

## PHOTON ENERGY – liquidity challenges

In our opinion, the decline in Photon's share price has exhausted its potential. In 2025, we expect an increase in results, based on higher expected prices of energy sold and a gradual improvement in profitability in segments related to the economic situation on the renewable energy market. The slowdown in new investments and higher results of the current portfolio are to strengthen the company's balance sheet. The company should focus on maximizing cash inflows and prove that the smooth implementation of financial obligations remains unthreatened. We have lowered the target price to PLN 3.70 (EUR 0.87), which gives a 6% potential for the share price increase.

### Q1 2025 results below our forecasts

The results are better year-on-year, but we expected a positive EBIT result (net result still burdened with interest). Unfortunately, the Investment segment alone, supported by revenues from the capacity market in Poland, is not able to "cover up" the loss generated in other areas. In addition, OCF was lower than a year ago, and without improvement in other businesses and increased cash generation, it is difficult to count on strengthening the balance sheet and a recovery in the exchange rate.

### Increase in the average selling price of energy

In the middle of last year, an upward trend in energy prices on spot markets appeared (peaking at around EUR 150/MWh at the turn of 2024/25). Unfortunately, the systematic increase in energy supply (especially PV generation) led to a drop in market prices to around EUR 85 in April and around EUR 70/MWh in May this year. This was reflected in the average prices obtained by Photon, although it should be remembered about the fixed price model on the SK market, partially fixed prices in HU and very high support in CZ.

### No breakthrough in the structure of results

The results are still based primarily on profits from the sale of energy from own PV installations supported by revenues from the capacity market in Poland. We positively assess the achievement of the break-even level in the Technology segment, although the process is too slow and may be insufficient in the context of the expected improvement in profits in the whole of 2025.

### Liquidity challenges

A major challenge is the one-time repayment of bonds (EUR 76.5 million), which mature in November 2027. We do not see the possibility of financing such a transaction within the specified period from Photon's current cash flows (the intention to roll over is the Management Board's base scenario). Currently, these bonds are valued very low (approx. 50% of the nominal amount), which results from the company's current financial situation and may mean problems with rolling over these bonds.

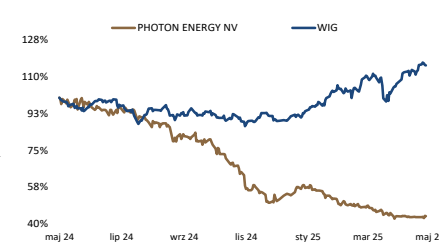
We estimated the value of Photon Energy shares based on the sum of the parts valuation method at PLN 2.51 and the comparative valuation at PLN 4.33. We assigned equal weights to both methods. We have set the target price in the 9-month horizon at PLN 3.70 (EUR 0.87), which gives a 6% growth potential for the share price.

EURm	2022	2023	2024	2025F	2026F	2027F
Revenues	95	71	90	94	99	117
EBITDA	26	4	9	16	22	30
EBIT	17	-5	-3	4	11	16
Reported net profit	6	-16	-13	-4	1	6
EPS (EUR)	0.11	-0.26	-0.21	-0.07	0.02	0.10
P/E (x)	7.8	-3.2	-3.8	-12.0	40.6	8.3
EV/EBITDA (x)	7.0	58.4	24.1	12.7	9.9	6.8

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

**NOBLE**  
**SECURITIES**  
DOM MAKLECKI

Current price	3.50 PLN
Target price	3.70 PLN
Upside/downside	6%
Market cap.	214 PLNm
Free float	32%
Avg. Vol. 6M	15 238



Source: Bloomberg, Noble Securities

### COMPANY PROFILE

Photon Energy NV is a global supplier of technologies and products in the field of solar energy. It operates in 11 countries on two continents.

### SHAREHOLDERS

Solar Future	35.51%
Solar Power to the People	32.16%
Treasure shares	2.18%
Others	30.22%

Source: Photon Energy, Noble Securities

**Michał Sztabler**

**Equity Analyst**

michal.sztabler@noblesecurities.pl

**+48 22 244 13 03**

**TABLE OF CONTENTS:**

VALUATION.....	3
Sum of the parts valuation .....	4
Peers valuation.....	5
OPPORTUNITIES AND RISKS .....	6
1Q 2025 RESULTS .....	7
OUTLOOK .....	8
Slight increase in average price .....	8
No breakthrough in the results structure.....	8
Risk of violating green bond covenants.....	8
Bond redemption in November 2027 (EUR 80 million) .....	8
RECENT EVENTS .....	9
ESG PRINCIPLES .....	10
UPDATE OF FINANCIAL FORECASTS .....	11
FINANCIAL RESULTS AND FORECAST .....	12
LEGAL DISCLAIMER.....	15

## VALUATION

The value of one Photon Energy share was calculated as an average of the subtotals (sum of the parts) and the comparative valuation, with a weight of 50% each. **We set the target price in the 9-month horizon at PLN 3.70 (EUR 0.87) vs. PLN 5.36 (EUR 1.28) previously, which gives a 6% growth potential for the share price.**

The decrease in valuation compared to the February 2025 report is primarily due to lower forecasts for the New Energy segment (lower expectations regarding contracting on the capacity market in Poland) and Engineering (worse market prospects, problems with maintaining profitability on contracts being implemented).

