the market exceeded the agreed price.

As the Group operates in regulated business under various models for PVP revenues from sales of electricity, the Group invoices the revenues from sale of electricity to different partners, including government agencies which in fact do not receive any generated electricity, such as the short-term electricity market operator OKTE, a.s. ("OKTE") in Slovakia.

Total amount of compensations for sales from electricity generation invoiced to OKTE in 2024 amounted to EUR 1,590 thousand (2023: EUR 1,360 thousand) and from MAVIR in Hungary negative EUR 302 thousand (2023: -EUR 195 thousand).

Even though the revenues were invoiced in 2024 and 2023 to government agency, the Group does not consider them to be government grants and recognised them as revenues from sale of electricity as these revenues are representing core activity of the Group and are clearly linked to revenue model that is determined for each PVP.

An energy certificate is a transferable record or guarantee related to the amount of energy or material goods consumed by an energy conversion device in industrial production. A certificate may be in any form, including electronic, and lists attributes such as method, quality, compliance, and tracking. One of the examples of energy certificates are e.g. guarantees of origin.

Trading revenues (including direct sales and balancing) from electricity purchased from the 3rd. parties are presented on line Revenues from electricity trading and balancing in the above table. On the face of financial statements, they are included in revenues. Sales of electricity and certificates mentioned in the table above represent just the internally generated electricity.

Revenues from capacity market contracts are representing revenues from providing capacities (reduction of power consumption) to the grid.

Revenues by geographical split:

In thousands of EUR	**2024**	**2023**
Czech Republic	26,300	30,256
Hungary	15,646	17,483
Poland	23,261	8,590
Australia	9,461	8,373
Romania	5,181	3,033
Slovak Republic	577	820
Germany	174	734
New Zealand	7,390	0
Other	337	0
Total revenue from contracts with customers	**88,327**	**69,289**
Compensations for sales from electricity generation – Slovak Republic	1,590	1,360
Total revenue	**89,917**	**70,649**

Geographical split is based on the location of the entity generating the revenue, allocating revenues to the countries where entities are legally registered and operate.

Increase in total revenues in 2024 is mainly a result of higher 3rd party EPC/engineering, New Energy and Investments revenues.

As of the reporting period, the Group has started generating revenues from New Zealand, driven by the launch of new projects in the region, marking a new revenue stream compared to 2023.

10. Other Income

In thousands of EUR	**2024**	**2023**
Miscellaneous	340	536
Grants received	401	344
Settlement agreement/insurance compensation	124	52
Credit note for the purchased goods	696	0
Total Other income	**1,561**	**932**

In 2024, the amount of EUR 340 thousand in Miscellaneous represent one-off incomes, related tosuch as balance sheet account clearances and non-recurring write-offs.

The credit note for the purchased goods represents an additional volume discount from the supplier, received after the related goods had already been sold from stock.

In 2023, the amount of EUR 536 thousand in Miscelanneous represent income from sale of project rights for project Zlocew in Poland.

11. Raw Materials and Consumables Used

Main expense' classes represent material consumed and cost of goods sold.

In thousands of EUR	**2024**	**2023**
Goods (modules, inverters, etc.)	-20,169	-23,068
Electricity purchased	-4,297	-8,649
Demand side response	-12,470	-3,876
Material consumed	-1,053	-1,284
Raw materials and consumables used	**-37,989**	**-36,877**

Raw materials and consumables consist mainly of material and goods used for technology sales and necessary for construction of photovoltaic power plants.

Electricity purchased in the amount of EUR 4,297 thousand (2023: EUR 8,649 thousand) represent electricity purchased from 3 rd. parties and sold as trading revenue described in the note 10.

Demand side response in the amount of EUR 12,470 thousand (2023: EUR 3,876 thousand) represents fee paid to 3rd parties providing their power demand capacities.

12. Solar Levy

In thousands of EUR	**2024**	**2023**
20%/21% solar levy	-1,999	-1,621
Solar levy	**-1,999**	**-1,621**

For detailed information about the solar levy refer to note 6.3. Solar levy represent 20% (2023: 21%) levy imposed on the solar electricity produced in the Czech Republic. Solar levy is calculated and settled on a monthly basis.

13. Personnel Expenses

In thousands of EUR	**2024**	**2023**
Wages and salaries	-14,617	-15,377
Social and health insurance	-2,984	-2,825
Pension costs	-353	-277
Personnel expenses	**-17,954**	**-18,479**

Pension costs represent contributions to state defined pension contributions schemes.

On 31 December 2024 the Group employed 335 employees. 4 were employed in Slovakia by Slovak entities; 30 were employed in Hungary, 35 in Australia; 71 in Poland, 35 in Romania, 2 in Switzerland and 1 in the Netherlands and 5 New Zealand. The remaining 152 employees were employed in the Czech Republic. Out of 335 employees, 2 of them were the Board members, 54 senior and mid level management and 281 professional and administration employees.

Overall decrease in personnel expenses is related to general decrease in number of employees. Part of the personnel expenses represent also severance payments for the terminated employees paid during 2024.

On 31 December 2023 the Group employed 348 employees. 4 were employed in Slovakia by Slovak entities; 34 were employed in Hungary, 37 in Australia; 76 in Poland, 32 in Romania, 2 in Switzerland and 1 in the Netherlands and New Zealand. The remaining 161 employ-ees were employed in the Czech Republic. Out of 348 employees, 2 of them were the Board members, 66 senior and mid level management and 280 professional and admin-istration employees. In addition, 63 employees on employment contract and 29 employees on different types of contract joined the group with the acquisition of Lerta Group as of the end of the year. Those employees are mainly employed in Poland.

Key management compensation including salaries, bonuses and social and health insurance is disclosed in note 40 Related parties.

14. Other Expenses

In thousands of EUR	2024	2023
3rd party services (other than below) received	-5,196	-1,129
Construction subcontractors -services	-6,877	-2,982
Warehousing and Freight	-755	-959
Legal costs	-761	-962
Balancing/scheduling/service costs	-623	-839
Accounting services	-1,362	-441
Office costs and IT services	-637	-266
Consulting services	-4,823	-417
Insurance	-708	-533
Travel & Accommodation costs	-645	-624
Cars – fuel and maintenance	-636	-475
Audit costs	-584	-634
Projects write off	-78	-99
Low value / short term leases	-145	-24
Administrative bank charges	-471	-241
Unclaimed and non-deductible VAT	-263	-57
Contactual penalties and other fines	-705	-113
Miscellaneous	-445	-104
Total Other expenses	**-25,715**	**-10,898**

Miscellaneous expenses comprise of other taxes, different government administrative fees, reimbursements and other minor non-recurring expenses. Overall increase in the other expenses is caused mainly by the 3rd party services purchase related to the EPC construction (Australia, New Zealand) and other directs costs related to the operations of powerplants and New Energy segment and increase in accounting and consulting services.

15. Impairment Charges

In thousands of EUR	2024	2023
Net impairment losses on financial and contract assets	155	-927
Write off receivables	-45	-50
Total Impairment charges	**110**	**-977**

In 2024, few minor allowances were released due to the write-off of the receivables, resulting into EUR 45 thousand.

In 2023 the Group created 100% allowance for the customers Nubland Nexus and Alpha Solar systems s.r.o. in the total amount EUR 539 thousand. The allowance created for the customer EkoFachowcy Sp. z. o. o. in the comparative period has remained unchanged. Another EUR 215 thousand out of the total balance of impairment charges relates to the allowance for inventories.

The remaining part of the bad debt provisions represents various small irrecoverable receivable from several entities.

16. Financial Income and Financial Expense

In thousands of EUR	2024	2023
Interest revenue calculated using the effective interest method*	354	465
Gains from financial assets sold/liabilities purchased	258	278
Financial income	**612**	**743**
Interest expense on loans & borrowings calc. using effective interest method	-11,543	-11,434
Foreign exchange gains and losses (net)	-75	-221
Financial expense	**-11,617**	**-11,655**
Gains less losses on derecognition of financial liabilities recognised at amortised costs	**0**	0
Net result from revaluation of trading derivatives/revaluation of other investments	-66	-194
Revaluation of derivatives	**-66**	**-194**

* Interest revenue calculated using the effective interest method includes interest revenue from financial assets carried at amortised costs only.

Incremental bank costs, such as arrangement and refinancing fees, are reflected in the amortised amount of financial liabilities using effective interest rate method.

The Group did not capitalise any borrowing costs for SPVs built and connected in 2024 and in 2023.

Net result from revaluation of derivatives represent change in fair value of derivatives for which no hedge accounting is applied (see also note 36) out of that EUR 10 thousand in 2024 (2023: EUR 115 thousand) is related to the Czech SPVs.

17. Income Tax Expense

17.1 Income Tax Recognized in Profit or Loss

In thousands of EUR	2024	2023
Current tax expense		
Current year	-2,494	-2,269
Deferred tax expense		
Deferred tax on temporary differences	3,122	2,821
Total tax expense	**628**	**552**

For movement in deferred tax arising on temporary difference see note 24.

Pillar 2 is not applicable for the Group , as it is relevant only for multinational groups with turnover higher than EUR 750 million per annum.

17.2 Reconciliation of Effective Tax Rate

In thousands of EUR	2024	2023
Profit (+)/ Loss (-) before income tax	**-13,824**	**-16,303**
Theoretical tax return / charge (25.8%/25%)	3,567	4,076
Effects of different tax rates in other countries	-1,300	-1,375
Unrecognised tax losses of the period	-2,880	-4,482
Use of prior year losses (previously not recognised)	819	511
Recognition of deferred tax assets previously not recognised	424	1,826
Permanent differences	-1	-4
Total tax expense	**628**	**552**

Theoretical tax rate of 25.8% (2023: 25%) represent tax rate applicable to the Netherlands, which is the country of incorporation of Photon Energy NV.

The Group has accumulated tax losses for which no deferred tax asset has been recognised, see also note 24.

18. Property, Plant and Equipment

In thousands of EUR	Land	Photovoltaic power plant	Other equipment	In progress	Total
Net carrying amounts					
Gross revalued amount at 1 January 2023	5,318	182,230	2,550	28,108	218,206
Accumulated depreciation at 1 January 2023	0	-71,627	-1,030	0	-72,657
Net carrying amounts 1 January 2023	**5,318**	**110,603**	**1,520**	**28,108**	**145,549**
Other Additions/Transfers	1,015	23,815	1,237	-6,642	19,425
Acquisition of subsidiary	0	0	0	0	0
Revaluation increase (note 29)	0	14,461	0	0	14,461
Disposal of property, plant and equipment	0	0	0	0	0
Depreciation for the year	0	-7,288	-806	0	-8,094
Effect of movements in exchange rates	0	1,170	0	0	1,170
Net carrying amounts					
Gross revalued amount at 31 December 2023	6,333	221,676	3,787	21,466	253,262
Accumulated depreciation at 31 December 2023	0	-78,915	-1,836	0	-80,751
Net carrying amounts 31 December 2023	6,333	142,761	1,951	21,466	172,511
Net carrying amounts 1 January 2024	**6,333**	**142,761**	**1,951**	**21,466**	**172,511**
Other Additions/Transfers	181	10,493	0	-7,218	3,456
Revaluation increase (note 29)	0	6,983	0	0	6,983
Assets classified held for sale and other disposals	0	-13,764	0	-1,032	-14,796
Depreciation for the year	0	-8,346	-505	0	-8,851
Effect of movements in exchange rates	0	-244	0	0	-244
Net carrying amounts					
Gross revalued amount at 31 December 2024	6,514	225,144	3,787	13,216	248,660
Accumulated depreciation at 31 December 2024	0	-87,261	-2,341	0	-89,602
Net carrying amounts 31 December 2024	**6,514**	**137,883**	**1,446**	**13,216**	**159,058**

Revaluation details by power plants:

In thousands of EUR Country		kWp	Original costs less accumulated depreciation as at 31 December 2024	Revalued amount less accumulated depreciation as at 31 December 2024	Original costs less accumulated depreciation as at 31 December 2023	Revalued amount less accumulated depreciation as at 31 December 2023
CZ	Breclav	347	306	849	312	727
CZ	Mostkovice	926	671	2,135	678	2,437
CZ	Svatoslav	1,231	873	2,487	886	2,960
CZ	Slavkov	1,159	1,015	2,692	1,026	3,036
CZ	Zvikov	2,031	1,468	5,300	1,482	5,660
CZ	Dolni Dvoriste	1,645	1,298	3,855	1,311	4,167
CZ	Radvanice	2,305	1,863	5,570	1,894	6,483
CZ	Komorovice	2,354	1,784	5,739	1,798	6,024
CZ	Zdice 1	1,499	1,131	3,842	1,139	4,078
CZ	Zdice 2	1,499	1,164	3,543	1,177	3,948
SK	Blatna	700	822	639	829	734
SK	Mokra Luka II	963	1,023	1,147	1,031	1,141
SK	Mokra Luka III	963	1,006	1,088	1,012	998
SK	Jovice V	979	931	835	941	925
SK	Jovice VI	979	931	836	940	901
SK	Babina II	999	1,125	770	1,137	929
SK	Babina III	999	1,131	798	1,143	923
SK	Prsa	999	1,157	947	1,165	1,076
HU	Fertod I	528	454	524	458	553
HU	Tiszakecske	5,512	3,224	5,705	3,253	5,474
HU	Almasfuzito	5,494	3,122	5,698	3,146	5,533
HU	Nagyecsed	2,067	1,289	2,080	1,299	2,047
HU	Fertod II	3,487	2,201	3,421	2,221	3,853
HU	Kunszentmarton I	1,394	963	1,433	972	1,986
HU	Taszar	2,103	1,416	2,213	1,428	2,809
HU	Monor	5,552	3,002	5,929	3,026	7,025
HU	Tata	5,375	4,114	6,240	4,146	7,731
HU	Malyi	2,085	1,742	2,124	1,755	2,742
HU	Kunszentmarton II	1,386	985	1,544	992	1,477
HU	Puszpokladany	14,118	9,224	13,403	9,284	12,971
HU	Tolna 1	1,358	937	1,125	941	814
HU	Facankert	1,358	975	1,087	979	740
HU	Nagykata BTM	658	427	893	N/A	N/A
RO	Siria	5,691	3,684	5,421	3,706	4,965
RO	Calafat	6,028	4,344	6,099	4,370	5,786
RO	Holloway	9,460	6,240	8,042	6,278	7,932
RO	Sahateni	7,112	4,346	6,961	4,372	6,411
RO	Faget	3,178	1,912	2,990	1,924	2,966
RO	Faget 2	3,931	3,196	3,566	3,215	3,589
RO	Faget 3	7,513	3,987	6,526	N/A	N/A
RO	Bocsa	3,788	2,250	3,556	N/A	N/A
RO	Magureni	1,698	1,095	1,235	N/A	N/A
RO	Sarulesti	3,197	2,598	3,382	N/A	N/A
AUS	Leeton and Fivebough	14,522	0	0	11,194	14,020
		141,170	**87,424**	**144,267**	**88,858**	**148,571**

Revalued amount of EUR 144,267 thousand as at 31 December 2024 (31 December 2023: EUR 148,571 thousand) includes net carrying amount of photovoltaic power plants and value of land connected to the photovoltaic power plants of EUR 6,384 thousand as at 31 December 2024 (31 December 2023: EUR 5,597 thousand) which are included under Land.

At the end of 2024, due to the changes in the methodology parametres described in the Note 5.1, the portfolio has been revalued with the total impact of EUR 6,530 thousand.

At the end of 2023 the management made a strategic decision to return to feedin-tariffs in the Czech Republic and Hungary, to mitigate the risk of expected low energy prices and its potential impact on the Group's profitability. The guaranteed price in Hungary has got material impact (EUR 5,983 thousands) on the valuation of Hungarian power plant portfolio, which has been revalued as of 31.12.2023.

In 2024 the Group did not capitalize any borrowing cost (2023: EUR 0 thousand) into Property, plant and equipment.

Assets pledged

As at 31 December 2024 the following properties with a carrying amount of EUR 144,267 thousand (2023: EUR 148,571 thousand) are subject to a registered pledges to secure bank loans (see note 32). All other restrictions and pledges, including information on restricted cash accounts are included in notes 28 and 42.

- Property, plant and equipment – Land in an amount of EUR 598 thousand (2023: EUR 603 thousand) pledged to UniCredit Bank Czech Republic and Slovakia a.s., EUR 1,008 thousand (2023: EUR 1,260 thousand) to K&H Bank and EUR 447 thousand (2023: 352 EUR) to CIB Bank.
- Property, plant and equipment – Photovoltaic power plants in an amount of EUR 43,071 thousand (2023: EUR 47,147 thousand) pledged to UniCredit Bank Czech Republic and Slovakia a.s., EUR 36,392 thousand (2023: EUR 39,259 thousand) pledged to K&H Bank Hungary and EUR 17,026 thousand (2023: EUR 16,495 thousand) pledged to CIB Bank. Property, plant and equipment – Photovoltaic power plants in an amount of EUR 0 thousand (2023: EUR 14,020 thousand) were pledged in Australia. Property, plant and equipment – Photovoltaic power plants in an amount of EUR 47,778 thousand were pledged in Romania (2023: EUR 31,648 thousand).

Property, plant and equipment under construction

Property, plant and equipment under construction equaled to the amount of EUR 13,216 thousand (2023: 21,466 EUR thousand) comprising mainly of power plants under construction in Romania with minor developments in Hungary and Poland (2023: project in Romania).

Sale of property, plant and equipment

In 2024 two operating photovoltaic powerplants and one powerplant under construction were sold in Australia (in 2023 no projects were sold).

19. Right-of-use Assets and Lease Liabilities

The Group leases land, offices and vehicles. Rental contracts are typically made for fixed periods of 36 months to 15 years.

In thousands of EUR	Land	Buildings	Vehicles	Total
Carrying amount as at 1 January 2023	**1,780**	**1,463**	**205**	**3,448**
Additions	191	2,288	296	2,775
Depreciation charge	-131	-840	-146	-1,116
Disposals	0	0	-57	-57
Effect of translation to presentation currency	15	-118	45	-59
Carrying amount as at 31 December 2023	**1,855**	**2,793**	**342**	**4,990**
Additions	1,215	6	0	1,221
Depreciation charge	-192	-870	-8	-1,070
Disposals	0	-4	-299	-303
Change of classification	0	-43	0	-43
Effect of translation to presentation currency	402	158	-3	557
Carrying amount as at 31 December 2024	**3,281**	**2,040**	**32**	**5,353**

The Group recognised lease liabilities as follows:

In thousands of EUR	31 December 2024	31 December 2023
Short-term lease liabilities	945	943
Long-term lease liabilities	4,488	4,181
	5,433	**5,124**

Interest expense included in financial expenses of 2024 was EUR 268 thousand (2023: EUR 179 thousand).

The value of short-term leases and leases of low-value assets in 2024 equalled to EUR 145 thousand (2023: EUR 24 thousand) and it is included in other expenses.

Total cash outflow for leases in 2024 was EUR 1,219 thousand (2023: EUR 1,177 thousand).

20. Goodwill

Goodwill in the preliminary purchase price allocation in the amount of EUR 15,446 thousand is result of the business acquisition. The integration of Lerta into Photon Energy Group represents the fusion of physical and digital energy to create a customer-centric renewable energy utility that will be uniquely positioned to effectively address the pain points of energy generators, energy users and transmission system operators. Energy generators will be able to benefit from an integrated approach to asset operation and management as well as cost-efficient market access, including balancing services. Energy users will be able to manage and optimise their costs from a combination of on-site generation and off-site supply. This will include the benefit of energy storage and the monetisation of their demand flexibility. Transmission systems operators will be provided with flexible supply, DSR and ancillary services to the power grid.

