PHOTON ENERGY N.V.

(a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands)

SUPPLEMENT NO. 1

dated 6 October 2022

to the Prospectus in relation to the

Public offer of its 6.50 % p.a. 2021/2027 bearer bonds in an aggregate amount of up to EUR 25 million

This supplement No. 1 dated 6 October 2022 (the "**Supplement**") constitutes a supplement for the purposes of Article 23 para. 1 of the Prospectus Regulation and is supplemental to, and should be read in conjunction with, the prospectus dated 1 September 2022 (the "**Prospectus**"), which constitutes a prospectus in a form a single document within the meaning of the Prospectus Regulation, prepared in connection with public offer of the Company's 6.50% p.a. 2021/2027 bearer bonds in an aggregate amount of up to EUR 25 million.

Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the CSSF on 6 October 2022 (the "**Supplement Date**"), as competent authority under the Prospectus Regulation and is published in electronic form on the Company's website under www.photonenergy.com and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The CSSF only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Bonds or the Company that is the subject of this Supplement.

The Company has requested the CSSF to provide the competent authorities in the Federal Republic of Germany and the Republic of Austria with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation.

The Company accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Company, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect the import of such information.

No person has been authorised to give any information or to make any representation not contained in or incorporated by reference into the Prospectus and this Supplement and the Company does not take responsibility for, or can provide assurance as to the reliability of, information that any other person may give.

The distribution of the Prospectus and this Supplement and the offer or sale of any securities of the Company may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus, this Supplement or any securities of the Company come must inform themselves about, and observe, any such restrictions.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus since the Prospectus Date. To the extent that there is an inconsistency between any statement in this Supplement and any statement in the Prospectus, the statements in this Supplement will prevail.

REVISIONS TO THE PROSPECTUS

The purpose of this Supplement is to update the sections of the Prospectus entitled "*Risk Factors—Risk Factors Related to the Group's Business and the Industry in which it Operates—Risk of External Financing in Slovakia, Hungary and Australia*", "*Business—History*" and "*Business—Material Contracts*".

1. Section “Risk Factors—Risk Factors Related to the Group’s Business and the Industry in which it Operates—Risk of External Financing in Slovakia, Hungary and Australia”

The section of the Prospectus entitled “Risk Factors—Risk Factors Related to the Group’s Business and the Industry in which it Operates—Risk of External Financing in Slovakia, Hungary and Australia” on pages 19 and 20 is hereby replaced in its entirety by information set out below:

Risk of External Financing in Slovakia, the Czech Republic, Hungary and Australia

To date, the external financing of the current portfolio in Slovakia, the Czech Republic, Hungary and Australia has been exclusively realised through four financing institutions, *i.e.* the Slovak and Czech photovoltaic power plants have been financed using UniCredit Bank Czech Republic and Slovakia a.s., the Hungarian photovoltaic power plants have been financed using K&H Bank Zrt. and CIB Bank Zrt and both Australian photovoltaic power plants have been financed with Infradebt Security Holdings Pty Ltd. Given the concentration of the debt financing in each country, a certain dependency on the given financing institutions exists, which could, for example mean that the refinancing of individual projects is not possible. With regard to each country’s financing, there is also an SPV-wide collateral in the sense that each SPV is liable for the obligations and liabilities of the remaining SPVs under the inclusion of its provided security (cross collateralisation). This means, for example, that the payment difficulties of just one SPV will also affect the remaining SPVs financed with the bank in that country, which are co-liable for any corresponding defaults.

Loan and cooperation contracts between the SPVs in Slovakia, the Czech Republic, Hungary and Australia and the financing banks allow as well for secondary obligations and constraints for the Group, and some special conditions, the breach of which can lead to an increase in the interest rate and/or to the regular cancellation of the contract by the creditor under certain circumstances. As such, the loan contracts between the Slovak SPVs and UniCredit Bank Czech Republic and Slovakia a.s. and others allow for the maintenance of a certain equity level and a certain debt servicing coverage ratio, for example. Similar provisions for the Hungarian SPVs and K&H Bank Zrt. and CIB Bank Zrt. and for the Australian SPVs and Infradebt Security Holdings Pty Ltd are in place.