Sum of the parts (SOTP) analysis assumes a separate valuation of individual assets or business components. In the case of Photon, we valued each operating segment using the DCF method (we provided the model parameters later in the report). We adjusted the resulting valuation of the company's operations by the value of consolidated net debt at the end of 2024. Additionally, we took into account the value of PV projects that are in the early stages of preparation (we assumed EUR 50 million in total, approx. EUR 0.83/share).

The comparative method is based mainly on indicators for foreign companies, because there is not a large representation of entities with a profile similar to Photon on the WSE (we decided to include only Polenergia in the comparative group). We expanded the group of indicators with the P/E ratio, because we expect positive net results from 2026. The comparative analysis covers the years 2026-27.

We assigned equal weights to both of the above methods. For conversions, we used the EUR/PLN exchange rate of PLN 4.26 (previously PLN 4.21).

Valuation summary	Weight (x)	Per share (EUR)	Per share (PLN)	previously (PLN)	change
Sum of the parts	50%	0.59	2.51	4.62	-46%
Peers	50%	1.02	4.33	5.27	-18%
Average valuation		0.80	3.42	4.94	-31%
<b>Target price (9M)</b>		<b>0.87</b>	<b>3.70</b>	<b>5.36</b>	<b>-31%</b>
Current price			3.50		
Upside/downside			6%		

Source: Noble Securities

## Sum of the parts valuation

The significant reduction in valuation is related to the change in assumptions and the resulting lower forecasts for the Engineering and New Energy segments, which was not compensated by the increase in forecasts for the Technology segment.

In the Engineering segment, we reduced both the forecasted revenues (the effect of the deterioration in the prospects for the construction of new renewable energy capacities) and the profitability of the business (increased competition and pressure on margins, which the management board particularly emphasized in the periodic report for 1Q25).

We obtained a significantly lower valuation in the New Energy area, where the company generates revenues from two main sources: a) from the capacity market in Poland, b) from energy trading in Poland, the Czech Republic and Hungary. The greatest impact on the reduction in the value of this segment was the correction of assumptions regarding the acquisition of contracts on the capacity market in Poland. Previously, the company announced that in the perspective of several years (we assumed that by 2030) it would acquire contracts for approx. 1000 MW and these were the values we adopted in the model. Meanwhile, there is a visible downward trend in the volume of contracted capacity: in the case of main auctions from 157 MW in 2027 to just 80 MW in 2029. A similar trend occurred in additional (quarterly) auctions, where a decrease was noted from 375 MW in 2024 to less than 70 MW in 2026. The visible strong pressure on prices additionally resulted in a decrease in contracted revenues: from approx. EUR 22 million in 2024 to approx. EUR 10 million in 2025 and approx. EUR 12 million in 2026. Taking into account the above trends, we decided to revise our plans, limiting ourselves to the values achieved in the last auctions concluded. Photon's profits from the capacity market are very high (profitability in the last 2 years was 40-50%), which is why the drop in revenues was clearly reflected in lower profits achieved in this segment. We hope that it will be possible to partially compensate for the loss of these potential incomes by increasing the trading part, although both the drop in market prices and the greater pressure on margins mean that this may be difficult (unless the company enters new markets).

In turn, the very good data obtained in the last 2 quarters in the technology area allowed us to increase the forecasted revenues (the company declares further development of this business and entry into new markets) and, as a consequence, obtain a higher valuation.

In the Investment segment, we did not significantly change the forecast of results and valuation. Similarly, in the O&M part, which remains a big burden for the Group's results (for 6 years Photon has not managed to generate a positive EBIT there, we count on exceeding the break even point in the current year, at the latest in 2026).

The remaining components of the SoP valuation (Other segment valuation, net debt, value of PV assets for sale) also did not change significantly.

Sum of the part valuation	value (EUR)		value (PLN)			
	total (mln)	per share	total (mln)	per share	previously	change
Engineering	10	0.16	42	0.68	0.81	-16%
New Energy (Lerta)	16	0.27	70	1.15	3.59	-68%
Technology	27	0.45	117	1.91	0.64	199%
Investment	149	2.44	635	10.38	10.14	2%
O&M	6	0.10	27	0.44	0.29	53%
Other+Elimination	-61	-0.99	-258	-4.22	-3.74	13%
Net cash (31.12.2024)	-160	-2.67	-683	-11.39	-11.13	2%
<b>TOTAL</b>	<b>38</b>	<b>0.59</b>	<b>163</b>	<b>2.51</b>	<b>4.62</b>	<b>-46%</b>

Source: Noble Securities

### Assumptions for the model:

Parameters of DCF models	Engineering	New Energy	Technology	Investment	O&M	Other+Elimination
Final year of forecasts	2034	2034	2034	2050	2034	2034
Risk free rate	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Market risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Beta	1.00	1.00	1.00	1.00	1.00	1.00
<b>Cost of equity</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>
Effective tax rate	20%	20%	20%	20%	20%	20%
Cost of debt	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Cost of debt after tax bracket	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Net debt/EV	40%	40%	40%	70%	40%	40%
<b>WACC</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>7.5%</b>	<b>9.0%</b>	<b>9.0%</b>
Growth rate (g)	0%	0%	0%	0%	0%	0%