The impact on Photon Energy Group's strategic and operational priorities following the Transaction will include:

- Capacity building and product development for the efficient delivery of a 'one-stop shop' offering that combines assets, services and IT solutions to establish Photon Energy Group as the preferred partner for commercial and industrial customers in the CEE region on their journey from passive energy users to proactive energy flexumers.
- A significant acceleration in the deployment of utility-scale and on-site energy storage capacities both as an EPC supplier as well as an investor, leveraging the Group's experience in Australia such as the Lord Howe Island hybrid - energy system and potential similar future projects.

Close monitoring of the emergence of markets for grid flexibility and other ancillary services worldwide and evaluation of opportunities as they emerge, which may lead to relatively low-risk and low-cost market entries into new locations currently not served by the Company.

In thousands of EUR	Goodwill	Total
Carrying amount as at 1 January 2022	**0**	**0**
Acquisition of subsidiary	15,466	15,466
Carrying amount as at 31 December 2022	**15,466**	**15,466**
Effect of the PPA adjustment	-194	-194
Carrying amount as at 31 December 2022 restated	**15,272**	**15,272**
Carrying amount as at 31 December 2022 restated	**15,272**	**15,272**
Cost	15,272	15,272
Carrying amount as at 31 December 2023	**15,272**	**15,272**
Cost	15,272	15,272
Carrying amount as at 31 December 2024	**15,272**	**15,272**

Preliminary valuation

For the purpose of the preliminary valuation of the Lerta S.A. Group and subsequent calculation of the goodwill, the Board of Directors used the Discounted Cash Flow Method (the "Method") based on a 5-year business plan of Lerta, i.e. for years 2023-2027 and assuming going concern basis after the forecasting period. The valuation date was 31 December 2022.

In 2022 the acquisition accounting was prepared on a provisional basis. During preparation of consolidated financial statements as of 31.12.2023 the Group completed the acquisition accounting as allowed by IFRS 3 and therefore revised comparative financial information. Throughout the financial year 2023, the Group was able to review all assets considered for revaluation as of the deciding date for acquisition. Two groups of intangible assets (internally developed softwares and capacity market contracts) had not been valued on its fair value based on the information management had realized through out the year 2023, therefore the revaluation was carried out based facts and circumstances available as of the date of acquisition.

Goodwill was calculated in the amount of EUR 15,272 thousand (see below table) as per the final purchase price allocation finalized in 2023.

Details of net assets acquired and goodwill in the final purchase price allocation (finalized in 2023) arising are as follows:

In thousands of EUR	31 December 2022	Change	31 December 2022 restated
Total net assets acquired	1,445	-461	984
Capacity market contracts	6,047	-589	5,458
SW revaluation up-lift	0	671	671
Deferred tax liability	-1,149	112	-1,037
Goodwill arising from the acquisition	15,005	267	15,272
Total net assets acquired	**21,349**	**0**	**21,349**

Goodwill assignment

After acquisition all Lerta entities have become part of the operational segment "New Energy". The segment has its own operational management and with other companies included within this segment, all Lerta entities are managed, financed and operated uniformly and equally. All Lerta entities are interlinked in its operating activities, especially related to the sharing capacities of individual departments, mainly those related to back office and ITS services and cash management.

The whole operating concept of the „New Energy" segment is to build, operate and maintain „virtual power plant". Basically, it means combining electricity and capacity trading together with other services to provide customers and providers of capacities entire portfolio of services.

Except for the working capital, the assets of „New Energy" segment consist primarily from software, which is used for trading activities and data collection related to them. The software is developed and owned basically by one single entity (PE Systems). Developed and maintained trading SW platforms are interconnected and thus help in generating cash flows from all the businesses mentioned above. This individual specific platform would hardly generate independent cash flows without using other software owned and used.

Currently the electricity trading and capacity trading is or will be done in the same states and markets to follow the concept of virtual powerplant as was mentioned above.

In consequence, all Lerta entities are considered as one cash generating unit to which the goodwill mentioned above is assigned.

Goodwill impairment test

The total equity value of Lerta Group as calculated based on the Discounted cash flow (DCF) valuation method is PLN 199,7 million (EUR 45,5 million). The value of equity, goodwill and intangible assets recognized upon acquisition amounted to PLN 91 million (EUR 21 million) representing a 41% discount towards the enterprise value and 48% discount towards equity value in use based on the DCF valuation method. The recoverable amount of goodwill is significantly higher than the carrying amount and there was no indication for impairment identified.

For the valuation of the Lerta S.A. Group (in the structure as of 31.12.2022; the date of taking over control of Lerta Group) and subsequent calculation of the goodwill, the Board of Directors used the Discounted Cash Flow Method (the "Method") based on a 2025 forecast and business plan of Lerta for years 2025-2029 and assuming going concern basis after the forecasting period. The valuation date is 31 December 2024. The terminal value is calculated on the assumption that the terminal growth rate will continue to increase at 1% p.a. Such terminal growth rate is determined by the current economic environment while maintaining a conservative approach.

The discount rate used to discount free cash flows amounted to 15,6% and was calculated using the weighted average cost of capital, using the government bonds yield in local currency in Poland and the adequate risk factors (5,25% Equity Risk Premium) for equity discount rate and selected 20Y interest rate swap rate raised about the credit margin and adjusted by local income tax.

The business of New Energy relies on strong revenue growth across multiple markets while maintaining a linear cost increase. To support this, the company aims to stabilize its technology and systems in 2025 and sustain them beyond.

Currently, New Energy provides:

- **Asset trading services** in Poland, the Czech Republic, and Hungary
- **Proprietary trading** in the Czech Republic and Hungary
- **Capacity Market** services in Poland

The Capacity Market is currently focused on Poland, with additional expansion planned for Ancillary Services in Poland, Hungary, and the Czech Republic starting in 2025. New Energy is targeting a leading position as the first aggregator to provide Ancillary Services in Poland and is also actively working to become the country's first optimizer of battery storage. This will strengthen the role as a high-value route-to-market provider for batteries in the region.

The following key assumptions were used for the business plan of Lerta:

- **Capacity market**: The gross profit margin is planned at 25% in 2025 and is expected to remain at this level in 2026. From 2027 onwards, the margin is projected to increase to 33%, maintaining this level in subsequent years.
- **El. business – Portfolio management**: A margin of 7% is planned for 2025, with a slight increase to 8% from 2026 onwards, remaining stable in the following years.
- **El. business – Proprietary trading**: Starting from 2025, a gross profit margin of 15% is expected, which will be sustained through 2029.
- **Ancillary services**: The margin is currently planned at 21% from 2025 onwards.

Overall, the gross profit margin is expected to be 18% in 2025, stabilizing at this level for the long term. The Group forecasted EBITDA margin in 2025 is 8,7% while the margin should range between 9,3% to 12,5% during the planning horizon.

Sensitivities in DCF

Sensitivity tests were performed to asses the impact of changes in some key assumptions like the discount rate used to discount cash flows and the change of the growth rate of the terminal value (TV). In addition to the annual impairment test, sensitivity tests were performed to assess the impact of changes in the key assumptions such as discount reate (3% higher / lower), terminal growth rate (3% higher / lower).

Both the regular sensitivity tests and the additional sensitivity tests show that the changes in key assumptions would not cause carrying amounts to exceed recoverable amounts .

21. Intangible Assets

In thousands of EUR	Intangible assets in course of development	Software	Capacity market contracts	Total
Carrying amount as at 31 December 2022	**512**	**1,571**	**5,458**	**7,541**
Additions/transfers	1,135	1,366	0	2,501
Acquisition of subsidiary	0	0	0	0
Amortisation charge	0	-508	-1,325	-1,833
Effect of movements in exchange rates	49	-135	-61	-147
Carrying amount as at 31 December 2023	**1,696**	**2,294**	**4,072**	**8,062**
Cost	1,696	4,595	5,458	11,749
Accumulated amortisation	0	-2,166	-1,325	-3,491
Effect of movements in exchange rates	0	-135	-61	-196
Carrying amount as at 31 December 2023	**1,696**	**2,294**	**4,072**	**8,062**
Additions/transfers	3,275	244	0	3,520
Amortisation charge	0	-644	-340	-983
Effect of movements in exchange rates	-1	-63	100	36
Carrying amount as at 31 December 2024	**4,970**	**1,831**	**3,832**	**10,635**
Cost	4,970	4,839	5,458	15,268
Accumulated amortisation	0	-2,810	-1,665	-4,474
Effect of movements in exchange rates	0	-198	39	-159
Carrying amount as at 31 December 2024	**4,970**	**1,831**	**3,832**	**10,635**

Intangible assets in course of development of EUR 4,970 thousand at 31 December 2024 (in 2023 EUR 1,696 thousand) represents software internally developed by Lerta for their internal purposes. Also the carrying amount of Software is mainly represet by the internally developed systems developed by Lerta.

Capacity market contracts in the amount of EUR 3,832 thousand (in 2023 EUR 4,072 thousand) represent activated intangibles acquired together with acquisition of Lerta and activated based on the DCF model.

22. Other Financial Investments

Other non-current investments include following investments:

In thousands of EUR	2024	2023
Other financial investments		
Other financial assets at FVTPL	5,006	5,922
Other financial assets at FVOCI	12,264	11,099
Total non-current financial assets	**17,271**	**17,021**

The table below discloses investments in equity securities at 31 December 2024 by measurement categories and classes:

In thousands of EUR	Other financial assets at FVTPL	Other financial assets at FVOCI	Total
Other financial investments			
Corporate shares	0	12,264	12,264
Convertible note*	0	0	0
Share options	5,066	0	5,066
Total Other financial investments at 31 December 2024	**5,006**	**12,264**	**17,271**

The gain from the financial assets recognized in FVTPL (RayGen Resources Pty Ltd. share option) has been classified on the separate financial statement line Gain on investment revaluation. As of the 31 December 2024 the gain was amounted to EUR 417 thousand (2023: EUR 2,902 thousand).

* In november 2024 the Group realised convertible note and received 53,460 corporate shares upon the previous agreement. In the past the group provided funding to RayGen Resources Ltd in form of convertible note in notional amount of EUR 1,115 thousand. Number of conversion shares was determined based on defined price per share. Gain from realisation of convertible note was recorded in profit and loss amounted to EUR 4 thousand. Upon conversion, the note was replaced with corporate shares revalued at FVOCI.

The table below discloses investments in equity securities at 31 December 2023 by measurement categories and classes:

In thousands of EUR	Other financial assets at FVTPL	Other financial assets at FVOCI	Total
Other financial investments			
Corporate shares	0	11,099	11,099
Convertible note	1,332	0	1,332
Share options	4,590	0	4,590
Total Other financial investments at 31 December 2023	**5,922**	**11,099**	**17,021**

(a) Other financial assets at FVOCI – Corporate shares

At 31 December 2024, the Group designated investments disclosed in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

In thousands of EUR	Fair value at 31 December 2024	Dividend income recognised for the year
Other financial assets at FVOCI		
Investment in RayGen Resources Pty Ltd ordinary shares	6,724	0
Investment in RayGen Resources Pty Ltd preference shares	4,858	0
Investment in ValueTech Fund shares	682	0
Total Other financial assets at FVOCI	**12,264**	**0**

At 31 December 2023, the Group designated investments disclosed in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

In thousands of EUR	**Fair value at 31 December 2023**	**Dividend income recognised for the year**
Other financial assets at FVOCI		
Investment in RayGen Resources Pty Ltd ordinary shares	6,934	0
Investment in RayGen Resources Pty Ltd preference shares	3,527	0
Investment in ValueTech Fund shares	637	0
Total Other financial assets at FVOCI	**11,099**	**0**

At 31 December 2024 securities at FVOCI include equity securities which are not publicly traded. Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. For these investments, fair value is estimated by reference to subscription value of additional shares placed. Refer to note 38.

Reconciliation of movements in Other financial assets at FVOCI follows:

In thousands of EUR	**Valuetech**	**Investment in RayGen Resources Pty Ltd**	**Total**
Other financial assets at FVOCI as at 1 January 2023	**605**	**5,513**	**6,118**
Revaluation recognised in OCI	-16	5,271	5,255
Fx impact	48	-322	-274
Derecognition (change of consolidation method)	0	0	0
Other financial assets at FVOCI as at 31 December 2023	**637**	**10,462**	**11,099**
Revaluation recognised in OCI	45	-316	-271
Fx impact	1	-2	-1
Addition (change of consolidation method)	0	1,438	1,438
Other financial assets at FVOCI as at 31 December 2024	**682**	**11,582**	**12,264**

At the year-end 2024, the Group has revalued its share in the Valuetech fund based on the equity value of the participations in the Valuetech books by EUR 45 thousand presented in OCI (In 2023 by EUR 31 thousand).

In 2024, the revaluation of investment in RayGen was performed and EUR -316 thousand was booked in OCI (In 2023 EUR 4,949 thousand) and EUR 417 thousands was booked in PL (in 2023 EUR 4,224 thousand).

23. Deferred Tax Assets and Liabilities

Movement in temporary differences during the year:

In thousands of EUR	Balance as at 1 January 2023	Recognized in profit or loss	Recognized in OCI of which Fx translation	Recognized in OCI of which DT from revaluation	Balance as at 31 December 2023	Recognized in profit or loss	Recognized in OCI of which Fx translation	Recognized in OCI of which DT from revaluation	Balance as at 31 December 2024
Accumulated tax losses carried forward	95	0	0	0	95	-95	0	0	0
Internal margins eliminated	1,506	1,256	-79	0	2,683	1,734	0	0	4,417
Total recognised deferred tax asset	**1,601**	**1,256**	**-79**	**0**	**2,778**	**1,639**	**0**	**0**	**4,417**
Internal margins eliminated	69	52	0	0	121	52	0	0	173
Accumulated tax losses carried forward	183	203	0	0	386	225	0	0	611
Revaluation reserve – Derivatives	-462	0	0	-168	-630	0	0	-179	-809
Intangible assets	-1,037	263	0	151	-623	0	0	0	-623
Property, plant and equipment	-9,766	1,047	-367	-1,238	-10,324	1,153	0	-323	-9,494
Net deferred tax asset/(liability)	**-9,412**	**2,821**	**-446**	**-1,255**	**-8,292**	**3,069**	**0**	**-502**	**-5,724**
Recognised deferred tax asset	**1,601**	**1,256**	**-79**	**0**	**2,778**	**1,639**	**0**	**0**	**4,417**
Recognised deferred tax liability	**-11,013**	**1,565**	**-367**	**-1,255**	**-11,070**	**1,430**	**0**	**-502**	**-10,141**

Recognised deferred tax liability is arising mainly from revaluation of property, plant and equipment. Deferred tax liability is initially recognised against equity (revaluation reserve) upon revaluation of PPE (see also 5.1 and 17). Corresponding release of recognised deferred tax liability is recognised in OCI and subsequently recycled to retained earnings.

Majority of deferred tax balances are expected to be recovered or settled after more than 12 months after the reporting period and therefore the whole deferred tax liability is presented as Non Current Liability.

In 2024 the Group reassessed the probability of generation of sufficient taxable profits prior to their expiry and derecognised deferred tax assets of EUR 95 thousand. Recognised deferred tax asset relates mainly to tax losses to be utilised in Czech Republic, Hungary and Germany. Deferred tax liability relates to temporary differences in PPE mainly in Czech Republic, Slovakia and Hungary. Additionally, the Group recognised also deferred tax asset from internal margins eliminated of EUR 1,734 thousand.

In 2024, deferred tax asset from internal margins eliminated was created in the amount of EUR 4,417 thousand. This deferred tax asset relates to the intercompany eliminations of margin from construction of the powerplants for the group entities. On the consolidated level, this margin is eliminated, but it is taxable on the local level and the temporary difference thus creates a deferred tax asset. It will be realized from the profits of the respective entities in the upcoming financial periods.

In addition to recognised deferred tax liability, the Group also has unrecognised deferred tax assets mainly attributable to following:

In thousands of EUR	Note	2024	2023
Unrecognised deferred tax asset resulting from:			
Provisions and other temporary differences		446	373
Accumulated tax losses		27,036	23,835
Unrecognised deferred tax asset		**27,482**	**24,231**

No deferred tax assets arising from these temporary differences has been recognized in the financial statements as it is either not probable that sufficient taxable profits will be generated prior to the expiry of unused tax losses or as the Group is not able to reliably assess the amounts and timing of future taxable profits.

The potential deferred tax assets have been calculated using the tax rates valid in individual countries where accumulated tax losses arise (Czech Republic, Slovakia, Germany, Netherlands, Switzerland, Australia, Romania and Hungary).

As of 31 December 2024 the Group has unused tax losses carry forward of EUR 27,036 thousand for which no deferred tax assets have been recognised. Out of these tax losses, EUR 3,029 thousand expire in 2025, EUR 21,388 thousand expire in the period 2026-2028, EUR 2,619 thousand expire in the period 2029-2032 and EUR 0 thousand have an unlimited expiry date.

Unrecognised deferred tax asset from provisions equaled to EUR 446 thousand (In 2023 EUR 373 thousand).

As of 31 December 2023 the Group had unused tax losses carry forward of EUR 23,838 thousand for which no deferred tax assets have been recognised. Out of these tax losses, EUR 3,209 thousand were to expire in 2024, EUR 18,259 thousand in the period 2025-2027, EUR 2,390 thousand in the period 2027-2031 and EUR 0 thousand had an unlimited expiry date.

24. Inventories

In thousands of EUR	2024	2023
Goods	3,923	12,966
Spare parts	2,451	1,127
Work in progress projects	371	0
Inventories	**6,745**	14,093

Goods consist mainly of photovoltaic panels, inverters, batteries and other system components for photovoltaic power plants.

The cost of inventories recognized as an expense in Raw materials and consumables used during the year in respect of continuing operations amounted to EUR 37,989 thousand (31 December 2023: EUR 33,577 thousand).

There were no goods which represent goods in transit based on Incoterms.

Work in progress projects represent projects without signed external contract but intended to be provided as contract assets in the future.

In 2024, allowance for inventories amounted to EUR 143 thousand (31 December 2023: EUR 340 thousand).

25. Trade and Other Receivables, Loans to Related Parties, Prepaid expenses

Trade and other receivables

In thousands of EUR	Note	2024	2023
Trade receivables (gross)		10,333	6,170
Other than trade receivables		7,120	3,221
Loans provided to related parties	39	2,826	2,815
Other financial asset at FVPL		1,100	0
Fair value of derivatives	35	1,653	2,012
Less credit loss allowance		-1,463	-1,300
Advances paid (deposits) – current and non current		875	0
Total financial assets with trade and other receivables		**22,444**	**12,918**
Advances paid – current and non current		3,688	2,851
VAT receivables		6,629	6,567
Total non-financial assets with trade and other receivables		**10,317**	**9,418**
Total trade and other receivables, loans to related parties		**32,761**	**22,336**

Trade receivables of EUR 10,333 thousand less credit loss allowance of EUR 1,463 thousand (2023: EUR 6,170 thousand) include mainly current and overdue receivables from sale of electricity, O&M services and sales of technologies. Other than trade receivables in total amount of EUR 7,120 thousand (2023: EUR 3,221 thousand) include mainly other receivables from reinvoicing, loans provide to non-related parties and other receivables.

