



# Q1 2024 Results Conference

**Georg Hotar, CEO**

**David Forth, CFO**

**Photon Energy N.V.**

**17 May 2024**

Leeton, Australia (14.6 MWp)



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**Business Review**  
**Financial Results**  
**Guidance**  
**Q&As**

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





# Business Review

Financial Results

Guidance

Q&As

Slavkov, Czech Republic (1.2 MWp)

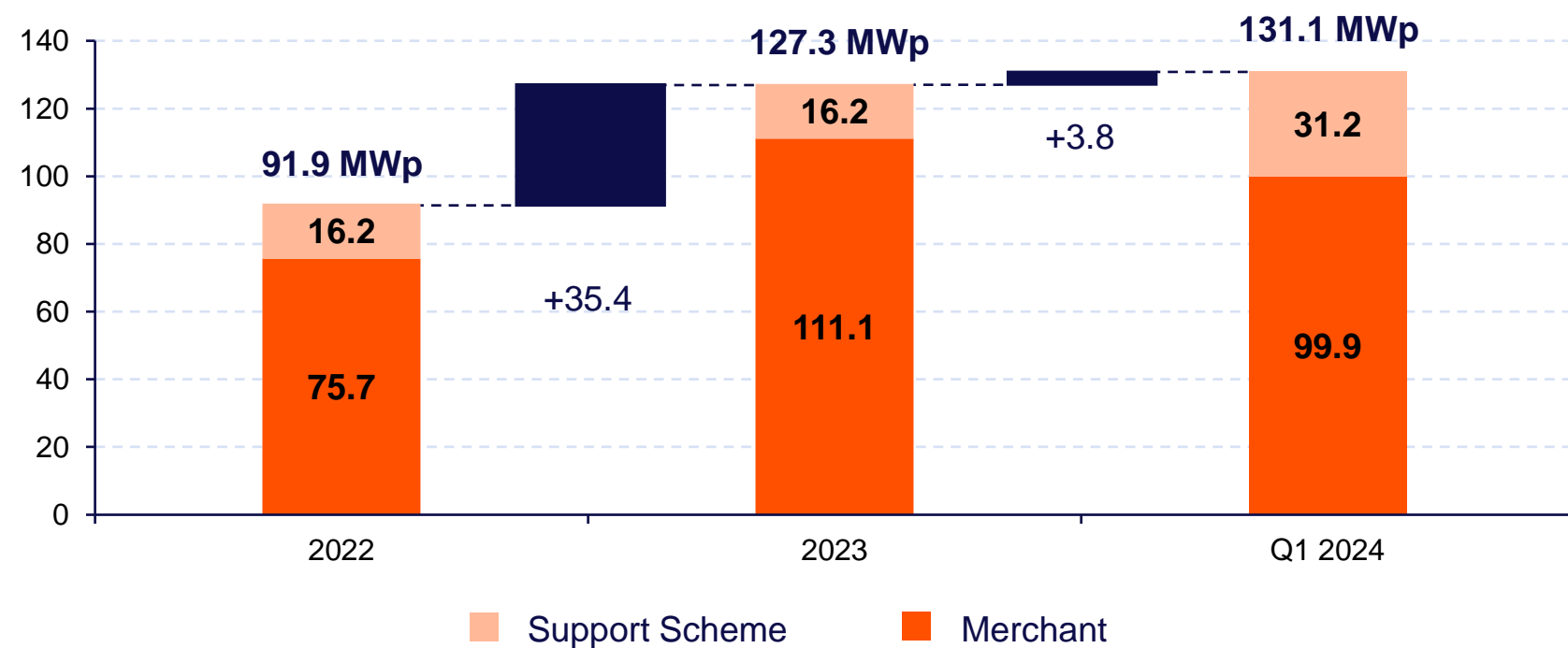


# Segment: Investments (IPP)

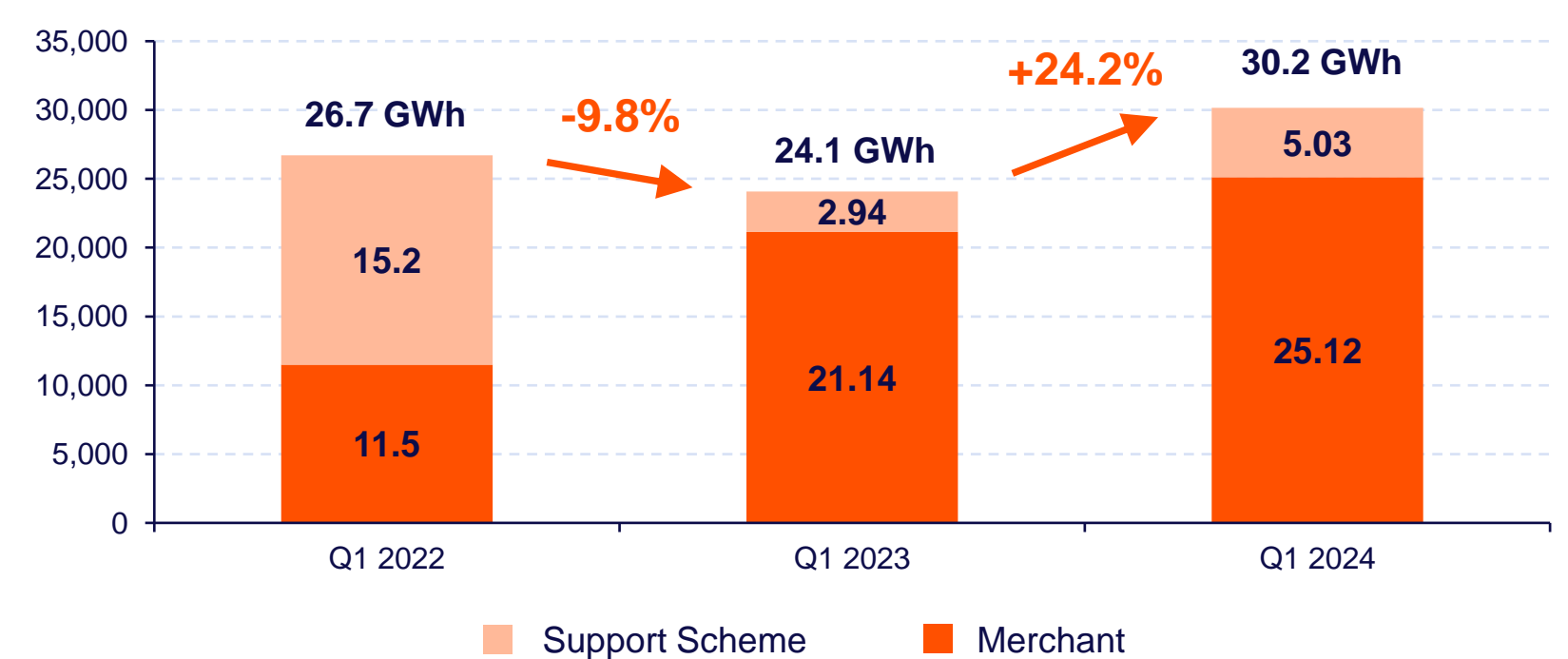
## Expansion of IPP portfolio and electricity generation

- ▶ 3.8 MWp commissioned in January 2024, IPP portfolio of 131.1 MWp in Q1 2024; 1.7 MWp commission in April 2024, bringing IPP portfolio to 132.8 MWp as of today.
- ▶ 10.7 MWp work-in-progress, delays due to DSO requirements for the reinforcement works i.e. strengthening of the power line (Sarulesti) and grid connection works in the substation (Faget 3); expected commissioning date Q2/Q3 2024.
- ▶ Electricity generation of 30.2 GWh in Q1 2024 (+24.2% YoY) thanks to capacity expansion in Romania; weather conditions not very favourable, with cloudy days and Sahara sand in March.
- ▶ Specific yield of 233.4 kWh/kWp in Q1 2024 compared to 254.2 kWh/kWp in Q1 2023 (-8.2% YoY)
- ▶ Very good generation results in April, bringing year-to-date electricity generation to 48.3 GWh (up by 34.0% YoY)

IPP Portfolio (MWp)



Electricity Generation (GWh)



