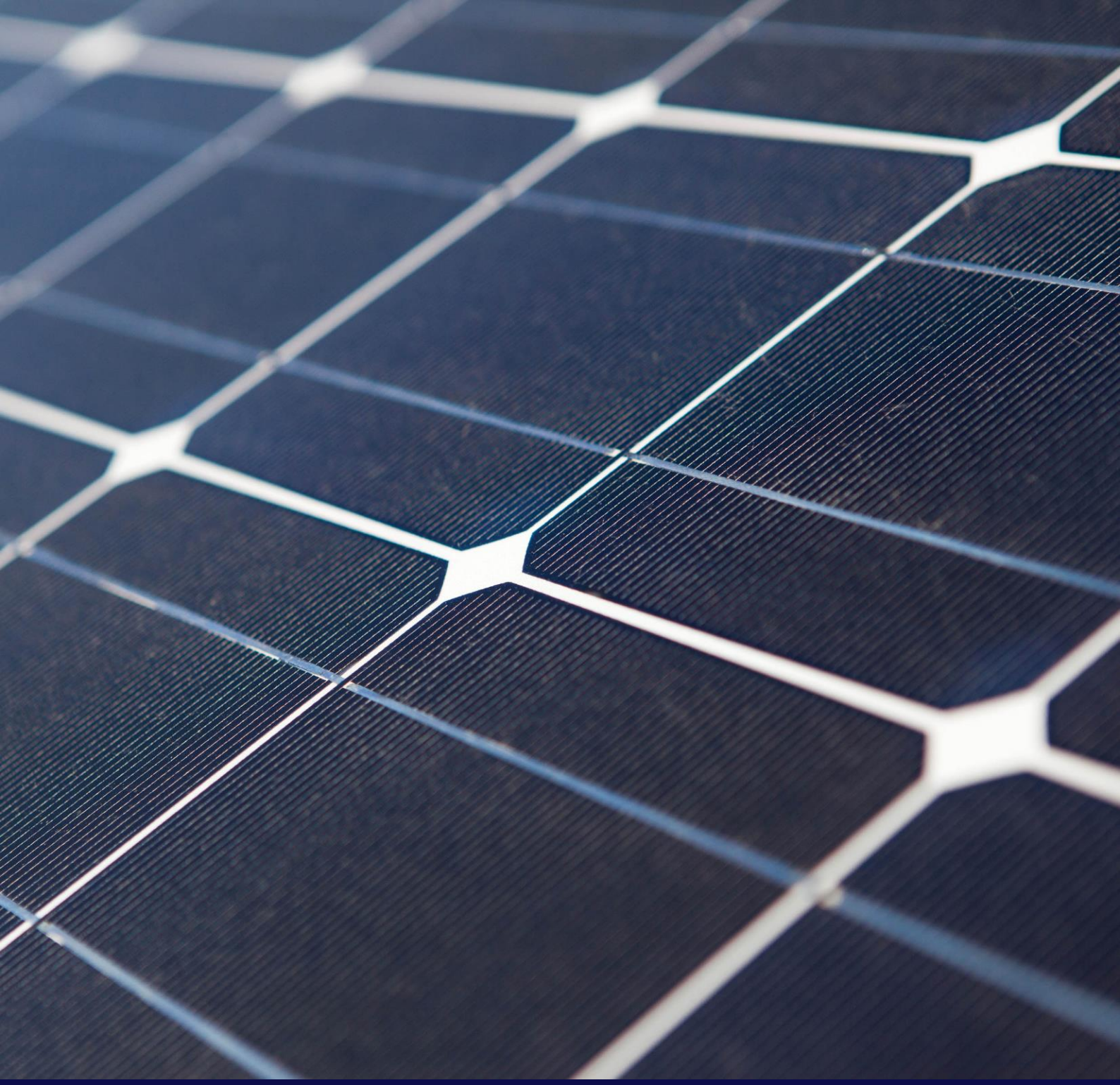


Photon Energy Group

Photon Energy N.V.

# Monthly Report for November 2022

For the period from 1 to 30 November 2022

# 1. Information on the occurrence of trends and events in the market environment of the Issuer, which in the Issuer's opinion may have important consequences in the future for the financial condition and results of the Issuer

## 1.1 Production results of Photon Energy's power plants in the reporting period

The Company reports 116.6 GWh of electricity produced YTD compared to 97.8 GWh one year ago (+19.2%) propelled by the two power plants in Leeton having been operational for the full eleven months (compared to only since August in the 2021 comparative numbers) and the addition of two new power plants in Tolna, Hungary (1.4 MWp added in December 2021 and 1.4 MWp added in May 2022). This represents an avoidance of 46,434 tonnes of CO2 emissions year-to-date.

With over 80% of the Company's power plant portfolio selling electricity directly to the grid at market prices, the Company achieved revenues from electricity generation of EUR 33.885 million in the first eleven months of 2022, compared to EUR 19.402 million for the full year 2021 (+74.6%).

For more information, please refer to chapter 2. Proprietary PV power plants.

## 1.2 Photon Energy Group Acquires Solar and Battery Storage Project in Australia

The Company has acquired the development rights and land for a 9.8 MWp/10 MWh solar and battery energy storage system facility in New South Wales. Located in the vicinity of the town of Boggabri, New South Wales, the project will extend over 22 hectares of greenfield land and will be equipped with over 16,500 high-efficiency bifacial solar modules mounted on single-axis trackers. The facility will deliver around 16.4 GWh of renewable energy annually to the grid operated by Essential Energy. The electricity will be sold on the energy market on a merchant basis. Photon Energy Group expects to break ground on the project towards the end of the second quarter of 2023. The project represents the Company's first utility-scale solar-plus-storage installation and will serve as a prototype for a future roll-out across Photon Energy Group's European markets.

## 1.3 Photon Energy Group Acquires Majority Stake in Lerta, Plans Full Takeover before Year-end 2022

The Company acquired an additional equity stake in Lerta S.A. ('Lerta') from PGE Ventures, Newberg and the ASI Valuetech Seed Fund (in which the Company is the largest investor) for a total consideration of approximately EUR 6.9 million. This transaction increased the Group's interest in Lerta from 24.27% to a majority 56.75% equity stake. Photon Energy Group intends to acquire the remaining equity from the two founding shareholders before year-end 2022. Lerta is a Poland-based VPP company which aggregates and manages distributed energy resources. Its proprietary AI software platform allows Lerta to forecast and optimise the output of renewable power plants and the load of industrial clients based on current prices and grid needs. This results in demand and supply flexibility which is offered to grid operators under different programs and services. In addition, Lerta provides a variety of energy-related services to consumers, such as behind-the-meter PV installations, energy management systems and PPAs. Lerta maintains energy trading licenses in Poland, Hungary, Romania, the Czech Republic, Slovakia and Serbia. Lerta manages a total capacity of almost 300 MW, aggregated from more than 300 units across four countries. Of this, 150 MW represents contracted DSR capacity in Poland, making Lerta the third largest aggregator in the country. In the first three quarters of 2022, Lerta generated consolidated revenues of EUR 19 million and expects full-year 2022 revenues of EUR 23 million.

