



Photon Energy N.V.

Management Report for Q2 2021

For the period from 1 April to 30 June 2021

and Interim Consolidated Financial Statements H1 2021

For the Period of 6 Months Ended 30 June 2021

10 August 2021 | Amsterdam, The Netherlands

1. Selected Financial Results

1.1 Selected financial results for Photon Energy Group, for the period of 1 April to 30 June 2021

in Thousands	EUR		PLN		CZK	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Total revenues	8,882	9,855	39,984	44,632	240,284	252,650
EBITDA	4,151	3,898	18,686	17,655	112,295	99,941
EBIT	1,712	968	7,706	4,384	46,307	24,819
Profit / loss before taxation	149	-565	670	-2,560	4,028	-14,490
Profit / loss from continuing operations	-969	-869	-4,362	-3,933	-26,213	-22,266
Total comprehensive income	1,183	505	5,328	2,289	32,017	12,958
Operating cash flow	2,903	1,266	13,070	5,732	78,542	32,449
Investment cash flow	-3,731	-3,614	-16,797	-16,370	-100,941	-92,666
Financial cash flow	7,747	3,861	34,874	17,485	209,575	98,979
Net change in cash	6,919	1,512	31,147	6,847	187,176	38,761
EUR exchange rate – low	-	-	4.399	4.451	26.560	25.335
EUR exchange rate – high	-	-	4.582	4.609	27.610	26.085
EUR exchange rate – average	-	-	4.502	4.529	27.054	25.638
EUR exchange rate – end of period	-	-	4.457	4.519	26.740	25.485
	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Non-current assets	135,053	140,049	615,895	632,830	3,544,479	3,569,159
Current assets	23,851	37,169	108,771	167,954	625,976	947,260
Of which Liquid assets	14,290	23,449	65,170	105,956	375,054	597,589
Total assets	158,905	177,219	724,666	800,783	4,170,455	4,516,418
Total equity	40,074	51,573	182,755	233,041	1,051,752	1,314,350
Current liabilities	15,204	11,061	69,335	49,979	399,026	281,882
Non-current liabilities	103,624	114,582	472,566	517,753	2,719,618	2,920,129

Notes: Exchange rates provided by the European Central Bank.

All balance sheet data as of 31.12.2020 have been extracted from audited figures for FY 2020.

The P&L and Cash-flow data presented are based on published quarterly reports, with Q2 2020 figures adjusted to be consistent with the annual audited figures made available after the publication of this quarter.

Financial highlights:

- ▶ Unaudited consolidated revenues of EUR 9.855 million in the second quarter, representing an increase of 11.0% YoY.
- ▶ EBITDA decreased from EUR 4.151 million in Q2 2020 to EUR 3.898 million in Q2 2021.
- ▶ EBIT of EUR 0.968 million in Q2 2021 compared to EUR 1.712 million in Q2 2020.
- ▶ Total comprehensive income of EUR 0.505 million for the quarter and EUR 2.297 million year-to-date compared to EUR -3.142 million for the first two quarters of 2020.
- ▶ Increased equity of EUR 51.573 million at the end of Q2 2021, compared to EUR 40.074 million at the end of 2020.
- ▶ The adjusted equity ratio (defined as total equity divided by total capital, being the sum of interest-bearing debt and equity) increased to a solid level of 32.0%.

Other highlights:

- ▶ Photon Energy increased its share in Maryvale solar farm through an asset swap with Canadian Solar.
- ▶ Photon Energy Group participated in RayGen Resources capital increase.
- ▶ Photon Energy Group announced long-term strategy guidance and successfully raised EUR 7.7 million by offering some of its existing shares.
- ▶ Project pipeline expansion to 386 MWp in Hungary, Poland and Romania (approximately 187 MWp added since December 2020 and 29 MWp since 31 March 2021).
- ▶ Photon Energy Group received 'Very Good' rating from Sustainability rating agency imug | rating

After the reporting period:

- ▶ Photon Energy commissioned its 14.6 MWp utility scale power plants in Leeton, Australia.

1.2 Standalone financial results for Photon Energy N.V., for the period of 1 April to 30 June 2021

in Thousands	EUR		PLN		CZK	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Net turnover	645	889	2,903	4,028	17,447	22,804
Total operating income	652	889	2,937	4,028	17,651	22,804
Results before tax	-453	-954	-2,041	-4,323	-12,266	-24,470
Net result after tax	-453	-954	-2,041	-4,323	-12,266	-24,470
EUR exchange rate – low	-	-	4.399	4.451	26.560	25.335
EUR exchange rate – high	-	-	4.582	4.609	27.610	26.085
EUR exchange rate – average	-	-	4.502	4.529	27.054	25.638
EUR exchange rate – end of period	-	-	4.457	4.519	26.740	25.485
	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Fixed assets	59,235	53,065	270,133	239,782	1,554,616	1,352,369
Current assets	56,665	70,232	258,415	317,352	1,487,179	1,789,868
Cash at banks and in hand	114	7,975	520	36,037	2,992	203,248
Total assets	115,900	123,297	528,548	557,134	3,041,796	3,142,237
Total equity	63,077	69,057	287,653	312,044	1,655,443	1,759,926
Current liabilities	4,020	4,354	18,332	19,676	105,503	110,972
Long-term debt	48,803	49,886	222,561	225,415	1,280,836	1,271,339
EUR exchange rate – end of period			4.560	4.519	27.365	25.485

Notes:

Exchange rates are provided by the European Central Bank.

All balance sheet data as of 31.12.2020 have been extracted from audited figures for FY 2020.

All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period.

Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI). According to IAS 16, Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.

In line with 2020 audit requirements, the Group has corrected classification and presentation of several items within consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and consolidated cash flow statement. In order to provide comparable information for Q2 2021, the Group presents Q2 2020 figures in the same structure as presented in the annual audited financial statements. More information can be found in the published audited annual financial statements for 2020.

EPC stands for Engineering, Procurement and Construction and refers to services related to project design, engineering, procurement and construction of solar power plants.

Throughout this report Photon Energy Group is referred to as the "Group", the "Company", the "Issuer" and/or "Photon Energy".

2. Management Discussion and Analysis

2.1 A note from the Management Board

During this second quarter of 2021, business development continued to be designated an essential activity in the markets we serve and our second quarter results reflect a continued commitment to value creation. We announced a share increase in the Maryvale Solar Farm through an asset swap with Canadian Solar and are very excited to advance the project to the construction phase, as a connection agreement is expected to be reached within 12 months. As well as making progress in Australia, we continued to transform our industry, as illustrated by the strategic investment we have recently concluded with RayGen, a company specialising in high-efficiency concentrated PV generation with thermal absorption and storage.

On the financing front, we have achieved a major step towards the funding of our recently announced growth strategy through the placement of 5 million treasury shares for EUR 7.7 million. We are more than ever focussed on expanding our clean electricity generation asset base and building recurring revenue streams from our fully integrated business model and are very pleased to welcome as shareholders Polish and international investors who have participated in the offering and expressed confidence in our growth strategy. Since the beginning of the year 2021, we have been dedicated to supporting it by growing our project pipeline by nearly 187 MWp since the end of 2020 (29 MWp during this quarter) in Poland, Romania and Hungary.

Furthermore, we are proud that our ESG practices have been rated 'very good' by *imug* | rating. This validates our strategy, which sees sustainability as a key driver of value creation for our Company and formally recognizes our responsible commitment to delivering sustainable outcomes.

Financial Results

While the company reported a significant increase in its consolidated revenues, it was offset by lower profitability YoY, due to a continued capacity expansion and a delay experienced in the grid-connection of our two utility-scale solar farms in Leeton Australia. We closed the second quarter of 2021 with total revenues amounting to an outstanding EUR 9.855 million (+11.0% YoY) thanks to a robust 16.1% increase in revenues from the sale of electricity generated by our proprietary portfolio, while other revenues streams remained essentially unchanged compared to the same quarter last year (+0.6% YoY). The first revenues coming from the electricity generation of our two utility-scale projects in Leeton, Australia, will finally occur in Q3 2021 only as a result of a delay experienced in the commissioning process. The two utility-scale power plants with a combined capacity of 14.6 MWp are the two largest projects we added to our portfolio to date and our first merchant projects providing competitive energy into the Australian energy market. Together they are expected to generate approximately 27.8 GWh of clean energy per year, contributing to further increase our recurring revenues and mitigate the seasonality of our business.

During the quarter, we continued our capacity expansion, mainly expressed in a growing headcount, leading to a EUR 3.898 million EBITDA in Q2 2021 (-6.1% YoY). This investment is crucial for the development of existing business lines as well as new activities. In 2021 only, we were able to expand our project development pipeline to 386 MWp in Hungary, Poland and Romania (approximately 187 MWp added since December 2020) and we have started the procurement phase for the construction of two projects in Hungary this year. Our project development is

the foundation to raise our income-generating asset base in the medium- and long-term, driving future growth in recurring electricity-generation revenues, other comprehensive income generated upon plant commissioning according to IAS 16, and capital gains related to project development for resale.

Depreciation increased as a result of the new power plants connected in Hungary over the past 12 months (14.1 MWp), leading to a quarterly EBIT of EUR 0.968 million in Q2 2021 compared to EUR 1.711 million one year ago.

Interest expenses increased to EUR -1.638 million by 31.0% in Q2 2021, due to the refinancing of our last additions to the Hungarian portfolio, our two Australian projects and an additional placement of our EUR Bond in the second half of 2020. Those costs could be partly offset by a positive revaluation of derivatives compared to the same period last year.

Consequently, net profit remained in the red with a net loss of EUR -0.869 million in Q2 2021 compared to a loss of EUR -0.969 million a year ago.

The exchange rate headwinds experienced in 2020 are gradually receding, as we benefited from a positive EUR 1.169 million FX revaluation in Q2 2021 and also benefited from a positive revaluation of derivatives (EUR +0.294 million). As previously the losses, also those gains are non-realized and non-cash gains.

Ultimately, Photon Energy Group managed to post a positive Total Comprehensive Income (TCI) of EUR 0.505 million compared to EUR 1.183 million a year earlier.

The adjusted equity ratio increased to a comfortable level of 32.0%, further to the sale of existing treasury shares for EUR 7.7 million, making our financial situation stable and allowing the company to deliver on its strategic objectives.

Year-to-date, Photon Energy's first six month revenues increased by 1.6% to EUR 14.425 million, while EBITDA and EBIT both decreased to EUR 4.120 million (-25.8% YoY) and EUR -0.507 million (-131.1% YoY), respectively. Photon Energy recorded a net loss of EUR -4.037 million compared to EUR -2.678 million in the first six months of 2020 whereas the TCI amounted to a solid EUR 2.297 million compared to a negative EUR -3.142 million a year ago.

Other key highlights for the second quarter of 2021 up to the reporting date are detailed below:

Project Pipeline Expansion in Hungary, Poland and Romania

Project development is a crucial part of Photon Energy's business model and vision for the future. The progress in our project development efforts in Hungary, Romania and Poland speaks for itself with 187 MWp of new capacity added since the beginning of the year. Thanks to the understanding of these markets provided by our local teams, in combination with the company's global expertise, we were able to build a combined project pipeline of 386 MWp in these countries as of the reporting date. Photon Energy's project development teams have used different strategies in their respective markets to find successes in growing the project pipeline. The Romanian team acquired abandoned projects from 2014 when the government's subsidy program for renewable power plants ended. Reviving these projects that had been left with appropriate zoning permits and issued capacity has allowed the team to substantially increase the pipeline. In the

demanding Polish market the team has targeted plots of land in areas with significant potential and added land to the Company's bank through strong back-office support and land scouts. In Hungary, the teams look to continue leveraging previous successes through 2021 by pushing market-leading technologies like trackers and bi-facial modules. This greenfield development strategy allows us to be independent in controlling development costs and technology to be deployed. By managing the permitting process, we can make technology-neutral decisions for the greatest final product flexibility. On the EPC front, we have just signed a contract to install a 1 MWp rooftop PV power plant for an established logistics company in Romania.

Photon Energy Group Increased its Share in Maryvale Solar Farm Through an Asset Swap with Canadian Solar

In Australia, we have announced an exchange of project rights with our development partner Canadian Solar. As a result, we will continue developing the 160 MWp Maryvale Solar Farm with an increased 65% stake in the project, while further development of Gunning Solar Farm and Suntop2 Solar Farm will be handled by Canadian Solar. As part of the transaction, the original local co-development partner will continue its work on the project with us. Of the three projects, Maryvale is in the furthest stage of development and we are very excited to undertake preliminary design and grid connection studies. The Company expects this to take approximately six months, followed by a connection agreement which is expected to be reached within 12 months. Maryvale Solar Farm has development approval and is located in the NSW Central-West Orana Renewable Energy Zone, which is earmarked to unlock up to 3 GW of network capacity by the mid-2020s.

Photon Energy Group Participates in RayGen Resources Capital Increase

In the reporting period, the Group announced that it is participating in the capital increase in the Melbourne-based technology company RayGen Resources Pty Ltd (RayGen). Photon Energy Group participated along with AGL, Schlumberger New Energy and Chevron Technology Ventures and other investors in the recent equity raise. The Company entered a strategic partnership with and announced its initial investment in RayGen already in April 2020.

RayGen technology tackles head-on the problem of the intermittency of solar energy, by combining high-efficiency concentrated PV generation with thermal absorption and storage, providing the highest energy density of any solar technology available today. The interest of highly reputable investors and the increased valuation of the company validates our initial investment, and we are convinced that our second investment into RayGen will lead to advances in both optimizing EPC outcomes and on developing utility-scale projects globally.

Acting as a project developer, EPC contractor and – where suitable – as an equity investor in joint projects, Photon Energy Group made an equity investment of AUD 3 million maintaining about 9% in the technology company.

Photon Energy Group successfully raised EUR 7.7 million by offering its existing shares

On 25 June 2021, the Company announced the results of an offering of its existing treasury shares addressed to qualified

investors. In total, 5 million shares were placed at a price of PLN 7.00 per share, which corresponds to the gross amount of PLN 35.0 million (EUR 7.7 million). With the new equity raised, we have achieved a major step towards financing our recently announced growth strategy, with a focus on expanding our clean electricity generation asset base and building recurring revenue streams from our fully integrated business model. We are very pleased to welcome as shareholders Polish and international investors who have participated in the Offering and expressed confidence in our growth strategy. The Offering of 5 million existing treasury shares representing 8.33 % of the Company's share capital increases the free float from 14.36% to 22.69%. The majority shareholders underlined their commitment to the Company by not placing any of their own shares. The Company decided not to place any employee shares in the Offering. Photon Energy Group intends to use the proceeds from the Offering in the acceleration of the plan to grow the business, as outlined in the recently announced 2021-2024 development strategy. By 2024, the Company intends to expand its proprietary PV power plant portfolio from 74.7 MWp as of the end of 2020 to at least 600 MWp of installed capacity in operation. It intends to also control a PV project pipeline of 1.5 GWp and grow its operations and maintenance (O&M) portfolio to 1.0 GWp, as compared to the current total of 300 MWp. As a result of the accelerated growth of the business, the management board expects the 2024 EBITDA to grow by approximately five-fold as compared to 2020 figures. IPOEMA Securities was acting as the global coordinator and bookrunner, Bankhaus Scheich Wertpapierspezialist AG as CoManager in the Offering.

Photon Energy Group received 'Very Good' rating from Sustainability rating agency imug |rating

The Company received its first sustainability rating, being awarded a rating of 'very good' with 75 out of 100 points by imug |rating, an independent German institution that assessed the Company's policies and activities in the area of sustainability. imug's ratings are attributed based on the following scale: weak, moderate, good, very good, excellent. We are proud that our ESG practices have been rated 'very good' by imug |rating. This validates our strategy, which sees sustainability as a key driver of value creation for our Company. Since it is our mission to make a positive societal contribution through a strong focus on sustainability, we attach much value to this rating as a demonstration of our commitment to transparency and trustworthiness to our stakeholders.

Photon Energy Commissions 14.6 MWp Utility-Scale Solar Farms in Australia

On 10 August 2021, the Company announced that it has commissioned its first two utility-scale PV power plants with a combined capacity of 14.6 MWp in Australia. This latest addition located in Leeton, New South Wales, expands the Group's installed base in Australia to 14.7 MWp and its total proprietary portfolio of PV power plants to 89.3 MWp. The solar farm uses bi-facial PV modules mounted on single-axis trackers and is expected to produce approximately 27.8 GWh of clean electricity per year. The electricity will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plant.

2.2 Strategy and its execution

The Group's focus for future growth lays on the established Australian and Hungarian markets and the newly added Polish and Romanian markets for the expansion of PV generation capacity. Further markets in Central Europe, Central and South America, the Middle East, and Africa remain under the Group's investigation.

The Group also intends to continue to disrupt and transform the PV industry. This is illustrated by the recent strategic investments concluded with RayGen, a company specialized in high efficiency concentrated PV generation with thermal absorption and storage, and with Lerta at the end of the reporting period, developing Virtual Power Plant technologies and energy market services.

In addition, the Group's focus remains on expansion of operations & maintenance (O&M) solutions in Central Europe and Australia and selective entry to new markets following its customers, and development of various water treatment technologies and preparation for its commercialization.

The Group's strategic goals include:

- ▶ An increase in the production of clean energy by expanding the Group's global electricity generation capacity of the proprietary portfolio of photovoltaic power plants;
- ▶ the acquisition of new PV projects to develop, design and construct them for the proprietary portfolio supporting the growth of recurring revenue stream from clean electricity generation with a clear focus on Australia, Hungary, Poland and Romania;

2.3 Principal Risks

The Group has exposure to the following risks:

- ▶ Sovereign risk
- ▶ Operational risk,
- ▶ Currency risk,
- ▶ Credit risk,
- ▶ Liquidity risk,
- ▶ Interest risk,

Sovereign Risk

The Company's results can be adversely affected by political or regulatory developments negatively impacting on the income streams of projects in the portfolio. A number of countries have already succumbed to retroactive measures reneging on existing agreements, guarantees and legislation by imposing levies, cancelling contracts or renegotiating terms unilaterally or by other measures reducing or in the worst case cancelling Feed in Tariffs (FiT) for renewable energy investments. Legal remedies available to compensate investors for expropriation or other takings may be inadequate. Lack of legal certainty exposes projects in the portfolio to increased risk of adverse or unpredictable actions by government officials, and also makes it more difficult for us to enforce existing contracts. In some cases these risks can be partially offset by agreements to arbitrate disputes in an international forum, but the adequacy of this remedy may still depend on the local legal system to enforce the award.

- ▶ the expansion of the PPA-business and construction of commercial "behind-the-meter" PV projects for industrial customers and off-takers in Australia and in Europe;
- ▶ the Group intends to compete for PV projects, which aim to address the needs for provision of clean energy in locations which require tailor-made approach to design complete energy systems, which would combine generation of clean energy with energy storage solutions; such PV projects require an integrated approach in application of PV technology;
- ▶ the provision of O&M services allowing PV power plants to run smoothly at high generation levels and increasing revenues while reducing risks for the Group's customers;
- ▶ the procurement and trading of PV components through co-operation with PV technology manufacturers; and
- ▶ the remediation of contaminated sites and ground water pollution deploying water treatment technology with a focus on PFAS nano-remediation solutions.