Source: Noble Securities

### Peers valuation

	Market cap. (PLNm)	P/E (x)			EV/EBITDA (x)		
		2025	2026	2027	2025	2026	2027
Clearway Energy	22 858	27.5	21.9	19.7	14.7	13.1	10.1
Encavis	12 191	10.2	8.4	7.4	9.6	7.9	6.8
Polenergia	620	17.0	25.2	17.6	8.7	8.3	7.0
Scatec Solar	5 117	14.6	23.8	16.0	10.5	10.7	7.5
Grenergy	6 764	9.9	20.4	19.2	16.7	12.4	11.4
Solaria Energia	3 630	13.5	11.5	11.1	8.3	7.4	7.0
Audax Renovables	2 901	4.8	4.1	na	4.4	3.9	na
Renova	1 547	14.1	21.2	17.6	10.0	9.5	7.5
<b>Median</b>		<b>-58.9</b>	<b>26.3</b>	<b>106.5</b>	<b>7.6</b>	<b>43.2</b>	<b>72.9</b>
Photon's implied fair value (PLN)		-4.1	1.8	7.4	0.5	3.0	5.1
Weight		0%	25%	25%	0%	25%	25%
Photon's implied fair value (PLN)				<b>4.33</b>			

Bloomberg, Noble Securities, data on 20.05.2025 at 11:48 a.m.

## OPPORTUNITIES AND RISKS

- + Change of pricing model on the Czech market.
- + Expected improvement in other segments, especially in Engineering and Technology.
- + Lower CAPEX allowing to improve the balance sheet and strengthen the cash position.
- + Reduction of interest costs.
  
- Negative regulatory changes.
- Rising profile cost (i.e. the difference between the average market price and the price possible to obtain by a given installation due to its specific production scheme).
- Decrease in new connected own capacities means lower increase in Photon's production volume.
- Problems with implementing production plans.
- Financial costs stifling development.
- Risk of not collecting sufficient financial resources to redeem bonds in November 2027.
- Lack of significant support for the Group's results from other business areas.

## 1Q 2025 RESULTS

Consolidated revenues in 1Q24 increased by 27% y/y (+EUR 4.5m), with the largest increases in the Technology and Investment areas:

- a) In the EPC area (i.e. implementation of renewable energy investments, Engineering segment), Photon's revenues fell to just EUR 5m (weak market conditions) and due to the high share of internal sales, the segment's EBITDA remains negative (the company indicates strong margin pressure).
- b) In the Technology segment, which is responsible for the sale of technologies (including warehouses, panels, inverters) for the renewable energy industry, the company recorded a sharp increase in revenues, which is explained by the activity of the new sales team. We also managed to get close to the break-even point and we have high hopes of showing a positive EBIT/EBITDA in the whole of 2025 (vs. PLN 1.4 million EBITDA loss in 2024)
- c) The main area of activity, i.e. electricity production from own sources (Investment) recorded an increase in sales to EUR 4.2 million (vs. EUR 3.7 million in 1Q24), most of which was this time directed to external recipients (external revenues increased to approx. EUR 3.7 million). We managed to achieve better results despite the still difficult environment in Romania (effects of the change in the model of remuneration of RES producers from autumn 2024) and Hungary (several installations were excluded) and the sale of 2 large PV power plants in Australia.
- d) The new business area built on the basis of Lerta acquired at the end of 2022 (New Energy segment) generated slightly lower results (primarily a decrease in revenues from the Polish capacity market from EUR 7.3 to 5 million). Considering the distribution of capacity contracts, a further decrease in revenues and profits from this can be expected in the coming quarters. This segment has high fixed costs, so the decrease in revenues will have a negative impact on the results; we forecast a loss in the coming quarters. e) The remaining areas accounted for a total of approx. EUR 1.5 million of external sales. We would also like to point out a significant increase in revenues from maintenance services (O&M), which results from a growing customer base; unfortunately, no impact on the generated result (still a loss).

The Investment segment is traditionally weaker in Q1, although the company generates a positive result, both EBIT and EBITDA. The source of the increase in profits were higher revenues (an increase in average prices by 40% y/y with a 20% lower production volume).

EBITDA profit improved by over 50%. Unfortunately, the Group's results are still based on only two businesses: Investment and New Energy. The growth in the Technology segment should be viewed positively, but we see risks to the New Energy segment's result.

Interest costs were similar year-on-year, but a year ago Photon recorded a large profit on FX, which was not the case in 1Q25.

The operating margin still does not allow for balancing debt service costs (interest alone is almost EUR 3 million). Without a lasting improvement in results in other business segments (especially in areas supporting the development of the RES segment: Engineering, Technology and O&M), it will be difficult for the company to generate a positive net result.

CAPEX in 1Q25 was still quite high, which resulted from the completion of several of its own projects in Hungary. Since Photon plans to start new investments in 3Q25 at the earliest (and it may be delayed), we do not expect any significant expenses throughout the year.

Although we positively perceive another quarter with positive cash flow from operating activities, the result was lower y/y. This factor, together with the reduction in investments, should stabilize the balance

sheet situation and lead to a decrease in debt in the following quarters. These activities may be supported by the announced sales transactions of selected projects.

After the first quarter, Photon achieved only 8% of our forecasted EBITDA, but we expect growth in the following quarters: seasonal improvement in Investment, better results in Technology, higher margins in Engineering and O&M.

