

PHOTON ENERGY N.V.

Q2 2020 Results

14 August 2020

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**Q2 & HY 2020
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MONOR, HUNGARY

5.6 MW_p, 2019

At a glance

Founded
2008



Active in
10+ countries



Own portfolio
60.6 MWp



O&M services for
310+ MWp



Employees worldwide
120



Headquartered in
Amsterdam



Built
80+ MWp



Energy produced 2019:
43.8 GWh



Shares
traded in **PL and CZ**



Bond
EUR 43.0 M



KEY FINANCIAL INDICATORS 2019

Total revenues	EUR 30.15 M
EBITDA	EUR 7.94 M
EBIT	EUR 1.15 M
Profit before taxation	EUR 0.99 M

KEY PERFORMANCE INDICATORS as of 30. 06. 20

Total Assets	EUR 138.99 M
Net debt / EBITDA	8.4x
Interest coverage ratio*	1.7x
Net debt / Equity	2.1x

* EBITDA/Interests

Owner-managed group with solid track-record



Georg Hotar CEO

- Co-founder of Photon Energy
- Extensive knowledge of the solar energy industry, International finance, Global strategy
- Before Photon Energy: Financial strategy in London (Carnegie AB, ICE Securities) and Zurich (Fincoord)



Michael Gartner CTO & MD Australia

- Co-founder of Photon Energy
- Responsible for technology strategy, growing the Australian business
- Before Photon Energy: Investment banker (ING Bank and Commerzbank), developed one of the first large PV installations in the Czech Republic

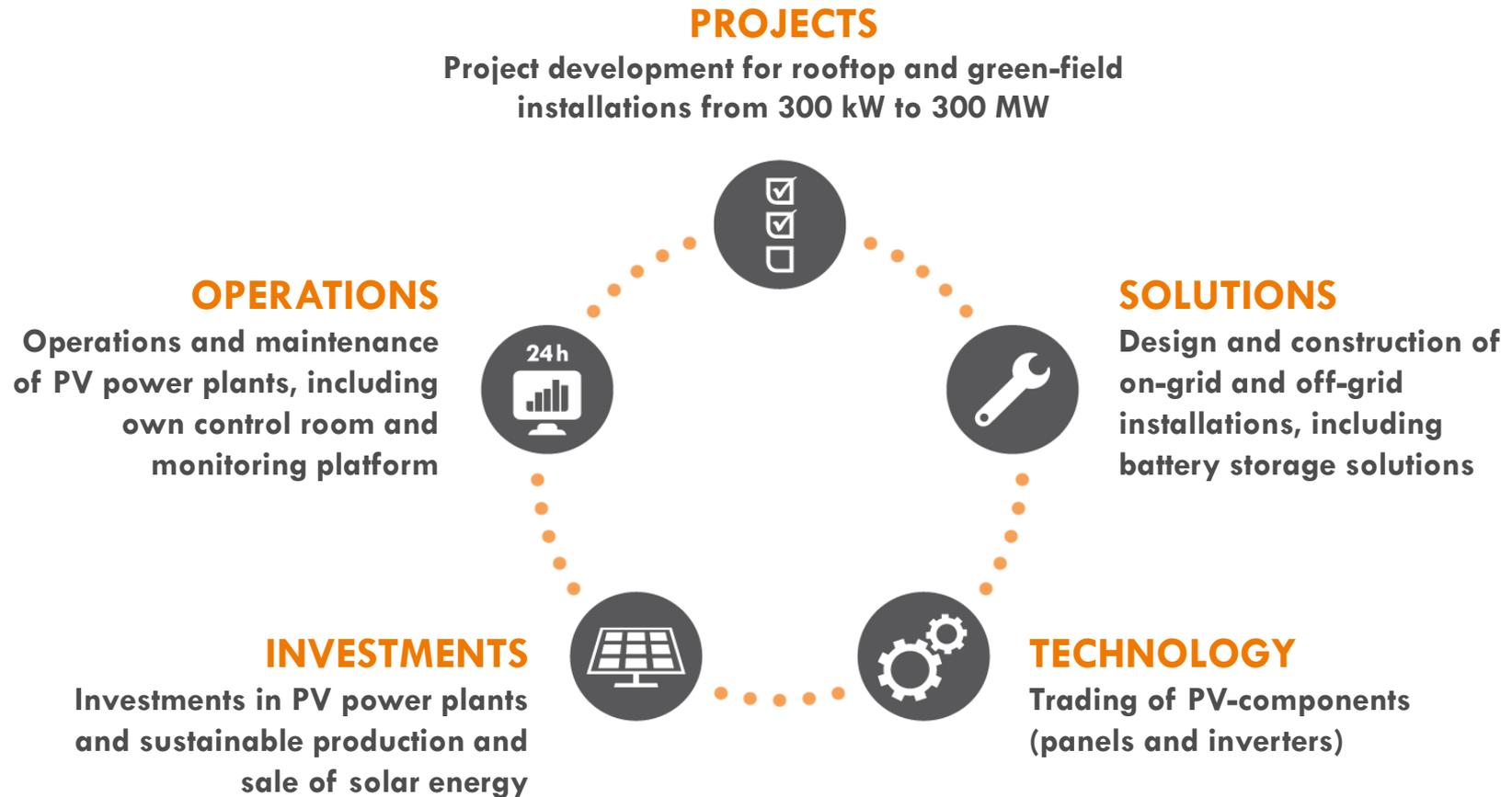


Clemens Wohlmuth CFO

- Responsible for Accounting, Controlling and Financing
- With Photon Energy since 2012
- Before Photon Energy: CFO and CEO Telekom Austria Czech Republic, Ernst & Young Consulting

Experienced and committed team.
Specialized know-how & expertise in technology, business development and financing.

