

Photon Energy N.V.

Monthly Report for December 2021

For the period from 1 to 31 December 2021

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

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

The Company reports 103.3 GWh of electricity produced YTD compared to 70.0 GWh one year ago (+47.6%), propelled by the addition of new Hungarian power plants over the past 15 months (15.5 MWp added in October 2020, November 2020 and December 2021) and of our two utility-scale PV power plants in Leeton, Australia (14.6 MWp connected to the grid in August 2021). This represents an avoidance of 43,864 tonnes of CO₂ emissions in 2021.

In December the proprietary portfolio outperformed the audits by 4.6% and by 0.9% year-to-date.

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

1.2 Photon Energy Group sells 160 MWp Solar PV Project to WIRSOL

The Company sold its 65% stake in its 160 MWp solar PV power project in Maryvale, New South Wales, to the global renewable energy group WIRSOL.

Maryvale Solar Farm 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.

By the transaction Photon Energy Group immediately realised a capital gain in the amount of EUR 0.5 million, which will be reflected in the Group's Q4 2021 financial statements. In addition, the agreement foresees another two milestone-related payments for the Company upon successful completion and commissioning of the project by the Investor.

Following the project exit, Photon Energy Group plans to fully focus its future project development activities in Australia on large utility-scale projects based on the unique RayGen technology that combines PV Ultra solar co-generation and electro-thermal energy storage technologies.

1.3 Photon Energy repays project financing of Czech PV portfolio

The Company announced that it has early repaid the remaining project financing of its Czech PV portfolio provided by Raiffeisen - Leasing, s.r.o. ("RL") on 30 December 2021. The project financing for a total installed capacity of 12.3 MWp had been originally provided by RL's predecessor in 2009 and 2010 and was due on 1 January 2023. The remaining outstanding principal, accrued interest and expected break fees as of 30 December 2021 amounted to approximately CZK 288.65 million (EUR 11.57 million) and were repaid by a combination of the cash balances (partially restricted) held by the project companies (CZK 116.4 million, EUR 4.66 million) and loans provided by the Group to the project companies totalling CZK 172.25 million (EUR 6.91 million). In January 2022 the Group will exercise its call options and

take legal ownership of 100% of the equity of the project companies. The Photon Energy Group's cash injection into this transaction has been financed by the equity raised during the placement of treasury shares in June 2021.

Depending on market conditions, or should the need arise, Photon Energy Group could arrange new project financing for the Czech PV portfolio in order to either service group-level financial debt and/or to finance the expansion of its proprietary portfolio.

1.4 Photon Energy Group leads series A equity round in Lerta

The Company has been the lead investor along two other investors in Lerta S.A.'s series A equity financing round, investing PLN 8.75 million and increasing its ownership stake from 12% to 24%.

Lerta raised a total of PLN 12.75 million in new equity. Photon Energy Group's new investment goes hand-in-hand with the Company's deepening cooperation with Lerta in the areas of electricity trading for the Company's utility-scale PV power plant portfolio, an integrated approach to the booming behind-the-meter market segment combining on-site energy generation, electricity trading and VPP services and jointly exploring new business models in the dynamically developing energy market.

Since Photon Energy Group's first investment in December 2020 Lerta has obtained electricity trading licenses in Poland, Hungary, Romania and the Czech Republic and managed to expand its presence on the Polish capacity market to over 50 MW of demand side response (DSR) assets under management.

Since 9 December, Lerta has provided electricity trading and balancing services to Photon Energy Group's first European merchant PV power plant with an installed capacity of 1.4 MWp in Tolna, Hungary.

The new capital will be allocated to the development of Lerta's Virtual Power Plant in Poland and to the growth of operations in its new markets within the CEE region, where the company will work closely with Photon Energy Group.

Photon Energy Group had already indirectly invested in Lerta through its investment in the ValueTech Seed Fund that led Lerta's first financing round in 2018. The investment in the ValueTech Seed Fund is what originally brought Lerta to Photon Energy Group's attention, followed by extensive discussions about a strategic alignment between the companies, which has convinced Photon Energy Group's management to lead Lerta's second and third equity rounds.

1.5 Reporting on Photon Energy's project pipeline

Photon Energy is currently developing PV projects in Australia (300.0 MWp), Hungary (95.2 MWp), Romania (225.5 MWp) and Poland (155.0 MWp), and is evaluating further markets for opportunities. For detailed information, please refer to chapter 3 "Reporting on Photon Energy's project pipeline".