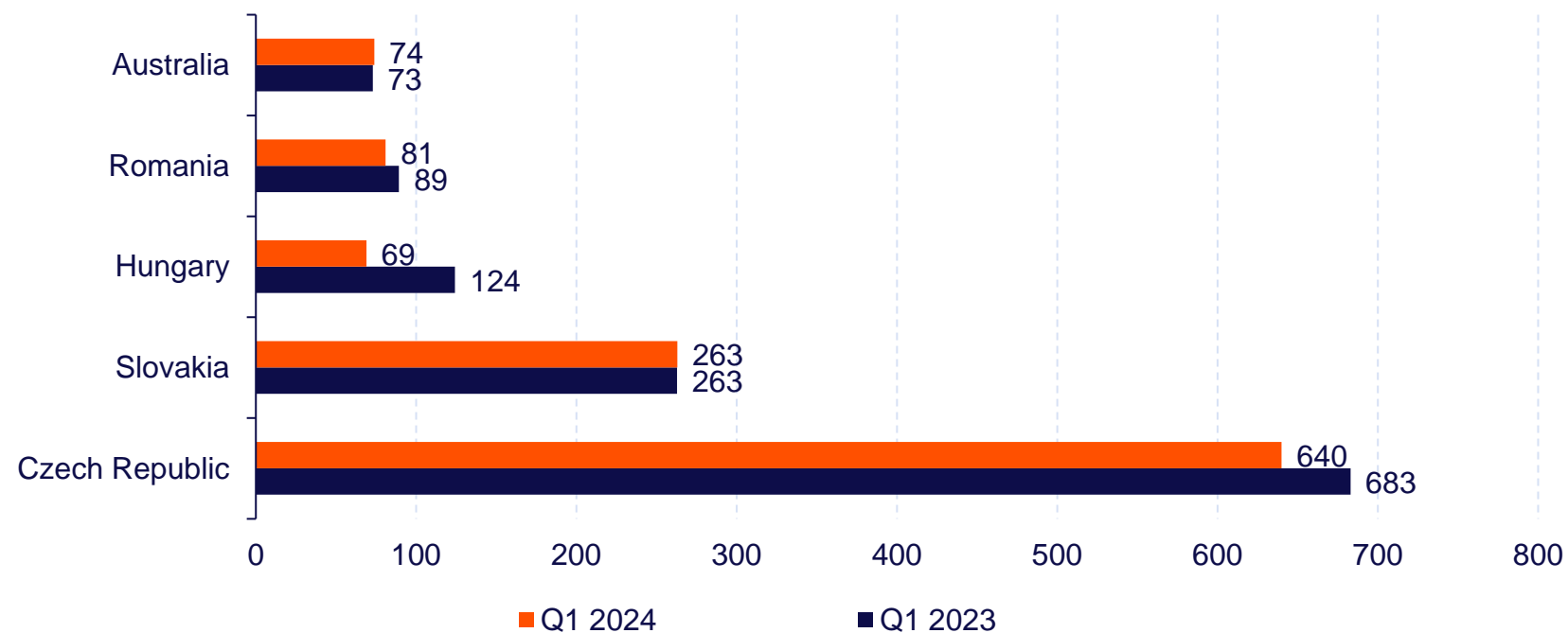
# Segment: Investments (IPP)

## Electricity prices remained under pressure

- ▶ Average realized electricity prices in Q1 2024 of **133 EUR/MWh**, down from 173 EUR/MWh, -23% YoY but stable compared to Q4 2023.
- ▶ Merchant to FiT ratio in Q1 2024 was close to 76/24; still significant market exposure; energy prices remained under pressure.

- ▶ Average realized price in April 2024 increased to **151 EUR / MWh** thanks to rebalancing of IPP portfolio to **50/50 ratio** affective as of **1 April 2024**.
- ▶ Transitioning to a more balanced portfolio – a prudent risk management strategy, safeguarding against prolonged periods of unfavourable market conditions and geopolitical uncertainties.

## Realized Average Revenue in Q1 2024 (EUR/MWh)



## Revenue Model in Q1 2024





Country	Revenue model	Average EUR/MWh
CZ	FiT (100%)	EUR 640
HU	89% Merchant, 11% FiT	EUR 69
AU	99% Merchant, 1% FiT	EUR 74
RO	Merchant (100%)	EUR 81
SK	FIT (100%)	EUR 263
<b>TOTAL PORTFOLIO</b>		<b>EUR 133</b>

# Segment: Investments (IPP)

## Monetising project pipeline; planning further IPP portfolio expansion

- ▶ Preliminary agreement for the sale of a photovoltaic project in Poland with a total capacity of 20.4 MW. Final share purchase agreement will take place after meeting certain conditions precedent, including obtaining full ready-to-build status expected in Q4 2024.
- ▶ Negotiations to sell project rights to 50+ MWp in Romania have been extended due to changing market conditions, including the announcement of Romanian contract for difference (CfD) scheme and capex subsidy from the EU modernization fund.
- ▶ Ready-to-built projects' pipeline is growing but construction delayed due to prolonged discussions related to project financing.
- ▶ EBRD financing facility of EUR 15 million signed in May 2024 for the construction and completion of Photon Energy's portfolio of six solar parks with a capacity of 29 MWp AC, in Romania.

### Projects Under Development as of 30 April 2024

Country	1. Feasibility	2. Early development	3. Advanced development	4. Ready-to-build technical	5. Under construction	Total in MWp
 Romania	8.4	90.3	61.7	36.1	10.7	207.2
 Poland	252.5	16.8	20.4 <sup>1</sup>	-	-	289.7
 Hungary	25.0	-	2.7	4.1	-	31.7
 Australia	455.0	200.0	9.8	-	-	664.8
<b>Total in MWp</b>	<b>740.9</b>	<b>307.1</b>	<b>94.6</b>	<b>40.1</b>	<b>10.7</b>	<b>1,193.4</b>

### Projects ready-to-build, as of 30 April 2024

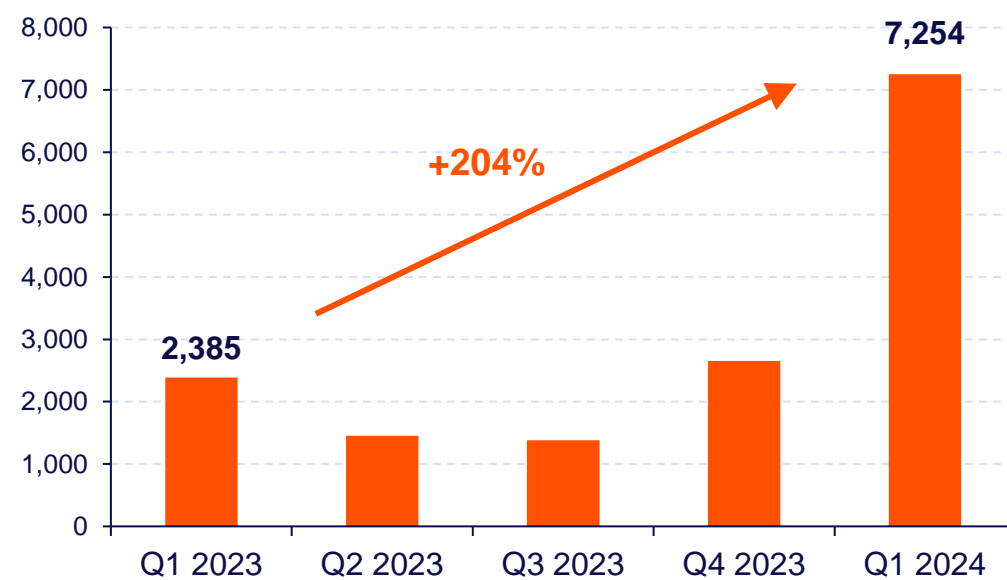
Country	Location	Equity share	MWp (DC)	Expected SoC <sup>1</sup>
Romania	Tamadu Mare-1	100%	4.1	Q2 2024
Romania	Tamadu Mare-2	100%	6.1	Q2 2024
Romania	Sannicolau Mare	100%	7.5	Q2 2024
Romania	Guilvaz	100%	6.1	Q2 2025
Romania	Faget 4	100%	6.1	Q2 2025
Romania	Faget 5	100%	6.2	Q2 2025
Hungary	Tolna 2	100%	1.36	Q2 2024
Hungary	Tolna 3	100%	1.36	Q2 2024
Hungary	Tolna 5	100%	1.36	Q2 2024
<b>TOTAL</b>			<b>40.1</b>	