Covers full life-cycle of PV power plants



GLOBAL PRESENCE

Focus on Europe and Australia

ELECTRICITY PRODUCTION (60.6 MWp)

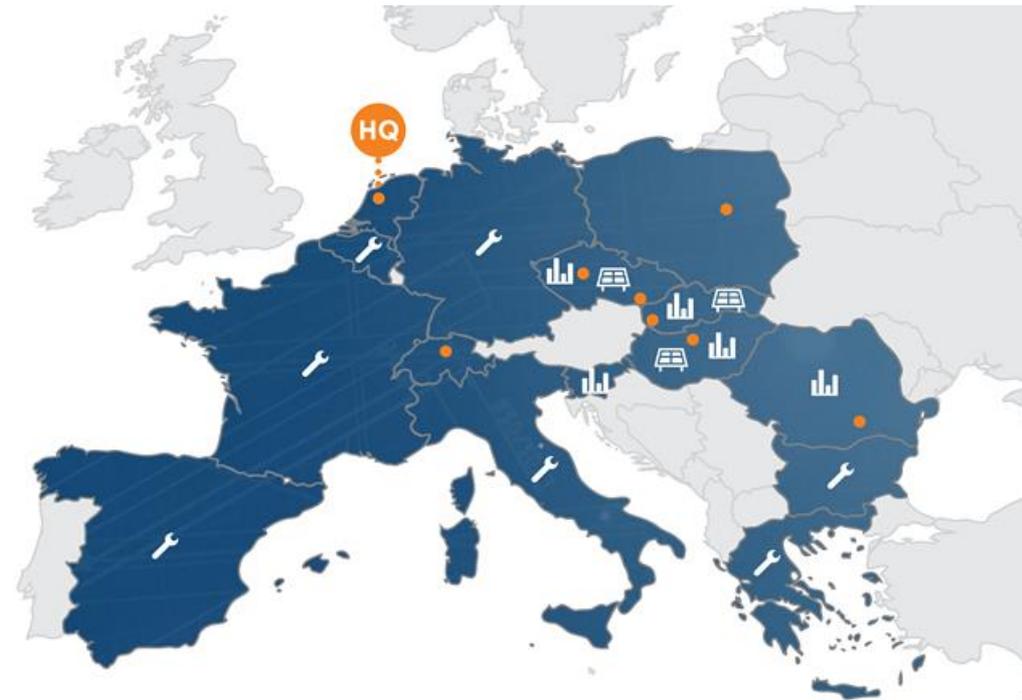
- 11 proprietary power plants in the Czech Republic (15.0 MWp), 11 in Slovakia (10.5 MWp), 51 in Hungary (35.0 MWp) and 1 in Australia (0.1 MWp)

O&M (310+ MWp)

- Full Operations and Maintenance services in the Czech Republic, Slovakia, Romania, Hungary, Slovenia and Australia (250+ MWp)
- Specialised technical services for PV inverters in other European countries (60+ MWp)

PROJECT DEVELOPMENT

- Focus on Australia and Hungary
- Poland and Romania in preparation



 Power plants owned by Photon Energy

 Power plants under O&M

 Other O&M services

 Offices



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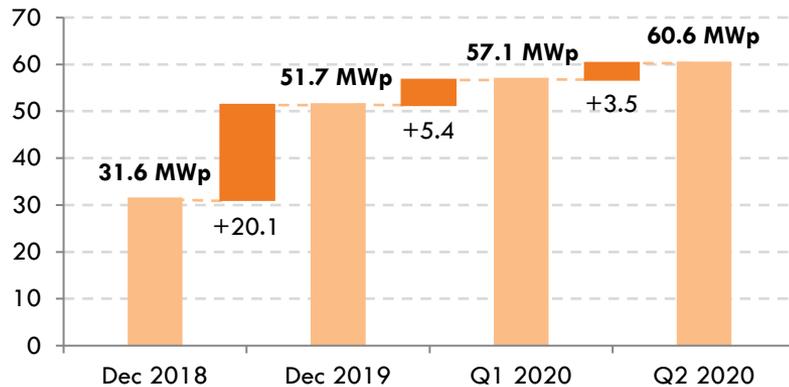