2. Proprietary PV power plants

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

Table 1. Production results in December 2021

Project name	Capacity	Feed-in-Tariff/LGC	Prod. 2021 December	Proj. 2021 December	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2021	kWh	kWh	%	kWh	kWh	%	%
Komorovice	2,354	CZK 15,117	31,161	47,533	-34.4%	2,367,683	2,497,558	-5.2%	-6.5%
Zvíkov I	2,031	CZK 15,117	37,400	50,537	-26.0%	2,224,776	2,300,217	-3.3%	-6.1%
Dolní Dvořiště	1,645	CZK 15,117	32,419	43,429	-25.4%	1,660,058	1,683,565	-1.4%	-2.7%
Svatoslav	1,231	CZK 15,117	20,208	23,720	-14.8%	1,147,700	1,203,924	-4.7%	-4.4%
Slavkov	1,159	CZK 15,117	28,021	27,037	3.6%	1,332,623	1,333,231	0.0%	-0.3%
Mostkovice SPV 1	210	CZK 15,117	4,704	4,974	-5.4%	215,065	219,971	-2.2%	-0.6%
Mostkovice SPV 3	926	CZK 16,240	14,129	14,770	-4.3%	977,786	972,628	0.5%	1.2%
Zdice I	1,499	CZK 15,117	34,756	41,009	-15.2%	1,624,141	1,686,900	-3.7%	-5.8%
Zdice II	1,499	CZK 15,117	35,985	41,985	-14.3%	1,661,008	1,700,269	-2.3%	-5.2%
Radvanice	2,305	CZK 15,117	49,696	45,355	9.6%	2,473,035	2,501,919	-1.2%	-0.3%
Břeclav rooftop	137	CZK 15,117	3,364	3,836	-12.3%	156,765	154,025	1.8%	-2.6%
Total Czech PP	14,996		291,844	344,187	-15.2%	15,840,639	16,254,207	-2.5%	-3.7%
Babiná II	999	EUR 425.12	23,112	19,003	21.6%	989,584	970,581	2.0%	3.0%
Babina III	999	EUR 425.12	23,268	20,218	15.1%	1,003,712	984,711	1.9%	3.0%
Prša I.	999	EUR 425.12	24,532	20,320	20.7%	1,026,964	1,056,586	-2.8%	2.2%
Blatna	700	EUR 425.12	12,970	13,734	-5.6%	723,883	719,873	0.6%	1.8%
Mokra Luka 1	963	EUR 382.61	37,597	29,892	25.8%	1,199,969	1,138,187	5.4%	3.6%
Mokra Luka 2	963	EUR 382.61	41,642	31,529	32.1%	1,226,323	1,180,582	3.9%	4.8%
Jovice 1	979	EUR 382.61	20,591	15,776	30.5%	868,106	893,378	-2.8%	-0.5%
Jovice 2	979	EUR 382.61	20,063	15,517	29.3%	860,774	883,494	-2.6%	-0.7%
Brestovec	850	EUR 382.61	14,399	19,655	-26.7%	979,734	1,021,651	-4.1%	-5.3%
Polianka	999	EUR 382.61	11,865	17,877	-33.6%	971,584	979,968	-0.9%	-0.7%
Myjava	999	EUR 382.61	19,299	23,094	-16.4%	1,125,440	1,120,362	0.5%	-1.7%
Total Slovak PP	10,429		249,337	226,614	10.0%	10,976,072	10,949,372	0.2%	0.9%
Tizsakécske 1	689	HUF 34,140	24,760	22,652	9.3%	872,398	845,174	3.2%	2.0%
Tizsakécske 2	689	HUF 34,140	25,512	23,309	9.5%	876,299	850,620	3.0%	2.0%
Tizsakécske 3	689	HUF 34,140	20,961	20,377	2.9%	843,417	827,512	1.9%	1.1%
Tizsakécske 4	689	HUF 34,140	26,067	23,309	11.8%	880,079	850,620	3.5%	2.2%
Tizsakécske 5	689	HUF 34,140	24,994	22,652	10.3%	830,533	845,174	-1.7%	-1.8%
Tizsakécske 6	689	HUF 34,140	25,189	23,309	8.1%	874,891	850,620	2.9%	2.1%
Tizsakécske 7	689	HUF 34,140	25,527	22,634	12.8%	873,117	844,555	3.4%	1.9%
Tizsakécske 8	689	HUF 34,140	24,338	21,840	11.4%	866,657	841,727	3.0%	2.0%
Almásfűzitő 1	695	HUF 34,140	19,042	23,054	-17.4%	837,893	840,464	-0.3%	0.6%
Almásfűzitő 2	695	HUF 34,140	18,297	22,986	-20.4%	836,824	839,870	-0.4%	3.0%
Almásfűzitő 3	695	HUF 34,140	21,114	22,634	-6.7%	839,496	835,806	0.4%	4.5%
Almásfűzitő 4	695	HUF 34,140	19,008	23,251	-18.2%	863,449	842,485	2.5%	3.0%
Almásfűzitő 5	695	HUF 34,140	21,153	22,713	-6.9%	857,729	836,892	2.5%	0.9%
Almásfűzitő 6	660	HUF 34,140	20,422	21,798	-6.3%	872,233	804,938	8.4%	3.5%
Almásfűzitő 7	691	HUF 34,140	19,684	22,548	-12.7%	868,699	831,973	4.4%	3.3%
Almásfűzitő 8	668	HUF 34,140	19,163	22,248	-13.9%	856,802	814,589	5.2%	1.5%
Nagyecsed 1	689	HUF 34,140	19,440	21,031	-7.6%	862,279	825,772	4.4%	2.1%
Nagyecsed 2	689	HUF 34,140	19,007	21,031	-9.6%	862,332	825,772	4.4%	2.2%
Nagyecsed 3	689	HUF 34,140	19,283	20,759	-7.1%	865,146	826,184	4.7%	1.7%
Fertod I	528	HUF 34,140	15,945	16,018	-0.5%	680,660	612,168	11.2%	0.1%
Fertod II No 2	699	HUF 34,140	27,289	21,481	27.0%	892,330	833,707	7.0%	1.3%
Fertod II No 3	699	HUF 34,140	27,147	21,481	26.4%	906,184	833,707	8.7%	2.8%
Fertod II No 4	699	HUF 34,140	27,180	21,481	26.5%	899,126	833,707	7.8%	2.3%