## 1.4 Photon Energy Group Launches B2B eCommerce Platform

During the reporting period, the Company has launched its B2B eCommerce platform at eshop.photonenergy.com. The new platform is a key strategic element in fortifying the Company's position as a leading supplier of PV modules, inverters and batteries across the CEE region at a time of explosive growth in demand. The platform aims to complement traditional sales channels, grow, and diversify the Company's customer base and minimise the speed and costs of transactions for PV installers on a user-friendly platform that is available 24/7. The Company's existing customers will be migrated to the platform, while new B2B customers can onboard in an easy process, with approval taking less than 24 hours.

## 1.5 Photon Energy Group Shares Start Trading in XETRA

After the reporting period, the Company announced that its shares are now listed on the electronic trading platform XETRA, Germany's leading trading platform for listed companies provided by Deutsche Börse AG, and that it has mandated BankM AG as designated sponsor. BankM AG will provide additional liquidity by committing to enter binding bid and ask prices (quotes) in the XETRA order book and therefore will provide for extra liquidity in the respective shares. After the inclusion of the shares to the XETRA trading platform, the Company's shares will continue to trade on the Frankfurt, Warsaw and Prague Stock Exchanges.

## 1.6 Photon Energy Group to See Only Modest Revenues Impact Amid Recent Regulatory Changes Across Markets

After the reporting period, the Company provided an overview of the regulatory situation and the expected impact of price caps and windfall taxation on the Company's operating (and future) solar PV generation assets in the Czech Republic, Slovakia, Hungary, Romania, and Poland in 2023. Based on the status quo of price caps and windfall taxes adopted by the governments in the Group's core markets in the CEE region the management board of the Company expects a modest negative impact in the Czech Republic and Hungary and no negative impact in Slovakia and Romania, with a potential slowdown in roll-out plans in Poland. New capacity additions in Romania and Hungary in 2023 are expected to drive material revenue and EBITDA growth in 2023 and beyond.

## 1.7 Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (309.8 MWp), Hungary (90.5 MWp), Romania (227.6 MWp) and Poland (291.8 MWp) and is evaluating further markets for opportunities. For detailed information, please refer to chapter 3 "Reporting on Photon Energy's project pipeline".

## 2. Proprietary PV power plants

The table below represents power plants owned directly or indirectly by Photon Energy N.V. as of the date of the report.

### Table 1. Production results in November 2022

| Project name | Capacity | Revenue[1] | Prod. 2022 November | Proj. 2022 November | Perf. | YTD Prod. | YTD Proj. | Perf. | YTD YoY |
|---|---|---|---|---|---|---|---|---|---|
| Unit | kWp | per MWh, in November | kWh | kWh | % | kWh | kWh | % | % |
| Komorovice | 2,354 | 755 EUR | 89,395 | 78,166 | 14.4% | 2,552,234 | 2,430,425 | 5.0% | 9.2% |
| Zvíkov I | 2,031 | 758 EUR | 92,499 | 76,780 | 20.5% | 2,245,236 | 2,231,683 | 0.6% | 2.6% |
| Dolní Dvořiště | 1,645 | 768 EUR | 70,197 | 57,263 | 22.6% | 1,637,114 | 1,627,015 | 0.6% | 0.6% |
| Svatoslav | 1,231 | 766 EUR | 32,592 | 31,950 | 2.0% | 1,209,965 | 1,170,763 | 3.3% | 7.3% |
| Slavkov | 1,159 | 764 EUR | 40,886 | 44,679 | -8.5% | 1,367,113 | 1,295,745 | 5.5% | 4.8% |
| Mostkovice SPV 1 | 210 | 772 EUR | 5,165 | 6,842 | -24.5% | 222,440 | 213,277 | 4.3% | 5.7% |
| Mostkovice SPV 3 | 926 | 818 EUR | 23,508 | 28,176 | -16.6% | 1,015,703 | 950,195 | 6.9% | 5.4% |
| Zdice I | 1,499 | 756 EUR | 53,194 | 55,062 | -3.4% | 1,718,572 | 1,632,723 | 5.3% | 8.1% |
| Zdice II | 1,499 | 761 EUR | 54,791 | 55,285 | -0.9% | 1,741,804 | 1,645,017 | 5.9% | 7.2% |
| Radvanice | 2,305 | 766 EUR | 67,662 | 80,078 | -15.5% | 2,544,838 | 2,436,911 | 4.4% | 5.0% |
| Břeclav rooftop | 137 | 769 EUR | 5,221 | 5,570 | -6.3% | 161,585 | 148,988 | 8.5% | 5.3% |
| **Total Czech PP** | **14,996** | | **535,110** | **519,851** | **2.9%** | **16,416,603** | **15,782,741** | **4.0%** | **5.6%** |
| Babiná II | 999 | 271 EUR | 25,780 | 29,255 | -11.9% | 999,719 | 943,966 | 5.9% | 3.4% |
| Babina III | 999 | 271 EUR | 25,744 | 29,864 | -13.8% | 992,599 | 956,777 | 3.7% | 1.2% |
| Prša I. | 999 | 270 EUR | 21,825 | 32,881 | -33.6% | 1,048,566 | 1,027,976 | 2.0% | 4.6% |
| Blatna | 700 | 273 EUR | 15,015 | 22,836 | -34.3% | 723,338 | 700,490 | 3.3% | 1.7% |
| Mokra Luka 1 | 963 | 258 EUR | 39,557 | 41,879 | -5.5% | 1,212,331 | 1,099,429 | 10.3% | 4.3% |
| Mokra Luka 2 | 963 | 257 EUR | 41,739 | 43,838 | -4.8% | 1,232,426 | 1,139,860 | 8.1% | 4.0% |
| Jovice 1 | 979 | 263 EUR | 24,440 | 28,378 | -13.9% | 915,923 | 870,581 | 5.2% | 8.1% |
| Jovice 2 | 979 | 263 EUR | 24,234 | 27,780 | -12.8% | 908,397 | 861,034 | 5.5% | 8.1% |
| Brestovec | 850 | 257 EUR | 30,169 | 35,942 | -16.1% | 1,038,165 | 993,980 | 4.4% | 7.5% |
| Polianka | 999 | 261 EUR | 25,295 | 29,776 | -15.1% | 992,194 | 954,394 | 4.0% | 3.4% |
| Myjava | 999 | 259 EUR | 32,570 | 38,848 | -16.2% | 1,123,705 | 1,088,490 | 3.2% | 1.6% |
| **Total Slovak PP** | **10,429** | | **306,369** | **361,279** | **-15.2%** | **11,187,365** | **10,636,976** | **5.2%** | **4.3%** |
| Tiszakécske 1 | 689 | 225 EUR | 22,161 | 32,877 | -32.6% | 858,962 | 815,942 | 5.3% | 1.3% |
| Tiszakécske 2 | 689 | 225 EUR | 22,697 | 34,046 | -33.3% | 863,695 | 820,693 | 5.2% | 1.5% |
| Tiszakécske 3 | 689 | 225 EUR | 20,300 | 30,859 | -34.2% | 835,867 | 800,677 | 4.4% | 1.6% |
| Tiszakécske 4 | 689 | 225 EUR | 22,928 | 34,046 | -32.7% | 862,109 | 820,693 | 5.0% | 0.9% |
| Tiszakécske 5 | 689 | 225 EUR | 22,350 | 32,877 | -32.0% | 860,124 | 815,942 | 5.4% | 6.8% |
| Tiszakécske 6 | 689 | 225 EUR | 22,515 | 34,046 | -33.9% | 860,475 | 820,693 | 4.8% | 1.3% |
| Tiszakécske 7 | 689 | 225 EUR | 22,683 | 32,838 | -30.9% | 862,599 | 815,345 | 5.8% | 1.8% |
| Tiszakécske 8 | 689 | 225 EUR | 22,086 | 32,632 | -32.3% | 850,018 | 813,328 | 4.5% | 0.9% |
| Almásfüzitő 1 | 695 | 212 EUR | 23,362 | 31,895 | -26.8% | 846,851 | 810,871 | 4.4% | 3.4% |
| Almásfüzitő 2 | 695 | 213 EUR | 22,423 | 31,828 | -29.5% | 822,576 | 810,348 | 1.5% | 0.5% |
| Almásfüzitő 3 | 695 | 213 EUR | 23,394 | 31,161 | -24.9% | 821,111 | 806,667 | 1.8% | 0.3% |
| Almásfüzitő 4 | 695 | 213 EUR | 23,371 | 32,184 | -27.4% | 847,884 | 812,680 | 4.3% | 0.4% |
| Almásfüzitő 5 | 695 | 213 EUR | 25,283 | 31,250 | -19.1% | 859,503 | 807,665 | 6.4% | 2.7% |
| Almásfüzitő 6 | 660 | 213 EUR | 24,633 | 30,191 | -18.4% | 854,663 | 776,875 | 10.0% | 0.3% |
| Almásfüzitő 7 | 691 | 213 EUR | 24,360 | 31,022 | -21.5% | 850,701 | 802,950 | 5.9% | 0.2% |
| Almásfüzitő 8 | 668 | 213 EUR | 23,569 | 30,740 | -23.3% | 836,930 | 786,002 | 6.5% | -0.1% |
| Nagyecsed 1 | 689 | 172 EUR | 13,017 | 33,144 | -60.7% | 840,500 | 798,303 | 5.3% | -0.3% |
| Nagyecsed 2 | 689 | 233 EUR | 28,821 | 33,144 | -13.0% | 848,463 | 798,303 | 6.3% | 0.6% |
| Nagyecsed 3 | 689 | 233 EUR | 29,091 | 32,909 | -11.6% | 856,187 | 798,982 | 7.2% | 1.2% |
| Fertod I | 528 | 210 EUR | 21,822 | 22,124 | -1.4% | 662,780 | 591,381 | 12.1% | -0.3% |
| Fertod II No 2 | 699 | 211 EUR | 30,763 | 30,287 | 1.6% | 866,968 | 805,728 | 7.6% | 0.2% |
| Fertod II No 3 | 699 | 211 EUR | 30,824 | 30,287 | 1.8% | 863,082 | 805,728 | 7.1% | -1.8% |
| Fertod II No 4 | 699 | 211 EUR | 30,733 | 30,287 | 1.5% | 858,168 | 805,728 | 6.5% | -1.6% |