# New Energy Division

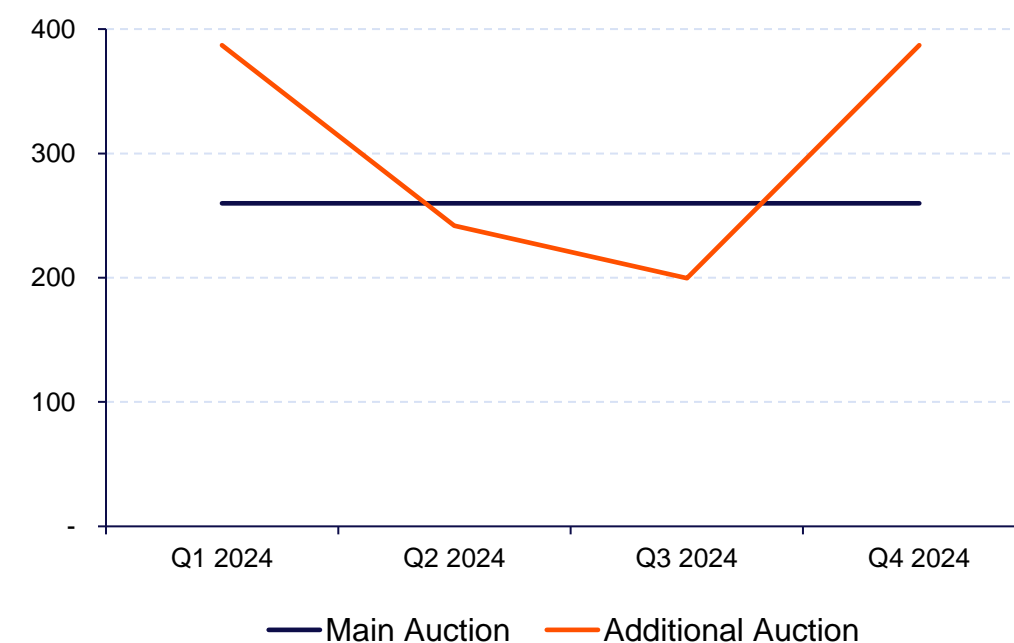
## Significant increase of capacity market revenues

- ▶ Capacity market revenues of EUR 7.3 million Q1 2024, more than doubled YoY.
- ▶ The prices contracted for Q1 2024 amounted to 260 PLN/MW per year in the Main Auction (MA) and an average of 304 PLN/MW per year in the Additional Auctions
- ▶ Highest revenues in Q1 and Q4; negatively correlated with seasonality of generation revenues.
- ▶ Higher share of revenues contracted in Additional Auctions to maximize revenues and margins.
- ▶ Securing a contracted Demand Side Response capacity of 315 MW in the 2025; deliberate profit-maximization strategy to maintain flexibility and pursue further transactions in the secondary market.

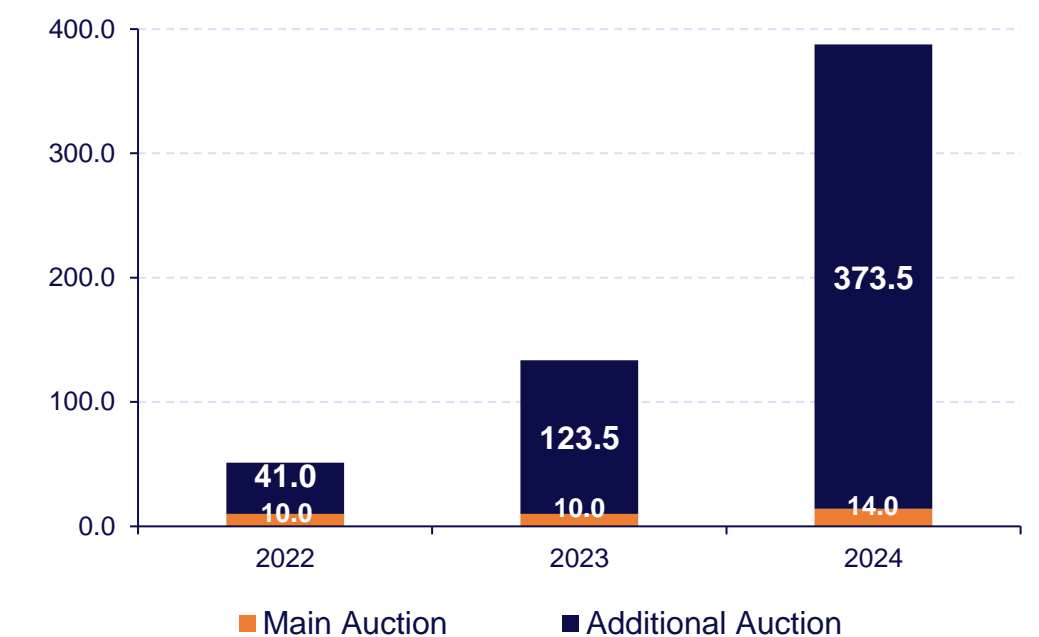
Capacity Market Revenues (EUR 000s)



Prices Contracted in MA and AA in 2024 (PLN/MWh)



Contracted Capacities (MW)

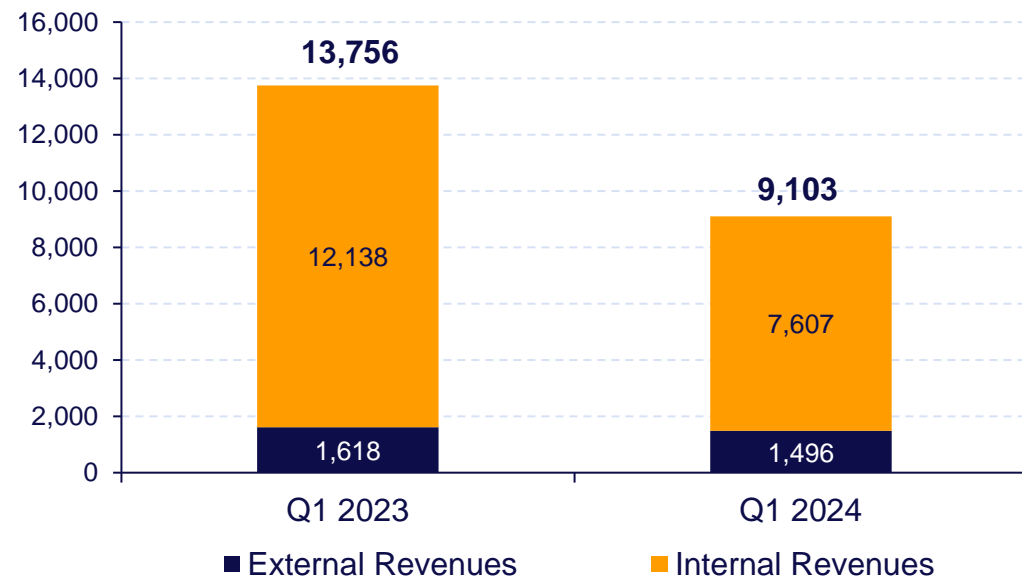




# Other Business Segments

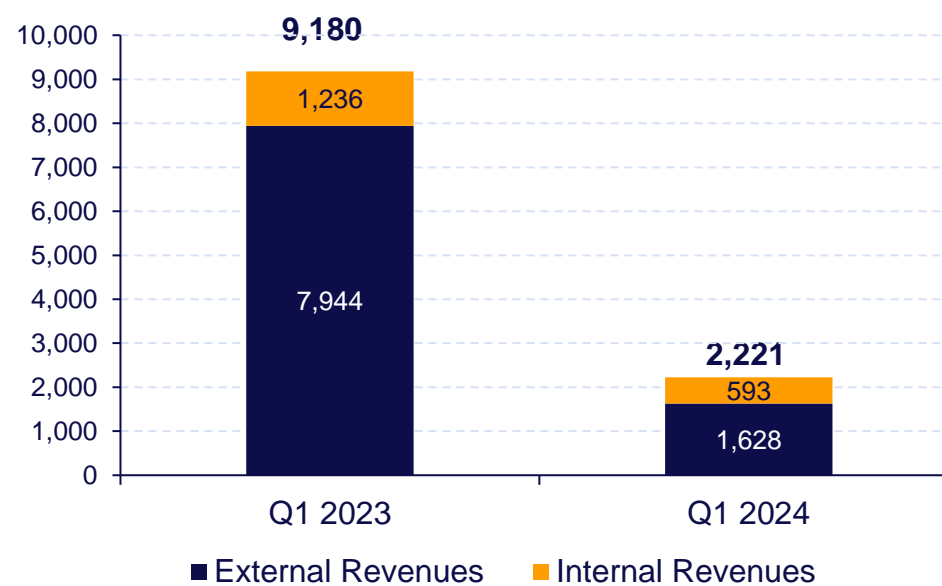
## Diversifying our business model

Engineering Revenues (EUR 000s)