Project name	Capacity	Feed-in-Tariff/LGC	Prod. 2021 December	Proj. 2021 December	Perf.	YTD Prod.	YTD Proj.	Perf.	YTD YoY
Unit	kWp	per MWh, in 2021	kWh	kWh	%	kWh	kWh	%	%
Fertod II No 5	691	HUF 34,140	26,941	23,406	15.1%	900,175	838,402	7.4%	2.8%
Fertod II No 6	699	HUF 34,140	26,958	21,481	25.5%	899,662	833,707	7.9%	3.0%
Kunszentmárton I No 1	697	HUF 34,140	24,462	23,814	2.7%	908,571	885,501	2.6%	2.6%
Kunszentmárton I No 2	697	HUF 34,140	22,574	23,847	-5.3%	901,403	885,636	1.8%	2.5%
Kunszentmárton II No 1	693	HUF 34,140	23,436	19,543	19.9%	923,943	855,866	8.0%	77.1%
Kunszentmárton II No 2	693	HUF 34,140	24,086	19,642	22.6%	928,453	856,165	8.4%	57.9%
Taszár 1	701	HUF 34,140	29,588	26,271	12.6%	888,976	885,316	0.4%	-0.6%
Taszár 2	701	HUF 34,140	29,905	26,271	13.8%	893,930	885,316	1.0%	-0.9%
Taszár 3	701	HUF 34,140	29,675	26,271	13.0%	899,906	885,316	1.6%	0.2%
Monor 1	688	HUF 34,140	24,511	20,073	22.1%	896,298	852,356	5.2%	5.9%
Monor 2	696	HUF 34,140	22,851	20,172	13.3%	883,430	862,899	2.4%	3.8%
Monor 3	696	HUF 34,140	23,893	20,172	18.4%	887,940	862,899	2.9%	4.6%
Monor 4	696	HUF 34,140	23,657	20,172	17.3%	892,689	862,899	3.5%	4.3%
Monor 5	688	HUF 34,140	24,311	19,941	21.9%	893,927	846,445	5.6%	4.3%
Monor 6	696	HUF 34,140	24,506	20,172	21.5%	892,477	862,899	3.4%	3.8%
Monor 7	696	HUF 34,140	24,295	20,172	20.4%	893,418	862,899	3.5%	2.8%
Monor 8	696	HUF 34,140	24,470	20,172	21.3%	892,939	862,899	3.5%	4.5%
Tata 1	672	HUF 34,140	19,546	18,817	3.9%	917,050	923,288	-0.7%	9.5%
Tata 2	676	HUF 34,140	20,680	22,523	-8.2%	828,482	835,261	-0.8%	12.7%
Tata 3	667	HUF 34,140	20,681	20,972	-1.4%	829,648	815,853	1.7%	9.8%
Tata 4	672	HUF 34,140	20,460	19,395	5.5%	934,102	945,462	-1.2%	10.5%
Tata 5	672	HUF 34,140	20,129	19,486	3.3%	886,926	948,671	-6.5%	4.6%
Tata 6	672	HUF 34,140	19,757	19,078	3.6%	926,307	933,569	-0.8%	8.3%
Tata 7	672	HUF 34,140	19,678	18,833	4.5%	920,655	923,890	-0.4%	8.6%
Tata 8	672	HUF 34,140	20,353	19,184	6.1%	939,733	937,796	0.2%	11.6%
Malý 1	695	HUF 34,140	20,059	19,919	0.7%	853,977	828,586	3.1%	52.8%
Malý 2	695	HUF 34,140	20,785	20,041	3.7%	859,084	829,718	3.5%	54.8%
Malý 3	695	HUF 34,140	21,078	20,041	5.2%	860,605	829,718	3.7%	52.9%
Puspokladány 1	1,406	HUF 34,140	38,465	34,527	11.4%	1,962,033	1,944,330	0.9%	nm
Puspokladány 2	1,420	HUF 34,140	39,416	31,248	26.1%	2,029,466	1,892,045	7.3%	nm
Puspokladány 3	1,420	HUF 34,140	37,891	30,097	25.9%	1,997,180	1,848,792	8.0%	nm
Puspokladány 4	1,406	HUF 34,140	38,099	34,305	11.1%	1,997,879	1,930,447	3.5%	nm
Puspokladány 5	1,420	HUF 34,140	39,509	31,159	26.8%	2,045,805	1,887,556	8.4%	nm
Puspokladány 6	1,394	HUF 34,140	36,622	32,033	14.3%	1,972,498	1,911,209	3.2%	nm
Puspokladány 7	1,406	HUF 34,140	37,990	34,275	10.8%	1,995,957	1,930,451	3.4%	nm
Puspokladány 8	1,420	HUF 34,140	37,776	30,245	24.9%	2,004,661	1,854,378	8.1%	nm
Puspokladány 9	1,406	HUF 34,140	38,025	34,246	11.0%	1,934,218	1,929,491	0.2%	nm
Puspokladány 10	1,420	HUF 34,140	37,693	30,052	25.4%	1,997,844	1,847,324	8.1%	nm
Tolna	1,358	HUF 113,107 ¹	22,860	33,117	-31.0%	22,860	33,117	-31.0%	nm
Total Hungarian PP	50,456		1,568,195	1,449,786	8.2%	64,713,678	62,442,410	3.6%	52.3%
Symonston	144	AUD 301.60	20,574	22,527	-8.7%	169,877	178,176	-4.7%	0.4%
Leeton	7,261	AUD 37 + 43 ²	1,699,170	1,577,075	7.7%	5,823,120	6,292,894	-7.5%	na
Fivebough	7,261	AUD 38 + 43 ^{2*}	1,596,360	1,565,135	2.0%	5,746,110	6,227,865	-7.7%	na
Total Australian PP	14,744		3,316,104	3,164,737	4.8%	11,739,107	12,698,935	-7.6%	nm
Total	90,547		5,425,480	5,185,324	4.6%	103,269,496	102,344,925	0.9%	47.6%