| Project name | Capacity | Revenue | Prod. 2022 November | Proj. 2022 November | Perf. | YTD Prod. | YTD Proj. | Perf. | YTD YoY |
|---|---|---|---|---|---|---|---|---|---|
| Unit | kWp | per MWh, in November | kWh | kWh | % | kWh | kWh | % | % |
| Fertod II No 5 | 691 | 211 EUR | 30,312 | 31,791 | -4.7% | 857,688 | 808,475 | 6.1% | -1.8% |
| Fertod II No 6 | 699 | 211 EUR | 30,587 | 30,287 | 1.0% | 853,641 | 805,728 | 5.9% | -2.2% |
| Kunszentmárton I No 1 | 697 | 221 EUR | 24,779 | 34,858 | -28.9% | 888,406 | 854,793 | 3.9% | 0.5% |
| Kunszentmárton I No 2 | 697 | 221 EUR | 24,080 | 34,883 | -31.0% | 885,703 | 854,895 | 3.6% | 0.8% |
| Kunszentmárton II No 1 | 693 | 221 EUR | 24,686 | 35,347 | -30.2% | 899,281 | 829,632 | 8.4% | -0.1% |
| Kunszentmárton II No 2 | 693 | 222 EUR | 25,203 | 35,445 | -28.9% | 903,167 | 829,831 | 8.8% | -0.1% |
| Taszár 1 | 701 | 217 EUR | 30,351 | 36,574 | -17.0% | 861,376 | 852,172 | 1.1% | 0.2% |
| Taszár 2 | 701 | 217 EUR | 30,538 | 36,574 | -16.5% | 874,441 | 852,172 | 2.6% | 1.2% |
| Taszár 3 | 701 | 217 EUR | 30,494 | 36,574 | -16.6% | 876,824 | 852,172 | 2.9% | 0.8% |
| Monor 1 | 688 | 226 EUR | 20,572 | 30,852 | -33.3% | 874,704 | 825,624 | 5.9% | 0.3% |
| Monor 2 | 696 | 225 EUR | 20,248 | 32,025 | -36.8% | 865,169 | 835,985 | 3.5% | 0.5% |
| Monor 3 | 696 | 226 EUR | 20,519 | 32,025 | -35.9% | 875,307 | 835,985 | 4.7% | 1.3% |
| Monor 4 | 696 | 225 EUR | 20,567 | 32,025 | -35.8% | 874,553 | 835,985 | 4.6% | 0.6% |
| Monor 5 | 688 | 220 EUR | 19,581 | 30,859 | -36.5% | 840,562 | 819,892 | 2.5% | -3.3% |
| Monor 6 | 696 | 226 EUR | 20,509 | 32,025 | -36.0% | 873,568 | 835,985 | 4.5% | 0.6% |
| Monor 7 | 696 | 224 EUR | 20,346 | 32,025 | -36.5% | 872,298 | 835,985 | 4.3% | 0.4% |
| Monor 8 | 696 | 226 EUR | 20,782 | 32,025 | -35.1% | 879,038 | 835,985 | 5.1% | 1.2% |
| Tata 1 | 672 | 216 EUR | 22,416 | 27,515 | -18.5% | 921,449 | 897,235 | 2.7% | 2.7% |
| Tata 2 | 676 | 211 EUR | 25,726 | 31,533 | -18.4% | 819,717 | 806,236 | 1.7% | 1.5% |
| Tata 3 | 667 | 211 EUR | 25,920 | 29,473 | -12.1% | 822,881 | 788,522 | 4.4% | 1.7% |
| Tata 4 | 672 | 217 EUR | 22,785 | 28,540 | -20.2% | 937,585 | 918,658 | 2.1% | 2.6% |
| Tata 5 | 672 | 217 EUR | 22,388 | 28,715 | -22.0% | 929,094 | 921,751 | 0.8% | 7.2% |
| Tata 6 | 672 | 221 EUR | 21,464 | 27,959 | -23.2% | 901,491 | 907,176 | -0.6% | -0.6% |
| Tata 7 | 672 | 217 EUR | 22,125 | 27,540 | -19.7% | 927,015 | 897,817 | 3.3% | 2.9% |
| Tata 8 | 672 | 217 EUR | 22,646 | 28,151 | -19.6% | 938,770 | 911,263 | 3.0% | 2.1% |
| Malyi 1 | 695 | 241 EUR | 19,123 | 30,287 | -36.9% | 839,959 | 802,197 | 4.7% | 0.7% |
| Malyi 2 | 695 | 242 EUR | 19,286 | 30,387 | -36.5% | 859,164 | 803,199 | 7.0% | 2.5% |
| Malyi 3 | 695 | 242 EUR | 19,361 | 30,387 | -36.3% | 859,567 | 803,199 | 7.0% | 2.4% |
| Puspokladány 1 | 1,406 | 88 EUR | 41,142 | 59,298 | -30.6% | 1,938,677 | 1,865,530 | 3.9% | 0.8% |
| Puspokladány 2 | 1,420 | 221 EUR | 39,823 | 54,521 | -27.0% | 2,005,310 | 1,815,651 | 10.4% | 0.8% |
| Puspokladány 3 | 1,420 | 224 EUR | 33,072 | 52,750 | -37.3% | 1,969,626 | 1,774,897 | 11.0% | 0.5% |
| Puspokladány 4 | 1,406 | 222 EUR | 41,130 | 58,941 | -30.2% | 1,952,723 | 1,852,333 | 5.4% | -0.4% |
| Puspokladány 5 | 1,420 | 222 EUR | 38,366 | 54,337 | -29.4% | 2,007,155 | 1,810,920 | 10.8% | 0.0% |
| Puspokladány 6 | 1,394 | 88 EUR | 34,887 | 56,141 | -37.9% | 1,942,033 | 1,833,202 | 5.9% | 0.3% |
| Puspokladány 7 | 1,406 | 88 EUR | 40,602 | 58,897 | -31.1% | 1,954,614 | 1,852,268 | 5.5% | -0.2% |
| Puspokladány 8 | 1,420 | 221 EUR | 37,365 | 52,961 | -29.4% | 1,968,761 | 1,779,930 | 10.6% | 0.1% |
| Puspokladány 9 | 1,406 | 88 EUR | 40,808 | 58,853 | -30.7% | 1,959,578 | 1,851,247 | 5.9% | 3.3% |
| Puspokladány 10 | 1,420 | 222 EUR | 37,456 | 52,687 | -28.9% | 1,967,964 | 1,773,353 | 11.0% | 0.4% |
| Tolna 1 | 1,358 | 221 EUR | 46,473 | 69,849 | -33.5% | 2,049,489 | 2,043,631 | 0.3% | na |
| Tolna 2 | 1,358 | 222 EUR | 46,369 | 69,849 | -33.6% | 1,454,080 | 1,455,467 | -0.1% | na |
| **Total Hungarian PP** | **51,814** | | **1,688,075** | **2,312,442** | **-27.0%** | **67,172,646** | **63,708,507** | **5.4%** | **6.4%** |
| Symonston | 144 | 238 EUR | 20,759 | 20,539 | 1.1% | 136,773 | 154,403 | -11.4% | -8.4% |
| Leeton | 7,261 | 76 EUR | 1,301,766 | 1,385,804 | -6.1% | 10,909,092 | 12,615,645 | -13.5% | 164.5% |
| Fivebough | 7,261 | 75 EUR | 1,292,867 | 1,371,986 | -5.8% | 10,759,620 | 12,451,931 | -13.6% | 159.3% |
| **Total Australian PP** | **14,744** | | **2,615,392** | **2,778,329** | **-5.9%** | **21,805,485** | **25,221,980** | **-13.5%** | **158.9%** |
| **Total** | **91,905** | | **5,144,946** | **5,971,900** | **-13.8%** | **116,582,098** | **115,350,204** | **1.1%** | **19.2%** |