FERTŐD II, HUNGARY

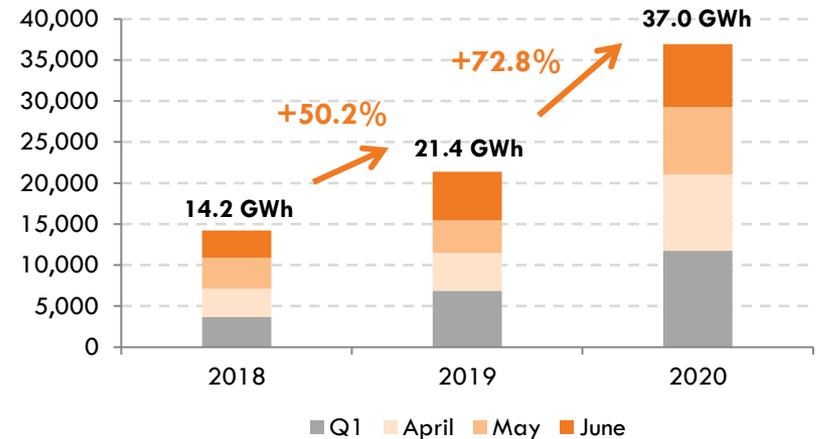
3.5 MW_p, 2019

Strong business performance

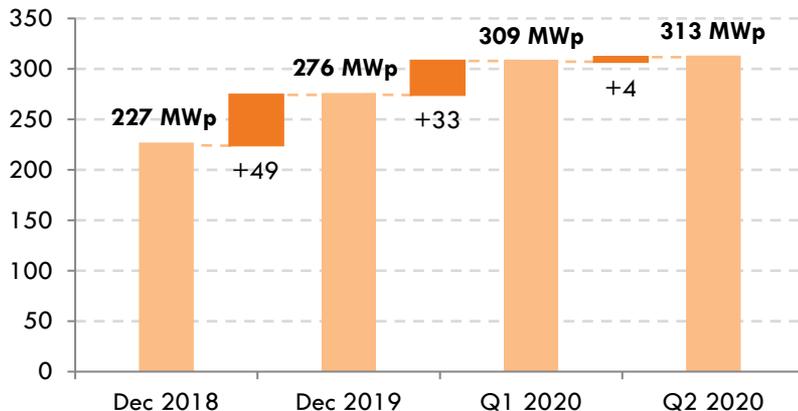
Proprietary portfolio, cumulated (MWp)



H1 electricity generation cumulated (MWh)



Assets under O&M, cumulated (MWp)



- **5.4 MWp** of PV power plants grid-connected in Hungary in Q1 2020, another **3.5 MWp** in Q2 2020.
- **36.9 GWh of electricity (+72.8% YoY)** generated by our proprietary power plant portfolio in H1 2020.
- **37 MWp of O&M contracts** added in H1 2020 compared to 49 MWp in year 2019.

Q2 2020 FINANCIAL RESULTS

Income Statement

In thousand EUR	Q2 2020	Q2 2019	Change in %	H1 2020	H1 2019	Change in %
Revenues from electricity generation	5,930	4,997	18.7%	8,858	7,437	19.1%
Other revenues	2,952	2,944	0.3%	5,340	4,702	13.6%
Total revenues	8,882	7,941	11.9%	14,198	12,138	17.0%
Cost of Sales	-2,617	-2,663	-1.7%	-4,623	-4,252	8.7%
Gross Profit	6,265	5,278	18.7%	9,575	7,887	21.4%
Operating Cost	-2,230	-1,763	26.5%	-4,149	-3,292	26.0%
EBITDA	4,035	3,515	14.8%	5,426	4,595	18.1%
Depreciation	-2,422	-1,992	21.6%	-3,700	-2,979	24.2%
EBIT	1,613	1,523	5.9%	1,726	1,616	6.8%
Net Financial Expenses	-1,591	-974	63.3%	-3,383	-1,872	80.8%
Income tax	-1,118	-418	167.7%	-981	-740	32.5%
Share of participation/disposal of investments	127	77	64.9%	-40	-74	45.8%
Profit/loss after taxation	-969	208	nm	-2,678	-1,070	150.4%
Revaluation of property, plant and equipment	641	0	nm	2,727	2,629	3.8%
Foreign currency translation diff.	1,534	476	222.4%	-3,174	327	nm
Derivatives (hedging)	-23	-20	15.0%	-16	-47	-66.0%
Total comprehensive income	1,183	664	78.1%	-3,142	1,839	-270.9%

- **Revenue** of EUR 8.882 million, **up 11.9% YoY** leading to **an all-time Q2 record EBITDA of EUR 4.035 million** (+ 14.8% YoY).
- **Net loss** of 0.969 million mainly due to increased **tax accruals, revaluation of derivatives** (unrealized/non cash) and interest cost.
- **Positive revaluation difference** of EUR 0.641 million in **Other Comprehensive Income (OCI)** due to grid-connection of our power plants in Hungary.
- **Unrealized negative foreign currency difference** from Q1 due to volatility of the CZK and the HUF partially compensated in Q2.

Q2 2020 FINANCIAL RESULTS

Balance Sheet

In thousand EUR	30.06.2020	31.03.2020	Change in %
Fixed assets	108,515	105,905	2.5%
Current assets	30,479	21,151	44.1%
Of which Trade and other receivables	10,202	8,835	15.5%
Of which Cash	16,874	9,725	73.5%
TOTAL ASSETS	138,995	127,056	9.4%
Equity	34,660	33,495	3.5%
Adjusted equity ratio	28.5%	30.1%	
Non-current liabilities	93,407	83,489	11.9%
Of which Bank loans	42,923	33,824	26.9%
Current payables	10,927	10,072	8.5%
TOTAL EQUITY AND LIABILITIES	138,994	127,056	9.4%

- **Fixed assets** increased by 2.5% QoQ resulting from an increase of our asset base with the newly connected power plants in Hungary offset by ongoing depreciation.
- **Current assets** increased by 44.1% QoQ mainly due to the refinancing drawdowns for our power plants in Tata, Taszár, Fertőd II and Mályi, which occurred in Q2 2020.
- **Long term liabilities** increased by 11.9% QoQ in accordance with our project refinancing plans.
- **Equity** increased by 3.5% QoQ.
- **Adjusted Equity ratio** remained sound at 28.5%.