Notes:

Capacity: installed capacity of the power plant

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

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

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

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

Perf. YTD: performance of the power plant year-to-date i.e. (YTD prod. in 2021 / YTD proj. in 2021) - 1

YTD YOY: (YTD Prod. in 2021 / YTD Prod. in 2020) - 1.

¹ Average realized electricity price during the reporting period in Hungary.² Average electricity price during the reporting period + Australian Large-scale Generation Certificate spot closing price at the end of the reporting period.

Chart 1.a Total production of the Czech portfolio

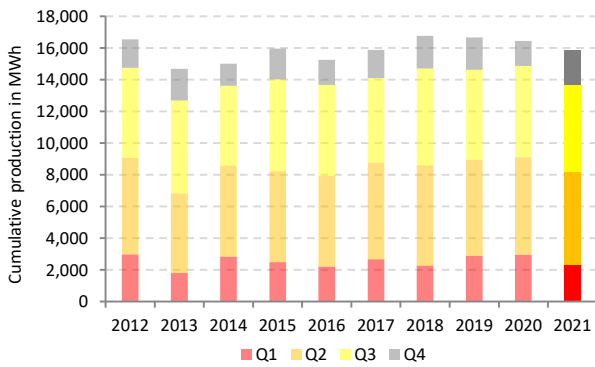


Chart 1.b Total production of the Slovak portfolio

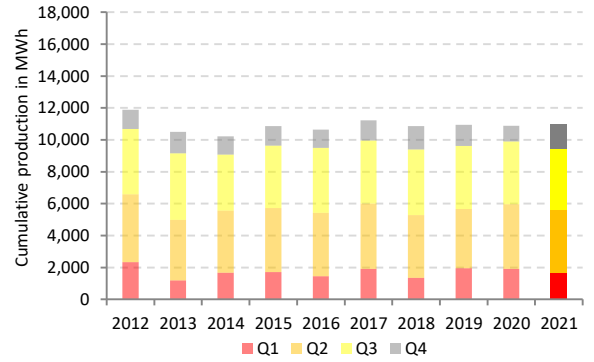


Chart 1.c Total production of Hungarian portfolio

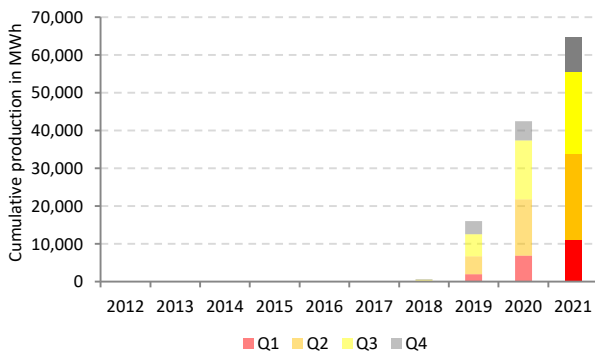


Chart 1.d Total production of Australian portfolio

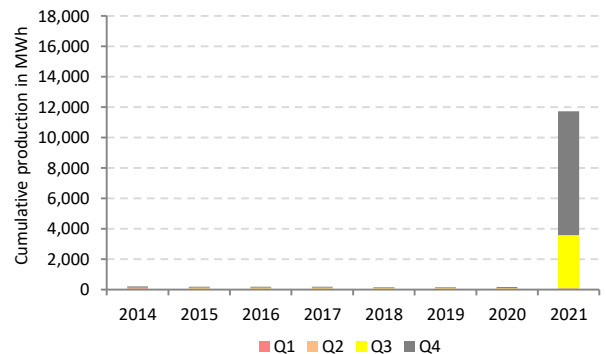


Chart 2. Generation results versus forecast between 1 January 2018 and 31 December 2021