**Notes:**

*Capacity: installed capacity of the power plant*

*Prod.: production in the reporting month - Proj.: projection in the reporting month*

*Perf.: performance of the power plant in reporting month i.e. (production in Month / projection for Month) - 1.*

*YTD Prod.: accumulated production year-to-date i.e. from January until the end of the reporting month.*

*YTD Proj.: accumulated projection year-to-date i.e. from January until the end of the reporting month.*

*Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2022 / YTD proj. in 2022) – 1.*

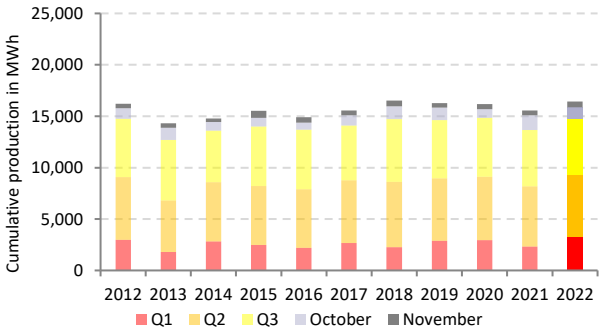
*YTD YOY: (YTD Prod. in 2022 / YTD Prod. in 2021) – 1.*

*[1] - Green Bonus + realized electricity price during the reporting period in the Czech Republic.*

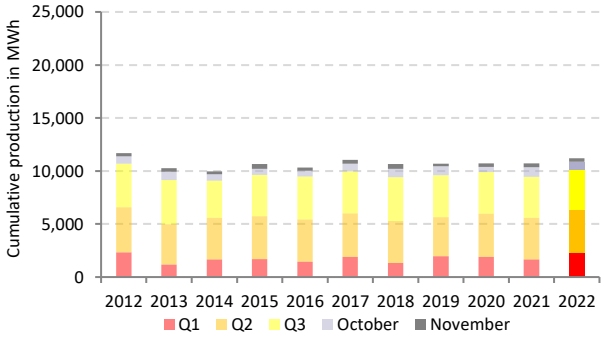
*- Realized electricity price in Hungary.*

*- Realized electricity price + Australian Large-scale Generation Certificate spot closing price in Australia.*

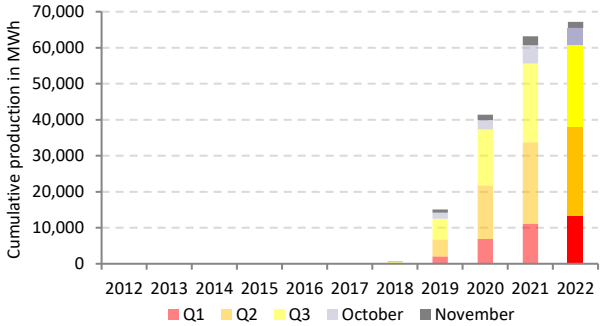
### Chart 1.a Total production of the Czech portfolio



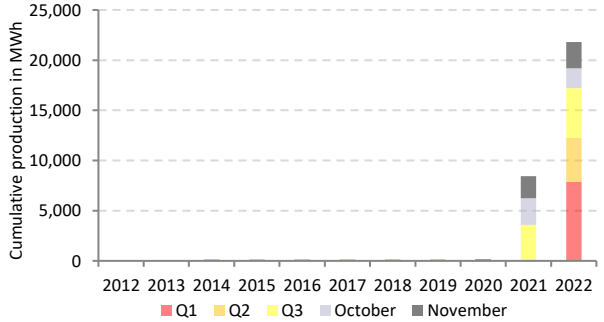

### Chart 1.b Total production of the Slovak portfolio




### Chart 1.c Total production of Hungarian portfolio




### Chart 1.d Total production of Australian portfolio




The Company reports 116.6 GWh of electricity produced YTD compared to 97.8 GWh one year ago (+19.2%) propelled by the two power plants in Leeton having been operational for the full eleven months (compared to only since August in the 2021 comparative numbers) and the addition of two new power plants in Tolna, Hungary (1.4 MWp added in December 2021 and 1.4 MWp added in May 2022). This represents an avoidance of 46,434 tonnes of $CO_2$ emissions year-to-date.