Current and non-current advances paid of EUR 3,688 thousand (2023: EUR 2,851 thousand) include mainly advances paid for purchase of technology.

Non-current deposits paid by Lerta Group for auction in the amount of EUR 875 thousand as at 31 December 2024 (2023: EUR 0 thousand) include refundable advance of Photon Energy Trading CEE Kft. (Lerta Energy HU kft.) of EUR 717 thousand.

Remaining portion of advances presented separately in amount of EUR 510 thousand includes paid non-current advances related to Resolar provision of EUR 510 thousand (2023: EUR 534 thousand) which will be settled upon liquidation of panels in accordance with requirement of EU and Czech regulation in 2030, see also note 33.

Other finacial asset at FVPL in the amount of EUR 1,100 thousand presents consideration for the sale of subsidiary that will be received in the next year.

Fair value of derivatives of EUR 1,653 thousand (2023: EUR 2,012 thousand) is presented as long-term receivable as the derivatives are related to the long-term financing.

There were no receivables written off during 2024 (2023: EUR 2 thousand which were not provided for).

Other receivables as per financial statements include the advances, VAT receivables and other than trade receivables from the table above (total EUR 19,684 thousand). Increase in VAT receivable is caused by the administrative procedures in Romania, when VAT can be refund after long period of time.

Other than trade receivables have increased primarily as a result of accrued revenues in engineering segment and for the income the Maryvale project.

Loans provided to related parties represent mainly loans provided to Solar Age Investments B.V. and other related parties that are not eliminated in the consolidation of PENV. For more information on related party transactions, see also note 40.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables, and receivables from related parties. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of customers/counterparty over a period of 36 month before each balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The credit loss allowance for trade receivables and other receivables is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due, adjusted for forward looking information.

The credit loss allowance for Loans provided to related parties is determined according to internal analysis of recoverability of Loans provided to related parties, based on this analysis no ECL provisions were created as at 31 December 2024 and 31 December 2023.

In thousands of EUR	31 December 2024				31 December 2023			
	Loss rate	Gross	Lifetime ECL	Net	Loss rate	Gross	Lifetime ECL	Net
Trade receivables								
Current	0.10%	6,529	-7	6,522	0.10%	2,982	-3	2,979
Less than 30 days overdue	0.50%	1,557	-8	1,549	0.50%	485	-2	483
30 to 90 days overdue	1.50%	192	-3	189	1.50%	370	-6	364
90 to 360 days overdue	2.00%	406	-8	398	2%	581	-12	569
Over 360 days overdue	100.00%	276	-276	0	100%	272	-272	0
Specific allowance	85.00%	1,373	-1,162	212	85%	1,170	-1,005	165
Total for trade receivables		**10,333**	**-1,463**	**8,871**		**5,860**	**-1,300**	**4,560**
Other receivables					0.10%	310	0	310
Total		**10,333**	**-1,463**	**8,871**		**6,170**	**-1,300**	**4,870**

Specific ECL for receivables overdue for more than 360 days as at 31 December 2024 was based on present value of future cash flow of related receivables. Specific allowance was created for the same customers as in 2023 year: Nubland Nexus and Alpha Solar Systems) because of its filing for insolvency (see also Note 16).

The following table explains the changes in the credit loss allowance for trade receivables under simplified ECL model between the beginning and the end of the annual period:

In thousands of EUR	2024	2023
Allowance for credit losses on trade and other receivables as at 1 January	**1,300**	1,047
New originated	203	517
Released due to write off	0	-2
Changes in estimates and assumptions	0	-153
Total credit loss allowance exchange in profit or loss for the period	**1,503**	**1,409**
Foreign exchange movements	-40	-109
Allowance for credit losses on trade and other receivables as at 31 December	**-1,463**	**1,300**

Prepaid expenses amounted to EUR 1,273 thousand (2023: EUR 1,289 thousand) and includes mainly prepaid expenses related to insurance and ERP implementation.

26. Assets and Liabilities Arising from Contracts with Customers

The Group has recognised following assets and liabilities arising from contracts with customers:

In thousands of EUR	2024	2023
Current contract assets from contracts with customers	1,804	855
Loss allowance	0	0
Total current contract assets	**1,804**	**855**
Contract liabilities – advances from customers	2,595	662
Total current contract liabilities	**2,595**	**662**

Contract assets represents un-invoiced part of recognised revenue based on progress towards complete satisfaction. Invoiced amount of contract assets is reclassified to trade receivable upon its invoicing.

At 31 December 2024 the most significant part of the contract asset was represented by projects in Australia and New Zealand in the amount of EUR 940 thousand and project Domanowo in Poland in the amount of EUR 750 thousand that was reclassified from Assets held for sale after certain conditions were met (2023: by Several Polish project of EUR 360 thousand). In connection with Domanowo project a contract liability was recognised in the amount of EUR 1,632 thousand.

Contract liabilities represent mostly advances received from customers which are due within one year and relate to the short-term projects. Based on this condition, the Group utilized practical expedience in accordance with IFRS 15:121 (a) in preparation of the financial statements.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days outstanding as unbilled. The contract assets relate to unbilled work in progress and have substantially similar risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the past data collected over a period of 36 month (2023: 36 months) prior to the end of the reporting period and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and the unemployment rate of the countries in which it sells its goods and services to be the most relevant indicators, and accordingly adjusts the historical loss rates based on expected changes in these variables.

The credit loss allowance for contract assets as at 31 December 2024 is determined according to provision matrix presented in the table below.

In thousands of EUR	31 December 2024				31 December 2023			
	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying value	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying value
Contract assets								
Outstanding as unbilled for less than 90 days	0.03%	1,804	0	1,804	**0.03%**	855	0	855
Total	**0.03%**	**1,804**	**0**	**1,804**	**0.03%**	**855**	**0**	**855**

27. Liquid Assets

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

In thousands of EUR	2024	2023
Cash and cash equivalents	8,437	5,838
Cash with restriction on disposition	5,914	7,140
Liquid assets*	**14,352**	**12,978**

**Liquid assets represt the alternative performance measure described in note 4.19*

Cash with restriction on disposition includes mainly DSRA (debt service reserve accounts) and MRA (maintenance reserve accounts) for Czech, Slovak, Hungarian, Romanian and Australian SPVs (2023: without Czech SPVs) and guarantees issued.

Part of the movement on Cash with restriction on disposition related to operating activities of the Group in 2024 in amount of EUR 0 thousand (2023: EUR 0 thousand) was presented as Change in trade and other receivables. Movement in Cash with restriction on disposition relating to borrowings of EUR -930 thousand (2023: EUR -767 thousand) was presented in Cash flows from financing activities.

28. Assets Held for Sale

As of 31 December 2024 Assets held for sale include one project Yadnarie in Australia in the amount of EUR 2,050 thousand reported in Other segment.

Based on the ongoing development the project Domanowo in Poland reported as held for sale as of 31 December 2023 was reclassified in 2024 to contract assets.

Assets held for sale consist of projects rights to the project under development and work in progress related to the project. Company has decided to sell it as there is no interest to develop and finalize the project internally anymore.

There are also another projects open for potential sale, however, with no specific offer as of the year-end 2024 and therefore not disclosed as assets held for sale.

In thousands of EUR	2024	2023
Asset held for sale	2,050	659
Liquid assets	**2,050**	**659**

On 31 October 2024 the Company disposed 100% of the share capital of three subsidiaries in Australia - Leeton Solar Farm Pty Ltd., Fivebough Solar Farm Pty. Ltd and Photon Energy AUS SPV 6 Pty. Ltd. The details of the disposed assets and liabilities and disposal consideration are as follows:

In thousands of EUR	**31 October 2024**
Cash and cash equivalents	0
Property, plant and equipment	12,674
Trade and other receivables	61
Trade and other payables	-50
Loans and borrowings	-4,680
Other liabilities	-927
Net assets of subsidiary	**7,078**
Less: non-controlling interest	0
Carrying amount of disposed net assets	**7,078**

In thousands of EUR	**31 October 2024**
Total disposal consideration	5,955
Less: fair value of receivable arising on disposal	0
Less: cash and cash equivalents in disposed subsidiary	0
Cash inflow on disposal	**5,955**

In thousands of EUR	**Gain (loss) on disposal of subsidiary**
Consideration for disposal of the subsidiary	5,955
Carrying amount of disposed net assets, net of non-controlling interest	-7,078
Cumulative currency translation reserve on foreign operation recycled from other comprehensive income to profit or loss	76
Costs related to the sale of subsidiaries	-503
Gain (loss) on disposal of subsidiaries	**-1,551**

The Group has recorded a loss from disposal of Australian subsidiaries of EUR 1,551 thousand. This result is partially reflected in other non-cash items of the consolidated cash-flow, which includes also exchange rate impact of the individual lines included of the cash-flow.

Within Loss from disposal of investments the Company recorded a gain in the amount of EUR 1,100 thousand related to the sale of subsidiary Maryvale Solar Farm in Australia, which was carried out in December 2021. The completion of an additional milestone in December 2024 resulted in a corresponding contractual payment.

29. Capital and Reserves

Share capital and share premium

Ordinary shares

In shares	2024	2023
On issue at 1 January	61,238,521	60,000,000
On issue at 31 December – fully paid	61,238,521	61,238,521

The Company's issued share capital is EUR 612,238 divided into 61,238,521 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up. Please refer also to Chapter 31, weighted average number of ordinary shares section.

Ordinary shares

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

Treasury shares

At 31 December 2024 treasury shares included 1,337,717 ordinary shares of the Company (2023: 1,481,781 ordinary shares) owned directly by the Company. These ordinary shares carry no voting rights at the Shareholders Meeting.

Share premium represents the excess of contributions received over the nominal value of shares issued. Proceeds from allocation of treasury shares to employees in excess to nominal value of shares are also recorded in Share premium. Nominal value of sold treasury shares is recorded against Treasury shares reserve.

Movement in share capital can be analysed as follow:

In thousands of EUR	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2023	**600**	**40,524**	**-139**	**40,985**
Treasury shares allocated to employees	0	175	-175	0
Other movement	0	0	-513	-513
Acquisition of subsidiary (note 9)	12	-12	0	0
Treasury shares allocated to qualified investors	0	0	0	0
At 31 December 2023	**612**	**40,687**	**-827**	**40,472**
Treasury shares allocated to employees	0	0	0	0
Other movement	0	0	0	0
Acquisition of subsidiary (note 9)	0	0	0	0
Treasury shares allocated to qualified investors	0	0	0	0
Other transactions with owners in their capacity as owners	0	42	3	45
At 31 December 2024	**612**	**40,729**	**-824**	**40,517**

As of 31 December 2024 the shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. of votes at Shareholders Meeting	% of votes at Shareholders Meeting
Solar Future Cooperatief U.A.	21,748,075	35.51%	21,748,075	36.29%
Solar Power to the People Cooperatief U.A.	19,694,640	32.16%	19,694,640	32.86%
Tomala Investments ASI Sp. z o.o.	2,288,537	3.74%	2,288,537	3.82%
Photon Energy N.V.	1,304,862	2.13%	0	0%
Free float	16,202,407	26.46%	16,202,407	27.03%
Total	**61,238,521**	**100%**	**59,933,659**	**100%**

As of 31 December 2023 the shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. of votes at Shareholders Meeting	% of votes at Shareholders Meeting
Solar Future Cooperatief U.A.	21,769,075	35.55%	21,769,075	36.44%
Solar Power to the People Cooperatief U.A.	20,057,485	32.75%	20,057,485	33.57%
Tomala Investments ASI Sp. z o.o.	2,288,537	3.74%	2,288,537	3.83%
Photon Energy N.V.	1,491,781	2.44%	0	0%
Free float	15,631,643	25.52%	15,631,643	26.16%
Total	**61,238,521**	**100%**	**59,746,740**	**100%**

Mr. David Forth and Mr. Georg Hotar are the only members of the Company's Board of Directors.

Mr. Michael Gartner indirectly owns 36.29 % of the votes, via Solar Future Cooperative U.A. and directly 0.041% of votes at the Shareholders Meeting. Mr. Georg Hotar indirectly owns 32.86 % of votes, via Solar Power to the People Coöperatief U.A. and directly 0.127 % of votes at the Shareholders Meeting.

The Free float includes shares allocated to the employee share purchase programme and also shares allocated as purchase price for acquisition of subsidiary as described in Note 8. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

The other reserves relate to the legal reserve; the revaluation of property, plant and equipment – photovoltaic power plants the hedging reserve and the currency translation reserve. Refer below.

In thousands of EUR	2024	2023
Legal reserve fund	13	13
Revaluation reserve	58,315	55,668
Currency translation reserve	-739	1,933
Hedging reserve	83	359
Other capital funds	-12	38
Total reserves	**57,660**	**58,011**

Legal reserve fund

The Legal reserve fund is a reserve fund previously required by the Czech commercial law and Slovak commercial law. It has been created from the prior years' profit of the Czech and Slovak entities based on the approval of the general meeting.

The statutory reserve fund amounts to EUR 13 thousand at 31 December 2024 (2023: EUR 13 thousand).

Revaluation reserve

In thousands of EUR	Revaluation reserve – PPE	Revaluation reserve – Other financial investments	Revaluation reserve total
Balance as at 1 January 2023	**35,064**	**3,262**	**38,327**
Increase of revaluation reserve (note 18)	14,461	5,255	19,716
Increase of revaluation reserve – deferred tax recognised	0	0	0
Share on increase on revaluation of properties – JV	0	0	0
Move from revaluation reserve to retained earnings	-2,375	0	-2,375
Other movements	0	0	0
Balance as at 31 December 2023	**47,150**	**8,517**	**55,668**
Increase of revaluation reserve (note 18)	6,983	-271	6,712
Increase of revaluation reserve – deferred tax recognised	0	0	0
Share on increase on revaluation of properties – JV	0	0	0
Move from revaluation reserve to retained earnings	-4,065	0	-4,065
Other movements	0	0	0
Balance as at 31 December 2024	**50,068**	**8,246**	**58,315**

The revaluation reserve arises on the revaluation of photovoltaic power plants (PVP).

In 2024, 6 Romanian projects have been activated with the total other comprehensive income booked EUR 3,450 thousand. Additionally to this, the Group has revalued the whole portfolio in line with changes described in chapter 5.1 in the total amount of EUR 6,530 thousand.

The revaluation reserve is being released to the retained earnings during the duration of Feed-in-Tariff-currently 25 years in the Czech Republic, 25 years in Slovakia (increased to 25 years as of 2022, before 15 years) and up to 25 years in Hungary and up to 30 years in Romania.

The amount equal to the amount of depreciation coming from revaluation recycled to retained earnings in 2024 equals to EUR 4,065 thousand (2023: EUR 2,319 thousand).

The revaluation reserve as such cannot be distributed only the amounts released to retained earnings can be distributed to the shareholder.

Foreign currency translation reserve

In thousands of EUR	2024	2023
Balance at beginning of year	1,933	2,363
Foreign currency differences arising from the translation of financial statements and foreign exchange gains or losses arising from net investments	-2,673	-430
Balance at end of year	**-740**	**1,933**

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of operations using different currency from Euro. It relates to Czech Republic, Hungary, Switzerland, Romania, Australia, New Zealand and South Africa.

In accordance with accounting policies are foreign exchange gains or losses arising from net investments in foreign operations also recognized in other comprehensive income.

This reserve cannot be distributed.

Derivatives hedging reserve

In thousands of EUR	2024	2023
Balance at beginning of year	359	4,355
Change in fair value of hedging derivatives – fully consolidated entities (note 36)	-276	-3,996
Share on change in fair value of hedging derivatives of JV	0	0
Balance at end of year	**83**	**359**

Derivatives hedging reserve cannot be distributed.

Other capital funds

In line with the acquisition of treasury shares free of charge in 2013 the Company recognised Other capital funds of EUR 100 thousand. Nominal value of sold treasury shares is recorded against Other capital funds.

Dividends

There were no dividends declared and paid by the Company in 2024 and 2023.

30. Earnings Per Share

In EUR	2024	2023
Basic earnings per share	-0.221	-0.2642
Diluted earnings per share	-0.221	-0.2642
Total comprehensive income per share		
Basic TCI per share*	-0.158	-0.0077
Diluted TCI per share	-0.158	-0.0077

** Total comprehensive income per share represents the alternative performance measure described in note 4.19*

Basic and diluted earnings per share

The calculation of basic earnings per share at 31 December 2024 was based on the profit attributable to ordinary shareholders of EUR -13,196 thousand (2023: EUR -15,750 thousand) and a weighted average number of ordinary shares outstanding of 59,825 thousand (2023: 59,608 thousand).

Share on profit of equity-accounted investees amounted to EUR 254 thousand (2023: EUR 217 thousand).

Basic and diluted total comprehensive income per share

The calculation of total comprehensive earnings per share and diluted total comprehensive earnings per share at 31 December 2024 and 2023 was based on the total comprehensive income of EUR -9,433 thousand (2023: EUR -459 thousand) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding of 59,825 thousand (2023: of 59,608 thousand).

Weighted average number of ordinary shares

In 2024, 0 new shares were issued (2023: 1,238,521). The number of shares at the year-end 2024 was equaled to 2023, it was 61,238,521.

31. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

In thousands of EUR	2024	2023
Non-current liabilities		
Issued bonds	78,321	78,539
Long-term secured bank loans	72,205	82,073
Long term lease liability	4,488	4,181
Long-term portion of other loans	0	208
Total	**155,014**	**165,001**
Current liabilities		
Issued bonds	537	529
Current portion of long-term secured bank loans, including accrued interest	17,920	12,878
Short-term lease liability	945	943
Loans from related parties	272	**0**
Total	**19,674**	**14,350**
Total loans & borrowings	**174,688**	**179,351**

Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

In thousands of EUR	Borrowings	Issued bonds	Lease liabilities	Other liabilities from financing activities	Total
Liabilities from financing activities at 1 January 2023	**65,705**	**80,181**	**3,626**	**230**	**149,742**
Cash flows					
Loan drawdowns / New issues of bonds	38,710	2,500	0	0	41,210
Placement costs paid	0	-75	0	0	-75
Repayments of principal	-8,550	-3,146	-1,177	-22	-12,895
Repurchase of bond	0	-615	0	0	-615
Interest payments	-5,874	-5,352	-208	0	-11,434
Non-cash changes					
Interest expense, including capitalized interest	5,739	5,608	208	0	11,556
New leasing contracts	0	0	2,775	0	2,775
Foreign exchange adjustments	605	-33	-100	0	472
Liabilities from financing activities at 31 December 2023	**94,951**	**79,068**	**5,124**	**208**	**179,351**
Cash flows					
Loan drawdowns / New issues of bond	11,359	0	0	0	11,359
Placement costs paid	0	0	0	0	0
Repayments of principal	-7,877	0	-1,219	0	-9,096
Repurchase of bond	0	-465	0	0	-465
Interest payments	-6,114	-5,160	-269	0	-11,543
Non-cash changes					
Interest expense, including capitalized interest	5,899	5,375	269	0	11,543
Other non-cash movements*	-4,680	0	1,528	64	-3,088
Foreign exchange adjustments	-3,413	40	0	0	-3,373
Liabilities from financing activities at 31 December 2024	**90,125**	**78,858**	**5,433**	**272**	**174,688**

*Other non-cash movements in bank loans represent amount of original external loans of Leeton, Fivebough and AUS SPV 6 that were reimbursed as a part of the sale transaction.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of EUR

Portfolio	Bank	Currency	Nominal interest rate	Year of maturity	31 December 2024		31 December 2023	
					Credit limit	Utilised	Credit limit	Utilised
Czech	Secured bank loan (Unicredit)	CZK	3M PRIBOR + 1.9%	31.12.2029	18,732	18,732	18,241	18,241
Czech	Secured bank loan (Unicredit)	EUR	3M EURIBOR + 2.35%	31.12.2025	3,129	3,129	6,133	6,133
Slovak	Secured bank loan (Unicredit)	EUR	3M EURIBOR + 1.55%	30.6.2025 – 30.9.2027	5,509	5,509	6,407	6,407
Hungary	Secured bank loan (K&H)	HUF	3M BUBOR + 2.2–2.5%	28.6.2034 31.3.2035	9,955	9,955	11,852	11,852
Hungary	Secured bank loan (K&H)	EUR	3M EURIBOR + 2.5-2.8%	28.6.2034	6,836	6,836	7,587	7,587
Hungary	Secured bank loan (K&H)	EUR	3M EURIBOR + 3.3%	30.09.2044	6,000	3,560	6,000	3,500
Hungary	Secured bank loan (CIB)	HUF	3M BUBOR + 2.5%	31.12.2035	4,064	4,064	4,645	4,645
Hungary	Secured bank loan (CIB)	EUR	3M EURIBOR + 2.75%	30.6.2032	3,253	3,253	3,837	3,837
Hungary	Societe Generale	EUR	6.79%	20.10.2036	630	630		
Australia	Secured bank loan (Infradebt)	AUD	3M BBSW (min 0,5%) +2,35-3,25%	31.12.2026	0	0	3,611	3,611
Romania	Secured bank loan	EUR	3M EURIBOR+3.95%	31.3.2028	21,900	19,250	21,900	19,545
Romania	Revolving credit (RB)	EUR	6M EURIBOR + 4.25%	30.06.2029	5,000	5,000	5,000	5,000
Romania	EBRD	EUR	6M EURIBOR+3.62%	10.7.2031	15,000	4,975	0	0
Romania	Unicredit VAT Line	RON	3M ROBOR + 3.75%	31.3.2025	1,835	1,835		
Poland	Bank loan (ING)	PLN	3M WIBOR + 4%	30.11.2025	92	41	92	61
Poland	Bank loan (ING)	PLN	3M WIBOR + 4%	28.02.2030	92	-	92	72
Czech	Overdraft account	EUR	1W EURIBOR + 1,9%*	n/a	5,000	4,202	5,000	4,968
	Accrued fees and interest					(846)	-	(508)
	Total interest bearing loans				**107,027**	**90,125**	**100,397**	**94,951**

** can be used in CZK and USD as well with relevant rate (*1W PRIBOR + 1,90% or SOFR + 1,90%)

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are disclosed in note 37.

All secured bank loans are pledged by SPVs' assets of power plants including real estate if any and technology receivables generated by power plants. In case of secured bank loans all power plants are cross-collateralized within the financing banks, see also note 19.

In March 2023, The Group has closed a non-recourse project refinancing agreement in the amount of EUR 21.9 million with Austrian Raiffeisen Bank International (RBI) for its portfolio of PV power plants in Romania with a total installed capacity of 31.5 MWp.

Compliance with Covenants

The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default.

The Group was in compliance with all financial covenants except of interest coverage ratio and equity ratio required by one lender. However, the waivers have been obtained in February and March 2025 and therefore this does not represent an event of default under the borrowings. The relevant loan has been reclassified to the short-term liabilities (EUR 5,000 thousand), as the waiver has not been obtained before the year-end.

There is no cross-default clause in the other loan agreements tied to the above breach of covenants.

Issued bonds

In thousands of EUR	Amortised amount		Fair value	
	2024	**2023**	**2024**	**2023**
Current liabilities				
CZK bond 2016/23	0	0		0
Green bond 2021/27	537	529	537	528
Non-current liabilities				
Green bond 2021/27	78,321	78,539	79,784	79,743
Total	**78,858**	**79,068**	**80,321**	**80,271**

The EUR green bonds 2021/27 are traded on the unregulated market segments of the Stock Exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich, Düsseldorf and Stuttgart. The net proceeds of the transaction are allowed to be used only for financing and expanding eligible assets in accordance with its Green Financing Framework.

Company rebought from market bond in nominal value of EUR 465 thousand in 2024.

The fair values are based on cash flows discounted using a rate based on the borrowing rate 9,23% (the applicable credit spread + risk free rate for relevant currency) (2023: 7,69%) and are within level 2 of the fair value hierarchy.

CZK bond 2016/23 issued in October 2016 has an annual coupon of 6%, with an outstanding nominal amount of EUR 3,146 thousand as of 31 December 2022 (2021: EUR 3,052 thousand) which was repaid in December 2023. CZK bonds 2016/23 were traded on the unregulated market segment of the Prague Stock Exchange.

Accrued interest of EUR 537 thousand at 31 December 2024 for EUR Green bond (2023: EUR 529 thousand) is presented within current liabilities.

Other liabilities from financing activities

Other liabilities from financing activities of EUR 272 thousand (2023: 0) includes loans received from related parties.

32. Provisions

Movements in provisions for liabilities and charges are as follows:

In thousands of EUR	**2024**	**2023**
Carrying amount as at 1 January	**555**	**566**
Foreign exchange impact	-11	-11
Carrying amount as at 31 December	**544**	**555**

Provision for liabilities and charges includes provision for ecological liquidation and recycling of solar panels created in accordance with European directive and Czech legislation. For all solar panels purchased before 2013, all responsibilities connected to recycling of solar panels are with the PVP operators. In accordance with the legislation, the Group paid contribution to the selected provider responsible for liquidation of solar panels of EUR 544 thousand (2023: EUR 555 thousand), paid contributions are presented as non-current advances paid in Other receivables – non-current, see note 26. There are no similar obligations connected to the liquidation of solar panels in Slovakia, Hungary nor Australia.

33. Trade and Other Payables

In thousands of EUR	**Note**	**2024**	**2023**
Trade payables		16,780	9,308
Other payables		1,253	1,192
Total financial liabilities with trade and other payables		**18,034**	**10,500**

In thousands of EUR	Note	2024	2023
Payables to employees		2,734	1,886
Other liabilities		1,497	2,174
Total non-financial liabilities with trade and other payables		**4,230**	**4,060**
Total trade and other payables		**22,264**	**14,560**

Trade payables of EUR 16,780 thousand (2023: EUR 9,308 thousand) include mainly regular trade payables and payables for supply of goods and services to the Group.

Other payables of EUR 1,253 thousand (2023: EUR 1,192 thousand) include accrued liabilities mainly related to the delivery of goods in transit. Non-financial other liabilities include mostly advances received and employees related accruals.

34. Current Income Tax Receivables / Current Tax Liability

Current income tax receivable is in the amount of EUR 0 thousand (2023: receivable EUR 2,759 thousand). Current tax liability in the amount of EUR 577 thousand represents tax liability for profitable entities (mainly SK, CZ, HU SPVs and few operating Romanian and Hungarian entities decreased by tax advances for income tax paid mainly in Hungary, Czech Republic, Romania and Slovakia.

35. Derivative Financial Instruments

In thousands of EUR	31 December 2024		31 December 2023	
	Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
Interest rate swaps, fair values, at the end of reporting period				
Trading derivatives	0	-45	0	-59
Hedging derivatives (note 25)	1,592	-1,516	2,009	-1,663
Value of interest rate swaps	**1,592**	**-1,561**	**2,009**	**-1,722**
Net value of interest rate swaps	**31**		**287**	
Other Derivative Financial Instruments				
FX options (note 25)	61	-3	3	0
Shares options (note 22)	5,006	0	4,590	0
Net Value of Other Derivative Financial Instruments	**5,098**	**-3**	**4,880**	**0**

Interest rate swaps are derivative financial instruments entered into by the Group are generally concluded with financing banks on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The Company determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items. The company considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Company evaluates whether both hedging instrument and hedged items are concluded in the same currency and, therefore, are subject to the same risk, whether the nominal amount of the hedging instrument and hedged items are identical and whether the maturity dates are identical.

36. Financial Risk Management

The major financial risks faced by the Company are those related to credit exposures, exchange rate and interest rate. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. These risks are managed in the following manner.

36.1 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below shows liabilities at 31 December 2024 and 31 December 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows. Financial derivatives are settled on net basis. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

Group does not disclose concentration risk as a specific risk, as there is a high number of bank accounts used within various banks in several European countries, therefore this kind of risk is considered as not relevant for the Group. Derivatives presented in the table below are settled net (assets and liabilities).

31 December 2024

In thousands of EUR	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Financial liabilities						
Secured bank loans	90,125	18,018	14,067	51,439	21,640	105,163
Derivatives	-89	-354	-340	-714	-117	- 1,525
Bonds	78,858	5,160	5,160	84,019	0	94,339
Lease liability	5,433	1,147	1,260	6,089	10,336	18,832
Other loans and liabilities	670	272	398	0	0	670
Trade and other payables	22,264	22,264	0	0	0	22,264
Total future payments, including future principal and interest payments	**197,260**	**46,506**	**20,545**	**140,833**	**31,859**	**239,742**

31 December 2023

In thousands of EUR	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Financial liabilities						
Secured bank loans	94,952	15,357	17,685	53,742	34,610	121,395
Derivatives	-290	-1,294	-1,076	-2,204	-384	-4,958
Bonds	79,068	5,160	5,160	89,724	0	100,044
Lease liability	5,124	1,142	1,024	2,058	1,887	6,111
Other loans and liabilities	208	0	208	0	0	208
Trade and other payables	12,454	12,454	0	0	0	12,454
Total future payments, including future principal and interest payments	**191,515**	**32,819**	**23,001**	**143,320**	**36,113**	**235,253**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

36.2 Credit Risk

Exposure to Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Group.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position.

Credit risk in respect of cash balances held with banks and deposits with banks are managed via diversifications of bank deposits and only with the major reputable financial institutions with rating by S&P between A- and BBB+.

IFRS 9 allows entities to apply a 'simplified approach' for trade receivables and contract assets. The simplified approach allows entities to recognise lifetime expected losses on all these assets without the need to identify significant increases in credit risk.

For trade and other receivables, receivables from related and contract assets that do not contain a significant financing component, the Group recognises a lifetime expected loss allowance.

The Group applies a provision matrix that applies the relevant loss rates to the trade receivable balances. See also note 26 for more.

36.3 Interest Rate Risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Group's exposure to Interest rate risks. The table presents the aggregated amounts of the Group's monetary financial assets and liabilities (out of the equity investments) at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates. In respect of interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and also due date of loans based on the valid repayment schedules.

In thousands of EUR	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Not specified	Total
31 December 2024						
Total financial assets	41,248	2,826	-	3,039	-	47,113
Total financial liabilities	22,264	90,125	272	89,398	5,433	207,492
Net interest sensitivity gap at 31 December 2024	**18,984**	**-87,299**	**-272**	**-86,359**	**-5,433**	**-160,379**
31 December 2023						
Total financial assets	21,069	2,815	0	2,012	0	25,897
Total financial liabilities	10,500	94,952	0	80,998	5,124	191,575
Net interest sensitivity gap at 31 December 2023	**10,569**	**-92,136**	**0**	**-78,986**	**5,124**	**-165,677**

Actual interest expense related to bank loans and borrowings incurred by the Company in 2024 was EUR 5,899 thousand (2023: EUR 5,649 thousand) related to the loans drawn in the amount of EUR 90,125 thousand (31 December 2023: EUR 94,952 thousand). Information on variable interest rates for all bank loans received is included in note 32.

At 31 December 2024, if interest rates at that date had been basis points 100 lower (2023: 100 basis points lower) with all other variables held constant, profit for the year would have been EUR 896 thousand (2023: EUR 950 thousand) lower, mainly as a result of lower interest expense on variable interest liabilities. The impact into actual result (and subsequently into retained earnings) in equity would be EUR 896 thousand (2023: EUR 950 thousand) higher.

Bonds issued bear fixed interest rate risk and therefore are not subject to interest rate risk.

36.4 Currency Risk

The Company's functional currency of its major subsidiaries is EUR, CZK, AUD, RON and HUF. Foreign exchange risk is associated with sales and purchases of goods and services and loans received denominated in local currencies.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

In thousands of EUR	At 31 December 2024				At 31 December 2023			
	Monetary financial assets	**Monetary financial liabilities**	**Derivatives**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Derivatives**	**Net position**
EUR	3,973	-143,041	-187	-139,255	7,882	-141,495	-159	-133,772
CZK	5,217	-26,554	-943	-22,280	5,596	-20,627	-1,201	-16,231
HUF	6,658	-15,626	1,653	-7,315	5,785	-18,397	2,009	-10,603
AUD	1,828	-2,274	0	-446	1,699	-5,057	0	-3,358
CHF	27	-126	0	-99	261	-170	0	91
PLN	5,505	-4,508	0	997	1,189	-944	0	245
RON	1,622	-3,303	-434	-2,115	1,461	-3,160	-359	-2,058
NZD	1,100	-1,918	0	-818	0	0	0	0
Other	120	0	0	120	12	-2	0	10
Total	**26,049**	**-197,350**	**89**	**-171,212**	**23,885**	**-189,852**	**290**	**-165,677**

Derivatives presented above are monetary financial assets or monetary financial liabilities, but are presented separately in order to show the Group's gross exposure. The Group has only interest rate derivatives, there are no FX derivatives.

The above analysis includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

In thousands of EUR	At 31 December 2024		At 31 December 2023	
	Impact on profit or loss	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
CZK strengthening by 10% (2024: strengthening by 10%)	-2,371	-105	11,107	-120
HUF strengthening by 10% (2024: strengthening by 10%).	-996	184	-2,428	201
AUD strengthening by 10% (2024: strengthening by 10%)	-50	0	3,985	0
PLN strengthening by 10% (2024: strengthening by 10%)	111	0	165	0
RON strengthening by 10% (2024: strengthening by 10%)	-187	-48	1,528	-36
NZD strengthening by 10%	-91	0	0	0
Total	**-3,584**	**31**	**14,358**	**45**

37. Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- **Level 1** are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,
- **Level 2** measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
- **Level 3** measurements are valuations not based on observable market data (that is, unobservable inputs).

Management applies judgement in categorized financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

The fair values of financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows. For the other financial assets/financial liabilities, the fair value approximates the carrying amount.

37.1 Recurring Fair Value Measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorized are as follows:

In thousands of EUR	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivatives	0	1,653	0	1,653	0	2,012	0	2,012
Other financial investments	0	0	17,271	17,271	0	0	17,021	17,021
Other financial assets	0	0	1,100	1,100	0	0	0	0
Non financial assets								
Property, plant and equipment	0	0	159,058	159,058	0	0	149,093	149,093
Total assets recurring FV measurement at 31 December	**0**	**1,653**	**177,429**	**179,082**	**0**	**2,012**	**166,114**	**168,126**
Financial liabilities								
Derivatives	0	1,564	0	1,564	0	1,722	0	1,722
Total assets recurring FV measurement at 31 December	**0**	**1,564**	**0**	**1,564**	**0**	**1,722**	**0**	**1,722**

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows:

31 December 2024:

In thousands of EUR	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	159,058	DCF	note 5.1	See below	See below	See below
Other financial investments	17,271	MtM	note 5.3	See below	See below	See below
Total assets recurring FV measurement at 31 December	**176,329**					

31 December 2023:

In thousands of EUR	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	149,093	DCF	note 5.1	See below	See below	See below
Other financial investments	17,021	MtM	note 5.3	See below	See below	See below
Total assets recurring FV measurement at 31 December	**166,114**					

The DCF to Entity valuation method assesses the value of photovoltaic projects by discounting future cash flows available to equity holders and debt providers using the Weighted Average Cost of Capital (WACC), which reflects the project's risk profile. A quarterly discounting approach is applied to align with quarterly debt repayments that impact the financing structure. WACC rates used for discounting vary by country, ranging from 6% to 10% in 2024 (compared to 5% to 13% in 2023), reflecting differences in market conditions, risk factors, and financing costs.

Other financial investments are stated at its fair value based on valuation models prepared by management. Other financial investments include primarily ordinary, preference shares and related share options held(see also note 23). The Group has used Mark to Market valuation method (hereinafter referred to as “MtM”). The principal assumptions used for valuation in addition to the market price of the shares (based on the latest round of the share subscription), are probability of the realisation of the share options granted and discount rate reflecting required return on investment on this type of the Group’s investments.

Sensitivity analysis of DCF for power plants – change in WACC

The below analysis shows impact of change in the used WACC rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 31.12.2024:

In thousands of EUR	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-10,380	-19.5%	15,261	28.7%
CZ power plants	-3,331	-9.3%	3,910	10.9%
SK power plants	-674	-9.6%	804	11.4%
RO power plants	-9,198	-19.7%	14,101	30.2%

The below analysis shows impact of change in the used WACC rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 31.12.2023:

In thousands of EUR	Discount rate 3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-5,601	-10.2%	8,169	14.8%
CZ power plants	-1,956	-4.9%	2,421	6.0%
SK power plants	-336	-3.8%	413	4.6%
AU power plants	-1,837	-14.6%	2,799	22.3%
RO power plants	-3,592	-11.3%	6,169	19.4%

Sensitivity analysis of DCF for power plants – change in production output

The below analysis shows impact of change in production output by +/-2% on the enterprise/entity value in absolute and relative figures as of 31.12.2024:

In thousands of EUR	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	1,135	2.1%	-1,200	-2.3%
CZ power plants	706	2.0%	-706	-2.0%
SK power plants	194	2.8%	-194	-2.8%
RO power plants	965	2.1%	-965	-2.1%

The below analysis shows impact of change in production output by +/-2% on the enterprise/entity value in absolute and relative figures as of 31.12.2023:

In thousands of EUR	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	-112	-0.2%	-2,081	-3.8%
CZ power plants	750	1.9%	-750	-1.9%
SK power plants	196	2.2%	-197	-2.2%
AU power plants	239	1.9%	-239	-1.9%
RO power plants	598	1.9%	-598	-1.9%

Sensitivity analysis of DCF for power plants – change in electricity and LGC prices

The below analysis shows impact of change in electricity prices by +/-10% on the enterprise/entity value for selected power plants in absolute and relative figures as of 31.12.2024:

In thousands of EUR	Electricity prices +10%	Electricity prices +10% in %	Electricity prices -10%	Electricity prices -10% in %
HU power plants	1,815	3.4%	-1,815	-3.4%
RO power plants	4,754	10.2%	-4,754	-10.2%

The below analysis shows impact of change in electricity prices by +/-10% on the enterprise/entity value for selected power plants in absolute and relative figures as of 31.12.2023:

In thousands of EUR	Electricity prices +10%	Electricity prices +10% in %	Electricity prices -10%	Electricity prices -10% in %
HU power plants	1,456	2.6%	-1,468	-2.7%
AU power plants-- prices	999	7.9%	-1,002	-8.0%
AU power plants-- LGCs	261	2.1%	-248	-2.0%
RO power plants	3,320	10.4%	-3,331	-10.5%

Sensitivity analysis of MtM of other financial investments – changes in significant estimates

The below analysis shows impact of change in significant estimates on the MtM value in absolute and relative figures as of 31.12.2024:

In thousands of EUR	Market price of the share +10%	Market price of the share +10% in %	Market price of the share -10%	Market price of the share -10% in %
Investment in RayGen Resources Pty Ltd	1,665	10.1%	-1,665	-10.1%

In thousands of EUR	Probability +10%	Probability +10% in %	Probability -10%	Probability -10% in %
Investment in RayGen Resources Pty ltd	595	-3.6%	-595	-3.6%

There is not real exposure for the actual price risk in case of RayGen valuation, as the price per share was decided and determined by the current shareholders for the new round of the financing and issuing the new shares and it does not represent the volatile market price.