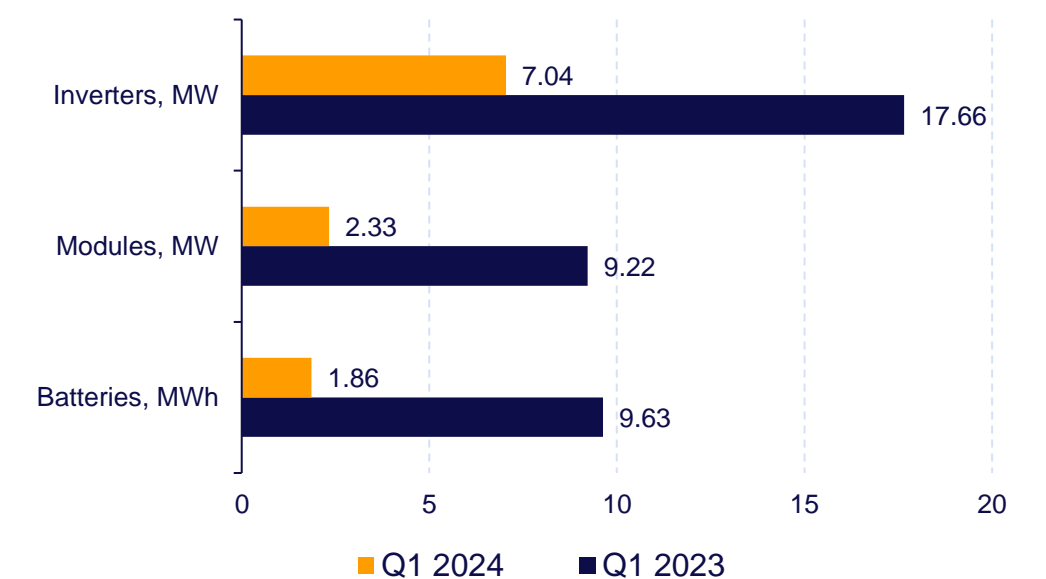
- ▶ External revenues of EUR 1.5 million in Q1 2024 compared to EUR 1.6 million in Q1 2023.
- ▶ Strong internal revenues related to the construction of power plants in Romania.
- ▶ overstated EBITDA margin in segment presentation (no visible on the Group's level due to eliminations) shall return to a normal level of 25%.

PV Component Trading Revenues (EUR 000s)



- ▶ External revenues of EUR 1.6 million in Q1 2024, compared to EUR 7.9 million in Q1 2023.
- ▶ Margin deterioration in Q1 2024 due to significant slowdown in the PV, excess supply and fierce competition in the component distribution business.
- ▶ High impact of market fluctuations in PV component trading will be mitigated by increased diversification of the Group's business model and expanding other revenue streams.

PV Component Trading Volumes (MW)

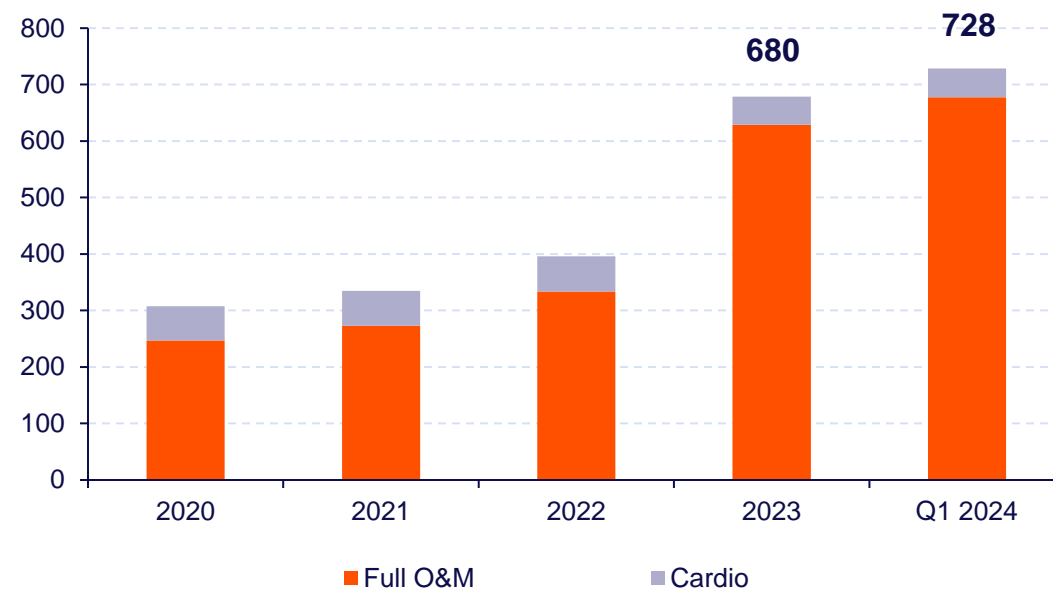




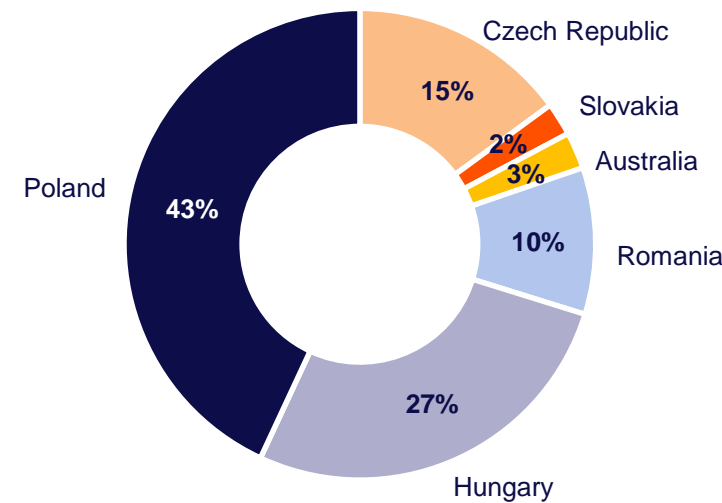
# Other Business Segments

## O&M capacity expansion

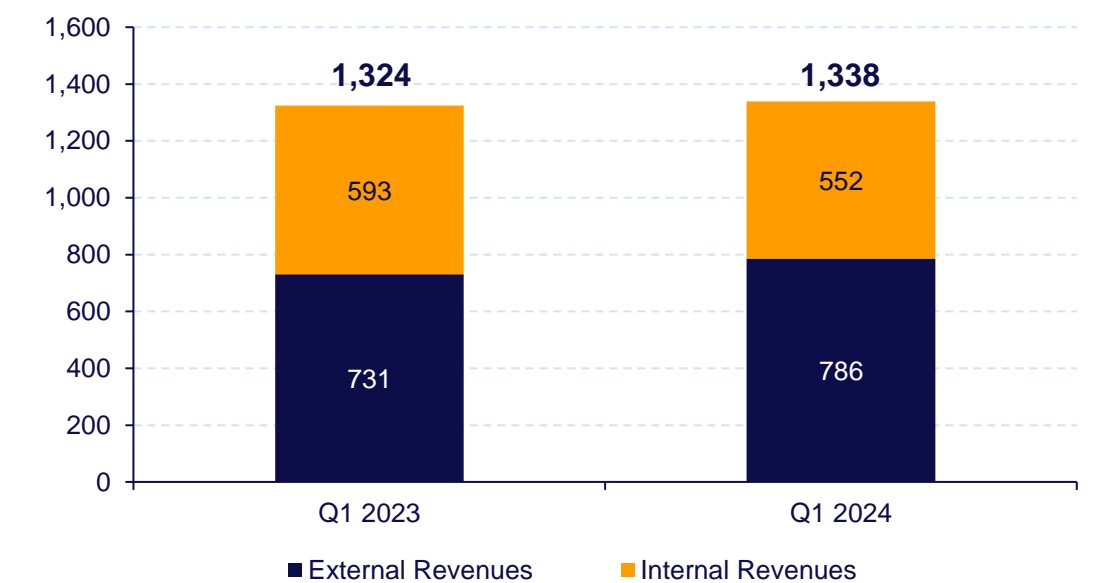
Operations & Maintenance Contracts (MW)



Geographical Split (%)



O&M Revenues (EUR 000s)



- ▶ O&M contracts of 728 MWp, compared to 680 MWp YE 2023, including 677 MWp under full O&M contracts and 51 MWp of Inverter Cardio contracts.
- ▶ Nearly 49 MWp of new O&M capacities contracted in Q1 2024 mainly in Poland, Hungary and the Czech Republic.

- ▶ External revenues of EUR 0.786 million in Q1 2024 compared to EUR 0.731 million in Q1 2023 (+7.6% YoY).
- ▶ Effective take-over dates are delayed compared to the date of signing the contracts while contractual fees are linked to the electricity generation, both indicating that revenue growth shall be more visible in the upcoming quarters.



# Business Highlights in Q1 2024

## What went well?

- ▶ IPP portfolio increased by 3.8 MWp in Q1 2024 and 1.7 MWp after the reporting date, up to **132.8 MWp as of today**.
- ▶ Generation of 31.2 GWh, up by 24.2% YoY.
- ▶ **Rebalancing of IPP portfolio to 50/50 split of merchant and FiT**, impact visible in April revenues with average realized revenues up from 133 UR / MWh to EUR 151 / MWh.
- ▶ **Expansion of O&M portfolio by 49 MWp**, bringing it close to 730 MWp.
- ▶ **Sale of project rights for 20.4 MWp** in Poland concluded in May 2024.
- ▶ **EBRD** agreement for a financing facility of up to **EUR 15 million** signed in May 2024.
- ▶ **Expansion of EPC business** in Australia for C&I clients by nearly 21 MW.
- ▶ **A first Power Purchase Agreement** in Hungary for 630 kWp PV power plant.