Q2 2020 FINANCIAL RESULTS

Cash Flow Statement

In thousand EUR	Q2 2020	Q2 2019	Change in %	H1 2020	H1 2019	Change in %
Profit/loss adjusted by non-cash items	4,413	3,624	21.8%	5,364	4,759	12.7%
Change in Working Capital	-1,280	-4,005	-68.0%	-3,406	-6,183	-44.9%
Net cash from operating activities	3,133	-380	-923.6%	1,958	-1,424	-237.5%
Net cash from investing activities	-3,731	-5,589	-33.2%	-5,941	-7,071	-16.0%
Net cash from financing activities	7,747	4,570	69.5%	5,753	2,561	124.7%
<i>Of which proceeds from borrowings</i>	10,235	10,333		10,235	10,333	-1.0%
<i>Of which repayment of borrowings</i>	-1,295	-4,701	-72.5%	-2,216	-5,869	-62.2%
<i>Of which Interest expenses</i>	-1,250	-1,090	14.7%	-2,435	-2,135	14.0%
Net change in cash and cash equivalents	7,149	-1,400	-610.8%	1,770	-5,935	-129.8%
Cash at the beginning of the period	9,725	7,802	24.7%	15,104	12,337	22.4%
Cash at the end of the period	16,874	6,402	163.6%	16,874	6,402	163.6%

- The Group posted a positive **operating cash flow**, driven by the sound performance in the quarter partially compensated by an increase in the net working capital.
- The increase of **Financial cash flow** was due to the refinancing drawdowns for our power plants in Tata, Taszár, Fertőd II and Mályi.
- **Investment cash flow** was negative and equaled to EUR -3.731 million in the reporting period, mainly as a result of investment activities in Hungary and the investment made in Raygen, Australia.
- The overall **cash position** increased by EUR 7.149 million in Q2 2020 to reach EUR 16.874 million and remained at a sound level.

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BRNO AIRPORT, CZECH REPUBLIC

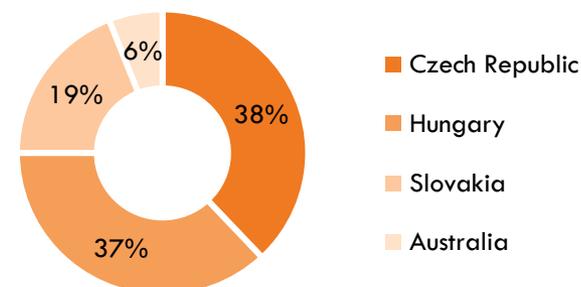
22.2 MW, 2010

Strategic Goals until 2021

- **Expansion of power plant portfolio** from currently 60.6 MWp to **115.1 MWp by 2021.**

No.	Country	Planned capacity (in MWp)
1	Czech Republic	15.0
2	Slovakia	10.4
3	Hungary	75.0
4	Australia	14.7
Total portfolio (plan 2021, in MWp)		115.1

Target portfolio by 2021 (Share in revenues):



- Clear focus on **Australian** and **Hungarian** markets.
- First footsteps have been placed on the **Polish** and **Romanian** markets.
- Further development of Australian projects with **Canadian Solar** and **case-by case exit** according project progress.
- **Expansion of the PPA-business** and construction of commercial „behind-the-meter“ PV projects for industrial customers and off-takers.
- Further expansion of our position as **leading operations & maintenance provider in CEE.**

PROJECT PIPELINE UNDER DEVELOPMENT

Hungary:

- **14.1MWp in Püspökladány** is currently under construction
- **28.5 MWp in Tolna** is currently under development and will be submitted to auctions in Sep–Dec 2020

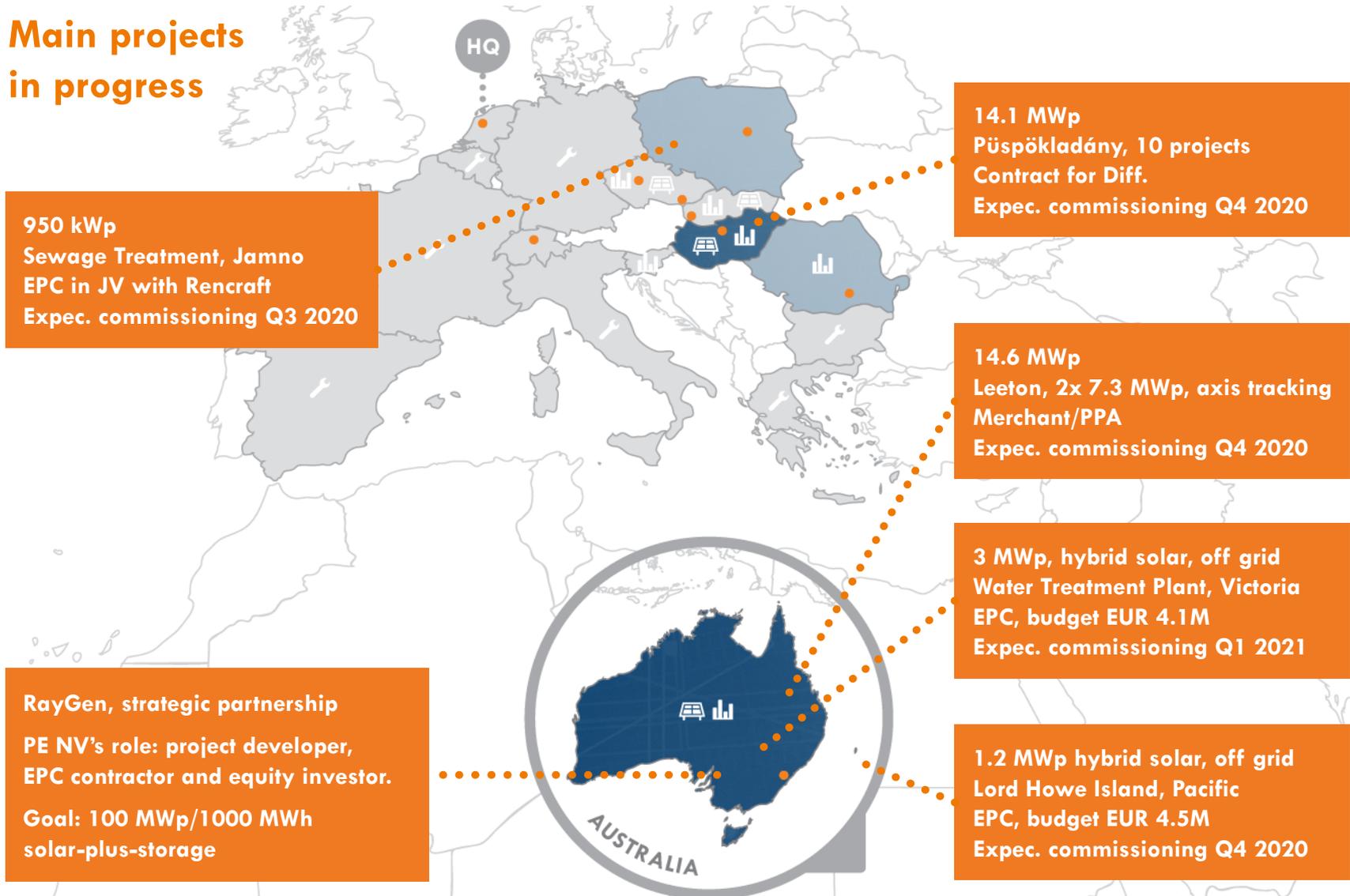
Australia:

- **14.6 MWp Leeton** project under construction for **own portfolio**. Revenue model **merchant**.
- **200 MWp Project in Suntop 1** was **sold** on 30 July 2019 and **150 MWp Project in Gunnedah** was **sold** on 31 August 2019 to Canadian Solar after development approval and connection agreement was reached.
- **146 MWp Project in Brewongle** was **sold** on 31 December 2019 in development process.



Country	Location	Project function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Hungary	Püspökladány	Own portfolio	100%	14.1	Contr.-for-Diff. ¹	Secured	Secured	Secured	Under construction
Hungary	Tolna	Own portfolio	100%	28.5	All options open	Ongoing	Secured	Ongoing	Q1 2021
Total Own portfolio Hungary				42.6					
Australia	Leeton	Own portfolio	100%	14.6	Retailer PPA	Secured	Secured	Secured	Under construction
Total Own portfolio Australia				14.6					
Total Own portfolio				57.2					
Australia	Gunning	Developer	49%	220	Co-development & financing agreement with Canadian Solar	Secured	Ongoing	Ongoing	Q2 2021
Australia	Maryvale	Developer	25%	160		Secured	Ongoing	Secured	Q2 2021
Australia	Suntop 2	Developer	25%	200		Ongoing	Ongoing	Ongoing	Q2 2021
Australia	Carrick	Developer	51%	144		All options open	Secured	Ongoing	Ongoing
Total Development Australia				724					

Main projects in progress



PROJECTS UNDER CONSTRUCTION IN AUSTRALIA

Leeton, 14.6 MWp built for own portfolio

- Business model: market (spot market for electricity and Large Scale Green Certificates – LGCs)
- Current spot market price: 25–30 EUR/MWh (pre COVID 50–60 EUR/MWh)
- Current LGC price: 25 EUR/MWh
- Single axis tracking technology

Status (14 August 2020)

- Project self-developed from scratch
- Construction started May 2020
- Project refinancing secured with Infradebt



Planned capacity:	14,620 kWp
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Annual production:	27.8 GWh
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Land:	Owned
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Projects / SPVs:	2 / 2
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Construction start:	May 2020
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Area size:	approx. 37.2 ha
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Power output:	1,881 kWh/kWp*
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Total investment:	EUR 10.7 M
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Expected revenues:	EUR 1.3 M
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Exp. grid connection:	Q4 2020
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* ENACO Energy Audit P50

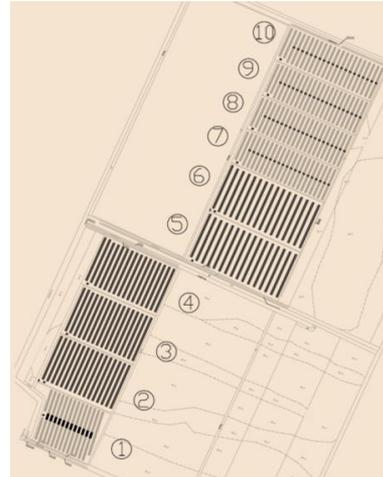
PROJECTS UNDER CONSTRUCTION IN HUNGARY

Püspökladány, 14.1 MWp built for own portfolio

- Business model: guaranteed feed-in-tariff under METÁR-system
- Tariff HUF 33,360 (EUR 97) per MWh indexed, valid for 17.9/15.4 years
- Single axis tracking technology

Status (14 August 2020)

- Project acquired before ready-to-build in May 2019
- Construction started May 2020
- Project refinancing under discussion with Hungarian banks



Area size:	approx. 19.8 ha
Annual production:	20.0 GWh
Total investment:	EUR 11.3 M
Expected revenues:	EUR 1.9 M
Exp. grid connection:	Q4 2020