## **OUTLOOK**

### **Slight increase in average price**

Starting in May 2024, an upward trend in energy prices on spot markets has emerged. From the low recorded in IV 2024 (approx. EUR 60/MWh), prices rose, reaching a level of approx. EUR 150/MWh at the turn of 2024/25. Unfortunately, the systematic increase in energy supply (especially PV generation) led to a drop in market prices to approx. EUR 85 in April and approx. EUR 70/MWh in May this year. This was reflected in the average prices obtained by Photon, although it should be remembered about the fixed price model on the SK market, partially fixed prices on the HU market and very high support (so-called green bonus) on the CZ market.

### **No breakthrough in the results structure**

Photon's results are still based primarily on profits (and OCF) generated from the sale of energy produced from its own PV installations (Investment segment) supported by revenues from the capacity market in Poland (New Energy segment). We positively assess the achievement of the break-even level in the Technology segment (data for 1Q25), although the process is too slow and may not be sufficient in the context of the expected improvement in profits in the whole of 2025.

### **Risk of violating green bond covenants**

The terms of issue of the so-called green bonds (green bonds, approx. EUR 80 million) stipulate that the adjusted equity ratio (calculated as the sum of interest debt and equity referred to equity) cannot fall below 25%. Violation of this condition gives bondholders the right to demand redemption of the bonds. This ratio is in a downward trend and after 1Q25 amounted to 25.3%, i.e. just above the level specified in the issue terms.

The Photon Management Board points out that the company has the option to correct the indicator in the event of legislative changes that negatively affect the valuation of assets (and consequently reduce capital); such changes took place on the Hungarian market from 1 January 2025 and reduced the value of selected Hungarian assets. After the correction, the indicator increases slightly (to approx. 26%). The indicator is calculated for annual, audited data. A breach of the covenant during the year does not yet create a risk of forced redemption of bonds, but indicates potential problems in the future.

### **Bond redemption in November 2027 (EUR 80 million)**

The redemption date of the green bonds is approaching inevitably. As we have already indicated many times, without a clear improvement in results in other segments, it is difficult to count on an increase in OCF and, consequently, a gradual reduction of debt (and its costs currently amounting to PLN 2.5-3 million per quarter) and rebuilding the cash position. We do not see the possibility of financing the redemption on the scheduled date from current cash flows. Currently, the bonds are valued very low

(approx. 50% of the nominal amount), which results from the current financial situation of the company and may mean problems with rollover.

## RECENT EVENTS

### **14/02/2025 Lower forecasts for 2024**

The Management Board has once again lowered the forecasted EBITDA to EUR 8.7 million (vs. EUR 10 million previously expected) and the forecasted revenues to EUR 89.2 million (vs. EUR 90-100 million expected).

### **14/02/2025 Monthly report for January'2025**

The decrease in volumes was so large (-40% y/y) that even an increase in the average price (EUR 150 vs. EUR 129/MWh) did not allow maintaining revenues at a similar level y/y.

### **19/02/2025 Quarterly report 4Q2024**

The decrease in profits with higher revenues in 4Q24 is the result of an increase in costs and several one-off events, which the companies previously reported. We draw attention to the high operating CF and further reduction of investment expenditure, which together support the company's balance sheet, allow for maintaining the downward trend of debt and, consequently, reducing its servicing costs.

### **14/03/2025 Monthly report for February'2025**

Although there was a certain decrease in the production volume in February as a result of the lack of generation on the AU market (total -13% y/y), thanks to the increase in prices (+47% y/y, +26% m/m) it was possible to more than cover these shortages.

### **3/04/2025 New contracts on the capacity market in Poland**

Photon acquired contracts worth approx. PLN 30 million (approx. EUR 7 million) in quarterly capacity market auctions with delivery in 2026. We estimate the total revenue from the capacity market in Poland in 2026 at approx. EUR 12.5 million (vs. approx. EUR 10 million in 2025).

### **11/04/2025 RayGen Investment**

Photon invested an additional AUD 2 million in the next round of recapitalization of RayGen and now holds approx. 5.5% of the shares.

### **14/04/2025 Monthly report for March'2025**

Decline in volume but higher prices. Revenue up by almost 20%.

### **24/04/2025 Annual report FY2024**

Annual results were in line with previously published data after 4 quarters.

### **15/05/2025 Monthly report for April'2025**

Good results on the CZ and SK markets (high prices, good volumes). Several installations in RO were still not working. Total volume was down by as much as 25%, which higher prices could not compensate for. Revenue dropped by 10%.

### **16/05/2025 Establishing cooperation with Hyperion Renewables, new EPC contracts in Romania**

Signing a contract for the construction of a 34 MWp PV installation in Romania for an external client.

### **16/05/2025 Quarterly report 1Q2025**

The results are better year-on-year, but we expected a positive EBIT result (net result still burdened with interest). Unfortunately, the Investment segment alone, supported by revenues from the capacity market in Poland, is not able to "cover up" the loss generated in other areas. In addition, OCF was lower than a year ago, and without improvement in other businesses and increased cash generation, it is difficult to count on an improvement in the balance sheet situation and a rebound in the exchange rate.

---

## ESG PRINCIPLES

Photon received a "very good" rating in the field of sustainable development for its ESG practices and business model from imug rating, an independent institution evaluating the company's policies and activities in the area of sustainable development.