The below analysis shows impact of change in significant estimates on the MtM value in absolute and relative figures as of 31.12.2023:

In thousands of EUR	Market price of the share +10%	Market price of the share +10% in %	Market price of the share -10%	Market price of the share -10% in %
Investment in RayGen Resources Pty Ltd	1,769	10.8%	-1,769	-10.8%

In thousands of EUR	Discount rate + 3%	Discount rate +3% in %	Discount rate -3% in %	Discount rate -3% in %
Investment in RayGen Resources Pty Ltd	-434	-2.7%	459	2.8%

In thousands of EUR	Probability +10%	Probability +10% in %	Probability -10%	Probability -10% in %
Investment in RayGen Resources Pty ltd	688	4.2%	-688	-4.2%

37.2 Assets and Liabilities Not Measured at Fair Value but for Which Fair Value is Disclosed

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

In thousands of EUR	2024				2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Financial assets at amortised costs								
Trade and other receivables	0	27,182	0	27,182	0	8,091	0	8,091
Loans provided	0	2,826	0	2,826	0	2,815	0	2,815
Other	0	14,352	0	14,352	0	19,033	0	19,033
Total assets	**0**	**44,360**	**0**	**44,360**	**0**	**29,939**	**0**	**29,939**
Financial liabilities								
Borrowings								
Bank loan	0	90,125	0	90,125	0	94,952	0	94,952
Issued bonds	0	78,859	0	78,859	0	76,995	0	76,995
Lease liabilities	0	5,433	0	5,433	0	5,124	0	5,124
Loans to related parties	0	272	0	272	0	0	0	0
Other non-current liabilities	0	398	0	398	0	208	0	208
Other financial liabilities								
Trade and other payables	0	22,264	0	22,264	0	12,454	0	12,454
Total liabilities	**0**	**197,350**	**0**	**197,350**	**0**	**189,732**	**0**	**189,732**

All financial assets and financial liabilities have been defined to Level 2.

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique.

Financial Assets Carried at Amortised Cost

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

Liabilities Carried at Amortised Cost

The fair value of issued bonds is based on quoted market prices. Fair values of other liabilities were determined using valuation techniques.

38. Presentation of Financial Instruments by Measurement Category

For the purposes of measurement, IFRS 9 Financial Instruments classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (d) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition. In addition, finance lease receivables form a separate category.

The following table provides a reconciliation of financial assets:

31 December 2024:

In thousands of EUR	FVOCI	FVPL	AC	Total
Assets				
Cash and cash equivalents	0	0	8,437	8,437
Liquid assets with restriction on disposition	0	0	5,914	5,914
Other financial assets	12,264	5,006	0	17,271
Trade and other receivables	1,653	1,100	27,182	29,935
Loans provided	0	0	2,826	2,826
Total financial assets	**13,917**	**6,106**	**44,360**	**64,384**

As of 31 December 2024, all of the Group's financial liabilities were carried at amortised costs.

31 December 2023:

In thousands of EUR	FVOCI	FVPL	AC	Total
Assets				
Cash and cash equivalents	0	0	5,838	5,838
Liquid assets with restriction on disposition	0	0	7,140	7,140
Other financial assets	11,099	5,922	0	17,021
Trade and other receivables	290	0	16,685	16,975
Loans provided	0	0	2,815	2,815
Total financial assets	**11,389**	**5,922**	**32,479**	**49,790**

As of 31 December 2023, all of the Group's financial liabilities were carried at amortised costs.

39. Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Balances and transactions between the Company and its subsidiaries which are related parties of The Company is jointly controlled by Mr. Michael Gartner (via Solar Future Coöperatief U.A.) and Mr. Georg Hotar (via Solar Power to the People Coöperatief U.A.), who are the Company's directors.

At 31 December 2024, the outstanding balances with related parties were as follows:

In thousands of EUR	Note	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	25	-	96	-
Loans issued	25	2,031	-	795
Loans received		-	-	272
Investments in JV	8	-	1,845	-

Loans issued to related parties include loans to Solar Age Investments B.V., Solar Future U.A. and Solar Power to the People U.A. which are short term for a period of up to 12 month and bear interest rate of 3M EURIBOR+3%. The same interest rate is applied to the loans received during the financial year 2024 from Photon Energie s.r.o., an entity controlled by Michael Gartner. There are no pledges and no guarantees issued in relation to the related loans.

At 31 December 2023, the outstanding balances with related parties were as follows:

In thousands of EUR	Note	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	25	-	64	-
Loans issued	25	1,993	-	822
Investments in JV	8	-	1,823	-

Loans issued to related parties include loans to Solar Age Investments B.V. and Solar Power to the People U.A. which are short term for a period of up to 12 month and bear interest rate of 3%.

The income and expense items with related parties for the year ended 31 December 2024 were as follows:

In thousands of EUR	Note	Parent companies	Joint ventures	Key management personnel
Revenue from services rendered		-	64	-
– Interest income	16	352	-	108

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

In thousands of EUR	Note	Parent companies	Joint ventures	Key management personnel
Revenue from services rendered		-	116	-
– Interest income	16	300	-	113

Key Management Compensation

Key management includes Directors and Senior management. Members of the board of directors did not receive any compensation during 2024 nor 2023 for their duties serving on the board of directors for the Group of entities. Furthermore, no emoluments of managing directors, including pension obligations were charged to the Company. No service contracts with the Company nor any of its Subsidiaries have been provided to a member of the Board of Directors for benefits upon termination of employment. Mr Georg Hotar receives a regular salary as an employee in his function as managing director of Global Investment Protection AG in Switzerland and Mr Gartner receives a regular salary as an employee in his function as managing director of Photon Energy Australia Pty Ltd. in Australia. These compensations are in no direct relation to their Board of Director functions. The overall cost of compensations for the key management from their employment relations with the Company or its subsidiaries amounted to EUR 618 thousand in 2024 (2023: EUR 493 thousand). The agreements between the key management with the Company or its Subsidiaries do not foresee any stock option plans, severance payments, company pension plans or other deferred compensation. Termination period of the agreements is up to six months. There are no commitments and contingent obligations towards key management personnel at 31 December 2024 nor 31 December 2023.

40. Group Entities

Subsidiaries and joint ventures

The following entities were in the Group as at 31 December 2024:

	Name	% of share capital held by the holding company	Country of registration	Seat of the company	Consolid. method	Legal Owner
1	Photon Energy N.V. (PENV)	Holding	NL	Amsterdam	Full Cons.	-
2	Photon Energy Operations NL B.V. (former Photon Directors B.V.)	100%	NL	Amsterdam	Full Cons.	PEONV
3	Photon Energy Engineering B.V. (PEEBV)	100%	NL	Amsterdam	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEONV)	100%	NL	Amsterdam	Full Cons.	PENV
5	Photon Remediation Technology N.V.	100%	NL	Amsterdam	Full Cons.	PENV
6	Photon Energy Australia Pty Ltd.	100%	AU	Sydney	Full Cons.	PENV
7	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
8	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
9	Photon Energy Operations Australia Pty.Ltd.	100%	AU	Sydney	Full Cons.	PEONV
10	Photon Energy Engineering Australia Pty Ltd	100%	AU	Sydney	Full Cons.	PEEBV
11	Photon Remediation Technology Australia Pty Ltd.	100%	AU	Sydney	Full Cons.	PRTNV
12	Photon Energy SGA Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
13	Photon Water Australia Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
14	RayGen Resources Pty. Ltd.	7.60%	AU	Sydney	Equity	PENV
15	Photon New Energy Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
16	Photon Energy AUS SPV 14 Pty Ltd	100%	AU	Sydney	Full Cons.	PENV
17	Global Investment Protection AG	100%	CH	Zug	Full Cons.	PENV
18	Photon Energy Investments AG (PEIAG)	100%	CH	Zug	Full Cons.	PENV
19	KORADOL AG (KOAG)	100%	CH	Zug	Full Cons.	PENV
20	Photon Energy Solutions A.G.	100%	CH	Zug	Full Cons.	PENV
21	Photon Property AG,	100%	CH	Zug	Full Cons.	PENV
22	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Prague	Full Cons.	PENV
23	Photon Energy Solutions CZ a.s. (former Photon Energy Solutions CZ s.r.o.)	100%	CZ	Prague	Full Cons.	KOAG
24	Photon SPV 11 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
25	Photon Energy Operations CZ s.r.o. (PEOCZ)	100%	CZ	Prague	Full Cons.	PEONV
26	Photon Energy Control s.r.o.	100%	CZ	Prague	Full Cons.	PEOCZ
27	Photon Energy Technology CEE s.r.o.	100%	CZ	Prague	Full Cons.	PEEBV
28	Photon Water Technology s.r.o.	65%	CZ	Prague	Full Cons.	PENV
29	Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Prague	Full Cons.	PENV
30	Photon Energy Engineering s.r.o. (former Photon Energy Solutions s.r.o.) (PEECZ)	100%	CZ	Prague	Full Cons.	PENV
31	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Prague	Full Cons.	PENV
32	Photon Energy Cardio s.r.o.	100%	CZ	Prague	Full Cons.	PEOCZ
33	Photon Maintenance s.r.o. (former The Special One s.r.o.)	100%	CZ	Prague	Full Cons.	PENV
34	Exit 90 SPV s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
35	Onyx Energy s. r. o.	100%	CZ	Prague	Full Cons.	KOAG
36	Onyx Energy projekt II s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
37	Photon SPV 3 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
38	Photon SPV 4 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
39	Photon SPV 6 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
40	Photon SPV 8 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
41	Photon SPV 10 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
42	Kaliopé Property, s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
43	PESPV 1 s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
44	PESPV 2 s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
45	Photon Energy Solutions s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
46	Photon Energy Home CZ s.r.o. (previously Lerta Czech Republic s.r.o., PESCZ)	100%	CZ	Prague	Full Cons.	PESCZ
47	Photon Energy Technology EU GmbH	100%	DE	Neuhagen*	Full Cons.	PENV
48	Photon Energy Corporate Services DE GmbH	100%	DE	Neuhagen*	Full Cons.	PENV
49	EcoPlan 2 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
50	EcoPlan 3 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
51	Fotonika s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
52	Photon SK SPV 1 s.r.o.	50%	SK	Bratislava	Equity	PENV
53	Photon SK SPV 2 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV

54	Photon SK SPV 3 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
55	Solarpark Myjava s.r.o.	50%	SK	Bratislava	Equity	PENV
56	Solarpark Polianka s.r.o.	50%	SK	Bratislava	Equity	PENV
57	SUN4ENERGY ZVB s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
58	SUN4ENERGY ZVC s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
59	ATS Energy, s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
60	Photon Energy Operations SK s.r.o.	100%	SK	Bratislava	Full Cons.	PEONV
61	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Budapest	Full Cons.	PEIAG
62	Fertod Napenergia-Termelo Kft.	100%	HU	Budapest	Full Cons.	PEIAG
63	Photon Energy Operations HU Kft.	100%	HU	Budapest	Full Cons.	PEONV
64	Photon Energy Engineering HU Kft.	100%	HU	Budapest	Full Cons.	PENV
65	Future Solar Energy Kft	100%	HU	Budapest	Full Cons.	PEIAG
66	Montagem Befektetési Kft.	100%	HU	Budapest	Full Cons.	PEIAG
67	Solarkit Befektetesi Kft.	100%	HU	Budapest	Full Cons.	PEIAG
68	Energy499 Invest Kft.	100%	HU	Budapest	Full Cons.	PEIAG
69	SunCollector Kft.	100%	HU	Budapest	Full Cons.	PEIAG
70	Green-symbol Invest Kft.	100%	HU	Budapest	Full Cons.	PEIAG
71	Ekopanel Befektetési és Szolgaltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
72	Onyx-sun Kft.	100%	HU	Budapest	Full Cons.	PEIAG
73	Tataimmo Kft	100%	HU	Budapest	Full Cons.	PEIAG
74	Öreghal Kft.	100%	HU	Budapest	Full Cons.	PEIAG
75	European Sport Contact Kft.	100%	HU	Budapest	Full Cons.	PEIAG
76	ALFEMO Alpha Kft.	100%	HU	Budapest	Full Cons.	PEIAG
77	ALFEMO Beta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
78	ALFEMO Gamma Kft.	100%	HU	Budapest	Full Cons.	PEIAG
79	Archway Solar Kft.	100%	HU	Budapest	Full Cons.	PENV
80	Belsize Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
81	Blackhorse Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
82	Camden Solar Kft	100%	HU	Budapest	Full Cons.	PEIAG
83	Ráció Master Oktatási	100%	HU	Budapest	Full Cons.	PEIAG
84	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
85	MEDIÁTOR PV Plant Kft.	100%	HU	Budapest	Full Cons.	PEIAG
86	PROMA Mátra PV Plant Kft.	100%	HU	Budapest	Full Cons.	PEIAG
87	Optisolar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
88	Ladány Solar Alpha Kft.	100%	HU	Budapest	Full Cons.	PEIAG
89	Ladány Solar Beta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
90	Ladány Solar Gamma Kft.	100%	HU	Budapest	Full Cons.	PEIAG
91	Ladány Solar Delta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
92	ÉGÉSPART Energiatermelő és Szolgáltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
93	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
94	ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
95	Ventiterra Kft.	100%	HU	Budapest	Full Cons.	PEIAG
96	VENTITERRA ALFA Kft.	100%	HU	Budapest	Full Cons.	PEIAG
97	VENTITERRA BETA Kft.	100%	HU	Budapest	Full Cons.	PEIAG
98	Hendon Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
99	Mayfair Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
100	Holborn Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
101	Photon Energy Trading CEE Kft. (former Lerta Energy HU Kft.)	100%	HU	Budapest	Full cons.	Lerta S.A.
102	Photon Energy Solutions HU Kft. (former LERTA Magyarország Kft.)	100%	HU	Budapest	Full cons.	Lerta S.A.
103	Photon New Energy Alfa Kft.	100%	HU	Budapest	Full cons.	PESAG
104	Photon New Energy Beta Kft.	100%	HU	Budapest	Full cons.	PESAG
105	Photon New Energy Gamma Kft.	100%	HU	Budapest	Full cons.	PESAG
106	Dartford Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
107	Rochester Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
108	Newhamp Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
109	Brixton Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
110	Lerta Lithuania UAB	100%	LI	Vilnius	Full cons.	Lerta S.A.
111	Photon Energy Project Development XXK (PEPD)	99%	MN	Ulaanbaatar	Full cons.	PEP
112	PEPD Solar XXK.	100%	MN	Ulaanbaatar	Full cons.	PEPD
113	Photon Energy Solutions PL S.A.	100%	PL	Warsaw	Full cons.	PENV
114	Photon Energy Polska Sp. Z o.o.	100%	PL	Warsaw	Full cons.	PENV
115	Photon Energy Operations PL Sp. z o.o.	100%	PL	Łodz	Full cons.	PEONV
116	Alperton Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
117	Beckton Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
118	Debden Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
119	Chigwell Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV

120	Ealing Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
121	Lerta S.A.	100%	PL	Poznań	Full cons.	PENV
122	Photon Energy Trading PL Sp. z o.o. (former Lerta JRM Sp. z o.o.)	100%	PL	Poznań	Full cons.	Lerta S.A.
123	Photon Energy Systems Sp. z o.o. (former Lerta Technology Sp. z o.o.)	100%	PL	Poznań	Full cons.	Lerta S.A.
124	Domanowo Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
125	Stanford Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
126	Halton Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
127	Aldgate Solar Srl	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
128	Holloway Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
129	Moorgate Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
130	Redbridge Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
131	Watford Solar Srl	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
132	Photon Energy Operations Romania Srl.	100%	RO	Bucharest	Full cons.	PEONV & PEOCZ
133	Greenford Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
134	Chesham Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
135	Photon Energy Romania Srl.	100%	RO	Bucharest	Full cons.	PENV & PEP
136	Siria Solar SRL	100%	RO	Bucharest	Full Cons.	PEIAG & KOAG
137	Brentford Solar SRL	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
138	Camberwell Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
139	Deptford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
140	Harlow Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
141	Kenton Solar SRL	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
142	Lancaster Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
143	Perivale Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
144	Romford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
145	Stratford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
146	Weston Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
147	Photon Energy Engineering Romania SRL	100%	RO	Bucharest	Full cons.	PENV & PEP
148	Photon Energy Solutions Romania SRL (former Lerta Energy S.r.l.)	100%	RO	Bucharest	Full cons.	Lerta S.A.
149	Faget Solar Three Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
150	Faget Solar Four S.R.L.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
151	Faget Solar Five SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
152	Giulvaz Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
153	Elba Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
154	Photon Renewable Energy Pty. Ltd.	100%	SA	West. Cape	Full Cons.	PENV
155	Solar Age SPV 1 Pty. Ltd.	100%	SA	West. Cape	Full Cons.	PENV
156	Photon Energy Engineering NZ Pty. Limited	100%	NZ	Auckland	Full Cons.	PEEBV

* Neuhagen bei Berlin

Notes:

Country of registration:

AU – Australia
CH – Switzerland
CZ – Czech Republic
DE – Germany
HU – Hungary
NL – Netherlands
MN – Mongolia
PL – Poland
PE – Peru
RO – Romania
SK – Slovakia
SA – South Africa
LI - Lithuania

Consolidation method:

Full Cons. – Full Consolidation
Not Cons. – Not Consolidated
Equity – Equity Method

Photon Energy Operations CZ s.r.o. established a branch office in Romania.
PEP & PESCZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

The following entities were in the Group as at 31 December 2023:

	Name	% of share capital held by the holding company	Country of registration	Seat of the company	Consolid. method	Legal Owner
1	Photon Energy N.V. (PENV)	Holding	NL	Amsterdam	Full Cons.	-
2	Photon Energy Operations NL B.V. (former Photon Directors B.V.)	100%	NL	Amsterdam	Full Cons.	PEONV
3	Photon Energy Engineering B.V. (PEEBV)	100%	NL	Amsterdam	Full Cons.	PENV
4	Photon Energy Operations N.V. (PEONV)	100%	NL	Amsterdam	Full Cons.	PENV
5	Photon Remediation Technology N.V.	100%	NL	Amsterdam	Full Cons.	PENV
6	Photon Energy Australia Pty Ltd.	100%	AU	Sydney	Full Cons.	PENV
7	Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
8	Leeton Solar Farm Pty Ltd (former Photon Energy AUS SPV 2 Pty. Ltd.)	100%	AU	Sydney	Full Cons.	PENV
9	Fivebough Solar Farm Pty Ltd. (former Photon Energy AUS SPV 3 Pty. Ltd.)	100%	AU	Sydney	Full Cons.	PENV
10	Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
11	Photon Energy AUS SPV 6 Pty. Ltd.	100%	AU	Sydney	Full	PENV
12	Photon Energy Operations Australia Pty.Ltd.	100%	AU	Sydney	Full Cons.	PEONV
13	Photon Energy Engineering Australia Pty Ltd	100%	AU	Sydney	Full Cons.	PEEBV
14	Photon Remediation Technology Australia Pty Ltd.	100%	AU	Sydney	Full Cons.	PRTNV
15	Photon Energy SGA Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
16	Photon Water Australia Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
17	RayGen Resources Pty. Ltd.	7.49%	AU	Sydney	Equity	PENV
18	Photon New Energy Pty. Ltd.	100%	AU	Sydney	Full Cons.	PENV
19	Photon Energy AUS SPV 14 Pty Ltd	100%	AU	Sydney	Full Cons.	PENV
20	Global Investment Protection AG	100%	CH	Zug	Full Cons.	PENV
21	Photon Energy Investments AG (PEIAG)	100%	CH	Zug	Full Cons.	PENV
22	KORADOL AG (KOAG)	100%	CH	Zug	Full Cons.	PENV
23	Photon Energy Solutions A.G.	100%	CH	Zug	Full Cons.	PENV
24	Photon Property AG,	100%	CH	Zug	Full Cons.	PENV
25	Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Prague	Full Cons.	PENV
26	Photon Energy Solutions CZ a.s. (former Photon Energy Solutions CZ s.r.o.)	100%	CZ	Prague	Full Cons.	KOAG
27	Photon SPV 11 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
28	Photon Energy Operations CZ s.r.o. (PEOCZ)	100%	CZ	Prague	Full Cons.	PEONV
29	Photon Energy Control s.r.o.	100%	CZ	Prague	Full Cons.	PEOCZ
30	Photon Energy Technology CEE s.r.o.	100%	CZ	Prague	Full Cons.	PEEBV
31	Photon Water Technology s.r.o.	65%	CZ	Prague	Full Cons.	PENV
32	Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Prague	Full Cons.	PENV
33	Photon Energy Engineering s.r.o. (former Photon Energy Solutions s.r.o.) (PEECZ)	100%	CZ	Prague	Full Cons.	PENV
34	Photon Energy Projects s.r.o. (PEP)	100%	CZ	Prague	Full Cons.	PENV
35	Photon Energy Cardio s.r.o.	100%	CZ	Prague	Full Cons.	PEOCZ
36	Photon Maintenance s.r.o. (former The Special One s.r.o.)	100%	CZ	Prague	Full Cons.	PENV
37	Exit 90 SPV s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
38	Onyx Energy s. r. o.	100%	CZ	Prague	Full Cons.	KOAG
39	Onyx Energy projekt II s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
40	Photon SPV 3 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
41	Photon SPV 4 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
42	Photon SPV 6 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
43	Photon SPV 8 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
44	Photon SPV 10 s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
45	Kaliopé Property, s.r.o.	100%	CZ	Prague	Full Cons.	KOAG
46	PESPV 1 s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
47	PESPV 2 s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
48	Photon Energy Solutions s.r.o.	100%	CZ	Prague	Full Cons.	PESCZ
49	Photon Energy Home CZ s.r.o. (previously Lerta Czech Republic s.r.o., PESCZ)	100%	CZ	Prague	Full Cons.	PESCZ
50	Photon Energy Technology EU GmbH	100%	DE	Neuhagen*	Full Cons.	PENV
51	Photon Energy Corporate Services DE GmbH	100%	DE	Neuhagen*	Full Cons.	PENV
52	EcoPlan 2 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
53	EcoPlan 3 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
54	Fotonika s.r.o.	100%	SK	Bratislava	Full Cons.	PENV

55	Photon SK SPV 1 s.r.o.	50%	SK	Bratislava	Equity	PENV
56	Photon SK SPV 2 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
57	Photon SK SPV 3 s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
58	Solarpark Myjava s.r.o.	50%	SK	Bratislava	Equity	PENV
59	Solarpark Polianka s.r.o.	50%	SK	Bratislava	Equity	PENV
60	SUN4ENERGY ZVB s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
61	SUN4ENERGY ZVC s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
62	ATS Energy, s.r.o.	100%	SK	Bratislava	Full Cons.	PENV
63	Photon Energy Operations SK s.r.o.	100%	SK	Bratislava	Full Cons.	PEONV
64	Photon Energy HU SPV 1 Kft. b.a	100%	HU	Budapest	Full Cons.	PEIAG
65	Fertod Napenergia-Termelo Kft.	100%	HU	Budapest	Full Cons.	PEIAG
66	Photon Energy Operations HU Kft.	100%	HU	Budapest	Full Cons.	PEONV
67	Photon Energy Engineering HU Kft.	100%	HU	Budapest	Full Cons.	PENV
68	Future Solar Energy Kft	100%	HU	Budapest	Full Cons.	PEIAG
69	Montagem Befektetési Kft.	100%	HU	Budapest	Full Cons.	PEIAG
70	Solarkit Befektetesi Kft.	100%	HU	Budapest	Full Cons.	PEIAG
71	Energy499 Invest Kft.	100%	HU	Budapest	Full Cons.	PEIAG
72	SunCollector Kft.	100%	HU	Budapest	Full Cons.	PEIAG
73	Green-symbol Invest Kft.	100%	HU	Budapest	Full Cons.	PEIAG
74	Ekopanel Befektetési és Szolgaltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
75	Onyx-sun Kft.	100%	HU	Budapest	Full Cons.	PEIAG
76	Tataimmo Kft	100%	HU	Budapest	Full Cons.	PEIAG
77	Öreghal Kft.	100%	HU	Budapest	Full Cons.	PEIAG
78	European Sport Contact Kft.	100%	HU	Budapest	Full Cons.	PEIAG
79	ALFEMO Alpha Kft.	100%	HU	Budapest	Full Cons.	PEIAG
80	ALFEMO Beta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
81	ALFEMO Gamma Kft.	100%	HU	Budapest	Full Cons.	PEIAG
82	Archway Solar Kft.	100%	HU	Budapest	Full Cons.	PENV
83	Belsize Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
84	Blackhorse Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
85	Camden Solar Kft	100%	HU	Budapest	Full Cons.	PEIAG
86	Ráció Master Oktatási	100%	HU	Budapest	Full Cons.	PEIAG
87	Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Budapest	Full Cons.	PEIAG
88	MEDIÁTOR PV Plant Kft.	100%	HU	Budapest	Full Cons.	PEIAG
89	PROMA Mátra PV Plant Kft.	100%	HU	Budapest	Full Cons.	PEIAG
90	Optisolar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
91	Ladány Solar Alpha Kft.	100%	HU	Budapest	Full Cons.	PEIAG
92	Ladány Solar Beta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
93	Ladány Solar Gamma Kft.	100%	HU	Budapest	Full Cons.	PEIAG
94	Ladány Solar Delta Kft.	100%	HU	Budapest	Full Cons.	PEIAG
95	ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Budapest	Full Cons.	PEIAG
96	ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kf	100%	HU	Budapest	Full Cons.	PEIAG
97	ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Budapest	Full Cons.	PEIAG
98	Ventiterra Kft.	100%	HU	Budapest	Full Cons.	PEIAG
99	VENTITERRA ALFA Kft.	100%	HU	Budapest	Full Cons.	PEIAG
100	VENTITERRA BETA Kft.	100%	HU	Budapest	Full Cons.	PEIAG
101	Hendon Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
102	Mayfair Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
103	Holborn Solar Kft.	100%	HU	Budapest	Full Cons.	PEIAG
104	Lerta Energy HU Kft.	100%	HU	Budapest	Full cons.	Lerta S.A.
105	LERTA Magyarország Kft.	100%	HU	Budapest	Full cons.	Lerta S.A.
106	Photon New Energy Alfa Kft.	100%	HU	Budapest	Full cons.	PESAG
107	Photon New Energy Beta Kft.	100%	HU	Budapest	Full cons.	PESAG
108	Photon New Energy Gamma Kft.	100%	HU	Budapest	Full cons.	PESAG
109	Dartford Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
110	Rochester Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
111	Newhamp Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
112	Brixton Solar Kft.	100%	HU	Budapest	Full cons.	PEIAG
113	Lerta Lithuania UAB	100%	LI	Vilnius	Full cons.	Lerta S.A.
114	Photon Energy Project Development XXK (PEPD)	99%	MN	Ulaanbaatar	Full Cons.	PEP
115	PEPD Solar XXK.	100%	MN	Ulaanbaatar	Full Cons.	PEPD
116	Photon Energy Solutions PL S.A.	100%	PL	Warsaw	Full Cons.	PENV
117	Photon Energy Polska Sp. Z o.o.	100%	PL	Warsaw	Full cons.	PENV
118	Photon Energy Operations PL Sp. z o.o.	100%	PL	Łodz	Full cons.	PEONV
119	Alperton Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV

120	Beckton Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
121	Debden Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
122	Chigwell Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
123	Ealing Solar Sp. z o.o.	100%	PL	Poznań	Full cons.	PENV
124	Lerta S.A.	100%	PL	Poznań	Full cons.	PENV
125	Lerta Poland Sp. z o.o.	100%	PL	Poznań	Full cons.	Lerta S.A.
126	Photon Energy Trading PL Sp. z o.o. (former Lerta Power Poland Sp. z o.o.)	100%	PL	Poznań	Full cons.	Lerta S.A.
127	Lerta JRM Sp. z o.o.	100%	PL	Poznań	Full cons.	Lerta S.A.
128	Photon Energy Systems Sp. z o.o. (former Lerta Technology Sp. z o.o.)	100%	PL	Poznań	Full cons.	Lerta S.A.
129	Stanford Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
130	Halton Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
131	Aldgate Solar Srl	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
132	Holloway Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
133	Moorgate Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
134	Redbridge Solar Srl.	100%	RO	Bucharest	Full cons.	PEP & PEECZ
135	Watford Solar Srl	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
136	Photon Energy Operations Romania Srl.	100%	RO	Bucharest	Full cons.	PEONV &PEO CZ
137	Greenford Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
138	Chesham Solar Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
139	Photon Energy Romania Srl.	100%	RO	Bucharest	Full cons.	PENV & PEP
140	Siria Solar SRL	100%	RO	Bucharest	Full Cons.	PEIAG & KOAG
141	Brentford Solar SRL	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
142	Camberwell Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
143	Deptford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
144	Harlow Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
145	Kenton Solar SRL	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
146	Lancaster Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
147	Perivale Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
148	Romford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
149	Stratford Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
150	Weston Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
151	Photon Energy Engineering Romania SRL	100%	RO	Bucharest	Full cons.	PENV & PEP
152	Photon Energy Solutions Romania SRL (former Lerta Energy S.r.l.)	100%	RO	Bucharest	Full cons.	Lerta S.A.
153	Faget Solar Three Srl.	100%	RO	Bucharest	Full cons.	PEIAG & KOAG
154	Faget Solar Five SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
155	Giulvaz Solar SRL	100%	RO	Bucharest	Full cons.	PEP & PEECZ
156	Photon Renewable Energy Pty. Ltd.	100%	SA	West. Cape	Full Cons.	PENV
157	Solar Age SPV 1 Pty. Ltd.	100%	SA	West. Cape	Full Cons.	PENV
158	Photon Energy Engineering NZ Pty. Limited	100%	NZ	Auckland	Full Cons.	PEEBV

* Neuhagen bei Berlin

Notes:

Country of registration:

AU – Australia
CH – Switzerland
CZ – Czech Republic
DE – Germany
HU – Hungary
NL – Netherlands
MN – Mongolia
PL – Poland
PE – Peru
RO – Romania
SK – Slovakia
SA – South Africa
LI - Lithuania

Consolidation method:

Full Cons. – Full Consolidation
Not Cons. – Not Consolidated
Equity – Equity Method

Photon Energy Operations CZ s.r.o. established a branch office in Romania.
PEP & PESCZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

41. Contingent Assets and Liabilities, Commitments

Legal Proceedings

From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these consolidated financial statements.

Assets Pledged and Restricted

At 31 December 2024 and 2023 the Group has the assets pledged as collateral and included in note 19. Additionally to those assets listed in note 19, shares in Czech SPVs are pledged as security to the financing bank.

Guarantees

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. The parent company has issued guarantees in total amount of EUR 60,435 thousand (2023: EUR 68,914 thousand) to subsidiaries creditors. Most of the new guarantees in 2023 were issued in connection with the capacity guarantees for the capacity market in Poland and for building of the new power-plants in Romania (specifically used only on applications for Set-Up Licenses ANRE). Bank accounts restricted due to guarantees are included in restricted cash presented in note 28.

42. Subsequent Events

In the Management's view, the most important events from 1 January 2025 till the date of the publication of this report, include:

Return to the Bonus System in the Czech Republic

As of 1 January 2025, the Czech portfolio comprising of 15.0 MWp has been switched from the feed-in-tariff system to the green bonus system, which means that in 2025 the Czech power plants are entitled to the green bonus of CZK 16,362/MWh plus the market price, which will be realized by the trading department of New Energy division of Photon Energy Group.

Freezing of Feed-in-Tariff Indexation in Hungary

Based on the government decree number 7/2025 (I.31) (herein-after "Decree"), effective as of 1 January 2025, the Hungarian government decided to suspend the Annex No. 5 of the KÁT de-cree from January 1, 2025, until the end of the state of emer-gency, but at most until the end of 2029. Based on this decision the indexation of KAT type feed-in-tariff (FiT) will be frozen until the above-mentioned dates and the mandatory take-over prices will remain at the level of HUF 47.04 / kWh (EUR 114.3 / MWh). This applies to around 33.6 MWp of our Hungarian power plants. In case of power plants under KAT and METAR Premium feed-in-tariffs the Decree is not applicable and the level of FiT which in the current year is set a HUF 48.31 / kWh (EUR 117.4 / MWh) will remain adjusted with the consumer price index (CPI) as previously. This applies to 7.0 MWp of our assets.

The Freezing of Feed-in-Tariff indexation in Hungary has impacted the book value of our power plants with KAT tariffs at 31 December 2024. The changes have had a negative impact of EUR 2.3 million on our total non-current assets, and this reduces the Group's Total equity by the same amount

Based on the Decree, if the value of the last annual CPI index published by the Central Statistical Office reaches 1.06, then the freezing will not be applicable for the current year.

Shutting down 14.6 MWp of assets in Romania

In February 2025, another power plant in Romania, with the ca-pacity of 7.1 MWp and located in Sahateni was shut down fol-lowing the Transmission System Operator's (TSO) decision. This together with Faget 3, a 7.5 MWp power plant disconnected in December 2024, represents 14.6 MWp and 28.3% of the total capacity installed in Romania. Both power plants must secure grid commissioning approval from the TSO, which is anticipated to be granted in Q1-Q2 2025. This temporary shutdown of 14.6 MWp of operating PV assets in Romania will negatively impact the generation revenues and hence financial results in year 2025 and were unexpected by the Management.

250 MWp Grid Connection Capacity Received in South Africa

In January 2025, Photon Energy made significant progress in the development of a 250 MW concentrated solar PV plant with 150 MW (1.8 GWh, 12 hours) of thermal hydro storage in Winterton, KwaZulu-Natal, South Africa, by receiving favourable grid con-nection terms.

In the next phase of development, Photon Energy will collaborate with Eskom, the local Distribution System Operator (DSO) and the largest electricity producer in Africa, to design and implement the necessary technical solutions for integrating the plant into both the regional and national grid. This partnership aims to ensure grid stability, optimise energy distribution, and provide essential services such as frequency regulation and peak load management. By working closely with the DSO, Photon Energy intends to secure deployment of this advanced tech-nology, delivering significant value to both the energy sector and local communities. The project is making steady progress, with the Environmental Impact Assessment (EIA) to be con-cluded by Q4 this year and zoning processes advancing.

Photon Energy Commissions Three Solar PV Power Plants in Hungary

The new solar PV power plants, with a total capacity of 5.1 MWp, have commenced operations in Tolna, Hungary, set to operate under a merchant model. Photon Energy's proprietary portfolio of PV power plants in Hungary has now reached a total capacity of 57.5 MWp, increasing the Company's global IPP portfolio to 134.7 MWp.

Photon Energy Group

Standalone Financial Statements

For the Year Ended 31 December 2024

Company Balance Sheet as of 31 December 2024

(before profit appropriation)

In thousands of EUR	Note	31 December 2024	31 December 2023
Assets			
A. Fixed assets		**136,357**	**121,709**
I. Intangible fixed assets		**15,278**	**15,278**
3. Concessions, licences and intellectual property	21	5	7
4. Goodwill	20	15,273	15,272
II Tangible fixed assets		0	0
III Financial fixed assets		**121,079**	**106,431**
1. Interest in group companies	44	81,238	66,476
2. Accounts receivable from group companies	45	21,734	22,106
3. Other participations	44	17,271	17,021
5. Treasury shares	47	836	828
B. Current assets		**113,746**	**110,619**
II Accounts receivable		**113,514**	**110,560**
1. Trade debtors	46	21,017	16,418
2. From group companies	45,46	75,034	77,051
4. Other accounts receivable	46	17,232	17,031
6. Prepayments and accrued income	46	231	60
IV Cash at banks and in hand	46	232	**59**
Assets		**250,103**	**232,328**

Equity and liabilities	Note	31 December 2024	31 December 2023
A. Equity	47	**143,516**	**134,277**
I. Called-up share capital		612	612
II. Share premium		54,157	53,798
III. Revaluation reserve		40,237	37,108
IV. Legal and statutory reserves		10	12
V. Other reserves*		2,658	2,674
VI. Retained earnings		40,073	30,913
Profit for the year		5,768	9,160
C. Long-term debt	48	**80,473**	**80,730**
2. Other bonds and private loans		78,321	78,539
7. Accounts payable to group companies		2,151	2,191
D. Current liabilities	49	**26,114**	**17,321**
2. Other bonds and private loans	48	537	529
5. Trade creditors		7,895	7,134
7. Accounts payable to group companies		11,526	8,289
11. Other liabilities		5,707	1,037
12. Accruals and deferred income		449	333
Equity and liabilities		**250,103**	**232,328**

*Revaluation reserve and the legal reserves are non-distributable

The notes on pages 160 to 173 are an integral part of these financial statements.

Company Income Statement for the Financial Year Ended 31 December 2024

In thousands of EUR	Note	1 January – 31 December 2024	1 January – 31 December 2023
Revenues	51	9,865	9,261
Total operating income		**9,865**	**9,261**
Wages and salaries		-14	-14
Amortisation of intangible fixed assets and depreciation of tangible fixed assets		-341	-14
Gain/loss on disposal of financial investments		1,398	0
Other operating expenses	52	-10,077	-8,237
Total operating expenses		**-9,034**	**-8,265**
Other interest income and similar income	53	7,636	9,670
Changes in value of fixed asset investments	54,55	476	3,194
Interest expense and similar expenses	54	-7,187	-7,613
Results before tax		**1,757**	**6,247**
Taxes		0	0
Share in profit/loss of participations	55	4,011	2,913
Net result after tax		**5,768**	**9,160**

The notes on pages 160 to 173 are an integral part of these financial statements.

Photon Energy Group

Notes to the Company Financial Statements

For the Year Ended 31 December 2024

43. Accounting Information and Policies

43.1 Basis of Preparation

The company's standalone financial statements of Photon Energy N.V., KvK 51447126, (hereafter: the company) have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the company's standalone financial statements are prepared based on the accounting principles of recognition, measurement, and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the company financial statements of Photon Energy N.V. should be read in conjunction with the consolidated financial statements.

All amounts are presented in EUR thousand, unless stated otherwise. The balance sheet and income statement include references. These refer to the notes.

The company prepared its consolidated financial statements in accordance with IFRS accounting standards (IFRSs) as adopted by the European Union.

43.2 Financial Fixed Assets

43.2.1 Goodwill

Goodwill is measured initially as described under "Consolidated financial statements " in note 4.1.1. Goodwill is not amortised but it is tested for impairment annually. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of the cash-generating unit containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

43.2.2 Investments in Consolidated Subsidiaries

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the company has control. The company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the company or its intermediate holding entities. They are derecognised from the date that control ceases.