Bocsa  
3.8 MWp



# Business Highlights in Q1 2024

## What went wrong?

- ▶ **Delays in commissioning of 10.7 MWp** of new capacities in Romania; assets technically completed but commissioning pushed back to Q2/Q3 2024 due to grid line reinforcement works.
- ▶ **Electricity prices remained under pressure** in Q1 2024 negatively impacting our revenues and margins.
- ▶ **Delays in securing project financing** pushed back the kick of construction of RtB projects.
- ▶ **Further drop in PV components trading** volume and prices.
- ▶ **Extended negotiations of project rights sale.**



Faget II  
3.9 MWp





Business Highlights

# Financial Results

Guidance

Q&As

Siria, Romania (5.7 MWp)



# Financial Results

## Income Statement

In thousand EUR	Q1 2024	Q1 2023	YoY change
<b>Total revenues</b>	<b>17,375</b>	<b>19,280</b>	<b>-9.9%</b>
<i>of which from electricity generation</i>	<i>3,746</i>	<i>4,150</i>	<i>-9.7%</i>
<i>other revenues</i>	<i>13,629</i>	<i>15,129</i>	<i>-9.9%</i>
<b>EBITDA</b>	<b>783</b>	<b>330</b>	<b>+137.0%</b>
EBIT	-1,425	-1,569	NA
Net profit/Net loss	-1,321	-4,170	NA
<b>Total Comprehensive Income (TCI)</b>	<b>-1,108</b>	<b>-1,649</b>	<b>NA</b>

- ▶ Electricity generation revenue of EUR 3.746 million, down by -9.7% YoY due to lower average realised electricity prices and specific yield.
- ▶ Other revenues of EUR 13.629 million, down by -9.9% YoY due to weaker sales of PV components trading. Revenues from New Energy division and O&M up but not sufficient to compensate yet.
- ▶ EBITDA of 0.783 million, up by +137.0% YoY, profitability still weak due to contraction of margins in the energy generation segment, PV component trading and increased personnel and other costs.
- ▶ Total comprehensive income of EUR -1.108 million; OCI impacted by revaluation of new power plants of EUR 0.448 million and hedging derivatives of EUR 0.370 million. On the negative side we booked EUR -0.390 due to FX translation and EUR -0.217 million revaluation of RayGen related to FX fluctuations.