## UPDATE OF FINANCIAL FORECASTS

EURm	2022	2023	2024	2025F new	2025F old	change	2026F new	2026F old	change	2027F new	2027F old	change
<b>Revenues</b>	<b>94</b>	<b>71</b>	<b>89</b>	<b>94</b>	<b>81</b>	<b>15%</b>	<b>99</b>	<b>111</b>	<b>-10%</b>	<b>117</b>	<b>122</b>	<b>-3%</b>
Engineering	15	27	32	22	33		33	15		15	15	
New Energy (Lerta)	0	30	36	23	28		25	51		36	60	
Technology	65	24	13	25	21		40	10		32	12	
Investment	35	21	25	25	25		28	31		32	31	
O&M	5	6	10	10	8		11	10		13	10	
<b>EBITDA</b>	<b>24</b>	<b>4</b>	<b>9</b>	<b>16</b>	<b>17</b>	<b>-7%</b>	<b>22</b>	<b>24</b>	<b>-6%</b>	<b>30</b>	<b>28</b>	<b>8%</b>
Engineering	2	2	0	-1	1		1	2		2	2	
New Energy (Lerta)	0	-1	3	0	4		1	6		4	10	
Technology	7	1	-2	1	1		2	1		2	1	
Investment	28	16	18	18	18		21	23		25	23	
O&M	0	0	-2	1	1		1	1		1	1	
Other+Elimination	-13	-13	-9	-3	-9		-3	-8		-2	-8	
<b>Net profit</b>	<b>6</b>	<b>-16</b>	<b>-13</b>	<b>-4</b>	<b>-3</b>	<b>na</b>	<b>1</b>	<b>1</b>	<b>36%</b>	<b>6</b>	<b>5</b>	<b>28%</b>
CAPEX	28	23	1	5	31		31	1		1	1	
<b>Net debt</b>	<b>132</b>	<b>166</b>	<b>160</b>	<b>152</b>	<b>181</b>	<b>-16%</b>	<b>169</b>	<b>174</b>	<b>-3%</b>	<b>152</b>	<b>160</b>	<b>-5%</b>
P/E	8.0	na	nd	na	na		40.6	235.5		8.3	45.4	
EV/EBITDA	7.6	58.4	24.1	12.7	13.6		9.9	16.4		6.8	13.5	

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

The change in forecasts was driven by:

- Worse forecasts for the Engineering segment resulting from the worse market conditions and problems with maintaining profitability on implemented contracts,
- Lower expectations regarding the level of contracting on the capacity market in Poland and, as a consequence, lower forecasted revenues and profits in the New Energy segment,
- Delays in launching new own installations,
- + Higher revenues in the Technology segment after a very successful 1Q25.

## FINANCIAL RESULTS AND FORECAST

Profit and loss account (EURm)	2022	2023	2024	2025F	2026F	2027F
<b>Revenues</b>	<b>95</b>	<b>71</b>	<b>90</b>	<b>94</b>	<b>99</b>	<b>117</b>
<b>EBIT</b>	<b>17</b>	<b>-5</b>	<b>-3</b>	<b>4</b>	<b>11</b>	<b>16</b>
Financial income and costs	-8	-11	-11	-10	-9	-8
Profit before tax	9	-16	-14	-6	2	8
Income tax	2	-1	-1	-1	0	2
Reported net profit	6	-16	-13	-4	1	6
<b>Repeatable net profit</b>	<b>6</b>	<b>-16</b>	<b>-13</b>	<b>-4</b>	<b>1</b>	<b>6</b>
Depreciation and amortization	9	11	11	11	12	14
<b>EBITDA</b>	<b>26</b>	<b>4</b>	<b>9</b>	<b>16</b>	<b>22</b>	<b>30</b>

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Balance Sheet (EURm)	2022	2023	2024	2025F	2026F	2027F
<b>Assets</b>	<b>254</b>	<b>277</b>	<b>273</b>	<b>262</b>	<b>284</b>	<b>280</b>
<b>Non-current assets</b>	<b>189</b>	<b>225</b>	<b>217</b>	<b>209</b>	<b>227</b>	<b>214</b>
Tangible and Intangible assets	156	186	175	167	186	172
Subsidiaries goodwill	15	15	15	15	15	15
Other long-term assets	17	24	27	27	27	27
<b>Current Assets</b>	<b>65</b>	<b>52</b>	<b>56</b>	<b>53</b>	<b>56</b>	<b>66</b>
Inventories	20	14	7	7	7	9
Trade receivables	19	21	28	29	31	37
Cash and cash equivalents	24	16	17	15	16	19
Other current assets	1	2	4	2	2	2
<b>Liabilities</b>	<b>254</b>	<b>277</b>	<b>273</b>	<b>262</b>	<b>284</b>	<b>280</b>
<b>Equity</b>	<b>71</b>	<b>70</b>	<b>60</b>	<b>57</b>	<b>58</b>	<b>64</b>
<b>Long-term liabilities</b>	<b>150</b>	<b>178</b>	<b>168</b>	<b>138</b>	<b>49</b>	<b>39</b>
Loans, borrowings and other financial liabilities	138	165	155	125	37	26
Other	12	14	13	13	13	13
<b>Current liabilities</b>	<b>34</b>	<b>30</b>	<b>45</b>	<b>68</b>	<b>177</b>	<b>178</b>
Loans, borrowings and other financial liabilities	12	14	20	42	148	144
Accounts payable	12	9	17	17	19	22
Other	10	6	9	9	10	11