Prospectus for main market listing filed beginning of July with AFM

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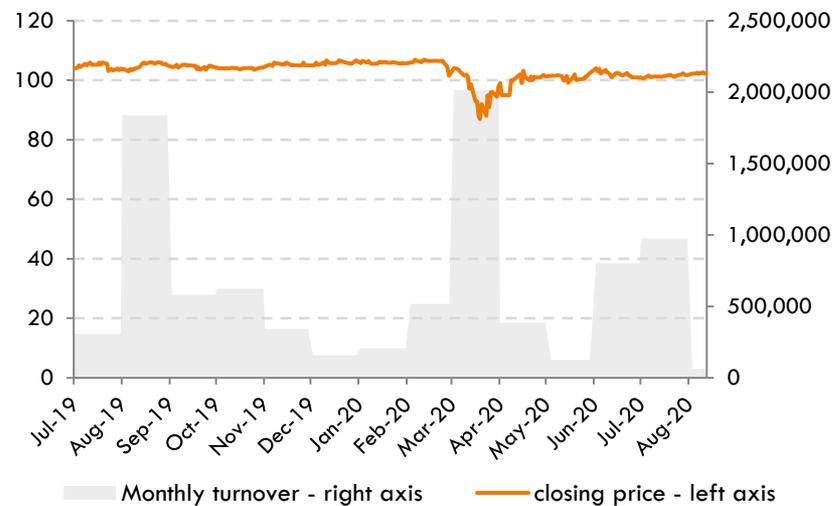
Warsaw (New Connect) & Prague (Free Market)



Shares outstanding	51,209,489
Free float	8,099,948
Market cap 12.08.2020	EUR 151,184 T
Net debt 30.06.2020	EUR 73,854 T
Enterprise value 12.08.2020	EUR 225,038 T

EUR BOND DE 000A19MFH4

Frankfurt (Open Market),
Berlin, Hamburg, Hannover, Munich, Stuttgart



Denomination	EUR 1,000
Redemption date	27. 10. 2022
Nominal value since 03.07.2020	EUR 43,000 T
Coupon (quarterly payment)	7.75% p.a.
Trading volume until 31.07.2020	EUR 44,646 T

THANK YOU FOR YOUR TIME



Q & A Session



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EXPERTS FOR
THE SOLAR AGE.



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SYDNEY, AUSTRALIA

99 kWp, 2015

PARTNERSHIP WITH RAYGEN RESOURCES



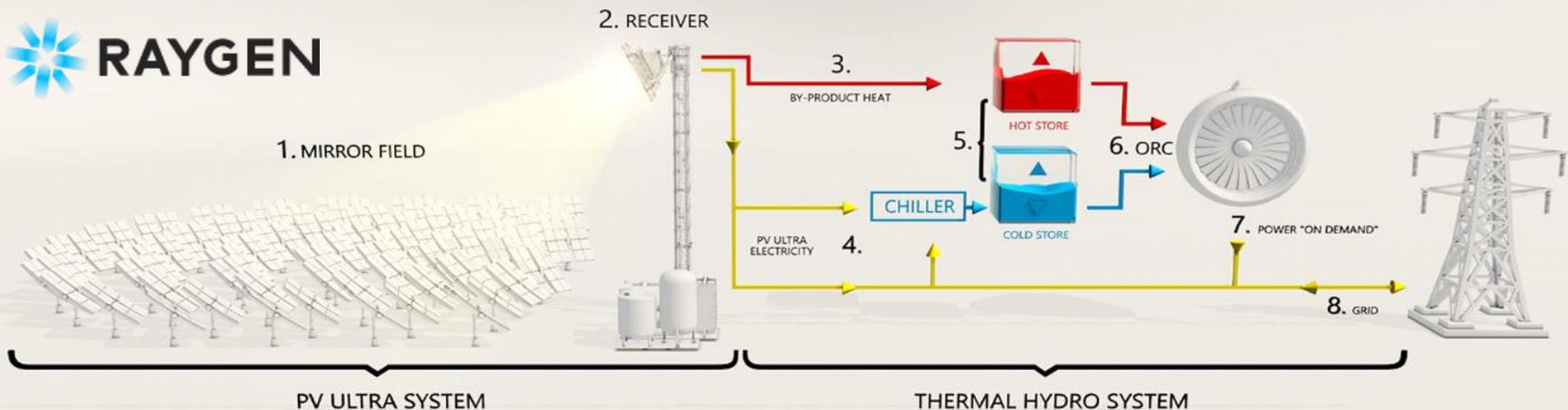
We have partnered with RayGen to develop projects using the Melbourne-based company's innovative solar-plus-storage technology.

About the technology

- RayGen has combined its proprietary solar technology, **PV Ultra**, with its unique storage system, **Thermal Hydro**.
- The **PV Ultra** system generates both electricity and heat by focusing sunlight onto tower-mounted PV receivers.
- **Thermal Hydro** uses hot- and cold-water reservoirs to store the thermal and electrical energy generated by PV Ultra.
- The storage system can then be used to drive a heat-to-power engine, which provides reliable, on-demand power.