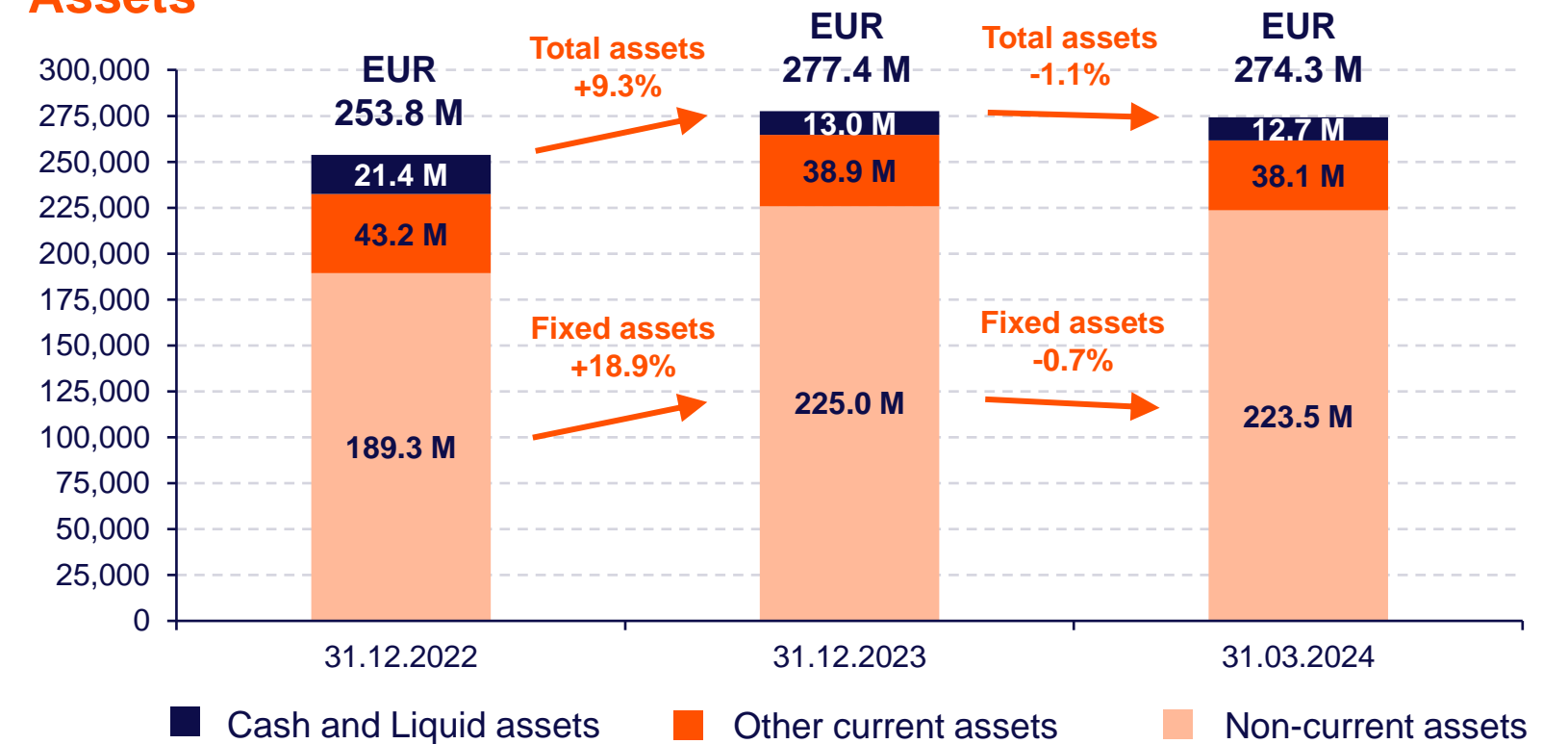


# Balance Sheet

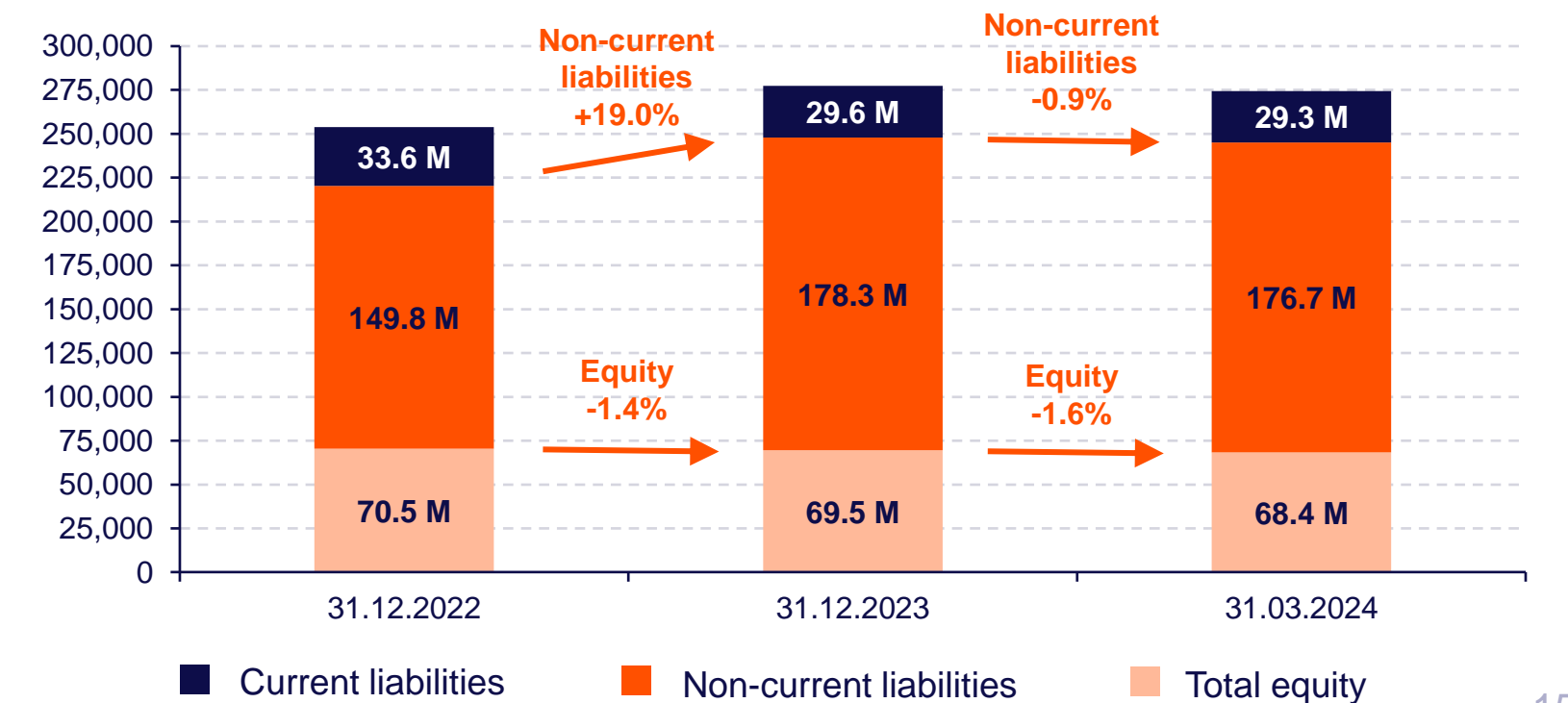
## Balance Sheet

- ▶ **Fixed assets** decreased by EUR 1.498 million as a result of the growing depreciation of our generation assets and appreciation of CEE currencies.
- ▶ **Current assets** decreased by EUR 1.607 million as a result of lower inventories and repayment of related-party loans.
- ▶ **Equity** decreased to EUR 68.396 million due to negative result of operations and a negative change in currency translation reserves; adjusted equity ratio of 27.7% above bond covenant of 25% .
- ▶ **Long-term liabilities** decreased by EUR 1.688 million due to due to declining outstanding balance of loans and borrowings.
- ▶ **Current liabilities** remained relatively stable at EUR 29.263 million;

## Assets



## Total liabilities and equity



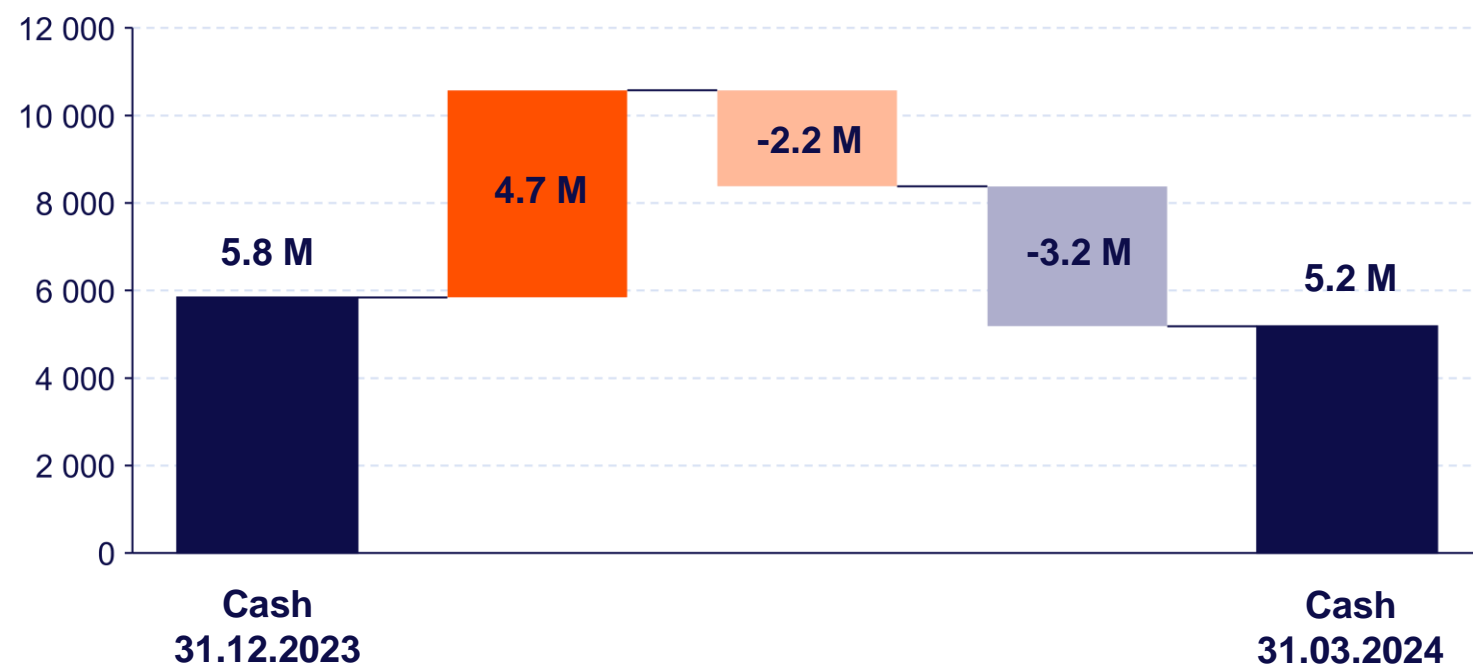


# Cash Flow

## Cash Flow Development

<i>In thousand EUR</i>	Q1 2024	Q1 2023
Operating cash flow	4,736	-2,428
Investment cash flow	-2,195	-2,732
Financial cash flow	-3,196	2,525
<b>Net change in cash</b>	<b>-655</b>	<b>-2,635</b>

- ▶ **Operating cash flow** of EUR 4.736 million, mainly thanks to positive FX translation difference of EUR 3.164 million.
- ▶ **Investment cash flow** of EUR -2.195 million related to work in progress for our proprietary portfolio in Romania.
- ▶ **Financial cash flow** of EUR -3.196 million related to interest expense and scheduled repayment of short-term financing.



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





Photon Energy Group

Business Highlights

Financial Results

**Guidance**

Q&As

Sydney, Australia (100 kWp)