The company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred by the company, liabilities incurred to the former owners of the acquiree and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date, and are subsumed in the net asset value of the investment in consolidated subsidiaries.

Acquisition-related costs are expensed as incurred.

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. Share of profit in consolidated subsidiaries (net of tax) is presented in Share in profit/loss of participations.

Other investments include investment of the Company where the Company has no significant influence and other financial instruments, and are valued at fair value.

Changes in fair value of investments into equity instruments are recognised in Revaluation reserve in equity, changes in fair value of other financial instruments (derivatives) are recognised in Income statement in line Changes in value of fixed asset investments.

43.2.3 Revenues from Sale of Services (other income)

Revenues from sale of services (e.g.administration services) are recognised on regular and recurring basis for a fixed fee agreed CZ and SK SPVs on annual basis. No element of financing is deemed present as the sales are made with credit terms of 30 days, which is consistent with market practice.

44. Financial Fixed Assets

In thousands of EUR	31 December 2024	31 December 2023
Interests in group companies	81,238	66,476
Other participations	17,271	17,021
Total Financial Fixed Assets	**98,509**	**83,497**

Other non-current investments include following investments:

In thousands of EUR	Fair value at 31 December 2024	Fair value at 31 December 2023
Investment in Raygen Resources Pty Ltd ordinary shares	6,725	6,934
Investment in Raygen Resources Pty Ltd preference shares*	4,858	3,527
Investment in Raygen Resources Pty Ltd convertible note*	0	1,333
Investment in Valuetech	682	637
Share options	5,006	4,590
Total Other investments	**17,271**	**17,021**

* In 2024 convertible note was converted to preference shares.

The movements of the Financial Fixed assets can be shown as follows:

In thousands of EUR	Participating interests in group companies	Other investments	Shares not yet registered	Total
Balance at 31 December 2022 restated	**55,788**	**7,817**	**0**	**63,604**
Share in result of participating interests	2,913	0	0	2,913
Sale of investments	0	0	0	0
Other movements (system revaluation)	552	0	0	552
Acquisition of the Financial fixed asset	0	1,115	0	1,115
Share in PPE revaluation reserve s in participating interest	13,624	0	0	13,624
Share in derivatives revaluation in participating interest	260	0	0	260
Revaluation of investments- OCI	0	4,981	0	4,981
Revaluation of investments- PL	0	3,110	0	3,110
Dividend received by Company	-5,448	0	0	-5,448
Capital contribution	9	0	0	9
Currency reserve	298	0	0	298
Derecognition (change of category)	0	0	0	0
New investments	0	0	0	0
Fair value of net assets acquired (Lerta)	-1,521	0	0	-1,521
Balance at 31 December 2023	**66,476**	**17,021**	**0**	**83,497**
Share in result of participating interests	4,011	0	0	4,011
Sale of investments	-7,507	0	0	-7,507
Other movements (system revaluation)	882	1	0	883
Acquisition of the Financial fixed asset	0	0	0	0
Share in PPE revaluation reserve s in participating interest	6,053	0	0	6,053
Share in derivatives revaluation in participating interest	282	0	0	282
Revaluation of investments- OCI	0	-287	0	-287
Revaluation of investments- PL	0	536	0	536
Dividend received by Company	-34	0	0	-34
Capital contribution	11,242	0	0	11,242
Currency reserve	0	0	0	0
Derecognition (change of category)	0	0	0	0
New investments	0	0	0	0
Fair value of net assets acquired (Lerta)	-167	0	0	-167
Balance at 31 December 2024	**81,238**	**17,271**	**0**	**98,509**

2024

A participating legal Company is under Dutch law a participation which exercises significant influence over the operating and financial policies (hereinafter: participation), valued using the equity method. This method means that the carrying amount of the investment is increased or decreased by the share in the results and changes in equity of the associate, less the dividend from the participation. The carrying amount, the share in the results and changes in equity are determined according to the principles of the holding. Result from the participation is recognised only in the case of net assets value higher than nil. Positive assets value is recognised only in case the previous negative value is covered sufficiently by the actual positive results from the participation.

Therefore, the direct changes in equity in the participations of PE NV are included in the standalone financial statements of the Company.

The direct equity movements of the subsidiaries of PENV consist of:

1) Revaluation of assets valued at fair value in the participations (decrease of value of assets)
2) Foreign currency translation differences in the participations
3) Effective portion of hedging derivatives in the participations

The Company measures interest in group companies at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. In case the net asset value is negative the Company considers the value of participation to be EUR 1. No impairment provision to the financial fixed assets has been recorded as at 31 December 2024 nor 2023. The unrecognized share of the loss for the period in the participation valued on the basis of equity accounting that is valued at zero as equal to EUR 5,127 thousand for the period and EUR 20,837 thousand cumulatively.

There are no obligations to cover the losses of the subsidiaries beyond the amount of unpaid share capital and therefore, the value of participations is not further increase by negative equity amounts.

Other investments include investment of the Company where the Company has no significant influence and other financial instruments, and are valued at fair value.

Changes in fair value of investments into equity instruments are recognised in Revaluation reserve in equity, changes in fair value of other financial instruments (derivatives) are recognised in Income statement in line Changes in value of fixed asset investments.

The Company, with statutory seat in Amsterdam, is the holding company and has the financial interests as disclosed under note 40.

The parent entity is not liable for the deficits of its subsidiaries and therefore no liability resulting from this has been recognized.

45. Accounts Receivable from Group Companies

In thousands of EUR	31 December 2024	31 December 2023
Accounts receivable from group companies – non current	21,734	22,106
Accounts receivable from group companies – current	75,034	77,051
Total loans provided	**96,768**	**99,157**

Movement schedule for loans provided:

In thousands of EUR	2024	2023
Opening balance	**99,157**	**98,292**
Newly provided loans	62,984	50,849
Accrued interest	5,779	7,770
Loans repayments/transfers	-66,970	-59,046
FX differences	-4,182	1,292
Closing balance	**96,768**	**99,157**

The balance of loans provided consists of the loans provided primarily to the companies within the Group and its increase is caused by provision of new funds during the year to the subsidiaries. Interest charged by PENV to its subsidiaries is 3M EURIBOR+3% and the loans have mostly a short-term character and are due within one-year. Decrease in non-current accounts receivable from group companies was caused by the early repayment of the portion of the loan, and the outstanding amount is due in more than 1 year period.

The fair value of the current receivables from group companies approximates the carrying amount, given the short-term nature of the receivables and the fact that provisions for bad debts have been recognised where necessary.

The credit loss allowance for Loans provided to related parties is determined according to internal analysis of recoverability of these loans. Based on this analysis no ECL provisions were created as at 31 December 2024 and 31 December 2023.

46. Current Assets

In thousands of EUR	31 December 2024	31 December 2023
Trade debtors	21,017	16,418
Receivables from group companies	75,034	77,051
Other accounts receivable	17,232	17,031
Prepayments and accrued income	231	60
Cash at banks and in hand	232	59
Total current assets	**113,746**	**110,619**

Trade receivables fall due in less than one year, unless otherwise disclosed below.

The fair value of the trade and other receivables approximates the carrying amount, given the short-term nature of the receivables and the fact that provisions for bad debts have been recognised where necessary.

Trade debtors at 31 December 2024 include trade receivables from companies within the Group of EUR 21,017 thousand (2023: EUR 16,418 thousand).

Receivable from group companies of EUR 75,034 thousand (2023: 77,051 thousand) represent loans provided to group companies. These loans are due on 31 December 2025 and therefor are presented as current assets, interest charged on these loans based on the national interbank offered rate (according to the nominal currency of the loan) 3M EURIBOR+3% margin.

Other accounts receivable include mainly loans receivables provided outside the Group of EUR 2,252 thousand (2023: 2,090 thousand), receivables from investments settlements agreement inside the Group of EUR 11,836 thousand (2023: 10,773), advances paid out inside the Group of EUR 2,729 thousand (2023: 3,569) and other short-term receivables of EUR 5 thousand (2023: EUR: 245 thousand) and are due within one year.

Prepayments and accrued income are reported in the amount of EUR 231 thousand (2023: 60).

Receivables from related parties (Georg Hotar and Michael Gartner) of EUR 408 thousand (2023: EUR 414 thousand) are included in Other account receivable and prepayments, see also note 40 of consolidated financial statements. Interest charged on these loans is 3M EURIBOR+3% and the loans have a short-term character.

Cash at bank and in hand are freely disposable.

47. Shareholders' Equity

47.1 Reconciliation of Movement in Capital and Reserves

In thousands of EUR	Note	Issued share capital	Own treasury shares	Share premium	Revaluation reserve	Currency translation reserve	Hedging reserve	Treasury shares reserve	Non-controlling interest	Retained earnings	Unappro-priated result	Total equity
Balance at 1 January 2023		**600**		**53,636**	**19,738**	**-2,979**	**5,094**	**13**		**13,948**	**16,965**	**107,015**
Foreign currency translation differences in participating interest		-	-	-	-	0	-	-	-	-	-	0
Transfer to retained earnings		0	0	0	0	0	0	0	0	16,965	-16,965	0
Derivatives		0	0	0	0	0	261	0	0	0	0	261
Revaluation of PPE and other investments		0	0	0	17,370	0	0	0	0	0	0	17,370
Other movements		12	0	162	-1,521	298	0	-1	0	0	0	471
New shares placed with premium		0	0	0	0	0	0	0	0	0	0	0
Actual result		0	0	0	0	0	0	0	0	0	9,160	9,160
Balance at 31 December 2023		**612**		**53,798**	**37,108**	**-2,681**	**5,355**	**12**		**30,913**	**9,160**	**134,277**
Foreign currency translation differences in participating interest		0	0	0	0	0	0	0	0	0	0	0
Transfer to retained earnings		0	0	0	0	0	0	0	0	9,160	-9,160	0
Derivatives		0	0	0	0	0	282	0	0	0	0	282
Revaluation of PPE and other investments		0	0	0	2,831	0	0	0	0	0	0	2,831
Other movements		0	0	359	298	-298	0	-2	0	0	0	357
Actual result		0	0	0	0	0	0	0	0	0	5,768	5,768
Balance at 31 December 2024		**612**	**0**	**54,157**	**40,237**	**-2,979**	**5,637**	**10**	**0**	**40,073**	**5,768**	**143,515**

47.2 Share Capital and Share Premium

Ordinary Shares

The Company's share capital is EUR 612,385 divided into 61,238,521 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up. Each of the 61,238,521 shares represent one vote at the General Meeting.

The holders of ordinary shares (except of Treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

Treasury Shares

At 31 December 2024 treasury shares included 1,337,717 ordinary shares of the Company (2023: 1,481,781 ordinary shares) owned directly by the Company in the nominal value of 0.01 EUR per share. There is no pledge imposed on the shares. These ordinary shares carry no voting rights at the Shareholders Meeting.

Share premium represents the excess of contributions received over the nominal value of shares issued. Proceeds from allocation of treasury shares to employees in excess to nominal value of shares are also recorded in Share premium. Nominal value of sold treasury shares is recorded against Treasury shares reserve. There are no costs associated with the issue of the shares that could be deducted from the amount of share premium, so all amount of premium is considered to be fully paid for tax purposes.

Other movement in the share premium of EUR 359 thousand (2023: EUR 162 thousand) includes payments to employees paid by shares.

Other movement in revaluation reserve of EUR 298 thousand and EUR -298 thousand in currency reserve represents correction of the opening balance from end of 2023.

In 2024, the other movement in the retained earnings of EUR 889 thousand is correctin of the opening balance as of 1.1.2024, respectively end of the 2023.

Reserves

Reserves of the Company consist of the revaluation reserve, the currency translation reserve and the hedging reserve.

The revaluation reserve arises on the revaluation of photovoltaic power plant owned by the participation(s) and on the revaluation of fixed financial assets. Revaluation reserve from PPE amounted to EUR 32,317 thousand at 31 December 2024 (31 December 2023: EUR 28,591 thousand) and revaluation reserve arising from revaluation of other financial investments amounted to EUR 7,920 thousand at 31 December 2024 (31 December 2023: EUR 8,517 thousand).

Currency translation reserve includes all foreign translation exchange differences in the participations and amounted to EUR -2,979 thousand at 31 December 2024 (31 December 2023: EUR -2,681 thousand).

The hedging reserve includes results from hedging derivatives in the participations and amounted to EUR 5,636 thousand at 31 December 2024 (31 December 2023: EUR 5,355 thousand).

Unappropriated Result

To the General Meeting of Shareholders the following appropriation of the result 2024 will be proposed: the profit of EUR 5,768 thousand to be transferred and added to the retained earnings item in the shareholders' equity.

Unappropriated Result 2024 contains the amount of EUR 254 thousand of net profit of joint ventures, where the entity cannot control the distribution of these profits. This represent the legal reserve following article 389 subsection 6 of Book 2 of the Dutch Civil Code. This profits are regularly distributed to JV partners. The amount of EUR 34 thousand of net profit of joint ventures was distributed as a dividend to the Company in 2024.

Movement schedule of retained earnings:

In thousands of EUR	
Balance at 1 January 2023	**13,948**
Movements in 2023	16,965
Closing balance 31 December 2023	**30,913**
Movements in 2024	9,160
Closing balance 31 December 2024	**40,073**

Composition of the share capital

In thousands of EUR	31 December 2024	31 December 2023
Subscribed share capital in EUR	612,385	612,385
Authorised share capital in EUR	1,000,000	1,000,000
Number of subscribed ordinary shares	61,238,500	61,238,500
Number of authorised ordinary shares	100,000,000	100,000,000

Reconciliation of consolidated group equity with company equity

In thousands of EUR	31 December 2024	31 December 2023
Group equity	**60,065**	**69,503**
Non-controlling interest	-343	-263
Group equity attributable to owners of the Company	**60,408**	**69,767**
Non-attributable losses of financial interest recognised in equity*	83,450	64,510
Shareholders' equity (Company)	**143,515**	**134,277**

In thousands of EUR	31 December 2024	31 December 2023
Group total comprehensive income	-9,433	**-425**
Profit/loss attributable to non-controlling interest	-80	-66
Group total comprehensive income attributable to the owners of the company	**-9,353**	**-359**
Non-attributable losses of financial interest recognised in profit and loss*	15,121	9,519
Net result (Company)	**5,768**	**9,160**

*Non-attributable losses of financial interest recognised in equity relate to negative net assets of participations which are included in consolidated equity at their value but are not recognised in standalone financial statement of the Company, due to the fact, that value of the participation is set at EUR 1, see also note 45.

48. Long-Term Debt

In thousands of EUR	31 December 2024	31 December 2023
Other bonds – non current	78,321	78,539
Accounts payable to group companies	2,151	2,191
Total Long-Term Debt	**80,473**	**80,730**

As at 31 December 2024 and 2023 none of the Long term liabilities are due in more than 5 years. All of the debts included in the table above is due in more than one year.

Other bonds

In thousands of EUR	31 December 2024	31 December 2023
Other bonds – current	537	529
Other bonds – non current	78,321	78,539
Total	**78,858**	**79,068**

Movement schedule for issued bonds:

In thousands of EUR	2024	2023
Opening balance	**79,068**	**80,181**
Newly issued bonds	0	1,885
Placement cost paid	0	-75
Repayments of principal	0	-3,146
Repurchase of bond	-465	0
Accrued interest	5,590	5,608
Coupon paid	-5,160	-5,352
FX differences	-175	-33
Closing balance	**78,858**	**79,068**

The EUR green bonds 2021/27 are traded on the unregulated market segments of the Stock Exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich, Düsseldorf and Stuttgart. The net proceeds of the transaction are allowed to be used only for financing and expanding eligible assets in accordance with its Green Financing Framework.

Company rebought from market bond in nominal value of EUR 465 thousand in 2024.

CZK bond 2016/23 issued in October 2016 has an annual coupon of 6%, with an outstanding nominal amount of EUR 3,146 thousand as of 31 December 2022 (2021: EUR 3,052 thousand) which was repaid in December 2023. CZK bonds 2016/23 were traded on the unregulated market segment of the Prague Stock Exchange.

Accrued interest of EUR 537 thousand at 31 December 2024 for EUR Green bond (2023: EUR 529 thousand) is presented within current liabilities.

Movement schedule for non current liabilities:

In thousands of EUR	2024	2023
Opening balance	**2,130**	**2,247**
FX revaluation	21	-117
Closing balance	**2,151**	**2,130**

49. Current Liabilities

In thousands of EUR	31 December 2024	31 December 2023
Accounts payable from group companies	11,526	8,289
Other bonds and private loans	537	529
Trade payables	7,895	7,134
Accruals and deferred income	449	333
Other liabilities	5,707	1,037
Total Current Liabilities	**26,114**	**17,321**

All current liabilities fall due in less than one year, unless otherwise disclosed below.

The fair value of the current liabilities approximates the carrying amount, given the short-term nature of the liabilities and the fact that provisions for bad debts have been recognised where necessary.

Other bonds and private loans included short-term portion of the Green bond.

All loans included in the above table are provided by the subsidiaries of the entity.

Remaining other payables consisted of Company's liabilities from VAT, liabilities towards employees, advances or resulting from the cash transfers within the Group.

Accounts payable from group companies of EUR 11,526 thousand represent loans from group companies. These loans are due on 31 December 2025 and therefor are presented as current liabilities, interest charged on these loans is based on the national interbank offered rate (according to the nominal currency of the loan) plus 3% margin.

The fair value of the accounts payable from group companies approximates the book value, due to their short-term character.

Applicable tax rate for the year 2024 is equal to rate of 25%.

50. Financial Instruments

50.1 General

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital also apply to the company financial statements of Photon Energy N.V.

No derivative financial instruments are being used at parent company level.

50.2 Fair Value

The fair value of the financial instruments stated on the balance sheet, including cash at bank and in hand and current liabilities, is close to the carrying amount.

Fair value of long term liabilities to group companies is close to the carrying amount.

Fair value of issued bonds is disclosed below:

Issued bonds

In thousands of EUR	Amortised amount		Fair value	
	2024	2023	2024	2023
Current liabilities				
Green bond 2021/27	537	529	537	528
Non-current liabilities				
Green bond 2021/27	78,321	78,539	79,784	79,743
Total	**78,858**	**79,068**	**80,321**	**80,271**

50.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The table below shows liabilities at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

In thousands of EUR	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Financial liabilities						
Trade payables	7,895	7,895	0	0	0	0
Accounts payable to group S-T	11,526	11,526	0	0	0	11,526
Accounts payable to group L-T	2,151	0	2,151	0	0	2,151
Other payables	5,707	5,707	0	0	0	0
Bonds	78,858	5,160	5,160	81,439	0	91,759
Total future payments, including future principal and interest payments	**106,137**	**30,288**	**7,311**	**81,439**	**0**	**105,436**

Accounts receivable/payable from group companies represent loans from/to group companies. Interest charged on these loans is based on the national interbank offered rate (according to the nominal currency of the loan) plus 3% margin.

51. Revenues

In thousands of EUR	2024	2023
Revenues from provision of services	9,865	9,261
Total revenues	**9,865**	**9,261**

Revenues from provision of services of EUR 9,865 thousand (2023: 9,261 thousand) represent management services provided to the companies in the Group charged as management fees within the Group. Out of the total revenues, EUR 2,691 thousand was charged in Netherlands, EUR 2,294 thousand was charged in Romania, EUR 1,579 thousand was charged in the Czech republic, EUR 1,174 thousand was charged in Hungary, EUR 993 thousand was charged in Switzerland, amount of EUR 649 thousand was charged in Poland, the remaining amount EUR 220 thousand Australia and Germany. The remaining amount of EUR 265 thousand represent administrative fees charged to Czech and Slovak SPVs.