With over 80% of the Company's power plant portfolio selling electricity directly to the grid at market prices, the Company achieved revenues from electricity generation of EUR 33.885 million in the first eleven months of 2022, compared to EUR 19.402 million for the full year 2021 (+74.6%).

In November, due to bad weather conditions, the electricity generated by our proprietary portfolio was short of estimates by -13.8%. Our Slovak, Hungarian and Australian portfolio underperformed energy forecasts by -15.2%, -27.0% and -5.9% respectively while our Czech portfolio exceeded expectations by 2.9%. The specific performance ratio of the proprietary portfolio (SPR) reached 56.0 kWh/kWp compared to 61.2 kWh/kWp one year ago (-8.5% year-on year).

Based on the abovementioned performance, Photon Energy's management board confirms its full-year 2022 guidance with revenue expectations of EUR 85 million (up 133.8% YoY) leading to an EBITDA of EUR 24 million (up 150.4% YoY).

### Table 2. Estimated Revenues from Electricity Generation in November 2022*

| Portfolio | Capacity | Prod. November | Avg. Revenue November | Total Revenue November | YTD Avg. Revenue | YTD Revenue |
|---|---|---|---|---|---|---|
| Unit | MWp | MWh | EUR/MWh | *In Euro thousand* | EUR/MWh, in 2022 | *In Euro thousand* |
| Czech Republic | 15.0 | 535 | 764 | 409 | 818 | 13,423 |
| Slovakia | 10.4 | 306 | 263 | 58 | 263 | 2,129 |
| Hungary | 51.8 | 1,688 | 207 | 350 | 235 | 15,766 |
| Australia | 14.7 | 2,615 | 77 | 200 | 118 | 2,567 |
| **Total Portfolio** | **91.9** | **5,145** | **202** | **1,017** | **298** | **33,885** |

** Estimates for revenues are based on management reporting and may deviate from published financial statements due to exchange rates.*
*** Slovak joint-ventures SK SPV 1 s.r.o., Solarpark Polianka s.r.o., and Solarpark Myjava s.r.o. are consolidated at equity only and therefore not presented in the above table.*

## 3. Reporting on Photon Energy's project pipeline

Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of project development activities is to expand the PV proprietary portfolio, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with the goal of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver for Photon Energy's future growth. The Group's experience in project development and financing in the Czech Republic, Slovakia, Germany, Italy and Hungary is an important factor in selecting attractive markets and reducing the inherent risks related to project development.

Photon Energy is currently developing PV projects in Australia (309.8 MWp), Hungary (90.5 MWp), Romania (227.7 MWp) and Poland (291.8 MWp) and is evaluating further markets for opportunities.

| Country | 1. Feasibility* | 2. Early development | 3. Advanced development | 4. Ready-to-build technical | 5. Under construction | Total in MWp |
|---|---|---|---|---|---|---|
| Romania | 14.9 | 75.9 | 73.3 | 35.2 | 28.3 | 227.6 |
| Poland | 259.2 | 30.3 | 2.3 | - | - | 291.8 |
| Hungary | 64.6 | 21.8 | 1.4 | 2.7 | - | 90.5 |
| Australia | - | 300.0 | 9.8 | - | - | 309.8 |
| **Total in MWp** | **338.7** | **428.0** | **86.8** | **37.9** | **28.3** | **919.7** |

**Development phases are described in the glossary available at the end of this chapter.*

**Chart 2.a Romanian project pipeline in MWp**

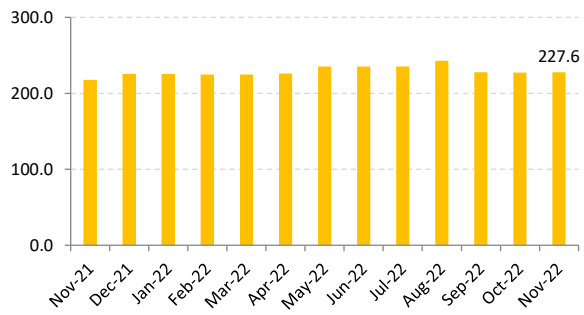



**Chart 2.b Polish project pipeline in MWp**

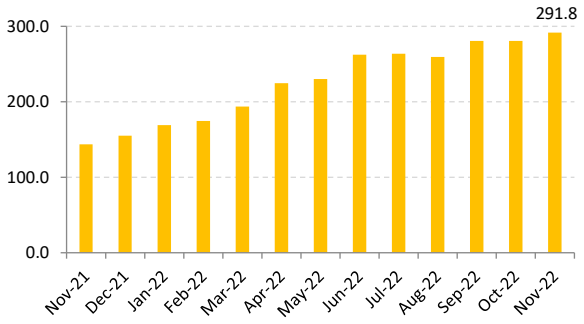



**Chart 2.c Australian project pipeline in MWp**

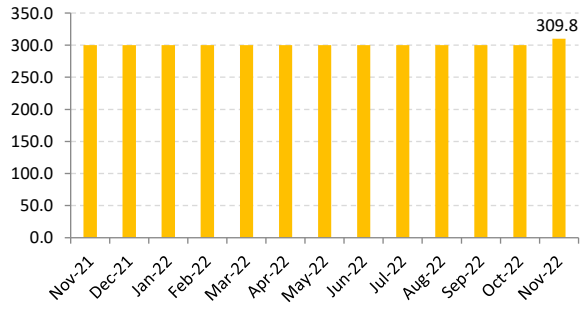
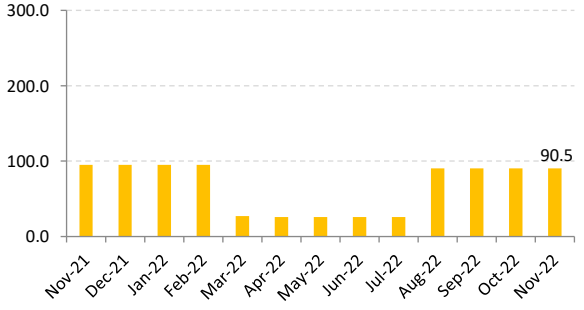



**Chart 2.d Hungarian project pipeline in MWp**




PV projects have two definitions of capacity. The grid connection capacity is expressed as the maximum of kilowatts or megawatts which can be fed into the grid at any point in time. Electricity grids run on alternating current (AC). Solar modules produce direct current (DC), which is transformed into AC by inverters. Heat, cable lines, inverters and transformers lead to energy losses in the system between the solar modules and the grid connection point. Cumulatively system losses typically add up to 15-20%. Therefore, for a given grid connection capacity a larger module capacity (expressed in Watt peak – Wp) can be installed without exceeding the grid connection limit. At times of extremely high production, inverters can reduce the volume of electricity so that the plant stays

within the grid connection limits. Photon Energy will refer to the installed DC capacity of projects expressed in Megawatt peak (MWp) in its reporting, which might fluctuate over the project development process.