Operational Risk

The economic viability of energy production using photovoltaic power plants installations depends on FiT systems. The FiT system can be negatively affected by a number of factors including, but not limited to, a reduction or elimination in the FiT or green bonus per kWh produced, an elimination or reduction of the indexation of the FiT and a shortening of the period for which the FiT applies to photovoltaic installations. On the investment side the Company faces uncertainty in relation to the approval process for the construction of photovoltaic installations, grid connection and the investment cost per kWp of installed capacity. The operating and financial results of the Company can be seriously affected by a sudden or significant change in the regulatory environment in each of the countries where the Company or its subsidiaries conduct business.

During the fourth quarter of 2010, the Czech parliament and the Czech government approved several changes in the legal framework governing certain aspects of the photovoltaic and other industries. Those changes included mainly: (i) a 3 years solar levy, newly introduced into the Czech tax system, of 26% on the revenues of photovoltaic power plants above 30kW of installed capacity, completed in the years 2009 and 2010, (ii) the abolishment of a six-year corporate income tax exemption for photovoltaic power plants, and (iii) a tenfold increase of the contractual fees previously agreed between the photovoltaic power plant operators and the state Land Fund for the extraction of certain classes of land from the state fund.

In September 2013, additional prolongation of the solar levy was approved. The percentage was decreased to 10% and applicability of this tax prolonged till end of the useful economic life of the power plants. The Company reflected this change in the DCF models for Czech SPVs already as of 30 September 2013. The fair value decrease was reflected in the value of assets, related

deferred tax and other comprehensive income in 2013 financial statements.

After opting for its Czech power plants for the green bonus scheme in the years 2016 and 2017, the Group reconsidered this approach and applied again for the feed-in-tariff scheme from 2018 to date.

Currency Risk

The Group is exposed to a currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group.

The transactions of the Group entities are denominated in CZK, EUR, AUD, CHF, and HUF mainly. 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.

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.

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 electricity 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 monitored by the responsible employees 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.

Cash and Cash Equivalents

The Group held liquid assets of EUR 23,449 thousand at 30 June 2021 (31 December 2020: EUR 14,290 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents, liquid assets with restriction on disposition and precious metals 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 company.

Cash with restriction on disposition of EUR 4,345 thousand as at 30 June 2021 (31 December 2020: EUR 4,109 thousand) includes mainly DSRA and MRA (debt service restricted accounts and maintenance restricted accounts for Czech, Slovak, Hungarian and Australian SPVs and guarantees issued).

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.

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.

Slovak and majority of refinanced Hungarian SPVs, 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 contracts was one of conditions required by financing banks as defined in the Loan contracts.

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

The Czech SPVs financed with RL own interest rate derivatives. Concluding the derivative contract was one of conditions required by the financing bank as defined in the Loan contract. The change in value of these derivatives is recognized via Profit and loss as they do not meet criteria for the hedging derivatives.

COVID-19 Impact

COVID-19 impact is the impact the pandemic of the Corona virus may have on the business activity of the Group. With the outbreak of the Corona virus the Group has implemented continuity plans as well as health and safety procedures to ensure that all employees and contractors are safe and compliant with government directives. In particular, the electricity generation segment of 84 PV power plants with a total installed capacity of 74.7 MWp was producing electricity as usual. For both newly commissioned PV power plants in Australia with a total installed capacity of 14.6 MWp the same is expected. The Operations & Maintenance business, is capable of providing its services either from home-offices, and if necessary, on-site as far as possible. The other business lines such as EPC services, PV component trading and project development are more vulnerable to these exceptional circumstances but did not come to a stall. In all main markets of the Group highly skilled local teams remain focused on minimizing the impact on the ongoing business as well as various growth initiatives. The extent of the negative impact will depend on the further nature and length of measures taken by the respective governments in the countries where the Group is active.

For the remaining six month of the financial year, the management of the group does not foresee any other than the above described principle risks and uncertainties.

2.4 Proprietary portfolio, generation results and O&M services

Proprietary portfolio

The table below presents the portfolio of operating power plants owned directly or indirectly by Photon Energy N.V. at the end of the reporting period i.e. as of 30 June 2021, consisting of 84 power plants in the Czech Republic, Slovakia, Hungary and

Australia with a total installed capacity of 74.7 MWp. More information on the Group structure can be found in chapter 10. Group structure.

Table 1. The proprietary portfolio of Photon Energy N.V. as of 30 June 2021

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
1	Komorovice	Exit 90 s.r.o.	CZ	2,354	100%	2,354	Dec.10
2	Zvíkov I	Photon SPV8 s.r.o.	CZ	2,031	100%	2,031	Nov.10
3	Dolní Dvořiště	Photon SPV10 s.r.o.	CZ	1,645	100%	1,645	Dec.10
4	Svatoslav	Photon SPV4 s.r.o.	CZ	1,231	100%	1,231	Dec.10
5	Slavkov	Photon SPV6 s.r.o.	CZ	1,159	100%	1,159	Dec.10
6	Mostkovice SPV 1	Photon SPV1 s.r.o.	CZ	210	100%	210	Dec.10
7	Mostkovice SPV 3 ¹	Photon SPV3 s.r.o.	CZ	926	100%	926	Dec.09
8	Zdice I	Onyx Energy I s.r.o.	CZ	1,499	100%	1,499	Dec.10
9	Zdice II	Onyx Energy projekt II s.r.o.	CZ	1,499	100%	1,499	Dec.10
10	Radvanice	Photon SPV11 s.r.o.	CZ	2,305	100%	2,305	Dec.10
11	Břeclav rooftop	Photon SPV1 s.r.o.	CZ	137	100%	137	Dec.10
12	Babiná II	Sun4Energy ZVB s.r.o.	SK	999	100%	999	Dec.10
13	Babina III	Sun4Energy ZVC s.r.o.	SK	999	100%	999	Dec.10
14	Prša I.	Fotonika s.r.o.	SK	999	100%	999	Dec.10
15	Blatna	ATS Energy s.r.o.	SK	700	100%	700	Dec.10
16	Mokra Luka 1	EcoPlan 2 s.r.o.	SK	963	100%	963	Jun.11
17	Mokra Luka 2	EcoPlan 3 s.r.o.	SK	963	100%	963	Jun.11
18	Jovice 1	Photon SK SPV2 s.r.o.	SK	979	100%	979	Jun.11
19	Jovice 2	Photon SK SPV3 s.r.o.	SK	979	100%	979	Jun.11
20	Brestovec	Photon SK SPV1 s.r.o.	SK	850	50%	425	Jun.11
21	Polianka	Solarpark Polianka s.r.o.	SK	999	50%	500	Jun.11
22	Myjava	Solarpark Myjava s.r.o.	SK	999	50%	500	Jun.11
23	Symonston	Photon Energy AUS SPV 1 Pty. Ltd.	AUS	144	100%	144	Feb.13
24	Tizsakécske 1	Ekopanel Befektetési Kft.	HU	689	100%	689	Dec-18
25	Tizsakécske 2	Onyx-sun Kft.	HU	689	100%	689	Dec-18
26	Tizsakécske 3	Solarkit Befektetesi Kft.	HU	689	100%	689	Dec-18
27	Tizsakécske 4	Energy499 Invest Kft.	HU	689	100%	689	Dec-18
28	Tizsakécske 5	Green-symbol Invest Kft.	HU	689	100%	689	Dec-18
29	Tizsakécske 6	Montagem Befektetési Kft.	HU	689	100%	689	Dec-18
30	Tizsakécske 7	SunCollector Kft.	HU	689	100%	689	Dec-18
31	Tizsakécske 8	Future Solar Energy Kft.	HU	689	100%	689	Dec-18
32	Almásfűzítő 1	Ráció Master Kft.	HU	695	100%	695	Mar-19
33	Almásfűzítő 2	Ráció Master Kft.	HU	695	100%	695	Mar-19
34	Almásfűzítő 3	Ráció Master Kft.	HU	695	100%	695	Mar-19
35	Almásfűzítő 4	Ráció Master Kft.	HU	695	100%	695	Mar-19
36	Almásfűzítő 5	Ráció Master Kft.	HU	695	100%	695	Mar-19
37	Almásfűzítő 6	Ráció Master Kft.	HU	660	100%	660	Mar-19
38	Almásfűzítő 7	Ráció Master Kft.	HU	691	100%	691	Mar-19
39	Almásfűzítő 8	Ráció Master Kft.	HU	668	100%	668	Mar-19
40	Nagyecséd 1	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
41	Nagyecséd 2	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19

Nr	Proprietary portfolio	Legal entity	Country	Cap. (kWp)	Share	Cap. Pro-rata (kWp)	Completed
42	Nagyecsed 3	Photon Energy Solutions HU Kf	HU	689	100%	689	Jul-19
43	Fertőd I No 1	Fertőd Napenergia-Termelő Kft.	HU	528	100%	528	Mar 18
44	Fertőd II No 2	Photon Energy HU SPV 1 Kft	HU	699	100%	699	Nov-19
45	Fertőd II No 3	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
46	Fertőd II No 4	Alfemo Alpha Kft.	HU	699	100%	699	Nov-19
47	Fertőd II No 5	Ráció Master Kft.	HU	691	100%	691	Nov-19
48	Fertőd II No 6	Photon Energy HU SPV 1 Kft.	HU	699	100%	699	Nov-19
49	Kunszentmárton I No 1	Ventiterra Kft.	HU	697	100%	697	Nov-19
50	Kunszentmárton I No 2	Ventiterra Kft.	HU	697	100%	697	Nov-19
51	Kunszentmárton II No 1	Ventiterra Alpha Kft.	HU	693	100%	693	May-20
52	Kunszentmárton II No 2	Ventiterra Beta Kft.	HU	693	100%	693	May-20
53	Taszár 1	Optisolar Kft.	HU	701	100%	701	Dec-19
54	Taszár 2	Optisolar Kft.	HU	701	100%	701	Dec-19
55	Taszár 3	Optisolar Kft.	HU	701	100%	701	Dec-19
56	Monor 1	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
57	Monor 2	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
58	Monor 3	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
59	Monor 4	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
60	Monor 5	Photon Energy HU SPV 1 Kft.	HU	688	100%	688	Oct-19
61	Monor 6	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
62	Monor 7	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
63	Monor 8	Photon Energy HU SPV 1 Kft.	HU	696	100%	696	Oct-19
64	Tata 1	Tataimmo Kft.	HU	672	100%	696	Mar-20
65	Tata 2	ALFEMO Beta Kft.	HU	676	100%	696	Mar-20
66	Tata 3	ALFEMO Gamma Kft.	HU	667	100%	696	Feb-20
67	Tata 4	Tataimmo Kft.	HU	672	100%	696	Mar-20
68	Tata 5	Öreghal Kft.	HU	672	100%	696	Mar-20
69	Tata 6	Tataimmo Kft.	HU	672	100%	696	Feb-20
70	Tata 7	European Sport Contact Kft.	HU	672	100%	696	Feb-20
71	Tata 8	Tataimmo Kft.	HU	672	100%	696	Mar-20
72	Malyi 1	Zuggo - Dulo Kft.	HU	695	100%	695	May-20
73	Malyi 2	Egespart Kft.	HU	695	100%	695	May-20
74	Malyi 3	Zempenimpex Kft.	HU	695	100%	695	May-20
75	Püspökladány1	Ladány Solar Alpha Kft.	HU	1,406	100%	1,406	Nov-20
76	Püspökladány 2	Ladány Solar Alpha Kft.	HU	1,420	100%	1,420	Oct-20
77	Püspökladány 3	Ladány Solar Alpha Kft.	HU	1,420	100%	1,420	Oct-20
78	Püspökladány 4	Ladány Solar Beta Kft.	HU	1,406	100%	1,406	Oct-20
79	Püspökladány 5	Ladány Solar Beta Kft.	HU	1,420	100%	1,420	Oct-20
80	Püspökladány 6	Ladány Solar Beta Kft.	HU	1,394	100%	1,394	Oct-20
81	Püspökladány 7	Ladány Solar Gamma Kft.	HU	1,406	100%	1,406	Nov-20
82	Püspökladány 8	Ladány Solar Gamma Kft.	HU	1,420	100%	1,420	Oct-20
83	Püspökladány 9	Ladány Solar Delta Kft.	HU	1,406	100%	1,406	Oct-20
84	Püspökladány 10	Ladány Solar Delta Kft.	HU	1,420	100%	1,420	Oct-20
Total				74,667			

¹ Photon SPV 3 owns two power plants: Mostkovice SPV 3 (795 kWp) and Mostkovice SPV3R (131 kWp).

Generation results

The cumulative generation results of the power plants in the portfolio connected and feeding electricity to the grid in Q2 2021 amounted to 32.4 GWh, which was 28.8% higher YOY and in line with energy forecasts (+0.0%). This represents an avoidance of

12,983 tons of CO₂ emissions in the second quarter 2021, compared to 10,812 tons a year ago. Detailed generation results for each power plant are published on a monthly basis in our monthly reports.

Table 2. Generation results versus projections between 1 April and 30 June 2021

Project name	Capacity	Feed-in-Tariff	Prod. Q2 2021	Proj. Q2 2021	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2021	kWh	kWh	%	kWh	kWh	%	kWh
Komorovice	2,354	CZK 15,117	881,196	933,572	-5.6%	1,211,550	1,327,760	-8.8%	-13.7%
Zvíkov I	2,031	CZK 15,117	818,068	830,671	-1.5%	1,151,825	1,225,845	-6.0%	-11.1%
Dolní Dvořiště	1,645	CZK 15,117	604,696	609,288	-0.8%	851,562	874,063	-2.6%	-6.4%
Svatoslav	1,231	CZK 15,117	429,681	449,404	-4.4%	589,714	627,623	-6.0%	-10.2%
Slavkov	1,159	CZK 15,117	487,614	500,222	-2.5%	694,956	716,273	-3.0%	-8.2%
Mostkovice SPV 1	210	CZK 15,117	81,056	83,586	-3.0%	111,612	118,679	-6.0%	-9.8%
Mostkovice SPV 3*	926	CZK 16,240	367,950	373,878	-1.6%	507,925	525,831	-3.4%	-7.6%
Zdice I	1,499	CZK 15,117	602,873	631,440	-4.5%	854,541	905,441	-5.6%	-10.0%
Zdice II	1,499	CZK 15,117	613,465	640,621	-4.2%	877,914	918,705	-4.4%	-9.2%
Radvanice	2,305	CZK 15,117	912,160	956,768	-4.7%	1,256,279	1,342,091	-6.4%	-10.3%
Břeclav rooftop	137	CZK 15,117	57,952	57,973	0.0%	82,530	84,714	-2.6%	-7.9%
Total Czech PP	14,996		5,856,711	6,067,423	-3.5%	8,190,407	8,667,025	-5.5%	-10.0%
Babina II	999	EUR 425.12	357,762	361,244	-1.0%	504,618	501,462	0.6%	-2.3%
Babina III	999	EUR 425.12	368,331	363,835	1.2%	519,614	508,564	2.2%	-2.8%
Prša I.	999	EUR 425.12	350,402	386,286	-9.3%	507,252	544,527	-6.8%	-6.1%
Blatna	700	EUR 425.12	270,223	272,017	-0.7%	375,452	376,758	-0.3%	-3.5%
Mokra Luka 1	963	EUR 382.61	401,704	375,739	6.9%	609,466	581,381	4.8%	-5.8%
Mokra Luka 2	963	EUR 382.61	405,478	402,022	0.9%	621,651	615,172	1.1%	-5.1%
Jovice 1	979	EUR 382.61	321,711	324,496	-0.9%	443,932	456,638	-2.8%	-5.8%
Jovice 2	979	EUR 382.61	321,256	318,738	0.8%	441,942	449,206	-1.6%	-6.2%
Brestovec	850	EUR 382.61	326,735	368,828	-11.4%	486,487	537,900	-9.6%	-15.8%
Polianka	999	EUR 382.61	371,826	367,717	1.1%	495,328	508,268	-2.5%	-6.9%
Myjava	999	EUR 382.61	423,484	417,002	1.6%	581,123	589,109	-1.4%	-8.7%
Total Slovak PP	10,429		3,918,912	3,957,923	-1.0%	5,586,867	5,668,985	-1.4%	-6.4%
Tiszkécske 1	689	HUF 34,140	296,582	293,093	1.2%	452,128	445,139	1.6%	-2.9%
Tiszkécske 2	689	HUF 34,140	297,778	293,500	1.5%	454,987	447,780	1.6%	-2.8%
Tiszkécske 3	689	HUF 34,140	294,358	291,118	1.1%	441,440	436,531	1.1%	-2.7%
Tiszkécske 4	689	HUF 34,140	297,972	293,500	1.5%	456,141	447,780	1.9%	-2.8%
Tiszkécske 5	689	HUF 34,140	293,720	293,093	0.2%	443,235	445,139	-0.4%	-4.4%
Tiszkécske 6	689	HUF 34,140	296,588	293,500	1.1%	453,124	447,780	1.2%	-2.9%
Tiszkécske 7	689	HUF 34,140	296,970	292,996	1.4%	453,901	444,883	2.0%	-2.5%
Tiszkécske 8	689	HUF 34,140	296,202	292,662	1.2%	450,726	443,534	1.6%	-2.7%
Almásfüzitő 1	695	HUF 34,140	291,223	292,245	-0.3%	445,753	444,443	0.3%	-1.7%
Almásfüzitő 2	695	HUF 34,140	284,483	292,125	-2.6%	434,414	444,151	-2.2%	-2.3%
Almásfüzitő 3	695	HUF 34,140	281,550	291,659	-3.5%	433,660	442,180	-1.9%	0.0%
Almásfüzitő 4	695	HUF 34,140	292,444	292,604	-0.1%	447,414	445,360	0.5%	-2.4%
Almásfüzitő 5	695	HUF 34,140	293,572	291,812	0.6%	453,884	442,816	2.5%	-2.4%
Almásfüzitő 6	660	HUF 34,140	293,463	281,226	4.4%	451,523	426,514	5.9%	-2.4%
Almásfüzitő 7	691	HUF 34,140	292,566	290,275	0.8%	449,630	440,334	2.1%	-2.6%
Almásfüzitő 8	668	HUF 34,140	295,593	284,053	4.1%	451,495	431,364	4.7%	-2.2%
Nagyecsed 1	689	HUF 34,140	293,498	291,609	0.6%	441,555	438,204	0.8%	-3.0%
Nagyecsed 2	689	HUF 34,140	296,115	291,609	1.5%	443,052	438,204	1.1%	-3.0%
Nagyecsed 3	689	HUF 34,140	296,253	292,140	1.4%	444,365	438,536	1.3%	-3.2%
Fertod I	528	HUF 34,140	233,818	218,518	7.0%	353,722	329,104	7.5%	-6.9%
Fertod II No 2	699	HUF 34,140	290,107	295,800	-1.9%	447,262	446,139	0.3%	-7.2%
Fertod II No 3	699	HUF 34,140	302,623	295,800	2.3%	460,959	446,139	3.3%	-4.3%