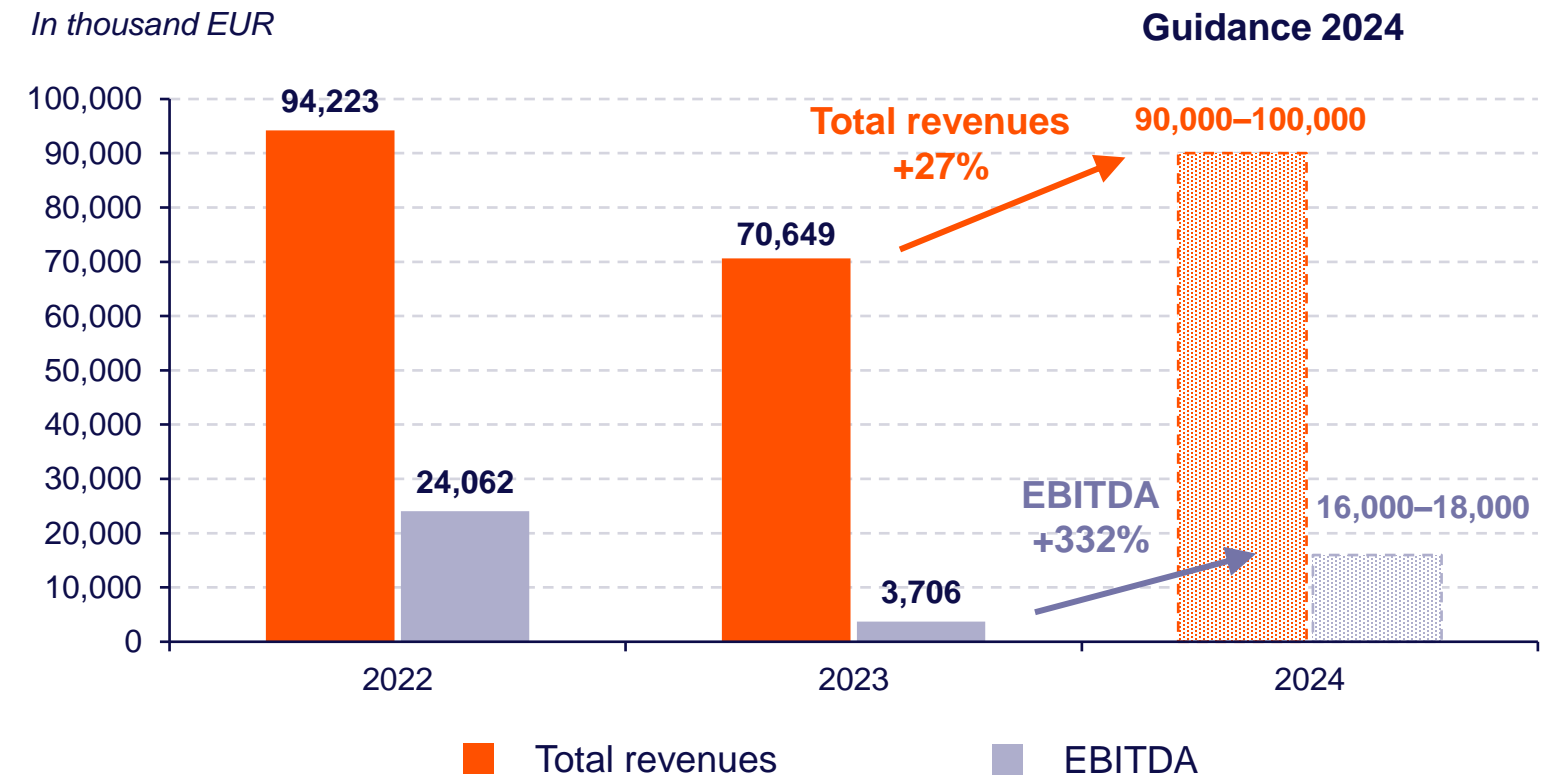


# Photon Energy: Guidance 2024

## 2024 FY Guidance

- ▶ We expected consolidated revenues for year 2024 within a range of EUR 90–100 million.
- ▶ FY EBITDA is expected within range of EUR 16–18 million

The guidance reflects our strategy to increase our focus on third party EPC activity, where project durations can be more than 12 months and revenue recognition is spread over several quarters.







**Q&A**





**Thank you for joining us today!**

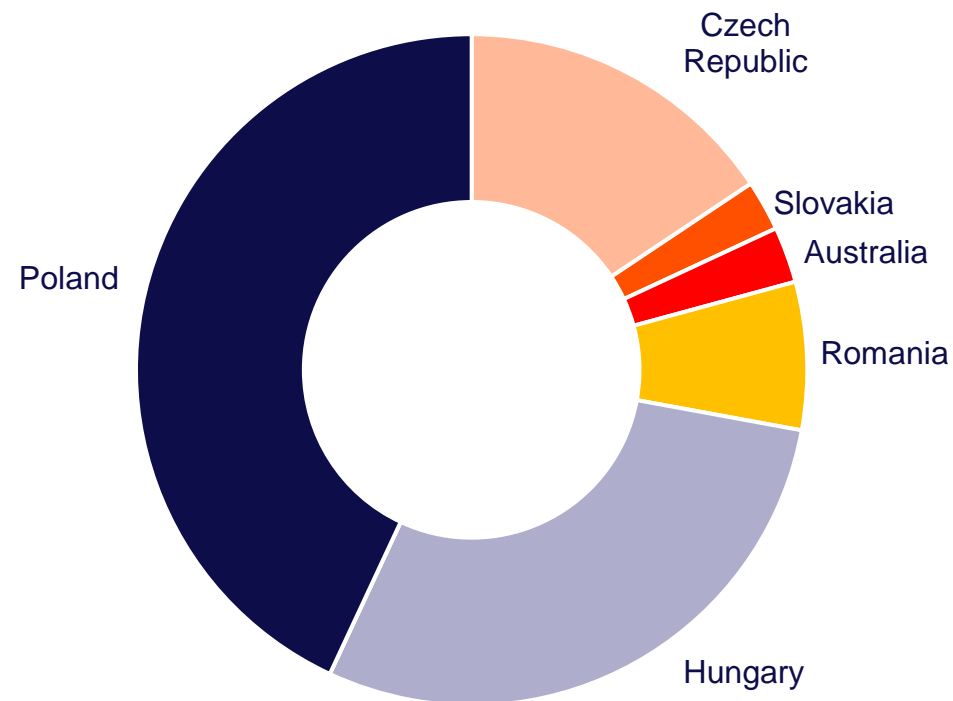


# O&M Contracts

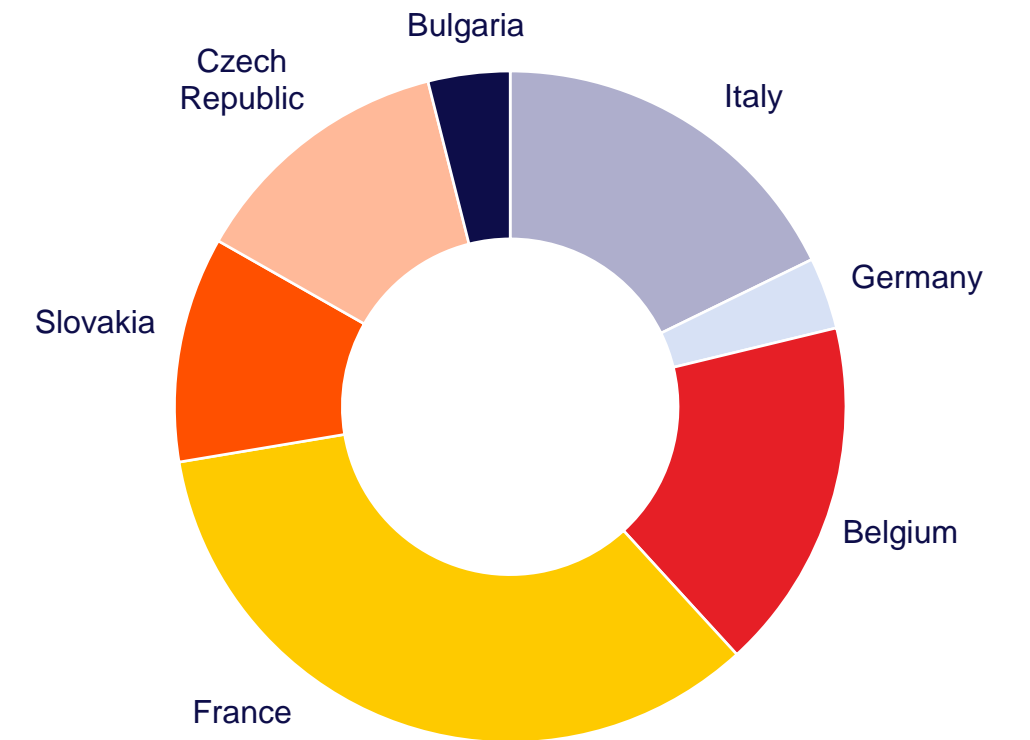
Capacity under O&M contracts, by country (MWp)

Country	January 2024
Czech Republic	98.4
Slovakia	15.3
Australia	17.0
Romania	67.8
Hungary	183.8
Poland	270.8
Full O&M	653.1
Inverter Cardio	50.6
<b>Total</b>	<b>703.7</b>

Full O&M contracts, by country



Inverter Cardio, by country





# About Us

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

## Photon Energy Group



Founded in  
**2008**



Headquartered in  
**Amsterdam**



**370+**  
Employees



Active in  
**10+ countries**



**Shares traded**  
in PL, CZ and DE



**5 x BUY**  
PT: EUR 2.80 - 4.1



**Sustainability**  
Rating\*

## Energy Business Lines

(Current core activity and strategic area of development)



**1.2+ GWp**  
PV project pipeline



**170+ MWp**  
constructed

**+20.1 MWp**  
under  
construction



**127.3 MWp**  
proprietary portfolio



**139.4 GWh**  
produced in 2023



**700+ MWp**  
O&M portfolio



**389 MW**  
capacity market  
in 2024

LERTA:  
New Energy  
Division

## Water Business Line

(Strategic area of development)