About the partnership

- Photon Energy will act as a project developer and EPC contractor and an equity investor
- We're currently working on the development of a 100 MW_p/1000 MWh solar-plus-storage project
- Photon Energy made a minority equity investment in the company



Proprietary portfolio breakdown

Czech Republic

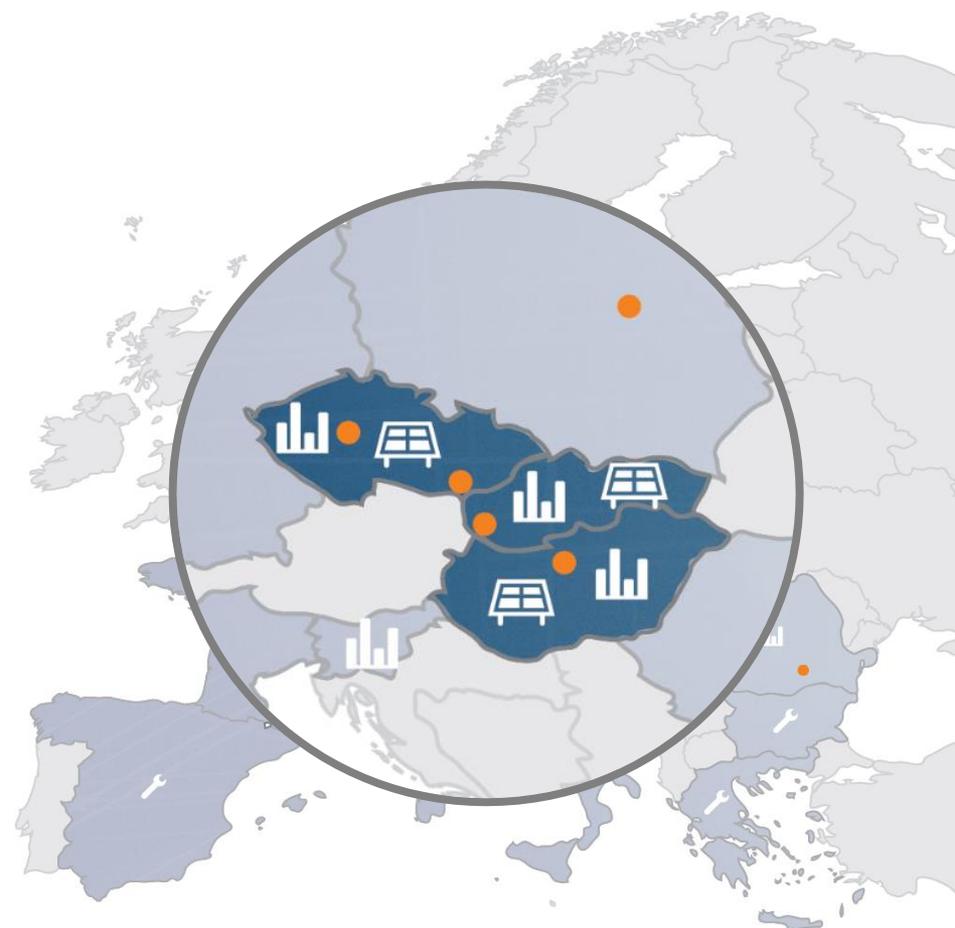
Capacity Installed:	15 MWp
FiT Guaranteed Period:	Until 2029/2030
FiT 2020:	570/610 EUR/MWh
Electricity Generated in 2019:	16,653 MWh
Revenues 2019:	EUR 9.4 M

Slovak Republic

Capacity Installed:	10.4 MWp
FiT Guaranteed Period:	until 2025/2026
FiT 2020:	383/425 EUR/MWh
Electricity Generated in 2019:	10,944 MWh
Revenues 2019:	EUR 4.3 M

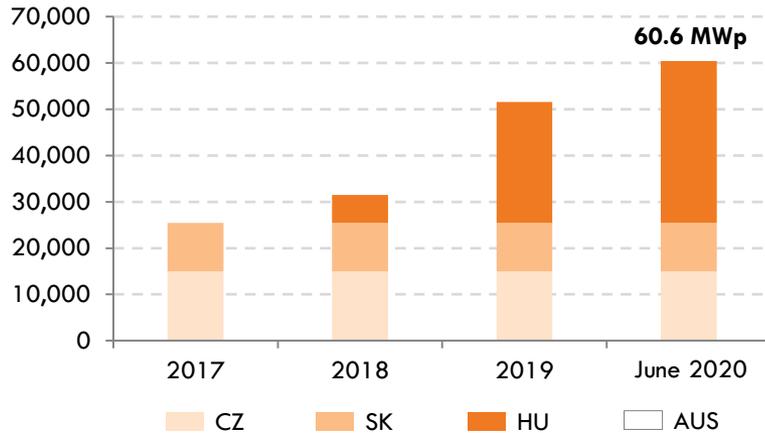
Hungary

Capacity Installed:	35.0 MWp
FiT Guaranteed Period:	until 2043/2044
FiT 2020:	99 EUR/MWh
Electricity Generated in 2019:	16,019 MWh
Revenues*:	EUR 4.2 M

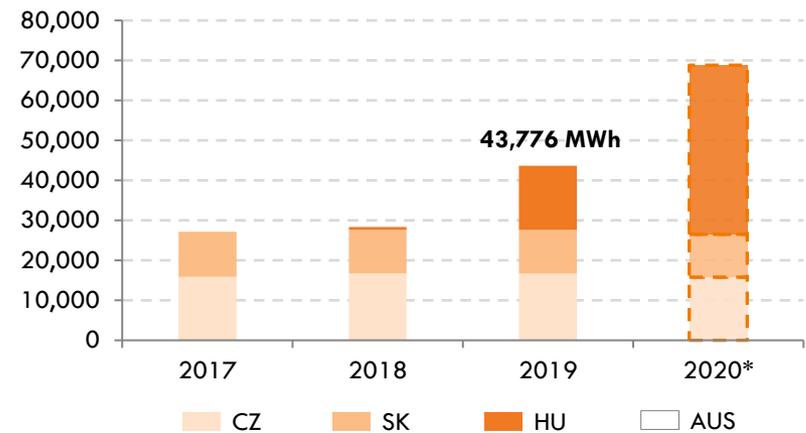


* full year revenue based on expected production data according technical audit, 2020 FiT & HUF/EUR FX = 350