Project name	Capacity	Feed-in-Tariff	Prod. Q2 2021	Proj. Q2 2021	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2021	kWh	kWh	%	kWh	kWh	%	kWh
Fertod II No 4	699	HUF 34,140	292,050	295,800	-1.3%	455,352	446,139	2.1%	-5.4%
Fertod II No 5	691	HUF 34,140	300,436	296,555	1.3%	457,409	449,253	1.8%	-4.6%
Fertod II No 6	699	HUF 34,140	299,232	295,800	1.2%	456,796	446,139	2.4%	-4.4%
Kunszentmárton I No 1	697	HUF 34,140	306,641	306,301	0.1%	474,075	463,932	2.2%	-1.7%
Kunszentmárton I No 2	697	HUF 34,140	306,542	306,316	0.1%	470,935	463,991	1.5%	-1.3%
Kunszentmárton II No 1	693	HUF 34,140	309,956	301,138	2.9%	481,834	438,348	9.9%	324.1%
Kunszentmárton II No 2	693	HUF 34,140	310,912	301,138	3.2%	482,597	438,647	10.0%	178.0%
Taszár 1	701	HUF 34,140	293,030	303,931	-3.6%	464,865	466,894	-0.4%	-4.0%
Taszár 2	701	HUF 34,140	292,279	303,931	-3.8%	464,700	466,894	-0.5%	-4.3%
Taszár 3	701	HUF 34,140	293,993	303,931	-3.3%	466,281	466,894	-0.1%	-3.2%
Monor 1	688	HUF 34,140	301,389	298,041	1.1%	466,668	448,926	4.0%	1.1%
Monor 2	696	HUF 34,140	296,403	301,944	-1.8%	461,581	457,635	0.9%	-1.7%
Monor 3	696	HUF 34,140	298,822	301,944	-1.0%	460,975	457,635	0.7%	-0.7%
Monor 4	696	HUF 34,140	299,847	301,944	-0.7%	464,519	457,635	1.5%	-0.8%
Monor 5	688	HUF 34,140	299,317	295,329	1.4%	464,736	447,539	3.8%	-1.4%
Monor 6	696	HUF 34,140	300,441	301,944	-0.5%	463,889	457,635	1.4%	-1.4%
Monor 7	696	HUF 34,140	300,515	301,944	-0.5%	465,095	457,635	1.6%	-1.7%
Monor 8	696	HUF 34,140	299,869	301,944	-0.7%	463,080	457,635	1.2%	-1.3%
Tata 1	672	HUF 34,140	332,405	351,984	-5.6%	481,309	493,100	-2.4%	13.6%
Tata 2	676	HUF 34,140	271,568	293,323	-7.4%	425,785	442,537	-3.8%	15.7%
Tata 3	667	HUF 34,140	271,727	288,737	-5.9%	425,312	432,834	-1.7%	9.6%
Tata 4	672	HUF 34,140	335,267	359,309	-6.7%	485,349	504,523	-3.8%	13.7%
Tata 5	672	HUF 34,140	299,163	360,317	-17.0%	443,013	506,138	-12.5%	3.1%
Tata 6	672	HUF 34,140	332,316	355,411	-6.5%	483,720	498,489	-3.0%	9.8%
Tata 7	672	HUF 34,140	331,863	352,184	-5.8%	483,512	493,416	-2.0%	11.2%
Tata 8	672	HUF 34,140	335,167	356,855	-6.1%	489,371	500,686	-2.3%	15.6%
Malyi 1	695	HUF 34,140	299,035	297,052	0.7%	443,921	440,449	0.8%	149.1%
Malyi 2	695	HUF 34,140	299,601	297,337	0.8%	444,763	440,993	0.9%	148.1%
Malyi 3	695	HUF 34,140	299,546	297,337	0.7%	444,897	440,993	0.9%	146.9%
Püspökladány 1	1,406	HUF 34,140	739,198	712,685	3.7%	1,055,101	1,033,029	2.1%	na
Püspökladány 2	1,420	HUF 34,140	754,110	700,410	7.7%	1,074,486	1,005,541	6.9%	na
Püspökladány 3	1,420	HUF 34,140	745,891	686,833	8.6%	1,058,572	983,393	7.6%	na
Püspökladány 4	1,406	HUF 34,140	738,606	708,183	4.3%	1,053,944	1,026,321	2.7%	na
Püspökladány 5	1,420	HUF 34,140	756,910	699,211	8.3%	1,077,985	1,003,970	7.4%	na
Püspökladány 6	1,394	HUF 34,140	738,958	705,647	4.7%	1,045,258	1,017,738	2.7%	na
Püspökladány 7	1,406	HUF 34,140	740,664	707,842	4.6%	1,052,286	1,025,878	2.6%	na
Püspökladány 8	1,420	HUF 34,140	746,832	688,582	8.5%	1,059,171	986,407	7.4%	na
Püspökladány 9	1,406	HUF 34,140	708,066	707,498	0.1%	992,095	1,025,440	-3.3%	na
Püspökladány 10	1,420	HUF 34,140	745,668	686,298	8.7%	1,056,916	982,712	7.6%	na
Total Hungarian PP	49,098		22,631,712	22,377,854	1.1%	33,726,522	33,086,044	1.9%	54.5%
Symonston	144	AUD 301.60	29,515	26,924	9.6%	81,715	83,557	-2.2%	7.0%
Total Australian PP	144		29,515	26,924	9.6%	81,715	83,557	-2.2%	7.0%
Total	74,667		32,436,850	32,430,125	0.0%	47,585,511	47,505,611	0.2%	28.7%

Notes: * Total result for Mostkovice SPV 3 and Mostkovice SPV 3R, as the same company "SPV3" owns both power plants.

Chart 1.a Total production of the Czech portfolio

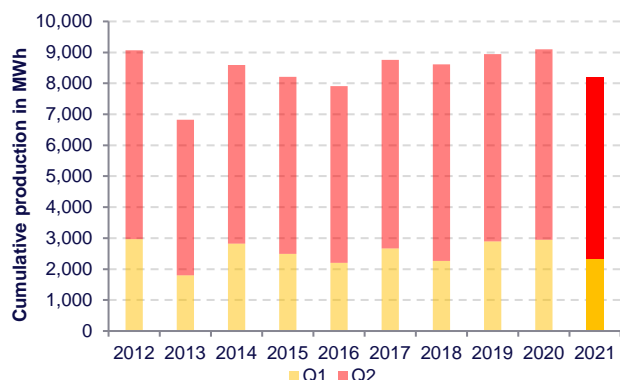


Chart 1.b Total production of the Slovak portfolio

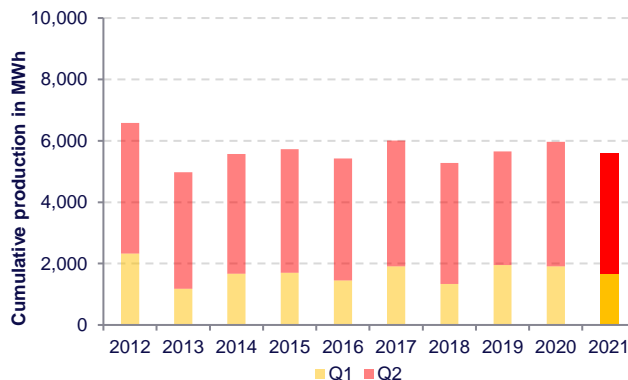
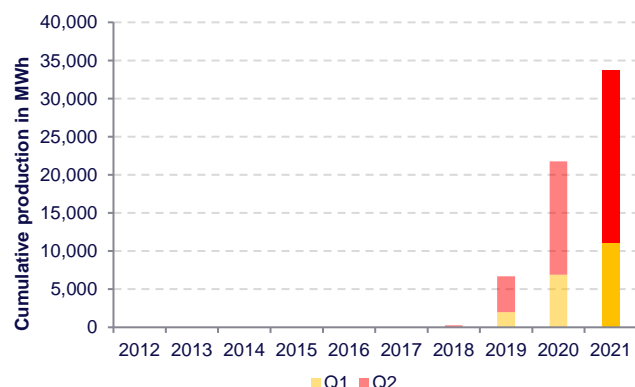


Chart 1.c Total production of Hungarian portfolio



O&M services

Photon Energy remained focused on further expanding its Operations & Maintenance business in Europe. As of the end of Q2 2021, full O&M services contracts amounted to approximately 247.1 MWp, down by 2.2% YOY. This can be broken down geographically into 135.3 MWp operated in the Czech Republic, 77.1 MWp in Hungary, 15.3 MWp in Slovakia, 15.0 MWp in Romania and 4.5 MWp in Australia. The O&M portfolio divides into 172.5 MWp serviced for external clients and 74.7 MWp of PV capacity from the proprietary portfolio.





As far as the “Inverter Cardio” services contracts are concerned, the Group is servicing 62.2 MWp of central inverters (+3.3% compared to last year). In detail, at the end of Q2 2021, the total capacity of central inverters serviced can be divided regionally into 21.3 MWp in France, 14.0 MWp in Italy, 10.2 MWp in Belgium, 7.5 MWp in the Czech Republic, 5.5 MWp in Slovakia, 2.0 MWp in Slovenia and 1.8 MWp in Germany. In some countries like France or Germany the Group is holding a leading market position while in Belgium in particular, the Group is servicing all of the Satcon inverters ever installed.

2.5 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 (160.0 MWp), Hungary (96.5 MWp), Romania (196.1 MWp) and Poland (93.1 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
 Australia	-		160.0		-	160.0
 Hungary	68.0	23.1	5.4		-	96.5
 Romania	93.4	102.7	-		-	196.1
 Poland	61.2	31.9	-		-	93.1
Total in MWp	222.6	157.7	165.4		-	545.7

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

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
Australia	Leeton	5	Own portfolio	100%	7.3	Merchant	Secured	Secured	Secured	Commissioning finished
Australia	Fivebough	5	Own portfolio	100%	7.3	Merchant	Secured	Secured	Secured	Commissioning finished
Australia	Maryvale	3	Developer	65%	160.0	Co-development	Secured	Ongoing	Secured	Q1 2022
Hungary	Tolna 1	3	Own portfolio	100%	5.4	Contract-for-difference for one project, all options open for three other projects	Secured	Secured	Secured	Q3-Q4 2021
Hungary	Tolna 2	2	Own portfolio	100%	23.2	All options open	Ongoing	Secured	Secured	Q1 2022

¹ Contr.-for-Diff stands for 'Contract for difference' and is a revenue model in form of electricity sales on the electricity spot market plus the compensation of the difference to a guaranteed Feed-in-Tariff.

Australia

As of the date of publishing this report, Photon Energy has one large scale solar farm under development and for two projects the commissioning finished in New South Wales ("NSW").

On 13 April, the Company announced an agreement to exchange project rights with its development partner Canadian Solar. As a result, Photon Energy will continue developing the 160 MWp Maryvale Solar Farm project independently, while further development of Gunning Solar Farm and Suntop 2 Solar Farm projects will be handled by Canadian Solar.

Until that date, these three projects were co-developed with Canadian Solar as part of an agreement concluded in 2018 (to date, two other projects, Suntop 1 with 189MW and Gunnedah with 146MW, have been successfully developed and sold in the scope of this agreement):

Under the terms of the agreement, Photon Energy has exchanged its 49% stake in the 220 MWp Gunning Solar Farm project and 25% stake in the 200 MWp Suntop2 Solar Farm project for Canadian Solar's stake in the Maryvale Solar Farm project. As part of the transaction, the Company now possesses a 65% stake and the original local co-development partner will

continue its work on the project holding a 35% stake in the project.

Of the three projects, Maryvale is in the furthest stages of development. The Company expects to undertake preliminary design and grid connection studies followed by a Connection Agreement which is expected to be reached early next year.

Maryvale Solar Farm has development approval and is located in the NSW Central-West Orana Renewable Energy Zone, which is earmarked to unlock up to 3 GW of network capacity by the mid-2020s.

- ▶ **Development status for Maryvale (160 MWp):** Development Approval was granted on 4 December 2019. The grid connection options are still in progress with Essential Energy. We are currently preparing for Grid Protection Study (GPS) and it is expected that project development can be completed within Q1 2022.

The current status of other projects developed by Photon Energy is summarized below:

- ▶ **Leeton and Fivebough (Total capacity 14.6 MWp):** In May 2020, Photon Energy announced the conclusion of an agreement with Infradebt for the project debt financing of the two PV power plants we are developing in Leeton, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7.3 MWp DC each.

Photon Energy Engineering Australia Pty Ltd. is acting as engineering, procurement and construction (EPC) contractor for both projects. After commissioning long-term O&M services will be provided by Photon Energy Operations Australia Pty Ltd.

The plants' bi-facial PV modules are mounted on single-axis trackers and will supply the produced electricity to Essential Energy's distribution network as non-scheduled generators. The combined annual electricity production of both PV power plants is forecast to be 27.8 GWh, and will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs)

generated by the plants. No power purchase agreements (PPAs) have been entered into by Photon Energy.

These are the two largest projects to be added to Photon Energy's portfolio to date, and our first merchant projects providing competitive energy into the market. The experience we gain in operating the power plants will be used to maximise revenues in the energy market.



- ▶ **Construction status:** The project works have been completed and we have finalised the commissioning process as of the date of this report. Both projects are feeding electricity into the grid.

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. Specific to Europe: Application for Grid capacity, start work on permitting aspects (construction, connection line, etc.). 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. 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). 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. 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.
NSW Department for Planning and Environment (DP&E)	NSW DP&E is a government agency in charge of planning and development of New South Wales, to ensure the balance between the commercial business development and the needs of local communities. Each project submitted to DP&E must include environmental impact studies (EIS) and once it is reviewed by DP&E, the project is published and available for the public opinion to submit their comments. If the project is rejected by more than 25 people it is moved to Independent Planning Committee (IPC) for review. If there is no public opposition, the project is approved and DP&E issues the project Development Approval (DA)
Independent Planning Committee (IPC)	In case more than 25 public petitions against the project are submitted, IPC needs to investigate further into social and environmental impact of the project. IPC might make some recommendations to be made to the project plan to secure the issuance of DA.
Essential Energy	Essential Energy is Distribution Network Service Provider, which operates and manages low voltage electricity network in NSW. The process to secure the grid connection with Essential Energy includes GPS and AEMO's license.
Transgrid	Transgrid is a Distribution Network Service Provider (DNSP), which operates and manages the NSW high voltage transmission network. Transgrid, in co-operation with Australian Energy Market Operator (AEMO, see description below), is in charge of grid connection approval. To issue its decision Transgrid requires Generation Protection Studies (GPS). GPS is a complete analysis and tests of the impact that a potential power plant would have on the grid. Each power plant is tested under different assumptions (extreme weather conditions, demand/supply changes etc.) and its performance/impact on the grid's stability is thoroughly analysed. Once GPS are completed and accepted, Transgrid is issuing grid connection terms. Those terms are part of the agreement signed with Transgrid, which together with AEMO license secures and finalizes the grid connection process.
Australian Energy Market Operator (AEMO)	AEMO is responsible for operating Australia's largest gas and electricity markets and power systems. AEMO is overlooking all energy producers in NSW and is involved in the process of grid connection approval. AEMO reviews the grid connection terms and GPS studies and issues the license to feed electricity to the grid. AEMO also controls the on-going power generation to make sure that grid stability is maintained.

Hungary

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

- ▶ **Tolna (28.6 MWp):** The 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 already partially approved, to allow us to conclude grid connection agreements with E.ON. with a validity of two years.

On 8 December 2020, one of the 1MW AC (approx. 1.4 MWp DC) project 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. 3 other projects have entered into advanced development after secured the binding extraction and construction permits. The local development team is now actively working securing the connection cable consents including easements and fi-

nal administration documents (Unified Small Power Plant License). Two Projects have entered the procurement phase for EPC materials with planned construction until the end of 2021.

The revenue model will either take the form of a contract-for-difference based on METAR licenses (for projects proving successful through an auction process in the future), a PPA, or the direct sale of electricity through a trader on the Hungarian electricity market. Construction plans include the use of tracking technology allowing bi-facial solar modules to follow the course of the sun, which are expected to achieve a 15-20% higher specific performance than fixed installations.

Now the team has solidified grid capacity, land, and a commercial structure, the projects will continue to take shape as they move towards construction and realization.

The current project pipeline in Hungary consists of 17 projects with a total planned capacity of 96.5 MWp.

2.6 Enterprise value & Share price performance

2.6.1 Main market of the Warsaw Stock Exchange

On 30 June 2021 the Company's shares (ISIN NL0010391108) closed at a price of PLN 7.80 (-40.0% compared to last quarter), corresponding to a price to book ratio of 1.71. The Company also reports an average monthly trading volume of 936,210 shares in Q2 2021, compared to an average monthly trading volume of 220,382 shares in Q1 2021 and to an average of 839,328 in 2020.

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 2. Total monthly volumes vs. daily closing stock prices



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

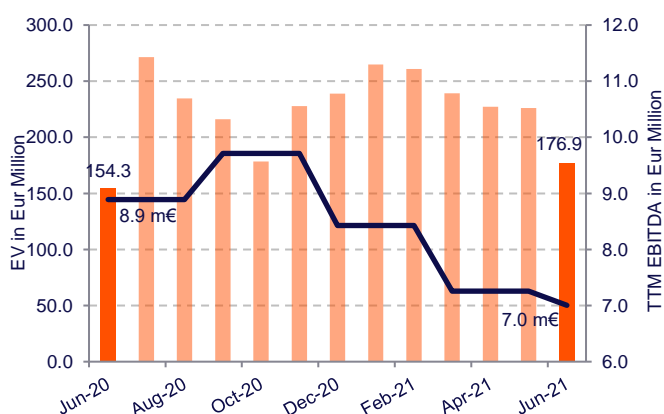
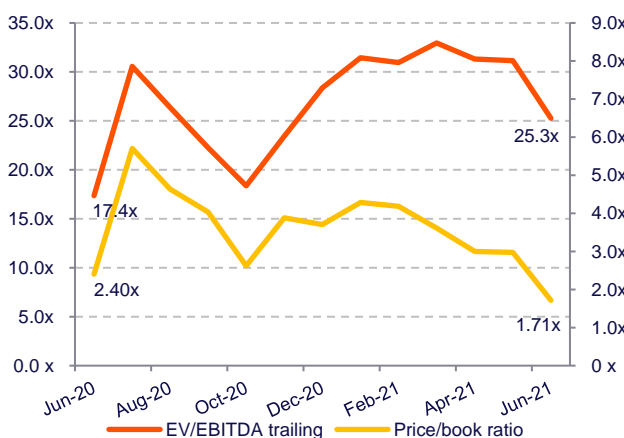


Chart 4. Enterprise value / trailing 12 months EBITDA and price to book ratio



Notes:

EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus net debt, defined as Non-current liabilities, plus Current liabilities, minus Current assets.

The trailing 12 month EBITDA was adjusted to EUR 8.2 million, the sum of EBITDA reported in the last four quarterly reports including this reporting period, ie. Q3 2020, Q4 2020, Q1 2021, and Q2 2021.

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 last quarterly report.

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

2.6.2 Main market of the Prague Stock Exchange

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.

On 30 June 2021 the share price (ISIN NL0010391108) closed at a level of CZK 47.00 (-41.6% compared to last quarter), corresponding to a price to book ratio of 1.83. The Company reports an average monthly trading volume of 141,958 shares in Q2 2021 compared to 61,985 shares in Q1 2021 and to an average of 42,209 in 2020.

2.6.3 Quotation Board of the Frankfurt Stock Exchange

On 30 June 2021 the share price (FSX: A1T9KW) closed at a level of EUR 1.68, corresponding to a price to book ratio of 1.67.

The Company reports a monthly trading volume of 63,203 shares in Q2 2021 compared to 23,310 shares in Q1 2021.

The Company's shares have been traded on the Quotation Board of the Frankfurt Stock Exchange since 11 January 2021.

Since 28 July 2020, the Company's shares have already 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.