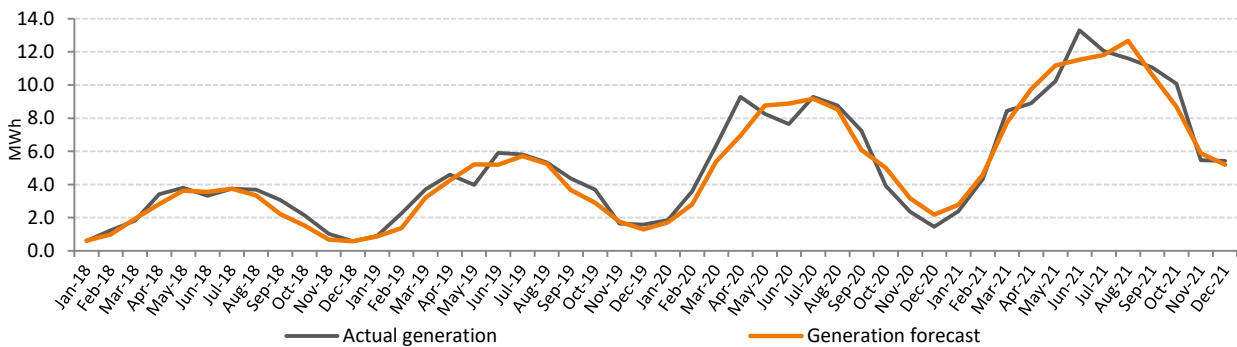
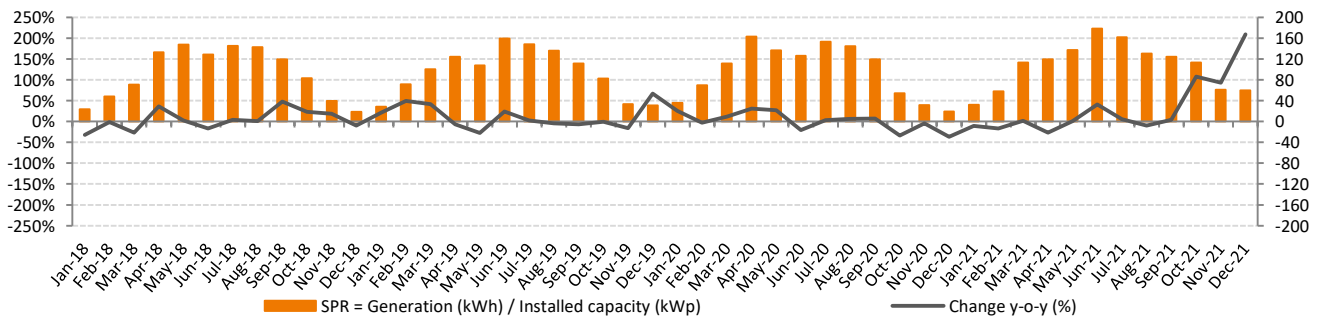


Chart 3. Specific Performance Ratio between 1 January 2018 and 31 December 2021



Specific Performance Ratio is a measure of efficiency which shows the amount of kWh generated per 1 kWp of installed capacity and enables the simple comparison of year-on-year results and seasonal fluctuations during the year.

The Company reports 103.3 GWh of electricity produced YTD compared to 70.0 GWh one year ago (+47.6%), propelled by the

addition of new Hungarian power plants over the past over the past 15 months (15.5 MWp added in October 2020, November

2020 and December 2021) and of our two utility-scale PV power plants in Leeton, Australia (14.6 MWp connected to the grid in August 2021). This represents an avoidance of 43,864 tonnes of CO₂ emissions in 2021.

In December the proprietary portfolio outperformed the audits by 4.6% and by 0.9% year-to-date.

3. Reporting on Photon Energy's project pipeline





Project development is a crucial activity in Photon Energy's business model of covering the entire value chain of PV power plants. The main objective of project development activities is to expand the PV proprietary portfolio, which provides recurring revenues and free cash flows to the Group. For financial or strategic reasons Photon Energy may decide to cooperate with third-party investors either on a joint-venture basis or with the goal of exiting the projects to such investors entirely. Ownership of project rights provides Photon Energy with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence,

Our Slovak, Hungarian and Australian portfolios exceeded energy forecasts by 10.0%, 8.2% and 4.8% respectively, while our Czech portfolio was short of estimates by 15.2%.

The specific performance ratio of the proprietary portfolio (SPR) reached 59.9 kWh/kWp compared to 19.4 kWh/kWp one year ago (+208.9% year-on year).

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 (300.0 MWp), Hungary (95.2 MWp), Romania (225.5 MWp) and Poland (155.0 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	-	300.0	-	-	-	300.0
 Hungary	68.0	23.1	2.7	-	1.4	95.2
 Romania	44.5	92.1	88.9	-	-	225.5
 Poland	130.9	24.1	-	-	-	155.0
Total in MWp	243.4	439.4	91.6	-	1.4	775.7

*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	Undisclosed	2	All options open	100%	300.0	All options open	Secured	Ongoing	Ongoing	Q4 2023
Hungary	Tolna 1a	5	Own portfolio	100%	1.4	Merchant/PPA	Secured	Secured	Secured	Under Construction
Hungary	Tolna 1b	3	Own portfolio	100%	2.7	Merchant/PPA	Secured	Secured	Secured	Q2 2022
Hungary	Tolna 2	2	Own Portfolio	100%	23.2	Merchant/PPA	Ongoing	Secured	Secured	Q3 2022

Australia

During the reporting period, Photon Energy had two large scale solar farms under development.

- ▶ **Maryvale Project (160 MWp):** During the reporting period, the Group sold its 65% stake in Maryvale Solar Farm Pty. Ltd., the project company which is holding all project rights and has obtained Development Approval for the 125 MW AC PV power plant project, which enables to install up to 160 MWp DC capacity, in Maryvale, to the global renewable energy group WIRSOL.