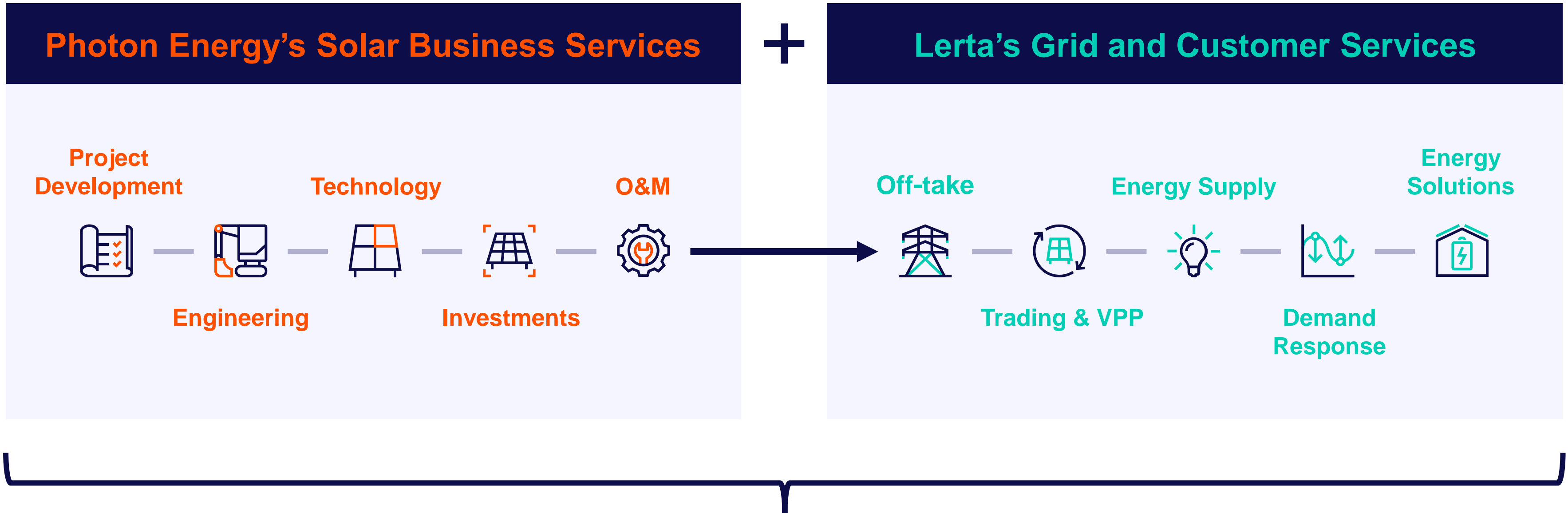
**PFAS\*\***  
patent pending

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

\*\* Per- and polyfluoroalkyl substances



# Expansion of Photon Energy's Business Model



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



# Business Model: Solar Services

Our services cover the entire lifecycle of photovoltaic systems.



## Project Development

We **develop projects** in-house and **acquire them** at all stages of development.



## Operations and Maintenance

We provide a full range of O&M services, including **monitoring** and **inverter maintenance**.



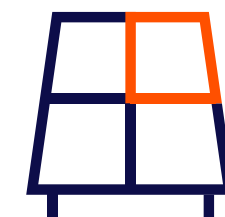
## Engineering (EPC)

We design and build **on- and off-grid** installations, including **energy storage solutions**.



## Electricity Generation

We invest in PV power plants for the **sustainable** production and sale of **solar energy**.



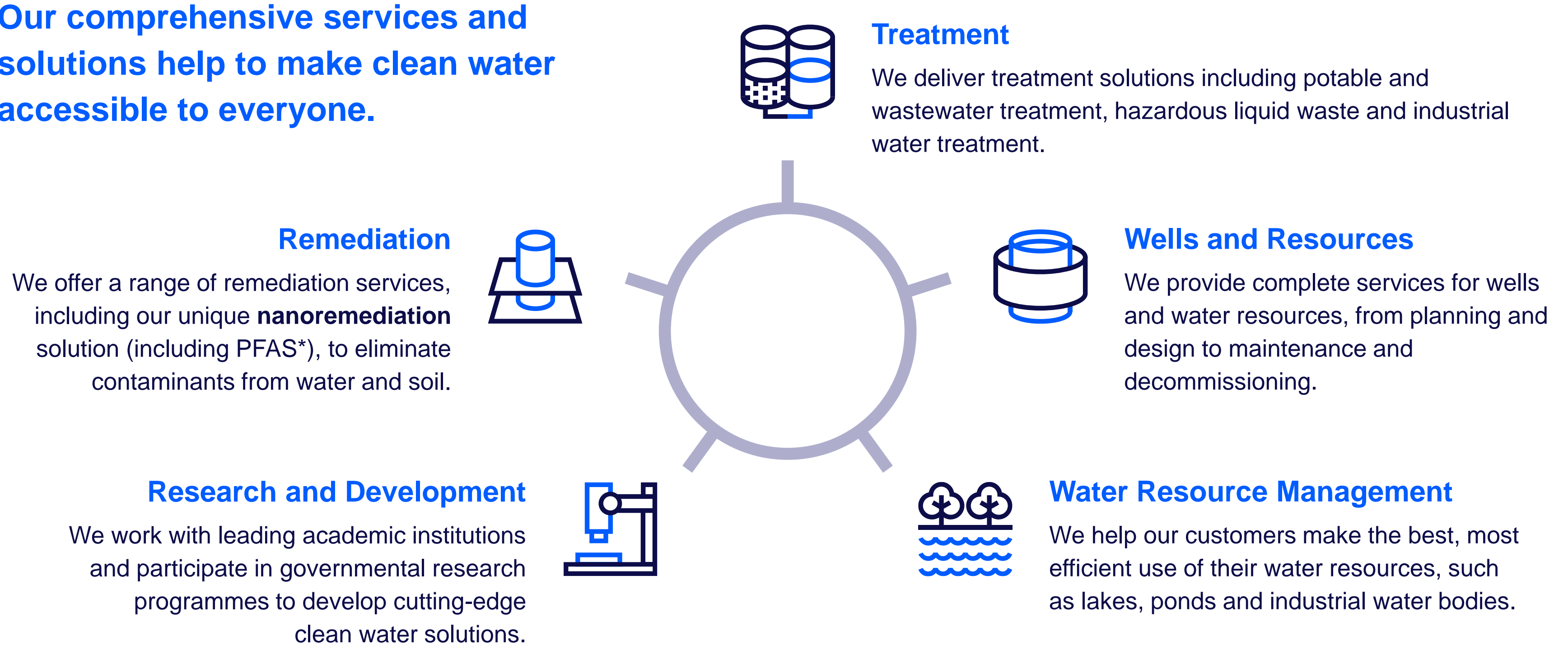
## Technology

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



# Business Model: Water Services


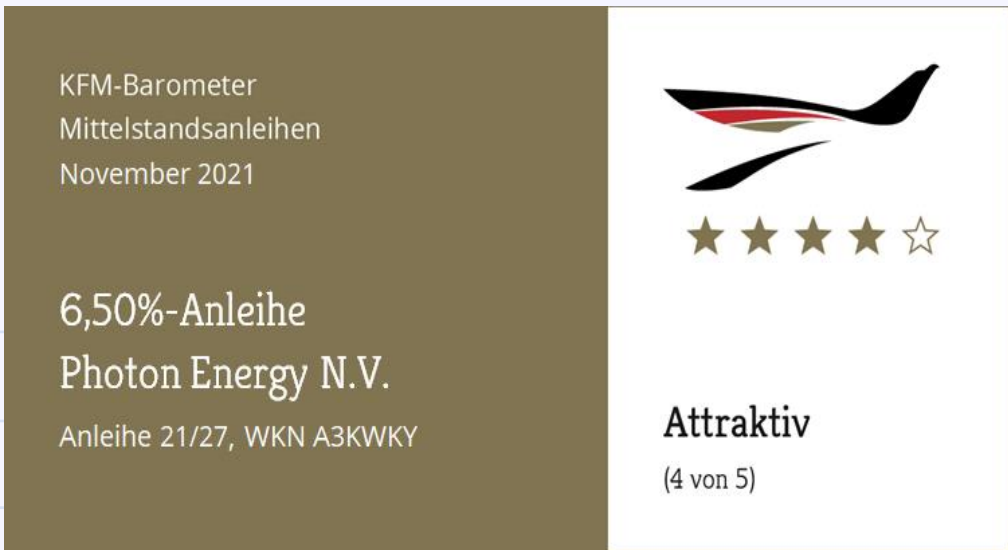
Our comprehensive services and solutions help to make clean water accessible to everyone.



\* Per- and polyfluoroalkyl substances.



# GREEN EUR Bond 2021/27

<b>Bond</b>	<b>GREEN EUR Bond 2021/2027</b>	
<b>Volume</b>	EUR 80.0 million	
<b>Coupon</b>	6.50% p.a., quarterly payment	
<b>Initial offering</b>	23 November 2021	
<b>Ratings/Awards</b>	<ul style="list-style-type: none"> <li>▶ IMUG   rating – <u>second party opinion</u>,</li> <li>▶ KFM Barometer 4 of 5 stars</li> <li>▶ Best Issuer Green SME Bonds 2021</li> </ul>	
<b>Segment</b>	Secondary market: trading on Open Market of the Frankfurt Stock Exchange since 23 November 2021	
<b>Covenants</b>	<ul style="list-style-type: none"> <li>▶ Dividend restriction (max 50% if EBITDA/ICR &gt; 2)</li> <li>▶ Group Equity ratio ≥ 25%*</li> <li>▶ Cross default</li> <li>▶ Negative pledge</li> <li>▶ Pari passu</li> <li>▶ Change of Control-Clause</li> <li>▶ Transparency clause</li> </ul>	
<b>Denomination</b>	EUR 1,000	
<b>Term / Redemption</b>	Six years / 23 November 2027 at par	
<b>ISIN</b>	DE 000A3KWKY4	

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