2.7 Bond trading performance

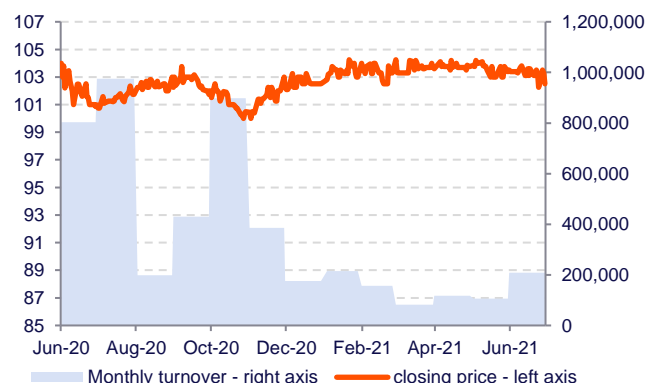
In December 2016 the Company issued a 7-year corporate bond with a 6% annual coupon and monthly payments in the Czech Republic. The corporate bond (ISIN CZ0000000815) with a nominal value of CZK 30,000 has been traded on the Free Market of the Prague Stock Exchange since 12 December 2016.

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 has been subscribed to in full on

7 September 2018, before the end of the public placement period originally set until 20 September 2018. 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 is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The Group has successfully increased the bond placement by EUR 7.5 million in 2019, and EUR 7.5 million in 2020 with all parameters unchanged. The total outstanding EUR bond volume amounts to EUR 45.0 million as of the end of the reporting period.

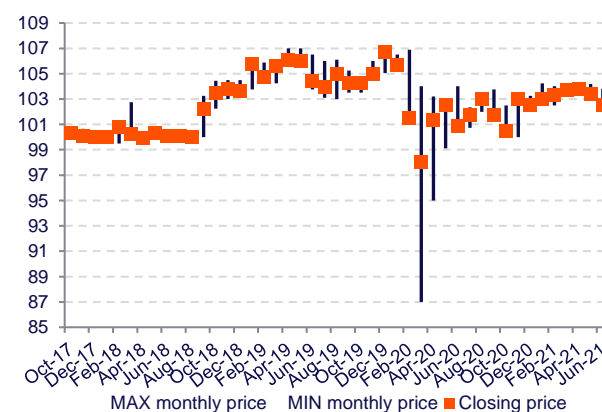
2.7.1 EUR Bond 2017-22 trading performance

Chart 5. The Company's EUR bond 2017-2022 trading on the Frankfurt Stock Exchange in Germany



In the trading period from 25 October 2017 until 30 June 2021, the trading volume amounted to EUR 50.374 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 102.50 in Frankfurt. During this period the average daily turnover amounted to EUR 54,282.

Chart 6. MIN, MAX and closing monthly prices



In Q2 2021, the trading volume amounted to EUR 822,000 (compared to EUR 899,000 during the last quarter), with an opening price of 103.70 and a closing price of 102.50 in Frankfurt. The average daily turnover in Q1 2021 amounted to EUR 13,048 compared to EUR 14,270 in Q1 2021.

2.7.2 CZK Bond trading performance in Prague

In the trading period from 12 December 2016 until 30 June 2021, the trading volume amounted to CZK 33.690 million with a closing price of 100.00.

2.8. Financial statement analysis

Profit and Loss statement

While the company reported a significant increase in its consolidated revenues, it was offset by lower profitability YoY, due to a continued capacity expansion and a delay experienced in the grid-connection of our two utility-scale solar farms in Leeton Australia. We closed the second quarter of 2021 with total revenues amounting to an outstanding EUR 9.855 million (+11.0% YoY) thanks to a robust 16.1% increase in revenues from the sale of electricity generated by our proprietary portfolio, while other revenues streams essentially unchanged compared to the same quarter last year (+0.6% YoY). The first revenues coming from the electricity generation of our two utility-scale projects in Leeton, Australia, will finally occur in Q3 2021 only as a result of a delay experienced in the commissioning process. The two utility-scale power plants with a combined capacity of 14.6 MWp are the two largest projects we added to our portfolio to date and our first merchant projects providing competitive energy into the Australian energy market. Together they are expected to generate approximately 27.8 GWh of clean energy per year, contributing to further increase our recurring revenues and mitigate the seasonality of our business.

During the quarter, we continued our capacity expansion, mainly expressed in a growing headcount, leading to a EUR 3.898 million EBITDA in Q2 2021 (-6.1% YoY). This investment is crucial for the development of existing business lines as well as new activities. In 2021 only, we were able to expand our project development pipeline to 386 MWp in Hungary, Poland and Romania (approximately 187 MWp added since December 2020) and have started the procurement phase for the construction of two projects in Hungary this year. Our project development is the foundation to raise our income-generating asset base in the medium- and long-term, driving future growth in recurring electricity-generation revenues, other comprehensive income generated upon plant commissioning according to IAS 16, and capital gains related to project development for resale.

Depreciation increased as a result of the new power plants connected in Hungary over the past 12 months (14.1 MWp), leading to a quarterly EBIT of EUR 0.968 million in Q2 2021 compared to EUR 1.711 million one year ago.

Interest expenses increased to EUR -1.638 million by 31.0% in Q2 2021, due to the refinancing of our last additions to the Hungarian portfolio, Australian projects and an additional placement of our EUR Bond in the second half of 2020. Those costs could be partly offset by a positive revaluation of derivatives compared to the same period last year.

Logically, net profit remained in the red with a net loss of EUR -0.869 million in Q2 2021 compared to a loss of EUR -0.969 million a year ago.

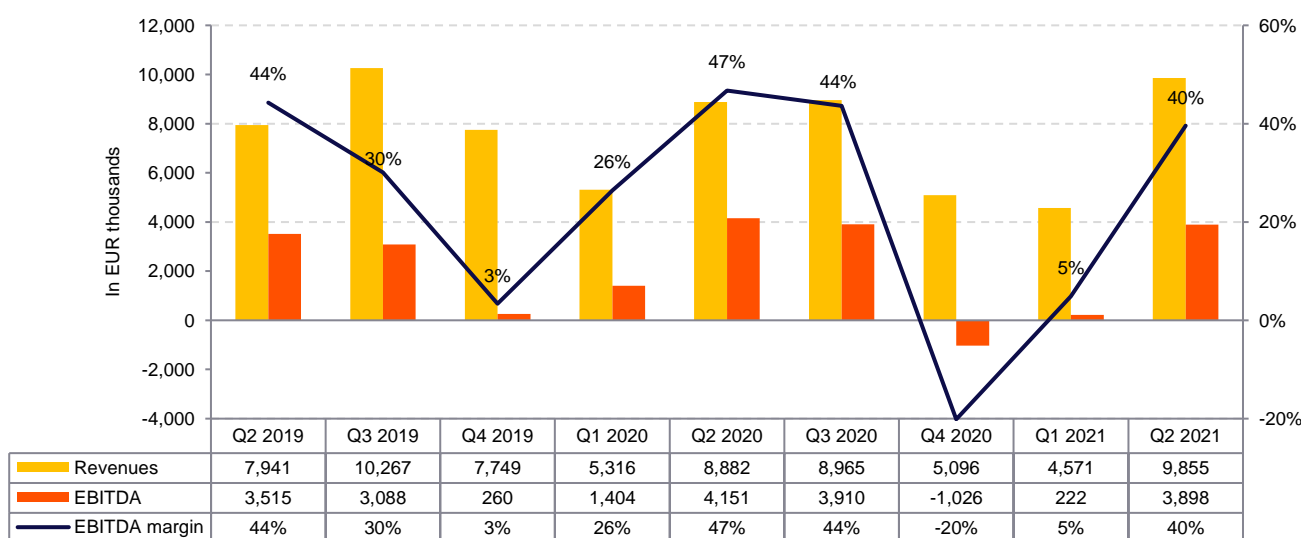
The exchange rate headwinds experienced in 2020 are gradually receding, as we benefited from a positive EUR 1.169 million FX revaluation in Q2 2021 and also benefited from a positive revaluation of derivatives (EUR +0.294 million). As previously the losses, also those gains are non-realized and non-cash gains.

Ultimately, Photon Energy Group managed to post a positive Total Comprehensive Income (TCI) of EUR 0.505 million compared to EUR 1.183 million a year earlier.

The adjusted equity ratio increased to a comfortable level of 32.0%, further to the sale of existing treasury shares for EUR 7.7 million, making our financial situation stable and allowing the company to deliver its strategic objectives.

Year-to-date, Photon Energy's first six month revenues increased by 1.6% to EUR 14.425 million, while EBITDA and EBIT both decreased to EUR 4.120 million (-25.8% YoY) and EUR -0.507 million (-131.1% YoY) respectively. Photon Energy recorded a net loss of EUR -4.037 million compared to EUR -2.678 million in the first six months of 2020 whereas the TCI amounted to a solid EUR 2.297 million compared to a negative EUR -3.142 million a year ago.

Chart 7. Revenues, EBITDA and EBITDA margin



The data presented above are based on published quarterly reports, with figures adjusted to be consistent with the annual audited figures for 2020 made available after the publication of the 4th quarter.

Balance Sheet

Switching to the balance sheet, Total fixed assets amounted to EUR 140.049 million at the end of Q2 2021, representing an increase of 3.7% compared to the end of 2020. This development is mainly connected to a revaluation of our equity investment in Raygen resulting from the company's capital increase announced during the reporting period.

Current assets increased by 55.8% compared to the end of 2020 to EUR 37.169 million as of the end of Q2 2021, resulting primarily from an increase in receivables and to an increase in Liquid assets further to the sale of existing treasury shares for EUR 7.652 million.

Long term liabilities increased by 10.6% compared to the end of 2020 to EUR 114.582 million at the end of Q2 2021, due to an

increase in bank loans related to the refinancing drawdowns for our power plants in Hungary in accordance with financing plans already in Q1 2021. As a reminder, our business model involves a large part of bank financing at the project level, where debt/equity ratios reach up to 80/20. Non-recourse financing is aligned with the life cycle of the power plants and is very long term, up to 15 years. Thus a higher level of debt is a specific of our industry.

Current liabilities amounted to EUR 11.061 million at the end of Q2 2021, corresponding to a -27.3% decrease compared to the end of 2020, mainly due to a decrease in trade and other payables.

Chart 8. Net current assets

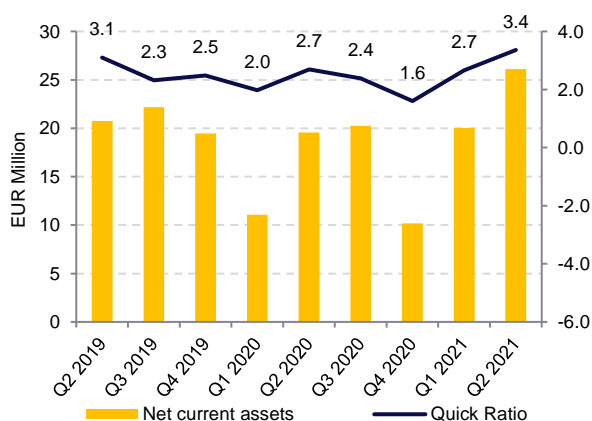
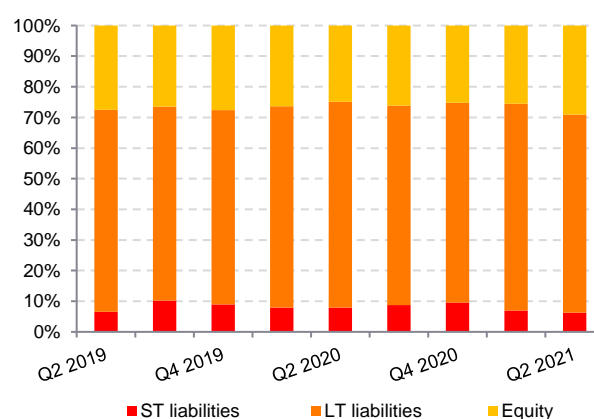


Chart 9. Break down of liabilities and equity



Changes in equity

Equity increased by 28.7% compared to the end of 2020 and amounted to EUR 51.573 million at the end of Q2 2021, reflecting the Total Comprehensive Income for the period and the placement of treasury shares in June. The adjusted equity ratio increased to a solid 32.0%.

Cash Flow

In Q2 2021, the Group posted a positive operating cash flow, which amounted to EUR 1,266 million, compared to EUR 2.903 million in Q2 2020, mainly driven by adjustments in the net working capital and by a lower profit before taxation.

Financial cash flow amounted to EUR 3.861 million in Q2 2021, compared to EUR 7.747 million in Q2 2020, mainly coming from the proceeds from the placement of treasury shares which were compensated by scheduled and extraordinary repayments of bank financing and interest expenses.

Investment cash flow was negative and equalled to EUR -3.614 million in Q2 2021 compared to EUR -3.731 million in Q2 2020, mainly related to work in progress in Australia, an investment in gold and the revaluation of our investment in Raygen.

Overall, the cash position improved to EUR 16.074 million at the end of Q2 2021 compared to EUR 14.563 million the end of Q1 2021.

2.9 Financial forecasts

The Company does not publish financial forecasts.

3. General Information About the Issuer

The table below presents general information about Photon Energy NV, hereinafter referred to as the “PENV”, “Issuer”, “the Group” and/or the “Company”.

Company name:	Photon Energy N.V.
Registered office:	Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands
Registration:	Dutch Chamber of Commerce (Kamer van Koophandel)
Company number:	51447126
Tax-ID:	NL850020827B01
Ticker:	PEN
Web:	www.photonenergy.com

4. Share Capital of the Issuer

The Company's share capital is EUR 600,000 divided into 60,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up.

Share capital as of 30 June 2021

Series / issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (EUR)	Capital covered with
A	bearer	-	-	60.000.000	600.000	cash
Total number of shares				60,000,000		
Total share capital					600,000	
Nominal value per share = EUR 0.01						

In the reporting period there were no changes to the share capital.

5. Shareholder Structure

As of the publishing date, to the knowledge of the Board of Directors of Photon Energy N.V., the shareholder structure was as follows:

Shareholdership as of 30.06.2021	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Future Cooperatief U.A.	21,775,075	36.29%	21,775,075	38.72%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	37.07%
Photon Energy N.V.	3,765,665	6.28%	0	0.00%
Free float	13,615,885	22.69%	13,615,885	24.21%
Total	60,000,000	100.00%	56,234,335	100.00%

The free float includes shares allocated to the employee incentive programme. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

6. Statutory Bodies of the Issuer

Board of Directors as of 30 June 2021

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer's Board of Directors has the following members:

Name	Position	Date of birth	Start of function
Georg Hotar	Director (<i>Bestuurder</i>)	21. 04. 1975	4 December 2020*
Michael Gartner	Director (<i>Bestuurder</i>)	29. 06. 1968	4 December 2020*

Mr Hotar and Mr Gartner have been the Company's managing directors since 9 December 2010, however, new term of their office (previously unlimited and currently term of four years) has started on 4 December 2020, due to the changes in the Company's corporate structure.

Supervisory Board

On 4 December 2020, the shareholders of Photon Energy established in an extraordinary general meeting a two-tier board structure comprised of the existing management board and a new supervisory board.

The supervisory board provides guidance and oversight to the management board on the general affairs of the company. They also serve as audit committee.

The supervisory board and audit committee is comprised of two members, Mrs. Boguslawa Skowronski and Mr. Marek Skreta, appointed for a four-year term of office.

These changes to the corporate structure of Photon Energy are connected to the transfer of the Company share listings from the

alternative NewConnect and Free Market to the regulated (parallel) market of the Warsaw Stock Exchange and the standard market of the Prague Stock Exchange. The Company has implemented these changes in order to be in full compliance with the laws and regulations imposed on public companies as well as the best practices of the regulated markets.

As of today, the provisions in Dutch law, which are commonly referred to as the "large company regime" (*structuurregime*), do not apply to the Company. The Company does not intend to voluntarily apply to the "large company regime."

7. Description of the Issuer's Business

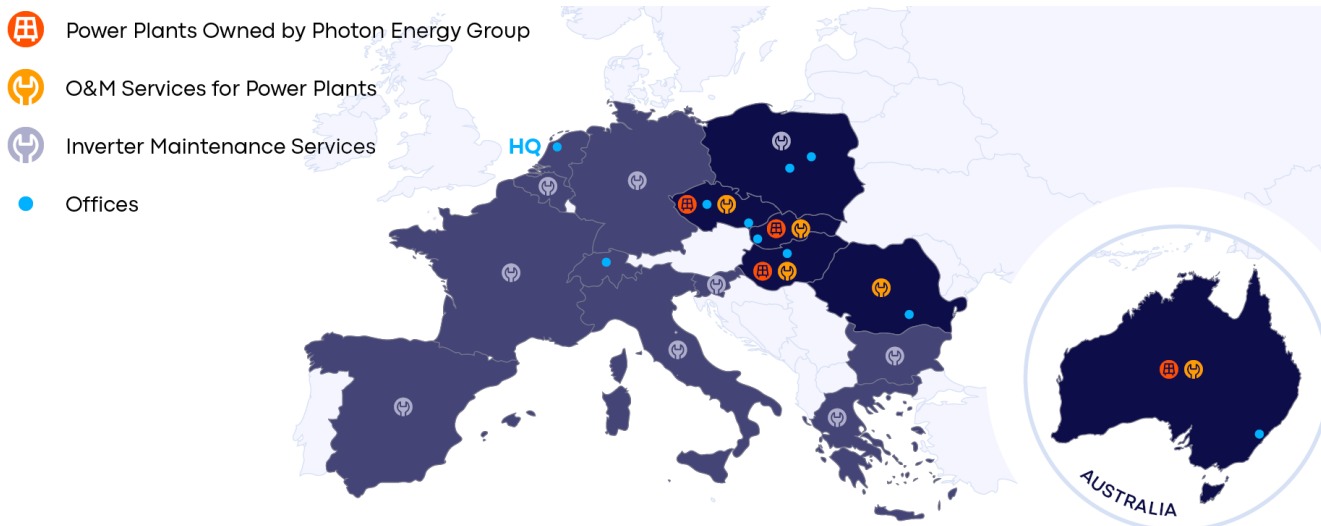
Photon Energy NV is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group ("Group") offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

The Group is vertically integrated in the downstream segment of the photovoltaic industry. The company focuses on life-cycle services and delivers:

- ▶ **Projects:** Project development for rooftop and green-field installations from 300 kW to 300 MW.
- ▶ **Solutions:** Design and construction of on-grid and off-grid installations, including battery storage solutions,

- ▶ **Technology:** Trading of PV-components (modules and inverters).
- ▶ **Investments:** Investments in PV power plants and sustainable production and sale of electricity.
- ▶ **Operations:** Operations and maintenance of PV power plants, including a proprietary control room and monitoring platform.

In addition, the company launched a new service line **Water** which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification.



Country-specific references

Currently Photon Energy is active with 145 professionals in nine countries across three continents (headquartered in Amsterdam), with a track record of building more than 110 MWp of grid-

connected PV plants across five countries, a proprietary portfolio of 89.3 MWp of PV plants and more than 300 MWp of PV power plants under O&M management across two continents.

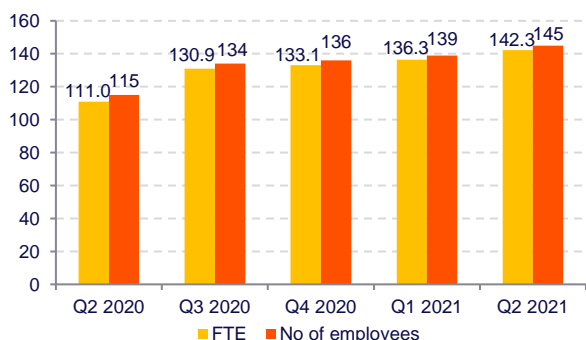
8. Implementation of Innovative Activities in the Company

None during the reporting period.