Maryvale Solar Farm 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.

By the transaction Photon Energy realised a capital gain in the amount of EUR 0.5 million which will be reflected in the Group's Q4 2021 financial statements. In addition the agreement foresees further two milestone related payments for Photon Energy upon successful completion and connection of the project by the new investor.

With exiting this development project Photon Energy will fully focus its future development efforts in Australia for large scale projects on combined generation and storage projects based on RayGen Technology.

In November 2021, the Group secured 1,200 hectares of land in South Australia to develop a 300 MWp solar farm suitable for RayGen's solar technology in combination with its energy storage solution.

- ▶ **Development status Raygen Project (300 MWp):** Based on preliminary designs, Photon Energy will develop a solar generation capacity of 300 MWp with a grid connection capacity of 150 MW. The target storage energy storage capacity is 3.6 GWh, equivalent to 24 hours of full load, to the grid, from storage. This will exceed the 3 GWh capacity of the Ouarzazate Solar Power Station in Morocco, which currently has the world's largest energy storage capacity of any type, excluding pumped hydro.

Photon Energy has commenced the permitting and grid-connection processes and expects to reach the ready-to-build stage in Q4 2023.

RayGen recently closed its Series C capital raise for AUD 55 million where Photon Energy participated alongside AGL Energy, Schlumberger New Energy, Chevron Technology Ventures, Equinor Ventures and other investors. RayGen is currently building a 4 MW / 50 MWh solar energy-plus-storage plant in Carwarp, Victoria, Australia due for completion in mid-2022.

Hungary

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

- ▶ **Tolna (27.3 MWp in development, 1.3 MWp project commissioned on 9 December 2021):** 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) projects was granted a METAR premium of 24,470 HUF/MWh (approx. EUR 68 per MWh) with a maximum supported production of 21,585 MWh over a period of up to 15 years. This achievement results from the approval of the project application to the first pilot tender for the METAR system organized in September 2019. Three other projects have entered into advanced development after securing the binding extraction and construction permits. Construction started for two of the projects with one of them commissioned on 9 December 2021 (please see details below).

The revenue model will be the direct sale of electricity through a trader on the Hungarian electricity market for the time being. The option to still enter into a contract-for-difference based on a METAR license (for the project that has proven successful through the auction process) or entering into PPAs in the future, remains in place. 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.

- ▶ On 9 December 2021, we have completed and grid-connected the first photovoltaic power plant with a capacity of 1.3 MWp near the municipality of Tolna. This latest addition expands the Company's portfolio of proprietary power plants in Hungary to a total of 62, with a combined capacity of 50.4 MWp. Globally, the Company now owns and operates 87 power plants with a combined capacity of 90.6 MWp.

The new power plant represents the first European utility-scale PV power plant in Photon Energy Group's IPP portfolio that the Company will operate without a support scheme. The total annual production of the power plant is expected to be around 2.1 GWh, which corresponds to expected annual revenues of EUR 420,000 based on current forward prices for electricity base load in Hungary in 2022. Given the power plant's electricity production profile, there is potential for even higher revenues in 2022.

The new power plant extends over 2.2 hectares, uses bi-facial PV modules mounted on single-axis trackers and is connected to the grid of E.ON Dél-dunántúli Áramhálózati Zrt..

The electricity is sold on the national electricity market on a merchant basis. This means no power purchase agreements (PPAs) have been entered into by the Company. However, they may play a role in the plant's future revenue management strategy, alongside other hedging options.

The Company developed the project fully in-house and delivered engineering, procurement and construction services through its subsidiary Photon Energy Solutions HU Kft. Photon Energy Operations HU Kft. – another of the Group's subsidiaries – will provide long-term monitoring, operations and maintenance services to the power plant.

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.
Glossary of terms	Definitions
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.

4. Enterprise value & Share price performance

4.1 Main market of the Warsaw Stock Exchange

On 31 December 2021 the Company's shares (ISIN NL0010391108) closed at a price of PLN 7.15 (-4.7% MoM), corresponding to a price to book ratio of 1.74. The monthly trading volume amounted to 326,609 shares (vs. an average monthly volume of 583,569 YTD).

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 4. Enterprise value vs. trailing 12 months (TTM) EBITDA

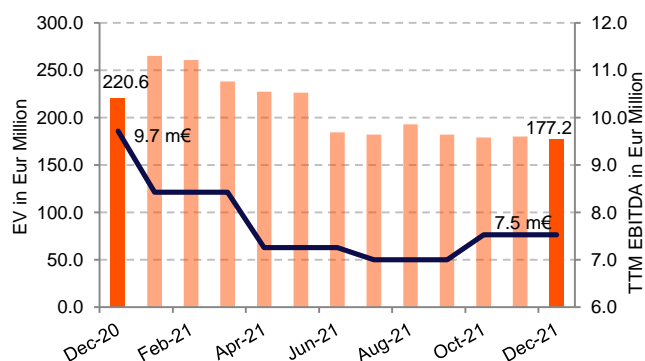
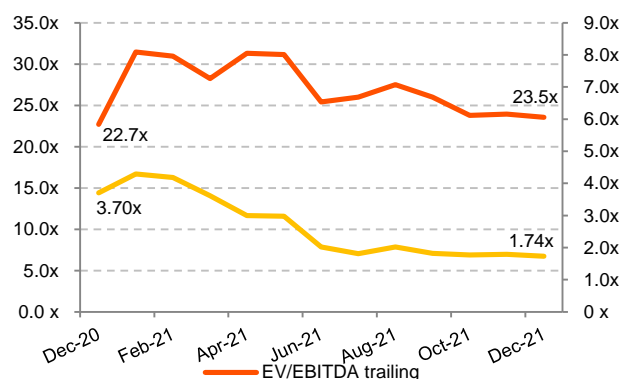