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Cash Flow Statement (EURm)	2022	2023	2024	2025F	2026F	2027F
Net profit	9	-16	-14	-6	2	8
Depreciation and amortization	9	11	11	11	12	14
Change in working capital	11	2	-10	0	1	2
Income tax paid	-2	-5	1	1	0	-2
<b>CF from current operations</b>	<b>3</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>12</b>	<b>18</b>
CAPEX	-28	-23	-1	-5	-31	-1
Capital investments	-6	-3	0	0	0	0
Divestments and other	3	0	0	0	0	0
Purchase of debt securities	-3	0	0	3	0	0
<b>CF from investing activities</b>	<b>-33</b>	<b>-27</b>	<b>-1</b>	<b>-2</b>	<b>-31</b>	<b>-1</b>
Increase of share capital	0	0	0	0	0	0
Change in financial liabilities	20	30	-4	-8	18	-15
Dividends and other payments due to equity holders	0	0	0	0	0	0
<b>CF from financial activities</b>	<b>9</b>	<b>14</b>	<b>-10</b>	<b>-8</b>	<b>18</b>	<b>-15</b>
<b>CF for the period</b>	<b>-21</b>	<b>-5</b>	<b>3</b>	<b>-3</b>	<b>0</b>	<b>2</b>
Cash at the beginning of the period	33	11	6	8	6	6
Cash at the end of the period	11	6	8	6	6	8

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Selected indicators	2022	2023	2024	2025F	2026F	2027F
EBITDA margin	27.3%	5.2%	9.7%	16.9%	22.4%	25.4%
EBIT margin	17.9%	-7.4%	-3.1%	4.7%	10.7%	13.9%
Net profit margin	6.6%	-22.2%	-14.6%	-4.5%	1.2%	5.2%
Net debt	132	166	160	152	169	152
Net debt /EBITDA	5.1	44.8	18.4	9.6	7.6	5.1
Number of shares issued	60	61	61	61	61	61
Dividend per share	0.0	0.0	0.0	0.0	0.0	0.0
P/BV	3.0	3.1	3.5	3.8	3.7	3.3

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Annual growth rates	2022	2023	2024	2025F	2026F	2027F
Revenues	162%	-26%	27%	4%	6%	18%
EBITDA	160%	-86%	135%	82%	40%	34%
EBIT	-2486%	-131%	-47%	-260%	140%	53%
Net profit	-199%	-349%	-16%	-68%	-130%	388%
Repeatable net profit	-199%	-349%	-16%	-68%	-130%	388%

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Results by segment (EURm)	2022	2023	2024	2025F	2026F	2027F
<b>Revenues</b>	<b>94</b>	<b>71</b>	<b>89</b>	<b>94</b>	<b>99</b>	<b>117</b>
Engineering	15	27	32	22	33	15
New Energy (Lerta)	0	30	36	23	25	36
Technology	65	24	13	25	40	32
Investment	35	21	25	25	28	32
O&M	5	6	10	10	11	13
Other+Elimination	-26	-37	-26	-11	-38	-11
<b>EBITDA</b>	<b>24</b>	<b>4</b>	<b>9</b>	<b>16</b>	<b>22</b>	<b>30</b>
Engineering	2	2	0	-1	1	2
New Energy (Lerta)	0	-1	3	0	1	4
Technology	7	1	-2	1	2	2
Investment	28	16	18	18	21	25
O&M	0	0	-2	1	1	1
Other+Elimination	-13	-13	-9	-3	-3	-2

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

Selected indicators	2022	2023	2024	2025F	2026F	2027F
EPS, Adj+ (EUR)	0.11	-0.26	-0.21	-0.07	0.02	0.10
Revenue (mln EUR)	95	71	90	94	99	117
EBIT (mln EUR)	17	-5	-3	4	11	16
EBITDA (mln EUR)	26	4	9	16	22	30
Net Income Adj+ (mln EUR)	6	-16	-13	-4	1	6
Net debt (mln EUR)	132	166	160	152	169	152
BPS (EUR)	1.18	1.14	0.99	0.93	0.95	1.05
DPS (EUR)	0.00	0.00	0.00	0.00	0.00	0.00
Return on Equity (ROE)	11%	16%	13%	14%	13%	12%
Return on Assets (ROA)	10%	15%	12%	13%	12%	11%
Depreciation (mln EUR)						
Amortization (mln EUR)	9	11	11	11	12	14
Free Cash Flow (mln EUR)	-21	-5	3	-3	0	2
CAPEX (mln EUR)	28	23	1	5	31	1

Source: Photon Energy (2022-2024), Noble Securities (2025-2027)

**LEGAL DISCLAIMER****FUNDAMENTAL RULES FOR ISSUING ANALYTICAL REPORT**

**This analytical report, hereinafter referred to as the "Report", was prepared by Noble Securities S.A. ("NS") based in Warsaw.**

The basis for the preparation of the Report were publicly available information known to the Analyst as at the date of preparing the Report, in particular information provided by the Issuer in current and periodic reports prepared as part of its disclosure obligations.