52. Other Operating Expenses

In thousands of EUR	2024	2023
Consulting services	-8,399	-7,269
Write-off of receivable	-672	0
Audit and accounting services	-511	-568
Investment relations costs	-86	-98
Legal	-258	-141
Miscellaneous	-151	-161
Other Operating Expenses	**-10,077**	**-8,237**

Audit fees are presented separately in note 59.

53. Other Interest Income and Similar Income

In thousands of EUR	2024	2023
Interest Income	7,361	7,985
Fx gain	17	1,406
Income from sales of bonds	258	279
Revaluation of financial participation	416	2,892
Other Income	60	302
Other Interest Income and Similar Income	**8,112**	**12,864**

Interest Income from group companies and related parties amounted in 2024 to EUR 7,280 thousand (2023: EUR 9,670 thousand). Revaluation of EUR 476 thousand (2023: EUR 2,892 thousand) relates to revaluation of RayGen investment.

54. Other Interest Expense and Similar Expense

In thousands of EUR	2024	2023
Interest expense	-6,178	-6,861
Fx loss	-1,008	-348
Other expense	-1	-404
Other Interest Expense and Similar Expense	**-7,187**	**-7,613**

Interest expense from group companies in 2024 amounted to EUR 756 thousand (2023: EUR 1,447 thousand).

Other expense of EUR 590 thousand (2023: EUR 404 thousand) include small rounding difference.

55. Share in Results from Participating Interests

An amount of EUR 4,011 thousand (profit) of share in results from participating interests relates to group companies (2023: profit of EUR 2,913 thousand).

56. Employee Benefits and Information

The company has only 1 employee (2023: 1 employee) who is working in the Netherlands. No employees are working outside of the Netherlands.

The two members of the board of directors are not employees of the Company and did not receive any compensation during 2024 nor 2023 for their duties serving on the board of directors for the Group of entities.

More information on management compensation is included in note 40 of consolidated financial statements.

57. Fees of the Auditor

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers to the Company in 2024:

2024:

In thousands of EUR	PricewaterhouseCoopers Accountants N.V.	Other PricewaterhouseCoopers firms and affiliates	Total
Statutory audit of annual accounts	182	259	441
Other audit procedures	0	0	0
Tax services	0	0	0
Other non-audit services	0	0	0

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers to the Company in 2023:

2023:

In thousands of EUR	PricewaterhouseCoopers Accountants N.V.	Other PricewaterhouseCoopers firms and affiliates	Total
Statutory audit of annual accounts	170	245	415
Other audit procedures	0	0	0
Tax services	0	0	0
Other non-audit services	0	0	0

58. Related Parties

58.1 Transactions with Key Management Personnel

Key Management Personnel Compensation

Key management personnel did not obtain any compensation for their activity for Photon Energy N.V. in 2024 nor 2023. Further information on key management compensation is included in the consolidated financial statements for 2024, note 40.

Key Management Personnel and Director

As at 31 December 2024 the directors of the Company control 69,15 % (2023: 73,84 %) of the voting shares of the Company. The Directors hold positions in other group entities that result in having control or significant influence over the financial or operating policies of these entities.

Emoluments of Directors and Supervisory Directors

No emoluments, including pension obligations as intended in Section 2:383(1) of the Netherlands Civil Code were charged in the financial period to the Company.

Amsterdam, 24 April 2025

The Board of Directors:

Georg Hotar, Director

David Forth, Director

The Supervisory Board:

Marek Skreta, Chairman

Bogusława Skowroński, Member

Ariel Sergio Davidoff, Member

Original signed.

Other Information

Other Information

I. Provisions in the Articles of Association Governing the Appropriation of Profit

According to article 20 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity are greater than the paid-up and called-up part of the capital plus the legally required reserves.

For a list of affiliated legal entities and corporations in conformity with articles 379 and 414, Book 2 of the Dutch Civil Code belonging to Photon Energy N.V., Amsterdam, reference is made to Note 41 of the Consolidated financial statements.

II. Independent Auditor's Report

The independent auditor's report is set forth on the next pages.

Independent auditor's report

To: the general meeting and the supervisory board of Photon Energy N.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of Photon Energy N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as of 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the standalone financial statements of Photon Energy N.V. ('the Company') give a true and fair view of the financial position of the Company as of 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Photon Energy N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the standalone financial statements of the Company for the year ended 31 December 2024.

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as of 31 December 2024;
- the following statements for 2024: the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The standalone financial statements of the Company comprise:

- the company balance sheet as of 31 December 2024;
- the company income statement for the financial year ended 31 December 2024; and

- the notes to the company financial statements for the year ended 31 December 2024, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the standalone financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch Law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Photon Energy N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Photon Energy N.V. is a joint-stock company that specialises in the development, construction, and operation of photovoltaic power plants. Also significant part of the business activities includes capacity market and electricity trading. The Group comprises several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In note 'Use of Estimates and Judgments' of the financial statements, the Company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the significant uncertainty and higher risks of material misstatement in the valuation of the photovoltaic power plants, the assumptions used to estimate the impairment of goodwill, and the valuation of option for shares in RayGen Resources Pty Ltd. ("RayGen"), we identified these as key audit matters as set out in the section 'Key audit matters' of this report.

Photon Energy N.V., assessed the possible effects of climate change on its operations; refer to the sections 'Risk Management and Internal Control Systems' and 'Sustainability Commitments' of the 'Directors' Report' in which management defined potential risks, risk mitigating measures, risk governance and social conduct commitments. The Group also assessed the effect of climate related risks on financial position, refer to the section 'Use of Estimates and Judgments' within the notes to the consolidated financial statements. We discussed Photon Energy N.V.'s assessment and governance thereof with the board of directors and the supervisory board and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered to have material impact on the Group's business or financial position, therefore was not deemed a key audit matter.

Other areas of focus, that were not considered as key audit matters, were going concern and the revenue recognition for construction projects.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a photovoltaic power business. We therefore included experts and specialists in the areas of amongst others information technology, taxation, treasury and assets valuation in our team.

The outline of our audit approach was as follows:

Materiality
• Overall materiality: €624,000.
Audit scope
• We conducted audit work at the head office of the Group. Because of the centralised structure, the entire Group was audited by one engagement team. • All subsidiaries of the Group were included in the scope of the audit. • Audit coverage: We performed the audit of the financial statements for the Group as a whole and tested all material financial statement line items.
Key audit matters
• Valuation of the photovoltaic power plants; • Assumptions used to estimate the impairment of goodwill; and • Valuation of option for shares in RayGen.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€624,000 (2023: €497,500).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.7% of total revenue.
Rationale for benchmark applied	We used revenue as the benchmark, based on the analysis of common information needs of the users of the financial statements and following additional considerations: • Revenue is a common benchmark used to measure the performance in power-generating industry. • Revenue is one of the main key performance indicators for management given the focus on growth of market share. • The Group is operating in a dynamic renewables energy segment where investors currently focus on growth reflected in revenue. On this basis, we believe that revenue is the most relevant metric for the financial performance of the Group.
Component materiality	In relation to allocation of materiality to component audits, we did not allocate the overall group materiality but targeted all material financial statement line items regardless of the component's size.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €62,400 (2023: €49,700) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Photon Energy N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Photon Energy N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

The Group accounting function is centralised in Prague (Czech Republic) and the Group is managed as a single operating unit with multiple reporting segments. The Group applies a centralised IT system for its business processes and financial reporting.

We have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Photon Energy N.V. and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 'Corporate Culture and Policies' and 'Assessment of the Internal Control, Internal Audit, Risk Management, Compliance Systems' of the Directors' Report for description of governance structure and policies in place, on which management relies when managing the risk of fraud.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures, among other things.

We discussed and inquired with members of the Board of Directors as well as the accounting department, legal affairs, compliance department, human resources, IT department and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in indications of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of management override of controls It is generally presumed that management is in a unique position to perpetrate fraud because of the available opportunity to manipulate accounting records and prepare fraudulent financial statements by overriding manual controls, such as those related to journal entries, related party transactions, significant accounting estimates, etc. Management measures performance of the group through monitoring revenue and EBITDA, which are considered key performance indicators. A focus on meeting financial targets could provide to management an incentive for bypassing of controls.	Where relevant to our audit, we evaluated the design and effectiveness of controls in the processes of generating and processing journal entries. We assessed whether deficiencies in controls may create additional opportunities for fraud and incorporated respective corroborative procedures in our audit approach. We paid specific attention to non-routine transactions and areas of significant management judgement. We considered the outcome of our audit procedures over the estimates and significant accounting areas and assessed whether control deficiencies and misstatements identified could be indicative of fraud. Where necessary, we planned and performed additional auditing procedures to ensure that fraud risks are sufficiently addressed in our audit. We evaluated key accounting estimates and judgements used in accounting areas where management judgement is applied (e.g., valuation of photovoltaic power plants, valuation of goodwill and valuation of RayGen share option) for biases, including retrospective reviews of prior year's estimates where available. We performed data analysis focused on journal entries related to the fraud risk factors identified during fraud risk assessment. Where we identified instances of unexpected journal entries, we performed audit procedures. We evaluated whether the business rationale (or lack thereof) of the significant transactions concluded in 2024 suggests that the Group may have entered into those to engage in fraudulent financial reporting or to conceal misappropriation of assets. We incorporated an element of unpredictability in the nature, timing, and extent of audit procedures. We performed substantive testing procedures over the consolidation entries. Our audit procedures did not identify indications of specific fraud or suspicions of fraud with respect to management override of controls.
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we considered the risk of fraud in revenue recognition. This relates to the presumed management incentive that exists to overstate revenue in order to meet financial targets or shareholder expectations. In this context, we consider this as a risk of fraud focussed to overstating revenue through the recording of non-existent transactions or premature or inaccurate revenue recognition.	We discussed and inquired with executive management the tone at the top, to assess to what extent not meeting targets have an impact on career opportunities or bonuses within the Company, and whether they have any knowledge of (suspected) fraud. In our conversations, we addressed their views on overall fraud risks within the Group and their perspectives on the Group's mitigating controls addressing the risk of fraud in revenue. Where relevant to our audit, we have evaluated the design of the internal control measures that are intended to mitigate the risk of fraud and error in revenue recognition and assessed the effectiveness of those measures. We paid specific attention to the processes surrounding the relevant IT systems. Through data analysis, we tested unexpected journal entries and performed relevant testing on revenue transactions throughout the year and the receivable balances at year end.

Identified fraud risks	Our audit work and observations
	We also evaluated estimates and judgements used in recognition of the revenue for construction projects. We did not identify specific indications of fraud or suspicion of fraud in respect of revenue recognition.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in section 'Going concern' in note 2.1 of the financial statements, management performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures regarding the evaluation of the appropriateness of management's use of the going-concern basis of accounting, including management's plans to address the identified going-concern risks, included, amongst others:

- considering whether management's going-concern risk assessment included all relevant information of which we were aware as a result of our audit, such as the availability of financing from bank institutions, an assessment of cross-default clauses in case of bank covenant breaches, planned sales of assets, and enacted regulatory updates;
- inquiring with management regarding management's most important assumptions underlying their going-concern assessment and liquidity forecast and evaluating the adequacy thereof based on financing agreements, term sheets, revenue contracts with customers, order backlogs, approved electricity prices for feed-in-tariff models and green bonus schemes, and contracts for sale of assets;
- evaluating management's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taking into account current developments in the industry such as the volatility of electricity prices for merchant models, the development of both sales and purchase prices on the market for components to solar power plants, the regulatory proposals of state authorities and all relevant information of which we were aware as a result of our audit;
- evaluating management's sensitivity analysis of the cash flow forecast to determine the liquidity need. Corroborating management's assessment with the approved budget as well as information that came to our attention as a result of our audit procedures;
- assessing if within the 'Going Concern' section of the note 2.1 to the consolidated financial statements, management has adequately disclosed the going-concern risk and management's plans to address them.

Our procedures did not result in outcomes contrary to management's assumptions and judgments used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In comparison to prior year's report, the purchase price allocation in relation to the Lerta Spółka Akcyjna acquisition, is no longer considered to be a key audit matter due to the finalisation of the purchase price allocation in prior year. Also, going concern is no longer considered to be a key audit matter following the decreased uncertainty and therefore reduced risk for the financial statements.

We raised a new key audit matter relating to valuation of option for shares in RayGen due to the extent of procedures performed and significance of management judgement.

Key audit matter	Our audit work and observations
Valuation of the photovoltaic power plants *Notes 5.1, 18 and 37 of the consolidated financial statements* As of 31 December 2024, photovoltaic plants represent a significant part of the total asset value of the Group. The Group measures photovoltaic power plants at fair value less depreciation in accordance with IAS 16 'Property, plant and equipment' and IFRS 13 'Fair Value Measurement', which are determined by the income approach. Under this approach, the fair value of photovoltaic power plants is based on the Discounted Cash Flow model (DCF). This valuation is significant to our audit due to complexity and judgement applied within the assessment process. As of 31 December 2024, the cash flow projections are prepared for the period equalling the estimated useful life of power plants and are based on expected electricity tariffs (where feed-in-tariffs are applied) or prices on the relevant markets (where merchant pricing scheme is applied) discounted at weighted average cost of capital. We inspected price decisions of market regulators to verify feed-in-tariffs and green bonus prices are correctly included in the cash flow projection. The assumptions used in the DCF model include the expected production volume, operating and capital expenditures, discount rates and prices of electricity and guarantees for origin for merchant models. Valuation of assets using the DCF model requires significant management judgment. We consider valuation of photovoltaic power plants to be a key audit matter because estimates, and assumptions used in the DCF model are inherently susceptible to higher risk of material misstatement.	As part of our audit procedures, we performed an evaluation of the Group's accounting policy and methods for valuation of photovoltaic power plants. We checked the appropriateness of the method used under IAS 16 Property, plant and equipment, IFRS 13 Fair Value Measurement, and industry norms. We assessed the competence, capabilities, and experience of management to prepare the valuation and verified their qualifications. We challenged management's assumptions with reference to the internal and external sources of information to verify that assumptions used fall within an acceptable range. The expected volume of electricity production for selected power plants was agreed upon in the independent yield studies, considering a seasonal factor. We also inspected the technical documentation for the sampled historic production volumes and performed look-back analysis. On a sample basis, we inspected the technical documentation for historic operating, maintenance, and capital expenses. Expected operating and capital expenditures are compared to external studies and market practices considering the size of the selected power plants. Together with our valuation experts, we evaluated the reasonableness of the discount rates based on inputs independently sourced from market data and comparable companies. We tested the sensitivity of changes in the significant assumptions and evaluated their impact on the DCF model. We have evaluated the expected prices and guarantees of origin together with our valuation experts to publicly available forwards/futures prices of electricity in relevant markets. We also evaluated where relevant information on state aid/ subsidies to renewable energy companies with official portals.

Key audit matter	Our audit work and observations
	We also evaluated the impact of changes in the critical assumptions used in the valuation of power plants that occurred in 2024. Those include the extension of power plants' useful lives, changes in local legislation, contract modifications and change in the composition of the WACC. We verified that this has no impact on the measurement approach for the photovoltaic power plants. We further considered the appropriateness of relevant disclosures provided in the consolidated financial statements. Our audit procedures did not result in any material findings with respect to the assumptions used in the valuation of power plants and related disclosures.
Assumptions used to estimate the impairment of goodwill *Refer to Notes 2.4.5, 4.6.1, 20 of the consolidated financial statements* As of 31 December 2024, the Company's goodwill is valued at €15.3 million and fully relates to the acquisition of Lerta Spółka Akcyjna (Lerta) in 2022. Lerta forms a separate cash-generating unit (CGU) to the extent that it independently generates cash inflows. To the extent to which this CGU includes goodwill, or shows signs of impairment, the recoverable amount is assessed. The key assumptions and sensitivities are disclosed in note 20 to the consolidated financial statements. The annual impairment test for goodwill is significant to our audit because the assessment process is complex, involves significant management judgements and is based on assumptions regarding expected future market and economic conditions, revenue growth, margin developments, discount rates and terminal growth rates. Based on the annual goodwill impairment test, including sensitivity tests, management concluded that no impairment of goodwill and other intangibles with indefinite useful lives was necessary. We identified the valuation of goodwill as a key audit matter due to significant estimates and assumptions used with respect to, among others, discount rates, cash-flow forecasts and growth rates.	As part of our audit procedures, we involved auditor's experts to verify the appropriateness of the methodology applied in impairment testing and to verify the appropriateness of the discount rate used. We assessed the reasonableness of key assumptions used by management in their calculation. We performed an analysis to assess the reasonableness of forecasted revenues and margins and obtained further explanations when considered necessary. We compared the long-term growth rates used in determining the terminal value with economic and industry forecasts. We performed retrospective review of the original assumptions used in the budget within the purchase price allocation and further challenged management in case of changes of assumptions since the acquisition. We tested the mathematical accuracy of the model and performed sensitivity analysis of the calculation on key assumptions. We verified that goodwill is allocated to the appropriate cash generating unit. Finally, we assessed the appropriateness of the disclosure of the key assumptions and sensitivities underlying the test. Based on the audit procedures performed, we found the assumptions to be reasonable and supported by the available evidence.

Key audit matter	Our audit work and observations
Valuation of option for shares in Raygen *Refer to Notes 2.4.4, 22 and 37 to the consolidated financial statements for the related disclosure* In 2021 and 2020 the Group subscribed for RayGen Resources Pty Ltd.'s (RayGen) ordinary shares and preferential shares. As part of the subscription agreement, the Group also has a call option for additional shares in consideration for the services provided by the Group in respect of bringing certain projects into financial close stage. The fair value of an option is €5.1 million. The Group has a policy of applying the irrecoverable election to present fair value changes of particular investments in equity instruments in other comprehensive income. The call option for additional shares in RayGen is considered as embedded derivative and is presented separately through FVTPL. Fair value is measured in accordance with IFRS 13 Fair Value Measurement. Significant assumptions used in the estimation of the fair value of the share option are the expected market price of the shares and the probability of the realization of the share option.	We verified that the evaluation of the call option for the purchase of shares as embedded derivative with fair value measurement through FVTPL is in line with IFRS 9. We checked the appropriateness of the method used for valuation under IFRS 13 Fair Value Measurement. We assessed the competence, capabilities and experience of management to prepare the valuation and verified their qualifications. Further, we challenged management's assumptions with reference to the internal and external supporting information noting the assumptions used fell within an acceptable range. We have evaluated the expected market price of shares together with our valuation team considering RayGen is a non-traded company. We have inquired with management about the project stage and challenged the probability of realization of the share option. We tested the sensitivity of changes in the significant assumptions and evaluated their impact on the valuation. We considered the appropriateness of relevant disclosures provided in the consolidated financial statements. Our procedures did not result in any material findings with respect to the fair value of the right for additional shares.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. Management and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Photon Energy N.V. on 4 December 2020 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 4 December 2020. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 5 years.

European Single Electronic Format (ESEF)

Photon Energy N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by Photon Energy N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:

- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 'Fees of the Auditor' to the standalone financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 24 April 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by: A.G.J. Gerritsen RA

Appendix to our auditor’s report on the financial statements 2024 of Photon Energy N.V.

In addition to what is included in our auditor’s report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor’s responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management’s use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Photon Energy Group

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