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 30 December 2020

to the Prospectus in relation to the admission to listing and trading of 60,000,000 Shares on the regulated markets of the WSE and the PSE

This supplement dated 30 December 2020 (the "**Supplement**") constitutes a supplement for the purposes of Article 23 of the Prospectus Regulation and is supplemental to, and should be read in conjunction with the prospectus dated 14 December 2020 (the "**Prospectus**"), which constitutes a prospectus in a form a single document within the meaning of the Prospectus Regulation, prepared in connection with the admission to listing and trading of 60,000,000 Shares on the regulated markets of the WSE and the PSE.

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

This Supplement has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") on 30 December 2020 (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.

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

The Company has requested the AFM to provide the competent authorites in Poland and Czech Republic 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 and/or this Supplement or any securities of the Company come must inform themselves about, and observe, any such restrictions.

AMEDNMENTS AND ADDITIONS TO THE PROSPECTUS

The purpose of this Supplement is to update the sections of the Prospectus entitled "*Risk Factors*", "*Factors Affecting Operating and Financial Results and Recent Developments*", "*Material Agreements*", "*Abbreviations and Definitions*" and "*Glossary of Industry Terms*".

1. Chapter "*Risk Factors*", section "*Risk Factors Related to the Group's Business and the Industry, in which it Operates*", subsection "*Risk of External Financing in Slovakia, the Czech Republic and Hungary*" – Page 17-18

The information set out below shall be amended as follows in 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, the Czech Republic and Hungary*" on Page 17-18:

As of the Prospectus Date the external financing of the current portfolio in Slovakia, the Czech Republic and Hungary has been exclusively realised through four banks, i.e. the Slovak photovoltaic power plants have been financed using UniCredit Bank Czech Republic and Slovakia a.s., the Czech SPVs (with the exception of Photon SPV 1 s.r.o. and Photon SPV 11 s.r.o.) have been financed using the Raiffeisen Group and the Hungarian photovoltaic power plants have been financed using K&H Bank Zrt. and recently CIB Bank Zrt. Given the concentration of the bank 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 collateralization). 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. Moreover for the Czech SPVs, the security provided can only be released, and the call option of the shares in the Czech SPVs can only be exercised once all of the liabilities of all of the included Czech SPVs have been fully settled.

Loan and cooperation contracts between the SPVs in the Czech and Slovak Republic and in Hungary 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. In the case of the Czech SPVs, the Group's call options for the shares in the Czech SPVs can also be lost in the most extreme case. 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. are in place.

Moreover, the external financing of the current portfolio in Slovakia, the Czech Republic and Hungary 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 shall be higher than 15% and (ii) debt service coverage ratio shall be higher than 1.15. In the Czech Republic financial covenant is measures on a quarterly basis for the last 12 months period and provides that the debt service coverage ratio shall 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 shall 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 shall 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. 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. In case the Company cannot cure such situation the SPV would be in default. As at the Prospectus Date no such announcements by any of the banks was made. As of 31 December 2019 all of the financed SPVs comply with all of the financial covenants stipulated above as follows:

Actual covenant value	Czech Republic	Slovakia	Hungary*
Debt service coverage ratio for the portfolio	1.64	1.45	1.39
Debt service coverage ratio per SPV	n/a	n/a	1.32 - 1.47
Equity Ratio (SK) / No Negative Equity (HU)	n/a	49.8%	1.9 - 86.9 MHUF

*Source: The Company; *Information on Hungary does not include data relating to the agreement with CIB Bank Zrt. which was not in place as of 31 December 2019.*

Due to the retroactive introduction of the solar levy by the Czech government, three of the Czech SPVs failed to maintain the required debt servicing coverage ratio in June 2012. The lack was eliminated by means of partial capitalisation of the affected SPVs by the Company. Further shortfalls in the required debt servicing coverage ratio in the future cannot be fully ruled out, however. 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 maneuver will be limited by the constraints. The loss of the call options pertaining to the Czech SPVs would result in the withdrawal of the Czech SPVs from the Group.

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 risk as low. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

2. Chapter "Operating and Financial Review", section "Factors Affecting Operating and Financial Results and Recent Developments", subsection "Significant Events After 31 December 2019" - Page 44-45

The information set out below shall be added in the section of the Prospectus entitled "*Operating and Financial Review – Factors Affecting Operating and Financial Results and Recent Developments – Significant Events After 31 December 2019*" on Page 44-45:

Refinancing of PV Power Plants in Hungary

On 16 December 2020, the Company closed the first long-term non-recourse project financing agreement with the Hungarian CIB Bank, for five of its proprietary PV power plants in Hungary in the amount of HUF 1.0 billion (EUR 2.8 million) ("*Business – Material Agreements – Agreements Relating to Financing the Photovoltaic Power Plant Portfolio in Hungary – Agreement between the CIB Bank and the Company for Refinancing PV Power Plants in Nagyecsed and Kunszentmarton dated 16 December 2020*"). The financing is being provided for a period of 15 years. The portfolio to be refinanced is comprised of three individual KÁT-licensed PV power plants with a combined capacity of 2.1 MWp in the location of Nagyecsed and two individual METÁR-KÁT-licensed PV power plants with a combined capacity of 1.4 MWp in Kunszentmárton.

As at the Supplement Date, the Company is also in the process of finalizing the refinancing of another 10 METÁR-licensed PV power plants with a combined capacity of 14.1 MWp in Püspökladány, Hungary with CIB Bank.

3. Chapter "Business", section "Material Agreements", subsection "Agreements Relating to Financing the Photovoltaic Power Plant Portoflio in Hungary" - Page 81

The information set out below shall be added in the section of the Prospectus entitled "*Business – Material Agreements – Agreements Relating to Financing the Photovoltaic Power Plant Portfolio in Hungary*" on Page 81:

Agreement between the CIB Bank and the Company for Refinancing PV Power Plants in Nagyecsed and Kunszentmarton dated 16 December 2020

On 16 December 2020 the Company concluded with CIB Bank, the Hungarian subsidiary of the Italian Intesa Sanpaolo Group, long-term non-recourse project financing agreement for 3.5 MWp of its proprietary PV power plant portfolio in Hungary in the amount of HUF 1.0 billion (EUR 2.8 million).

The loans will have an interest rate of 2.50% + 3M BUBOR. Final maturity of the loans is 31 December 2035.

4. Chapter "Abbreviations and Definitions" - Page 148

The information set out below shall be added in the section of the Prospectus entitles "*Abbreviations and Definitions*" on Page 148:

CIB Bank	means CIB Bank Zrt., the Hungarian subsidiary of Italian Intesa Sanpaolo Group.

5. Chapter "Glossary of Industry Terms" - Page 153

The information set out below shall be amended in the section of the Prospectus entitles "*Glossary of Industry Terms*" on Page 153:

GWp	means gigawatt-peak