The Report only expresses the analyst's knowledge and views as at the date of its preparation.

The forecasts and evaluation elements presented in the Report are based solely on the analysis performed by the Analyst, without arrangements with the Issuer or with other entities, and are based on a number of assumptions that may turn out to be irrelevant in the future.

NS or the Analyst do not give any assurance that the forecasts will work.

The report issued by NS is valid for a period of 24 months, unless it is previously updated. The frequency of updates results from the date of publication by the Issuer of financial results for a given reporting period, the market situation or subjective assessment of the Analyst.

**STRONG AND WEAKNESSES OF VALUATION METHODS APPLIED BY NS IN THE REPORT**

**The DCF (eng. *discounted cash flow*) method** - is considered the methodologically most appropriate valuation technique and consists in discounting financial flows generated by the rated entity. Strengths of this method include taking into account all cash flows that flow in and out of the company and the cost of money over time. The disadvantages of the DCF valuation method are: a large number of assumptions and parameters that need to be estimated and the sensitivity of valuation to changes in these factors. A variation of this method is the discounted dividend method.

**Comparative method** - is based on a comparison of valuation multipliers of companies in the industry in which the rated entity operates. This method very well reflects the current state of the market, requires fewer assumptions and is simpler to apply (relatively high availability of indicators for compared entities). Its disadvantages include high volatility related to price fluctuations and stock exchange indices (in the case of comparison to listed companies), subjectivism in the selection of a group of comparable companies and simplification of the company image leading to the omission of some important parameters (eg growth rate, corporate governance, non-operational assets, differences in accounting standards).

**INTERESTS OR CONFLICTS OF INTERESTS THAT MAY AFFECT THE REPORTING OBJECTIVITY OF THE REPORT**

**The report was prepared by NS for consideration, on behalf of the Warsaw Stock Exchange S.A.**

The Analyst is not a party to any contract concluded with the Issuer and does not receive remuneration from the Issuer. The Analyst's remuneration for preparing the Report due from NS is not directly related to transactions in brokerage services provided by NS or other types of transactions carried out by NS or any other legal entity that is part of the group to which NS belongs or with transaction fees that they receive NS or these people. It can not be ruled out that the remuneration that may be due in future to a NS Analyst by another title may be indirectly dependent on NS financial results, including those obtained as part of investment banking transactions related to the Issuer's financial instruments.

It is possible that NS has or will have the intention to submit an offer to provide services to the Issuer.

**ORGANIZATIONAL AND ADMINISTRATIVE SOLUTIONS AND INFORMATION BARRIERS ESTABLISHED TO PREVENT CONFLICT OF INTERESTS AND TO AVOID THEMSELVES**

Detailed rules of conduct in the event of conflicts of interest are set out in the "Regulations of Conflicts of Interest Management at Noble Securities SA" available at the website [www.noblesecurities.pl](http://www.noblesecurities.pl) in the tab: "About us" / "Regulations" / "Information policy".

The internal structure of NS ensures organizational separation of analysts from individuals (teams) performing activities that involve the risk of a conflict of interest and prevents conflicts of interest, and in the event of such conflict enables protection of the Client's interests against the harmful effects of this conflict. In particular, Analysts do not have access to information about transactions concluded on the NS's own account and to Client orders. NS ensures that there is no possibility for third parties to exert any adverse influence on the performance of the work by Analysts. NS ensures that there are no links between the amount of remuneration of employees of one organizational unit and the amount of remuneration of employees of another organizational unit, or the amount of income earned by that other organizational unit, if these units perform activities that involve the risk of a conflict of interests

NS has implemented internal regulations regarding the flow of confidential and professional information, which is aimed at securing confidential information or professional secrecy and preventing its unjustified flow or misuse. NS limits to a minimum the circle of people who have access to confidential information or professional secrecy. In order to control access to relevant non-public information, within NS there are internal limitations and barriers in the transfer of information, so-called *Chinese walls*, i.e. rules, procedures and physical solutions to prevent the flow and use of confidential information and constitute professional secrecy. NS uses restrictions in physical access (separate rooms, lockable filing cabinets) and in access to information systems.

NS has implemented regulations in the scope of performing activities consisting in preparing investment analyzes, financial analyzes and other general recommendations regarding transactions in financial instruments, as well as the internal procedure regulating the subject scope. NS discloses in the content of Reports prepared by itself all connections and circumstances that could affect the objectivity of the Reports being prepared. It is forbidden to accept material or non-material benefits by NS or the Analyst from entities having a significant interest in the content of the Report, suggesting to the Issuer by NS or Analyst content favorable to that Issuer. It is forbidden to make available to the Issuer or other persons than Analysts, the Report, containing the content of the recommendation or the target price, before commencing its distribution for purposes other than verification of the NS's compliance with its legal obligations.

NS has implemented internal regulations regarding the rules of concluding personal transactions by involved persons, including prohibits the use of information obtained in connection with business activities for personal transactions. In addition, Analysts may not enter into personal transactions regarding the Issuer's financial instruments or related financial instruments prior to the dissemination of the Report, as well as personal transactions that conflict with the content of the Report and when NS starts or works on issuing Issuer's financial instruments since the Issuer's information in this respect until the prospectus is published - in the case of a public offer or for launching an offer.

**OTHER INFORMATION AND RESERVATIONS**

NS ensures that the Report has been prepared with due diligence and integrity based on generally available facts and information recognized by the Analyst as reliable, reliable and objective, however NS nor the Analyst does not guarantee that they are fully accurate and complete. If the Report indicates the addresses of the websites used in the preparation of the Report, neither the Analyst nor NS takes responsibility for the content of these websites.

Investing can involve high investment risk. The analytical report cannot be treated as an assurance or guarantee of avoiding losses, or achieving potential or expected results, in particular profits or other benefits from transactions carried out on its basis, or in connection with refraining from such transactions. A general description of financial instruments and the risk related to investing in individual financial instruments is presented at [www.noblesecurities.pl](http://www.noblesecurities.pl) in the tab Brokerage House / Brokerage Account/ Documents. NS points out that although the above information has been prepared with due diligence, in particular in a reliable manner and in accordance with NS's best knowledge, it may not be exhaustive and may exist or be updated in the specific situation in which an investor is or will be located other risk factors than those indicated in the above information by NS. The investor should bear in mind that investments in individual financial instruments may result in the loss of some or all of the funds invested, and even involve the additional costs.

**Investors using the Report may not resign from independent assessment and take into account other circumstances than indicated by the Analyst or by NS.**

The Report has been prepared in accordance with legal requirements ensuring independence, in particular from the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards concerning technical means for the purpose of presenting investment recommendations or other information recommending or suggesting an investment strategy and disclosing particular interests or indications of conflicts of interest. The report is an investment study referred to in art. 36 par. 1 Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council with regard to organizational requirements and operating conditions for investment firms and concepts defined for the purposes of this directive.

**The Report or any of its entries do not state:**

- offer within the meaning of art. 66 of the Act of 23 April 1964 - the Civil Code,
- grounds for concluding a contract or creating a liability,

- public offering of financial instruments within the meaning of art. 3 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies,
- invitations to subscribe for or purchase securities of the Issuer,
- investment advisory services or portfolio management services referred to in the Act of 29 July 2005 on Trading in Financial Instruments,
- investment, legal, accounting or other types of advice.

**The Report**

- is published on the NS website: <https://noblesecurities.pl/dom-maklerski/analizy2/program-wsparcia-pokrycia-analitycznego-gpw/2522-photon-energy-n-v>,
- is intended for distribution only on the territory of the Republic of Poland, and is not intended for distribution or transmission, directly or indirectly, in the United States of America, Canada, Japan or Australia, or any other jurisdiction, where such distribution would violate relevant provisions of the given jurisdiction or required registration in that jurisdiction,
- does not contain all information about the Issuer and does not allow full assessment of the Issuer, in particular as regards the Issuer's financial situation, because only certain data regarding the Issuer were selected for the Report,
- is for information purposes only, so it is not possible to comprehensively evaluate the Issuer based on the Report.

**FINAL REMARKS**

Analyst preparing the Report: Michał Sztabler

Date and time of completion of the Report: 20/05/2025 at 16.45. Date and time of the first dissemination of the Report: 20/05/2025 at 17.00.

The proprietary copyrights to the Report are held by the Stock Exchange in Warsaw S.A. Dissemination or reproduction of the Report (in whole or in any part) without the written consent of the Warsaw Stock Exchange S.A. is forbidden.

NS is subject to the supervision of the Polish Financial Supervision Authority.

Last recommendation on Photon Energy			
Recommendation / update	na	na	na
Publication date	31.05.2024	28.06.2024	03.02.2025
Price at publication (PLN)	7.70	7.48	4.40
Price target (PLN)	6.82	7.28	5.36
WIG at publication	86 203	88 614	85 964

**MARKET RESEARCH DEPARTMENT**

**Sobiesław Kozłowski**

[sobieslaw.kozlowski@noblesecurities.pl](mailto:sobieslaw.kozlowski@noblesecurities.pl)

tel: +48 22 213 22 39

model portfolios

**Krzysztof Radojewski**

[krzysztof.radojewski@noblesecurities.pl](mailto:krzysztof.radojewski@noblesecurities.pl)

Biotechnology

**Michał Sztabler**

[michal.sztabler@noblesecurities.pl](mailto:michal.sztabler@noblesecurities.pl)

tel: +48 22 213 22 36

industrials, utilities, mining

**Dariusz Dądej**

[dariusz.dadej@noblesecurities.pl](mailto:dariusz.dadej@noblesecurities.pl)

tel: +48 22 660 24 83

retail, industrials

**Mateusz Chrzanowski**

[mateusz.chrzanowski@noblesecurities.pl](mailto:mateusz.chrzanowski@noblesecurities.pl)

tel.: +48 785 904 686

industrials, automotive, gaming, XTB

**Dariusz Nawrot**

[dariusz.nawrot@noblesecurities.pl](mailto:dariusz.nawrot@noblesecurities.pl)

tel. +48 783 391 515

industrials, construction, developers, chemicals

**Krzysztof Ojczyk**

[krzysztof.ojczyk@noblesecurities.pl](mailto:krzysztof.ojczyk@noblesecurities.pl)

tel: +48 12 422 31 00

technical analysis

**Jacek Borawski**

[jacek.borawski@noblesecurities.pl](mailto:jacek.borawski@noblesecurities.pl)

technical analysis