Moreover, the external financing of the current portfolio in Slovakia, the Czech Republic, Hungary and Australia provides for financial covenants that could materially affect, directly or indirectly, the Company’s situation. In Slovakia, there are two material financial covenants measured on semi-annual basis which state that (i) equity ratio must be higher than 15% and (ii) debt service coverage ratio must be higher than 1.15. In the Czech Republic, there is one material financial covenant measured on an annual basis which states that debt service coverage ratio must be higher than 1.10. In Hungary, there are up to three material financial covenants. These covenants are measured on semi-annual basis and provide that (i) debt service coverage ratio must be higher than 1.05 (for K&H Bank Zrt.) and 1.20 (for CIB Bank Zrt.) on SPV stand-alone basis, (ii) debt service coverage ratio must be higher than 1.15 for K&H Bank Zrt. on average for the whole portfolio (this covenant is not required by CIB Bank Zrt.), and (iii) there should be no negative equity situation on any of the SPVs. For the Australian SPVs, the debt service coverage ratio must be higher than 1.25 on SPV stand-alone basis.

On the contractual basis debt service coverage ratio is calculated as net cash flow to the Company after taxes and all costs and investments in particular year (usually EBITDA minus tax referred also as CFADS, i.e. cash flow available for debt service) divided by total debt service in particular year, which is a sum of all interest payments, principals and other related bank fees. Equity ratio is calculated as total sum of accounting equity divided by a total sum of all assets. In case any of the SPVs breaches any of the covenants, the bank would announce this fact to the Company giving it an opportunity to explain / question the calculation and argue on one-off costs or other extraordinary investments that can affect the covenants. In case the Company does not comply with the covenants, it has a right to cure the situation by providing additional equity, not repaying dividends, exercising early repayment by usage of available liquidity from the bank accounts or restructuring of the debt financing.

If the SPVs or the Company breach one or more so-called covenants or if any of the other conditions are not adhered to and if this is to lead to the end of the loan and/or cooperation contract without any notice or on short notice or to an increase in the interest rate for the credit in question, it would have a negative effect on the liquidity and the asset, financial and earnings position of the individual SPVs and the Group. If other financing is not found in these cases or if it is not found in time and the provided loan becomes due for repayment, there is a risk that the bank in question may dispose of the assets which have been put up as security (especially the shares in the SPVs). Moreover, the other SPVs may be obliged, in case that one or more SPVs is in default (understood as default of payment or default of complying with above mentioned financial covenants), to provide additional security, which may not be possible and could lead to the cancellation of the credit in question. Furthermore, the SPVs' room to manoeuvre will be limited by the constraints. Moreover, the Group's subsidiaries in other jurisdictions may also need to enter into comparable financing arrangements in connection with projects in those countries, which could present similar risks.

All of the aforementioned circumstances would have a significantly adverse influence on the Group's financial situation, status and results. The Group assesses the probability of this risk as low. If the risk occurs, the impact on the Group's operations and financial results would be moderate.

2. Section "Business—History"

The additional information set out below is hereby inserted at the end of the section of the Prospectus entitled "Business—History" on page 50:

In October 2022, members of the Group signed a long-term non-recourse project refinancing agreement with UniCredit Bank Czech Republic and Slovakia a.s. for nine proprietary PV power plants with a combined capacity of 14.6 MWp in the Czech Republic. The financing, which totals EUR 28.1 million, is split into financing in euro for EUR 9.7 million and in Czech crowns for CZK 451 million (EUR 18.4 million). The facilities are being provided for a period of seven years and three months, *i.e.* until 31 December 2029.

3. Section "Business—Material Contracts"

The additional information set out below is hereby inserted at the end of the section of the Prospectus entitled "Business—Material Contracts" on page 65:

Agreement Relating to Financing of the Photovoltaic Power Plant Portfolio in the Czech Republic

Agreement with UniCredit Bank Czech Republic and Slovakia a.s. for Refinancing PV Power Plants in the Czech Republic dated 3 October 2022

On 3 October 2022, members of the Group concluded long-term non-recourse project refinancing agreements with UniCredit Bank Czech Republic and Slovakia a.s. for 14.6 MWp of the Group's proprietary PV power plant portfolio in the Czech Republic. The financing, which totals EUR 28.1 million, is split into financing in euro for EUR 9.7 million and in Czech crowns for CZK 451 million (EUR 18.4 million).

The loans will be drawn down in October 2022 with an interest rate of 1.90% + 3M PRIBOR on the Czech Crown part and 2.35% + 3M EURIBOR on the euro part. The full reference interest rate PRIBOR 3M and EURIBOR 3M will be fixed for six years, respectively until 2025. The facilities are being provided for a period of seven years and three months, *i.e.* until 31 December 2029.

RIGHT OF WITHDRAWAL

In accordance with Article 23(2a) of the Prospectus Regulation, the Company hereby states that:

- **a right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the Bonds before this Supplement was published and where the Bonds had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted;**
- **investors can exercise their right of withdrawal from 6 October 2022 to 11 October 2022; and**
- **investors may contact the Company, Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands, should they wish to exercise the right of withdrawal.**