Proprietary portfolio, cumulated (MWp)

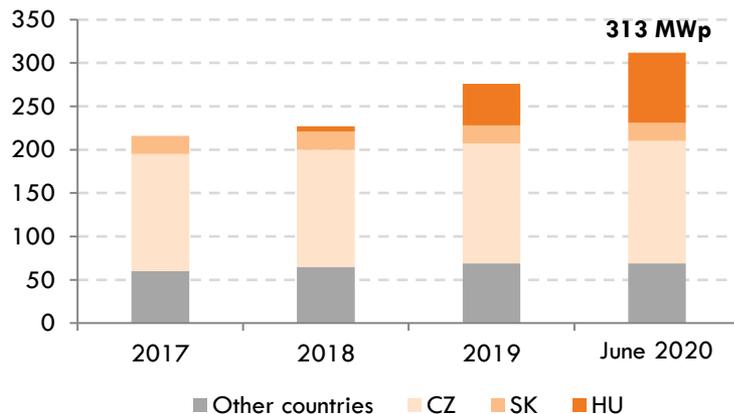


Electricity generation cumulated (MWh)



*2020 Jan. to June actuals, July to Dec. plan data.

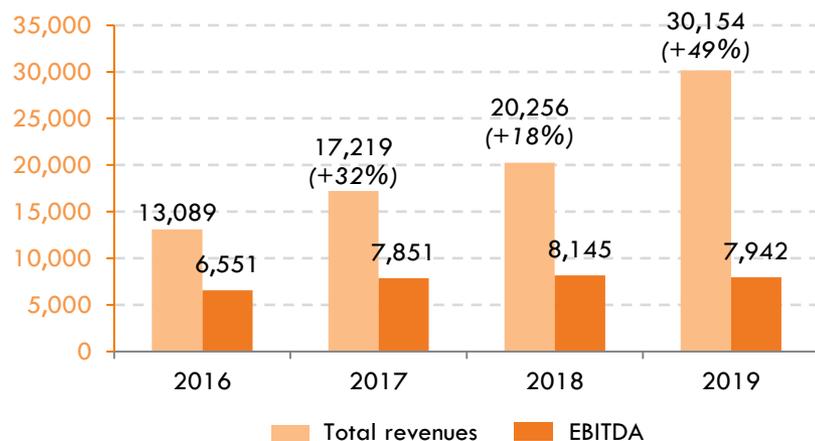
Assets under O&M, cumulated (MWp)



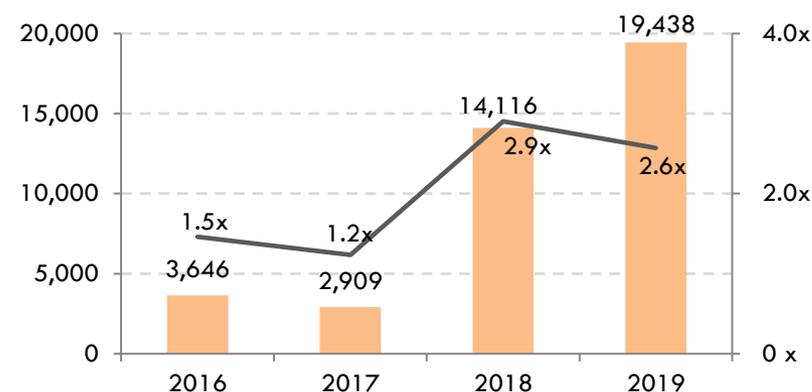
- **35.0 MWp** of PV power plants built in Hungary, 3 years after entering the Hungarian PV market in April 2017.
- **Outstanding electricity production** by our proprietary power plant portfolio, **up by 54.4%** in 2019.
- With **49 MWp** of new O&M contracts added in 2019 and **33 MWp** in H1 2020, O&M services portfolio under contract amounts to over **310 MWp** worldwide.

KEY FINANCIAL INDICATORS

Revenue & EBITDA (TEUR)

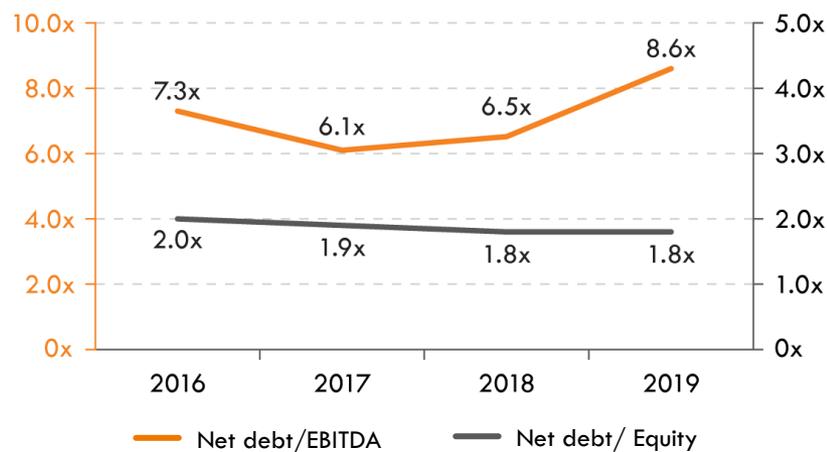


Net current assets (TEUR) and Quick ratio*



*Current assets/Current liabilities.

Debt ratios



Breakdown of liabilities & equity