9. Employees

As of the end of Q2 2021, Photon Energy had 145 employees (compared to 115 employees at the end of Q2 2020) translating into 142.3 FTE (compared to 111.0 FTE as of the end of Q2 2020).

Chart 11. Total number of employees and full time equivalent employees per quarter



Full-time equivalent (FTE) is a unit that indicates the workload of an person in a way that makes workloads comparable across various contexts. An 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.

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.

The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

10. Group Structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of the reporting date.

Name	% of share capital held by the holding company	Country of registration	Consolid. method	Legal Owner
1 Photon Energy N.V. (PENV)	Holding	NL	Full Cons.	-
2 Photon Energy Operations NL B.V. (PEONL, former Photon Directors B.V.)	100%	NL	Full Cons.	PEONV
3 Photon Energy Engineering B.V. (PEEBV)	100%	NL	Full Cons.	PENV
4 Photon Energy Operations N.V. (PEONV)	100%	NL	Full Cons.	PENV
5 Photon Remediation Technology N.V. (PRTNV)	100%	NL	Full Cons.	PENV
6 Photon Energy Australia Pty Ltd.	100%	AU	Full Cons.	PENV
7 Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Full Cons.	PENV
8 Leeton Solar Farm Pty Ltd (former Photon Energy AUS SPV 2 Pty. Ltd.)	100%	AU	Full Cons.	PENV
9 Fivebough Solar Farm Pty Ltd. (former Photon Energy AUS SPV 3 Pty. Ltd.)	100%	AU	Full Cons.	PENV
10 Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Full Cons.	PENV
11 Photon Energy AUS SPV 6 Pty. Ltd.	51%	AU	Equity	PENV
12 Maryvale Solar Farm Pty. Ltd. (former Photon Energy AUS SPV 10 Pty. Ltd.)	65%	AU	Equity	PENV
13 Photon Energy Operations Australia Pty.Ltd.	100%	AU	Full Cons.	PEONV
14 Photon Energy Engineering Australia Pty Ltd	100%	AU	Full Cons.	PEEBV
15 Photon Remediation Technology Australia Pty Ltd.	100%	AU	Full Cons.	PRTNV
16 Photon Energy SGA Pty. Ltd.	100%	AU	Full Cons.	PENV
17 Photon Water Australia Pty. Ltd.	100%	AU	Full Cons.	PENV
18 Global Investment Protection AG (GIP)	100%	CH	Full Cons.	PENV
19 ALFEMO AG (ALFEMO)	100%	CH	Full Cons.	PENV
20 KORADOL AG (KORADOL)	100%	CH	Full Cons.	PENV
21 Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	PENV
22 Photon SPV 1 s.r.o.	100%	CZ	Full Cons.	KORADOL
23 Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KORADOL
24 Photon Energy Operations CZ s.r.o. (PEOCZ) ¹	100%	CZ	Full Cons.	PEONV
25 Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
26 Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
27 Photon Water Technology s.r.o.	65%	CZ	Full Cons.	PENV
28 Photon Remediation Technology Europe s.r.o. (former Charles Bridge s.r.o.)	100%	CZ	Full Cons.	PENV
29 Photon Energy Solutions s.r.o. (PESCSZ)	100%	CZ	Full Cons.	PENV
30 Photon Energy Projects s.r.o. (PEP)	100%	CZ	Full Cons.	PENV
31 Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
32 Photon Maintenance s.r.o. (former The Special One s.r.o.)	100%	CZ	Full Cons.	PENV
33 Photon Energy Technology EU GmbH	100%	DE	Full Cons.	PENV
34 Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	PENV
35 Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
36 EcoPlan 2 s.r.o.	100%	SK	Full Cons.	PENV
37 EcoPlan 3 s.r.o.	100%	SK	Full Cons.	PENV
38 Fotonika s.r.o.	100%	SK	Full Cons.	PENV
39 Photon SK SPV 1 s.r.o.	50%	SK	Equity	PENV
40 Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	PENV
41 Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	PENV
42 Solarpark Myjava s.r.o.	50%	SK	Equity	PENV
43 Solarpark Polianka s.r.o.	50%	SK	Equity	PENV
44 SUN4ENERGY ZVB s.r.o.	100%	SK	Full Cons.	PENV
45 SUN4ENERGY ZVC s.r.o.	100%	SK	Full Cons.	PENV
46 ATS Energy, s.r.o.	100%	SK	Full Cons.	PENV
47 Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	PEONV
48 Photon Energy HU SPV 1 Kft. b.a	100%	HU	Full Cons.	ALFEMO
49 Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	ALFEMO
50 Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
51 Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	PENV
52 Future Solar Energy Kft	100%	HU	Full Cons.	ALFEMO
53 Montagem Befektetési Kft.	100%	HU	Full Cons.	ALFEMO
54 Solarkit Befektetesi Kft.	100%	HU	Full Cons.	ALFEMO
55 Energy499 Invest Kft.	100%	HU	Full Cons.	ALFEMO
56 SunCollector Kft.	100%	HU	Full Cons.	ALFEMO

Name	% of share capital held by the holding company	Country of registration	Consolid. Method	Legal Owner
57 Green-symbol Invest Kft.	100%	HU	Full Cons.	ALFEMO
58 Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
59 Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
60 Tataimmo Kft	100%	HU	Full Cons.	ALFEMO
61 Öreghal Kft.	100%	HU	Full Cons.	ALFEMO
62 European Sport Contact Kft.	100%	HU	Full Cons.	ALFEMO
63 ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
64 ALFEMO Beta Kft.	100%	HU	Full Cons.	ALFEMO
65 ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO
66 Archway Solar Kft.	100%	HU	Full Cons.	PENV
67 Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
68 Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
69 Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
70 Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
71 Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
72 Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
73 Ráció Master Oktatási	100%	HU	Full Cons.	ALFEMO
74 Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
75 MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	ALFEMO
76 PROMA Mátra Ingatlanfejlesztési Kft.	100%	HU	Full Cons.	ALFEMO
77 Optisolar Kft.	100%	HU	Full Cons.	ALFEMO
78 Ladány Solar Alpha Kft.	100%	HU	Full Cons.	ALFEMO
79 Ladány Solar Beta Kft.	100%	HU	Full Cons.	ALFEMO
80 Ladány Solar Gamma Kft.	100%	HU	Full Cons.	ALFEMO
81 Ladány Solar Delta Kft.	100%	HU	Full Cons.	ALFEMO
82 ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
83 ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
84 ZUGGÓ-DŰLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
85 Ventiterra Környezetgazdálkodási és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
86 VENTITERRA ALFA Kft.	100%	HU	Full Cons.	ALFEMO
87 VENTITERRA BETA Kft.	100%	HU	Full Cons.	ALFEMO
88 Hendon Solar Kft.	100%	HU	Full Cons.	ALFEMO
89 Mayfair Solar Kft.	100%	HU	Full Cons.	ALFEMO
90 Holborn Solar Kft.	100%	HU	Full Cons.	ALFEMO
91 Photon Energy Project Development XXK (PEPD)	99%	MN	Full Cons.	PEP
92 PEPD Solar XXK.	100%	MN	Full Cons.	PEPD
93 Photon Energy Peru S.C.A.	100%	PE	Full Cons.	GIP & PENV
94 Solar Age Polska S.A. (former Ektalion Investments S.A.)	100%	PL	Full Cons.	PENV
95 Photon Energy Polska Sp. Z o.o. (former Holbee Investments Sp. z o.o.)	100%	PL	Full Cons.	PENV
96 Photon Energy Operations PL Sp. z o.o. (former Timassile Investments Sp. z o.o.)	100%	PL	Full Cons.	PEONV
97 Stanford Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
98 Halton Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
99 Aldgate Solar Srl	100%	RO	Full Cons.	PEP & PES CZ
100 Holloway Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
101 Moorgate Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
102 Redbridge Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
103 Watford Solar Srl	100%	RO	Full Cons.	PEP & PES CZ
104 Becontree Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
105 Greenford Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
106 Chesham Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ
107 Photon Energy Romania SRL	100%	RO	Full Cons.	PENV & PEONL
108 Photon Renewable Energy Pty. Ltd.	100%	SA	Full Cons.	PENV
109 Solar Age SPV 1 Pty. Ltd.	100%	SA	Full Cons.	PENV
110 PE Solar Technology Ltd.	100%	UK	Full Cons.	PENV

Notes:

Country of registration:

AU – Australia

DE – Germany

MN – Mongolia

RO – Romania

CH – Switzerland

HU – Hungary

PL – Poland

SK – Slovakia

CZ – Czech Republic

NL – Netherlands

PE – Peru

SA – South Africa

UK – United Kingdom

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 & PES CZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%

In addition to the above subsidiaries, for the purposes of IFRS reporting, the Company consolidates the following entities:

	Name	% of Consolidated share	% of Ownership share	Country of registration	Consolidation method	Legal Owner
1	Photon SPV 3 s.r.o. (Mostkovice SPV3)	100%	0%	CZ	Full Cons.	RL
2	Photon SPV 8 s.r.o. (Zvikov I)	100%	0%	CZ	Full Cons.	RL
3	Exit 90 SPV s.r.o. (Komorovice)	100%	0%	CZ	Full Cons.	RL
4	Photon SPV 4 s.r.o. (Svatoslav)	100%	0%	CZ	Full Cons.	RL
5	Photon SPV 6 s.r.o. (Slavkov)	100%	0%	CZ	Full Cons.	RL
6	Onyx Energy s.r.o. (Zdice I)	100%	0%	CZ	Full Cons.	RL
7	Onyx Energy projekt II s.r.o. (Zdice II)	100%	0%	CZ	Full Cons.	RL
8	Photon SPV 10 s.r.o. (Dolní Dvořiště)	100%	0%	CZ	Full Cons.	RL
9	Kaliopé Property, s.r.o.	100%	0%	CZ	Full Cons.	RL

Notes: RL - Raiffeisen - Leasing, s.r.o.

In the reporting period, the following changes to the Group structure took place:

- ▶ On 21 April 2021, Photon Energy N.V. became 100% shareholder of Photon Renewable Energy Pty. Ltd..
- ▶ On 17 May 2021, Photon Energy Project Development XXK. became 100% shareholder of PEPD Solar XXK..
- ▶ On 8 June 2021, Photon Energy N.V. became 100% shareholder of Photon Remediation Technology N.V..
- ▶ On 25 June 2021, Photon Energy N.V. became 100% shareholder of Solar Age SPV 1 Pty..

After the reporting period, the following events occurred from the beginning of July 2021

- ▶ None.

11. Report on the Key Events Material for the Group's Operations

11.1 Summary of the key events from 1 April until 30 June 2021

In the period covered by this report the following current reports were published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- ▶ None.

In the period covered by this report the following current reports were published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange:

- ▶ **ESPI Report 13** – 13.04.2021 – Photon Energy increases its share in Maryvale Solar Farm through an asset swap with Canadian Solar.
- ▶ **ESPI Report 14** – 14.04.2021 – Photon Energy Group participates in RayGen Resources capital increase.
- ▶ **ESPI Report 15** – 14.04.2021 – Monthly report for March 2021.
- ▶ **ESPI Report 16** – 19.04.2021 – Annual report 2020.
- ▶ **ESPI Report 17** – 20.04.2021 – AGM 2021 Convocation notice.
- ▶ **ESPI report 18** – 11.05.2021 – Quarterly report for Q1 2021.
- ▶ **ESPI report 19** – 13.05.2021 – Monthly report for April 2021.
- ▶ **ESPI report 20** – 31.05.2021 – “Non public” report: list of shareholders entitled to vote at the Annual General Meeting to be held on 1 June 2021.

- ▶ **ESPI report 21** – 01.06.2021 – List of shareholders holding at least 5% of votes at the Annual General Meeting to be held on 1 June 2021.
- ▶ **ESPI report 22** – 01.06.2021 – The Minutes of the AGM of shareholders held on 1 June 2021.
- ▶ **ESPI report 23** – 02.06.2021 – Photon Energy Group Receives ‘Very Good’ Rating from Sustainability Rating Agency imug | rating.
- ▶ **ESPI report 24** – 08.06.2021 – Photon Energy Group participates in AUD 42 Million RayGen series C capital raise.
- ▶ **ESPI report 25** – 10.06.2021 – Photon Energy Group announces long-term strategy guidance.
- ▶ **ESPI report 26** – 10.06.2021 – Monthly report for May 2021. ▶
- ▶ **ESPI report 27** – 16.06.2021 – Information about commencement of the offering of existing shares of Photon Energy N.V..
- ▶ **ESPI report 28** – 22.06.2021 – Convocation of an Extraordinary General Meeting of Shareholders on 5 August 2021.
- ▶ **ESPI report 29** – 25.06.2021 – Information on the completion of the offering of existing shares of Photon Energy N.V.

11.2 Summary of the key events after 30 June 2021

After the period covered by this report, the following current reports were published in the EBI (Electronic Database Information) system of Warsaw Stock Exchange:

- ▶ None.

After the period covered by this report the following current reports were published in the ESPI (Electronic Information Transmission System) system of Warsaw Stock Exchange:

- ▶ **ESPI report 30** – 14.07.2021 – Monthly report for June 2021.
- ▶ **ESPI report 31** – 04.08.2021 – Non-public Report - List of all shareholders entitled to vote at the Extraordinary General Meeting to be held on 5 August 2021.
- ▶ **ESPI report 32** – 05.08.2021 – List of shareholders holding at least 5% of votes at the Extraordinary General Meeting of shareholders held on 5 August 2021.
- ▶ **ESPI report 33** – 05.08.2021 – The Minutes of the EGM of shareholders held on 5 August 2021.
- ▶ **ESPI report 34** – 10.08.2021 – Photon Energy commissions 14.6 MWp utility-scale solar farms in Australia

These reports have also been provided to the Prague stock exchange

12. Detailed Consolidated Financial Results for Q2 2021

The tables below present the consolidated and unaudited financial statements of Photon Energy N.V. for the period starting on 1 April 2021 and ending on 30 June 2021 and the corresponding

period of the previous year. The reported data is presented in accordance with International Financial and Reporting Standards (IFRS).

Statement of Comprehensive Income

in Thousands	EUR		PLN		CZK	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Total revenues	8,882	9,855	39,984	44,632	240,284	252,650
<i>Out of that: Revenues from electricity generation</i>	5,930	6,886	26,696	31,186	160,431	176,537
<i>Out of that: Other revenues</i>	2,952	2,969	13,288	13,446	79,853	76,113
Other income	88	-15	396	-67	2,378	-380
Raw materials and consumables used	-1,195	-2,718	-5,380	-12,310	-32,328	-69,687
Solar levy	-324	-324	-1,459	-1,466	-8,768	-8,298
Personnel expenses	-1,466	-1,708	-6,602	-7,734	-39,672	-43,782
Other expenses	-1,833	-1,192	-8,253	-5,399	-49,597	-30,562
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	4,151	3,898	18,686	17,655	112,295	99,941
Depreciation	-2,422	-3,020	-10,903	-13,678	-65,522	-77,426
Impairment charges	-144	0	-648	-1	-3,896	-8
Gain (loss) on disposal of investments	0	0	0	0	0	0
Share of profit equity accounted investments (net of tax)	127	90	571	409	3,430	2,313
Result from operating activities (EBIT)	1,712	968	7,706	4,384	46,307	24,819
Financial income	15	13	68	60	411	342
Interest expense	-1,250	-1,638	-5,629	-7,421	-33,830	-42,007
Financial expenses	-127	-26	-573	-120	-3,444	-679
Revaluation of derivatives	-200	118	-901	536	-5,416	3,035
Profit/loss before taxations (EBT)	149	-565	670	-2,560	4,028	-14,490
Income tax due/deferred	-1,118	-303	-5,032	-1,374	-30,242	-7,777
Profit/loss from continuing operations	-969	-869	-4,362	-3,933	-26,213	-22,266
Profit/loss	-969	-869	-4,362	-3,933	-26,213	-22,266
Other comprehensive income						
Items that will not be reclassified subsequently to profit of loss						
Revaluation of property, plant and equipment	641	0	2,886	0	17,341	0
Items that will be reclassified subsequently to profit of loss						
Foreign currency translation diff. - foreign operations	1,534	1,169	6,908	5,294	41,512	29,970
Derivatives (hedging)	-24	294	-108	1,331	-649	7,536
Revaluation of Other investments	0	-96	0	-435	0	-2,463
Items that will be reclassified subsequently to profit of loss - related to JV						
Derivatives (hedging)	1	7	5	32	27	181
Other comprehensive income for the period	2,152	1,374	9,690	6,222	58,231	35,224
Total comprehensive income for the period	1,183	505	5,328	2,289	32,017	12,958
Profit attributable to:						
<i>Attributable to the equity holders</i>	-950	-834	-4,278	-3,776	-25,706	-21,374
<i>Attributable to non-controlling interest</i>	-19	-35	-84	-158	-507	-893
Profit for the year	-969	-869	-4,362	-3,933	-26,213	-22,266
Total comprehensive income attributable to:						
<i>Attributable to the equity holders</i>	1,202	540	5,412	2,447	32,524	13,850
<i>Attributable to non-controlling interest</i>	-19	-35	-84	-158	-507	-893
Total comprehensive income for the period	1,183	505	5,328	2,289	32,017	12,958
Average no. of shares outstanding (in thousand)	51,198	53,734	51,198	53,734	51,198	53,734
Earnings per share outstanding	-0.019	-0.016	-0.084	-0.070	-0.502	-0.398
Comprehensive income per share outstanding	0.023	0.010	0.106	0.046	0.635	0.258
<i>EUR exchange rate – low</i>			4.399	4.451	26.560	25.335
<i>EUR exchange rate – average</i>			4.502	4.529	27.054	25.638
<i>EUR exchange rate – high</i>			4.582	4.609	27.610	26.085

Statement of Financial Position

in Thousands	EUR		PLN		CZK	
	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Intangible assets	1,260	1,021	5,747	4,612	33,076	26,011
Property, plant and equipment	126,330	127,822	576,113	577,579	3,315,531	3,257,544
<i>PPE – Lands</i>	4,473	4,825	20,399	21,801	117,398	122,958
<i>PPE – Photovoltaic power plants</i>	111,265	108,757	507,412	491,431	2,920,153	2,771,671
<i>PPE - Equipment</i>	895	956	4,081	4,321	23,485	24,372
<i>PPE – Assets in progress</i>	9,697	13,284	44,222	60,025	254,495	338,542
Right of use - leased asset	2,274	2,121	10,370	9,586	59,678	54,065
Other receivables - non current	506	519	2,308	2,346	13,280	13,233
Other non-current financial assets	2,042	6,352	9,312	28,700	53,593	161,870
Investments in equity-accounted investees	2,641	2,214	12,045	10,006	69,320	56,435
Non-current assets	135,053	140,049	615,895	632,830	3,544,479	3,569,159
Inventories	1,010	1,091	4,607	4,928	26,512	27,793
Contract asset	1,025	1,244	4,673	5,621	26,896	31,701
Trade receivables	4,662	5,666	21,259	25,603	122,348	144,399
Other receivables	1,467	3,907	6,691	17,653	38,505	99,562
Loans to related parties	1,137	1,579	5,184	7,137	29,836	40,250
Current income tax receivables	0	0	0	0	0	0
Prepaid expenses	260	234	1,186	1,058	6,826	5,965
Liquid assets	14,290	23,449	65,170	105,956	375,054	597,589
<i>Cash and cash equivalents</i>	9,893	16,074	45,117	72,633	259,650	409,653
<i>Liquid assets with restriction on disposition</i>	4,109	4,345	18,739	19,634	107,841	110,733
<i>Precious metals</i>	288	3,029	1,314	13,689	7,563	77,203
Current assets	23,851	37,169	108,771	167,954	625,976	947,260
Total assets	158,904	177,218	724,666	800,783	4,170,455	4,516,418
Share capital	600	600	2,736	2,711	15,747	15,291
Share premium	23,946	31,390	109,204	141,838	628,469	799,967
Reserves	37,774	43,927	172,262	198,490	991,369	1,119,484
Statutory reserve fund	13	13	61	60	350	340
Retained earnings	-22,137	-24,162	-100,955	-109,178	-580,998	-615,766
Other capital funds	82	32	374	145	2,152	816
Treasury shares held	-82	-32	-374	-145	-2,152	-816
Equity attributable to owners of the Company	40,196	51,768	183,308	233,921	1,054,937	1,319,317
Non-controlling interests	-121	-195	-553	-881	-3,185	-4,967
Total equity	40,074	51,573	182,755	233,041	1,051,752	1,314,350
Loans and borrowings	44,143	54,254	201,309	245,152	1,158,533	1,382,655
Issued bonds	46,739	47,759	213,149	215,803	1,226,671	1,217,127
Lease liability	1,936	1,817	8,828	8,211	50,804	46,309
Other non-current liabilities	401	568	1,829	2,567	10,528	14,476
Provision	520	528	2,370	2,384	13,640	13,446
Deferred tax liabilities	9,885	9,657	45,081	43,638	259,442	246,116
Non-current liabilities	103,624	114,582	472,566	517,753	2,719,618	2,920,129
Loans and borrowings	6,008	6,919	27,399	31,262	157,682	176,320
Trade payables	3,669	1,744	16,731	7,879	96,286	44,435
Other payables	3,593	1,553	16,385	7,017	94,295	39,578
Contract liabilities	836	423	3,812	1,910	21,941	10,775
Lease liability	469	413	2,137	1,866	12,296	10,524
Current tax liabilities	630	10	2,872	44	16,527	249
Current liabilities	15,204	11,061	69,335	49,979	399,026	281,882
Total Liabilities	118,828	125,643	541,902	567,732	3,118,644	3,202,010
TOTAL Equity & Liabilities	158,902	177,217	724,656	800,773	4,170,396	4,516,360
<i>No. of shares outstanding in thousand</i>	51,216	56,234	51,216	56,234	51,216	56,234
<i>Book value per share outstanding</i>	0.782	0.917	3.568	4.144	20.536	23.373

Cash Flow Statement

in Thousands	EUR		PLN		CZK	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Cash flows from operating activities						
Profit/Loss for the year before tax	149	-565	670	-2,560	4,028	-14,490
Adjustments for:						
Depreciation	2,422	3,020	10,903	13,678	65,522	77,426
Other changes in fixed assets	1	0	5	0	27	0
Share of profit of equity-accounted investments	-127	-90	-571	-409	-3,430	-2,313
Profit/Loss on sale of property, plant and equipment	0	0	0	0	0	0
Other non-cash items	377	-237	1,697	-1,073	10,199	-6,076
Gain on disposal of financial investments	0	0	0	0	0	0
Net finance costs	1,591	1,533	7,164	6,944	43,050	39,309
Changes in:						
Trade and other receivables	-1,494	-2,499	-6,726	-11,318	-40,422	-64,066
Precious metals	-297	0	-1,337	0	-8,035	0
Gross amount due from customers for contract work	-685	197	-3,083	890	-18,527	5,039
Prepaid expenses	22	173	97	783	582	4,430
Inventories	169	97	762	438	4,581	2,479
Trade and other payables	662	-615	2,979	-2,786	17,899	-15,773
Other liabilities	113	253	510	1,145	3,066	6,484
Net cash from operating activities	2,903	1,266	13,070	5,732	78,542	32,449
Cash flows from investing activities						
Acquisition of property, plant and equipment	-2,491	-1,011	-11,214	-4,579	-67,388	-25,920
Acquisition of subsidiaries, associates, JV	17	0	77	0	461	0
Acquisition of other financial asset	0	-1,594	0	-7,218	0	-40,860
Acquisition of other investments	-1,257	-1,010	-5,660	-4,573	-34,014	-25,886
Proceeds from sale of investments	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment	0	0	0	0	0	0
Interests received	0	0	0	0	0	0
Net cash from investing activities	-3,731	-3,614	-16,797	-16,370	-100,941	-92,666
Cash flows from financing activities						
Proceeds from issuance of ordinary shares	0	7,652	0	34,656	0	196,178
Change of consolidation method (acquisition of JV)	0	0	0	0	0	0
Proceeds from borrowings	10,235	0	46,077	0	276,899	0
Transfer to/from restricted cash account	0	-229	0	-1,036	0	-5,866
Repayment of borrowings	-1,295	-2,546	-5,830	-11,531	-35,035	-65,273
Repayment of principal element of lease liability	0	-127	0	-577	0	-3,268
Proceeds from issuing bonds	57	748	257	3,390	1,542	19,188
Repayment of long term liabilities/bonds	0	0	0	0	0	0
Interest payments	-1,250	-1,637	-5,629	-7,416	-33,830	-41,981
Net cash from financing activities	7,747	3,861	34,874	17,485	209,575	98,979
Net decrease/increase in cash and cash equivalents	6,919	1,512	31,147	6,847	187,176	38,761
Cash and cash equivalents at the beginning of the period	7,095	14,563	31,942	65,953	191,955	373,347
Cash and cash equivalents at the end of the period	14,014	16,074	63,089	72,800	379,131	412,108
<i>EUR exchange rate - low</i>			<i>4.399</i>	<i>4.451</i>	<i>26.560</i>	<i>25.335</i>
<i>EUR exchange rate - average</i>			<i>4.502</i>	<i>4.529</i>	<i>27.054</i>	<i>25.638</i>
<i>EUR exchange rate - high</i>			<i>4.582</i>	<i>4.609</i>	<i>27.610</i>	<i>26.085</i>

13. Detailed Entity Financial Results for Q2 2021

The tables below present the **unaudited entity** financial statements of Photon Energy N.V. for the three-month period starting on 1 April 2021 and ending on 30 June 2021 and the correspond-

ing period of the previous year. The reported data is presented in accordance with **Dutch Accounting Standards**.

Income Statement

in Thousands (except EPS)	EUR		PLN		CZK	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Net turnover	645	889	2,903	4,028	17,447	22,804
Other operating income	8	0	34	0	204	0
Total operating income	652	889	2,937	4,028	17,651	22,804
Costs of raw materials and consumables	0	0	0	0	0	0
Wages and salaries	-17	-20	-75	-91	-454	-512
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	0	0	0	0	0	0
Impairment of current assets	0	0	0	0	0	0
Other operating expenses	-765	-886	-3,445	-4,014	-20,702	-22,724
Total operating expenses	-782	-906	-3,520	-4,105	-21,156	-23,236
Other interest income and similar income	326	421	1,466	1,905	8,810	10,784
Interest expense and similar expenses	-650	-1,358	-2,924	-6,151	-17,572	-34,822
Results before tax	-453	-954	-2,041	-4,323	-12,266	-24,470
Taxes	0	0	0	0	0	0
Share in profit/loss of participations	0	0	0	0	0	0
Net result after tax	-453	-954	-2,041	-4,323	-12,266	-24,470

Balance Sheet

in Thousands	EUR		PLN		CZK	
	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
A. Fixed assets	59,235	53,065	270,133	239,782	1,554,616	1,352,369
I. Intangible fixed assets	30	36	137	162	787	915
3. Concessions, licences and intellectual property	30	36	137	162	787	915
II. Tangible fixed assets	0	0	0	0	0	0
III. Financial fixed assets	59,205	53,029	269,996	239,619	1,553,829	1,351,454
1. Interests in group companies	32,685	27,238	149,055	123,076	857,810	694,149
2. Accounts receivable from group companies	26,520	25,792	120,942	116,543	696,020	657,305
B. Current assets	56,665	70,232	258,415	317,352	1,487,179	1,789,868
I. Inventories	0	0	0	0	0	0
II. Accounts receivable	56,551	62,257	257,895	281,315	1,484,187	1,586,619
1. Trade debtors	8,110	5,071	36,985	22,915	212,847	129,239
2. From group companies	47,169	52,085	215,111	235,352	1,237,963	1,327,386
4. Other accounts receivable	1,181	5,095	5,386	23,023	30,995	129,847
6. Prepayments and accrued income	91	6	414	26	2,382	146
IV. Cash at banks and in hand	114	7,975	520	36,037	2,992	203,248
Assets	115,900	123,297	528,548	557,134	3,041,796	3,142,237
A. Equity	63,077	69,057	287,653	312,044	1,655,443	1,759,926
I. Called-up share capital	600	600	2,736	2,711	15,747	15,291
II. Share premium	37,057	44,501	168,994	201,084	972,561	1,134,115
III. Revaluation reserve	15,644	15,644	71,343	70,690	410,580	398,690
IV. Legal and statutory reserves	87	33	397	148	2,283	832
V. Other reserves	-184	-184	-839	-830	-4,829	-4,680
VI. Retained earnings	6,320	9,945	28,822	44,939	165,868	253,456
Profit for the year	3,639	-1,450	16,597	-6,551	95,516	-36,947
Treasury shares	-87	-33	-397	-148	-2,283	-832
C. Long-term debt	48,803	49,886	222,561	225,415	1,280,836	1,271,339
2. Other bonds and private loans	46,739	47,759	213,149	215,805	1,226,670	1,217,142
7. Accounts payable to group companies	2,064	2,127	9,412	9,609	54,166	54,198
D. Current liabilities	4,020	4,354	18,332	19,676	105,503	110,972
5. Trade creditors	237	602	1,079	2,721	6,208	15,346
7. Accounts payable to group companies	3,098	3,175	14,129	14,345	81,311	80,904
11. Other liabilities	402	5	1,832	21	10,542	117
12. Accruals and deferred income	283	573	1,288	2,590	7,415	14,605
Equity and liabilities	115,900	123,297	528,550	557,134	3,041,808	3,142,237
<i>No. of shares outstanding in thousand</i>	<i>51,216</i>	<i>56,234</i>	<i>51,216</i>	<i>56,234</i>	<i>51,216</i>	<i>56,234</i>
<i>Book value per share outstanding</i>	<i>0.774</i>	<i>0.854</i>	<i>3.233</i>	<i>3.860</i>	<i>19.301</i>	<i>21.768</i>

14. Board of Directors Statement

The Board of Directors hereby represents, to the best of its knowledge, that the half year financial statements of the Company and its consolidated subsidiaries for the period ended 30 June 2021 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position and the result of the Company and its

consolidated subsidiaries, and that the Management Report for the period ended 30 June 2021 gives a true and fair view of the most important events that have occurred during the reporting period and their effect on the half yearly accounts, including a description of the key risks that the Company is confronted with.

Amsterdam, 10 August 2021



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors

15. Investor Relations Contact

Emeline Parry, Investor relations & Sustainability manager

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Photon Energy N.V. Interim Consolidated Financial Statements

For the Period of 6 Months Ended 30 June 2021

Consolidated Statement of Comprehensive Income

<i>In thousands of EUR</i>	Note	6 months to 30 June 2021	6 months to 30 June 2020 Restated
Revenue	8	14,425	14,198
Other income		-	105
Raw materials and consumables used		-3,225	-2,327
Solar levy		-452	-485
Personnel expenses		-3,286	-2,749
Other expenses		-3,343	-3,186
Earnings before interest, taxes, depreciation & amortisation (EBITDA)		4,120	5,555
Depreciation	9	-4,666	-3,700
Impairment charges		-	-186
Gain (loss) on disposal of investments		-79	-
Share of profit equity-accounted investments (net of tax)		118	-40
Results from operating activities (EBIT)		-507	1,629
Financial income		26	32
Financial expenses	15	-3,312	-2,698
Revaluation of derivatives		178	-661
Profit/loss before taxation (EBT)		-3,615	-1,697
Income tax due/deferred		-422	-981
Profit/loss from continuing operations		-4,037	-2,678
Profit/loss		-4,037	-2,678
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment		-	2,727
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation difference - foreign operations	13	1,982	-3,174
Derivatives (hedging)	13	967	-18
Revaluation of other investments	13	3,358	-
Items that will be reclassified subsequently to profit or loss – related to JV			
Derivatives (hedging)		28	2
Other comprehensive income		6,335	463
Total comprehensive income		2,297	-3,142
Profit/loss attributable to:			
Attributable to the owners of the company		-3,964	-2,638
Attributable to non-controlling interest		-74	-41
Profit/loss for the year		-4,037	-2,678
Total comprehensive income attributable to:			
Attributable to the owners of the company		2,371	-3,101
Attributable to non-controlling interest		-74	-41
Total comprehensive income		2,297	-3,142
Earnings per share			
Earnings per share (basic) (in EUR)	14	-0.076	-0.052
Earnings per share (diluted) (in EUR)	14	-0.040	-0.044
Total comprehensive income per share (in EUR)	14	0.045	-0.061

The notes on pages 39 to 59 are an integral part of these financial statements.

Consolidated Statement of Financial Position

<i>In thousands of EUR</i>	Note	30 June 2021	31 December 2020
Assets			
Intangible assets		1,021	1,260
Property, plant and equipment	9	127,822	126,330
Right of use- leased assets		2,121	2,274
Investments in equity-accounted investees		2,214	2,641
Other receivables - non-current		519	506
Other non-current financial assets	10	6,352	2,042
Non-current assets		140,049	135,053
Inventories		1,091	1,010
Contract asset	11	1,244	1,025
Trade receivables		5,666	4,662
Other receivables		3,907	1,467
Loans to related parties	19	1,579	1,137
Prepaid expenses		234	260
Liquid assets	12	23,449	14,290
<i>Cash and cash equivalents</i>		16,074	9,893
<i>Liquid assets with restriction on disposition</i>		4,345	4,109
<i>Precious metals</i>		3,029	288
Current assets		37,169	23,851
Total assets		177,218	158,904
Equity & Liabilities			
Equity	13		
Share capital		600	600
Share premium		31,390	23,946
Revaluation reserve		42,023	40,679
Statutory reserve fund		13	13
Hedging reserve		670	-325
Currency translation reserve		1,234	-2,579
Retained earnings		-24,162	-22,138
Other capital funds		32	87
Treasury shares held		-32	-87
Equity attributable to owners of the Company		51,768	40,196
Non-controlling interests		-195	-121
Total equity		51,573	40,075
Liabilities			
Loans and borrowings	15	54,254	44,143
Issued bonds	15	47,759	46,739
Lease liability		1,817	1,936
Other non-current liabilities		568	401
Provisions		528	520
Deferred tax liabilities		9,657	9,885
Non-current liabilities		114,582	103,624
Loans and borrowings	15	6,919	6,008
Trade payables		1,744	3,669
Other payables		1,553	3,593
Contract liabilities		423	836
Lease liability		413	469
Current tax liabilities		10	630
Current liabilities		11,061	15,205
Total liabilities		125,643	118,829
Total equity and liabilities		177,217	158,904

The notes on pages 39 to 59 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

<i>In thousands of EUR</i>	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 at 1 January 2020 restated		600	23,760	13	29,220	930	-187	88	-88	-16,410	37,926	-83	37,843
Profit/loss for the year		-	-	-	-	-	-	-	-	-2,678	-2,678	-41	2,719
Increase in revaluation of PPE	9	-	-	-	2,727	-	-	-	-	-	2,727	-	2,727
Change in fair value of derivatives	16	-	-	-	-	-	-16	-	-	-	-16	-	-16
Foreign currency translation differences		-	-	-	-	-3,174	-	-	-	-	-3,174	-	-3,174
Total comprehensive income		-	-	-	2,727	-3,174	-16	-	-	-2,678	-3,141	-41	-3,182
Recycled from revaluation reserve to retained earnings		-	-	-	-2,458	-	-	-	-	2,458	-	-	-
BALANCE at 30 June 2020 restated		600	23,760	13	29,489	-2,244	-203	88	-88	-16,630	34,785	-124	34,660
BALANCE at 1 January 2021		600	23,946	13	40,679	-2,579	-325	87	-87	-22,138	40,196	-121	40,075
Profit/loss for the year		-	-	-	-	-	-	-	-	-4,037	-4,037	-74	-4,111
Increase in revaluation of Other non-current financial assets	10	-	-	-	3,358	-	-	-	-	-	3,358	-	3,358
Change in fair value of derivatives	16	-	-	-	-	-	995	-	-	-	995	-	995
Foreign currency translation differences		-	-	-	-	1,982	-	-	-	-	1,982	-	1,982
Total comprehensive income		-	-	-	3,358	1,982	995	-	-	-4,037	2,297	-74	2,224
Recycled from revaluation reserve to retained earnings		-	-	-	-2,013	1,832	-	-	-	2,013	1,832	-	1,832
Transfer of own shares to employees/New shares placed with share premium	13	-	7,444	-	-	-	-	-55	55	-	7,444	-	7,444
BALANCE at 30 June 2021		600	31,390	13	42,024	1,234	670	32	-32	-24,162	51,768	-195	51,573

The notes on pages 39 to 59 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

<i>In thousands of EUR</i>	Note	6 months to 30 June 2021	6 months to 30 June 2020 Restated
Cash flows from operating activities			
Loss/profit for the year before tax		-3,615	-1,697
Adjustments for:			
Depreciation	9	4,666	3,700
Share of profit of equity-accounted investments		-118	1
Loss on sale of property, plant and equipment		-	40
Other non-cash items		270	-63
Gain on disposal of financial investments		79	0
Net finance costs		3,108	3,386
Changes in:			
Trade and other receivables		-2,902	-1,062
Precious metals		-	-297
Gross amount due from customers for contract work		-219	-429
Prepaid expenses		26	-62
Inventories		-80	140
Trade and other payables		-2,467	-1,848
Other liabilities		60	-12
Net cash from operating activities		-1,583	1,796
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	-3,385	-4,655
Acquisition of subsidiaries, associates, joint ventures		-	-6
Acquisition of precious metals	12	-2,849	0
Acquisition of other non-current financial investments	10	-1,436	-1,280
Proceeds from sale of investments		-	-
Net cash used in investing activities		-7,670	-5,941
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	13	7,754	0
Proceeds from borrowings	15	15,416	10,235
Transfer to/from restricted cash account	12	-320	-
Repayment of borrowings	15	-4,887	-2,216
Repayment of principal element of lease liability		-174	-
Proceeds from issuing bonds	15	761	169
Interest payments	15	-3,115	-2,435
Net cash from financing activities		15,434	5,753
Net decrease/increase in cash and cash equivalents		6,181	1,608
Cash and cash equivalents at 1 January		9,893	12,406
Cash and cash equivalents at 30 June		16,074	14,014

The notes on pages 39 to 59 are an integral part of these interim financial statements.

Notes to the Interim Consolidated Financial Statements

For the Period of 6 Months ended 30 June 2021

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 Group is engaged in the development of photovoltaic power plants. This activity involves securing suitable sites by purchase or long-term lease, obtaining all licenses and permits, the design, 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. In addition, the Group launched a new service line Water which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification.

2. Basis of Preparation

2.1 Basis of Preparation and Statement of Compliance with IFRS

The Interim Consolidated Financial Statements are for the six months ended 30 June 2021 and 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 subsidiary, HUF for Hungarian entities, AUD for Australian subsidiaries, ROM for Romanian entities and PLN for Polish entities. All financial information presented in EUR has been rounded to the nearest thousand.

The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020.

Photon Energy N.V. is the Group's ultimate parent company. It is a limited liability company incorporated and domiciled in Netherlands. The address of its registered office and principal place of business is Barbara Strozziilaan 201, 1083HN Amsterdam, 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 listings did not involve any issuance of new shares.

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

The Interim Financial Statements were approved for issue by the Board of Directors on 10 August 2021.

The Interim Consolidated Financial Statements are unaudited.

Going Concern

In preparing these accounts on a going concern basis, management used its best estimates to forecast cash movements over the next 12 months from the date of these interim accounts. As per today, management believes the Company will be able to repay its liabilities and ensure the further development of the Group.

3. Application of New and Revised EU IFRSs

3.1 New Standards Adopted at 1 January 2021

There are no accounting pronouncements which have become effective from 1 January 2021 that have a significant impact on the Group's interim consolidated financial statements.

4. Significant Accounting Policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2020.

5. Estimates and Judgements

When preparing the Interim Consolidated Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Consolidated Financial Statements, including the key

sources of estimation uncertainty, were the same as those applied in the Group's last annual consolidated financial statements for the year ended 31 December 2020.

The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

6. Significant Events and Transactions

6.1 Establishment of New Subsidiaries

During first 6 months of 2021, Photon Energy N.V. (directly or via its subsidiaries) incorporated the following subsidiaries:

- ▶ On 22 March 2021, Photon Energy N.V. became 99% shareholder of Photon Energy Project Development XXK in Mongolia
- ▶ On 21 April 2021, Photon Energy N.V. became 100% shareholder of Photon Renewable Energy Pty. Ltd. In South Africa
- ▶ On 17 May 2021, Photon Energy Project Development XXK became 100% shareholder of PEPD Solar XXK. in Mongolia
- ▶ On 25 June 2021, Photon Energy N.V. became 100% shareholder of Solar Age SPV 1 Pty. Ltd. In South Africa

Other Developments in H1 2021

- ▶ On 5 February, Photon Energy N.V. became 100% shareholder of Photon Water Australia Pty. Ltd

6.2. Financial Information for the Joint Ventures

Joint ventures

Investments in equity-accounted investees amounting to EUR 2,214 thousand (30 June 2020: EUR 2,674 thousand, 31 December 2020: EUR 2,641 thousand) represent the nominal share in the joint ventures owned by the Group.

Disposals in 2021

In April 2021, the Group announced an agreement to exchange project rights with its development partner Canadian Solar. As a result, Photon Energy will continue developing the 160 MWp Maryvale Solar Farm independently, while further development of the Gunning Solar Farm and the Suntop2 Solar Farm will be handled by Canadian Solar. Of the three projects, Maryvale is in the furthest stages of development.

- ▶ On 11 February 2021, Photon Energy N.V. became 12,01% shareholder of Lerta S.A.,
- ▶ On 8 March 2021, Photon Energy N.V. acquired by share swap additional 40.01% and currently holds 65% stake of MARYVALE SOLAR FARM Pty. Ltd. In exchange Photon Energy N.V. swapped its 49.00% shares of GUNNING SOLAR FARM Pty. Ltd. and its 24.99% shares of SUNTOP Stage 2 Solar Farm Pty. Ltd.,
- ▶ On 21 March 2021, WA INVESTMENTS - EUROPA NOVA LIMITED was successfully dissolved
- ▶ On 8 June 2021, Photon Energy N.V. became 100% shareholder of Photon Remediation Technology N.V.

There were no other changes in the group structure during six month period to 30 June 2021.

Under the terms of the agreement, Photon Energy has exchanged its 49% stake in the 220 MWp Gunning Solar Farm and 25% stake in the 200 MWp Suntop2 Solar Farm for Canadian Solar's stake in the Maryvale Solar Farm. The Group now possesses a 65% stake in the Maryvale Solar Farm and will work with its original local co-development partner (which owns the remaining 35% stake) to undertake preliminary design and grid connection studies, followed by a connection agreement which is expected to be reached within 12 months.

Overall result from the disposal amounted to loss of EUR 79 thousand.

Disposals in H1 of 2020

There were no disposals during H1 of 2020.

7. Segment Reporting

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:

- ▶ **Solutions:** 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:** 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 less

significant activities. None of these activities meets any of the quantitative thresholds for determining reportable segments in neither 2020 nor 2019.

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.

During the six month period to 30 June 2021, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Operating segments for the period from 1 January 2021 to 30 June 2021

<i>In thousands of EUR</i>	Solutions	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	1,392	1,845	9,828	1,181	178	14,425	-	14,425
Internal revenues from the sale of products, goods & services	949	10	1,295	1,027	3,036	6,317	-6,317	0
Total revenues	2,342	1,855	11,123	2,208	3,214	20,742	-6,317	14,425
Other external income	-	-	-	-	-	-	-	-
Raw materials and consumables used	-209	-1,597	-1,299	-106	-14	-3,225	-	-3,225
Solar levy	-	-	-452	-	-	-452	-	-452
Personnel expenses and other expenses	-3 604	-282	-1,231	-2,267	-3,863	-11,249	4,620	-6,628
EBITDA	-1,472	-24	8,141	-165	-663	5,817	-1,697	4,120
Depreciation	-21	-	-4,027	-369	-249	-4,666	-	-4,666
Impairment charges	-	-	-	-	-	-	-	-
Gain/(Loss) on disposal of investments	-	-	-	-	-79	-79	-	-79
Profit/loss share in entities in equivalency	-	-	118	-	-	118	-	118
Result from operating activities (EBIT)	-1,492	-24	4,232	-533	-992	1,190	-1,697	-507
Financial income	-	-	-	-	26	26	-	26
Interest expense	-164	-59	-1,333	-200	-2,740	-4,496	1,381	-3,115
Other net financial expenses	-414	4	-406	162	458	-196	-	-196
Revaluation of derivatives	-	-	178	-	-	178	-	178
Profit/loss before taxation (EBT)	-2,071	-80	2,671	-572	-3,248	-3,299	-316	-3,615
Income Tax (income and deferred)	-150	-	-272	-	-	-422	-	-422
Profit/loss after taxation	-2,221	-80	2,399	-572	-3,248	-3,721	-316	-4,037
Other comprehensive income	318	-5	2,663	-26	3,385	6,335	-	6,335
Total comprehensive Income	-1,903	-85	5,062	-597	138	2,614	-316	2,298
Assets	28,419	5,398	152,002	12,794	147,353	345,966	-168,748	177,218
Liabilities	-26,789	-5,355	-108,128	-19,757	-118,385	-278,415	147,162	-131,253
Investments in JV accounted for by equity method	-	-	2,214	-	-	2,214	-	2,214
Additions to non-current assets	-	-	3,587	-	-	3,587	-	3,587

Operating segments for the period from 1 January 2020 to 30 June 2020

<i>In thousands of EUR</i>	Solutions	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	2,748	1,196	8,858	1,350	46	14,198	-	14,198
Internal revenues from the sale of products, goods & services	5,244	-	-	680	3,212	9,136	-9,136	0
Total revenues	7,992	1,196	8,858	2,030	3,258	23,334	-9,136	14,198
Other external income	31	4	3	19	48	105	-	105
Raw materials and consumables used	-1,261	-1,314	-	-134	-	-2,709	381	-2,327
Solar levy	-	-	-485	-	-	-485	-	-485
Personnel expenses and other expenses	-6,027	-283	-917	-2,299	-3,030	-12,555	6,621	-5,935
EBITDA	735	-397	7,459	-383	276	7,690	-2,134	5,555
Depreciation	-14	-	-3,433	-122	-130	-3,700	-	-3,700
Impairment charges	-	-	-	-	-186	-186	-	-186
Profit/loss share in entities in equivalency	-	-	-40	-	-	-40	-	-40
Result from operating activities (EBIT)	720	-397	3,986	-506	-40	3,764	-2,134	1,629
Financial income	132	70	223	83	1,018	1,527	-1,495	32
Interest expense	-189	-87	-1,140	-153	-2,360	-3,929	1,495	-2,435
Other net financial expenses	-9	-	-114	-3	-137	-263	-	-263
Revaluation of derivatives	-	-	-661	-	-	-661	-	-661
Profit/loss before taxation (EBT)	655	-414	2,294	-578	-1,519	437	-2,134	-1,698
Income Tax (income and deferred)	-140	-	-841	-	-	-981	-	-981
Profit/loss after taxation	515	-414	1,453	-578	-1,519	-544	-2,134	-2,679
Other comprehensive income	-175	-	352	-230	-410	-463	-	-463
Total comprehensive Income	340	-414	1,805	-808	-1,929	-1,007	-2,134	-3,142
Assets	26,431	7,580	132,521	10,245	104,500	281,277	-143,074	138,203
Liabilities	-29,421	-7,826	-86,792	-16,593	-110,965	-251,597	148,056	-103,541
Investments in JV accounted for by equity method	-	-	2,674	-	-	2,674	-	2,674
Additions to non-current assets	-	-	2,610	-	-	2,610	-	2,610

Operating segments for the period from 1 January 2020 to 31 December 2020

<i>In thousands of EUR</i>	Solutions	Technology	Investments	Operations and Maintenance	Other	Total for segments before elimination	Elimination	Consolidated financial information
External revenues from the sale of products, goods & services	5,601	3,214	16,449	2,724	270	28,258	-	28,258
Internal revenues from the sale of products, goods & services	32,833	4,371	-	1,475	4,549	43,228	-43,228	-
Total revenues	38,434	7,585	16,449	4,199	4,819	71,486	-43,228	28,258
Other external income	99	4	23	46	212	384	-	384
Raw materials and consumables used	-1,681	-6,839	-	-302	-27	-8 849	4 207	-4,642
Solar levy	-	-	-874	-	-	-874	-	-874
Personnel expenses and other expenses	-27,890	-209	-2,773	-3,926	-6,209	-41,007	26,321	-14,686
EBITDA	8 962	541	12,825	17	-1,205	21,140	-12,700	8,440
Depreciation	-39	-2	-7,265	-468	-537	-8,311	-	-8,311
Impairment charges	-	-	-	-	-359	-359	-	-359
Profit/loss share in entities in equivalency	-	-	88	-	-	88	-	88
Result from operating activities (EBIT)	8,923	539	5,648	-451	-2,101	12,558	-12,700	-142
Financial income	269	73	310	188	2,118	2,958	-2,835	123
Interest expense	-377	-189	-2 481	-334	-4,997	-8,378	2,835	-5,543
Other net financial expenses	-88	-154	-11	-160	-75	-488	-	-488
Revaluation of derivatives	-	-	-478	-	-	-478	-	-478
Profit/loss before taxation (EBT)	8 727	269	2,988	-757	-5,055	6,172	-12,700	-6 528
Income Tax (income and deferred)	-930	16	-1,422	-	171	-2,165	-	-2,165
Profit/loss after taxation	7 797	285	1,566	-757	-4,884	4,007	-12,700	-8,693
Other comprehensive income	-287	3	11,007	5	49	10,777	-	10,777
Total comprehensive Income	7,510	288	12,573	-752	-4,835	14,784	-12,700	2,084
Assets	31,642	6,428	156,060	11,644	112,874	318,648	-159,744	158,904
Liabilities	-28,502	-5,788	-112,789	-18,632	-109,238	-275,949	156,121	-118,828
Investments in JV accounted for by equity method	-	-	2,641	-	-	2,641	-	2,641
Additions to non-current assets	-	-	15,881	-	-	15,881	-	15,881

7. Operating Segments (Continued)

All the operational segments are managed on an international basis (not on a country level). In H1 2021 and H1 2020 the Group operated in the Czech Republic, Slovak Republic, Germany, Hungary, Australia, Switzerland, Peru, Romania, Poland and the Netherlands with headquarters in the Netherlands.

In first 6 months of 2021 and in 2020, revenues were generated in all above mentioned markets, except of the Netherlands, Roma-

Major Customer

The Group has many customers. For the companies selling electricity, there is usually only one distribution company, which buys produced electricity. These local electricity distributors further deliver and resell electricity to final customers. Distributors

nia, Poland and Peru. Non-current assets (power plants) are located in the Czech Republic, Slovak Republic, Hungary and Australia.

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

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.

Revenues from customers over 10% of total revenues

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020	2020
E.ON Energie, a.s.	3,077	3,306	5,985
MAVIR Zrt.	2,025	1,727	4,081
Lord Howe Island Board	-*	1,498	2,938
Total revenue from customers over 10% of total revenues	5,102	6,531	13,004
Total revenue	14,425	14,198	28,258

*did not exceed 10% of total revenues

Revenues from E.ON Energie, a.s. and MAVIR Zrt. are presented in Segment Investments and represent revenues from sale of electricity from various PVPs. Revenues from Lord Howe Island Board are presented in Segment Solutions and represent EPC revenues.

8. 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:

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020	2020
At a point of time	1,845	1,196	3,214
Over time	11,194	11,399	22,163
Total revenue from contracts with customers	13,039	12,595	25,377
Compensations for sales from electricity generation	1,386	1,603	2,881
Total revenue	14,425	14,198	28,258

Revenues by major revenue types:

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020	2020
Sale of electricity	8,442	7,255	13,568
Revenues from EPC contracts	1,391	2,748	5,601
Sale of goods and technologies	1,845	1,196	3,214
Rendering of services	1,361	1,396	2,994
Total revenue from contracts with customers	13,039	12,595	25,377
Compensations for sales from electricity generation	1,386	1,603	2,881
Total revenue	14,425	14,198	28,258

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.

Revenues from sales of electricity from fixed feed-in-tariffs in first half of 2021 amounted to EUR 8,088 thousand (H1 2020: EUR 7,255 thousand, 2020: EUR 13,531 thousand) and revenues from sales of electricity from contract for difference revenue model amounted to EUR 354 thousand (H1 of 2020: EUR 0, 2020: EUR 37 thousand). There was no sale of electricity for PVP with merchant model in 1 half of the years 2021 nor 2020.

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 does 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 first half of 2021 amounted to EUR 1,386 thousand (H1 of 2020: EUR 1,603 thousand, 2020: EUR 2,811 thousand).

Even though the revenues were invoiced in 2021 and 2020 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.

Revenues by geographical split:

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020	2020
Czech Republic	8,071	7,488	15,059
Slovak Republic	303	150	332
Australia	1,134	2,419	5,492
Germany	-	20	-
Hungary	3,531	2,325	4,419
Other	-	192	75
Total revenue from contracts with customers	13,039	12,595	25,377
Compensations for sales from electricity generation – Slovak Republic	1,386	1,603	2,881
Total revenue	14,425	14,198	28,258

9. Property, Plant and Equipment

<i>In thousands of EUR</i>	Land	Photovoltaic power plant	Other equipment Corrected	In progress Corrected	Total Corrected
Net carrying amounts					
Gross revalued amount at 1 January 2020	4,554	136,816	1,518	5,259	148,147
Accumulated depreciation at 1 January 2020	0	-44,930	-1,208	0	-46,138
Net carrying amounts 1 January 2020	4,554	91,886	310	5,259	102,009
Additions	0	0		4,655	4,655
Other Additions/Transfers	0	3,541	608	-4,149	0
Revaluation increase	0	2,940	0	0	2,940
Depreciation for the year	0	-3,699	-10	0	-3709
Effect of movements in exchange rates	-113	27	0	-2,517	2,603
Net carrying amounts					
Gross revalued amount at 30 June 2020	4,441	141,127	1,428	3,248	150,244
Accumulated depreciation at 30 June 2020	0	-46,433	-520	0	-46,953
Net carrying amounts 30 June 2020	4,441	94,694	908	3,248	103,291
Net carrying amounts	4,473	111,265	895	9,697	126,330
Gross revalued amount at 31 December 2020	4,473	162,341	1,192	9,697	177,703
Accumulated depreciation at 31 December 2020	0	-51,076	-297	0	-51,373
Net carrying amounts 31 December 2020	4,473	111,265	895	9,697	126,330
Other Additions/Transfers	0	0		3,385	3,385
Depreciation for the year	0	-4,611	-55	0	-4,666
Effect of movements in exchange rates	352	2,103	116	202	2,773
Net carrying amounts					
Gross revalued amount at 30 June 2021	4,825	165,230	1192	13,284	184,531
Accumulated depreciation at 30 June 2021	0	-56,473	-236	0	-56,709
Net carrying amounts 30 June 2021	4,825	108,757	956	13,284	127,822

Non-current assets by geographical location ⁽ⁱ⁾

<i>In thousands of EUR</i>	30 June 2021	31 December 2020
The Czech Republic	59,634	58,828
The Slovak Republic	12,489	10,719
Netherlands	5	29
Hungary	49,838	54,178
Australia	17,180	11,299
Other	904	0
Total	140,050	135,053

Note: (i) Non-current assets presented consist mainly of property, plant and equipment (lands, photovoltaic power plants, other equipment, and assets under construction), and assets in progress.

Revalued amount of EUR 113,305 thousand as at 30 June 2021 (31 December 2020: EUR 115,738 thousand, 30 June 2020: EUR 98 874 thousand) includes net carrying amount of photovoltaic power plants and value of land connected to the photovoltaic power plants of EUR 4,825 thousand as at 30 June 2021 (31 December 2020: EUR 4,473 thousand, 30 June 2020: EUR 4,180 thousand) which are included under Land.

During H1 2021, the Group did not perform any revaluation of newly connected or already connected power plants.

During H1 2020, the Group performed revaluation of newly connected power plants in Hungary resulting in an increase of the value of property, plant, and equipment by EUR 2,940 thousand, including the impact of deferred tax.

Property, plant and equipment under construction

Property, plant and equipment under construction equalled to the amount of EUR 13,284 thousand (31 December 2020: EUR 9,697 thousand; 30 June 2020: EUR 3,248 thousand) comprising mainly of power plants under construction in Australia (H1 2020: Hungary).

Sale of property, plant and equipment

There were no sales of property, plant, and equipment in H1 2021 nor 1H 2020.

10. Other Financial Investments

Other non-current investments include following investments:

<i>In thousands of EUR</i>	30 June 2021	31 December 2020
Non-current financial assets – Investments into		
Raygen Resources Pty Ltd	5,448	1,138
Lerta Spolka Akcyjna	904	904
Total non-current financial assets	6,352	2,042

During first half of 2021 the Group participated in a capital increase in Raygen Resources Pty Ltd (Raygen) with an equity investment of AUD 3 million, maintaining a 9% stake in the technology company. The capital increase is settled in two parts – half of the amount AUD 1.5 million (EUR 964 thousand was settled in April 2021, second was settled in July 2021).

In line with the accounting policies, the Group revalued the whole investment in Raygen to fair value through Other comprehensive income and recognised a revaluation difference of EUR 3,358 thousand (see also Note 13).

11. Assets and Liabilities Arising from Contracts with Customers

The Group has recognised following assets and liabilities arising from contracts with customers:

<i>In thousands of EUR</i>	30 June 2021	31 December 2020
Current contract assets from contracts with customers	1,244	1,025
Loss allowance	-	-
Total current contract assets	1,244	1,025
Contract liabilities – advances from customers	423	836
Total current contract liabilities	423	836

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.

12. 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:

<i>In thousands of EUR</i>	30 June 2021	31 December 2020
Cash and cash equivalents	16,052	9,869
Cash with restriction on disposition	4,345	4,109
Money in transit	-	2
Cash on hand	23	22
Precious metals	3,029	288
Liquid assets	23,449	14,290

Cash with restriction on disposition includes mainly DSRA (debt service reserve accounts) and MRA (maintenance reserve accounts) for Czech, Slovak, Hungarian and Australian SPVs and guarantees issued.

Balances at bank as at 30 June 2020 includes also loan proceeds drawn connected to financing of Australian projects of EUR 2,759 thousand (31 December 2020: EUR 4,410 thousand) that will be released in line with construction milestones of the related projects that is expected in next quarter of 2021, and therefore are included in Cash and cash equivalents.

Part of the movement on Cash with restriction on disposition related to operating activities of the Group in H1 of 2021 of EUR 80 thousand (H1 of 2020: EUR 7 thousand, 2020: EUR 144 thousand) was presented as Change in trade and other receivables. Movement in Cash with restriction on disposition relating to borrowings in H1 2021 of EUR 320 thousand (H1 2020: EUR 155 thousand, 2020: EUR -1,268 thousand) was presented in Cash flows from financing activities.

13. Capital and Reserves

Share capital and share premium

Ordinary shares

<i>In shares</i>	30 June 2021	31 December 2020
On issue at 1 January	60,000,000	60,000,000
On issue at 31 December – fully paid	60,000,000	60,000,000

The Company's issued share capital is EUR 600,000 divided into 60,000,000 shares with a nominal value of EUR 0.01 each. The share capital is fully paid-up.

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 30 June 2021 treasury shares included 3,765,665 ordinary shares of the Company (31 December 2020: 8,784,000 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.

On 25 June 2021, the Company announced the results of an offering of its existing treasury shares addressed to qualified investors. In total, 5 million shares were placed at a price of PLN 7.0, which corresponds to the gross amount of PLN 35.0 million (EUR 7.7 million). Total proceeds of EUR 7,754 thousand from the placement net of placement costs of EUR 430 thousand were recorded in Share premium.

Movement in share capital can be analysed as follow:

<i>In thousands of EUR</i>	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2020	600	23,760	-88	24,272
Treasury shares allocated to employees	-	-	-	-
At 30 June 2020	600	23,760	-88	24,272
At 1 January 2021	600	23,946	-87	24,459
Treasury shares allocated to employees	-	120	1	121
Treasury shares allocated to qualified investors	-	7,324	54	7,378
At 31 December 2020	600	31,390	-32	31,958

As of 30 June 2021 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.	21,775,075	36,29%	21,775,075	38,72%
Solar Power to the People Cooperatief U.A.	20,843,375	34,74%	20,843,375	37,07%
Photon Energy N.V.	3,765,665	6,28%	-	0,00%
Free float	13,615,885	22,69%	13,615,885	24,21%
Total	60,000,000	100,00%	56,234,335	100,00%

As of 31 December 2020 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.	21,775,116	36.29%	21,775,116	42,52%
Solar Power to the People Cooperatief U.A.	20,843,375	34.74%	20,843,375	40.70%
Photon Energy N.V.	8,784,000	14.64%	-	0.00%
Free float	8,597,509	14.33%	8,597,509	16,79%
Total	60,000,000	100.00%	51,216,000	100.00%

Movement in Other reserves can be analysed as follow:

<i>In thousands of EUR</i>	30 June 2021	31 December 2020
Statutory reserve fund	13	13
Revaluation reserve	42,023	40,679
Currency translation reserve	1,234	-2,580
Hedging reserve	670	-325
Other capital funds	32	87
Total reserves	43,972	37,874

Revaluation reserve

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020
Balance at beginning of period	40,679	29,220
Increase arising on revaluation of properties	-	2,501
Increase arising on revaluation of properties – DT recognised	-	225
<i>Increase arising on revaluation of properties net of deferred tax</i>	-	2,727
Move from revaluation reserve to retained earnings	-2,013	-2,458
<i>Increase arising on revaluation Other financial investments</i>	3,358	-
Balance at end of period	42,024	29,488

Revaluation of other financial investments relates to revaluation of investment in Raygen that was revalued to fair value (see also note 10)

The revaluation reserve relating to revaluation of properties is being released to the retained earnings during the duration of Feed-in-Tariff-currently 20 years in the Czech Republic, 15 years in Slovakia and up to 25 years in Hungary.

The amount equal to the amount of depreciation coming from revaluation recycled to retained earnings in first half of 2021 equals to EUR 2,013 thousand (H1 2020: EUR 2,458 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

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020
Balance at beginning of period	-2,579	930
Foreign currency differences arising from the translation of financial statements and foreign exchange gains or losses arising from net investments	3,814	-3,509
Balance at end of period	1,234	-2,579

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 and Australia.

In accordance with accounting policies are foreign exchange gains or losses arising from net investments in foreign operations also recognised in other comprehensive income.

This reserve cannot be distributed.

Derivatives hedging reserve

<i>In thousands of EUR</i>	6 months to 30 June 2021	6 months to 30 June 2020
Balance at beginning of period	-325	-187
Change in fair value of hedging derivatives – fully consolidated entities	972	-18
Share on change in fair value of hedging derivatives of JV	23	2
Balance at end of period	670	-203

Derivatives hedging reserve cannot be distributed.

14. Earnings Per Share

<i>In EUR</i>	H1 2021	H1 2020
Basic earnings per share	-0.076	-0.052
Diluted earnings per share	-0.066	-0.044
Total comprehensive income per share		
Basic TCI per share	0.045	-0.061
Diluted TCI per share	0.040	-0.052

Basic and diluted earnings per share

The calculation of basic earnings per share for H1 of 2021 was based on the loss attributable to ordinary shareholders of EUR -3,964 thousand (H1 2020: loss of EUR 2,638 thousand, 2020: loss of EUR 8,654) and a weighted average number of ordinary shares outstanding of 52,480 thousand (H1 2020: 51,187 thousand, 31 December 2020: 52,201 thousand).

Share on profit of equity-accounted investees for H1 2021 amounted to EUR 118 thousand (H1 2020: EUR -40 thousand, 2020: EUR 88 thousand).

Basic and diluted total comprehensive income per share

The calculation of total comprehensive earnings per share and diluted total comprehensive earnings per share H1 of 2021 and H1 2020 was based on the total comprehensive income of EUR 2,371 thousand (H1 2020: EUR -3,101 thousand, 2020: EUR 2,123 thousand) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding of 52,480 thousand ((H1 2020: 51,187 thousand, 31 December 2020: 52,201 thousand).

Weighted average number of ordinary shares

There were no new shares issued in H1 2021 nor 2020. The number of shares at the year-end 2020 was 60,000,000.

15. 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.

<i>In thousands of EUR</i>	30 June 2021	2020
Non-current liabilities		
Issued bonds	47,759	46,739
Long-term secured bank loans	54,254	44,143
Long term lease liability	1,817	1,936
Long-term portion of other loans	568	401
Total	104,398	93,219
Current liabilities		
Current portion of long-term secured bank loans, including accrued interest	6,919	6,008
Short-term lease liability	413	469
Total	7,332	6,477
Total loans & borrowings	111,730	99,696

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:

<i>In thousands of EUR</i>	Borrowings	Issued bonds	Lease liabilities	Other liabilities from financing activities	Total
Liabilities from financing activities at 31 December 2019 (restated)	41,320	38,823	2,743	215	83,101
Cash flows					
Loan drawdowns/New issues of bonds	10,235	169	-	170	10,574
Repayments of principal	-2,216	-	-125	-	-2,341
Interest payments	-857	-1,500	-60	-19	-2,435
Non-cash changes					
New Lease liabilities	-	-	144	-	144
Interest expense	694	1,663	60	19	2,435
Foreign exchange adjustments	-2,203	-697	125	-	-2,776
Liabilities from financing activities at 30 June 2020	46,973	38,458	2,887	385	88,703
Liabilities from financing activities at 31 December 2020	50,151	46,739	2,405	401	99,696
Cash flows					
Loan drawdowns/New issues of bonds	15,416	761	-	167	16,344
Repayments of principal	-4,887	-	-194	-	-5,081
Transfer to restricted cash account	-320	-	-	-	-320
Interest payments	-1,264	-1,792	-34	-25	-3 115
Non-cash changes					
Interest expense	1,062	1,994	34	25	3 115
Foreign exchange adjustments	1,015	57	19	-	1,091
Liabilities from financing activities at 30 June 2021	61,173	47,759	2,230	568	111,730

Repayments of loan principal of EUR 4,887 thousand in first half of 2021 include regular repayments of loans provided in CZK, EUR and HUF of EUR 3,990 thousand and extraordinary repayment of Infradebt loan of EUR 897 thousand (AUD 1,250 thousand), (1H 2020: regular repayments of EUR 2,216 thousand, no extraordinary repayments).

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of EUR	Currency	Nominal interest rate	Year of maturity	30 June 2021		31 December 2020	
				Credit limit	Utilised	Credit limit	Utilised
Secured bank loan (Raiffeisen)	CZK	3M PRIBOR + 3.7%	1.1.2023	12,497	12,497	14,736	14,736
Secured bank loan (Unicredit)	EUR	3M EURIBOR + 2.7–3.1%	28.6.2024	2,617	2,617	3,066	3,066
Secured bank loan (Unicredit)	EUR	3M EURIBOR + 2.7–2.9%	31.12.2024	2,911	2,911	3,335	3,335
Secured bank loan (K&H)	HUF	3M BUBOR + 2.2–2.5%	28.6.2034 31.3.2035	8,670	8,670	24,263	23,178
Secured bank loan (CIB)	HUF	3M BUBOR + 2.5%	31.12.2035	16,045	14,939	2,748	0*
Secured bank loan (Infradebt)	AUD	3M BBSW (min 0,5%) + 2,35-3,25%	31.12.2025	15,615	15,615	5,662	5,662
Accrued fees and interest					267	-	174
Total interest bearing liabilities				61,411	61,173	53,810	50,151

* The loans have not been drawn at 31 December 2020.

Issued bonds

In thousands of EUR	Amortised amount		Fair value	
	30 June 2021	2020	30 June 2021	2020
Non-current liabilities				
EUR bond 2017/22	45,111	44,923	4,830	49,165
CZK bond 2016/23	2,648	1,816	2,905	2,051
Total	47,759	46,739	50,735	51,216

The table below shows non-derivative financial liabilities at 30 June 2021 and 31 December 2020 by their remaining contractual maturity:

30 June 2021

In thousands of EUR	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Non- derivative financial liabilities						
Secured bank loans	61,173	9,038	15,772	15,850	31,315	71,974
Bonds	47,759	3,651	46,907	2,936	-	53,494
Lease liability	2,230	429	353	1,051	941	2,774
Other LT loans	568	379	189	-	-	568
Trade and other payables	2,562	2,562	-	-	-	2,562
Total future payments, including future principal and interest payments	114,292	16,059	63,221	19,837	32,256	131,372

31 December 2020

<i>In thousands of EUR</i>	Carrying amount	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years	Contractual cash flows
Non-derivative financial liabilities						
Secured bank loans	50,151	7,747	7,834	24,144	19,255	58,980
Bonds	46,739	3,601	48,592	1,990	-	54,183
Lease liability	2,405	469	350	909	1,039	2,767
Other LT loans	401	267	134	-	-	401
Trade and other payables	6,852	6,852	-	-	-	6,852
Total future payments, including future principal and interest payments	106,548	18,936	56,910	27,043	20,294	123,181

16. Derivative Financial Instruments

<i>In thousands of EUR</i>	30 June 2021		31 December 2020	
	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	11	-	-	-162
Hedging derivatives	798	-74	-	-248
Value of interest rate swaps	809	-74	-	-410
Net value of interest rate swaps	-	735	-	-410

Derivatives with positive fair values are included in Other receivables, derivatives with negative fair values are included in Other liabilities.

17. 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 categorising 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.

17.1 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 categorised are as follows:

<i>In thousands of EUR</i>	30 June 2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Precious metals	3,029	-	-	3,029	288	-	-	288
Derivatives	-	809	-	809	-	-	-	-
Other financial investments	-	-	6,352	6,352	-	-	2,042	2,042
Non financial assets	-	-	-	-				
Property, plant and equipment			127,822	127,822	-	-	126,330	126,330
Total assets recurring FV measurement at 31 December	3,029	809	134,174	138,012	288	-	128,660	128,660
Financial liabilities								
Derivatives	-	74	-	74	-	410	-	410
Total liabilities recurring FV measurement at 31 December		74		74	-	410	-	410

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:

30 June 2021:

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	127,822	DCF	Discount rate Production volume Revenue model	See below	See below	See below
Other financial investments	6,352	Discounted share price evaluation	Probability estimates Expected share price			
Total assets recurring FV measurement at 31 December	134,174					

31 December 2020:

<i>In thousands of EUR</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of FV measurement
Non financial assets						
Property, plant and equipment	126,330	DCF	Discount rate Production volume Revenue model	See below	See below	See below
Total assets recurring FV measurement at 31 December	126,330					

Property, plant equipment - The DCF Equity valuation method is based on a Discounted Cash Flow method. It includes the future cash flows available to the shareholders/providers of equity of photovoltaic projects (i.e. after all debt repayments and interests) that are later discounted by relevant discount rates (Levered Cost of Equity). The risk profile is represented by a discount rate (Levered Cost of Equity). Due to existence of senior project finance the cost of equity calculated by CAPM formula is adjusted by Miller-Modigliani formula to achieve the most precise cost of

equity levered for each project respecting its unique capital structure.

In the valuation model, a quarterly discount is applied. This is based on the fact that debt repayments are happening on a quarterly basis. This is effecting the overall change in financing structure and indirectly affecting cost of equity levered.

The used Levered Cost of Equity rates to discount estimated cash flows, vary between countries from 7% to 11% for 2020 (2019: 7% to 11%).

Sensitivity analysis of DCF for power plants – change in Levered Cost of Equity

The below analysis shows impact of change in the used Levered Cost of Equity rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 30 June 2021:

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-1,494	-3.0%	1,945	3.9%
CZ power plants	-5,352	-9.9%	6,520	12.1%
SK power plants	-548	-3.7%	777	5.2%

The below analysis shows impact of change in the used Levered Cost of Equity rates by +/-3% on the enterprise/entity value in absolute and relative figures as of 31 December 2020:

<i>In thousands of EUR</i>	Discount rate +3%	Discount rate +3% in %	Discount rate -3%	Discount rate -3% in %
HU power plants	-1,914	-3.8%	2,542	5.1%
CZ power plants	-5,606	-10.6%	6,914	13.0%
SK power plants	-690	-4.5%	792	5.2%

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 30 June 2021:

<i>In thousands of EUR</i>	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	512	1.0%	-534	-1.1%
CZ power plants	927	1.8%	-927	-1.8%
SK power plants	360	2.4%	-360	-2.4%

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 December 2020:

<i>In thousands of EUR</i>	Production +2%	Production +2% in %	Production -2%	Production -2% in %
HU power plants	907	1.8%	-931	-1.9%
CZ power plants	962	1.8%	-962	-1.8%
SK power plants	386	2.5%	-386	-2.5%

17.2 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:

<i>In thousands of EUR</i>	30 June 2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at AC								
Trade and other receivables	-	5,666	-	5,666	-	4,662	-	4,662
Loans provided	-	1,579	-	1,579	-	1,137	-	1,137
Other	-	28,015	-	28,015	-	17,069	-	17,069
Total assets	-	35,260	-	35,260	-	22,868	-	22,868
Financial liabilities								
Borrowings								
Bank loan	-	61,173	-	61,173	-	50,151	-	50,151
Issued bonds	-	50,735	-	50,735	-	51,216	-	51,216
Lease liabilities	-	2,230	-	2,230	-	2,405	-	2,405
Other non-current liabilities	-	568	-	568	-	401	-	401
Other financial liabilities								
Trade and other payables	-	3,297	-	3,297	-	6,728	-	6,728
Total liabilities	-	118,003	-	118,003	-	110,901	-	110,901

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 instru-

ments 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.

18. 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 (c) 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 with these measurements:

30 June 2021:

<i>In thousands of EUR</i>	FVTPL (mandatory)	AC	Total
Assets			
Cash and cash equivalents	-	16,074	16,074
Liquid assets with restriction on disposition	-	4,345	4,345
Other financial investments	6,352	-	6,352
Contract asset	-	1,244	1,244
Trade and other receivables	-	5,666	5,666
Loans provided	-	1,579	1,579
Total financial assets	6,352	28,908	35,260

As of 30 June 2021, all of the Group's financial liabilities except for derivatives were carried at AC.

31 December 2020:

<i>In thousands of EUR</i>	FVTPL (mandatory)	AC	Total
Assets			
Cash and cash equivalents	-	9,893	9,893
Liquid assets with restriction on disposition	-	4,109	4,109
Other financial investments	2,042	-	2,042
Contract asset	-	1,025	1,025
Trade and other receivables	-	4,662	4,662
Loans provided	-	1,137	1,137
Total financial assets	2,042	20,826	22,868

As of 31 December 2020, all of the Group's financial liabilities except for derivatives were carried at AC.

19. 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 have been

eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

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 30 June 2021, the outstanding balances with related parties were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	-	48	-
Loans issued	1,149		430
Investments in JV		2,214	

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%.

At 31 December 2020, the outstanding balances with related parties were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Gross amount of trade receivables	-	72	-
Loans issued	1,137	-	420
Investments in JV	-	2,641	-

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 period of 6 months ended 2021 were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
- Interest income	14		6

The income and expense items with related parties for the year ended 31 December 2020 were as follows:

<i>In thousands of EUR</i>	Parent companies	Joint ventures	Key management personnel
Revenue from services rendered	-	72	-
Purchases of raw materials and consumables	-	-	-
Purchases of raw materials and consumables – activated	-	-	-
– Interest income	27	-	8

There are no other rights and obligations connected to related parties at 30 June 2021 nor 31 December 2020.

Key Management Compensation

Key management includes Directors and Senior management. Members of the board of directors did not receive any compensation during first half of 2021 nor first half of 2020 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 in first half of 2021 amounted to EUR 347 thousand (H1 2020: EUR 346 thousand, 2020: EUR 717 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 30 June 2021 nor 31 December 2020.

20. Subsequent Events

Prolongation and Reduction of the Support Mechanism in Slovakia

In July 2021 the Slovak government passed a new amendment to the Act on renewable energy support that decreases and prolongs the subsidy for the electricity produced by renewable resources by 5 years. The new conditions are valid from 1 January 2022. The Group does not expect any negative impacts on the valuation of the SK power plants and therefore no impairment provisions nor revaluation have been recorded in the interim financial statements prepared as at 30 June 2021.

Photon Energy Commissions 14.6 MWp Utility-Scale Solar Farms in Australia

On 10 August 2021, the Company announced that it has commissioned its first two utility-scale PV power plants with a combined capacity of 14.6 MWp in Australia. This latest addition located in Leeton, New South Wales, expands the Group's installed base in Australia to 14.7 MWp and its total proprietary portfolio of PV power plants to 89.3 MWp. The solar farm uses bi-facial PV modules mounted on single-axis trackers and is expected to produce approximately 27.8 GWh of clean electricity per year. The electricity will be sold on the National Electricity Market on a merchant basis, as will the Large Generation Certificates (LGCs) generated by the plant.