Projects having reached an advanced development phase, as well as projects for which sufficient details can be disclosed are described in the table below:

| Country | Location | Dvt Phase | Project function | Share | MWp | Commercial Model | Land | Grid connection | Construction permit | Expected RTB |
|---|---|---|---|---|---|---|---|---|---|---|
| Romania | Siria | 5 | Own portfolio | 100% | 5.7 | Merchant/PPA | Secured | Secured | Secured | Under construction |
| Romania | Aiud | 5 | Own portfolio | 100% | 4.7 | Merchant/PPA | Secured | Secured | Secured | Under construction |
| Romania | Calafat | 5 | Own portfolio | 100% | 6.1 | Merchant/PPA | Secured | Secured | Secured | Under construction |
| Romania | Teius | 5 | Own portfolio | 100% | 4.7 | Merchant/PPA | Secured | Ongoing | Secured | Under construction |
| Romania | Sahateni 1 | 5 | Own portfolio | 100% | 7.1 | Merchant/PPA | Secured | Secured | Secured | Under construction |
| Romania | Faget | 4 | Own portfolio | 100% | 3.2 | Merchant/PPA | Secured | Secured | Secured | Q4 2022 |
| Romania | Sahateni 2 | 3 | Own portfolio | 100% | 5.3 | Merchant/PPA | Secured | Secured | Secured | Q3 2023 |
| Hungary | Tolna 3-4 | 4 | Own portfolio | 100% | 2.7 | Merchant/PPA | Secured | Secured | Secured | Q4 2022 |
| Hungary | Tolna 5 | 3 | Own portfolio | 100% | 23.1 | Merchant/PPA | Ongoing | Secured | Secured | Q1 2023 |
| Hungary | Tolna 6-13 | 2 | Own portfolio | 100% | 23.1 | Merchant/PPA | Ongoing | Secured | Secured | Q2/Q3 2023 |
| Australia | Boggabri | 3 | Own portfolio | 100% | 9.8 | Merchant/PPA | Secured | Secured | Ongoing | Q2 2023 |
| Australia | Yadnarie | 2 | All options open | 100% | 300.0 | All options open | Secured | Ongoing | Ongoing | Q4 2023 |

## Australia

Below is a short summary of projects and progress achieved in the reporting period.

- **Raygen project (300 MWp):** In November 2021, the Group secured 1,200 hectares of land in South Australia to develop a 300 MWp solar farm with a grid connection capacity of 150 MW suitable for RayGen's solar technology in combination with its energy storage solution. The target storage energy storage capacity is 3.6 GWh, equivalent to 24 hours of full load, to the grid, from storage. This will exceed the 3 GWh capacity of the Ouarzazate Solar Power Station in Morocco, which currently has the world's largest energy storage capacity of any type, excluding pumped hydro.

  The project received Crown Sponsorship from the South Australian Government for development approval. Crown Sponsorship is a development process undertaken directly with, in this case, the Department of Energy and Mining, as a development of public infrastructure under section 49(2)(c) of the Development Act 1993 for the approval of the project with the South Australian Government. The proposed development complies with the requirements of the Technical Regulator in relation to the security and stability of the State's power system. In parallel, Photon Energy has applied for grid connection for the project to the Electranet transmission network and has engaged a grid connection consultant to manage the process and conduct Grid Performance Studies which will be submitted for approval.

  In Q1 2022, Photon Energy conducted Community consultation sessions with very positive response from both the community and the local council. The local council is very supportive of the project and has expressed interest in working with Photon Energy on accommodation and local supply chain in any areas that will be mutually beneficial to both the local community and the project.

- **Boggabri project (9.8 MWp):** In November 2022, the Company acquired the development rights and land for a 9.8 MWp/10 MWh solar and battery energy storage system facility in New South Wales. The project is located in the vicinity of the town of Boggabri, New South Wales, nearly 500km north-west of Sydney. It will extend over 22 hectares of greenfield land and will be equipped with over 16,500 high-efficiency bifacial solar modules mounted on single-axis trackers.

  The facility will deliver around 16.4 GWh of renewable energy annually to the grid operated by Essential Energy. The electricity will be sold on the energy market on a merchant basis. Photon Energy Group expects to break ground on the project towards the end of the second quarter of 2023.

  The project represents the Company's first utility-scale solar-plus-storage installation and will serve as a prototype for a future roll-out across Photon Energy Group's European markets.

## Hungary

Below is a short summary of projects and progress achieved in the reporting period.

- **Tolna 3-13 projects (25.8 MWp under development, 1.4 MWp commissioned on 9 December 2021 and 1.4 MWp commissioned on 5 May 2022):** In total thirteen projects with a total planned installed DC capacity of 28.6 MWp are located in the Tolna region in the south of Hungary. Two power plants have a grid connection capacity of 5.0 MW AC each, whereas 1 MW AC have been secured for each of the remaining eleven projects. The grid connection points have been secured and the negotiations for suitable land plots have been finalized for several projects. Grid connection plans have been initiated and partially approved, to allow us to conclude grid connection agreements with E.ON. with a validity of two years.

In December 2020, one of the 1MW AC (approx. 1.4 MWp DC) projects was granted a METAR premium of 24,470 HUF/MWh (approx. EUR 68 per MWh) with a maximum supported production of 21,585 MWh over a period of up to 15 years. This achievement results from the approval of the project application to the first pilot tender for the METAR system organized in September 2019.

Two power plants have been constructed and commissioned to date, with a third one in advanced development after securing the binding extraction and construction permits. These additions expand the Company's portfolio in Hungary to a total of 63, with a combined capacity of 51.8 MWp. They are the first European utility-scale PV power plants in our IPP portfolio operated without a support scheme. The annual production of each power plant is expected to be around 2.1 GWh. Each of these power plants extends over 2.2 hectares, uses bi-facial PV modules mounted on single-axis trackers and is connected to the grid of E.ON Dél-dunántúli Áramhálózati Zrt.

The electricity is sold on the national electricity market on a merchant basis. Entering into a contract-for-difference based on a METÁR license (for the project that has proven successful through the auction process) or entering into PPAs in the future, remain possible options.

## Romania

Below is a short summary of projects and progress achieved in the reporting period.

- **Siria (5.7 MWp) project:**

  In June 2022, the Company broke ground on the construction of its very first Romanian PV power plant with a capacity of 5.7 MWp. High efficiency bifacial solar modules mounted on single-axis trackers will deliver around 8.7 GWh of renewable energy annually to the grid of Enel E-Distributie Banat. The power plant will extend over 9.3 hectares of greenfield land and will be equipped with some 10,600 solar panels. We have completed most of the power plant's construction and MV works are ongoing. Photon targets the end of 2022 for mechanical commissioning of the power plant.

- **Aiud (4.7 MWp) project:**

  In July 2022, the Company announced that it started the construction of its second Romanian PV power plant in Aiud with a capacity of 4.7 MWp and an expected annual generation of 6.8 GWh that will be delivered to the grid of Distribuție Energie Electrică Romania. Located near Aiud in Romania's Alba County, the power plant will extend over 6.6 hectares of greenfield land and is equipped with around 8,700 solar panels. The project is starting to take shape as well and waits for inverter delivery and delivery of MV works.