Chart 5. Enterprise value / trailing 12 months EBITDA and price to book ratio



Notes:

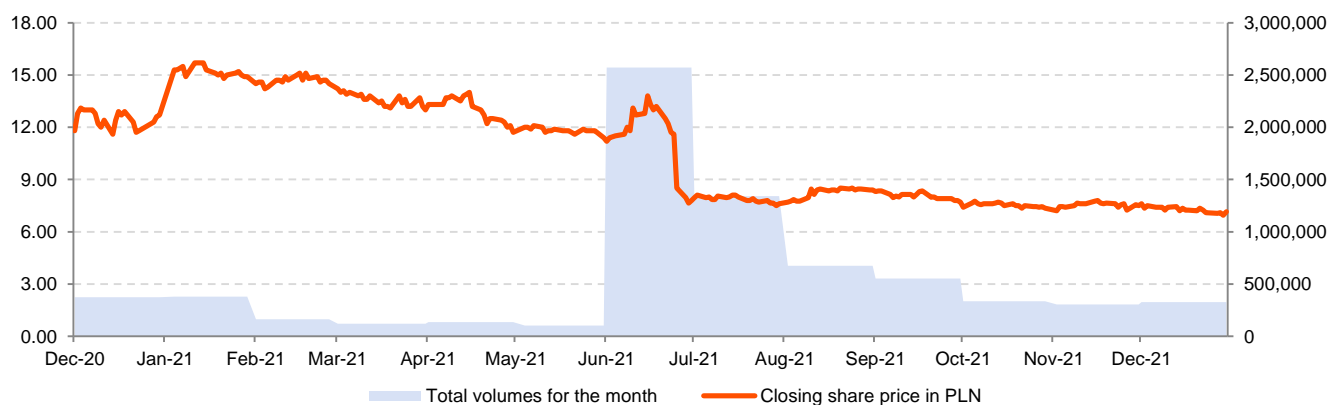
EV – Enterprise value is calculated as the market capitalisation as of the end of the reporting month, plus debt, plus minority interest, minus cash. All the balance sheet data are taken from the last quarterly report.

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; i.e. the sum of EBITDA reported in Q4 2020, Q1 2021, Q2 2021, and Q3 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 latest quarterly report.

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

Chart 6. Total monthly volumes vs. daily closing stock prices



4.2 Main market of the Prague Stock Exchange

On 31 December 2021 the share price (ISIN NL0010391108) closed at a level of CZK 38.20 (-9.0% MoM), corresponding to a price to book ratio of 1.71. The Company reports a monthly trading volume of 382,182 shares, compared to an average monthly trading volume of 243,118 YTD.

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

4.3 Quotation Board of the Frankfurt stock exchange

On 31 December 2021 the share price (FSX: A1T9KW) closed at a level of EUR 1.51 (-4.6% MoM), corresponding to a price to book ratio of 1.68.

The Company reports a monthly trading volume of 2,180 shares, compared to an average monthly trading volume of 37,908 in 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.

5. Bond trading performance

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

On 27 October 2017 the Company issued a 5-year corporate EUR bond with a 7.75% annual coupon and quarterly coupon payments in Germany, Austria and Luxemburg. The original target volume of EUR 30 million was successfully increased in two steps with all parameters unchanged, to an outstanding amount of EUR 45.0 million prior to the completion of the exchange offer described below. The corporate bond (ISIN DE000A19MFH4) with a nominal value of EUR 1,000 has been traded on the Open Market of the Frankfurt Stock exchange since 27 October 2017. The bond is also listed on the stock exchanges in Berlin, Hamburg, Hannover, Munich and Stuttgart. The Group has. The total outstanding bond volume amounts to EUR 23.719 million as of the end of the reporting period.

On 17 November 2021, The Company successfully placed its 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) in

the amount of EUR 50 million. The bond issuance was met with strong demand from the Company's existing bondholders, who subscribed to EUR 21.281 million in the exchange that was offered for the existing EUR Bond 2017/2022. The green bond – with an interest rate of 6.50% p.a., paid quarterly – was confirmed by imug | rating with regard to its sustainability in a Second Party Opinion, and can be traded on the Open Market of the Frankfurt Stock Exchange.

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

On 29 November 2021, the Group successfully increased the bond placement by EUR 5.0 million with all parameters unchanged. The total outstanding bond volume amounts to EUR 55.0 million as of the end of the reporting period.

5.1 EUR Bond 2017/22 trading performance

EUR Bond 2017/22 trading performance to date

In the trading period from 25 October 2017 until 31 December 2021, the trading volume amounted to EUR 53.876 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 101.00 in Frankfurt. During this period the average daily turnover amounted to EUR 50,922.

EUR Bond 2017/22 trading performance in December 2021

In December 2021 the trading volume amounted to EUR 485,000 with an opening price of 101.50 and a closing price of 101.00 in Frankfurt. The average daily turnover amounted to EUR 23,095.