- **Calafat (6.1 MWp) project:**

  In July 2022, the Company announced that it started the construction of another three Romanian PV power plant with a combined capacity of 6.1 MWp and an expected annual generation of 9.6 GWh that will be delivered to the grid of Distribuție Energie Oltenia. Located near Calafat in Romania's Dolj County, the power plants will extend over 10.2 hectares of greenfield land and will be equipped with some 10,800 solar panels. With 100% of the structure, tracking system, and modules installed, following with 80% of inverters already installed.

- **Teius (4.8 MWp) project:**

  In August 2022, the Company announced that it started the construction of another Romanian PV power plant with a capacity of 4.8 MWp and an expected annual generation of 7.1 GWh that will be delivered to the grid of Distribuție Energie Electrică Romania. Located near Teiuș in Romania's Alba County, the power plant will extend over 10 hectares of greenfield land and will be equipped with some 8,700 solar panels. Currently, all structure, tracking systems and modules have been installed, while the project awaits the installation of inverters.

- **Săhăteni (7.1 MWp) project:**

  In September 2022, the Company announced that it started the construction of another Romanian PV power plant with a generation capacity of 7.1 MWp and an expected annual generation of 11.4 GWh that will be delivered to the grid of SDEE Electrica Muntenia Nord. Located near Săhăteni in Romania's Buzău County, the power plant will extend over 10 hectares of greenfield land and will be equipped with some 12,700 solar panels using mounting structures of fixed modules and trackers. Structure, tracking system and modules are installed as the project receives invertors and MV materials.

  Commission requests have started for these projects with the construction planned to be finished in the coming weeks. All projects to be built in Romania will be selling electricity after grid connection on a merchant basis into the grid.

  Upon the commissioning of these plants, the Company will own and operate 95 solar power plants with a combined generation capacity of 120 MWp in its IPP portfolio. A combined 104 MWp will be selling subsidy-free clean electricity directly on the energy market.

| Glossary of terms | Definitions |
|---|---|
| ***Development phase 1: "Feasibility"*** | *LOI or MOU signed, location scouted and analyzed, working on land lease/purchase, environmental assessment and application for grid connection.* |
| ***Development phase 2: "Early development"*** | *Signing of land option, lease or purchase agreement, Environmental assessment (environmental impact studies "EIS" for Australia), preliminary design.*<br>*Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.).*<br>*Specific to Australia: community consultation, technical studies.* |
| ***Development phase 3: "Advanced development"*** | *In Europe: Finishing work on construction permitting, Receiving of MGT (HU)/ATR (ROM) Letter, Finishing work on permitting for connection line, etc.*<br>*In Australia: Site footprint and layout finalised, Environmental Impact Statement and development application lodged. Grid connection studies and design submitted.* |
| ***Development phase 4: "Ready-to-build technical"*** | *In Europe: Project is technical ready to build, we work on offtake model (if not FIT or auction), securing financing (internal/external).*<br>*In Australia: Development application approved, offer to connect to grid received and detailed design commenced. Financing and off-take models/arrangements (internal/external) under negotiation.* |
| ***Development phase 5: "Under construction"*** | *Procurement of components, site construction until the connection to the grid.*<br>*On top for Australian projects, signature of Financing and off-take agreements, reception of Construction certificate, conclusion of connection agreement, EPC agreement, Grid connection works agreements.* |

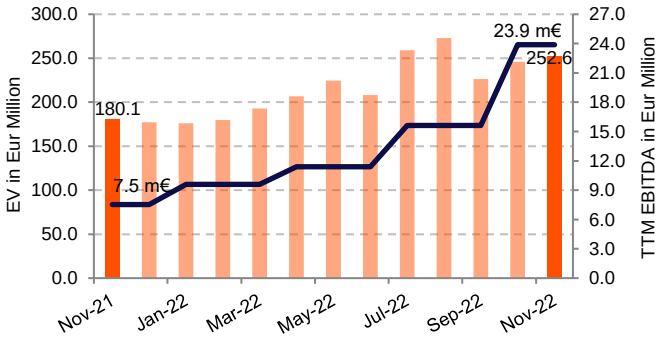
# 4. Enterprise value & Share price performance

## 4.1 Main market of the Warsaw Stock Exchange

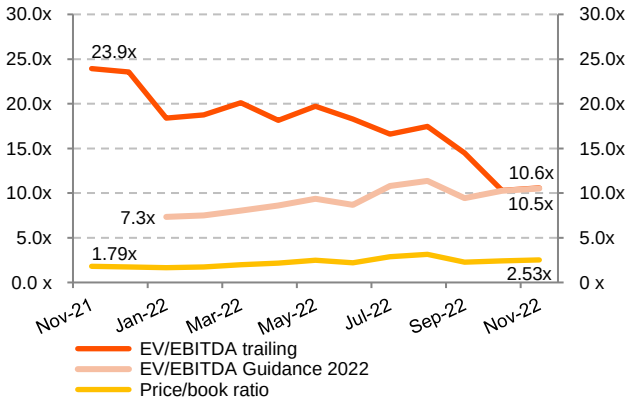
On 30 November 2022 the Company's shares (ISIN NL0010391108) closed at a price of PLN 12.19 (+4.2% MoM, +70.5% Year-to-date), corresponding to a price to book ratio of 2.53. The monthly trading volume amounted to 392,347 shares (vs. an average monthly volume of 459,350 over the past twelve months).

Trading of the Company's shares on the regulated market of the Warsaw Stock Exchange (WSE) (Giełda Papierów Wartościowych w Warszawie) commenced on 5 January 2021. Prior to that date, data presented in this section have been extracted from the trading activity on NewConnect.

### Chart 3. Enterprise value vs. trailing 12 months (TTM) EBITDA




### Chart 4. Enterprise value / EBITDA and price to book ratio




*Notes:*

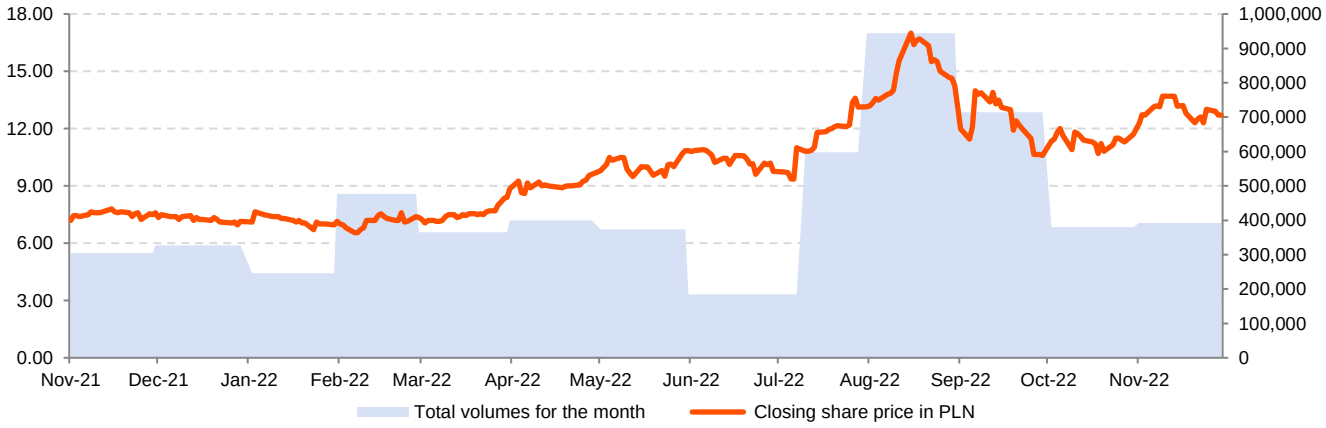
*EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.*

*Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. the sum of EBITDA reported in Q4 2021, Q1 2022, Q2 2022 and Q3 2022.*

*Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the latest quarterly report.*

*EV/EBITDA ratio – is calculated by dividing the Enterprise Value by the Trailing 12 months (TTM) EBITDA.*

### Chart 5. Total monthly volumes vs. daily closing stock prices



### 4.2 Main market of the Prague Stock Exchange

On 30 November 2022 the share price (ISIN NL0010391108) closed at a level of CZK 66.00 (+7.5% MoM, +72.8% Year-to-date), corresponding to a price to book ratio of 2.64. The Company reports a monthly trading volume of 292,555 shares, compared to an average monthly trading volume of 431,735 over the past twelve months.

Trading of the Company's shares on the regulated market of the Prague Stock Exchange (PSE) (Burza cenných papírů Praha) commenced on 5 January 2021. Prior to that date, Data have been extracted from the trading activity on the Free Market of the Prague Stock Exchange.

### 4.3 Quotation Board of the Frankfurt stock exchange

On 30 November 2022, the share price (FSX: A1T9KW) closed at a level of EUR 2.73 (+16.8% MoM, +81.0% Year-to-date), corresponding to a price to book ratio of 2.65.

The Company reports a monthly trading volume of 6,593 shares, compared to an average monthly trading volume of 40,627 over the past twelve months.

The Company's shares have been traded on the Quotation Board of the Frankfurt Stock Exchange since 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.

Since 28 July 2020, the Company's shares have been traded on the Free Market (Freiverkehr) of the Munich Stock Exchange.

In addition, the Company's shares have also been traded on the Free Market (Freiverkehr) of the Berlin Stock Exchange since 13 January 2021 and on the Free Market (Freiverkehr) of the Stuttgart Stock Exchange since 14 January 2021.

## 5. Bond trading performance

In December 2016 the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payments in the Czech Republic. The corporate bond (ISIN CZ0000000815) with a nominal value of CZK 30,000 has been traded on the Free Market of the Prague Stock Exchange since 12 December 2016.

On 27 October 2017 the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. The original target volume of EUR 30 million was successfully increased in two steps with all parameters unchanged, to an outstanding amount of EUR 45.0 million prior to the completion of the exchange offer described below. The corporate bond (ISIN DE000A19MFH4) with a nominal value of EUR 1,000 has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond was also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The total outstanding bond volume of EUR 15.232 million was fully repaid together with the final interest payment to the bondholders on 27 October 2022.

On 17 November 2021, The Company successfully placed its 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) in the amount of EUR 50 million. The bond issuance was met with strong demand from the Company's existing bondholders, who subscribed to EUR 21.281 million in the exchange that was offered for the existing EUR Bond 2017/2022. The green bond – with an interest rate of 6.50% p.a., paid quarterly – 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.

On 29 November 2021, the Group successfully increased the bond placement by EUR 5 million with all parameters unchanged, bringing the total outstanding bond volume to EUR 55 million.

In May 2022, the Company successfully tapped its 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) in the amount of EUR 10 million to a total outstanding amount of EUR 65 million.

In October 2022 and November 2022, the Company announced that it has tapped its 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) in the amount of another EUR 12.5 million to a total outstanding amount of EUR 77.5 million.

The bonds, which bear interest at a rate of 6.50% p.a. with quarterly interest payments, were also offered to bondholders of the existing 2017/2022 corporate bonds in form of an exchange offer with a 1.5% loyalty premium plus the difference in net accrued interest on each exchanged bond. Existing investors registered around 6.0 million euros nominally for exchange, which corresponds to a ratio of 30% of the outstanding bond. Together with the initial exchange offer organized in November 2021, 60% of the outstanding volume of the Company's 2017/2022 bond got exchanged for the new Green EUR Bond.

This tap issuance of the 2021/2027 Green bonds was included into trading on the Quotation Board trading segment of the Open Market (Freiverkehr) on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on 14 October 2022.

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.

### 5.1 Green EUR Bond 2021/27 trading performance in Frankfurt

**Green EUR Bond 2021/27 trading performance to date**

In the trading period from 17 November 2021 until 30 November 2022, the trading volume amounted to EUR 7.967 million with an opening price of 100.00 and a closing price of 103.40 in Frankfurt. During this period the average daily turnover amounted to EUR 28,454.

**Green EUR Bond 2021/27 trading performance in November 2022**

In November 2022 the trading volume amounted to EUR 152,000 in Frankfurt with an opening price of 98.90 and a closing price of 103.40. The average daily turnover amounted to EUR 6,609.

### 5.2 CZK Bond 2016/23 trading performance in Prague

In the trading period from 12 December 2016 until 30 November 2022, the trading volume amounted to CZK 40.500 million with a closing price of 98.00.

## 6. Investors' calendar

- 12 January 2023: Monthly report for December 2022
- 15 February 2023: Entity and consolidated quarterly reports for Q4 2022
- 16 February 2023: Online presentation of Photon Energy Group's Q4 2022 results
- 16 February 2023: Monthly report for January 2023
- 14 March 2023: Monthly report for February 2023
- 13 April 2023: Monthly report for March 2023
- 11 May 2023: Entity and consolidated quarterly reports for Q1 2023
- 12 May 2023: Online presentation of Photon Energy Group's Q1 2023 results
- 12 May 2023: Monthly report for April 2023
- 15-17 May 2023: German Spring Conference 2023, Frankfurt
- 14 June 2023: Monthly report for May 2023
- 14 July 2023: Monthly report for June 2023
- 16 August 2023: Entity and consolidated reports for Q2 2023 / H1 2023
- 17 August 2023: Online presentation of Photon Energy Group's Q2 2023/H1 2023 results
- 17 August 2023: Monthly report for July 2023
- 13 September 2023: Monthly report for August 2023
- 12 October 2023: Monthly report for September 2023
- 13 November 2023: Entity and consolidated quarterly reports for Q3 2023
- 14 November 2023: Online presentation of Photon Energy Group's Q3 2023 results
- 14 November 2023: Monthly report for October 2023
- 27-29 November 2023: Deutsches Eigenkapitalforum, Frankfurt
- 13 December 2023: Monthly report for November 2023

## 7. Investor relations contact

Emeline Parry, Investor relations & Sustainability manager

E-mail: ir@photonenergy.com

Photon Energy N.V.

Barbara Strozzilaan 201

1083 HN Amsterdam

The Netherlands

Web: www.photonenergy.com

Amsterdam, 14 December 2022

Georg Hotar, Member of the Board of Directors

Michael Gartner, Member of the Board of Directors