Chart 7. The Company's EUR bond 2017/22 trading on the Frankfurt Stock Exchange in Germany

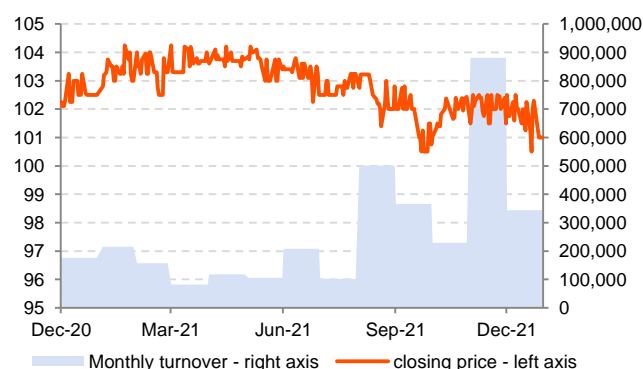
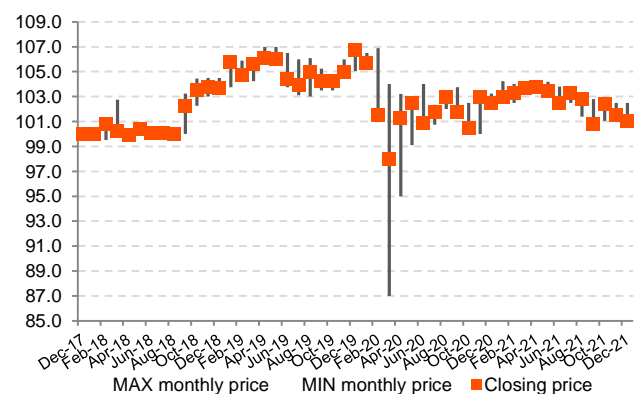


Chart 8. MIN, MAX and closing monthly prices



5.2 Green EUR Bond 2021/27 trading performance

Green EUR Bond 2021/27 trading performance to date

In the trading period from 17 November 2021 until 31 December 2021, the trading volume amounted to EUR 6.420 million (nominal value, including the volume traded in Berlin, Munich & Stuttgart) with an opening price of 100.00 and a closing price of 102.00 in Frankfurt. During this period the average daily turnover amounted to EUR 149,302.

5.3 CZK Bond 2016/23 trading performance in Prague

In the trading period from 12 December 2016 until 31 December 2021, the trading volume amounted to CZK 40.290 million with a closing price of 100.00 (unchanged compared to last month).

Green EUR Bond 2021/27 trading performance in December 2021

In December 2021 the trading volume amounted to EUR 1,226,000 with an opening price of 100.40 and a closing price of 102.00 in Frankfurt. The average daily turnover amounted to EUR 58,381.

6. Summary of all information published by the Issuer as current reports for the period covered by the report

In the period covered by this report the following current report has been published in the EBI (Electronic Database Information) system of the Warsaw Stock Exchange during or after the reporting period.

- ▶ **None**

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

- ▶ **ESPI report 50** – 10.12.2021 – Photon Energy N.V. connects first merchant PV power plant for its IPP portfolio in Europe.
- ▶ **ESPI report 51** – 14.12.2021 - Photon Energy sells its 65% stake in the Australian Maryvale project.

- ▶ **ESPI report 52** - 14.12.2021 – Monthly report for November 2021.
- ▶ **ESPI report 53** - 22.12.2021 – Publication dates of periodic reports in 2022.
- ▶ **ESPI report 54** - 30.12.2021 - Photon Energy repays project financing of Czech PV portfolio.

After the reporting period, the following reports have been published in the ESPI (Electronic Information Transmission System) system of the Warsaw Stock Exchange:

- ▶ **None.**

7. Investors' calendar

- ▶ 10 February 2022: Entity and consolidated quarterly reports for Q4 2021
- ▶ 14 February 2022: Online presentation of Photon Energy Group's Q4 2021 results
- ▶ 15 February 2022: Monthly report for January 2022
- ▶ 14 March 2022: Monthly report for February 2022
- ▶ 13 April 2022: Monthly report for March 2022
- ▶ 11 May 2022: Entity and consolidated quarterly reports for Q1 2022
- ▶ 12 May 2022: Online presentation of Photon Energy Group's Q1 2022 results
- ▶ 13 May 2022: Monthly report for April 2022
- ▶ 14 June 2022: Monthly report for May 2022
- ▶ 14 July 2022: Monthly report for June 2022
- ▶ 11 August 2022: Entity and consolidated reports for Q2 2022 / H1 2022
- ▶ 12 August 2022: Online presentation of Photon Energy Group's Q2 2021/H1 2021 results
- ▶ 12 August 2022: Monthly report for July 2022
- ▶ 14 September 2022: Monthly report for August 2022
- ▶ 13 October 2022: Monthly report for September 2022
- ▶ 10 November 2022: Entity and consolidated quarterly reports for Q3 2022
- ▶ 14 November 2022: Online presentation of Photon Energy Group's Q3 2022 results
- ▶ 14 November 2022 Monthly report for October 2022
- ▶ 14 December 2022 Monthly report for November 2022

8. Investor relations contact

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Amsterdam, 13 January 2022



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors