

ELECTRONIC TRANSMISSION DISCLAIMER
STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing.

This electronic transmission applies to the attached prospectus relating to Photon Energy N.V., a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands on 9 December 2010, having its registered office at Barbara Strozzilaan 201, 1083 HN Amsterdam, the Netherlands and registered with the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number KvK 51447126 (the “**Company**”) dated 14 December 2020 (the “**Prospectus**”), and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications of them from time to time, each time you receive information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Prospectus is confidential and intended for you only and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached Prospectus whether electronically or otherwise to any other person.

The Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) on 14 December 2020 and published on the Company’s website at www.photonenergy.com.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DO NOT CONSTITUTE OR FORM PART OF AN OFFER BY, OR INVITATION BY OR ON BEHALF OF THE COMPANY OR ANY REPRESENTATIVE OF THE COMPANY TO PURCHASE ANY SECURITIES OR AN OFFER TO SELL OR ISSUE, OR THE SOLICITATION TO BUY SECURITIES BY ANY PERSON IN ANY JURISDICTION. THE DISTRIBUTION OF THE PROSPECTUS MAY BE RESTRICTED BY APPLICABLE LAW AND REGULATION IN CERTAIN JURISDICTIONS. NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR ANY OTHER RELATED MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH APPLICABLE LAW AND REGULATION. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), AND WILL NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NONE OF THE COMPANY’S SECURITIES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

THIS ELECTRONIC TRANSMISSION AND THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION OR THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS AND REGULATIONS.

Confirmation of Your Representation: This electronic transmission and the Prospectus are delivered to you on the basis that you represent to the Company that you have understood and agree to the terms set out herein and that you are a person that is eligible to receive this electronic transmission and the Prospectus. You also represent to the Company that you consent to delivery by electronic transmission.

The Prospectus has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company nor any of its affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format. By accessing the document following this disclaimer, you consent to receiving it in electronic form. You are reminded that the Prospectus has been made available to you solely on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws and regulations of the jurisdiction in which you are located in, or a resident of, and you may not deliver, nor are you authorised to deliver, the Prospectus, electronically or otherwise, to any other person.

Restriction: Nothing in this electronic transmission or the Prospectus may be used for, or in connection with, or constitutes or forms part of an offer of securities for sale.

You are responsible for protecting against viruses and other destructive items. Your receipt of the Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



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)

Admission to listing and trading of 60,000,000 Shares on the regulated markets of the WSE and the PSE

This prospectus (the “**Prospectus**”) has been prepared in connection with the admission to listing and trading of 60,000,000 ordinary registered series A shares in the capital of Photon Energy N.V., a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of the Netherlands on 9 December 2010 and registered with the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number KvK 51447126 (the “**Company**”), with a nominal value of EUR 0.01 each (the “**Shares**”) on the regulated market (parallel market) organised by the Warsaw Stock Exchange (*Gielda Papierów Wartościowych w Warszawie S.A.*) (the “**WSE**”) and on the regulated market (standard market) organised by the Prague Stock Exchange (*Burza cenných papírů Praha, a.s.*) (the “**PSE**”) (the WSE and PSE jointly referred to as the “**Markets**” and each of them separately as the “**Market**”) (admissions on the WSE and PSE jointly referred to as the “**Admissions**” and each of them separately as the “**Admission**”).

The Shares are currently listed (i) on the NewConnect, which is an alternative market run by the WSE, (ii) on the Free Market, which is an unregulated market run by the PSE and (iii) on the Freiverkehr segment of the Munich Stock Exchange (*Börse München*). Application will be made to admit all of the Shares to listing and trading on the Markets. The Shares’ International Security Identification Number (ISIN) is NL0010391108. The Admission to each of the Markets is independent of the other Admission proceeding. Accordingly, if for any reason the Admission to one of the Markets does not proceed, the Admission to the other Market will proceed (and *vice versa*).

This Prospectus constitutes a prospectus in a form of a single document within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”), and prepared based on Annex 1 and Annex 11 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No. 809/2004 (“**Regulation 2019/980**”).

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”), as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standard of completeness, 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 subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. Based on Articles 2(1) under (a) of the EU Financial Markets Regulations (Implementation) Decree (*Besluit uitvoering EU-verordeningen financiële markten*), 2 under (m) and under (o), and 31(1) of the Prospectus Regulation, the Netherlands is the home Member State of the Company and the AFM is solely authorized to approve this Prospectus. The Company will be authorized to carry out the Admissions once the AFM has notified the approval of the Prospectus to the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego*, the “**PFSA**”) and the Czech National Bank (*Česká Národní Banka*, the “**CNB**”), for passporting. The PFSA is the competent authority for the purposes of the relevant implementing measures of the Prospectus Regulation in the Republic of Poland. The CNB is the competent authority for the purposes of the relevant implementing measures of the Prospectus Regulation in Czech Republic.

The validity of this Prospectus will expire at the date of Admission or on 14 December 2021, being twelve months after the date of its approval (whichever comes first). The information contained in this Prospectus speaks only as of the date hereof and any obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (insofar as required under the Prospectus Regulation) will not apply when the Prospectus is no longer valid.

The distribution of this Prospectus in certain jurisdictions may be restricted by applicable laws and regulations and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the “**U.S. Securities Act**”) or the securities laws of any state of the United States of America. Prospective investors in the Shares should carefully read the restrictions described under “*Important Information – Important Notice*”. The Company does not take any action to permit a public offering of the Shares in any jurisdiction.

INVESTING IN THE SHARES INVOLVES RISKS. SEE “RISK FACTORS” FOR A DESCRIPTION OF THE RISK FACTORS THAT SHOULD BE TAKEN INTO ACCOUNT WHEN CONSIDERING WHETHER TO INVEST IN THE SHARES.

This Prospectus does not constitute, or form part of, an offer by, or invitation by or on behalf of, the Company, any of its shareholders or any representative of the Company, to purchase any securities or an offer to sell or issue, or the solicitation to buy securities by any person in any jurisdiction.

The Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold within the United States of America except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the U.S. Securities Act.

The Prospectus shall be made available to the general public in electronic form on the Company’s website (www.photonenergy.com).

The date of this Prospectus is 14 December 2020

TABLE OF CONTENTS

SUMMARY	1
PODSUMOWANIE.....	5
SHRNUTÍ.....	10
RISK FACTORS	14
IMPORTANT INFORMATION	29
DIVIDEND AND DIVIDEND POLICY	35
CAPITALISATION AND INDEBTEDNESS	36
SELECTED HISTORICAL FINANCIAL INFORMATION.....	37
OPERATING AND FINANCIAL REVIEW	42
BUSINESS	67
MARKET AND REGULATORY OVERVIEW	84
GENERAL INFORMATION ON THE GROUP	90
SHAREHOLDING STRUCTURE, DESCRIPTION OF THE SHARE CAPITAL AND CORPORATE GOVERNANCE	93
MANAGEMENT	102
RELATED-PARTY TRANSACTIONS.....	111
THE ADMISSION	113
THE CAPITAL MARKET IN POLAND AND CZECH REPUBLIC AND CERTAIN DUTCH, POLISH AND CZECH REGULATIONS AND OBLIGATIONS RELATED TO THE ACQUISITION AND DISPOSAL OF SHARES.....	115
TAXATION.....	135
ADDITIONAL INFORMATION.....	147
ABBREVIATIONS AND DEFINITIONS.....	148

SUMMARY

Introduction and Warnings

This summary should be read as an introduction to the prospectus (the “**Prospectus**”), prepared in connection with the admission to listing and trading of all the ordinary registered series A shares in the capital of Photon Energy N.V., a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of the Netherlands on 9 December 2010 and registered with the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number KvK 51447126 (the “**Company**”), with a nominal value of EUR 0.01 each (the “**Shares**”) on the regulated market (parallel market) organised by the Warsaw Stock Exchange (*Gięda Papierów Wartościowych w Warszawie S.A.*) (the “**WSE**”) and on the regulated market (standard market) organised by the Prague Stock Exchange (*Burza cenných papírů Praha, a.s.*) (the “**PSE**”) (the WSE and PSE jointly referred to as the “**Markets**” and each of them separately as the “**Market**”) (admissions on the WSE and PSE jointly referred to as the “**Admissions**” and each of them separately as the “**Admission**”).

The Prospectus does not constitute or form part of, an offer by, or invitation by or on behalf of the Company, any of its shareholders or any representative of the Company, to purchase any securities or an offer to sell or issue, or the solicitation to buy securities by any person in any jurisdiction.

The Company’s statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Barbara Strozziilaan 201, 1083 HN Amsterdam, the Netherlands. The Company’s telephone number is +31 202 402 570. The Company’s Legal Entity Identifier (LEI) is 315700YHFON9RJOPCK19. The Shares’ International Security Identification Number (ISIN) is NL0010391108.

The Prospectus has been approved as a single document prospectus for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”), as a competent authority under the Prospectus Regulation, on 14 December 2020 (the “**Prospectus Date**”). The AFM’s registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands and its telephone number is +31 (0)20 797 2000. The AFM only approves this Prospectus as meeting the standard of completeness, 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 or the Shares that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. The investor could lose all or part of the invested capital. When a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national law of the Member State, need to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

Key Information on the Company

Who is the Issuer of the Shares?

Domicile and Legal Form

The Company is a public company with limited liability (*naamloze vennootschap*) incorporated and operating under the laws of the Netherlands and is domiciled in the Netherlands. The Company’s statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands. The Company’s Legal Entity Identifier (LEI) is 315700YHFON9RJOPCK19.

Principal Activities

The Company and its consolidated subsidiaries (together, the “**Group**”) is a global solar power solutions and services provider, with an expertise covering the entire lifecycle of solar power systems. The Group is active across the globe and has experience in developing, building and commissioning solar power plants, including over 100 MWp of solar power plants built and commissioned, and more than 300 MWp in its O&M portfolio. The Group also manages a portfolio of 74.7 MWp of self-owned power plants in four countries across two continents. The Group operates in Australia, the Czech Republic, Germany, Hungary, the Netherlands, Peru, Poland, Romania, Slovakia, Switzerland and the United Kingdom. The Group is dedicated to provide solar power solutions and solar-hybrid power solutions for a wide range of customers and applications. Its O&M division, Photon Energy Operations, provides a wide range of services for owners of PV power plants. In addition, the Group is developing and providing water purification, remediation, and treatment systems.

Share Capital

As at the Prospectus Date the Company’s share capital amounts to EUR 600,000 (fully paid up) and consists of 60,000,000 ordinary registered series A shares with a par value of EUR 0.01 each. The Shares have been created under, and are subject to, Dutch law. The Shares are not preferred shares in terms of voting rights, rights to dividends or the division of assets in the event of the liquidation of the Company.

Major Shareholders

According to the Company’s information, its main shareholders, who as at the Prospectus Date directly hold the Shares representing at least 3% of the total number of votes on the General Meeting and the Company’s share capital, are the subjects listed in the table below.

Shareholder	Number of Shares	Share in the share capital	Number of votes on the General Meeting	Share in the total number of votes on the General Meeting
		(%)		(%)
Michael Gartner ⁽¹⁾	21,796,620	36.33	21,796,620	42.56
Georg Hotar ⁽²⁾	20,952,378	34.92	20,952,378	40.91
The Company	8,784,000	14.64	0 ⁽³⁾	0.00
Senior Manager	1,856,139	3.09	1,856,139	3.62
Free float ⁽⁴⁾	6,610,863	11.02	6,610,863	12.91

Source: The Company.

Notes: (1) Michael Gartner owns 21,775,116 shares indirectly through Solar Future Cooperatief U.A. and 21,504 shares directly. (2) Georg Hotar owns 20,843,375 shares indirectly through Solar Power to the People Cooperatief U.A. and 109,003 shares directly. (3) According to the Company's Articles of Association no votes can be cast in respect of a share held by the Company, and when determining to what extent the shareholder cast votes, are present, or represented, or to what extent the share capital is provided or represented, no accounts shall be taken of the shares held by the Company. (4) Free float includes the shares directly owned by employees as a part of the Employee Share Purchase Program, except for the shares of the board of directors and the senior manager which are shown separately above. Since the implementation of the Employee Share Purchasing Programme the total number of shares which have been transferred to the employees amounts to approximately 573 thousand shares, which represent 0.96% of the share capital and 1.11% of the voting rights.

Managing Directors

The governing body of the Company is the Board of Directors comprising of managing directors. As at the Prospectus Date Michael Gartner and Georg Hotar are the Company's managing directors.

The supervisory body of the Company is the Supervisory Board comprising of supervisory directors. As at the Prospectus Date Boguslawa Skowronski and Marek Skreta are the Company's supervisory directors.

Independent Auditor

In the period covered by the Audited Financial Statements (as defined below), Grant Thornton Accountants en Adviseurs B.V. was the Company's independent auditor. As at the Prospectus Date, the Company has changed its independent auditor and engaged PricewaterhouseCoopers Accountants N.V. as its new auditor for the year 2020.

What is the Key Financial Information Regarding the Company?

Selected Financial Information

The following tables set out the Group's statement on comprehensive income, statement on financial position and statement of cash flows as at the dates and for the periods indicated. The selected financial information set forth below has been derived from: (i) the unaudited financial statements of the Group for the period and as of 30 September 2020 and 2019 and related notes thereto (the "Interim Financial Statements") and (ii) audited financial statements of the Group for the period and as of 31 December 2019, 2018 and 2017, respectively, and related notes thereto (the "Audited Financial Statements") (together the "Historical Financial Statements"). The Historical Financial Statements were prepared in compliance with the IFRS, however, the disclosures within the Interim Financial Statements are not in full compliance with IAS 34, since the Interim Financial Statements of the Company do not include selected explanatory notes to the financial statements as required by IAS 34.

Table 1: Statement of Comprehensive Income for the Periods Indicated

	12 months ended 31 December			9 months ended 30 September	
	2019	2018	2017	2020	2019
	(EUR thousand) (audited)			(EUR thousand) (unaudited)	
Revenue.....	30,154	20,256	17,219	23,163	22,405
Gross profit.....	15,439	13,840	12,254	15,854	13,195
Results from operating activities.....	1,147	2,544	2,291	2,813	2,350
Net finance expenses.....	(4,488)	(3,801)	(2,010)	(5,136)	(3,450)
Profit / loss before taxation.....	988	1,840	346	(2,316)	3,035
Profit / loss for the year continuing operations ...	(726)	510	(807)	(4,332)	1,896
Profit / loss for the period.....	(726)	(510)	(807)	(4,332)	1,896
Other comprehensive income for the period	8,790	2,022	2,609	5,494	3,132
Total comprehensive income for the period.....	8,064	2,531	1,802	1,162	5,028

Source: Historical Financial Statements.

Table 2: Statement of Financial Position at the Periods Indicated

	As at 31 December			As at 30 September	
	2019	2018	2017		
	(EUR thousand) (audited)			(EUR thousand) (unaudited)	
Total assets.....	138,263	106,348	89,692	148,645	
Total equity.....	37,843	29,779	25,982	38,932	
Total liabilities.....	100,421	76,569	63,709	109,714	
Total equity and liabilities.....	138,263	106,348	89,692	148,646	

Source: Historical Financial Statements.

Table 3: Statement of Cash Flows for the Periods Indicated

	12 months ended 31 December			9 months ended 30 September	
	2019	2018	2017	2020	2019
	(EUR thousand) (audited)			(EUR thousand) (unaudited)	
Net cash flows from operating activities.....	6,536	7,654	2,661	5,046	5,132
Net cash flows used in investing activities.....	(14,410)	(9,415)	(53)	(14,399)	(11,032)
Net cash flows used in financing activities.....	10,638	6,764	(2,989)	8,790	10,285
Net increase / decrease in cash and cash equivalents.....	2,764	5,006	(381)	9,562	4,385
Cash and cash equivalents at the beginning of the period.....	12,340	7,333	5,420	15,104	12,337
Cash and cash equivalents at the end of the period.....	15,104	12,340	7,333	14,542	16,721

Source: Historical Financial Statements.

Other Key Financial Information

No pro forma financial information or profit forecast has been included in the Prospectus. There are no qualifications in the reports provided by the independent auditor on the Audited Financial Statements. Interim Financial Statements has not been audited nor reviewed by the independent auditor.

In 2018, audit opinion included an emphasis of matter in which the Company's independent auditor noted that it drew attention to paragraph 6.3 in the notes of the financial statements which described circumstances related to Photon Energy SPV 11 s.r.i. The auditor's opinion was, however, not modified in respect of this matter. The paragraph 6.3 included the following wording: "Since 2013 several investigations relating to the issuance of the energy production license of the PV power plant of Photon Energy SPV 11 s.r.o. (SPV 11) have been conducted, always coming to the conclusion that the license had been issued legitimately. At the beginning of 2018 criminal charges were filed against two former subcontractors of the EPC provider of SPV 11 and as of August 2018 the difference of the Feed-in-Tariff 2010 and 2011 is withheld by ČEZ Prodej a.s. In total this amounts to EUR 316 thousand (CZK 8,126 thousand) of revenues, which is shown as trade receivables in the financial statements as of 31.12.2018. In case of a conviction of one or both of these subcontractors a reassessment of the issuance of the license could be initiated. Management is not aware of any fact that neither the issuance of the license had been not lawful nor that such reassessment would not come to the same result of the lawfulness of the Feed-in-Tariff 2010. Therefore, no provisions have been made in the financial statements for 2018. SPV 11 is valued in the financial statements at an entity value of EUR 7,629 thousand (CZK 196,247 thousand). If SPV should be only entitled to the Feed-in-Tariff for 2011, the fair value would decrease to EUR 4,298 thousand (CZK 110,564 thousand). If the Feed-in-Tariff for 2011 were to be applied retrospectively or in case that the license would be withdrawn, the full value would need to be written off."

Due to the positive development of the circumstances of SPV 11, the emphasis of matter was abolished in the audit opinion 2019. In paragraph 6.3 of the financial statements 2019 the following wording was included: "In December 2019 one of the two accused subcontractors was already acquitted and after the reporting period the court ruled to pay back the withheld amount, which happened on 24 March 2020. A ruling for the second subcontractor is expected in the upcoming months. Management is not aware of any fact that neither the issuance of the license had been not lawful nor that such reassessment would not come to the same result of the lawfulness of the Feed-in-Tariff 2010. Therefore, neither in 2018 nor 2019 provisions have been made in the financial statements." As at the Prospectus Date also the second subcontractor was acquitted with the court ruling.

What is the Key Risks that are Specific to the Company?

The following are the most material risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition and results of operations. In making the selection, the Group has considered circumstances such as the probability of the risk materializing on the basis of the current state of affairs, the potential impact which the materialization of the risk could have on the Group's business, financial condition and results of operations.

- **Regulatory Risk.** In the countries where the Group operates, the market for solar projects, solar power products and solar electricity is heavily influenced by national, state and local government regulations and policies concerning the electricity utility industry, as well as policies disseminated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and could deter further investment in the research and development of alternative energy sources as well as customer purchases of solar technology, which could result in a significant reduction in the potential demand for the Group's solar power products, solar projects and solar electricity.
- **Risk of Solar Power Market and Industry Conditions.** The Group's business is affected by conditions in the solar power market and industry, which may from time to time experience oversupply. Moreover, electricity generation from solar energy is already partially in competition with other renewable means of electricity generation.
- **Risk Associated with Project Pipeline.** While the Group plans to continue to monetize its current portfolio of the PV projects in operations, the Group also intends to grow its energy segment by developing and selling or operating more solar projects, including those that the Group develops and those that the Group acquires from third-parties. Development and/or acquisition of a project is always based on an economic calculation which involves certain assumptions, such as the development of market interest, Feed-in-Tariff, the electricity price or the price of the so-called green certificates. If these assumptions should prove to be incorrect or if certain factors develop differently to what was planned, this would have an adverse effect on the profitability of the PV power plant.
- **Risk of Foreign Currency Exchange.** The Group's business transactions are carried out in various currencies. The Group cannot predict the impact of future exchange rate fluctuations on its results of operations, and may incur net foreign currency losses in the future. The Group assesses the currency risk as moderate, however, as the Group continues to expand its business into new markets, particularly emerging markets, the Group's total foreign currency exchange risk could increase significantly.
- **Interest Rate Risk.** The Group's exposure to interest rate risk primarily relates to interest expense under the Group's short-term and long-term bank borrowings. Besides, increasing market interest rates can – in the case of a big share of borrowed capital – profoundly influence the value of the photovoltaic power plants. In case of a sale there is a risk that it will not be possible to sell the photovoltaic power plant for the intended price; this would also have a negative impact on the financial liquidity of the projects, status and results of the Group.

Key Information on the Shares

What are the Main Features of the Shares?

Type, Class and ISIN

The Shares are ordinary registered series A shares in the share capital of the Company, with a nominal value of EUR 0.01 each. ISIN: NL0010391108.

Currency

The Company's Shares are denominated in euro.

Rights Attached to the Shares

There are specific rights attached to the Shares which are determined either by law or by the Articles of Association. The most important rights related to the Shares are as follows: (i) the right to dispose of the Shares, (ii) the right to share in the profit of the Company (right to dividend), (iii) the right to vote at the General Meeting (each Share of the Company carries one vote at the Company's General Meeting); (iv) right of usufruct; and (v) right of pledge.

Relative Seniority of the Securities in the Company's Share Capital in the Event of Insolvency

The Articles of Association do not include provisions on the seniority of the Shares in the event of the insolvency of the Company.

Restrictions on Free Transferability of the Shares

The Shares are freely transferable.

Dividend Policy

The Company's strategy is to create value for its shareholders through strong expansion in the globalizing PV industry. For as long as value-creating growth and investment opportunities exist, the Board of Directors does not intend to propose to distribute dividends to shareholders. The dividend policy will, however, be reviewed from time to time by the Board of Directors and any future dividends will be paid, taking into account several factors concerning the Company, including the Company's prospects, future profits, cash requirements, financial standing, level of liquidity ratios, expansion plans as well as the laws and regulations pertaining to this subject in order to make the decision. As at the Prospectus Date no values for those criteria has been defined.

Where will the securities be traded?

All of the Shares will be subject to an application for the admission and introduction to trading on the regulated market (parallel market) operated by the WSE and on the regulated market (standard market) operated by the PSE.

What are the Key Risks that are Specific to the Shares?

Presented below are the most material risks specific to the Shares and the Admission.

- **The Controlling Shareholders Will Continue to Exercise Significant Influence on the Company and its Operations.** As at the Prospectus Date, the Controlling Shareholders hold in total directly and indirectly 71.25% of shares representing 83.47% of the voting rights in the Company. Following the Admission, the Controlling Shareholders may continue to have after the Admission, directly or indirectly, the power to affect the Company's legal and capital structure, and the ability to significantly control or affect the Company's management and affairs as well as the outcome of matters requiring action by shareholders and/or approval of the General Meeting such as in relation to the declaration of dividends, the appointment and removal of members of the Board, approval of significant transactions entered into by the Company such as a merger or other sale of the Company or its assets and changes in the Company's capital structure, and to effectively control or influence many other major decisions regarding the Company's strategy. There is a risk that the Controlling Shareholders may have interests that may not align or may conflict with the potential interests of other shareholders, including those who have invested in the Shares. Those areas of conflict of interest cannot be completely excluded.
- **Risk of Future Offerings by the Company of Debt or Equity Securities.** The Company may decide to raise additional capital by offering new securities, including debt securities, securities convertible into shares, senior or subordinated notes or shares. The issuance of equity or debt securities with conversion rights may dilute the economic and voting rights of the existing shareholders of the Company if effected without pre-emptive or other subscription rights for such existing shareholders of the Company, or result in the reduction of the price of the Company's shares, or both.
- **Risk that the Shares May be Delisted from the WSE and the PSE.** There can be no assurance that no grounds for the delisting of the Shares from the regulated market of the WSE or the PSE will occur in the future or that the relevant authorities will not suspend the trading in the Shares on the Markets.
- **Risk that the Market Price of the Shares May Decrease or Be Highly Volatile.** The market price of the Shares may be volatile or decrease, as a result of a large number of factors, such as period-to-period variations in operating results or changes in revenue by the Company, industry participants or financial analysts. The value of the Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes, some or many of which are or may be beyond the Company's control.

Key Information on the Admission to Trading on a Regulated Market

Who is the Offeror and/or the Person Asking for Admission to Trading?

The only person asking for the Admission is the Company.

Why is this Prospectus Being Produced?

Reasons for the Admission

The Company intends to have all of the Shares admitted to trading on the Markets to achieve better access to the capital markets. In particular, being listed on the Markets will enable the Company to have access to a wider pool of institutional investors in case the Company needs to raise capital to finance new investment projects. Currently many institutional investors cannot invest into shares of companies listed in the alternative system of trading such as NewConnect in Warsaw or Free Market in Prague. Being listed on the main markets may result in increased interest of sell/buy side analysts as well as independent research houses to cover the Company with the investment research. Availability of such professional analytical reports could – in the Board of Directors opinion – benefit current and future shareholders. As of 28 July 2020, Baader Bank had applied for the Company's shares to be admitted to trading on the Freiverkehr segment of the Munich Stock Exchange through a so-called unsponsored listing, without the Company's involvement. The unsponsored listing on Munich Stock Exchange does not change the Board of Director's intention to list the Company's shares on the Frankfurt Quotation Board to further increase the opportunities for Eurozone investors to trade the Company's shares without currency risk. Listing on the Frankfurt Stock Exchange is not being covered by the Prospectus.

Net Proceeds

No securities are being offered or sold under the Prospectus. The Company will not receive any proceeds from the Admission.

Conflict of Interest

There are no conflicts of interests pertaining to the Admission.

PODSUMOWANIE

PL: Poniższe tłumaczenie podsumowania na język polski nie stanowiło części procedury zatwierdzania Prospektu przez AFM. W przypadku jakichkolwiek ewentualnych różnic w opisie, obowiązuje podsumowanie niniejszego Prospektu sporządzone w języku angielskim.

ENG: The Polish translation of the summary below was not part of the Prospectus approval process by the AFM. In the event of any possible differences in the description, the summary of this Prospectus in English shall apply.

Wprowadzenie i ostrzeżenia

Podsumowanie należy odczytywać jako wprowadzenie do niniejszego prospektu („**Prospekt**”), przygotowanego w związku z ubieganiem się o dopuszczenie i wprowadzenie do obrotu na rynku regulowanym (ryнку równoległym) prowadzonym przez Giełdę Papierów Wartościowych w Warszawie S.A. („**GPW**”) i na rynku regulowanym (standard market) prowadzonym przez Praską Giełdę Papierów Wartościowych (*Burza cenných papírů Praha, a.s.*) („**PSE**”) (WSE i PSE dalej łącznie jako „**Rynki**”, a każda z nich osobno jako „**Rynek**”) (w zależności od kontekstu „**Dopuszczenie**” oznacza dopuszczenie do obrotu na WSE i PSE łącznie lub osobno w odniesieniu do każdego z dopuszczeń) wszystkich akcji zwykłych serii A o wartości nominalnej 0,01 euro każda („**Akcje**”), w kapitale zakładowym Photon Energy N.V., spółki publicznej z ograniczoną odpowiedzialnością (*naamloze vennootschap*), utworzonej w dniu 9 grudnia 2010 oraz działającej na podstawie prawa holenderskiego i zarejestrowanej w rejestrze spółek prowadzonym przez Holenderską Izbę Handlową (*Kamer van Koophandel*) pod numerem KvK 51447126 („**Spółka**”).

Prospekt nie stanowi oferty sprzedaży ani zaproszenia, składanego przez lub w imieniu Spółki, akcjonariuszy lub jakkolwiek osobę reprezentującą Spółkę, do nabycia lub złożenia zapisu na jakiegokolwiek papiery wartościowe, przez jakkolwiek osobę w jakiegokolwiek jurysdykcji.

Siedziba Spółki (*statutaire zetel*) znajduje się w Amsterdamie, w Holandii, przy ulicy Barbara Strozilaan 201, 1083 HN Amsterdam, Holandia. Numer telefonu Spółki to +31 202 402 570. Identyfikator podmiotu prawnego (LEI) Spółki to 315700YHFON9RJOPCK19. Międzynarodowy kod identyfikujący papiery wartościowe (ISIN) to NL0010391108.

Prospekt został zatwierdzony jako jednolity dokument do celów Rozporządzenia Parlamentu Europejskiego i Rady (UE) 2017/1129 z dnia 14 czerwca 2017 roku w sprawie prospektu, który ma być publikowany w związku z ofertą publiczną papierów wartościowych lub dopuszczeniem do obrotu na rynku regulowanym oraz uchylecia dyrektywy 2003/71/WE („**Rozporządzenie Prospektowe**”) przez Niderlandzki Urząd ds. Rynków Finansowych (*Stichting Autoriteit Financiële Markten*, „**AFM**”), będący właściwym organem zgodnie z przepisami Rozporządzenia Prospektowego, w dniu 14 grudnia 2020 r. („**Data Prospektu**”). Siedziba AFM znajduje się w Amsterdamie, przy Vijzelgracht 50, 1017 HS Amsterdam, Holandia, a jej numer telefonu to +31 (0) 20 797 2000. AFM zatwierdza niniejszy Prospekt jako spełniający standardy kompletności, zrozumiałości i spójności nałożone zgodnie z Rozporządzeniem Prospektowym. Zatwierdzenie niniejszego Prospektu nie powinno być uznawane za wyraz poparcia dla Spółki lub jakości Akcji, które są przedmiotem tego Prospektu. Inwestorzy powinni dokonać własnej oceny adekwatności inwestowania w Akcje.

Każda decyzja o inwestycji w Akcje powinna być oparta na przeanalizowaniu przez inwestora całości Prospektu, a nie tylko podsumowania. Inwestor może stracić całość lub część inwestowanego kapitału. W przypadku wystąpienia do sądu z roszczeniem dotyczącym informacji zamieszczonych w Prospekcie lub włączonych do niego przez odniesienie, skarżący inwestor może, na mocy prawa krajowego Państwa Członkowskiego, mieć obowiązek poniesienia kosztów przetłumaczenia Prospektu przed wszczęciem postępowania sądowego. Odpowiedzialność cywilna dotyczy wyłącznie tych osób, które przedłożyły podsumowanie, w tym jakiegokolwiek jego tłumaczenie, jednak tylko w przypadku, gdy odczytywane łącznie z pozostałymi częściami Prospektu, podsumowanie wprowadza w błąd, jest nieprecyzyjne lub niespójne lub, gdy odczytywane łącznie z pozostałymi częściami Prospektu, nie przedstawia kluczowych informacji mających pomóc inwestorom w podjęciu decyzji o inwestycji w Akcje.

Kluczowe informacje o Spółce

Siedziba i forma prawna

Spółka jest spółką publiczną z ograniczoną odpowiedzialnością (*naamloze vennootschap*), utworzoną oraz działającą na podstawie prawa holenderskiego i ma siedzibę w Holandii. Siedziba Spółki (*statutaire zetel*) znajduje się w Amsterdamie, w Holandii. Identyfikator podmiotu prawnego (LEI) Spółki to 315700YHFON9RJOPCK19.

Działalność podstawowa

Spółka i jej podmioty zależne (łącznie „**Grupa**”) jest globalnym dostawcą rozwiązań fotowoltaicznych, oferującym szeroki zakres usług dotyczących całego cyklu życiowego systemów związanych z produkcją energii słonecznej. Grupa jest aktywna na całym świecie i ma doświadczenie w zakresie przygotowania, budowania i oddawania do użytku instalacji fotowoltaicznych o mocy przekraczającej 100 MWp zbudowanych i podłączonych do sieci przez Grupę oraz serwisowania aktywów fotowoltaicznych o mocy przekraczającej 300MWp w ramach portflio usług O&M. Grupa zarządza również portfelem 74.7 MWp elektrowni własnych, w czterech krajach na dwóch kontynentach. Grupa działa w Australii, Czechach, Niemczech, Węgrzech, Holandii, Peru, Polsce, Rumunii, Słowacji, Szwajcarii i Wielkiej Brytanii. Grupa dokłada starań, by dostarczać rozwiązania zapewniające dostęp do energii słonecznej oraz energii pozyskiwanej z układów hybrydowych szerokiemu wachlarzowi klientów. Dział O&M Spółki, Photon Energy Operations, zapewnia szeroki zakres usług dla właścicieli elektrowni PV. Co więcej, Grupa rozwija i dostarcza systemy uzdatniania, rekultywacji i oczyszczania wody, które mogą być wykorzystane globalnie.

Kapitał zakładowy

Na Datę Prospektu kapitał zakładowy Spółki wynosi 600.000 euro (opłacony w całości) i składa się z 60.000.000 akcji zwykłych serii A o wartości nominalnej 0,01 euro każda. Akcje zostały utworzone na podstawie i podlegają prawu holenderskiemu. Akcje nie są uprzywilejowane w zakresie prawa głosu, prawa do dywidendy lub podziału aktywów w przypadku likwidacji Spółki.

Główni akcjonariusze

W poniższej tabeli przedstawiono informacje na temat głównych akcjonariuszy Spółki, którzy na Datę Prospektu, według informacji posiadanych przez Spółkę, bezpośrednio posiadali Akcje reprezentujące przynajmniej 3% ogólnej liczby głosów na Walnym Zgromadzeniu i w kapitale zakładowym Spółki.

Akjonariusz	Liczba Akcji	Udział w kapitale zakładowym (%)	Liczba głosów na Walnym Zgromadzeniu	Udział w ogólnej liczbie głosów na Walnym Zgromadzeniu (%)
Michael Gartner ⁽¹⁾	21.796.620	36,33	21.796.620	42,56
Georg Hotar ⁽²⁾	20.952.378	34,92	20.952.378	40,91
Spółka.....	8.784.000	14,64	0 ⁽³⁾	0,00

Akjonariusz	Liczba Akcji	Udział w kapitale zakładowym	Liczba głosów na Walnym Zgromadzeniu	Udział w ogólnej liczbie głosów na Walnym Zgromadzeniu
Starszy Menedżer	1.856.139	3,09	1.856.139	3,62
Pozostali akcjonariusze ⁽⁴⁾	6.610.863	11,02	6.610.863	12,91

Źródło: Spółka.

Nota: (1) Michael Gartner jako właściciel spółki Solar Future Cooperatief U.A. posiada pośrednio 21.775.116 akcji oraz dodatkowo posiada 21.504 Akcji bezpośrednio; (2) Georg Hotar jako właściciel spółki Solar Power to the People Cooperatief posiada pośrednio 20.843.375 Akcji oraz dodatkowo posiada 109.003 Akcji bezpośrednio; (3) Stosownie do Statutu nie można oddać głosu z akcji własnych posiadanych przez Spółkę, a podczas ustalania, w jakim zakresie akcjonariusz oddaje głos, jest obecny lub reprezentowany, lub w jakim zakresie reprezentowany jest kapitał zakładowy na Walnym Zgromadzeniu, akcje własne posiadane przez Spółkę nie są brane pod uwagę; (4) Pozycja „Pozostali akcjonariusze” obejmuje również akcje w posiadaniu pracowników Spółki na podstawie Programu Zakupu Akcji Pracowniczych, z wyłączeniem akcji w posiadaniu członków zarządu i starszego menedżera, które są pokazane osobno powyżej. Od czasu realizacji Programu Akcji Pracowniczych łączna liczba Akcji, które zostały przekazane pracownikom wynosi około 573 tys. Akcji, co stanowi 0,96% w kapitale zakładowym i 1,11% w ogólnej liczbie głosów.

Dyrektorzy zarządzający

Organem zarządzającym Spółki jest Rada Dyrektorów złożona z dyrektorów zarządzających (*managing directors*). Na Datę Prospektu dyrektorami zarządzającymi Spółki są Michael Gartner i Georg Hotar.

Organem nadzorczym Spółki jest Rada Nadzorcza złożona z dyrektorów nadzorujących (*supervisory directors*). Na Datę Prospektu dyrektorami nadzorującymi Spółki są Bogusława Skowroński i Marek Skreta.

Biegły rewident

W okresie objętym Zbadanymi Sprawozdaniami Finansowymi (zgodnie z definicją poniżej), Grant Thornton Accountants en Adviseurs B.V. był niezależnym biegłym rewidentem Spółki. Na Datę Prospektu Spółka dokonała zmiany audytora na rok 2020 r. na firmę audytorską PricewaterhouseCoopers Accountants N.V.

Jakie są kluczowe informacje finansowe dotyczące Spółki?

Wybrane informacje finansowe

Poniższe tabele przedstawiają sprawozdanie Spółki z całkowitych dochodów, sprawozdanie z sytuacji finansowej i sprawozdanie z przepływów pieniężnych na wskazane daty i okresy. Wybrane informacje finansowe wskazane poniżej zostały zaczerpnięte z (i) niezbadanych sprawozdań finansowych Grupy na dzień i za okresy zakończone 30 września 2020 i 2019 roku oraz dołączonych do nich not („**Śródroczne Sprawozdania Finansowe**”) oraz (ii) zbadanych sprawozdań finansowych Grupy na dzień i za okresy zakończone 31 grudnia 2019, 2018 i 2017 roku, odpowiednio, oraz dołączonych do nich not („**Zbadane Sprawozdania Finansowe**”) (łącznie jako „**Historyczne Sprawozdania Finansowe**”). Historyczne Sprawozdania Finansowe zostały sporządzone zgodnie z MSSF, z zastrzeżeniem, że zakres ujawnionych informacji w śródrocznym sprawozdaniu finansowym nie jest w pełni zgodny z MSR 34 w zakresie wybranych not objaśniających.

Tabela 1: Sprawozdanie z całkowitych dochodów na wskazane daty

	Za okres 12 miesięcy zakończony 31 grudnia			Za okres 9 miesięcy zakończony 30 września	
	2019	2018	2017	2020	2019
	(EUR tys.) (zbadane)			(EUR tys.) (niezbadane)	
Przychody	30.154	20.256	17.219	23,163	22,405
Zysk brutto	15.439	13.840	12.254	15,854	13,195
Wyniki z działalności operacyjnej	1.147	2.544	2.291	2,813	2,350
Koszty finansowe netto	(4.488)	(3.801)	(2.010)	(5,136)	(3,450)
Zysk / strata przed opodatkowaniem	988	1.840	346	(2,316)	3,035
Zysk / strata for the year continuing operations .	(726)	510	(807)	(4,332)	1,896
Zysk / strata za okres	(726)	(510)	(807)	(4,332)	1,896
Inny całkowity dochód za okres	8.790	2.022	2.609	5,494	3,132
Suma całkowitych dochodów za okres	8.064	2.531	1.802	1,162	5,028

Źródło: Historyczne Sprawozdania Finansowe.

Tabela 2: Sprawozdanie z sytuacji finansowej na wskazane daty

	Na dzień 31 grudnia			Na dzień 30 września	
	2019	2018	2017	2020	
	(EUR tys.) (zbadane)			(EUR tys.) (niezbadane)	
Aktywa razem	138.263	106.348	89.692	148,645	
Kapitał własny	37.843	29.779	25.982	38,932	
Zobowiązania	100.421	76.569	63.709	109,714	
Kapitał własny i zobowiązania razem	138.263	106.348	89.692	148,646	

Źródło: Historyczne Sprawozdania Finansowe.

Tabela 3: Sprawozdanie z przepływów pieniężnych na wskazane daty

	Za okres 12 miesięcy zakończony 31 grudnia			Za okres 9 miesięcy zakończony 30 września	
	2019	2018	2017	2020	2019
	(EUR tys.) (zbadane)			(EUR tys.) (niezbadane)	
Przepływy pieniężne netto z działalności operacyjnej	6.536	7.654	2.661	5,046	5,132
Przepływy pieniężne netto z działalności inwestycyjnej	(14.410)	(9.415)	(53)	(14,399)	(11,032)
Przepływy pieniężne netto z działalności finansowej	10.638	6.764	(2.989)	8,790	10,285

	Za okres 12 miesięcy zakończony			Za okres 9 miesięcy zakończony	
	31 grudnia			30 września	
	2019	2018	2017	2020	2019
	(EUR tys.) (zbadane)			(EUR tys.) (niezbadane)	
Bilansowa zmiana stanu środków pieniężnych	2.764	5.006	(381)	9562	4,385
Środki pieniężne na początek okresu	12.340	7.333	5.420	15,104	12,337
Środki pieniężne na koniec okresu.....	15.104	12.340	7.333	14,542	16,721

Źródło: Historyczne Sprawozdania Finansowe.

Inne kluczowe informacje finansowe

Prospekt nie zawiera informacji finansowych *pro forma* ani prognoz zysku. Sprawozdania niezależnego biegłego rewidenta ze Zbadanych Sprawozdań Finansowych nie zawierają zastrzeżeń. Śródroczne Sprawozdania Finansowe nie zostały zbadane ani poddane przeglądowi niezależnego biegłego rewidenta.

W 2018 roku, opinia z badania niezależnego biegłego rewidenta zawierała objaśnienie, w którym niezależny biegły rewident zwrócił uwagę na paragraf 6.3 noty do sprawozdań finansowych, który opisuje okoliczności dotyczące Photon Energy SPV 11 s.r.o. Opinia biegłego rewidenta pozostała jednak niezmienna niezależnie od tej kwestii. Paragraf 6.3 brzmi następująco: „Od 2013 roku toczyło się kilka postępowań dotyczących wydania licencji na produkcję energii przez spółkę Photon Energy SPV 11 s.r.o. (SPV 11), które zawsze kończyły się stwierdzeniem prawidłowości przy wydaniu licencji. Na początku 2018 roku dwóm byłym podwykonawcom dostawcy SPV 11, EPC, zostały postawione zarzuty karne, a od sierpnia 2018 roku różnica w taryfie gwarantowanej z 2010 i 2011 roku jest wstrzymywana przez ČEZ Prodej a.s. W sumie kwota ta wynosi 316 tysięcy euro (8.126 tysięcy koron czeskich) w przychodach uwzględnionych jako należności handlowe w sprawozdaniach finansowych z dnia 31.12.2018 roku. W przypadku skazania jednego lub obydwu podwykonawców może zostać wszczęte ponowne badanie wydania licencji. Zarząd nie posiada informacji jakoby wydanie licencji nie było legalne ani jakoby takie ponowne badanie miałyby przynieść inne rezultaty co do legalności taryfy gwarantowanej z 2010 roku. W związku z tym żadne rezerwy nie zostały ukazane w sprawozdaniu finansowym za rok 2018. SPV 11 jest wyceniane w sprawozdaniach finansowych jako podmiot o wartości 7.629 tysięcy euro (196.247 tysięcy koron czeskich). Jeśli SPV miałyby być uprawniona do taryfy gwarantowanej za rok 2011, wartość godziwa zmniejszyłaby się do 4.298 tysięcy euro (110.564 tysięcy koron czeskich). Jeśli taryfa gwarantowana za rok 2011 miałyby być stosowana z mocą wsteczną lub w przypadku cofnięcia licencji, pełna wartość musiałaby zostać odpisana.”

W związku z pozytywnym rozwojem okoliczności dotyczących SPV 11 objaśnienie zostało zniesione w opinii z badania 2019. W paragrafie 6.3 sprawozdania finansowego 2019 umieszczono następujące brzmienie: „W grudniu 2019 r. jeden z dwóch oskarżonych podwykonawców został uniewinniony i po okresie sprawozdawczym sąd orzekł o spłacie wstrzymanej kwoty, co nastąpiło 24 marca 2020 r. Wydanie orzeczenia dla drugiego podwykonawcy spodziewane jest w najbliższych miesiącach. Zarząd nie jest świadomy faktu, że wydane zezwolenia nie były niezgodne z prawem, ani że takie ponowne badanie nie doprowadziłoby do takich samych wyników legalności taryfy gwarantowanej w roku 2010. W związku z tym ani w 2018 ani w 2019 nie zostały zawarte w sprawozdaniu finansowym zastrzeżenia w tym zakresie.”. Na Datę Prospektu orzeczeniem sądu uniewinniono również drugiego podwykonawcę.

Jakie są kluczowe ryzyka właściwe dla Spółki?

Poniżej przedstawiono najważniejsze czynniki ryzyka, które, osobno lub w połączeniu z innymi wydarzeniami lub okolicznościami, mogłyby mieć istotny negatywny wpływ na działalność Grupy, sytuację finansową oraz wyniki działalności. Dokonując wyboru poszczególnych czynników ryzyka Grupa brała pod uwagę okoliczności takie jak prawdopodobieństwo urzeczywistnienia się danego czynnika ryzyka na podstawie bieżącej sytuacji oraz jego potencjalnego wpływu na działalność Grupy, sytuację finansową oraz wyniki działalności.

- **Ryzyko Regulacyjne.** W krajach, w których Grupa prowadzi działalność, duży wpływ na rynek energetyki słonecznej oraz systemów do wytwarzania energii słonecznej mają krajowe i lokalne regulacje i polityki dotyczące branży elektroenergetycznej, a także polityki rozpowszechniane przez przedsiębiorstwa energetyczne. Przepisy i polityki często odnoszą się do cen energii elektrycznej i technicznych połączeń międzysystemowych wytwarzania energii elektrycznej należących do klientów i mogą powstrzymać dalsze inwestycje w badania oraz rozwój alternatywnych źródeł energii, a także wpływać na chęć zakupu takiej energii przez klientów, co może skutkować znacznym ograniczeniem potencjalnego popytu na produkty fotowoltaiczne Grupy.
- **Ryzyko związane z warunkami panującymi na rynku energii słonecznej.** Na działalność Grupy wpływają warunki na rynku energii słonecznej, które mogą od czasu do czasu wywoływać zjawisko nadpodaży. Co więcej, generowanie elektryczności z energii słonecznej jest częściowo uzależnione od konkurencji na rynku innych odnawialnych źródeł generowania elektryczności.
- **Ryzyko związane z projektami w przygotowaniu.** Podczas gdy Grupa planuje w dalszym ciągu monetyzować swój obecny portfel projektów fotowoltaicznych będących w eksploatacji, Grupa zamierza również rozwijać się w tym obszarze poprzez dalszy rozwój i sprzedaż lub obsługę większej ilości projektów fotowoltaicznych, w tym tych, które Grupa rozwija samodzielnie, jak i tych, które Grupa nabywa w procesach akwizycyjnych od osób trzecich. Rozwój i/lub nabywanie projektu jest zawsze oparte na kalkulacji ekonomicznej, która uwzględnia określone założenia, takie jak rozwój zainteresowania rynkowego, taryfy gwarantowane, cena elektryczności lub cena tak zwanych zielonych certyfikatów. Jeśli te założenia okażą się być nieprawidłowe lub jeśli poszczególne czynniki rozwiną się odmiennie niż to planowano, miałyby to istotny wpływ na rentowność projektu fotowoltaicznego.
- **Ryzyko związane z wahaniami kursów walut.** Transakcje biznesowe Grupy są przeprowadzane w różnych walutach. Grupa nie może przewidzieć wpływu przyszłych wahań kursowych na wyniki jej działalności i może ponieść straty netto z tytułu różnic kursowych w przyszłości. Grupa ocenia ryzyko walutowe jako umiarkowane, aczkolwiek wraz z ekspansją biznesu Grupy na nowe rynki, w szczególności rynki rozwijające się, ryzyko Grupy związane z wymianą obcej waluty może znacząco wzrosnąć.
- **Ryzyko związane z zmianami stóp procentowych.** Narażenie Grupy na ryzyko związane ze stopą procentową dotyczy przede wszystkim wzrostu oprocentowania krótko- i długoterminowych pożyczek bankowych Grupy. Ponadto rosnące rynkowe stopy oprocentowania mogą – w przypadku dużego udziału długu w kapitale – mieć duży wpływ na wartość projektów fotowoltaicznych. W przypadku wyprzedzaży istnieje ryzyko, że sprzedaż energii słonecznej nie będzie możliwa po cenie zamierzonej, co miałyby również negatywny wpływ na płynność finansową projektów, jak również na status i wyniki Grupy.

Kluczowe informacje na temat Akcji

Jakie są główne cechy Akcji?

Rodzaj, klasa, ISIN

Akcje są akcjami zwykłymi serii A w kapitale zakładowym Spółki o wartości nominalnej 0,01 euro każda. ISIN: NL0010391108.

Waluta

Akcje Spółki są wyrażone w euro.

Prawa związane z Akcjami

Z Akcjami związane są dane prawa określone prawem lub Statutem Spółki. Najważniejsze prawa związane z Akcjami są następujące: (i) prawo do rozporządzania Akcjami; (ii) prawo do udziału w zysku Emitenta (prawo do dywidendy); (iii) prawo głosu na Walnym Zgromadzeniu (każda Akcja daje prawo do jednego głosu); (iv) prawo użytkowania; oraz (v) prawo zastawu.

Względne uprzywilejowanie papierów wartościowych w strukturze kapitału Spółki w przypadku niewypłacalności

Statut nie zawiera postanowień dotyczących uprzywilejowania Akcji w przypadku niewypłacalności Emitenta.

Ograniczenia dotyczące Swobodnej Zbywalności Akcji

Akcje można swobodnie zbywać.

Polityka Dywidendowa.

Strategią Spółki jest budowanie wartości Grupy poprzez dalszą ekspansję w poddanej globalizacji branży PV. Tak długo, jak istnieją dalsze okazje inwestycyjne umożliwiające budowanie wartości Grupy, Zarząd nie zamierza rekomendować wypłaty dywidendy akcjonariuszom. Polityka dywidendowa będzie jednak od czasu do czasu oceniana przez Zarząd i jakiegokolwiek przyszłe dywidendy będą wypłacone, biorąc pod uwagę kilka czynników dotyczących Spółki, w tym jej prognozy, przyszłe zyski, potrzeby gotówkowe, sytuację finansową, poziom wskaźników płynności, plany ekspansji, jak również legislację i regulacje odnoszące się do tego tematu, celem powzięcia decyzji. Na Datę Prospektu wartości ww. czynników nie zostały określone.

Gdzie akcje będą przedmiotem obrotu?

Wszystkie Akcje będą przedmiotem wniosku o dopuszczenie i wprowadzenie do obrotu na rynku regulowanym (ryнку równoległym) prowadzonym przez GPW oraz na rynku regulowanym (standard market) organizowanym przez Praską Giełdę Papierów Wartościowych (PSE).

Jakie są kluczowe rodzaje ryzyka właściwe dla Akcji?

Poniżej przedstawiono wybrane najważniejsze czynniki ryzyka charakterystyczne dla Akcji i Dopuszczenia.

- **Akcjonariusze Kontrolujący nadal będą wywierać znaczący wpływ na Spółkę i jej działalność.** Na Datę Prospektu Akcjonariusze Kontrolujący posiadają w 71,25% akcji w Spółce uprawniających do 83,47% głosów w Spółce. Po Dopuszczeniu Akcjonariusze Kontrolujący będą mogli dalej sprawować kontrolę, bezpośrednio lub pośrednio, nad strukturą prawną i kapitałową Spółki oraz mogą mieć możliwość znaczącej kontroli lub wpływu na zarządzanie oraz sprawy Spółki, jak również wywierać wpływ na sprawy, które wymagają działania akcjonariuszy i/lub zgody Walnego Zgromadzenia, na przykład w związku z wypłatami dywidend, powoływaniem lub odwoływaniem członków Rady Dyrektorów, zgodami na znaczące transakcje Spółki takie jak połączenie lub sprzedaż Spółki lub jej aktywów oraz zmianami w strukturze kapitałowej Spółki; Akcjonariusze Kontrolujący będą mogli mieć dalej kontrolę lub wpływ na inne kluczowe decyzje dotyczące działalności Spółki. Istnieje ryzyko, że Akcjonariusze Kontrolujący mogą mieć odmienne interesy, które mogą stać w sprzeczności lub konflikcie z potencjalnymi interesami innych akcjonariuszy, w tym tych, którzy zainwestowali w Akcje. Te obszary konfliktów interesów nie mogą być całkowicie wykluczone.
- **Ryzyko przyszłych ofert dłużnych i udziałowych papierów wartościowych Spółki.** Spółka może zdecydować o zebraniu dodatkowego kapitału poprzez oferowanie nowych papierów wartościowych, w tym dłużnych papierów wartościowych, papierów wartościowych zamiennych na akcje, obligacji lub akcji uprzywilejowanych lub podporządkowanych. Emitowanie udziałowych lub dłużnych papierów wartościowych z prawem do zamiany może osłabić prawa ekonomiczne i prawa głosu istniejących akcjonariuszy Spółki, jeśli zostanie dokonane bez prawa pierwokupu lub innych praw subskrypcyjnych, wobec istniejących akcjonariuszy Spółki, może spowodować obniżenie ceny akcji Spółki, lub spowodować obie te rzeczy razem.
- **Ryzyko wycofania Akcji z obrotu giełdowego na WSE i PSE.** Nie ma zapewnienia, że w przyszłości nie wystąpią podstawy dla wycofania Akcji z rynku regulowanego WSE lub PSE lub że odpowiednie organy nie zawieszają obrotu Akcjami na rynku regulowanym (rynkach regulowanych).
- **Ryzyko związane z obniżeniem lub niestabilnością ceny rynkowej Akcji.** Cena rynkowa Akcji może być niestabilna lub obniżyć się w wyniku dużej ilości zmiennych, na przykład okresowych zmian w wynikach działalności, zmian w prognozach przychodów lub zysku Spółki, uczestników branży lub analityków finansowych. Wartość Akcji może być naruszona przez wydarzenia niezwiązane z działalnością operacyjną Spółki, spekulacje na temat Spółki w prasie lub środowisku inwestycyjnym, strategiczne czynności konkurencji, w tym przejęcia i/lub restrukturyzacje, zmiany w warunkach rynkowych i zmiany regulacyjne, które to mogą być poza kontrolą Spółki.

Kluczowe informacje na temat dopuszczenia do obrotu na rynku regulowanym

Kto jest oferującym lub osobą wnioskującą o dopuszczenie do obrotu?

Jedyną osobą wnioskującą o Dopuszczenie jest Spółka.

Dlaczego niniejszy Prospekt jest sporządzony?

Przyczyny Dopuszczenia

Spółka zamierza dopuścić do obrotu wszystkie Akcje na Rynkach celem uzyskania lepszego dostępu do rynków kapitałowych. W szczególności fakt notowania na Rynkach umożliwi Spółce dostęp do szerszego grona inwestorów instytucjonalnych w razie gdyby Spółka potrzebowała zebrać kapitał do finansowania nowych projektów inwestycyjnych. Obecnie dużo inwestorów instytucjonalnych nie ma możliwości inwestowania w akcje spółek notowanych w alternatywnym systemie obrotu takim jak NewConnect w Warszawie lub Free Market w Pradze. Fakt bycia notowanym na głównych rynkach może spowodować zwiększenie zainteresowania analityków sprzedażowych/zakupowych, jak również niezależnych analityków i objęcie Spółki raportami analitycznymi. Dostępność profesjonalnych raportów analitycznych mogłaby – w opinii Rady Dyrektorów – przynieść korzyści obecnym i przyszłym akcjonariuszom. 28 lipca 2020 r., Baader Bank złożył wniosek o dopuszczenie akcji Spółki do obrotu w segmencie Freiverkehr na giełdzie w Monachium w drodze tzw. notowań niesponsorowanych, bez udziału Spółki. Notowanie niesponsorowane na giełdzie w Monachium nie zmienia zamiaru Rady Dyrektorów dotyczącego umieszczenia akcji Spółki na giełdzie we Frankfurcie w celu dalszego zwiększenia możliwości inwestorów ze strefy euro w zakresie handlu akcjami Spółki bez ryzyka walutowego. Notowanie na giełdzie we Frankfurcie nie jest objęte Prospektem.

Wpływy netto

Żadne papiery wartościowe nie są oferowane ani sprzedawane na podstawie Prospektu. Spółka nie otrzyma żadnych wpływów z Dopuszczenia.

Konflikty interesów

W związku z Dopuszczeniem nie występują żadne konflikty interesów.

SHRNUTÍ

CZK: Český překlad níže uvedeného shrnutí nebyl součástí schválení Prospektu AFM. V případě jakýchkoli možných rozdílů v popisu se použije shrnutí tohoto Prospektu v angličtině.

ENG: The Czech translation of the summary below was not part of the Prospectus approval process by the AFM. In the event of any possible differences in the description, the summary of this Prospectus in English shall apply.

Úvod a upozornění

Toto shrnutí se musí vykládat jako úvod prospektu („**Prospekt**“), vyhotoveného v souvislosti s přijetím k registraci a obchodování se všemi zaknihovanými kmenovými akciemi třídy A tvořícími podíl na kapitálu veřejné společnosti s omezeným ručením Photon Energy N.V. (*naamloze vennootschap*), založené podle právního řádu Nizozemska dne 9. prosince 2010 a zapsané do obchodního rejstříku nizozemské obchodní komory (*Kamer van Koophandel*) pod číslem KvK 51447126 („**Společnost**“), o nominální hodnotě každé akcie 0,01 EUR („**Akcie**“), na regulovaném trhu (paralelním trhu) organizovaném Varšavskou burzou cenných papírů (*Gielda Papierów Wartościowych w Warszawie S.A.*) („**WSE**“) a na regulovaném trhu (standardním trhu) organizovaném Burzou cenných papírů Praha, a.s. („**PSE**“) (WSE a PSE společně jako „**Trhy**“ a každá z nich samostatně jako „**Trh**“) (přijetí na WSE a a PSE společně jako „**Přijetí**“ a zvlášť jako „**Přijetí**“).

Prospekt nepředstavuje nebo netvoří součást nabídky či výzvy ze strany či jménem Společnosti, žádného jejího akcionáře nebo zástupce Společnosti k nákupu cenných papírů nebo nabídky k prodeji nebo emisí či žádosti o nákup cenných papírů jakoukoli osobou v jakékoli jurisdikci.

Místo výkonu činnosti Společnosti (*statutaire zetel*) je v nizozemském Amsterdamu a její sídlo je na adrese Barbara Strozziilaan 201, 1083 HN Amsterdam, Nizozemsko. Telefonní číslo společnosti je +31 202 402 570. Identifikátor Společnosti jako právnické osoby (LEI) je 315700YHFON9RJOPCK19. Akcie mají mezinárodní identifikační číslo cenného papíru (ISIN) NL0010391108.

Prospekt byl schválen jako prospekt obsahující jediný dokument pro účely nařízení Evropského parlamentu a Rady (EU) č. 2017/1129 ze dne 14. června 2017 o prospektu, který má být uveřejněn při veřejné nabídce nebo přijetí cenných papírů k obchodování na regulovaném trhu, a o zrušení směrnice 2003/71/ES („**Nařízení o prospektu**“), ze strany nizozemského orgánu pro finanční trhy (*Stichting Autoriteit Financiële Markten*, „**AFM**“), jako příslušného orgánu podle Nařízení o prospektu, dne 14. prosince 2020 („**Den vydání Prospektu**“). Sídlo orgánu AFM je na adrese Vijzelgracht 50, 1017 HS Amsterdam, Nizozemsko, a jeho telefonní číslo je +31 (0)20 797 2000. AFM pouze schvaluje tento Prospekt s tím, že splňuje standard úplnosti, srozumitelnosti a konzistence stanovený Nařízením o prospektu. Toto schválení by nemělo být považováno potvrzení o kvalitě Akcií, ani Společnosti ani Akcií, které jsou předmětem tohoto Prospektu. Investoři by měli sami zhodnotit vhodnost investování do Akcií

Rozhodnutí investovat do Akcií by mělo být založeno na tom, že investor nezávází jen shrnutí, ale Prospekt jako celek. Investor může přijít o veškerý investovaný kapitál nebo o jeho část. V případě, že je u soudu vznesen nárok týkající se údajů uvedených nebo odkazovaných v Prospektu, může být žalujícímu investorovi podle vnitrostátních právních předpisů členského státu uložena povinnost uhradit náklady na překlad Prospektu před zahájením soudního řízení. Občanskoprávní odpovědnost nesou pouze ty osoby, které shrnutí včetně jeho překladu předložily, avšak pouze pokud je shrnutí zavádějící, nepřesné nebo vykazuje nesoulad při porovnání s jinými částmi Prospektu nebo pokud při porovnání s jinými částmi Prospektu neuvádí hlavní údaje, které investorům pomáhají při rozhodování, zda do Akcií investovat.

Základní informace o Společnosti

Kdo je emitentem Akcií?

Sídlo a právní forma

Společnost je veřejná společnost s ručením omezeným (*naamloze vennootschap*), která je založena a působí podle právního řádu Nizozemska a má sídlo v Nizozemsku. Sídlo Společnosti (*statutaire zetel*) je v nizozemském Amsterdamu. Identifikátor Společnosti jako právnické osoby (LEI) je 315700YHFON9RJOPCK19.

Hlavní předměty činnosti

Společnost a její konsolidované dceřiné společnosti (společně jako „**Skupina**“) jsou poskytovatelem globálních řešení pro solární energetiku a služeb s širokou paletou zkušeností s celým životním cyklem solárních energetických systémů. Skupina je aktivní po celém světě a má zkušenosti s tvorbou, stavbou a uváděním do provozu solárních elektráren, např. více než 100 MWp postavených a do provozu uvedených solárních elektráren a více než 300 MWp ve svém O&M portfoliu. Skupina rovněž spravuje portfolio 74.7 MWp elektráren ve čtyřech zemích na dvou kontinentech, které má ve svém vlatnictví. Skupina působí v Austrálii, České republice, Německu, Maďarsku, Nizozemsku, Peru, Polsku, Rumunsku, na Slovensku, ve Švýcarsku a ve Velké Británii. Skupina se zaměřuje na poskytování solárních řešení použitelných všude, kde svítí slunce. Její energetická řešení zajišťují solární a solární-hybridní energii pro širokou paletu odběratelů a aplikací. Její O&M divize Photon Energy Operations poskytuje široký sortiment služeb majitelům fotovoltaických elektráren. Skupina dále vyvíjí a zajišťuje systémy pro čištění, opětovné využití a úpravu vody určené k použití po celém světě.

Základní kapitál

Ke Dni vydání Prospektu činí základní kapitál Společnosti 600 000 EUR (který je zcela splacen) a tvoří jej 60 000 000 zaknihovaných kmenových akcií třídy A o nominální hodnotě akcie 0,01 EUR. Akcie byly vytvořeny podle nizozemského právního řádu, kterým se také řídí. Akcie nejsou prioritní akcie z hlediska hlasovacích práv, práv na dividendy nebo podíl na majetku v případě likvidace Společnosti.

Hlavní akcionáři

Podle informací Společnosti jsou jejími hlavními akcionáři, kteří ke Dni vydání Prospektu přímo drží Akcie představující minimálně 3 % celkového počtu hlasů na Valné hromadě a základního kapitálu Společnosti, subjekty uvedené v tabulce níže.

Akcionář	Počet Akcií	Podíl na základním kapitálu (%)	Počet hlasů na Valné hromadě	Podíl na celkovém počtu hlasů na Valné hromadě (%)
Michael Gartner ⁽¹⁾	21,796,620	36.33	21,796,620	42.56
Georg Hotar ⁽²⁾	20,952,378	34.92	20,952,378	40.91
Společnost.....	8,784,000	14.64	0 ⁽³⁾	0.00
Seniorní Manažer.....	1,856,139	3.09	1,856,139	3.62
Volně obchodované cenné papíry ⁽⁴⁾	6,610,863	11.02	6,610,863	12.91

Žródlo: Společnost.

Poznámky: (1) Michael Gartner vlastní 21 775 116 Akcií prostřednictvím Solar Future Cooperatief U.A. a 21 504 Akcií přímo. (2) Georg Hotar vlastní nepřímo 20 843 375 Akcií skrz společnost Solar Power to the People Cooperatief U.A. a 109 003 Akcií přímo. (3) Podle Stanov Společnosti s Akciemi drženy Společností není spojeno hlasovací právo a při určování, v jakém rozsahu akcionář hlasuje, je přítomný nebo zastoupen, nebo v jaké míře je základní kapitál je poskytnut nebo zastoupen, se nesmí zohledňovat Akcie držené Společností. (4) Volně obchodované cenné papíry zahrnují Akcie přímo vlastněné zaměstnanci jako součást Programu nákupu zaměstnaneckých Akcií, s výjimkou Akcií představenstva a seniorních manažerů, jež jsou uvedeny samostatně výše. Od zavedení Programu nákupu zaměstnaneckých akcií je celkový počet akcií převedených na zaměstnance přibližně 573 000. Akcie, které tvoří 0,96% základního kapitálu a 1,11% z celkového počtu hlasů.

Výkonní manažeři

Řídícím orgánem Společnosti je Představenstvo tvořené výkonnými manažery. Ke Dni vydání Prospektu jsou výkonnými manažery Společnosti Michael Gartner a Gregor Hotar.

Orgánem dohledu Společnosti je dozorčí rada složená z dozorčími řediteli. Ke Dni vydání Prospektu byli dozorčími řediteli Společnosti Boguslaw Skowronski a Marek Skreta.

Nezávislý auditor

V období, na které se vztahují Auditované účetní závěrky (jak je definováno níže), byl nezávislým auditorem Společnosti Grant Thornton Accountants en Adviseurs B.V. Ke Dni vydání prospektu Společnost změnila svého nezávislého auditora a zahájila spolupráci s PricewaterhouseCoopers Accountants N.V. jako svým novým auditorem za rok 2020.

Jaké jsou nejdůležitější finanční údaje Společnosti?

Vybrané finanční údaje

V následujících tabulkách je uveden výkaz o úplném výsledku, výkaz o finanční pozici a přehled o peněžních tocích Skupiny k uvedeným datům a za uvedená období. Vybrané finanční údaje uvedené níže jsou odvozeny z: (i) neauditované účetní závěrky Skupiny za dané období a ke dni 30. září 2020 a 2019 a s nimi související poznámky („Mezitimní účetní závěrka“) a (ii) auditované účetní závěrky Skupiny za dané období a ke dni 31. prosince 2019, 2018, resp. 2017 a s nimi související poznámky („Auditovaná účetní závěrka“) (společně jako „Historické účetní závěrky“). Historické účetní závěrky byly vyhotoveny v souladu s IFRS, nicméně zveřejnění v Mezitimní účetní závěrce však není plně v souladu s IAS 34 s ohledem na to, že Mezitimní účetní závěrky neobsahují vybrané vysvětlující poznámky k účetní závěrce jak vyžadováno IAS 34.

Tabulka 1: Výkaz o úplném výsledku za uvedená období

	12 měsíců končících 31 prosince			9 měsíců končících 30 září	
	2019	2018	2017	2020	2019
	(tis. EUR) (auditováno)			(tis. EUR) (neauditováno)	
Výnosy.....	30.154	20.256	17.219	23,163	22,405
Hrubý zisk	15.439	13.840	12.254	15,854	13,195
Výsledky provozní činnosti	1.147	2.544	2.291	2,813	2,350
Čisté finanční náklady	(4.488)	(3.801)	(2.010)	(5,136)	(3,450)
Zisk / ztráta před zdaněním.....	988	1.840	346	(2,316)	3,035
Zisk / ztráta z činností probíhajících v daném roce ...	(726)	510	(807)	(4,332)	1,896
Zisk / ztráta za období.....	(726)	(510)	(807)	(4,332)	1,896
Ostatní úplný výsledek za období	8.790	2.022	2.609	5,494	3,132
Celkový úplný výsledek za období	8.064	2.531	1.802	1,162	5,028

Žródlo: Historické účetní závěrka.

Tabulka 2: Výkaz o finanční pozici k uvedeným obdobím

	k 31 prosinci			k. 30 září
	2019	2020	2017	
	(tis. EUR) (auditováno)			(tis. EUR) (neauditováno)
Aktiva celkem.....	138.263	106.348	89.692	148,645
Vlastní kapitál.....	37.843	29.779	25.982	38,932
Pasiva celkem	100.421	76.569	63.709	109,714
Vlastní kapitál a závazky celkem.....	138.263	106.348	89.692	148,646

Žródlo: Historické účetní závěrka.

Tabulka 3: Výkaz o peněžních tocích za uvedená období

	12 měsíců končících 31 prosince			9 měsíců končících 30 září	
	2019	2018	2017	2020	2019
	(tis. EUR) (auditováno)			(tis. EUR) (neauditováno)	
Čisté peněžní toky z provozních činností.....	6.536	7.654	2.661	5,046	5,132
Čisté peněžní toky z investičních činností	(14.410)	(9.415)	(53)	(14,399)	(11,032)
Čisté peněžní toky z finančních činností.....	10.638	6.764	(2.989)	8,790	10,285
Čisté zvýšení / snížení peněžních prostředků a peněžních ekvivalentů.....	2.764	5.006	(381)	9562)	4,385
Stav peněžních prostředků a peněžních ekvivalentů na začátku období	12.340	7.333	5.420	15,104	12,337
Stav peněžních prostředků a peněžních ekvivalentů na konci období	15.104	12.340	7.333	14,542	16,721

Žródlo: Historické účetní závěrka.

Ostatní významné finanční údaje

V Prospektu nejsou uvedeny *pro forma* finanční údaje nebo předpovědi zisku. Ve zprávách nezávislého auditora o auditované účetní závěrce nejsou uvedeny výhrady. Mezitimní účetní závěrka nebyla auditována nebo zkontrolována nezávislým auditorem.

V roce 2018 zahrnoval výrok auditora důraz na záležitost, ve které nezávislý auditor Společnosti upozorňoval na odstavec 6.3 v poznámkách k účetní závěrce, který popisuje okolnosti související s Photon Energy SPV 11 s.r.l. Výrok auditora však nebyl v této věci upraven. Odstavec 6.3 obsahoval následující formulaci: „od roku 2013 několik vyšetřování týkajících se vydání licence na výrobu energie FV elektrárny Photon Energy SPV 11 s.r.o. (SPV 11) byly provedeny, přičemž vždy se došlo k závěru, že licence byla vydána legitimně. Na začátku roku 2018 byla podána trestní oznámení proti dvěma bývalým subdodavatelům poskytovatele EPC služeb pro SPV 11 a k srpnu 2018 byl rozdíl mezi výkupním tarifem v roce 2010 a v roce 2011 zadržován společností ČEZ Prodej a.s. Celkově toto představuje částku ve výši 316 tis. EUR (8 126 tis. Kč), které se v účetní závěrce k 31. 12. 2018 zobrazují jako pohledávky z obchodního styku. V případě odsouzení jednoho nebo obou těchto subdodavatelů může být zahájeno řízení k novému posouzení vydání licence. Management si není vědom takové skutečnosti, že by vydání licence bylo nezákonné, ani že by takové řízení nedospělo ke stejnému výsledku zákonnosti výkupní tarifu z roku 2010. Proto nebyla v účetní závěrce za rok 2018 žádná změna. SPV 11 je v účetní závěrce oceněna účetní hodnotou 7 629 tis. EUR (196 247 tis. Kč). Pokud by mělo mít SPV nárok pouze na výkupní tarif z roku 2011, snížila by se reálná hodnota na 4 298 tis. EUR (110 564 tis. Kč). Pokud by měl být výkupní tarif pro rok 2011 použit se zpětnou platností nebo v případě odejmutí licence, bylo by nutné odepsat celou hodnotu.“

Z důvodu pozitivního vývoje okolností týkajících se SPV 11, byl důraz na tuto záležitost zrušen ve výroku auditora z roku 2019. V bodě 6.3 účetní závěrky za rok 2019 bylo zahrnuto toto: „V prosinci 2019 byl jeden ze dvou obviněných subdodavatelů zproštěn viny a po skončení reportovacího období soud rozhodl o vyplacení pozastavené částky, což proběhlo 24. března 2020. Rozhodnutí o druhém subdodavateli se očekává v následujících měsících. Management si není vědom žádné skutečnosti, že by vydání licence bylo nezákonné ani že by takové přezkoumání nevedlo ke stejným výsledkům zákonnosti výkupního tarifu 2010. Proto ani v roce 2018, ani v roce 2019 nebyly do finančních výkazů zahrnuty výhrady v tomto kontextu.“. Ke dni Prospektu byl druhý ze subcontractorů zproštěn viny a soud rozhodl o vyplacení pozastavené částky.

Jaká jsou významná rizika, která jsou specifická pro Společnost?

Zde uvádíme nejvýznamnější rizika, která by sama nebo společně s jinými událostmi nebo okolnostmi mohla mít materiální negativní vliv na činnost, finanční zdraví a provozní výsledky. Při tomto výběru Skupina zohlednila okolnosti, jako např. pravděpodobnost, že se naplní riziko na základě současné situace, potenciální vliv, který by naplnění rizika mohlo mít na činnost, finanční situaci a provozní výsledky.

- **Riziko předpisů.** V zemích, kde Skupina působí, je trh solárních projektů, výrobků solární energetiky a solární elektřiny značně ovlivněn národními, státními a místními předpisy a pravidly vztahujícími se na výrobu elektřiny a také předpisy vydávanými ze strany energetických společností. Tato pravidla a předpisy se často týkají cen elektřiny a technického připojení výroby elektřiny ve vlastnictví zákazníka a mohly by bránit dalším investicím do výzkumu a vývoje alternativních zdrojů energie i odběrům solární technologie ze strany zákazníka, což by mohlo mít za následek významný pokles potenciální poptávky po produktech solární energetiky, solárních projektech a solární elektřině Skupiny.
- **Riziko trhu se solární energií a podmínek odvětví.** Činnost Skupiny je ovlivněna podmínkami na trhu a v segmentu solární energie, kde může občas docházet k převisu nabídky. Výrobě elektřiny ze solární energie navíc již zčásti konkurují jiné obnovitelné způsoby výroby elektřiny.
- **Riziko spojené se souborem projektů.** Zatímco Skupina plánuje pokračovat v prodeji svého současného portfolia fotovoltaických projektů v provozu, zamýšlí také rozšiřovat svůj energetický segment realizací a prodejem či provozováním dalších solárních projektů, např. projektů, které Skupina vytváří a které Skupina nabývá od třetích osob. Realizace a/nebo akvizice projektu vždy vychází z ekonomické kalkulace, která obsahuje určité předpoklady, např. vývoj tržní úrokové sazby, výkupní ceny, ceny elektřiny nebo ceny tzv. zelených osvědčení. Ukáží-li se tyto předpoklady jako nesprávné nebo vyvíjí-li se některé faktory odlišně od plánu, měla by tato skutečnost negativní vliv na ziskovost fotovoltaické elektrárny.
- **Riziko směnného kurzu cizí měny.** Obchodní transakce Skupiny jsou prováděny v různých měnách. Skupina nemůže předpovědět vliv budoucích kolísání měnového kurzu na své provozní výsledky a může v budoucnu utrpět čisté kurzové ztráty. Skupina považuje měnové riziko za středně vysoké, avšak Skupina nadále rozšiřuje svou činnost na nové trhy, zejména nově vznikající trhy, takže celkové měnové riziko Skupiny se může významně zvýšit.
- **Úrokové riziko.** Citlivost Skupiny na úrokové riziko primárně souvisí s nákladovými úroky z důvodu krátkodobých a dlouhodobých bankovních půjček Skupiny. Zvyšování tržních úrokových sazeb dále může - v případě velkého podílu cizího kapitálu - významně ovlivnit hodnotu fotovoltaických elektráren. V případě prodeje existuje riziko, že nebude možné prodat fotovoltaickou elektrárnu za plánovanou cenu; tato skutečnost by měla rovněž negativní vliv na finanční likviditu projektů, stav a výsledky Skupiny.

Důležité údaje o Akciích

Jaké jsou nejdůležitější informace o Akciích?

Typ, třída a ISIN

Akcije jsou zaknihované kmenové akcie třídy A tvořící podíly na základním kapitálu Společnosti s nominální hodnotou akcie 0,01 EUR. ISIN: NL0010391108.

Měna

Akcije Společnosti jsou denominovány v eurech.

Práva spojená s Akciemi

S Akciemi jsou spojena konkrétní práva, která jsou stanovena buď zákonem, nebo stanovami. Nejdůležitější práva související s Akciemi jsou následující: (i) právo nakládat s akciemi, (ii) právo podílet se na zisku Společnosti (právo na dividendu), (iii) právo hlasovat na valné hromadě (každá Akcie Společnosti má jeden hlas na valné hromadě Společnosti); (iv) právo na požitky; a (v) zástavní právo.

Relativní nadřízenost cenných papírů v základním kapitálu Společnosti v případě platební neschopnosti

Stanovy neobsahují ustanovení o nadřízenosti Akcií v případě platební neschopnosti Společnosti.

Omezení volné převoditelnosti Akcií

Akcije jsou volně převoditelné.

Dividendová politika

Strategie Společnosti je vytvářet hodnotu pro její akcionáře silnou expanzí v globalizujícím se fotovoltaickém segmentu. Existují-li růstové a investiční příležitosti k tvorbě hodnoty, nezamýšlí představenstvo navrhnout výplatu dividend akcionářům. Představenstvo však bude v průběhu času dividendovou

politiku měnit a budoucí dividendy budou vypláceny v závislosti na několika faktorech ve Společnosti, např. vyhlídkách Společnosti, budoucích ziscích, požadovaných peněžních prostředcích, finanční situaci, úrovni poměrů likvidity, plánech na rozšiřování a právních předpisech o této záležitosti, které mají vliv na rozhodnutí. K Datu prospektu nebyly stanoveny žádné hodnoty pro tato kritéria.

Kde se bude s cennými papíry obchodovat?

Bude podána žádost o přijetí všech Akcií k registraci a obchodování na regulovaném trhu (paralelním trhu) organizovaném ze strany WSE a regulovaném trhu (standardním trhu) organizovaném ze strany PSE.

Jaká jsou významná rizika, která jsou specifická pro Akcie?

V následujícím textu jsou nejvýznamnější rizika, která jsou specifická pro Akcie a Přijetí.

- **Ovládající akcionáři budou i nadále vykonávat významný vliv na Společnost a její operace.** Ke Dni vydání prospektu drží ovládající akcionáři celkem přímo a nepřímo 71,25% akcií, což představuje 83,47% hlasovacích práv ve Společnosti. Po Přijetí mohou ovládající akcionáři i nadále přímou či nepřímou moc ovlivňovat právní a kapitálovou strukturu Společnosti a schopnost významně kontrolovat nebo ovlivňovat řízení a záležitosti Společnosti stejně jako výsledek záležitosti vyžadující jednání ze strany akcionářů a / nebo souhlas valné hromady, například v souvislosti s prohlášením o dividendách, jmenováním a odvoláním členů představenstva, schválením významných transakcí uzavřených Společností, jako je fúze nebo jiný prodej společnosti Společnost nebo jejich aktiv a změny v kapitálové struktuře Společnosti a účinně kontrolovat nebo ovlivňovat mnoho dalších významných rozhodnutí týkajících se operací Společnosti. Existuje riziko, že Ovládající akcionáři mohou mít zájmy, které nemusí být v souladu nebo mohou být v rozporu s potenciálními zájmy ostatních akcionářů, např. akcionářů, kteří investovali do Akcií. Tyto oblasti střetu zájmů nelze zcela vyloučit.
- **Riziko budoucích nabídek dluhových nebo majetkových cenných papírů Společnosti.** Společnost se může rozhodnout získat další kapitál nabídnutím nových cenných papírů, např. dluhových papírů, papírů přeměnitelných na akcie, seniorních či podřízených dluhopisů nebo akcií. Vydání akciových nebo dluhových cenných papírů s právem na konverzi může zředit ekonomická a hlasovací práva současných akcionářů Společnosti, pokud by proběhlo bez předkupních nebo jiných upisovacích práv těchto současných akcionářů Společnosti, nebo způsobit snížení ceny akcií Společnosti nebo obojí.
- **Riziko, že akcie mohou být vyřazeny z WSE a PSE.** Nelze garantovat, že v budoucnu nevznikne důvod odebrání Akcií z regulovaného trhu WSE nebo PSE nebo příslušné orgány nepozastaví obchodování s Akciemi na Trzích.
- **Riziko, že se tržní cena Akcií může snížit nebo být vysoce volatilní.** Tržní cena Akcií může být volatilní nebo může klesnout v důsledku velkého množství faktorů jako jsou meziobdobní rozdíly v provozních výsledcích nebo změny výnosů Společnosti, účastníky oboru nebo finančními analytiky. Hodnotu Akcií může ovlivnit také vývoj, který nesouvisí s provozním výkonem Společnosti, jako je například provozní a akciová cena výkonu jiných společností, které mohou investoři považovat za srovnatelné se Společností, spekulace o Společnosti v tisku nebo investiční komunitě, strategické jednání konkurence, včetně akvizice a / nebo restrukturalizací, změn tržních podmínek a regulačních změn, z nichž některé nebo mnohé jsou nebo mohou být mimo kontrolu Společnosti.

Důležité informace o přijetí k obchodování na regulovaném trhu

Kdo je předkladatelem nabídky a/nebo žadatelem o přijetí k obchodování?

Jedinou osobou žádající o Přijetí je Společnost.

Proč se tento Prospekt vydává?

Důvody Přijetí

Společnost zamýšlí mít všechny Akcie přijaty k obchodování na Trzích tak, aby získala lepší přístup na kapitálové trhy. Zejména uvedení na Trzích umožní Společnosti přístup k širší skupině institucionálních investorů pro případ, že by Společnost potřebovala získat kapitál na financování nových investičních projektů. V současné době mnoho institucionálních investorů nemůže investovat do akcií společností kótovaných v alternativním systému obchodování, jako je NewConnect ve Varšavě nebo Free Market v Praze. Uvedení na hlavních trzích může vést ke zvýšenému zájmu analytiků na straně prodeje / nákupu i nezávislých výzkumných podniků k pokrytí Společnosti investičním průzkumem. Dostupnost těchto profesionálních analytických zpráv by podle názoru představenstva mohla prospět současným i budoucím akcionářům. K 28. červenci 2020 Baader Bank požádala o přijetí Akcií Photon Energy k obchodování v segmentu Freiverkehr na mnichovské burze cenných papírů prostřednictvím takzvané nepodporované registrace bez účasti Společnosti. Nepodporovaná registrace na mnichovské burze nemění záměr představenstva zařadit Akcie Společnosti na frankfurtskou burzu, aby se dále zvýšily příležitosti pro investory v eurozóně obchodovat s Akciemi Společnosti bez měnového rizika. Prospekt se nevztahuje na registraci na frankfurtské burze.

Čistý výnos z prodeje

Na základě Prospektu nejsou nabízeny nebo prodávány cenné papíry. Společnost nezíská z Přijetí žádné výnosy.

Střet zájmů

Neexistují žádné střety zájmů týkající se Přijetí.

RISK FACTORS

Before investing in the Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on the Group's business, financial condition, results of operations and prospects. The price of the Shares could decline and an investor might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Board of Directors and the Company believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry, and the Shares, they are not the only risks and uncertainties relating to the Group and the Shares. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making and investment decision with respect to any Shares. Furthermore, before making an investment decision with respect to any Shares, prospective investors should consult their own professional adviser and carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of their personal circumstances.

As used herein, references to the Group refer to the Company as well as to its businesses which are held as consolidated subsidiaries and equity-method non-consolidated subsidiaries, associated companies and joint ventures, as the context requires.

Risk Factors Related to the Group's Business and the Industry, in which it Operates

Risk of Solar Power Market and Industry Conditions

The Group's business is affected by conditions in the solar power market and industry. The solar power market and industry may from time to time experience oversupply. When this occurs, many solar power project developers, solar system installers and solar power product distributors that purchase solar power products, including solar power systems, may be adversely affected. The solar power market is still at a relatively early stage of development and future demand for solar power products and services is uncertain. Market data for the solar power industry is not as readily available as for more established industries, where trends are more reliably assessed from data gathered over a longer period of time. Many factors may affect the viability of solar power technology and the demand for solar power products, including: (i) the cost-effectiveness, performance and reliability of solar power products and services, including the Group's solar power projects, compared to conventional and other renewable energy sources and products and services, (ii) the availability of government subsidies and incentives to support the development of the solar power industry, (iii) the availability and cost of capital, including long-term debt and tax equity, for solar power projects, (iv) the success of other alternative energy technologies, such as wind power, hydroelectric power, geothermal power and biomass fuel, (v) fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels, (vi) capital expenditures by end users of solar power products and services, which tend to decrease when the economy slows, and (vii) the availability of favourable regulation for solar power within the electric power industry and the broader energy industry.

If solar power technology is not suitable for widespread adoption or if sufficient demand for solar power products and services does not develop or takes longer to develop than the Group anticipates, its revenues may suffer and the Group may be unable to sustain its profitability. Moreover, electricity generation from solar energy is already partially in competition with other renewable means of electricity generation and in the future this may become even stronger in relation to wind energy, biomass or geothermal electricity generation. These other methods of energy generation could exert a high degree of competitive pressure on photovoltaics, for example if they prove themselves to be more economical due to technical advances or if they receive stronger regulatory support on the basis of political considerations. This could affect the further growth of the photovoltaics or could also lead to a fall in the demand for solar electricity. Competition with conventional energy sources, which (even when taking into account possible state managed support of photovoltaics) could generate electricity at cost-competitive level, could also affect the demand and prices for solar electricity. A reduction in the market price for conventional energy sources could also make energy generation in photovoltaic power plants seem less economically attractive and lead to a fall in demand for electricity made using photovoltaics. This could lead to significant pricing pressure and reduce the market's sales volumes.

All of the aforementioned factors could have a material adverse effect on the Group's business, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk Associated with the Project Pipeline

While the Group plans to continue to monetize its current portfolio of the PV projects in operations, the Group also intends to grow up its energy segment by developing and selling or operating more solar projects, including those that the Group develops and those that the Group acquires from third-parties. Further, the Group's future success largely depends on its ability to expand its PV project pipeline. The risks and uncertainties associated with the Group's ability to expand its PV project pipeline include: (i) the need to raise significant additional funds to develop or purchase PV power plants, (ii) delays and cost overruns as a result of a number of factors, many of which are beyond the Group's control, including delays in regulatory approvals, construction, grid-connection and customer acceptance testing; (iii) delays or denial of required regulatory approvals by relevant government authorities and (iv) failure to execute the Group's project pipeline expansion plan effectively.

Development and/or acquisition of a project is always based on an economic calculation which involves certain assumptions, such as the development of market interest, Feed-in-Tariff, the electricity price or the price of the so-called green certificates. If these assumptions should prove to be incorrect or if certain factors develop differently to what was planned, this would have an adverse effect on the profitability of the PV power plant.

Moreover, during the development and/or acquisition of a PV power plant, provision is made for the realisation of legal, economic and technical due diligence, whereby – at least to some extent – external advisors shall be used. The Group cannot rule out that during such due diligence something will be incorrectly identified or falsely assessed or that other errors may occur during the due diligence. For example, technical risks concerning the grid connection may not be identified or permit requirements may be overlooked. Under certain circumstances, errors in the due diligence process can have a significantly adverse effect on the realisation of a project, may lead to significant extra time requirements and/or additional costs or may lead to the commenced realisation of the PV project being cancelled. There is no guarantee of the appropriate recourse in the case of an error on the part of an external advisor.

In addition, the competition for attractive projects has become stronger with the growing number of market participants. As such, there is a risk that the Project Development Division, which is charged with searching for and developing suitable projects, will not be able to offer the Group any projects at all for acquisition or only insufficient ones or that there will be no suitable projects available. Admittedly the Group is also free to acquire projects from third parties, but any such third parties are also subject to the increasing competition which means that it cannot be ruled out that, despite having the funds, the Group will not be able to acquire any economically attractive photovoltaic power plants due to a lack of such facilities on offer.

All of the aforementioned factors could have a material adverse effect on the Group's business, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk of Foreign Currency Exchange

The Group's business transactions are carried out in various currencies. These transactions involve sales, purchases, borrowings, and investments in currencies other than the functional currency of the Company. Therefore, fluctuations in currency exchange rates could have a significant currency transaction risk. The transactions of the Group are mainly denominated in CZK, EUR, AUD, CHF, and HUF. There is no financial hedging used by the Company against the currency risk, and the Company's Board of Directors does not formally monitor the FX position.

Payment flows of the Group consist mainly of inflow of yields from energy supply and outflow of payments for interest and settlement of loans. Usually both flows take place in the same currency. If in the future the Group will not or not always be able to receive and make payments in the same currency (for example because of the external financing cannot be made in a local bank), then the Group would be exposed to risks connected with exchange rate.

In addition, the Group's financial statements are presented in EUR, while some of the Subsidiaries use different functional currencies (CZK, AUD, CHF, and HUF). This exposes the Group to the foreign currency translation risk resulted from the fluctuation between EUR and functional currencies of such Subsidiaries. To the extent the Group holds assets denominated in currencies other than EUR, any appreciation of such currencies against EUR will likely result in an exchange gain while any depreciation will likely result in an exchange loss when the Group's converts the value of these assets into EUR equivalent amounts. On the other hand, to the extent the Group has liabilities denominated in currencies other than EUR, any appreciation of such currencies against EUR will likely result in an exchange loss while any depreciation will likely result in an exchange gain when the Group converts the value of these liabilities into EUR equivalent amounts.

The Group is primarily exposed to the fluctuation of CZK against EUR and HUF against EUR, as the most significant outstanding balances of the consolidated financial statements are denominated in these two particular currencies. Other currencies variations against EUR are not that significant for the overall currency exchange risk as the volume of operations and also the net assets denominated in other currencies are not significant comparing to the two above mentioned. An increase/decrease of exchange rates by 10% at the reporting date would cause a positive/negative impact on future profit before tax by EUR 4,349 thousand/EUR (5,315) thousand respectively, when such exchange rate gains or losses would be realized in line with the maturity of the underlying receivables, payables and loans. The Group cannot predict the impact of future exchange rate fluctuations on its results of operations, and may incur net foreign currency losses in the

future. The Group assesses the currency risk as moderate, however, as the Group continues to expand its business into new markets, particularly emerging markets, the Group's total foreign currency exchange risk could increase significantly.

These and other effects on the Group's financial conditions resulting from the unfavourable changes in foreign currency exchange rates could have a material adverse effect on the Group's business, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk of the Coronavirus Pandemic SARS-CoV-2

The global spread of the coronavirus (SARS-CoV-2 and related COVID-19 disease) pandemic that started in November 2019 in China and reached European countries in February 2020 and continued throughout the year 2020 will have a material adverse impact on the global economy, the economies of various regions and countries, and businesses, companies and individuals.

In order to limit the spread of the coronavirus, governments of most of countries introduced a number of precautionary measures and limitations that affected individuals, businesses and authorities, including mandatory quarantines, the temporary closures of public spaces, ban on public gatherings and travel restrictions. The coronavirus pandemic and precautionary measures taken by the various states and governments will have an adverse material impact on the global, regional and local economies, likely leading to a recession and unemployment despite state and government actions and public funds being used to mitigate a potential economic downturn. As at the Prospectus Date, the Group is not able to assess when all of the precautionary measures and limitations will be fully lifted and what will be the impact of those measures on the global economy.

With the outbreak of the coronavirus the Group has implemented continuity plans as well as health and safety procedures to ensure that all employees and contractors are safe and compliant with government directives. In particular, the electricity generation segment of 84 PV power plants with a total installed capacity of 74.7 MWp is producing electricity as usual. For the two Australian PV power plants under construction with a total installed capacity of 14.6 MWp, all components, including photovoltaic modules, have been secured and these projects are expected to be grid connected without significant delays. The O&M business is capable of providing its services either from home-offices, and if necessary, on-site as far as possible. The other business lines such as EPC services, PV component trading and project development are more vulnerable to these exceptional circumstances but did not come to a stall. In case of trading of PV technology, the observed impact of coronavirus was mainly related to delayed demand from third parties, delays in shipments from PV manufacturers, and lower stock of available PV technology in Europe. In the area of EPC business minor delays in technology delivery to the construction sites and minor delays in the construction process due to the hygienic restrictions imposed by the governments authorities were observed and in the field of project development, the impact was mainly related to delays due to temporary lock-down of public spaces, public administration offices and necessity to implement partial home-office, which resulted in slower pace of the project development processes. Nevertheless, in all main markets of the Group's local teams continue to work respecting the government limitations but ensuring that the contractual services are provided and the impact of those measures on the ongoing business is minimized.

The above-mentioned situation has also had an impact on the exchange rates and may also impact share prices on stock exchanges throughout the world and increase price volatility, including the market price of the Shares following the Admissions.

Given the constantly evolving situation, the Group is unable to assess the magnitude of the adverse impact of such risks on its business, financial condition, results of operations, and the price of the Shares. As of the Prospectus Date the Group assesses that the impact of this risk on the Group's operations and financial results is rather low and depends on the further nature and length of measures taken by the respective governments in the countries where the Group is active.

Risk of Financing Future Projects and Growth of the Group

Most solar power projects, including the Group's projects, require financing for development and construction with a mixture of equity and third-party funding. The cost of capital affects both the demand and price of solar power systems. The high cost of capital may materially reduce the internal rate of return for solar power projects and therefore put downward pressure on the prices on both solar power systems, which typically comprise major part of the cost of solar power projects.

The strategy of the Group is aimed at the further expansion of the photovoltaic power plant portfolio. This initially presupposes that the Group will make corresponding investments which will be provided to the given special purpose vehicle as equity and/or as a shareholder loan. The business model of the Group in connection with the financing strategy for further investments envisages that a significant part of the capital used for the acquisition and realisation of the projects for the completion of photovoltaic power plants can be replaced with external financing, whereby the resulting free capital or the capital returning to the Group can be used or reinvested for further projects.

In light of the uncertainty in the global credit and lending environment, the Group cannot make assurances that financial institutions will continue to offer funding to solar power project developers at reasonable costs. An increase in interest rates or a decrease in funding of capital project within the global financial market could make it difficult to fund solar power

systems and potentially reduce the demand for solar power systems and/or reduce the average selling prices for solar power systems, which may adversely affect the Group's business, financial condition, results of operations, and the price of the Shares. There is also no guarantee that the Group will be sufficiently successful at acquiring the external financing at the required amount under acceptable conditions and for the desired period in order to realise the intended multiple use of its capital and thereby to be able to meet its yield expectations and to fulfil the financing and growth strategy in the given market, which would have an adverse effect on the commercial development of the Group and would constrain the growth of 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.

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

As of the Prospectus Date the external financing of the current portfolio in Slovakia, the Czech Republic and Hungary has been exclusively realised through three 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. Given the concentration of the bank financing in only one bank 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 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. 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 measured 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 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 on SPV stand-alone basis, (ii) debt service coverage ratio shall be higher than 1.15 on average for the whole portfolio, 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.

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.

Risk Arising From Any Delay or Cancellation of Project Implementation

The commercial activities of the Group include the operation of photovoltaic power plants and the sale of electricity. The realisation of new photovoltaic power plant projects can be delayed and the photovoltaic power plant may come online later than planned. For example, there can be line bottle necks or outages in the necessary sections, a stoppage at a supplier's, weather-based delays during assembly or delays based on Acts of God. In these cases, there is the risk that the photovoltaic power plant may be connected to the power grid late and that this will lead to a loss of earnings. Moreover, there is the risk that certain deadlines which are relevant from the point of state subsidies will be missed and that the state subsidies will be reduced or withdrawn as a consequence. In the case of the abandonment of a project, some advance payments may be lost under certain circumstances.

All of the aforementioned risks could have a material adverse effect in the asset, financial and earnings position of the Group. The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be low.

Risk of Electricity Prices

In the counties where the Group operates, the photovoltaic market is influenced by national, state and local government regulations and policies concerning the electric utility industry, as well as policies disseminated by electric utilities. These regulations and policies often relate to electricity pricing. It is the goal of the Group to increasingly integrate those photovoltaic power plant projects in its portfolio that are not supported by the state. However, in these cases there is the risk of falling incomes from the project due to falling prices for electricity. In the worst scenario there could be low or no positive operational cash flow generated which in turn would lead to a situation where there can be no pay-outs to the Group.

All of the aforementioned risks could have a significantly adverse effect in the asset, financial and earnings position of the Group. The Group assesses the probability of risk in short to medium term as medium. If the above risk occurs, the impact on the Group's operations and financial results would be low, as there is a low merchant exposure in the Group's portfolio.

Risk Associated with the Valuation of the SPVs

While preparing the examined financial statement of the Group is using for revaluation of the SPVs and its property the so-called DCF method based on IAS 16 rules. In the financial statement this value is higher than the purchase price and consequently also above the acquisition costs.

There is a risk that the assumptions and foundations of the evaluation will prove to be too favourable or false and that extraordinary impairment in the balance of the company will be necessary. Extraordinary impairment of this kind would profoundly harm or burden the balance sheet as well as the result of the Group. This could, considering the circumstances, lead to less advantageous conditions during the refinancing or external financing. All the mentioned circumstances could have a negative impact on the Group's financial situation, status and results.

The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk Associated with the Construction of Photovoltaic Power Plants

The Group will be active as the building owner in association with the construction of any photovoltaic power plants. The construction work will be rendered by Photon Energy Solutions Department or one of its subsidiaries as the general contractor. The corresponding work is usually subject to a contractually agreed warranty period of between 2 and 5 years, according to country specifics and typical industry warranties provided by main technology suppliers (modules, inverters, mounting structure). Photon Energy Technology Department or one of its subsidiaries will procure the components which are necessary for the construction work, especially the photovoltaic modules and DC/AC inverters, from the appropriate manufacturers. The warranty periods concerning the physical properties of these components usually amount to 5 to 10 years (product guarantees) and up to 25 years linear power warranty for modules. The manufacturer's guarantees pertaining to the components, especially the product and service guarantees will usually be transferred to the owner of the photovoltaic power plant, i.e. the appropriate special purpose vehicle. There is a risk that defects in the photovoltaic power plants and/or

in the components used during the installation will only arise after the expiry of the guarantee period or the guarantee itself and that no guarantee claims will therefore be able to be validly made of the given contractual partner. Moreover, it cannot be ruled out that the claim recipient will not be willing or will not be in a position to comply with the guarantee claim which can lead to costly and time-consuming legal disputes under certain circumstances. In the case of the insolvency of the claim recipient, any eventual guarantee claims will come up empty based on insolvency. Even in the case of a manufacturer's guarantee, there is a risk that the guarantee may not be able to be implemented due to the manufacturer's insolvency or for any other legal and/or practical reasons (for example against a foreign group).

The same generally applies with regard to the installation and development of the photovoltaic power plants which are already included in the Company's portfolio, because the seller did not issue any or sufficient guarantees pertaining to them during the acquisition of the shares or the options to the shares by the special purpose vehicle.

The installation of photovoltaic power plants is also associated with the risk that, despite careful planning and advance payments, the connection to the electricity distribution grid will not succeed or will be delayed. The error may occur during the project development or later during the technical implementation. In this case, there is a risk that any claims for compensation of damages made against the given contractual partner who made the error will not be enforceable or will not be able to be enforced in full.

The occurrence of one or more of the aforementioned risks could have an adverse effect on the asset, financial and earnings position of the Group. Proven the Group's track record, the Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be low.

Inflation Risk

State support, especially feed-in tariffs, is indexed in the cases of Czech and Hungarian projects; i.e. they are subject to inflationary adjustment that is defined by a specific band. In case of high inflation there is consequently a risk that the running operative costs increase while the yields will not be adjusted accordingly. In projects that are not supported by the state there is a different risk - namely that by lower inflation the calculated market prices for electricity will not develop as it was planned.

The occurrence of any of the mentioned risks can have a negative impact on the financial situation, status and results of the Group and consequently also on the Company. The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be low.

Risk of Natural Disasters

The Group's business could be materially and adversely affected by natural disasters or other catastrophes, such as earthquakes, fire, floods, hail, windstorms, severe weather conditions, environmental accidents, power loss, communication failures, explosions, and similar events. As a result the Group's facilities could be damaged, the Group may have to temporarily suspend part or all of its facilities. Furthermore, authorities may impose restrictions on transportation and implement other preventive measures in affected regions to deal with the catastrophe or emergency, which may lead to the temporary closure of the Group's facilities and declining economic activity at large. Moreover, if a natural disaster occurs that results in damage of photovoltaic power plants within the Group, the Group's ability to fulfil its liabilities may be considerably impaired, particularly if the given damage is not covered by insurance, and therefore do not receive the relevant insurance benefits.

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 low thanks to the geographic diversification of the Group's business.

Risk of Loss of Key Personnel

Successful implementation of commercial strategy and business objectives, as well as the associated success of the Group largely depend on expertise, experience, and contacts of the management, particularly of (indirect) shareholders and members of the Board of Directors, Georg Hotar and Michael Gartner. Key personnel of the Group is involved in creating and implementing the Group's key strategies. Their activities are crucial for the overall management of the Group and its ability to introduce and execute such strategies. The Group believes it is able to retain and motivate these individuals – in spite of strong demand after qualified personnel within the photovoltaic sector. However, the Group cannot guarantee it would be able to retain and motivate such key personnel going forward. There is a risk that the departure of such key personnel would impair dynamics of the business development and/or cause loss of important know-how.

In addition, there are also further qualified expert and managerial personnel, especially in the technical area, in the Affiliates, with which the Group cooperates almost exclusively within the framework of its commercial activities. If individuals occupying key management positions at the Affiliates or individuals with certain know-how or service providers from the Group should leave the company in question, this could also have an adverse effect on the Group's business activities and its asset, financial and earnings position. If these companies in the Group are no longer able to recruit qualified experts and managers under reasonable conditions and at the necessary extent in the future, this could also affect the competitiveness of the Group and constrain its company growth. This could also have an adverse effect on the asset, financial and earnings position of the Group.

Moreover, the Group success depends, to a significant extent, on the ability to attract, train and retain technical personnel. Recruiting and retaining qualified technical personnel, particularly those with expertise in the solar power industry, are vital to the Group's success. There is a substantial competition for qualified technical personnel, and there can be no assurance that the Group will be able to attract or retain sufficient qualified technical personnel. If the Group is unable to attract and retain qualified employees, the Group's business may be materially and adversely affected.

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 low.

Risk of the Company's Dependence on Business Activities of its Subsidiaries

The Group's commercial activities are limited as far as possible to the further development and the active holding and management of its portfolio. The earnings for electricity generation from photovoltaic power plants are currently and (also will be in the future) acquired in the individual SPVs. The economic success of the Group is significantly dependent on its asset and earnings position, on the economic success of its SPVs and on the fact that the SPVs regularly pay the interest and principal payments on the shareholder loans or the dividend payments. In the case of the absence of the interest and principal payments for (shareholder) loans and/or the dividend payments from the SPVs, the Group's asset, financial and earnings position can worsen significantly. In particular, the lack of profit pooling contracts between the Company on the one hand and its SPVs on the other hand means that there is no contractual security to ensure that the profits made in the SPVs will be distributed to the Company. The decisions on dividend pay-outs to the Company are made solely at the management meetings of the SPVs, in which the Company has not in all cases the necessary majority. There is also no guarantee that the SPVs will continue to achieve such surpluses in the future. There is also the fact that the distribution/pay-out to the Company is also limited and can also be limited in the future by the fact that part of the SPV earnings must be paid into reserve funds for future maintenance or repair costs, while in the case of surpluses, (special) settlement must first be made on external loans and interest payments and moreover any dividend payments may only be made with the agreement of the participating banks. If the interest payments and/or dividend payments cease or are delayed, this would have a significant adverse effect on the Group's asset, financial and earnings position.

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 low.

Meteorological Risk, Loss of Revenue, and Risk Associated with Fluctuation of Revenue During a Year

The performance and therefore also the earnings positions of the companies in the Group are dependent upon the meteorological conditions. Certain revenues for a generated kilowatt hour of energy are admittedly guaranteed on the basis of the state subsidy programs; however, the volume of the generated energy depends on the period of sunshine and the sun's radiance. The subsidiaries of the Company have used certain historically based assumptions in the cash flow planning. It cannot, however, be ruled out that climatic conditions will change in the future and that the predicted weather patterns will not occur or that the prognoses concerning the sunshine hours will prove to be incorrect. In this case, the electricity generation at the photovoltaic power plants will remain below the expected level and this would have an adverse effect on the liquidity and the asset, financial and earnings position of the respective project companies and therefore also on the Company.

The negative effect in case of decrease of the production of electricity or off-take price by 1% will cause decrease of value of assets of the Czech portfolio of power plants by 0.88%, of the Slovak portfolio of power plants by 0.83% and in case of assets of the Hungarian portfolio by 0.76%.

Losses of earnings can occur as a result of stoppages at the photovoltaic power plants, for example on the basis of administrative measures or the stoppage or shutdown of the electricity distribution grid or the grid operators may set higher line losses than were expected and this can also adversely affect the asset, financial and earnings position of the respective project companies and therefore also of the Company.

The earnings from photovoltaic power plants are subject to seasonal fluctuations in the weather. As such, the earnings are higher in the summer months, but they fall off significantly in the winter months. The companies in the Group try to adapt their payment obligations, especially their interest and loan repayment obligations, to the incoming payments. It cannot, however, be ruled out that this is not possible in every case and this can have an adverse effect on the asset, financial and earnings position of the Group and therefore also of the respective project companies and therefore also ultimately of the Company. With realisation of investment projects in Australia the overall financial liquidity of the Group will become less seasonally affected due to diversification of locations in northern and southern hemisphere of the globe.

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 low.

Technical Risk

Only limited empirical data is available with regard to the long-term performance of the solar modules. Manufacturers do admittedly usually give performance guarantees for a specific period of time; however, these usually only guarantee a specific percentage of the total operating lifetime (for example 80% after 20 years). There is a risk that the degradation will not occur in a linear fashion, but that the performance will fall to the lowest guaranteed value during the first couple

of years, which will result in a significant worsening of the average performance of the module without the guarantee having been breached or any claim being able to be made against the manufacturer. The corresponding reduced electricity generation would result in negative consequences for the asset, financial and earnings position of the Company.

The service life of the technical components, in particular solar modules and inverters, is limited. It is therefore necessary to expect a breakdown or replacement of essential components during the operating period of a photovoltaic power plant. In this case, there is a risk that the corresponding expenses and/or losses of earnings caused by this will not be covered by the guarantees or that the appropriate contractual partners will not be able to fulfil their obligations. Almost all of the SPVs in the Group's portfolio have admittedly formed reserves held as restrictive cash in banks; these could, however, prove themselves to be insufficient due to unfavourable price development of the components or extremely higher failure rate.

As of 30 September 2020, provisions in the amount of approximately EUR 2.6 million have been created and deposited in designated escrow accounts.

The risks arising from the operation of the facilities are based on the photovoltaic power plant technology and maintenance. The photovoltaic facilities are exposed to various strains as well as to climatic and environmental influences during their operations. This can result in unplanned maintenance expenses. Moreover, there is a risk that the photovoltaic facilities or parts thereof will not achieve the predicted service life. In a running operation, it is necessary to reckon with technically based losses, such as grid failures. There is also a risk that the photovoltaic facilities can be destroyed in another way, for example as a result of the weather, earthquakes, theft, vandalism or other acts of violence. Downtime due to technical maintenance or for other reasons may lead to losses of earnings which are not covered by any guarantees or insurance.

With regard to existing grid connections, there is always the risk that no remunerated electricity feed will be possible due to irregularities in the general power supply, overcapacity or line bottlenecks and that the affected company in the Group will receive no or only limited compensation.

The occurrence of one or more of the aforementioned risks could have a significantly adverse effect on the asset, financial and earnings position of the Company. 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 low thanks to the very robust technology.

Risk Associated with Insurance of Group's Property

The Group has taken out property insurance in respect of its most important assets. However, the Group cannot guarantee that cost incurred as a result of any natural disasters or other unforeseeable events (such as fire, flood, deluge, windstorm, hailstorm, etc.) would not have an adverse effect on its assets and/or economic and financial situation, as the Group's insurance does not fully cover any and all risks associated with owned assets.

There is the risk that the existing insurance coverage – especially in view of the business operating of the affiliated companies of the Company – is not sufficient. In particular there is the risk that failures and losses arise exceeding the extent of the existing insurance coverage (see “*Business – Insurance*”). In addition to this there is the risk that there is no adequate insurance coverage available for certain risks, or at least not available under proper conditions. If a loss should be inflicted on the companies of the Group – a loss against which there is no or only inadequate insurance coverage – it can have an adverse effect on the 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 low.

Risk of an Insufficient Risk Management System of the Group

The Group has a risk management system in place. The controlling of the Group is carried out by Subsidiaries of the Company. Due to the planned expansion of the portfolio – especially in other countries – the risk management system including the controlling of the Group have to be, because of exchange of information as well as recording and processing of data of the foreign daughter companies, continuously enlarged. It cannot be ruled out that this does not happen at all or does not happen timely which means information possibly relevant for dealing with the risk is not at all, not completely or not fast enough made public. It can then happen that – despite the existence of a risk management system – great risks for the affiliated companies abroad will be discovered too late or not at all. In addition it cannot be ruled out that already known risks will be miscalculated. There is the risk that the risk management system including controlling of the Group prove to be as partially or completely insufficient or that they will fail and that consequently risks within the business activity of the Group will materialize or that they will not be discovered soon enough or that it all could result in development and decisions misleading in a business and administrative way. The occurrence of one or more of these risks could have a negative impact on the financial situation, status and results of the Group.

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 low.

Interest Rate Risk

The Group's exposure to interest rate risk primarily relates to interest expense under the Group's bank borrowings which are long-term. The Group tries to achieve the biggest possible share of external financing when financing its photovoltaic

power-plant projects. Interest expenditure of the Group is usually calculated according to the current market interest. In this case there is a risk that the financing cash flow will – in relation to the interest expenditure that is to be paid and because of disadvantageous changes of the market interest – fluctuate. To handle the interest the Group uses interest derivatives that are aimed at rate guarantee and ensuring against negative interest fluctuation. However, the Group cannot completely hedge against interest fluctuations due to the tenor of the bank financing and the fixed interest exposure due to changes in repayments. As at the Prospectus Date the Group fully fixed the interest for bank financing of the Czech portfolio. In case of Slovak SPVs IRS was concluded to 50% and for the Hungarian portfolio for 60% of the bank's financing exposures. Therefore it cannot be completely ruled out that for Slovak and Hungarian SPVs and new projects that the concluded measures of protection do not completely cover the interest risk in case of strongly fluctuating market interest; this would have a negative impact on the financial situation, status and results of the affected companies of the Group. Actual interest expenses related to bank loans and borrowings incurred by the Company in 2019 were EUR 4,726 thousand coming from carrying value of bank loans drawn in the amount of EUR 41,238 thousand (of this the part the amount of EUR 3,649 thousand which is due according the repayment plans with the banks within the next 12 month is shown in the IFRS consolidated financial statements as short-term bank borrowings) and bonds in the amount of EUR 39,266 thousand as at the end of the financial year. An increase/decrease of interest rates by 1% at the reporting date would have decreased/increased the profit before tax by EUR 69 thousand. This decrease/increase would relate to the short-term and long-term shown amounts correspondingly.

Besides, increasing market interest rate can – in the case of a big share of borrowed capital – profoundly influence the value of the photovoltaic power plants. In case of a sale there is a risk that it will not be possible to sell the photovoltaic power plant for the intended price; this would also have a negative impact on the financial liquidity of the projects, status and results of the Group.

The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk Associated with the Power Purchase Agreements

Realisation of the photovoltaic power plant projects where the electricity will not be fed into the public grid, but will be used directly by a consumer usually involves companies from energy intensive fields with a concluded long-term power purchase agreement (“PPA”). The Group's intention is to realise projects under PPAs, where the photovoltaic power plant is installed and financed by the Company or by the appropriate special purpose vehicle. There is a risk that the Group may not be able to enter into PPAs for its photovoltaic projects due to intense competition, increased supply of electricity from other sources, reduction in retail electricity prices, changes in government policies or other factors. Moreover, there is a risk that while the Group enters into such PPA the consumer will become insolvent and will therefore no longer be able to consume any more electricity so that the special purpose vehicle in question will have no more earnings. Due to the fact that no other consumer is usually available in these cases, the sale or other capitalisation of the photovoltaic power plant or any part may therefore not be possible or may only be possible below value, and in consequence it is not possible to rule out that the special purpose vehicle in question may also become insolvent. As at the Prospectus Date the Company nor its Subsidiaries are party to any such PPAs. The Group assesses that in the case of entering by the Company or the Subsidiaries into such PPA the probability of occurrence would be low, and the impact on the Group's operations and financial results would be moderate.

Risk Factors Associated with the Legal and Regulatory Environment

Risk of Dependence on Support of Photovoltaics in Various Countries and Dependence on Existing and Future Framework Conditions and State Managed Subsidy Programs for Photovoltaics

The Group is an operator of photovoltaic power plants and as such it is dependent on the economic development of the photovoltaic market. The rapid growth in this market in recent years has been largely based on regulatory framework conditions and subsidies in various countries. Still in majority of the countries worldwide the photovoltaic branch would not yet be competitive without state subsidy programs especially in comparison with the use of conventional energy sources (e.g. nuclear power, coal and natural and shale gas). Therefore, the commercial operations of the Group are influenced by the continuation of the state managed subsidy programs for photovoltaics. Moreover, a shift in the state managed subsidy programs for individual (renewable) energy sources will also affect the commercial operations of the Group.

Risks especially arise from new legal regulations which can exercise a significant influence on the demand for electricity generated from photovoltaics in the individual countries. For example, in state managed subsidy programs the buyback price is guaranteed for a fixed period in countries which follow this concept. The rate of remuneration depends on the country or on the valid buyback price as of the moment of the grid connection and according to the permit. The starting dates for the application of any new legal regulations are therefore of special significance. If facilities from the Group's projects are subject to extraordinary delays which make the grid connection possible only after such a starting date, whereby the facility's profitability was originally calculated on the basis of the previously valid buyback price, this can adversely affect the profitability of the facility in question and which could result in the dividends/payments to the Group being lower than planned or even non-existent. Moreover, it cannot be ruled out that the low income from electricity production will

no longer suffice to cover the ongoing costs, in particular the financing costs, so that the Group could be forced to make up the resulting difference or to sell off the photovoltaic facility at a price below the acquisition price.

The buyback price and the subsidies for facilities which are already connected to the grid are fundamentally unaffected by new regulations. However, changes can come into effect at very short notice without any ongoing protection for investments which have already been made and are not subject of protection of bilateral investment treaties. It is possible that the state managed subsidies for renewable energy in general or for photovoltaics specifically in all markets will be reviewed in the courts and as such will be regarded as being against the law or reduced or abolished for some other reason. Issued consent could be revoked or the realisation of planned legislation aimed at supporting photovoltaic power may not be implemented. In addition, the introduction of changes to the state managed subsidy programs with retroactive effect cannot be fully ruled out.

All of the aforementioned factors can have a material adverse effect on the liquidity and the assets, financial and earnings position of the Group. The Group assesses the probability of risk as high. If the above risk occurs, the impact on the Group's operations and financial results would be significant.

Regulatory Risk

The Group is subject to a variety of laws and regulations in the markets where it does business, some of which may conflict with each other and all of which are subject to change. These laws and regulations include energy regulations, exports and import restrictions, tax laws and regulations, environmental regulations, labour laws and other government requirements, approvals, permits and licenses. The Group also faces trade barriers and trade remedies such as export requirements, tariffs, taxes and other restrictions and expenses, including antidumping and countervailing duty orders, which could increase the prices of its products and make the Group less competitive in some countries.

In the countries where the Group operates, the market for solar projects, solar power products and solar electricity is heavily influenced by national, state and local government regulations and policies concerning the electricity utility industry, as well as policies disseminated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and could deter further investment in the research and development of alternative energy sources as well as customer purchases of solar technology, which could result in a significant reduction in the potential demand for the Group's solar power products, solar projects and solar electricity.

Changes in applicable energy laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance cost or the need for additional capital expenditures. If the Group fails to comply with such requirements, the Group could also be subject to civil or criminal liability and the imposition of fines. Further, national, regional or local regulations and policies could be changed to provide for new rate programs and undermine the economic returns for both new and existing projects by charging additional, non-negotiable fixed or demand charges or other fees or reductions in the number of projects allowed under net metering policies.

Photovoltaics are subject to comprehensive regulation in most countries attractive for the Group. The relative deceleration of the European photovoltaic market results from further deliberate regulatory changes. In several European countries, investors' confidence and viability of investments in photovoltaics were significantly affected due to radical reduction of support, retro-active measures, and unplanned changes of the regulatory framework. All these factors have resulted in a significant market slowdown. There is a risk that the regulatory changes may prevent the Investors from implementing projects in perspective countries, because such projects would not meet the minimum return on investment criteria. This would have a significant adverse effect on the Group's future financial situation, whereas the required and planned growth of Group's financial strength would not occur.

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 medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate, especially if resulting in the limitation of the Group's business activity and/or necessity of undertaking costly measures.

Risk Associated with Potential Bankruptcy (Insolvency) Proceedings

In case the Company is unable to fulfil its liabilities as they become due, the Company may become subject to bankruptcy (insolvency) proceedings; according to Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended, a court of law of the Member State of the European Union ("**Member State**" for the purpose of this subsection; with the exception of Denmark), within the territory of which the center of the relevant company's main interests (as used in article 3 para 1 of the EU Regulation on Insolvency Proceedings) is situated shall have jurisdiction to open insolvency proceedings. The center of main interests shall be the place where the company conducts the administration of its interests on a regular basis and which is ascertainable by third parties. The determination of the center of the Company's main interests is a question of fact that may be viewed differently (even with contradicting conclusions) by courts of individual Member States. In case the Company faces financial difficulties, it is not possible to state with certainty, which legal regulations would govern potential opening of insolvency or similar proceedings, or even anticipate the result thereof.

In case insolvency proceedings are opened in the Kingdom of the Netherlands, the Dutch Bankruptcy Act (Faillissementswet) would govern the proceedings. Dutch legal regulations for insolvency proceedings vary from the legal regulation of other jurisdiction; this may affect the amount of settlement of any liabilities in the course of insolvency proceedings compared to other jurisdictions. Any liabilities would very likely be settled only partially and with delay from the Company's estate in the course of insolvency proceedings.

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 high.

Risk of Information Leakage (Strategy, New Products, etc.)

The Company employs individuals, who take part in creating the strategy of the entire Group, designing new products, and defining business direction of the Company and the whole Group. In case of any disclosure of sensitive information relating to the Company and/or companies within the Group, operations of the entire Group may be at risk and the existing market position may be lost; this could ultimately result in deteriorating financial results of the Company and companies within the Group.

Due to the Company's reporting obligations as a result of shares listed on the WSE within the NewConnect segment and the Free Market segment of the multilateral trading system organised by the PSE, there is a risk that any disclosure of financial information relating to the Company prior to their official communication would result in fines for the Company and other penalties (as appropriate); in case of repeat violations, the public trading of Company's shares may even be suspended. These sanctions may also be imposed as a result of the Company's failure to comply with its reporting obligations under the rules of the WSE and the PSE.

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.

Environmental Risk

In environmental questions the business activity of the Group has to comply with laws, regulations and directives valid in the location of the photovoltaic power plant; these laws regulate e.g. emissions in the air, sewages, protection of soil and groundwater as well as health and security of people. Transgressing of these environmental provisions can be pursued according to the civil, criminal and public law. Especially temporary provisions could encourage a third party to open a process or – given the circumstances – to demand costly measures to control and re-move environmental pollution or to upgrade technical facilities. The properties necessary for photovoltaic power plants are partially owned by the respective SPV. It cannot be ruled out that these are contaminated sites; for removing these, the respective SPV is responsible, regardless of the cause. This could result in liability risks and costs in the context of administrative orders or requirements.

One of the photovoltaic power plants in the Czech Republic was built on a property where lime had been quarried in the past and after that the property was used as a landfill. This landfill is now closed; however it cannot be completely ruled out that the ground slumps on same spots or that despite sealing off the contaminated substances from the landfill find their way into the soil which would result in relevant remediation measures. In both cases there is the risk that the operation of a photovoltaic power plant would be tangibly damaged, in some cases even interrupted. In addition to that there are still small remaining quantities of lime present, so that it would be legally possible to apply for a new license to quarry lime again. Following Czech laws the granting of this license could lead to the situation where the lime would be quarried again regardless the presence of the SPV – or the photovoltaic power plant, which in further consequence would lead to the removal of this photovoltaic power plant.

All the aforementioned circumstances can have a negative impact on the financial situation, status and results of the Group. 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 low.

Risk Factors Associated with the Shareholding Structure, the Admission and the Shares

The Controlling Shareholders Will Continue to Exercise Significant Influence on the Company and its Operations

As at the Prospectus Date, the Controlling Shareholders hold in total directly and indirectly 71.25% of shares representing 83.47% of the voting rights in the Company. As a result of their ownership of the Shares the Controlling Shareholders have, and upon the Admissions will continue to have, the power to affect the Company's legal and capital structure, and the ability to significantly control or affect the Company's management and affairs as well as the outcome of matters requiring action by shareholders and/or approval of the General Meeting such as in relation to the declaration of dividends, the appointment and removal of members of the Board of Directors, approval of significant transactions entered into by the Company such as a merger or other sale of the Company or its assets and changes in the Company's capital structure, and to effectively control or influence many other major strategic decisions regarding the Company, such as direction of its future development, investments, expansion of its project pipeline and new market entries.

Furthermore, the Controlling Shareholders may have interests that may not align or may conflict with the potential interests of other shareholders, including those who have invested in the Shares, and may vote in a way that is adverse to the interests

of other shareholders or in a way with which other shareholders disagree. The Controlling Shareholders may make acquisitions of, or investments in, companies that operate in the same sector as the Company and, as a result, these acquisition and/or investment opportunities may not be available to the Company. Furthermore, a third party cannot gain control over the Company without the cooperation of the Controlling Shareholders.

There can be no assurance that the interests of the Controlling Shareholder will be consistent with the interest of the shareholders of the Company or that the Controlling Shareholder will exercise its rights for the benefit of all shareholders. Although Dutch companies corporate law contains provisions seeking to protect minority shareholders, such laws and other measures may not be sufficient to safeguard the interests of the minority shareholders of the Company.

Furthermore, there are no lock-up agreements for the Controlling Shareholders. However, currently the Controlling Shareholders have no intention to sell such a number of shares that could result in the loss of control over the Company.

The above described risk that the Controlling Shareholders will continue to exercise significant influence on the Company and its operations may have an adverse effect on the Company's business, financial condition, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as high. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

The Shares May Not Be Eligible to Be Admitted to Trading or Listing on the Regulated Markets of the WSE and the PSE

The admission and introduction of the Shares to trading on the regulated market of the WSE and the PSE is subject to the consent of the Board of the WSE and the CEO of the PSE, respectively. Such consent may be granted if the Company satisfies all the legal requirements and, specifically, those set forth in the respective provisions of law and the WSE Rules and the PSE Rules. For example, one of the requirements provided for in the WSE Rules and the PSE Rules is ensuring the proper dispersion of the shares.

As at the Prospectus Date, the Company does not meet the criteria for admission to trading on a regulated markets of the WSE and PSE, because of the insufficient level of free float. The required level of free float by the WSE Rules is 15% and by the PSE Rules is 25%. In accordance with the WSE and PSE free float calculation methodology (i.e. the free float indicator is determined with reference to individual investors forming a dispersed shareholding structure, holding less than 5% of the company's share capital, whereas it should be noted that under Dutch laws such reference is made to 3% holding), as at the Prospectus Date the Company's free float is accounting for 14.33% (see also "*Shareholding Structure, Description of the Share Capital and Corporate Governance – Shareholding Structure*" for comparison, where the Company's free float presentation was based on Dutch laws for disclosure purposes, however, for the purposes of the Admissions, the WSE Rules and PSE Rules described above will apply).

Under the WSE Rules, the Board of the WSE may discretionally resign from the application of the free float requirement, if it has decided that it does not jeopardize the interests of the trading participants. To this extent, the Board of the WSE will take into consideration: (i) the Company's current and projected financial standing, in particular the profitability, liquidity and creditworthiness, as well as other factors influencing the Company's financial results, (ii) the growth prospects of the Company, in particular a feasibility study of its investment plans with an account of the sources of financing, (iii) the experience and competence of members of the Company's managing and supervisory bodies, (iv) the terms and conditions upon which the Shares were issued and their compliance with law, and (v) the safety of exchange trading and interests of trading participants. The decision in this regard will be made by the Board of the WSE also based on the opinion of the investment firm, which should be attached to the application for admitting the shares to trading. As for the PSE, also the CEO of the PSE may decide to grant an exemption on any requirement identified in the PSE Rules if it believes that the interests of investors or transparent functioning of the market will not be affected. Moreover, the PSE may admit shares to trading without taking free float criterion into consideration, if the PSE will consider that the required dispersion of shares will be achieved within a short period of time after the admission. Bearing the above in mind, the Company intends to submit (shortly after the Prospectus Date) the motion to the WSE and PSE for an exemption from the above free float requirements.

As certain criteria for admission and introduction to trading on the WSE and PSE are discretionary and depend on the judgement of the Board of the WSE and/or the CEO of the PSE, the Company cannot guarantee that such approvals and permits will be obtained or that the Shares will be admitted and introduced to trading on the Markets. In addition, the Company cannot rule out the possibility that due to circumstances beyond its control, the Admissions will be effected on dates other than as originally anticipated. If the Shares are not admitted to trading on the WSE and/or PSE, the Company will not be able to submit another application for admitting those same Shares to trading for another six months from the date of delivery of a resolutions of the WSE and PSE refusing the admission of the Shares. Therefore, the Company's access to capital markets would be limited; however, the Company would remain listed on NewConnect and Free Market so the situation for current investors would not deteriorate. Refusal by the WSE and PSE of the Admissions could also harm the Company's reputation and its reception by investors.

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 low.

The Company May Not be Able to Pay Dividends

Although the Board of Directors does not intend to pay dividend as of the Prospectus Date, there are many factors that could impact the Company's decision on whether to pay dividend to the shareholders in the future. First of all, any potential decisions on payment of dividend would depend on the level of distributable profits of the Company has at a given time that could be paid out. In particular, any future dividend payment and the Board of Director's recommendations regarding dividend payment will (i) depend on, among other things, the results of operations, financial liquidity and the capital required by Company, cash flow generation, planned capital expenditures and the need for financing net working capital; and (ii) are subject to factors that are beyond the Company's control.

A recommendation of the Board of Directors in respect of the payment of dividend is not binding on the shareholders and the final decision regarding the payment of dividend, including with respect to its amount, will, subject to applicable legal restrictions, be made by the General Meeting (for more details on dividend, please see "*Rights and Obligations Related to the Shares and the General Meeting – Rights and obligations related to the Shares – Dividend – Right to Dividend*"). The payment of dividend at a level higher than that recommended by the Board of Directors may adversely affect the Company Group's business, its financial position, results of operations or prospects, and the price of the Shares.

The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Risk of Future Offerings by the Company of Debt or Equity Securities

The Company may decide to raise additional capital by offering new securities, including debt securities, securities convertible into shares, senior or subordinated notes or shares. New shares may be issued pursuant to a resolution of the General Meeting. The General Meeting has the option to authorize the Board of Directors for a specific period to issue shares in the Company, however, currently it has not done so.

The issuance of equity or debt securities with conversion rights may dilute the economic and voting rights of the existing shareholders of the Company if effected without pre-emptive or other subscription rights for such existing shareholders of the Company, or result in the reduction of the price of the Company's shares, or both. The exercise of conversion rights or options by holders of convertible or similar notes that the Company may issue in the future may also dilute the interests of the shareholders of the Company. Holders of the Company's ordinary shares have statutory pre-emptive rights entitling them to purchase, pro rata, shares in every issuance of the Company's ordinary shares. As a result, shareholders of the Company may, in certain circumstances, have the right to purchase ordinary shares that the Company may issue in the future in order to preserve their percentage ownership interest in the Company. However, the General Meeting may disapply such pre-emption rights with respect to a given share capital increase. In such case, or if holders of the Shares fail to exercise their pre-emptive rights, their share in the share capital of the Company will be reduced.

The Company cannot predict or estimate the amount, timing or nature of any such future issuances of new shares or other securities. Thus, prospective investors bear the risk of the Company's future offerings reducing the market price of the Shares and diluting their interest in the Company. Furthermore, any additional debt or equity financing for the Company may not be available on terms favourable to the Company or at all, which could materially adversely affect its future financial results and the market price of the Shares.

The Group assesses the probability of risk as medium. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

Dutch Laws Governing the Rights of Shareholders in the Company May Differ From the Laws Governing the Rights of Shareholders of Companies Incorporated in Other Jurisdictions and Interpretation of Dutch Laws Applicable to Investing in Shares, Including Tax Laws and Provisions Applicable to the Investors, May be Unclear

The Company is a public limited liability company incorporated in accordance with the laws of the Netherlands. The rights of shareholders of the Company and the duties of the Company owed to its shareholders under Dutch law may be materially different from those under analogous laws in other jurisdictions, including without limitation Poland or Czech Republic. As such, in respect to the Company it may be difficult or impossible for the Company's international shareholders to enforce against the Company rights that may be common in other jurisdictions.

The Dutch legal system, including the tax regulations incorporated therein, is subject to frequent changes. Furthermore, some provisions of Dutch law, specifically tax law, are ambiguous, and often there is no unanimous or uniform interpretation of the law by the tax authorities or by the courts in the scope of its appropriate use. The above is true in particular with respect to issues related to the taxation of income generated by investors in relation to the acquisition, holding and sale of securities. In addition, no assurance may be given that changes to laws, including tax laws, which will be adverse to investors or that relevant tax authorities do not adopt a new, different interpretation of tax laws, which also could have an adverse effect on the tax costs incurred and the actual amount of profit obtained by investors from investments in the Shares.

Risk that the Shares May be Delisted from the WSE and the PSE

Financial instruments traded on the regulated market operated by the WSE may be delisted by the Management Board of the WSE. The WSE Rules establish the basis for the optional and mandatory delisting of financial instruments in exchange trading by the WSE. Financial instruments are mandatorily delisted if: (i) their transferability has been limited; (ii) the PFSA requests delisting on the basis of Act on Trading in Financial Instruments, (iii) they are no longer dematerialised, or (iv) if they are delisted from trading on the regulated market operated by the WSE by a relevant supervision authority.

The Management Board of the WSE may decide to delist financial instruments if: (i) the financial instruments no longer meets the requirements for admission to exchange trading on a given market other than restriction on their transferability; (ii) the issuer is persistently in breach of the regulations governing the WSE; (iii) so requested by the issuer; (iv) if the issuer's bankruptcy is declared or the petition in bankruptcy is dismissed by the court because the issuer's assets are insufficient or only sufficient to cover the costs of the proceedings or if the court stays the bankruptcy proceedings because the issuer's assets are insufficient or only sufficient to cover the costs of the proceedings; (v) it considers this necessary to protect the interests and safety of trading participants; (vi) following a decision on a merger, split or transformation of the issuer; (vii) within the last 3 months no exchange transactions were effected with respect to the financial instruments; (viii) the issuer starts a business that is illegal under applicable laws; (ix) the issuer is placed in liquidation.

There can be no assurance that any of the grounds for the delisting of the Shares from the regulated market operated by the WSE or PSE will occur in the future. With the delisting of the Shares, investors will lose the ability to trade in Shares on the regulated market operated by the WSE or PSE, which may have a material adverse effect on the liquidity of the Shares. Sale of the Shares in the case of its delisting may be made at significantly lower prices than their last transaction prices in exchange trading.

Moreover, the Issuer as a publicly listed company will be subject to a number of obligations including reporting and disclosure obligations and failure to comply with them may expose the Company to sanctions imposed by supervisory authorities. As a result, apart from a potential delisting of the Shares from trading on the regulated market operated by the WSE, in the case of violation of mandatory provisions of law concerning public companies, the Company may be subjected to various administrative penalties and criminal and civil liability. In accordance with the PSE Rules, the Shares may be delisted from PSE's market by a resolution of the PSE's CEO if an issuer ceases to meet the conditions set out in applicable law or PSE Rules, enters liquidation or adopts resolution on winding-up, violates PSE Rules or for other exceptional reasons (e.g. resolution of CNB).

Under the Czech Act on Trading in Financial Instruments, the CNB may direct the PSE to delist certain financial instrument from trading. Such resolution may be adopted if there is a risk of large economic losses or a serious threat to the interests of investors or in other extraordinary reasons.

There can be no assurance that no grounds for the delisting of the Shares from the regulated market of the WSE will occur in the future. Upon such delisting of the Shares, investors would no longer be able to trade in Shares on the WSE, which would have a material adverse effect on the liquidity of the Shares. Any off-market sale of Shares following such delisting may only be possible at a significant discount to their last traded price.

The above circumstances would have a significant ad-verse effect on the Group's business, financial condition, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as low. If the risk occurs it would have a high impact on the Group.

Risks Connected to a Change of (Indirect) Shareholder Structure

Members of the Board of Directors of the Company, Georg Hotar and Michael Gartner, hold as at the Prospectus Date, by means of associated companies and directly, respectively, 34.92% and 36.33% of shares representing 40.91% and 42.56% of the voting rights in the Company ("**Controlling Shareholders**"). In case of sale, transfer or heritage of a material part of the shares of the Company it is not ensured that Mr. Hotar and/or Mr. Gartner will remain in the management of the Company and/or that the current strategy of the Company will be further followed. All the mentioned factors can have a negative impact on the development of the business activity of the Group and on its 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.

Trading in the Shares on the WSE and the PSE May be Suspended

In accordance with the WSE Rules, the WSE may pass a resolution suspending the trading in securities. The WSE may suspend trading in financial instruments at the request of a listed company in order to protect the interests and the safety of trading activities or upon a violation of the WSE regulations by a listed company. Trading may be suspended for a period specified by the WSE. This period may be extended.

Similarly, in accordance with the PSE Rules, CEO of PSE may adopt a resolution on suspending the trading in securities. The PSE may suspend the trading if an issuer ceases to meet the conditions set out in applicable law or PSE Rules, enters liquidation or adopts resolution on winding-up, violates PSE Rules or for other exceptional reasons (e.g. resolution of CNB). Trading may be suspended for a definitive or definitive or indefinite period of time.

Under the Act on Trading in Financial Instruments, the PFSA is empowered to direct the WSE to suspend trading in financial instruments traded on the WSE for a specified period. The PFSA may exercise this right if trading in specific securities or other financial instruments constitutes a threat to the proper functioning of the WSE or the safety of trading on the WSE, or if the interests of investors have been infringed. During a suspension of trading in securities, investors are unable to purchase and sell the affected securities on the stock market, which adversely affects the liquidity of such securities. Any off-market sale of suspended securities might be possible only at a significant discount to their last traded price. There can be no assurance that trading in the Shares will not be suspended.

Similarly, under the Czech Act on Trading in Financial Instruments, the CNB may direct the PSE to suspend trading in financial instruments traded on the PSE. Such resolution may be adopted if there is a risk of large economic losses or a serious threat to the interests of investors or in other extraordinary reasons.

The above circumstances would have a significant ad-verse effect on the Company's business, financial condition, results of operations or prospects, and the price of the Shares. The Group assesses the probability of risk as low. If the risk occurs it would have a medium impact on the Group.

Risk Associated with the Interpretation of Laws and Regulations Governing Investing in Shares, Including Tax Laws and Regulations Applicable to Investors

Legal systems in the jurisdiction the Group's operates, including the tax regulations incorporated therein, is subject to frequent changes. Furthermore, some provisions of law, specifically tax law, are ambiguous, and often there is no unanimous or uniform interpretation of the law or uniform practice by the public authorities, including the tax authorities, or the courts as far as the application of respective law. Because of frequent changes in law and, specifically, tax law and the varying interpretations thereof, the risk connected with especially tax law may be greater than that in other developed markets. The above is true in particular with respect to issues related to the taxation of income generated by investors in relation to the acquisition, holding and sale of securities. No assurance may be given that changes to the tax law, including tax treaties, which may prove unfavourable to investors will not be introduced or that the respective tax authorities will not take a new, different and unfavourable interpretation of tax provisions, which could have an adverse effect on the tax charges incurred and the actual profit generated by investors from their investment in the Shares.

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.

Risk that the Market Price of the Shares May Decrease or Be Highly Volatile

The market price of the Shares may be volatile or decrease, as a result of a large number of factors, including, but not limited to, those referred to in this section "*Risk Factors*", as well as period-to-period variations in operating results or changes in revenue by the Company, industry participants or financial analysts. The value of the Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes, some or many of which are or may be beyond the Company's control. In addition, stock prices on the Markets have historically been subject to significant fluctuations that were unrelated to, or disproportionately high relative to, results of operations of the listed companies in question. The market price of the Shares may also change in case of further issuances of shares by the Company, share capital decreases or acquisition of Shares by the Company (if any). As a result of these or other factors, the Company cannot give assurance that the traded market price of the Shares will not decrease.

The Group assesses the probability of risk as high. If the above risk occurs, the impact on the Group's operations and financial results would be moderate.

IMPORTANT INFORMATION

Capitalised terms used in this Prospectus and not otherwise defined in this Prospectus have the meanings ascribed to such terms in the “*Abbreviations and Definitions*” section. Moreover, certain industry terms and other terms used in this Prospectus are explained in the “*Abbreviations and Definitions*”, “*Glossary of Industry Terms*”, and “*Presentation of Financial and Other Information - Market, economic and industry data*” sections below.

Unless implied otherwise in this Prospectus, the terms the “**Group**” or similar terms refer to the Company together with its Subsidiaries. The terms the “**Company**” and the “**Issuer**” refer solely to Photon Energy N.V.

Unless indicated otherwise, references to statements as to beliefs, expectations, estimates and opinions of the Company or its management refer to the beliefs, expectations, estimates and opinions of the Board of Directors.

Responsibility Statement

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

Registered office of the Company is Amsterdam (address: Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands).

Important Notice

The validity of this Prospectus will expire at the date of Admission or on 14 December 2021, being twelve months after the date of its approval or at the Admissions (whichever comes first). The information contained in this Prospectus speaks only as of the date hereof and any obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (insofar as required under the Prospectus Regulation) will not apply when the Prospectus is no longer valid. The AFM only approves this Prospectus as meeting the standard of completeness, 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 are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

This Prospectus is intended to provide information to prospective investors in the context and for the sole purpose of the Admissions. It contains selected and summary information, does not express any commitment or acknowledgement or waiver and does not create any express or implied right towards anyone other than a prospective investor in the context of the Admissions. The contents of this Prospectus are not to be construed as an interpretation of the Group’s obligations, of market practice or of contracts entered into by the Group.

Prospective investors are expressly advised that an investment in the Shares entails financial risk and that they should therefore read this Prospectus in its entirety, in particular the “*Risk Factors*” section hereof, when considering an investment in the Shares. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company and the Shares, and the information contained in this Prospectus (and any supplement thereto), taking into account that any summary or description, set forth in this Prospectus (or any supplement thereto), of legal provisions, accounting principles or a comparison of such principles, corporate structuring or contractual relationships is for information purposes only and should not be construed as legal, accounting or tax advice as to the interpretation or enforceability of such provisions, information or relationships.

Except as provided for under mandatory provisions of law, no person is authorised to give any information or to make any representation in connection with the Admissions other than as contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised by the Company.

The Company or any of its respective representatives does not make any representation to any prospective investors of the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial or tax advice. The investors are advised to consult their own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice relating to a purchase of the Shares.

This Prospectus may not be used for, or in connection with, and does not constitute, or form part of, an offer by, or invitation by or on behalf of, the Company or any representative of the Company, to purchase any securities or an offer to sell or issue, or solicitation to buy securities by any person in any jurisdiction. The distribution of this Prospectus may be restricted by law in certain jurisdictions. Neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the entirety of the information set forth in this Prospectus is correct as at any time subsequent to its date.

Notice to Prospective Investors from the United States

This Prospectus does not constitute an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States. The Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the U.S. Securities Act or an exemption therefrom. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

Presentation of Financial and Other Information

Historical Financial Information and Other Data in the Prospectus

Financial Information

The audited historical financial information of the Group as at and for the years ended 31 December 2019, 2018 and 2017 (the "**Audited Financial Statements**") and unaudited interim financial information of the Group as at and for the nine months ended 30 September 2020 (the "**Interim Financial Statements**", together with the Audited Financial Statements, the "**Historical Financial Statements**") has been included in the Prospectus in order to present the historical financial information of general use for the purpose of the Admissions conducted in accordance with the Prospectus.

Unless otherwise indicated, the Historical Financial Statements contained in this Prospectus was prepared in accordance with the International Financial Reporting Standards adopted by the EU (the "**IFRS**"); however, the disclosures within the Interim Financial Statements are not in full compliance with IAS 34, since the Interim Financial Statements of the Company do not include selected explanatory notes to the financial statements as required by IAS 34.

The Audited Financial Statements included in this Prospectus were audited by Grant Thornton Accountants en Adviseurs B.V. ("**Grant Thornton**"), independent auditors. Grant Thornton issued an independent opinion on the audit, in accordance with relevant regulations of law.

Unless stated otherwise, the financial data concerning the Group presented herein originates from or has been calculated on the basis of the Historical Financial Statements. Unless stated otherwise, the method of presentation of the financial data in the Prospectus corresponds to the method of presentation of such data in the Historical Financial Statements. Certain financial information and operating data presented in the Prospectus has been excerpted from, prepared or calculated based on sources other than the Historical Financial Statements, such as management accounts and schedules prepared by the Group for its internal purposes. Such data has not been subject to any audit or review procedures carried out by independent certified auditors, and the Company has been indicated as their source, while the information is marked as "unaudited".

The data originating from the Historical Financial Statements is included in particular in the section "*Selected Historical Financial Information*" and should be analysed in conjunction with the information contained in other sections of the Prospectus, in particular in "*Operating and Financial Review*".

Reference to the adjective "audited" used with respect to the financial information of the Group as at and for the years ended 31 December 2019, 2018 and 2017 presented in the Prospectus mean that the data was derived from the Audited Financial Statements, audited by Grant Thornton, unless expressly indicated otherwise. Reference to the adjective "unaudited" used with respect to the financial information of the Group as at and for the years ended 31 December 2019, 2018 and 2017 presented in the Prospectus means that the data was not derived from the Audited Financial Statements or statutory financial statements of the Company audited by Grant Thornton. Reference to the adjective "unaudited" used with respect to the financial information of the Group as at and for nine months ended 30 September 2020 and 2019, respectively, means that the data was not audited by Grant Thornton or any other independent auditor.

The Historical Financial Statements as well as other financial information and operating data are presented in EUR, the functional currency of the Company (in thousands of EUR, unless stated otherwise).

In certain instances, the sum of figures in a column or a row in the tables contained in the Prospectus may not conform exactly to the total figure given that column or row. Some percentages in the tables in the Prospectus have also been rounded and, accordingly, the totals in these tables may not exactly add up to 100%. Percentage changes during the periods compared were computed on the basis of the original (not rounded) amounts.

The Prospectus does not contain any pro forma financial data or any financial estimates within the meaning of the Prospectus Regulation.

Other Key Financial Information

In 2018, audit opinion included an emphasis of matter with the following wording:

“We draw attention to paragraph 6.3 in the notes of the financial statements which describes circumstances related to Photon Energy SPV 11 s.r.o. Our opinion is not modified in respect of this matter”. The paragraph 6.3 included the following wording: “Since 2013 several investigations relating to the issuance of the energy production license of the PV power plant of Photon Energy SPV 11 s.r.o. (SPV 11) have been conducted, always coming to the conclusion that the license had been issued legitimately. At the beginning of 2018 criminal charges were filed against two former subcontractors of the EPC provider of SPV 11 and as of August 2018 the difference of the Feed-in-Tariff 2010 and 2011 is withheld by ČEZ Prodej a.s. In total this amounts to EUR 316 thousand (CZK 8,126 thousand) of revenues, which is shown as trade receivables in the financial statements as of 31.12.2018. In case of a conviction of one or both of these subcontractors a reassessment of the issuance of the license could be initiated. Management is not aware of any fact that neither the issuance of the license had been not lawful nor that such reassessment would not come to the same result of the lawfulness of the Feed-in-Tariff 2010. Therefore, no provisions have been made in the financial statements for 2018. SPV 11 is valued in the financial statements at an entity value of EUR 7,629 thousand (CZK 196,247 thousand). If SPV should be only entitled to the Feed-in-Tariff for 2011, the fair value would decrease to EUR 4,298 thousand (CZK 110,564 thousand). If the Feed-in-Tariff for 2011 were to be applied retrospectively or in case that the license would be withdrawn, the full value would need to be written off.”.

Due to the positive development of the circumstances of SPV 11, the emphasis of matter was abolished in the audit opinion 2019. In paragraph 6.3 of the financial statements 2019 the following wording was included: “In December 2019 one of the two accused subcontractors was already acquitted and after the reporting period the court ruled to pay back the withheld amount, which happened on 24 March 2020. A ruling for the second subcontractor is expected in the upcoming months. Management is not aware of any fact that neither the issuance of the license had been not lawful nor that such reassessment would not come to the same result of the lawfulness of the feed in tariff 2010. Therefore, neither in 2018 nor 2019 provisions have been made in the financial statements.”. As at the Prospectus Date also the second subcontractor was acquitted with the court ruling.

Alternative Performance Measures

The principal Alternative Performance Measures used by the Board of Directors for the analysis of the Group’s operations as well as the definitions and grounds for the use thereof have been presented in “*Selected Historical Financial Information – Alternative Performance Measures*” and “*Operating and Financial Review – Alternative Performance Measures*”.

Presentation of Market and Operating Data

Some of the terms regarding the Group’s operations, the market in which it operates and the data presentation method may differ from the meaning assigned to a given term by the Company for the purposes of the Prospectus and the terms used by other entities operating in the PV industry. For the respective definitions and explanations of industry terms, see “*Dictionary of Industry Terms*” and “*Market and regulatory overview*”.

Market, Economic and Industry Data

In this Prospectus, the Group presents selected industry and market data that has been derived from publicly available sources, including official industry sources and other third-party market sources that the Group believes to be reliable (see “*Market and Regulatory Overview*”). Such information, data and statistics may be based on a number of assumptions and estimates and may be subject to rounding. In addition, certain industry and market data as well as data regarding the competitive position provided in this Prospectus has been derived from internal studies and estimates of the Group based on its knowledge and experience in the markets in which it operates. Although the Group is reasonably convinced that such studies and estimates are rational and reliable, neither the studies and estimates, not the methodology or assumptions used or made with respect thereto have been verified by any independent source in terms of their accuracy and completeness and they may change. In any case, macroeconomic and statistical data, as well as the source data on which such data is based, may not have been extracted or derived from a source in a manner analogous to that used in other countries. There is no guarantee that a third party using different methods of gathering, analysing and processing information would obtain the same results and conclusions.

The market data, certain industry data and data on market trends, as well as statements regarding the Company’s and the Group’s position in the industry included in the Prospectus were prepared or estimated on the basis of certain assumptions considered reasonable by the Board of Directors and data from publicly available sources. References are made in the Prospectus when information is derived from an external source. The Company has accurately reproduced third-party information from published sources and, as far as the Company is aware and to the extent the Company is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. However, in the preparation of the Prospectus, the Company has not independently verified such third-party information. There has not been any investigation of the adequacy of the methodology or the basis used by such third parties in producing such data or making their estimates and forecasts.

The Company does not intend, nor is it required to update the data presented herein, save for the obligations arising under the provisions of applicable law.

Forward Looking Statements

The Prospectus includes forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets”, “assumptions”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “plans”, “assumes”, “would” or “could”, but also similar expressions or the negative thereof. The forward-looking statements apply specifically to the dividend policy, strategy, targets and plans of the Company, including in terms of the occurrence of specific economic events and assumed trends, including the development of the operations of the Group, the impact of the global coronavirus pandemic, as well as factors and estimates which could in the future impact the financial results, financial situation and cash flows of the Group. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group’s control that could cause the real events and the actually realised and achieved assumptions, targets, plans, estimates and development of business, and, consequently, the Group’s results of operations, its financial situation and development prospects could materially differ from any of those expressed or implied by the forward-looking statements included in this Prospectus. The forward-looking statements included in the Prospectus are based on numerous assumptions regarding the future, including those relating to the future operations of the Group, the present and future business strategies in that respect, the occurrence of certain events and the environment in which the Group currently operates and will operate in the future. Among the factors and risks that could cause the Group’s business in the future and the actual results of the Group, its financial situation or prospects to differ from those assumed in such forward-looking statements are those factors discussed in the “*Operating and Financial Review*” and “*Risk Factors*” sections and elsewhere in the Prospectus, including the COVID-19 outbreak and its impact on the results, operations, outlook, plans, reputation, goals, growth, cash flows, liquidity and stock price of the Group. The forward-looking statements speak only as at the Prospectus Date. The Company has no obligation and has made no undertaking to disseminate any updates of or revisions to any forward-looking statements contained in the Prospectus, unless it is required to do so under applicable laws or the listing rules of the WSE or PSE.

When relying on forward-looking statements, investors should, in particular, carefully consider the factors discussed in the “*Operating and Financial Review*” and “*Risk Factors*” sections and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates.

The Company makes no representation, warranty or prediction that the factors anticipated in such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or typical scenario.

The Company has not published and does not intend to publish any profit estimates within the meaning of Regulation 2019/980.

Documents Incorporated in the Prospectus by Reference

The Prospectus contains the following information incorporated therein by reference, due to the fact that the Company is a public company, which Shares are currently listed on the NewConnect, which is an alternative market run by the WSE and on the Free Market, which is an unregulated market run by the PSE:

- audited historical financial information of the Group as at and for the year ended 31 December 2019 (available online: <https://www.photonenergy.com/uploads/reports/annual/2019/2019-photon-energy-nv-annual-report.pdf>);
- audited financial information of the Group as at and for the year ended 31 December 2018 (available online: <https://www.photonenergy.com/uploads/reports/annual/2018/2018-photon-energy-nv-annual-report.pdf>);
- audited historical financial information of the Group as at and for the year ended 31 December 2017 (available online: <https://www.photonenergy.com/uploads/reports/annual/2017/2017-photon-energy-nv-annual-report.pdf>);
- unaudited interim financial information of the Group as at and for the nine months ended 30 September 2020 (available online: <https://www.photonenergy.com/uploads/reports/quarterly/2020/quarterlyreportphotonenergy-q3-2020.pdf>); and
- Articles of Association (available online: <https://www.photonenergy.com/uploads/investors/penv-1339-99-20-articles-december2020.pdf>) (the official Dutch version and an unofficial English translation thereof).

No Incorporation of Website

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. Where the Prospectus contains hyperlinks to websites, such websites does not form part of the Prospectus and has not been scrutinised or approved by the competent authority, unless that information is incorporated by reference into the Prospectus. No other documents or information, including the contents of the Company’s website,

including any websites accessible from hyperlinks on such website or any websites of any subsidiary, associated company and joint venture of the Company, form part of, and are incorporated by reference, into this Prospectus.

Available Information Regarding the Company as a Company Listed on the WSE and PSE

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. As a public company with shares listed on the alternative market – NewConnect - organised by the Warsaw Stock Exchange, and unregulated market – Free Market – organised by the Prague Stock Exchange, the Company is required to disclose certain information on an ongoing and/or periodic basis regarding its business, management, results of operations, financial condition and risks. This information may be obtained on the Investor Relations section on the Company’s website at www.photonenergy.com. All information with respect to the Company and the Group in this Prospectus is derived from information available on the Company’s website, which is not incorporated by reference in this Prospectus (see “–No Incorporation of Website”).

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus arises or is noted during the validity of the Prospectus Date, a supplement of this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation, and will be made public in accordance with the relevant provisions of the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document that is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

Delivery and Enforceability of Foreign Court Judgements

The Company is incorporated under the laws of the Netherlands and has its statutory seat in Amsterdam. The Netherlands is a member of the EU. Therefore, any judgement issued by a court in a EU Member State in civil or commercial matter shall be recognized and enforced in Poland or in the Czech Republic under Regulation 1215/2012. Investors who will attempt to enforce a judgement issued by a court outside the EU may face difficulties. In general, foreign court judgements issued in civil matters may be enforced in the Netherlands pursuant to the general provisions of the Dutch Civil Procedure Code. Foreign judgements may be enforced in the Netherlands provided that, inter alia, they are final and conclusive and do not infringe the basic principles of the Dutch legal system (public policy). The Company cannot provide assurance that all conditions precedent required for enforcement of foreign judgements in the Netherlands will be satisfied, or that a particular judgement will be enforced in the Netherlands.

Exchange Rates

Exchange Rate Information

Unless otherwise indicated, all references in the Prospectus to “EUR” or “euro” are to the common currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community.

The functional currency of the Company is EUR. The functional currencies used in the Group are PLN for Polish subsidiaries, CZK for Czech subsidiaries, EUR for Dutch, German and Slovak companies, CHF for Swiss subsidiaries, HUF for Hungarian entities and AUD for Australian subsidiaries.

The table below presents period-end rates, announced by the ECB for exchange transactions between the EUR and the indicated currencies during the respective periods. Exchange rates used for the purposes of the Historical Financial Statements or other financial and operating data provided in the Prospectus may differ from those listed below. The Company cannot guarantee, however, that the actual value of the EUR corresponds to the given value of the respective currency or that it might have corresponded or translated into the respective currency at the referred rate.

	<u>CZK/EUR</u>	<u>PLN/EUR</u>	<u>CHF/EUR</u>	<u>HUF/EUR</u>	<u>AUD/EUR</u>
2017.....	25.535	4.1770	1.1702	310.33	1.5346
2018.....	25.724	4.3014	1.1269	320.98	1.6220
2019.....	25.408	4.2568	1.0854	330.53	1.5995
January 2020.....	25.210	4.3009	1.0694	337.05	1.6494
February 2020.....	25.390	4.3259	1.0614	337.57	1.6875
March 2020.....	27.312	4.5506	1.0585	360.02	1.7967
April 2020.....	27.097	4.5336	1.0558	352.72	1.6598
May 2020.....	26.921	4.4495	1.0720	348.73	1.6681
June 2020.....	26.740	4.4560	1.0651	356.58	1.6344

	<u>CZK/EUR</u>	<u>PLN/EUR</u>	<u>CHF/EUR</u>	<u>HUF/EUR</u>	<u>AUD/EUR</u>
July 2020	26.175	4.4034	1.0769	344.95	1.6488
August 2020.....	26.208	4.3971	1.0774	354.54	1.6214
September 2020	27.233	4.5462	1.0804	365.53	1.6438
October 2020	27.251	4.6222	1.0698	367.45	1.6563
November 2020	26.192	4.4710	1.0839	359.59	1.6246

Source: ECB.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments.

The assets and liabilities of foreign operations are translated into EUR at exchange rates at the reporting date. The income and expenses of foreign operations are translated into EUR at an average exchange rate of the respective reporting period.

DIVIDEND AND DIVIDEND POLICY

Dividend History

In the period covered by the Historical Financial Statements, the Company has not paid any dividends from the net profit generated thereby.

Dividend Policy

The Company's strategy is to create value for its shareholders through strong expansion in the globalising PV industry. For as long as value-creating growth and investment opportunities exist, the Board of Directors does not intend to propose to distribute dividends to shareholders.

The dividend policy will, however, be reviewed from time to time by the Board of Directors and any future dividends will be paid, taking into account several factors concerning the Company. In particular, any future dividend payment and the Board of Director's recommendations regarding dividend payment will (i) depend on, among other things, the results of operations, financial liquidity and the capital required by Company, cash flow generation, planned capital expenditures and the need for financing net working capital; and (ii) are subject to factors that are beyond the Company's control. As at the Prospectus Date no values for those criteria has been defined.

For more detailed information regarding dividend payments please see "*Shareholding Structure, Description of Share Capital and Corporate Governance – Dividends and Other Distributions*". For more detailed information regarding the taxation of dividends please see "*Taxation*".

The Issuer is a holding company, which has no direct operations other than the holding of investments in other Group companies. The only source of funds for the payment of dividends, if any, will be management fees, dividends and other payments received from its subsidiaries in the form of loans granted, notes purchased by its subsidiaries or repayments of capital. The ability of each subsidiary to pay dividends or make such other payments is determined individually and in accordance with applicable law, including the capital requirements to which such subsidiary is subject, and where the case of the financing banks (see "*Risk Factors – Risk of External Financing in Slovakia and the Czech Republic and Hungary*" and "*Risk Factors – The Company May Not be Able to Pay Dividends*").

Restrictions Regarding Dividend and Interim Dividend Payment

In 2017 the Company issued 30,000 bearer notes ("**Notes**"), the terms and conditions of which provide for certain restrictions and obligations in terms of dividend payment. According to these terms and conditions each noteholder is entitled to submit notice of an extraordinary termination of the ownership of Notes with immediate effect and to require repayment of the nominal value including the interest which accrued to the day of the notice termination if the Company distributes a dividend for the financial years 2019, 2020 and 2021 of more than 50% of the distributable profit or distributes a dividend for the financial years 2019, 2020 and 2021 up to 50% (including) of the distributable profit without fulfilling an EBITDA interest-coverage. EBITDA interest-coverage, for this purpose, shall be assumed if the EBITDA in the year applicable exceeds the interest costs by at least the double.

Moreover, the external financing of the current portfolio in Slovakia, the Czech Republic and Hungary provides for financial covenants. In case the Company does not comply, with 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 (see "*Risk Factors – Risk of External Financing in Slovakia and the Czech Republic and Hungary*" and "*Material Agreements*").

CAPITALISATION AND INDEBTEDNESS

The data presented in this section should be analysed in conjunction with the information provided in “Operating and Financial Review” and the Historical Financial Statements and the notes thereto, as well as the financial data presented in the other sections of the Prospectus.

Working Capital Statement

In the opinion of the Company, the Group’s working capital is sufficient for the Group’s present requirements and for at least 12 months following the date of this Prospectus.

Capitalisation and Indebtedness

The following table presents information about the Group’s consolidated capitalisation and indebtedness as at 30 September 2020.

Capitalisation and indebtedness	As at 30 September 2020 <i>(in EUR thousand) (unaudited)</i>
Total current debt (including the current portion of non-current debt)	12,990
Guaranteed.....	0
Secured.....	4,889
Unguaranteed / unsecured.....	8,101
Total non-current debt (excluding current portion of non-current debt)	96,724
Guaranteed.....	0
Secured.....	38,618
Unguaranteed / unsecured.....	58,106
Shareholder equity	39,088
Share capital.....	600
Legal reserve(s).....	13
Other reserves.....	33,501
Total	148,802

Source: the Company.

	As at September 2020 <i>(in EUR thousand) (unaudited)</i>
A. Cash.....	14,542
B. Cash equivalents.....	0
C. Other current financial assets.....	302
D. Liquidity (A + B + C)	14,844
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	0
F. Current portion of non-current financial debt.....	4,889
G. Current financial indebtedness (E + F)	4,889
H. Net current financial indebtedness (G – D)	8,101
I. Non-current financial debt (excluding current portion and debt instruments).....	38,618
J. Debt instruments.....	46,052
K. Non-current trade and other payables.....	12,055
L. Non-current financial indebtedness (I + J + K)	96,724
M. Total financial indebtedness (H + L)	104,825

Source: the Company.

As of the Prospectus Date and since the date of the financial information presented above, there were no significant changes in the Group’s capitalisation, indebtedness or liquidity position.

Indirect and Contingent Liabilities

For information on indirect and contingent liabilities, see “Operating and Financial Review – Contingent Liabilities and Off-Balance Sheet Liabilities”.

SELECTED HISTORICAL FINANCIAL INFORMATION

Except as otherwise stated, this “Selected Historical Financial Information” is based on and has been derived from the Historical Financial Statements. The data presented in this section should be analysed in conjunction with the information provided in the “Operating and Financial Review”, the Historical Financial Statements and the notes thereto, as well as the financial data presented in the other sections of the Prospectus.

For information on the basis for the preparation and presentation of the Historical Financial Statements, please see “Important Information—Presentation of Financial and Other Information”.

The following tables summarise the Group’s Statement of Comprehensive Income, Statement on Financial Position, Selected Items of Statements of Cash Flows, and certain Alternative Performance Measures for the periods or as of the dates indicated.

Alternative Performance Measures are presented because they are used by the Group to monitor the performance of the business and operations, and have not been audited or reviewed. These measures also provide additional information to investors to enhance their understanding of its results.

Statement of Comprehensive Income

	9 months ended		12 months ended 31 December		
	30 September				
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Revenue	23,163	22,405	30,154	20,256	17,219
Cost of sales	(6,517)	(8,428)	(13,823)	(5,539)	(4,145)
Solar levy	(791)	(782)	(892)	(877)	(821)
Gross profit	15,854	13,195	15,439	13,840	12,254
Other income.....	206	22	209	392	517
Administrative expenses	(2,215)	(2,214)	(2,767)	(2,342)	(1,756)
Personnel expenses	(4,183)	(3,272)	(4,630)	(3,371)	(2,592)
Other expenses.....	(470)	(50)	(308)	(373)	(572)
Depreciation.....	(6,379)	(5,332)	(6,795)	(5,602)	(5,560)
Results from operating activities	2,813	2,350	1,147	2,544	2,291
Finance income	0	200	507	0	0
Interest income.....	85	197	227	149	191
Finance costs.....	(607)	(445)	(526)	(434)	(489)
Revaluation of derivatives.....	(575)	(40)	30	171	997
Interest costs	(4,039)	(3,361)	(4,726)	(3,687)	(2,710)
Net finance expenses	(5,136)	(3,450)	(4,488)	(3,801)	(2,010)
Disposal of investment.....	0	4,121	4,326	3,074	0
Share of profit equity-accounted investments (net of tax)...	6	14	2	23	66
Profit / loss before taxation	(2,316)	3,035	988	1,840	346
Income tax due / deferred.....	(2,015)	(1,139)	(1,714)	(1,331)	(1,153)
Profit / loss for the year continuing operations	(4,332)	1,896	(726)	510	(807)
Profit for the year from discontinued operations	0	0	0	0	0
Profit / loss for the period	(4,332)	1,896	(726)	(510)	(807)
Other comprehensive income for the period	5,494	3,132	8,790	2,022	2,609
Total comprehensive income for the period	1,162	5,208	8,064	2,531	1,802

Source: Historical Financial Statements.

Statement of Financial Position

	As at 30 September		As at 31 December		
	2020				
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Assets:					
Property, plant and equipment		107,351	100,797	79,294	72,742
Investments in equity-accounted investees.....		2,650	2,666	3,179	1,604
Other investments		1,138	0	20	9
Right of use leased asset		2,582	3,014	0	0
Intangibles.....		1,667	0	0	0
Long-term receivables.....		0	0	0	0
Deferred tax assets		0	0	0	0
Non-current assets		115,388	106,477	82,492	74,354
Inventories		2,282	1,212	1,148	1,345
Trade receivables		4,322	4,573	2,394	1,459

	As at 30 September		As at 31 December		
	2020		2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Other receivables	2,871	6,186	5,370	3,109	
Gross amount due from customers for contract work.....	6,635	2,456	587	374	
Current tax receivable	0	0	0	0	
Loans	948	1,027	840	650	
Prepaid expenses.....	1,355	1,228	1,176	715	
Cash and cash equivalents.....	14,542	15,104	12,340	7,333	
Other S-T financial asset.....	302	0	0	352	
Assets classified as held for sale	0	0	0	0	
Current assets.....	33,257	31,786	23,856	15,338	
Total assets.....	148,645	138,263	106,348	89,692	
Equity and liabilities:					
Equity:					
Share capital.....	600	600	600	600	
Share premium.....	23,760	23,760	23,760	23,760	
Revaluation reserve.....	36,740	29,220	22,935	22,506	
Legal reserve fund.....	13	13	13	13	
Hedging reserve	648	233	223	110	
Currency translation reserve	(3,888)	930	698	1,155	
Retained earnings.....	(18,786)	(16,830)	(18,411)	(22,143)	
Equity attributable to owners of the Company	39,088	37,926	29,819	26,001	
Non-controlling interests.....	(156)	(83)	(40)	(19)	
Total equity.....	38,932	37,843	29,779	25,982	
Liabilities:					
Loans and borrowings.....	38,618	37,589	29,250	34,786	
Other long-term liabilities*	46,052	40,072	32,551	9,285	
Other loans.....	0	0	0	1,000	
Deferred tax liabilities.....	9,737	7,369	6,308	6,153	
Long-term liability from income tax	0	0	0	0	
Lease-liability	2,318	3,043	0	0	
Non-current liabilities.....	96,724	88,073	68,110	51,225	
Loans and borrowings.....	4,889	3,649	3,686	3,695	
Trade payables	4,329	3,484	1,166	238	
Other payables	3,102	5,090	3,177	1,263	
Other loans.....	0	0	0	270	
Other short-term liabilities	0	0	0	6,533	
Current tax liabilities.....	670	125	430	469	
Provisions	0	0	0	17	
Liabilities classified as held for sale.....	-	0	0	0	
Current liabilities	12,990	12,348	8,459	12,484	
Total liabilities.....	109,714	100,421	76,569	63,709	
Total equity and liabilities	148,646	138,263	106,348	89,692	

Source: Historical Financial Statements.

Notes: *Other long-term liabilities include bond liabilities in the amount of EUR 8,656 thousand as of 31 December 2017, EUR 31,682 thousand as of 31 December 2018 and EUR 39,266 thousand as of 31 December 2019 and EUR 45,317 thousand as of 30 September 2020.

Selected Items of Statements of Cash Flows

	9 months ended		12 months ended 31 December		
	30 September		2019	2018	2017
	2020		2019		
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Net cash flows from operating activities	5,046	5,132	6,536	7,654	2,661
Net cash flows used in investing activities.....	(14,399)	(11,032)	(14,410)	(9,415)	(53)
Net cash flows used in financing activities	8,790	10,285	10,638	6,764	(2,989)
Net increase / decrease in cash and cash equivalents	(562)	4,385	2,764	5,006	(381)
Cash and cash equivalents at the beginning of the period ...	15,104	12,337	12,340	7,333	5,420
Cash and cash equivalents at the end of the period	14,542	16,721	15,104	12,340	7,333

Source: Historical Financial Statements.

Alternative Performance Measures

The Board of Directors evaluates the Company's and the Group's performance using selected capital, profitability, liability and liquidity ratios, which are not taken from the Historical Financial Statements, but only have been calculated on the

basis of the financial information presented in the Historical Financial Information. The ratios presented in this section are Alternative Performance Measures (APM) within the meaning of the ESMA Guidelines on Alternative Performance Measures. Such data has not been audited or reviewed by an independent certified auditor. The Alternative Performance Measures are not a ratio for financial performance and have not been prepared in accordance with the IFRS or any other generally accepted accounting principles or standards. The Board of Directors believes that the Alternative Performance Measures are among the measures used by the Board of Directors to evaluate the financial performance of the Company and the Group and they are frequently used by securities analysts, investors and other interested parties to perform their own evaluation. They do not have uniform definitions and are not calculated by entities in the same manner; therefore, no assurance may be given that the Alternative Performance Measures of the Group will be comparable with similar ratios presented by other entities, including entities operating in the same sector as the Group. Consequently, data presented or reported by other entities may not be comparable to the data presented below, and their inclusion in the Prospectus should be regarded as the presentation of additional information to such metrics. Therefore, investors should not consider these measures in isolation or as a substitute for operating profit or the data provided in the rest of this section and elsewhere in this Prospectus. The Alternative Performance Measures should not be given more importance than measures stemming directly from the Historical Financial Statements. In the Company's opinion, the other financial data or financial ratios presented in the Prospectus are not Alternative Performance Measures.

The following tables show the basic Alternative Performance Measures of the Group used by the Board of Directors as at the dates and for the periods indicated along with a justification for their use, as well as the method of calculation of the individual Alternative Performance Measures with reference to the specific financial statement items.

	9 months ended 30 September		12 months ended 31 December		
	2020	2019	2019	2018	2017
	(EUR thousand, unless otherwise indicated) (unaudited, unless otherwise indicated)				
Gross profit	15,854	13,195	15,439*	13,840*	12,254*
EBITDA	9,192	7,682	7,942	8,145	7,851
EBIT	2,813	2,350	1,147*	2,544*	2,291*
Gross profit margin in %	68	59	51	68	71
Net debt / EBITDA	8.1	7.5	8.6	6.5	6.2
Net debt / Equity	2.0	1.8	1.8	1.8	1.9
Net profit / Revenues in %	(19)	8	(2)	3	(5)
Return on equity in %	(18)	(2)	(2)	2	(3)
Return on assets in %	(5)	0	(1)	0	(1)
Current ratio	2.6	2.7	2.6	2.8	1.2
Net working capital / Total assets	0.14	0.17	0.14	0.14	0.03
Adjusted equity ratio in %	30.3	30.5	31.8	31.3	34.6
SPR in kWh/kWp	1,077	1,008	1,106	1,077	1,068

Source: The Company; *Historical Financial Statements (audited)

The following tables show the Alternative Performance Measures reconciliation formulas.

	9 months ended 30 September		12 months ended 31 December		
	2020	2019	2019	2018	2017
	(EUR thousand, unless otherwise indicated) (unaudited, unless otherwise indicated)				
A. Revenue	23,163	22,405	30,154*	20,256*	17,219*
B. Cost of sales	(6,517)	(8,428)	(13,823)*	(5,539)*	(4,145)*
C. Solar levy	(791)	(782)	(892)*	(877)*	(821)*
Gross profit (A + B + C)	15,854	13,195	15,439*	13,840*	12,254*
A. Gross profit	15,854	13,195	15,439*	13,840*	12,254*
B. Other income	206	22	209*	392*	517*
C. Administrative expenses	(2,215)	(2,214)	(2,767)*	(2,342)*	(1,756)*
D. Personnel expenses	(4,183)	(3,272)	(4,630)*	(3,371)*	(2,592)*
E. Other expenses	(470)	(50)	(308)*	(373)*	(572)*
EBITDA (A + B + C + D + E)	9,192	7,682	7,942	8,145	7,851
A. EBITDA	9,192	7,682	7,942	8,145	7,851
B. Depreciation	(6,379)	(5,332)	(6,795)*	(5,602)*	(5,560)*
EBIT (A + B)	2,813	2,350	1,147*	2,544*	2,291*
A. Gross profit	15,854	13,195	15,439*	13,840*	12,254*
B. Total revenues	23,163	22,405	30,154*	20,256*	17,219*
Gross profit margin in % (A/B)	68	59	51	68	71

	9 months ended 30 September		12 months ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand, unless otherwise indicated)</i> <i>(unaudited, unless otherwise indicated)</i>				
A. Non-current liabilities	96,724	83,308	88,073*	68,110*	51,225*
B. Current liabilities.....	12,990	13,361	12,348*	8,459*	12,484*
C. Current assets	33,257	35,530	31,786*	23,856*	15,338*
D. EBITDA (sum of the EBITDA reported in Q4 n-1, Q1, Q2, Q3 for 9 months ended September).....	9,452	8,136	7,942	8,145*	7,851*
Net debt/EBITDA ((A + B - C)/D).....	8.1	7.5	8.6	6.5	6.2
A. Non-current liabilities	96,724	83,308	88,073*	68,110*	51,225*
B. Current liabilities.....	12,990	13,361	12,348*	8,459*	12,484*
C. Current assets	33,257	35,530	31,786*	23,856*	15,338*
D. Total Equity	38,932	34,744	37,843*	29,779*	25,982*
Net debt/Equity ((A + B - C)/D)	2.0	1.8	1.8	1.8	1.9
A. Profit/loss after taxation	(4,332)	1,896	(726)*	510*	(807)*
B. Total Revenues.....	23,163	22,405	30,154*	20,256*	17,219*
Net profit/Revenues in % (A/B).....	(19)	8	(2)	3	(5)
A. Profit/loss after taxation (sum of the Profit/Loss after taxation reported in Q4 n-1, Q1, Q2, Q3 for 9 months ended September).....	(6,954)	(543)	(726)*	510*	(807)*
B. Total Equity.....	38,932	34,744	37,843*	29,779*	25,982*
Return on equity in % (A/B).....	(18)	(2)	(2)	2	(3)
A. Profit/loss after taxation (sum of the Profit/Loss after taxation reported in Q4 n-1, Q1, Q2, Q3 for 9 months ended September).....	(6,954)	(543)	(726)*	510*	(807)*
B. Total Assets.....	148,645	131,413	138,263*	106,348*	89,692*
Return on assets in % (A/B).....	(5)	0	(1)	0	(1)
A. Current assets	33,257	35,530	31,786*	23,856*	15,338*
B. Current liabilities.....	12,990	13,361	12,348*	8,459*	12,484*
Current ratio (A/B).....	2.6	2.7	2.6	2.8	1.2
A. Current assets	33,257	35,530	31,786*	23,856*	15,338*
B. Current liabilities.....	12,990	13,361	12,348*	8,459*	12,484*
C. Total assets.....	148,645	131,413	138,263*	106,348*	89,692*
Net working capital / Total assets ((A-B)/C)	0.14	0.17	0.14	0.14	0.03
A. Bank loans (Non-current liabilities)	38,618	32,787	37,589*	29,250*	34,786*
B. Other long term liabilities.....	46,052	39,958	40,072*	32,551*	9,285*
C. Other loans (Non-current liabilities).....	0	0	0*	0*	1,000*
D. Bank loans (Current liabilities)	4,889	3,354	3,649*	3,686*	3,695*
E. Other loans (Current liabilities)	0	3,000	0*	0*	270*
F. Total equity.....	38,932	34,744	37,843*	29,779*	25,982*
Adjusted equity ratio in % (F/(A + B + C + D + E + F))	30.3	30.5	31.8	31.3	34.6
A. Amount of kWh generated by the proprietary portfolio .	62,258,416	36,865,742	43,776,087	28,466,104	27,295,157
B. Average installed capacity in kWp.....	57,813	36,572	39,598	26,424	25,569
SPR in kWh/kWp (A/B).....	1,077	1,008	1,106	1,077	1,068

Source: The Company; *Historical Financial Statements (audited)

The table below presents the definitions of the Alternative Performance Measures and the rationale for their use.

<u>Name of Alternative Performance Measure</u>	<u>Definition</u>	<u>Rationale for using the Alternative Performance Measure</u>
Gross profit	The Group defines Gross profit for a respective period as the profit made by the Group after deducting the cost of sales and the Solar levy from the total revenue for such period.	Gross profit measures the sales revenue the Group retains after incurring the direct costs associated with producing the goods it sells, and the services it provides.

Name of Alternative Performance Measure	Definition	Rationale for using the Alternative Performance Measure
EBITDA	The Group defines EBITDA for a respective period as earnings on continuing operations for such period before interest, taxes, depreciation and amortisation.	EBITDA measures the Group's operating performance net of financial burdens and amortisation, depreciation and impairment, which makes it possible to analyse performance regardless of, mainly, any changes in the balance of non-current assets held by the Group, which, through depreciation and amortisation, may affect other performance measures.
EBIT	The Group defines EBIT for a respective period as earnings on continuing operations for such period before interest and taxes.	EBIT measures the Group's net income before income tax expense and interest expenses are deducted, which makes it possible to analyse the performance of the Group's core operations without the costs of the capital structure and tax expenses impacting profit.
Gross profit margin (%)	The Group defines and calculates gross profit margin [as the ratio of gross profit to total revenue.	The gross profit margin is a measure of the gross profit / (loss) to total revenue. Therefore, gross profit margin is the measure of the Group's capacity to generate gross profit.
Net debt / EBITDA	The Group defines and calculates net debt / EBITDA ratio as total liabilities less current assets at period end to EBITDA for the last twelve months (so-called TTM, i.e. Trailing Twelve Month EBITDA).	Net debt / EBITDA measures the Group's financial leverage and its ability to pay off its debt.
Net debt / Equity	The Group defines and calculates net debt / equity ratio as total liabilities less current assets as at the end of a given period divided by total equity as at the end of a given period.	Net debt / Equity measures the Group's financial leverage.
Net profit / Revenues	The Group defines and calculates net profit / revenues as net profit for the period to total revenues for the period.	Net profit / Revenues measures the Group's profitability.
Return on equity	The Group defines and calculates return on equity as net profit as for the last twelve months (TTM) divided by total equity as at the end of a given period.	Return on equity is used to measure how effectively the Group is using its equity to create profits.
Return on assets	The Group defines and calculates return on assets as net profit for the last twelve months divided by total assets as at the end of a given period.	Return on assets is used to measure how profitable the Group is using its assets to create profits.
Current ratio	The Group defines and calculates current ratio as current assets as at the end of a given period divided by current liabilities as at the end of a given period.	Current ratio measures the Group's ability to meet short-term debt obligations.
Net working capital / Total assets	The Group defines and calculates net working capital / total assets as current assets less current liabilities at the end of a given period divided by total assets at the end of that period.	Net working capital / Total assets is used to measure the Group's short-term liquidity and its ability to finance short term obligations.
Adjusted equity ratio	The Group defines and calculates adjusted equity ratio as total equity divided by the sum of interest-bearing debt and equity.	Adjusted equity ratio is used to measure the amount of debt used by the Group compared to the amount of equity and is used as a bond governance.
SPR	The Group defines specific performance ratio (SPR) of the proprietary portfolio as the amount of kWh generated per 1 kWp of installed capacity.	SPR enables the comparison of the year-on-year results and seasonal fluctuations during the year, as well as the generation efficiency of a PV installation in a particular location.

Source: The Company.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the Group's results of operations for the nine months periods ended 30 September 2020 and 2019, and years ended 31 December 2019, 2018 and 2017, respectively, has been derived from, should be read in conjunction with, and is qualified in its entirety by reference to the Historical Financial Statements, including the notes thereto.

For information on the presentation and basis for the preparation of the Historical Financial Statements, please refer to "Presentation of Financial and Other Information". Investors should become acquainted with the above and take into account the explanations included therein, as well as analyse the information contained in this and other sections of the Prospectus.

Some of the information presented in the operating and financial review is not part of the Historical Financial Information and has not been audited or reviewed by an independent auditor. Such information should not serve as an indicator of the Group's past or future operating performance or be used to analyse the Group's business independently from the Historical Financial Statements and other financial information contained elsewhere in this Prospectus. The Company is presenting such information because it believes that investors may find it useful in assessing the Group's business, its financial position, cash flows and results of operations. See also "Selected Historical Financial Information".

The summary of significant accounting policies and estimates pursuant to which the Historical Financial Statements was prepared is provided below under the heading "Significant Accounting Policies and Estimates".

This section includes forward-looking statements that reflect the current views and opinions of the Board of Directors and, due to their nature, involve certain risks and uncertainties. The actual events and performance results of the Group may differ significantly from the results presented in the forward-looking statements as a result of the factors discussed below and in other sections of the Prospectus, in particular in the section "Risk Factors". See also "Important Information—Forward-looking Statements".

General Information

The Group is a global solar power solutions and services provider, with an expertise covering the entire lifecycle of solar power systems. The Group is active across the globe and has experience in developing, building and commissioning solar power plants, including over 100 MWp of solar power plants built and commissioned, and more than 300 MWp in its O&M portfolio. The Group also manages a portfolio of 74.7 MWp of self-owned power plants in four countries across two continents.

The Group operates in Australia, the Czech Republic, Germany, Hungary, the Netherlands, Peru, Poland, Romania, Slovakia, Switzerland and the United Kingdom.

The Group is dedicated to provide solar power solutions and solar-hybrid power solutions for a wide range of customers and applications. Its O&M division, Photon Energy Operations, provides services for owners of PV power plants. In addition, the Group is developing and providing water purification, remediation, and treatment systems.

Factors Affecting Operating and Financial Results and Recent Developments

This section of the Prospectus contains forward-looking statements and estimates. The statements and estimates contained in this section are based on a number of assumptions and judgements that the Board of Directors considers reasonable and that are subject of a number of uncertainties and contingent events relating to business and operating activities, and economic and competition-related factors, a number of which are outside the Group's control, as well as on certain assumptions relating to future business decisions that may change. There can therefore be no assurance that the Group will perform in accordance with these statements and the presented estimates. The statements and estimates presented herein may vary materially from the actual results. Prospective investors are cautioned not to place undue reliance on such information. Please also see "Important Information—Forward-looking statements" and "Risk factors".

General Factors and Trends Affecting Operating and Financial Results

In the period from the end date of the date of the last financial year to the Prospectus Date, the Group did not observe any material changes in the trends concerning its operating and financial results compared to those trends in 2019.

The key factors affecting the Group's financial and operating results in the years 2017-2019 are discussed below. The Board of Directors believes that these factors, historically and in the period until the date hereof, had and may continue to have an effect on the business activities, operating and financial results, financial condition, cash flows and prospects of the Group, and they also present the trends which, in the Company's opinion, will apply to the photovoltaic market in the next few years:

- uncertainties relating to the impact of the coronavirus pandemic on the global economy as well as measures taken by the respective governments in the countries that the Group is active;

- the availability of government subsidies and incentives to support the development of the solar power industry, and possible changes in government policies;
- the availability and cost of capital, including long-term debt and project finance, for solar power projects;
- the development of other alternative energy technologies, such as wind power, hydroelectric power, geothermal power and biomass fuel;
- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels;
- capital expenditures by end users of solar power products and services, which tend to decrease when the economy slows;
- the availability of favourable regulation for solar power within the electric power industry and the broader energy industry, that encourage investment in renewable energy resources;
- migration from feed-in-tariffs to maturing solar market;
- high growth rates in the solar industry, being one of the fastest growing sector within the energy industry;
- the increased cost of understanding local markets and trends and developing and maintaining an effective marketing and distribution presence in various countries;
- fluctuations in foreign currency exchange rates and differing regulatory and tax regimes across different markets;
- seasonal fluctuations, which are lower in autumn and winter due to lower generation of electricity. For the same reasons installation of solar power systems and technology trading slows down in the same period.

Specific Factors Affecting Operating and Financial Results

In the years 2017-2019, the Group's financial standing and results of operations were affected by the following specific factors:

Hungarian Refinancing

In January 2019, the Company signed a financing agreement amounting to HUF 3.33 billion (EUR 10.4 million) provided by K&H Bank, the Hungarian subsidiary of Belgian KBC Group N.V., for a period of 15 years (see "*Business–Material Agreements–Agreements relating to financing of the photovoltaic power plant portfolio in Hungary*"). The financing has been provided for its 11.5 MWp proprietary PV power plant portfolio in Hungary. The portfolio is comprised of 17 individual KAT-licensed PV power plants in three different locations.

In December 2019, the Company signed a financing agreement amounting to 5.93 billion HUF (EUR 17.9 million) provided by K&H Bank, the Hungarian subsidiary of Belgian KBC Group N.V., for a period of 15 years (see "*Business–Material Agreements–Agreements relating to financing of the photovoltaic power plant portfolio in Hungary*"). The financing has been provided for an additional 20.1 MWp of its proprietary PV power plant portfolio in Hungary.

Repayment of the Company's 8% EUR Corporate Bond

On 12 March 2018 the Company repaid the outstanding nominal of EUR 6.553 million of its 8% EUR corporate bond 2013/18 at the end of the five-year term in accordance with the bond conditions. The repayment was made together with the last interest payment to the bondholders. With the bond repayment the Company has materially strengthened its balance sheet by extending the term structure of the vast majority of holding-level financial debt to 2022 and beyond, laying strong foundations for the planned significant expansion of the Group's proprietary portfolio of PV power plants in Australia and Hungary.

Investment in the ValueTech Seed Fund

In 2018 the Company committed to invest up to EUR 0.705 million as the 52% lead investor in the ValueTech Seed Fund (the "**Fund**") managed by ValueTech Seed sp. z o.o. based in Wrocław, Poland. The Fund, focused on equity investments in Polish start-ups with a strong R&D component, has successfully secured a grant (the "**Grant**") under the grant project BRIDGE Alfa 1.3.1 of the 2014-2020 Smart Growth Operational Programme, co-financed by the European Regional Development Fund and administered by the Polish National Center for Research and Development (*Narodowe Centrum Badań i Rozwoju*). Under the terms of the Grant, private investors were obliged to invest a total of up to PLN 6 million (up to PLN 3.1 million for the Company) during a timeframe of mid 2018 to mid 2021. The Grant leverages the private investors' contribution with a 4-to-1 factor in the form of a non-refundable grant, so that the Fund has up to PLN 24 million available for investments and up to PLN 6 million to cover its operating costs over its life time. In order to ensure the profit share according to the capital contributions, the legal structure was set up in such a way that private funds are committed in form of loans. Therefore the transfers related to investments into new projects and operating budget of the Fund are booked as a loan in the balance sheet of the Company and have no on-going impact on the financial results of the Company. The principal will be returned no later than on 30 June 2023, however, can be paid back partially prior to that date,

depending on the liquidation schedule of portfolio companies. Interest of 2.5% p.a. on loan provided is due together with the principal payment. Creditors will have a right to the profit share according to their participation in the fund.

Cooperation with Canadian Solar

On 29 January 2018, as a result of its development partner selection process managed by its financial advisor Pottinger, the Company has signed an agreement for the joint development of five of its utility scale solar projects with a total capacity of 1.14 GWp in New South Wales, Australia with Canadian Solar, one of the world's largest solar power companies. Canadian Solar acquired a 51% shareholding in all five project companies and is providing development financing to complete the development of these projects. Post-transaction, the Company retains a 49% stake in the Gunning project and 24.99% stake in the two other projects. As to the Prospectus Date, the Company sold stakes in two of the five projects jointly developed with Canadian Solar, i.e. (i) 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp (sold to Canadian Solar on 30 July 2019), (ii) 25% stake in the second co-developed project Gunnedah with a total planned capacity of 146 MWp (sold to Canadian Solar on 30 August 2019).

The list of projects still co-developed with Canadian Solar includes: (i) Gunning project with a total planned capacity 220 MWp, (ii) Mayvale project with a total planned capacity of 160 MWp, and (iii) Suntop 2 project with a total planned capacity of 200 MWp.

Expansion of the Group's Strategic Focus to Water

In 2017 the Group added water management as parallel business line to its core solar activities and aiming to offer comprehensive solutions for off-grid systems worldwide by combining water purification with off-grid solar energy generation.

Public Exchange Offer and Public Offer for the Company's Corporate Bond

In October 2017 the Company had launched a public offer for its second EUR-denominated 5-year corporate bond (with a coupon rate of 7.75% and quarterly payments) together with an exchange offer for the holders of its first 8% EUR-bond due and successfully repaid on 12 March 2018 (see "*–Significant Factors Affecting Operating and Financial Results–Repayment of the Company's 8% EUR Corporate Bond*"). The Group intends to use the remaining net issue proceeds for the construction of utility-scale PV power plants for its proprietary portfolio in Australia as well as in Hungary. Bankhaus Scheich Wertpapierspezialist AG accompanied the private placement of the bond issue as selling agent.

In August 2018 the Company has successfully completed its five-year 7.75% euro corporate bond placement. The original volume of EUR 30 million was subscribed in full before the end of the public placement that took place in Germany, Austria and Luxembourg, originally set until 20 September 2018. The Group has successfully increased the bond placement in 2019 and 2020 with all parameters unchanged. As at the Prospectus Date the total outstanding bond volume amounts to EUR 45.0 million.

Significant Events after 31 December 2019

Since 31 December 2019 there were no significant changes in the financial performance and position of the Group other than those discussed below.

Completing and grid-connecting 23.0 MWp of new power plants in Hungary and starting construction of 14.6 MWp in Australia

In March 2020 the Company completed and grid-connected eight photovoltaic power plants with a total installed capacity of 5.4 MWp in the municipality of Tata, Hungary.

In May 2020 the Company completed and grid-connected three photovoltaic power plants with a total installed capacity of 2.1 MWp in the municipality of Mályi, Hungary and two photovoltaic power plants with a total installed capacity of 1.4 MWp in the municipality of Kunszentmárton, Hungary.

Also in May 2020 the Company signed agreements with Infradebt for the project debt financing of two PV power plants with a combined installed capacity of 14.6 MWp in Leeton, New South Wales. The construction of the two projects in Leeton started in October 2020.

Between October and 13 November 2020 the Company completed and grid-connecting ten PV power plants with a combined installed capacity of 14.1 MWp in Püspökladány, Hungary expanded its global proprietary portfolio to 74.7 MWp.

Other important events during the course of 2020

In April 2020 the Company entered a strategic partnership with the Australian technology company RayGen Resources Pty Ltd. in order to develop global renewable energy projects suitable for the roll-out of RayGen's solar power and electricity storage technology.

Also in April the Company won a tender by water utility North East Water to act in the capacity of principal contractor to design, build and commission a 3 MWp solar power plant and associated infrastructure with off-grid capability adjacent to its waste water treatment plant located in West Wodonga, Victoria, Australia.

In August 2020, the Company announced its official entry into the Polish market.

In September 2020, Photon Water, a subsidiary of the Group, launched in-situ remediation technology to clean PFAS contamination in the environment and later the same month it entered into a contract with the Australian Government, Department of Defence, with the commencement of a trial phase PFAS remediation program. This program is designed to demonstrate the in-situ removal of PFAS from groundwater without the need for pumping and surface treatment or disposal processes.

Listing of the Shares on the Munich Stock Exchange (Börse München) in the Freiverkehr Segment

In July 2020, Baader Bank, a leading brokerage active on the German financial markets, applied for the Shares to be admitted to trading without the Company's involvement through a so-called unsponsored listing. As a result, the Shares can be traded in EUR on the Munich Stock Exchange (Börse München) in the Freiverkehr Segment. No additional shares have been issued, nor any new equity capital raised through this listing.

Increase of the Group's Corporate Bond

Between January and November 2020 the Group has successfully increased its 7.75% corporate bond 2017/2022 by EUR 7.5 million to a total of EUR 45.0 million, corresponding to 20% of the outstanding previous bond volume. The new notes were placed in private placements exclusively with institutional investors. The transactions were managed by Bankhaus Scheich Wertpapierspezialist AG, Frankfurt am Main, as the sole global coordinator.

The Group intends to use the net proceeds to finance the construction of power plants in Hungary and Australia for its own PV portfolio as well as to strengthen its financial standing.

The new notes are included into trading in the Open Market of the Frankfurt Stock Exchange under the existing ISIN.

Extraordinary General Meeting of Shareholders on 4 December 2020

On 4 December 2020 an Extraordinary General Meeting of Shareholders took place at which the Company: (i) amended its Articles of Association in order to introduce changes to the corporate governance structure of the Company; (ii) appointed members of the Board of Directors under new corporate structure; (iii) established the Supervisory Board and appointed its members; (iv) established of an Audit Committee within the Supervisory Board structures; and (v) appointed the Auditor for the financial year 2020.

Alternative Performance Measures

The following table presents the key Alternative Performance Measures used by the Board of Directors for the analysis of the Group's performance in the periods indicated or as at certain dates.

	9 months ended		12 months ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand, unless otherwise indicated)</i>				
	<i>(unaudited, unless otherwise indicated)</i>				
EBITDA.....	9,192	7,682	7,942	8,145	7,851
EBIT	2,813	2,350	1,147*	2,544*	2,291*
Gross profit margin in %.....	68	59	51	68	71
Net debt / EBITDA	8.1	7.5	8.6	6.5	6.2
Net debt / Equity	2.0	1.8	1.8	1.8	1.9
Net profit / Revenues in %	(19)	(8)	(2)	3	(5)
Return on equity in %	(18)	(2)	(2)	2	(3)
Return on assets in %.....	(5)	0	(1)	0	(1)
Current ratio	2.6	2.7	2.6	2.8	1.2
Net working capital / Total assets	0.14	0.17	0.14	0.14	0.03
Adjusted equity ratio in %.....	30.3	30.5	31.8	31.3	34.6
SPR in kWh/kWp.....	1,077	1,008	1,106	1,077	1,068

Source: The Company; *Historical Financial Statements (audited)

Detailed information on the Alternative Performance Measures, as well as their definitions and the reasons for their application, is provided in the section "Selected Historical Financial Information – Alternative Performance Measures".

Results of Operations

The following table presents selected information from the statement of comprehensive income data for the periods indicated.

	9 months ended		12 months ended 31 December		
	30 September		2019	2018	2017
	2020	2019			
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Revenue	23,163	22,405	30,154	20,256	17,219
Cost of sales	(6,517)	(8,428)	(13,823)	(5,539)	(4,145)
Solar levy	791	(782)	(892)	(877)	(821)
Gross profit.....	15,854	13,195	15,439	13,840	12,254
Other income.....	206	22	209	392	517
Administrative expenses	(2,215)	(2,214)	(2,767)	(2,342)	(1,756)
Personnel expenses	(4,183)	(3,272)	(4,630)	(3,371)	(2,592)
Other expenses.....	(470)	(50)	(308)	(373)	(572)
Depreciation.....	(6,379)	(5,332)	(6,795)	(5,602)	(5,560)
Results from operating activities.....	2,813	2,350	1,147	2,544	2,291
Finance income	0	200	507	0	0
Interest income.....	85	197	227	149	191
Finance costs.....	(607)	(445)	(526)	(434)	(489)
Revaluation of derivatives.....	(575)	(40)	30	171	997
Interest costs	(4,039)	(3,361)	(4,726)	(3,687)	(2,710)
Net finance expenses	(5,136)	(3,450)	(4,488)	(3,801)	(2,010)
Disposal of investment.....	0	4,121	4,326	3,074	0
Share of profit equity-accounted investments (net of tax)...	6	14	2	23	66
Profit / loss before taxation.....	(2,316)	3,035	988	1,840	346
Income tax due / deferred.....	(2,015)	(1,139)	(1,714)	(1,331)	(1,153)
Profit / loss for the year continuing operations.....	(4,332)	1,896	(726)	510	(807)
Profit for the year from discontinued operations	0	0	0	0	0
Profit / loss for the period.....	(4,332)	1,896	(726)	(510)	(807)
Other comprehensive income (loss):					
Revaluation of property, plant and equipment	9,895	3,426	8,549	2,366	0
Share of revaluation of property, plant and equipment of associates/joint ventures.....	0	0	0	0	0
Foreign currency translation difference – foreign operations	(4,817)	(258)	231	(457)	2,294
Derivatives (hedging).....	415	(36)	10	113	315
Share of currency translation diff. of associates / JV	0	0	0	0	0
Other comprehensive income for the year, net of tax....	5,494	3,132	8,790	2,022	2,609
Total comprehensive income for the period.....	1,162	5,028	8,064	2,531	1,802
Profit attributable to:					
Attributable to the owners of the Company.....	(4,259)	1,939	(683)	(530)	(788)
Attributable to non-controlling interest.....	(73)	(43)	(43)	(20)	(19)
Profit for the year.....	(4,332)	1,896	(726)	510	(807)
Total comprehensive income attributable to:					
Attributable to the owners of the Company.....	1,235	5,071	8,107	2,552	1,821
Attributable to non-controlling interest.....	(73)	(43)	(43)	(20)	(19)
Total comprehensive income for the period.....	1,162	5,028	8,064	2,531	1,802

Source: Historical Financial Statements.

Revenue

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

The revenue increased by EUR 758 thousand, or 3.4%, from EUR 22,405 thousand for the nine months period ended 30 September 2019, to EUR 23,163 for the nine months period ended 30 September 2020.

The following table presents a breakdown of revenue for the periods under review along with a percentage change of such periods.

	9 months ended 30 September		
	2020	2019	2019/2020
	<i>(EUR thousand) (unaudited)</i>		<i>(%)</i>
Revenues from electricity generation.....	14,754	12,391	19.1
Other revenues.....	8,409	10,014	-16.0
Total.....	23,163	22,405	3.4

Source: Interim Financial Statements.

The revenue increase resulted partly from strong electricity generation driven by the expansion of the Group's proprietary portfolio in Hungary, and by sound generation output from the existing power plants in the Czech Republic and Slovakia (increase by EUR 2,363 thousand, or by 19%, from EUR 12,391 thousand in the nine months ended 30 September 2019 to EUR 14,754 thousand in the nine months period ended 30 September 2020). The growth in revenues from production of electricity was mainly offset by the slowdown of technology trading revenues (revenues from the sale of products, goods and services decreased by EUR 1,605 thousand, or by (16.0)%, from EUR 10,014 thousand in the nine months period ended 30 September 2019 to EUR 8,409 in the nine months period ended 30 September 2020).

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

The revenue increased by EUR 9,898 thousand, or 48.9%, from EUR 20,256 thousand for the year ended 31 December 2018, to EUR 30,154 for the year ended 31 December 2019. This increase resulted from higher revenues in all the segments.

The table below presents a breakdown of revenues for the periods under review along with a percentage change of such periods.

	12 months ended 31 December		
	2019	2018	2018/2019
	<i>(EUR thousand) (audited)</i>		<i>(%)</i>
Sale of goods	6,184	2,086	196.5
Rendering of services	9,671	5,633	71.7
Sale of electricity	14,299	12,537	14.1
Total.....	30,154	20,256	48.9

Source: Audited Financial Statements.

Revenue from sale of goods increased by EUR 4,098 thousand, or 196.5%, from EUR 2,086 thousand for the year ended 31 December 2018, to EUR 6,184 for the year ended 31 December 2019 due to sales of technology.

Revenue from rendering of services increased by EUR 4,038 thousand, or 71.7%, from EUR 5,633 thousand for the year ended 31 December 2018, to EUR 9,671 for the year ended 31 December 2019. This increase was primarily due to the increase in demand for engineering and O&M services.

Revenue from sale of electricity increased by 1,762 thousand, or 14.1%, from EUR 12,537 thousand for the year ended 31 December 2018, to EUR 14,299 for the year ended 31 December 2019. Sale of electricity increased as a result of a higher electricity generation over the period.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

The revenue increased by EUR 3,037 thousand, or 17.6%, from EUR 17,219 thousand for the year ended 31 December 2017, to EUR 20,256 for the year ended 31 December 2018. This increase resulted primarily from higher revenues connected to Engineering and O&M services.

	12 months ended 31 December		
	2018	2017	2017/2018
	<i>(EUR thousand) (audited)</i>		<i>(%)</i>
Sale of goods	2,086	2,379	(12.3)
Rendering of services	5,633	3,058	84.2
Sale of electricity	12,537	11,782	6.4
Total.....	20,256	17,219	17.6

Source: Audited Financial Statements.

Cost of Sales

Cost of sales consists mainly of material and goods necessary for construction of photovoltaic power plants and related services.

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine months period ended 30 September 2020, cost of sales decreased by EUR 1,910 thousand, or 22.7%, and amounted to EUR 6,517 thousand compared to EUR 8,428 thousand in the nine months period ended 30 September 2019. This decrease was mainly caused by lower subcontracted services for the projects realized during the first three quarters of year of 2020 and lower cost of technology sold related to overall lower other revenues as described above.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, cost of sales increased by EUR 8,284 thousand, or 59.9%, and amounted to EUR 13,823 thousand compared to EUR 5,539 thousand in the year ended 31 December 2018. This increase was mainly caused by higher consumption of material, goods and subcontracted services for the projects realized during 2019.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, cost of sales increased by EUR 1,394 thousand, or 33.6%, and amounted to EUR 5,539 thousand compared to EUR 4,145 thousand in the year ended 31 December 2017. This increase was mainly caused by higher subcontracted services for the projects realized during 2018.

Gross Profit and Gross Profit Margin

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine months ended 30 September 2020, gross profit increased by EUR 2,659 thousand, or by 20.2%, and amounted to EUR 15,854 thousand compared to EUR 13,195 thousand in the nine months ended 30 September 2019, as a result of the increase in revenue mainly as described above.

The gross profit margin equaled to 68% and 59% in the nine months periods ended 30 September 2020 and 2019, respectively.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, gross profit increased by EUR 1599 thousand, or by 11.6%, and amounted to EUR 15,439 thousand compared to EUR 13,840 thousand in the year ended 31 December 2018, as a result of the increase in revenue and cost of sales described above.

The gross profit margin equaled to 51% in the year 2019 compared to 68% in 2018. The lower margin in 2019 was mainly a consequence of higher cost of sales coming from the revenue growth of less profitable technology and engineering sales compared to electricity production.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, gross profit increased by EUR 1,586 thousand, or by 12.9%, and amounted to EUR 13,840 thousand compared to EUR 12,254 thousand in the year ended 31 December 2017, as a result of the increase in revenue and cost of sales described above.

The gross profit margin equaled to 68% in the year 2018 compared to 71% in 2017. The lower margin in 2018 was mainly a consequence of higher cost of sales coming from the revenue growth of less profitable engineering and technology sales compared to electricity production.

Administrative and personnel expenses

Administrative and personnel expenses consist mainly of wages and salaries, social and health insurance, consulting, legal and other administrative services.

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine months period ended 30 September 2020, administrative and personnel expenses increased by EUR 912 thousand, or 16.6%, and amounted to EUR 6,398 thousand compared to EUR 5,486 thousand in the nine months period ended 30 September 2019. This increase was mainly caused by higher number of employees and advisors during the first three quarters of 2020 compared to the same period in 2019.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, administrative and personnel expenses increased by EUR 1,684 thousand, or 29.5%, and amounted to EUR 7,397 thousand compared to EUR 5,713 thousand in the year ended 31 December 2018. This increase was mainly caused by higher number of employees and advisors during 2019.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, administrative and personnel expenses increased by EUR 1,365 thousand, or 31.4%, and amounted to EUR 5,713 thousand compared to EUR 4,348 thousand in the year ended 31 December 2017. This increase was mainly caused by higher number of employees and advisors during 2018.

Administrative and personnel expenses include as well the cost of compensations for the members of the Board of Directors and the Senior Manager from their employment relations with the Company or its subsidiaries. Those amounted to EUR 445 thousand in 2017, EUR 575 thousand in 2018, EUR 654 thousand in 2019 and EUR 512 thousand for the first nine month of 2020.

EBITDA and EBIT

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

EBITDA amounted to EUR 9,192 thousand (growth by 19.7% year-on-year), reflecting the Group's revenue and gross profit development. Depreciation increased by 19.6% as a result of the power plants newly connected in Hungary over the past 12 months, leading to an EBIT of EUR 2,813 thousand (growth by 19.7% year-to-year).

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In 2019 EBITDA amounted to EUR 7,942 thousand (decrease by 2.5% year-to-year), reflecting investments made in teams and projects. Depreciation increased by 21.3% as a result of the power plants newly connected in Hungary during the year, leading to EBIT of EUR 1,147 thousand (decrease by 54.9% year-to-year).

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In 2018 EBITDA slightly increased by 3.7% to EUR 8,145 thousand, reflecting the investments made in new projects and expansion of human resources. Depreciation increased by 0.7% as a result of a stable portfolio of power plants over the year (power plants in Tiszakécske, Hungary, were connected to the grid in December 2018), leading to EBIT of EUR 2,544 thousand (growth by 11.0% year-to-year).

Net Finance Expenses

Financial income and expenses consist mainly of interest expense. The other part of financial income and expenses represents the result of revaluation of derivatives, interest income, foreign exchange losses/gains and bank fees.

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine months period ended 30 September 2020, net finance expenses increased by EUR 1,686 thousand, or 48.9%, and amounted to EUR 5,136 thousand compared to EUR 3,450 thousand in the nine months period ended 30 September 2019. This increase was mainly caused by the refinancing of our Hungarian portfolio and the additional placement of our EUR Bond. Aside from that, the position was affected by a negative revaluation of derivative instruments in accounting, which is an unrealized cost with no incidence on cash.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, net finance expenses increased by EUR 687 thousand, or 18.1%, and amounted to EUR 4,488 thousand compared to EUR 3,801 thousand in the year ended 31 December 2018. This increase was mainly caused by an increase in interest costs connected to our EUR Bond.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, net finance expenses increased by EUR 1,790 thousand, or 89.0%, and amounted to EUR 3,801 thousand compared to EUR 2,010 thousand in the year ended 31 December 2017. This increase was mainly caused by an increase in interest costs connected to our EUR Bond, for which the target volume of EUR 30 million has been subscribed to in full between October 2017 and September 2018.

Profit/Loss Before Taxation

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine months period ended 30 September 2020, the profit before taxation decreased by EUR 5,351 thousand, or 176.3%, and amounted to a loss of EUR 2,316 thousand compared to a profit of EUR 3,305 thousand in the nine months period ended 30 September 2019, as a result of significant increase in net finance expenses described above and extraordinary income from disposal of investment amounting to EUR 4,121 thousand which was realized in 2019.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, the Group realized a capital gain of EUR 4.1 million as a result of the sale of its stakes in two utility-scale projects in Australia, leading to a profit before taxation of EUR 988 thousand compared to EUR 1,840 thousand in the year ended 31 December 2018.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, the successful development work in Australia, materialized by a capital gain of EUR 3,074 thousand led the Group to quadruple its profit before taxation to EUR 1,840 thousand, compared to EUR 346 thousand for the year ended 31 December 2017 (increase by 431.4%).

Total Comprehensive Income

Nine Months Ended 30 September 2020 compared to the Nine Months Ended 30 September 2019

In the nine month period ended 30 September 2020, further to the grid-connection of the Group's power plants in Tata, Malyi and Ventiterra II a positive revaluation difference of EUR 2,727 thousand was recorded in Other Comprehensive Income. Additionally to this activation, a revaluation difference of EUR 7,168 thousand was recorded due to the change in valuation methodology in September 2020 (see "Determination of Fair Values – Changes in valuation methodology in 2020"). Volatility of the Czech crown (CZK) and of the Hungarian Forint (HUF) at the end of September 2020 generated an unrealized negative foreign currency difference on the Group's balance sheet of EUR 4,817 thousand recognized in other comprehensive income, bringing a total comprehensive income to a positive value of EUR 5,494 thousand compared to EUR 3,132 thousand in the nine months period ended 30 September 2019.

Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019, total comprehensive income increased by EUR 5,533 thousand, or 218.6%, and amounted to EUR 8,064 thousand compared to EUR 2,531 thousand in the year ended 31 December 2019. This result was mainly generated upon plant commissioning and includes positive impact of revaluation of PPE (positive effect of EUR 8,549 thousand coming from newly connected power plants in Hungary), and positive change in currency translation reserve of EUR 231 thousand.

Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018, total comprehensive income increased by EUR 729 thousand, or 40.5%, and amounted to EUR 2,531 thousand compared to EUR 1,802 thousand in the year ended 31 December 2017. Other comprehensive income included mainly positive impact of revaluation of PPE (positive effect of EUR 2,366 thousand coming from newly connected power plants in Hungary), negative change in currency translation reserve of EUR 457 thousand and change in the derivatives reserve (positive impact of EUR 113 thousand).

Results of Operations by Business Segments

The table below presents selected information relating to the results of the business segments of the Group for the indicated periods in accordance with the old segment reporting principles, which were changed as of 1 January 2020.

	9 months ended 30 September*		Year ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Energy Solutions⁽¹⁾:					
External revenues from the sale of products, goods & service	6,343	8,043	12,916	5,241	3,091
Internal revenues from the sale of products, goods & services	20,541	17,224	30,870	17,966	572
Gross profit	10,014	5,907	10,404	6,558	856
EBITDA	8,303	4,824	6,630*	3,359*	(244)*
EBIT	8,273	4,807	6,598	3,350	(244)
Net finance expenses	(420)	(177)	(211)	(366)	(23)
Profit/loss after taxation	7,210	8,527	5,534	2,764	(268)
Total comprehensive Income	6,820	8,527	5,534	2,764	(268)
Assets	44,742	32,080	37,884	18,665	5,148
Liabilities	35,746	29,926	33,756	18,345	6,791
Production of electricity⁽²⁾:					
External revenues from the sale of products, goods & services	14,754	12,391	14,299	12,537	11,782
Internal revenues from the sale of products, goods & services	0	0	0	299	0
Gross profit	12,395	10,914	12,443	10,779	10,077
EBITDA	12,086	10,473	11,563*	10,468*	9,823*
EBIT	6,217	5,369	5,423	4,985	4,354
Net finance expenses	(2,338)	(1,394)	(1,825)	(1,415)	(1,103)
Profit/loss after taxation	2,512	3,060	2,754	2,468	2,100
Total comprehensive Income	9,160	6,192	11,544	4,489	2,100
Assets	138,989	106,750	116,729	91,364	84,904
Liabilities	91,045	57,476	70,918	54,988	47,634
Operations, maintenance and PVPP supervision⁽³⁾:					
External revenues from the sale of products, goods & services	1,963	1,819	2,667	2,200	2,109
Internal revenues from the sale of products, goods & services	1,100	806	1,384	912	1,488
Gross profit	1,715	1,260	2,224	1,495	2,207
EBITDA	(0)	(122)	(577)*	(746)*	(432)*
EBIT	(242)	(293)	(815)	(823)	(493)
Net finance expenses	(242)	(78)	(70)	(114)	(76)
Profit/loss after taxation	(485)	(371)	(885)	(937)	(569)
Total comprehensive Income	(830)	(371)	(885)	(937)	(569)
Assets	11,857	8,685	10,154	7,144	4,061
Liabilities	17,895	13,203	15,603	11,170	7,030
PV Investments⁽⁴⁾:					
External revenues from the sale of products, goods & services	0	0	0	0	0
Internal revenues from the sale of products, goods & services			0	0	0
Gross profit	0	0	0	0	0
EBITDA	0	0	0*	0*	0*
EBIT	0	0	0	0	0
Net finance expenses	0	0	2	23	66
Profit/loss after taxation	6	14	2	23	66

	9 months ended 30 September*		Year ended 31 December		
	2020	2019	2019	2018	2017
	(EUR thousand) (unaudited)		(EUR thousand) (audited)		
Total comprehensive Income	6	14	2	23	2,675
Assets.....	2,650	2,673	2,666	3,179	1,605
Liabilities.....	0	0	0	0	0
Others⁽⁵⁾:					
External revenues from the sale of products, goods & services	103	152	272	278	237
Internal revenues from the sale of products, goods & services	3,650	3,975	5,577	4,552	3,239
Gross profit.....	3,657	3,930	5,538	4,651	3,296
EBITDA.....	(1,124)	(2,797)	14*	(173)*	(1,290)*
EBIT	(1,361)	(2,836)	(371)	(206)	(1,320)
Net finance expenses.....	(2,136)	(193)	3,161	1,170	(809)
Profit/loss after taxation.....	(3,497)	(3,029)	2,773	955	(2,129)
Total comprehensive Income	(3,916)	(3,029)	2,773	955	(2,129)
Assets.....	111,341	108,617	108,569	47,398	22,265
Liabilities.....	113,667	122,833	117,105	53,468	30,490

Source: Historical Financial Statements; *the Company.

Notes: (1) Energy Solutions include wholesale and import of FVE components, engineering and construction services turnkey photovoltaic systems' installations for external clients and the Company; (2) Production of Electricity includes SPE that finished building of photovoltaic power plants and those are connected to the distribution network and produce electricity; (3) Operations & Maintenance include operations, maintenance, PVPP supervision and services of Inverter Cardio and Monitoring and Control; (4) PV Investments represents OCI of the Group flowing from the revaluation of the FVE producing the electricity and it is related to project companies that generate the revenues as shown in segment production of electricity; (5) Others include project development, financing and insurance solutions for PV investors, water technology and remediation services and other less significant activities.

The table below present split of revenues by geographic market for the indicated periods.

	9 months ended 30 September*	Year ended 31 December		
	2020	2019	2018	2017
	(EUR thousand) (unaudited)		(EUR thousand) (audited)	
Czech Republic.....	12,298	20,183	13,835	13,111
Slovak Republic.....	2,912	3,162	3,101	3,361
Australia	3,865	5,234	3,269	747
Germany ⁽¹⁾	0	16	0	0
Hungary.....	4,088	1,559	51	0
Switzerland ⁽²⁾	0	0	0	0
Consolidated revenues.....	23,163	30,154	20,256	17,219

Source: Historical Financial Statements; *the Company.

Notes: (1) Results presented for Germany derives from the fact, that from 2015 the Group was reducing its presence on the German market, and the German market has not been of strategic focus since then; (2) Results presented for Switzerland derives from the fact that the Company owns three subsidiaries in Switzerland out of which KORADOL AG and ALFEMO AG are holding companies that own group assets in Hungary and the Czech Republic with no local business generating revenues and the company Global Investment Protection AG is providing only advisory services to entities from the Group in other countries that are eliminated in the process of the consolidation, therefore no revenues are shown in Switzerland as such. Geographic split of revenues is based on the domicile of the entity providing the services to the external customer or selling goods to them.

The table below present split of non-current assets by geographic market for the indicated periods.

	9 months ended 30 September	Year ended 31 December		
	2020	2019	2018	2017
	(EUR thousand) (unaudited)		(EUR thousand) (unaudited)	
Czech Republic.....	61,017	45,097	49,848	54,648
Slovak Republic.....	12,430	17,901	16,203	17,560
Australia	2,201	5,812	754	381
Hungary.....	39,740	37,655	12,489	153
Netherlands.....	0	12	0	0
Consolidated non-current assets....	115,388	106,477	79,294	72,742

Source: The Company.

Notes: Non-Current assets presented in the table above consist mainly of property, plant and equipment (land, photovoltaic power plants, other equipment and assets under construction). Since 2019, also right of use of lease assets, other investments, Investments in associates /joint ventures and intangibles are included in the overview.

The Company's organization is, however, not split by geographic division, but by segments as such. The individual segments operate intensively cross border; therefore looking at an individual business segment in a particular country does not give an accurate picture of the profitability of that activity for the Group. As at the Prospectus Date the Company analyse the profitability of its activities on a business segment level and not country level.

The table below presents selected information relating to results of the business segments of the Group for the indicated periods prepared in accordance with new segment reporting principles, which were changed as of 1 January 2020. Data for

the years 2017-2019 is just for comparative purposes. Company has identified measure of the Total comprehensive income as the key measure for all the below listed segments.

	9 months ended 30 September		Year ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>				
Solutions⁽¹⁾:					
External revenues from the sale of products, goods & services	4,198	3,873	6,711	3,155	712
Internal revenues from the sale of products, goods & services	17,128	12,944	23,535	12,984	492
Gross profit	9,449	4,915	9,272	5,160	669
EBITDA	7,877	3,978	6,235	2,507	(89)
Depreciation	(28)	(17)	(32)	(10)	0
EBIT	7,849	3,961	6,203	2,497	(89)
Net finance expenses	(258)	(120)	(144)	(201)	(19)
Tax (income and deferred)	(643)	(225)	(852)	(219)	(1)
Profit/loss after taxation	6,948	7,737	5,206	2,076	(109)
Profit/loss share in entities & disposal of Investments	0	4,121	0	0	0
Other comprehensive income	(390)	0	0	0	0
Total comprehensive Income	6,558	7,737	5,206	2,076	(109)
Assets	37,820	23,135	28,251	14,944	3,775
Liabilities	(29,094)	(21,798)	(24,510)	(14,642)	(4,744)
Technology⁽²⁾:					
External revenues from the sale of products, goods & services	2,145	4,170	6,200	2,086	2,379
Internal revenues from the sale of products, goods & services	3,414	4,280	7,335	4,982	80
Gross profit	565	992	1,132	1,397	188
EBITDA	426	846	395	853	(343)
Depreciation	(1)	0	0	0	0
EBIT	424	846	395	853	(343)
Net finance expenses	(162)	(57)	(67)	(165)	(3)
Tax (income and deferred)	0	0	0	0	0
Profit/loss after taxation	262	789	328	688	(159)
Profit/loss share in entities & disposal of Investments	0	0	0	0	0
Other comprehensive income	0	0	0	0	0
Total comprehensive Income	262	789	328	688	(159)
Assets	6,922	8,945	9,593	3,720	1,373
Liabilities	(6,652)	(8,128)	(9,246)	(3,703)	(2,048)
Investments⁽³⁾:					
External revenues from the sale of products, goods & services	14,754	12,391	14,299	12,537	11,782
Internal revenues from the sale of products, goods & services	0	0	0	299	0
Gross profit	12,395	10,914	12,443	10,779	10,077
EBITDA	12,086	10,473	11,563	10,468	9,823
Depreciation	(5,869)	(5,104)	(6,140)	(5,483)	(5,469)
EBIT	6,217	5,369	5,423	4,985	4,354
Net finance expenses	(2,338)	(1,394)	(1,825)	(1,415)	(1,103)
Tax (income and deferred)	(1,373)	(914)	(843)	(1,102)	(137)
Profit/loss after taxation	2,512	3,074	2,756	2,491	2,166
Profit/loss share in entities & disposal of Investments	6	14	2	23	66
Other comprehensive income	6,648	3,132	8,790	2,022	2,609
Total comprehensive Income	9,160	6,206	11,546	4,513	4,775
Assets	138,989	109,424	119,434	94,543	86,508
Liabilities	(91,045)	(57,476)	(70,918)	(54,988)	(47,634)
Operations & Maintenance⁽⁴⁾:					
External revenues from the sale of products, goods & services	1,963	1,819	2,667	2,200	2,109
Internal revenues from the sale of products, goods & services	1,100	806	1,384	912	1,488
Gross profit	1,715	1,260	2,224	1,495	2,207
EBITDA	(0)	(122)	(577)	(746)	(432)
Depreciation	(242)	(172)	(238)	(76)	(61)

	9 months ended 30 September		Year ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>				
EBIT	(242)	(293)	(815)	(823)	(493)
Net finance expenses.....	(242)	(78)	(70)	(114)	(76)
Tax (income and deferred)	0	0	0	0	0
Profit/loss after taxation.....	(485)	(371)	(885)	(937)	(569)
Profit/loss share in entities & disposal of Investments.....	0	0	0	0	0
Other comprehensive income.....	(345)	0	0	0	0
Total comprehensive Income	(830)	(371)	(885)	(937)	(569)
Assets.....	11,857	8,685	10,154	7,144	4,061
Liabilities.....	(17,895)	(13,203)	(15,603)	(11,170)	(7,030)
Others⁽⁵⁾:					
External revenues from the sale of products, goods & services	103	152	272	278	237
Internal revenues from the sale of products, goods & services	3,650	3,975	5,577	4,552	3,239
Gross profit.....	3,657	3,930	5,538	4,651	3,296
EBITDA.....	(1,124)	(2,797)	14	(173)	(1,290)
Depreciation.....	(237)	(39)	(385)	(33)	(30)
EBIT	(1,361)	(2,836)	(371)	(206)	(1,320)
Net finance expenses.....	(2,136)	(193)	(1,164)	1,170	(809)
Tax (income and deferred)	0	0	(19)	(9)	(1)
Profit/loss after taxation.....	(3,497)	(3,029)	2,773	955	(2,129)
Profit/loss share in entities & disposal of Investments.....	0	0	4,326	3,074	0
Other comprehensive income.....	(419)	0	0	0	0
Total comprehensive Income	93,916	(3,029)	2,773	955	(2,129)
Assets.....	111,341	108,617	108,569	47,398	22,265
Liabilities.....	(113,667)	(122,833)	(117,105)	(53,468)	(30,490)
Total for segments before elimination:					
External revenues from the sale of products, goods & services	23,163	22,405	30,154	20,256	17,219
Internal revenues from the sale of products, goods & services	25,291	22,004	37,831	23,728	5,299
Gross profit.....	27,781	22,011	30,609	23,482	16,431
EBITDA.....	19,265	12,378	17,629	12,909	7,851
Depreciation.....	(6,379)	(5,332)	(6,795)	(5,602)	(5,560)
EBIT	12,886	7,046	10,835	7,306	2,291
Net finance expenses.....	(5,136)	(1,842)	(1,278)	(3,800)	(2,011)
Tax (income and deferred)	(2,015)	(1,139)	(1,714)	(1,331)	(1,153)
Profit/loss after taxation.....	5,741	8,200	10,178	5,274	(807)
Profit/loss share in entities & Disposal of Investments.....	6	4,135	4,328	3,097	66
Other comprehensive income.....	5,493	3,132	8,790	2,022	2,609
Total comprehensive Income	11,234	11,332	18,968	7,295	1,802
Assets.....	306,929	258,806	276,001	167,750	117,982
Liabilities.....	(258,353)	(223,438)	(237,382)	(137,970)	(91,945)
Elimination:					
External revenues from the sale of products, goods & services	0	0	0	0	0
Internal revenues from the sale of products, goods & services	(25,291)	(22,004)	(37,831)	(23,728)	(5,299)
Gross profit.....	(11,926)	(8,816)	(15,170)	(9,643)	(4,177)
EBITDA.....	1,854	(4,696)	(9,686)	(4,763)	0
Depreciation.....	0	0	0	0	0
EBIT	(10,072)	(4,697)	(9,688)	(4,763)	0
Net finance expenses.....	0	(1,608)	(1,278)	0	0
Tax (income and deferred)	0	0	0	0	0
Profit/loss after taxation.....	(10,072)	(6,303)	(10,966)	(4,763)	0
Profit/loss share in entities & Disposal of Investments.....	0	0	0	0	0
Other comprehensive income.....	0	0	0	0	0
Total comprehensive Income	(10,072)	(6,303)	(10,966)	(4,763)	0
Assets.....	(157,983)	(127,393)	(137,738)	(61,402)	(28,290)
Liabilities.....	148,640	126,770	136,962	61,402	28,236

	9 months ended 30 September		Year ended 31 December		
	2020	2019	2019	2018	2017
	(EUR thousand) (unaudited)				
Total for segments after elimination:					
External revenues from the sale of products, goods & services	23,163	22,405	30,154	13,840	17,219
Internal revenues from the sale of products, goods & services	0	0	0	8,145	0
Gross profit	15,854	13,195	15,439	(5,602)	12,254
EBITDA	9,192	(5,535)	7,943	2,543	7,851
Depreciation	(6,379)	(5,332)	(6,795)	(3,800)	(5,560)
EBIT	2,813	2,350	1,147	(1,331)	2,291
Net finance expenses	(5,136)	(3,450)	(4,548)	510	(2,011)
Tax (income and deferred)	(2,015)	(1,139)	(1,714)	3,097	(1,153)
Profit/loss after taxation	(4,332)	1,897	(726)	2,022	(807)
Profit/loss share in entities & Disposal of Investments	6	4,135	4,328	2,532	66
Other comprehensive income	5,493	3,132	8,790	106,348	2,609
Total comprehensive Income	1,162	5,029	8,064	13,840	1,802
Assets	148,645	131,413	138,263	8,145	89,692
Liabilities	(109,714)	(96,669)	(100,420)	(76,569)	(63,709)

Source: The Company.

Notes: (1) Solutions include development, engineering and construction services of turn-turn key photovoltaic systems' installations for external clients and the Company; (2) Technology include wholesale, import and export of FVE components; (3) Investments include investment into photovoltaic power plants and creation of OCI of the Group flowing from the revaluation of the PV plants according IAS 16 and production of electricity (this category includes SPE that finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity); (4) Operations & Maintenance include operations, maintenance, PVPP supervision and services of Inverter Cardio and Monitoring and Control; (5) Others include project development, financing and insurance solutions for PV investors, water technology and remediation services and other less significant activities; (6) Revenues from the segment of solutions come mainly from the Australia and Hungarian markets. Revenues from Technology segment vary from year to year, in the reported period for the nine month ended 30 September 2020 they come mostly from the Czech Republic and Poland. Revenues of the Investments segment are coming from the Czech Republic, Slovakia and Hungary. Operations and maintenance segment revenues come primarily from Czech Republic followed by Hungary and Slovakia. Revenues in Other segment are usually from the Czech Republic; (6) The above table represents the reconciliation of the revenues, measures of profit or loss to the entity's profit or loss before tax expenses, assets, liabilities as required by IFRS 8.28, as there are any other reconciling items arising from the different accounting policies and Total values for segments after elimination of intercompany balances reconcile to the consolidated financial statements for the indicated period in the table.

The table below presents the amount of investment in associates and joint ventures accounted for by the equity method, and the amounts of additions to the non-current assets (other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts for the indicated periods.

	9 months ended 30 September		Year ended 31 December		
	2020	2019	2019	2018	2017
	(EUR thousand) (unaudited)				
Solutions:					
Investments in JV and associates accounted for by equity method	0	0	0	0	0
Additions to non-current assets	0	0	0	0	0
Technology:					
Investments in JV and associates accounted for by equity method	0	0	0	0	0
Additions to non-current assets	0	0	0	0	00
Investments:					
Investments in JV and associates accounted for by equity method	2,650	2,673	2,666	3,179	1,604
Additions to non-current assets	6,172	9,323	20,939	7,751	19
Operations & Maintenance:					
Investments in JV and associates accounted for by equity method	0	0	0	0	0
Additions to non-current assets	2,049	239	51	375	0
Others:					
Investments in JV and associates accounted for by equity method	0	0	0	0	0
Additions to non-current assets	705	3,829	2,995	11	0

Source: The Company.

Statement of Financial Position

Assets

The table below presents information on the Group's assets as at dates indicated.

	As at 30 September	As at 31 December		
	2020	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>	<i>(EUR thousand) (audited)</i>		
Assets:				
Property, plant and equipment; intangibles	109,018	100,797	79,294	72,742
Investments in equity-accounted investees.....	2,650	2,666	3,179	1,604
Other investments	1,138	0	20	9
Right of use leased asset	2,582	3,014	0	0
Long-term receivables.....	0	0	0	0
Deferred tax assets	0	0	0	0
Non-current assets	115,388	106,477	82,492	74,354
Inventories	2,282	1,212	1,148	1,345
Trade receivables	4,322	4,573	2,394	1,459
Other receivables	2,871	6,186	5,370	3,109
Gross amount due from customers for contract work.....	6,635	2,456	587	374
Current tax receivable	0	0	0	0
Loans	948	1,027	840	650
Prepaid expenses.....	1,355	1,228	1,176	715
Cash and cash equivalents.....	14,542	15,104	12,340	7,333
Other S-T financial asset.....	302	0	0	352
Assets classified as held for sale	0	0	0	0
Current assets.....	33,257	31,786	23,856	15,338
Total assets.....	148,645	138,263	106,348	89,692

Source: Historical Financial Statements.

Total Assets

Total assets increased by EUR 10,383 thousand (i.e. by 7.5%) from EUR 138,263 thousand as at 31 December 2019 to EUR 148,645 thousand as at 30 September 2020. Total assets increased by EUR 31,915 thousand (i.e. by 30.0%) from EUR 106,348 thousand as at 31 December 2018 to EUR 138,263 thousand as at 31 December 2019, and increased by EUR 16,656 (i.e. by 18.6%) from EUR 89,692 thousand as at 31 December 2017 to EUR 106,348 thousand as at 31 December 2018.

Non-current Assets

Non-current assets increased by EUR 8,911 thousand (i.e. by 8.4%) from EUR 106,477 thousand as at 31 December 2019 to EUR 115,388 thousand as at 30 September 2020. This increase was mainly due to an increase in property, plant and equipment and intangibles by EUR 8,221 thousand and due to new other investment as at 30 September 2020 equal to EUR 1,138 thousand.

Fair value assessment of the all connected and revalued power plants is done by the Company each quarter as of the reporting date. All the key inputs used in the DCF models used for revaluation are reviewed as of this date and if there is any change in those, update in the DCF models is done. Cash flows were calculated for the period equal to the duration of the Feed-in-Tariff (period with guaranteed sales prices), which are 20 years in Czech Republic, 15 years in Slovak Republic and up to 25 years in Hungary, and expected production output based on independent external technical advisors evaluations (in case of Hungarian power plants), or if sufficient historic data is available (in case of the Czech and Slovak power plants), based on the average production data of the past five years as a basis for future production reduced by the expected degradation of the modules, for an individual power plant in a given country. Running cost are planned based on contracted services, generally adjusted by expected inflation rates. Subsequently, the impact of the potential change in the value is assessed by the management of the Company and based on its materiality, it is decided whether the power plant will be revalued or not. The valuation methodology for the revaluation of the power plants is based on the Levered Free Cash Flow to Equity (FCFE) basis of the power plants (this is the Cash Flow after repayment of bank loans, interest and tax). The discount rates are based on the Capital Asset Pricing Model adjusted by the Miller-Modigliani formula ("CAPMMM"). The CAPMMM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that assets non-diversifiable risk. The used Levered Cost of Equity rates vary between countries from 7% to 11%. See also "–Significant Accounting Policies, Judgements and Estimates – Property, Plant and Equipment" below.

Non-current assets increased by EUR 23,985 thousand (i.e. by 29.1%) from EUR 82,492 thousand as at 31 December 2018 to EUR 106,477 thousand as at 31 December 2019. This increase was mainly due to an increase in property, plant and equipment by EUR 21,503 thousand (i.e. by 27.1%) of newly built and activated power plants in Hungary. Increase of the Right of use of leased assets is linked to the implementation of the IAS 17 standard related to Lease as of 1 January 2019,

when the lease liabilities have to be capitalized and shown as an assets (and also liability) within the balance sheet. The majority of the amount relates to the easement of land attributed to the power plants with the lease period up to 15 years. The amount does also include rent of the office premises (with a lease period up to 5 years) and lease of the Company's cars.

Non-current assets increased by EUR 8,138 thousand (i.e. by 10.9%) from EUR 74,354 thousand as at 31 December 2017 to EUR 82,492 thousand as at 31 December 2018. This increase was mainly due to an increase in property, plant and equipment by EUR 6,552 thousand (i.e. by 9.0%) for Hungarian power plants.

The Company has not recognized any deferred tax asset in the balance sheet for unused tax losses as it does not believe that those could be offset against the taxable profits before their expiry date. Therefore deferred tax asset as presented in the Non-Current Assets section is equal to zero.

As of 31 December 2019 the Group has a unrecognized potential deferred tax asset of EUR 2,835 thousand resulting from unused tax losses carry forward of EUR 13,879 thousand. Out of these tax losses, EUR 1,002 thousand expire in 2020, EUR 7,080 thousand expire in the period 2021-2024, EUR 525 thousand expire in the period 2025-2027 and EUR 5,272 thousands have a unlimited expiry date. No deferred tax asset arising from these tax losses carry forward has been recognized in the financial statements as it is either not probable that sufficient taxable profits will be generated prior to the expiry of unused tax losses or as the Group is not able to reliably assess the amounts and timing of future taxable profits. The potential deferred tax asset has been calculated using the tax rates valid in individual countries where accumulated tax losses arise (Czech Republic, Slovakia, Germany, Netherlands, Switzerland, Australia and Hungary).

Current Assets

Current assets increased by EUR 1,472 thousand (i.e. by 4,6%) from EUR 31,786 thousand as at 31 December 2019 to EUR 33,257 thousand as at 30 September 2020. This increase was mainly due to an increase in contracted work in progress by EUR 4,178 thousand (i.e. by 170.0% year-to-year) and increase in inventories by EUR 1,070 thousand compensated by lower other receivables.

Gross amount due from customers for contract work relates to work in progress from unfinished (and not invoiced) power plants under construction. Significant increase of the outstanding balances between the years 2018 and 2019 is related to the intensified volume of activities with the engineering segments and augmented number of unfinished projects that were subsequently finished in 2020. The increase in this position between the 31 December 2019 and 30 September 2020 is a result of the seasonal finalization of the projects and overall percentage of their completion.

Current assets increased by EUR 7,930 thousand (i.e. by 33.2%) from EUR 23,856 thousand as 31 December 2018 to EUR 31,786 thousand as at 31 December 2019. This increase was mainly due to an increase in cash and cash equivalents by EUR 2,764 thousand (i.e. by 22.4% year-to-year), trade receivables and gross amount due from customers. Increase in trade receivables and gross amount due to customers is related to higher revenues in all segments and higher construction activity of the Group.

Current assets increased by EUR 8,518 thousand (i.e. by 55.5% year-to-year) from EUR 15,338 thousand as at 31 December 2017 to EUR 23,856 thousand as at 31 December 2018. This increase was mainly due to an increase in cash and cash equivalents by EUR 5,007 thousand (i.e. by 68.3% year-to-year) as a result of raising the bond as described in the cashflow statement.

Liabilities

The table below presents information on the Group's liabilities as at dates indicated.

	As at 30 September	As at 31 December		
	2020	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>	<i>(EUR thousand) (audited)</i>		
Liabilities:				
Loans and borrowings.....	38,618	37,589	29,250	34,786
Other long-term liabilities*.....	46,052	40,072	32,551	9,285
Other loans.....	0	0	0	1,000
Deferred tax liabilities.....	9,737	7,369	6,308	6,153
Long-term liability from income tax.....	0	0	0	0
Lease-liability.....	2,318	3,043	0	0
Non-current liabilities.....	96,724	88,073	68,110	51,225
Loans and borrowings.....	4,889	3,649	3,686	3,695
Trade payables.....	4,329	3,484	1,166	238
Other payables.....	3,102	5,090	3,177	1,263
Other loans.....	0	0	0	270
Other short-term liabilities.....	0	0	0	6,533
Current tax liabilities.....	670	125	430	469
Provisions.....	0	0	0	17
Liabilities classified as held for sale.....	-	0	0	0

	As at 30 September	As at 31 December		
	2020	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>	<i>(EUR thousand) (audited)</i>		
Current liabilities	12,990	12,348	8,459	12,484
Total liabilities	148,646	100,421	76,569	63,709

Source: Historical Financial Statements.

Notes: Other long-term liabilities include bond liabilities in the amount of EUR 8,656 thousand as of 31 December 2017, EUR 31,682 thousand as of 31 December 2018 and EUR 39,266 thousand as of 31 December 2019 and EUR 45,317 thousand as of 30 September 2020.

Total Liabilities

Total liabilities increased by EUR 9,293 thousand (i.e. by 9.3%) from EUR 100,421 thousand as at 31 December 2019 to EUR 109,714 thousand as at 30 September 2020. Total liabilities increased by EUR 23,852 thousand (i.e. by 31.2%) from EUR 76,569 thousand as at 31 December 2018 to EUR 100,421 thousand as at 31 December 2019, and increased by EUR 12,860 (i.e. by 20.2%) from EUR 63,709 thousand as at 31 December 2017 to EUR 76,569 thousand as at 31 December 2018.

Non-current Liabilities

Non-current liabilities increased by EUR 8,651 thousand (i.e. by 9.8%) from EUR 88,073 thousand as at 31 December 2019 to EUR 96,724 thousand as at 30 September 2020. This increase was mainly influenced by new bank loans (increase by EUR 1,029 thousand) and newly raised EUR bond (increase by EUR 6,000 thousand).

Non-current liabilities increased by EUR 19,963 thousand (i.e. by 29.3%) from EUR 68,110 thousand as at 31 December 2018 to EUR 88,073 thousand as at 31 December 2019. This increase was mainly connected to new bank loans, which increased by EUR 8,339 thousand over the period, by an increase in non-current liabilities by EUR 7,521 thousand and by an increase in leased liability by EUR 3,042 thousand.

Non-current liabilities increased by EUR 16,885 (i.e. by 33.0%) from EUR 51,225 thousand as at 31 December 2017 to EUR 68,110 thousand as at 31 December 2018. This increase was mainly connected to the issuance of the bond (23,266 thousand) compensated by the reimbursement of bank loans (EUR 5,536 thousand) with other minor movements in the remaining positions.

Other long-term liabilities include mainly bond liability (material part) and also leasing loan liability (remaining immaterial part of the total outstanding balance). Bond balance as of 31 December 2018 equaled to EUR 31,682 thousand out of EUR 32,551 thousand and as of 31 December 2019 EUR 39,266 thousand out of EUR 40,072 thousand.

Bond outstanding balance consists of the CZK bond and EUR bond. In October 2017, the Group issued new EUR bonds with an annual coupon of 7.75% and maturity in October 2022. The outstanding amount as of 31 December 2019 was EUR 37,500 thousand. The CZK bond issued in December 2016 has an annual coupon of 6% and maturity date in December 2023, with an outstanding amount of EUR 1,766 thousand as of 31 December 2019. Bonds' outstanding balance is shown as a total in the non-current liabilities as other long-term liability.

Bank loans/borrowings are split between the short-term portion and long-term portion shown in the line bank loans (either in non-current or current liabilities accordingly).

Current Liabilities

Current liabilities increased by EUR 642 thousand (i.e. by 5.2%) from EUR 12,348 thousand as at 31 December 2019 to EUR 12,990 thousand as at 30 September 2020. The increase resulted primarily from the increase in all positions (trade payables, short-term bank loans and tax liability) compensated by lower balance of other payables.

Current liabilities increased by EUR 3,889 thousand (i.e. by 46.0% year-to-year), from EUR 8,459 thousand in the year ended 31 December 2018 to EUR 12,348 thousand in the year ended 31 December 2019. The increase resulted primarily from the significantly higher trade and other payables, while loans and borrowings remained on the approximately same level.

Current liabilities decreased by EUR 4,025 thousand (i.e. by 32.3% year-to-year) from EUR 12,484 thousand in the year ended 31 December 2017 to EUR 8,459 thousand in the year ended 31 December 2018. The decrease resulted primarily from repayment of the outstanding bond balance due in the beginning of 2018. This significant decrease was compensated by higher trade and other payables.

Liquidity and Capital Resources

Group finances its liquidity and capital needs mainly through loans and borrowings and from cash flows generated from its operations (see “–Liabilities” and “–Statement of Cash Flows”). The Group's main capital requirements are related to its operating activities, financing its capital expenditures and servicing its trade and other liabilities. As at the Prospectus Date the Group does not anticipated a need to acquire any additional external funds.

The Group's financial strategy aims to ensure, to the greatest extent possible, that the Group has sufficient financial resources and liquidity to repay its liabilities once they become due, both in the ordinary course of business and in extraordinary circumstances, so that the Group is not exposed to losses or damage to its reputation. The Group maintains sufficient cash resources to settle due liabilities. The Board of Directors regularly monitors the expected cash flows. The time cycles of solar power project development and operation can vary substantially and take many years. As a result, the Group may need to make significant up-front investments of resources before the collection of any cash from the sale or operation of these projects. These investments include payment of interconnection and other deposits, posting of letters of credit, and incurring engineering, permitting, legal and other expenses. The Group may have to use part of its existing bank facilities to finance the construction of the solar power projects. Depending on the size and number of solar power projects that the Group is developing and self-financing, its liquidity requirements could be significant. Delays in constructing or completing the sale of any of the Group's solar power projects which are self-financed by the Group could also impact its liquidity.

Contingent Liabilities and Off-Balance Sheet Liabilities

The Group does not have any material contingent liabilities and/or off-balance sheet liabilities.

Statement of Cash Flows

The table below presents the principal information of the Group's cash flows in the periods indicated.

	9 months ended		12 months ended 31 December		
	30 September		31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>		<i>(EUR thousand) (audited)</i>		
Net cash flows from operating activities	5,046	5,132	6,536	7,654	2,661
Net cash flows used in investing activities	(14,399)	(11,032)	(14,410)	(9,415)	(53)
Net cash flows used in financing activities	8,790	10,285	10,638	6,764	(2,989)
Net increase/decrease in cash and cash equivalents	9562	4,385	2,764	5,006	(381)
Cash and cash equivalents at the beginning of the period ...	15,104	12,337	12,340	7,333	5,420
Cash and cash equivalents at the end of the period	14,542	16,721	15,104	12,340	7,333

Source: Historical Financial Statements.

Net Cash Flows in the Nine Months Ended 30 September 2020 Compared to the Nine Months Ended 30 September 2019

In nine months ended 30 September 2020 the Group posted positive operating cash flow, which amounted to EUR 5,046 thousand, compared to a positive cashflow of EUR 5,132 thousand in the nine months ended 30 September 2019.

Financing cash flow decreased in the nine months ended 30 September 2020 compared to nine months ended 30 September 2019 and amounted to EUR 8,790 thousand (decrease by 14.5 % year-to-year) and comprised of new bank loans (EUR 10,235 thousand), new EUR bond (EUR 6,000 thousand) and oppositely of bank loans repayment and interest expenses (EUR 7,614 thousand).

Investing cash flow was negative in the nine months ended 30 September 2020 and equaled to EUR 14,399 thousand, mainly as a result of project development and investment activities in Hungary (EUR 8,625 thousand) and Australia (3,880 thousand) and acquisition of other investment and development of monitoring software in the value of EUR 1,667 thousand.

Overall, the cash position decreased by EUR 2,179 thousand in the nine months ended 30 September 2020, and amounted to EUR 14,542 thousand, compared to EUR 16,721 thousand in the nine months ended 30 September 2019.

Net Cash Flows in the Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

In the year ended 31 December 2019 the Group posted positive operating cash flow, which amounted to EUR 6,536 thousand. The operating cash flow decreased by EUR 1,118 thousand in the year ended 31 December 2019 to the amount of EUR 6,536 thousand, compared to EUR 7,654 thousand in the year ended 31 December 2018 (decrease by 14.6% year-to-year).

Financing cash flow was amounted to EUR 10,638 thousand in the year ended 31 December 2019 and was higher from the financing cash flow in the year ended 31 December 2018 by EUR 3874 thousand, or by 57.3%. The position comprised of new bank loans (EUR 20,996 thousand) as well as an increase of the bond placement by EUR 7,584 million and oppositely of bank loans repayment and interest expenses (EUR 17,942 thousand).

Investing cash flow was negative in the year ended 31 December 2019 and equaled to a negative of EUR 14,410 thousand, compared to a negative of EUR 9,415 in the year ended 31 December 2018 mainly as a result of project development and investment activities in Hungary and Australia (EUR 17,543 thousand), the acquisition of other investment in the value of EUR 2,300 thousand and proceeds resulting from the sale of stakes in the Suntop 1, Gunnedah and Brewongle projects in Australia (EUR 5,433 thousand).

Overall, the cash position increased by EUR 2,746 thousand in the year ended 31 December 2019, and amounted to EUR 15,104 thousand, compared to EUR 12,340 thousand in the year ended 31 December 2018 (increase by 22.4% year-to-year).

Net Cash Flows in the Year Ended 31 December 2018 Compared to the Year Ended 31 December 2017

In the year ended 31 December 2018 the Group posted positive operating cash flow, which amounted to EUR 7,654 thousand. The operating cash flow increased by EUR 4,993 thousand in the year ended 31 December 2018 compared to EUR 2,661 thousand in the year ended 31 December 2017 (increase by 187.6% year-to-year).

Financing cash flow was amounted to EUR 6,764 thousand in the year ended 31 December 2018 and was higher from the financing cash flow in the year ended 31 December 2017 by EUR 9,753 thousand, or by 326.3%. The position comprised of the net proceeds of the Company's five-year 7.75% euro corporate bond placement of EUR 23,026 thousands, and oppositely of the repayment of the outstanding nominal of EUR 6.553 million of the Group's 8% EUR corporate bond 2013/18, bank loans repayment and interest expenses (EUR 9,726 thousand).

Investing cash flow was negative in the year ended 31 December 2018 and equaled to a negative of EUR 9,415 thousand, compared to a negative of EUR 53,0 in the year ended 31 December 2017, mainly as a result of project development and investment activities in Hungary and Australia (EUR 9,552 thousand), the acquisition of other investment in the value of EUR 2,936 thousand and from a capital gain of EUR 3,074 million resulting from the co-development agreement signed with Canadian Solar in January 2018.

Overall, the cash position increased by EUR 5,006 thousand in the year ended 31 December 2018, and amounted to EUR 12,340 thousand, compared to EUR 7,333 thousand in the year ended 31 December 2017 (increase by 68.3% year-to-year).

Capital Expenditures

Information on the capital expenditure (defined as all costs incurred during respective reporting period to acquire property, plant and equipment, and intangible assets other than goodwill of the Group for the indicated periods is shown in the table below.

	9 months ended 30 September		12 months ended 31 December		
	2020	2019	2019	2018	2017
	<i>(EUR thousand) (unaudited)</i>				
Construction of PV power plants in Hungary.....	8,625	13,054	17,809	11,120	0
Construction of PV power plants in Australia	3,880	796	1,040	796	0
Other activities	1,894	403	995	573	53
Total capital expenditure.....	14,399	14,253	19,843	12,488	53

Source: The Company.

Capital Expenditures Overview for the Periods under Review

Capital Expenditures in the nine Months Ended 30 September 2020

Capital expenditures in the nine months ended 30 September 2020, amounted to EUR 14,399 thousand, mainly related to the following: (i) EUR 8,625 thousand in relation to PV projects constructed in Hungary, (ii) EUR 3,880 thousand in relation to PV projects constructed in Australia and the remaining EUR 1,894 thousand was invested in other activities mainly acquisition of other investment and development of monitoring software in the value of EUR 1,667 thousand.

Capital Expenditures in the Twelve Months Ended 31 December 2019

Capital expenditures in the twelve months ended 31 December 20219 amounted to EUR 19,843 thousand, mainly related to the following: (i) EUR 17,809 thousand was invested in PV projects in Hungary, (ii) EUR 1,040 thousand was invested in relation to PV projects in Australia and the remaining amount of EUR 995 thousand was invested in other activities, mainly the development of monitoring software and the ValueTech Seed Fund.

Capital Expenditures in the Twelve Months Ended 31 December 2018

Capital expenditures in the twelve months ended 31 December 2018 amounted to EUR 12,488 thousand mainly related to the following: (i) EUR 11,120 thousand in relation to PV power plans in Hungary, (ii) EUR 796 thousand was invested in relation to PV projects in Australia and remaining (ii) EUR 573 thousand was invested in other activities, mainly the ValueTech Seed Fund, Employee Share Purchase Program and the development of Monitoring Software

Capital Expenditures in the Twelve Months Ended 31 December 2017

Capital expenditures in the twelve months ended 31 December 2017 were immaterial and amounted to EUR 53 thousand.

Current and Planned Capital Expenditures

The current capital expenditure of the Group mainly comprises: (i) investments in relation to power plants in Hungary; and (ii) investments in relation to PV power plants in Australia.

The estimated planned total capital expenditure of the Group until the end of the year 2020 amounts to approximately EUR 7.0 million and comprises of: (i) EUR 1.9 million expenditure on investments in relation to 10 PV power plants in Hungary and (ii) EUR 5.1 million expenditure on investments in relation to 2 PV power plants in Australia.

Quantitative and Qualitative Disclosures About Market and Other Risks

The financial risk that the Group is exposed to comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial liabilities, other than derivatives, are loans and borrowings incurred to finance the acquisition and development of the Group's proprietary portfolio.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below presents the contractual maturities of financial liabilities as at the 31 December 2019.

	Current amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	More than 5 years
	(EUR thousand)					
Secured bank loans	41,238	44,583	5,964	17,940	9,203	11,476
Trade payables	3,484	3,484	3,484	0	0	0
Bond	39,266	48,409	3,012	3,012	42,384	0
Other payables	5,090	5,090	5,090	0	0	0
Other long-term liabilities	806	830	330	400	100	0
Tax payables	125	125	125	0	0	0
Total	90,009	102,521	18,005	21,352	51,687	11,476

Source: Audited Financial Statements.

The table below presents the contractual maturities of financial liabilities as at the 31 December 2018.

	Current amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	More than 5 years
	(EUR thousand)					
Secured bank loans	32,936	34,325	4,101	4,232	24,276	1,715
Trade payables	1,166	1,166	1,166	0	0	0
Bond	31,682	44,093	2,426	2,426	37,278	1,963
Other payables	3,177	3,177	3,177	0	0	0
Tax payables	430	430	430	0	0	0
Total	69,391	83,191	11,300	6,658	61,554	3,678

Source: Audited Financial Statements.

The table below presents the contractual maturities of financial liabilities as at the 31 December 2017.

	Current amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	More than 5 years
	(EUR thousand)					
Secured bank loans	39,751	43,140	4,556	4,500	34,084	0
Other loans	1,270	1,365	285	1,080	0	0
Trade payables	238	238	238	0	0	0
Bond	14,349	17,920	7,647	592	1,775	7,907
Other payables	1,263	1,263	1,263	0	0	0
Tax payables	486	486	486	0	0	0
Total	57,357	64,412	14,475	6,172	35,858	7,907

Source: Audited Financial Statements.

In respect of interest-bearing financial liabilities, the following tables indicate their effective interest rates at the reporting dates and the periods in which they re-price. The tables include only loans with variable interest rates and balance is shown in a period within 6 months, as the interest rate is changed within this period.

For 2019, 2018 and 2017, none of the bank loans have a variable interest rate (the Czech portfolio has a fixed interest rate and the Slovak and Hungarian portfolio interest rates are secured by interest derivatives for the most part), therefore the table below includes only those hedged (Slovak SPVs).

2019					
Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
		<i>(EUR thousand)</i>			
Bank loans	2.93%	(23,533)	(23,533)	0	0
Total.....	-	(23,533)	(23,533)	0	0

Source: Audited Financial Statements.

2018					
Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
		<i>(EUR thousand)</i>			
Bank loans	2.78%	(9,537)	(9,537)	0	0
Total.....	-	(9,537)	(9,537)	0	0

Source: Audited Financial Statements.

2017					
Effective interest rate	Total	6 months or less	6-12 months	1-5 years	Fixed interest rate
		<i>(EUR thousand)</i>			
Bank loans	2.78%	(11,041)	(11,041)	0	0
Total.....	-	(11,041)	(11,041)	0	0

Source: Audited Financial Statements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, including the electricity distributors.

The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. In most cases, the Company requires advance payments (partial or 100%) for the delivery of electricity in order to minimize the credit risk. Additionally, in case of new customers, the Company looks for market references of the potential customers that are available in public resources. The collections are regularly monitored by the responsible employees and any significant overdue receivables are discussed with the management of the Company. Management of the Company is responsible for the decision whether allowance is to be created or any other steps need to be performed.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is measured by the extent to which changes in market interest rates impact on net interest expense. The Company uses interest rate derivatives for managing the interest rate risks in Slovakia and Hungary. See also "Risk Factors – Interest Rate Risks".

Currency Risk

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

The transactions of the Group entities are denominated in CZK, EUR, AUD, CHF, and HUF mainly. There is no financial hedging used by the Company against the currency risk. Company's management does not formally monitor the FX positions.

Significant Accounting Policies, Judgements and Estimates

Significant Accounting Policies

The Group's accounting policies are based on IFRS as adopted by the European Union and authorised for publication by the Board of Directors.

Presentation of Financial Information

Financial information is presented based on historical costs with exemptions when IFRS requires different evaluation methods as described below in accounting policies. The statement of comprehensive income is presented with revenues and expenses classified by purpose (function). The cash flow statement is prepared using an indirect method. The functional currency is the EUR and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organised by the Warsaw Stock Exchange (NewConnect), the balances are retranslated into PLN currency.

Provisions

A provision is recognised, if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of more than 20% and less than 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The cost of the investment includes transaction costs.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. As of 1 January 2020, the Board of Directors decided to adjust the segments reported to better reflect the change in the nature and size of its business activities in line with the guidelines of IFRS 8. The Board of Directors identified the following segments to be reported:

- *Solutions*: Development, engineering and construction services of turn-key photovoltaic systems' installations for external clients and Photon Energy). This segment was formerly named Energy Solutions and included as well wholesale of technology, which became due to its size an own reportable segment. Further activities of project development were taken out of this segment and are reported now under "Others", since the nature of the activity changed from purely internal development for our own projects to project development for external partners,
- *Technology*: Wholesale, import and export of FVE components,
- *Investments*: Investment into photovoltaic power plants and creation of OCI of the Group flowing from the revaluation of the PV plants according IAS 16 and production of electricity (this segment includes SPE that

finished building of photovoltaic power plants and those that are connected to the distribution network and produce electricity). Previously this segment was split into “Production of Electricity” and “PV Investments” as whose income is generated by the same assets,

- *Operations & Maintenance*: Operations, maintenance and PVPP supervision. This segment includes also the services of Inverter Cardio and Monitoring and Control,
- *Others*: Other, not related to any of the above mentioned segments. Others include project development, financing and insurance solutions for PV investors, water technology and remediation services and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2019 up to date.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, and intangible assets other than goodwill.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the consolidated financial information of each of the Group’s entity are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial information is presented in EUR, which is the company’s functional and the Group’s presentation currency. The consolidated financial information is presented in EUR, however, for presentation purposes the financial information is translated into PLN and CZK as presentation currencies. Effects from these translations are presented in Equity - in the Fund for currency conversions. Exchange rates as shown in table below were applied. All exchange rates were provided by the ECB. The statement of financial position applicable exchange rate represents the exchange rate as of the last day of the reporting date as according to IAS 21. The statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Subsidiaries and Associates

In case of entities, whose functional currency is CZK, CHF, AUD, HUF or PLN, the financial statements are retranslated during consolidation into EUR using year-end rates for the balance sheet and average rates for profit/loss items.

Property, Plant and Equipment

Property, plant and equipment are carried at their fair values, with the exemption of fixed assets under construction which are carried at cost.

Fair value assessment of the all connected and revalued power plants is done by the Company each quarter as of the reporting date. All the key inputs used in the DCF models used for revaluation are reviewed as of this date and if there is any change in those, update in DCF model is done. Cash flows were calculated for the period equal to the duration of the Feed-in-Tariff (period with guaranteed sales prices), which are 20 years in Czech Republic, 15 years in Slovak Republic and up to 25 years in Hungary, and expected production output based on independent external technical advisors evaluations (in case of Hungarian power plants), or if sufficient historic data is available (in case of the Czech and Slovak power plants), based on the average production data of the past five years as a basis for future production reduced by the expected degradation of the modules, for an individual power plant in a given country. Running cost are planned based on contracted services, generally adjusted by expected inflation rates. Subsequently, the impact of the potential change in the value is assessed by the management of the Company and based on its materiality, it is decided whether the power plant will be revalued or not. The valuation methodology for the revaluation of the power plants is based on the Levered Free Cash Flow to Equity (FCFE) basis of the power plants (this is the Cash Flow after repayment of bank loans, interest and tax). The discount rates are based on the Capital Asset Pricing Model adjusted by the Miller-Modigliani formula (“CAPMMM”). The CAPMMM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that assets non-diversifiable risk. The used Levered Cost of Equity rates vary between countries from 7% to 11%.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement: the revenues related to development projects (PV power stations) are measured by the percentage of completion method.

Trade Receivables

Trade receivables are recognised at nominal value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable becomes uncollectible it is written off.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and bank term deposits.

Share Capital

Ordinary shares are classified in equity as issued share capital. Consideration received above the nominal value of the ordinary shares is classified in equity as share premium.

Trade Payables

Trade payables are recognised at nominal value.

Loans and Borrowings

Loan and Borrowings are classified as short-term liabilities (due within 12 months after the reporting date) or long-term liabilities (due more than 12 months after the reporting date). Financial costs related to the construction period of internal noncurrent assets are capitalised (refer to Property, plant and equipment).

Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. Deferred income tax asset is recognised by the Group in case the Management anticipates the future profits will offset the current income tax asset.

Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Property, plant and equipment

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach, using quoted market prices for similar items when available, or the income approach (an internally generated discounted cash-flow model) if there is no market based evidence of the fair value. Otherwise, the depreciated replacement cost approach will be used, when appropriate. The depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

For photovoltaic power plants comparable market prices are not sufficiently available, due to a lack of transactions in some markets and a lack of public available specific data of such transactions. The market values of power plants significantly vary dependent on a large number of parameters, which are usually not sufficiently disclosed. Those parameters are among others the actual feed-in-tariff and its duration, actual and expected production output, used technology components, contracted operating cost of the power plant, financing structure, conditions and financing cost, etc. Most investors use the income approach also as a basis to determine a purchase price for a transaction. Based on the aforementioned lack of reliable and comparable market data, the income approach is used by the Company as a superior method. Under this approach the fair value of photovoltaic power plants was in previous years based on an internally generated discounted cash flow model, discounted at weighted average cost of capital. Cash flows were calculated for the period equal to the

duration of the Feed-in-Tariff (period with guaranteed sales prices) in a given country and based on the expected after tax cost of debt and expected cost of equity. On a quarterly basis, management reviewed the expected debt costs of individual projects vis-à-vis actual interest cost, financial market conditions, and interest rate for a 15-year state bond. On a quarterly basis, management also reviewed expected cost of equity for the period of the cash flow model. The initial valuations were done as of the date of put in use of an individual power plant, and each model is periodically reviewed and any potential change in inputs is considered. The cash flow projections were prepared for 20 years in Czech Republic, 15 years in Slovak Republic and up to 25 years in Hungary, equal to the duration of the Feed-in-Tariffs of the projects. Main inputs used in the models are the following: overall project budget, taxes, interest rates, reserve funds, feed in tariff, OPEX.

Until 2014 the valuation for Czech SPVs (represented by option rights) was approximated by the current project value. Moreover the valuation was based on Unlevered Free Cash Flow to Firm (“FCFF”) basis of the SPVs. The FCFF calculation used in the valuation was consistent with the overall known definition and approaches. The valuation of the Slovak SPVs was based on the FCFF basis of the SPVs. The discount rate was based on the Capital Asset Pricing Model (“CAPM”). The CAPM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well diversified portfolio, given that assets non-diversifiable risk.

The revaluation reserve created, based on the DCF models, was annually released to the retained earnings in the amount equal to the depreciation calculated from the amount of revaluation.

Changes in valuation methodology in 2014

In 2014 the Group managed to change various conditions of senior bank financing at the project level. These changes consisted mainly of debt increase, changes in interest rates, changes in reserve accounts and in some cases extension of loan tenor (i.e. changes in debt repayment schedule). In addition to changes in project finance there were major changes in inputs for the SK Portfolio that were not reflected in the old valuation models. These changes were imposing a new grid connection fee for Slovak projects.

Moreover the old methodology based on DCF Entity with not adjusting discount rates due to capital structure change tended to provide less accurate results on the value by DCF. Therefore the DCF Equity method with clear cash streams available to shareholders was chosen to provide significantly more accurate results, because all the changes in financing structure and related interest/principal payments are reflected undistorted.

The DCF Equity valuation method is based on a Discounted Cash Flow method. This method includes the future cash flows available to the shareholders/providers of equity of photovoltaic projects (i.e. after all debt repayments and interests) that are later discounted by respective discount rates. On the contrary the old model was based on DCF Entity and included future cash flows available to the Company.

The new valuation of the project keeps in mind the risk profile of future cash flows and the way the project is financed. The risk profile is represented by a discount rate (cost of equity levered). Due to existence of senior project finance the cost of equity calculated by CAPM formula is adjusted by Miller-Modigliani formula to achieve the most precise cost of equity levered for each project respecting its unique capital structure. On the contrary the old model used unchanging WACC as the cost of capital.

Another change of the valuation model is the change in discounting frequency. In the new valuation model, a quarterly discount is applied. This is based on the fact that debt repayments are happening on quarterly basis. This is effecting the overall change in financing structure and indirectly effecting cost of equity levered. On the contrary the old model discounted a yearly cash flow (mid-year convention).

Result of the revaluation based on the above described change amounted to EUR 8,549 thousand in 2014.

The later valuation of the Hungarian SPVs followed the in 2014 changed valuation methodology and was based on the Levered Free Cash Flow to Equity basis of the SPVs. The discount rate was based on the Capital Asset Pricing Model adjusted by the Miller-Modigliani formula (“CAPMMM”). The CAPMMM is used to determine the appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that asset’s non-diversifiable risk.

Changes in valuation methodology in 2020

Since the power plants in the Czech Republic and Slovakia are generating electricity for almost 10 years and have a proven track record of actual production data and cost incurred which deviated significantly from planned data, management decided to use instead of the original external technical advisors’ evaluations the average real production data and actual operating cost of the last five years of operation as a basis for the prediction of future revenues and operating cost of the power plants as of the end of September 2020. For the newer Hungarian portfolio with limited history the external technical advisors evaluations as described above remained in place.

Result of the revaluation based on the above described change amounted to EUR 7,168 thousand in September 2020. The amount is disclosed in the Other Comprehensive Income in the unaudited interim financial information of the Group as at and for the nine months ended 30 June September 2020.

Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Trade and Other Receivables

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

Non-derivative Financial Liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value (estimated at the present value of the future cash outflows discounted by effective interest rate) plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Significant Judgments and Estimates

In preparing financial information, the Company's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognized in the financial information. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial information and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

BUSINESS

For additional information regarding the financial information and operating data of the Group and related market data presented in this section, see: “Presentation of Financial and Other Information”, including “Presentation of Market and Operating Data” and “Market, Economic and Industry Data”, “Selected Historical Financial Information”, “Operating and Financial Review”, together with the Group’s Historical Financial Statements and the notes thereto, each as included elsewhere in this Prospectus. Definitions of selected industry terms are included in “Dictionary of Industry Terms” in this Prospectus.

Overview

The Group is a global solar power solutions and services provider, with an expertise covering the entire lifecycle of solar power systems. The Group is active across the globe and has experience of developing, building and commissioning solar power plants, including over 100 MWp of solar power plants built and commissioned for the proprietary portfolio and external clients, and more than 300 MWp in its O&M portfolio. The Group also manages a portfolio of 74.7 MWp of self-owned power plants in four countries across two continents.

The Group operates in Australia, the Czech Republic, Germany, Hungary, the Netherlands, Peru, Poland, Romania, Slovakia, Switzerland and the United Kingdom.

The Group is dedicated to provide solar power solutions and solar-hybrid power solutions for a wide range of customers and applications. Its O&M division, Photon Energy Operations, provides services for owners of PV power plants. In addition, the Group is developing and providing water purification, remediation, and treatment systems.

Competitive Strengths

The Board of Directors believes that the following competitive strengths have driven its growth in the past and will continue to distinguish it from its competitors in the future (see also “Market and Regulatory Review – Competitive Landscape”).

Experienced Management with Documented Experience in Developing PV Projects

The Group’s management team, with an experience of over 12 years within the photovoltaic industry, combines international industry expertise and local markets knowledge with entrepreneurial drive. The management has documented experience in identifying, building, investing in and acquiring PV projects, as well as in international finance and strategy advisory (see also “Management – Members of the Board of Directors as at the Prospectus Date”). This expertise has led to innovative transformation and growth generation, particularly through the successful launch of new technology and logistics for the construction of power plants in the Group’s own project portfolio as well as for a range of international external clients. The Group’s continuous growth is also attributable to management fostering an organizational culture that prioritizes shared values, timely project execution, strategic alignment and efficiency. Such corporate culture is deemed to create an employee base that drives a shared Group’s mindset to stay close to customers, approach work with a can do attitude.

The Group’s key employees have an experience in the relevant segments of the Group’s operations and are covered by an incentive scheme. Directors recognize the significant contribution of the team members to the future development of the Group. Therefore, the Group has introduced the Employee Share Purchase Program as a part of its motivation system. Under the terms of the Employee Share Purchase Program, the Group periodically purchases shares for employees equal to 10% of their gross compensation minus applicable personal taxes (see also “Business – Employees and Other Persons Who Cooperate on a Permanent Basis – Employee Share Purchase Program”).

Project Development and Investment Management Competences

With over 12 years of experience in the implementation of solar energy investments, in the view of the Board of Directors, the Group can be deemed competent to manage projects at every stage of their implementation. These competences consist of: (i) the ability to plan the design, engineering and construction works necessary to complete the entire investment and (ii) the ability to manage the entire logistics related to project handling, allowing for maintaining the timeliness and quality of products and services provided. The procedures and ways of proceeding, which the Group has developed thanks to its experience, are included in a coherent system covering the entire investment implementation process. This system is subject to continuous improvement, which allows for: (i) optimization of key elements of the process, including logistics related to the implementation of the entire investment, and (ii) standardization of behavior/processes, which allows to optimize costs and increase the accuracy of predictions related to project implementation parameters, including the date of project completion, the dynamics of incurring costs over time and the amount of margin obtained on the project. The Group has built competence in project management and execution which represents a potential necessary to effectively implement projects under the EPC formula.

Technological Potential and Close Connections with the Manufacturers

The Group focuses on the procurement of technology and logistics for the construction of power plants in the Group’s own project portfolio as well as for a range of international external clients. The Group maintains close relationships with

reputable manufacturers providing industry warranties and competitive pricing. The Group provides clients with such technological solutions that match their project's location, design and budget, including all logistics and professional after-sales support.

In order to ensure the competitiveness of its product and service offer, the Group offers technological solutions which represent: (i) crystalline modules, (ii) mono PERC modules, (iii) inverters, (iv) integrated power storage and backup systems, (v) monitoring and control devices.

Due to the close connection the Group has with its manufacturers (Huawei, Jinko Solar, Longi Solar, JA Solar and others), it confidently provides after-sales support to maximize the power plants output. Additionally, the Group is able to offer EPC activities to partners and clients and welcomes cooperation with large distributors and traders as well as local installers who are interested in delivering quality PV projects.

Multi-market Presence and a Wide Range of Solutions and Services Provided

The Group is a global solar power solutions and services producer with vertically integrated business covering the entire lifecycle of solar power systems. The Group operates in many markets, in particular Australia, the Czech Republic, Slovakia and Hungary. Business conducted by the Group covers the whole downstream segment of the solar industry with low capital tie-up and high operating leverage i.e. (i) project development for rooftop and green-field installations from 300kWp to 300 MWp, (ii) design and construction of on-grid and off-grid installations, including battery storage solutions, (iii) trading of PV components (panels and inverters), (iv) investments in PV power plants for the sustainable production and sale of solar energy, (v) operations and maintenance of PV power plants, including own control room and monitoring platform. The Group's track record includes over 100 MWp of solar power plants built and commissioned and more than 300 MWp in O&M portfolio, moreover the Group also manages own proprietary portfolio of 74.7 MWP of power plants in four countries across two continents. In addition, the Group launched in 2017 a new business line Photon Water Technology which offers services in the fields of contaminated land and ground water remediation and water purification, which has broadened the scope of the Group's business.

Providing a wide range of solutions and services in many countries worldwide mitigates specific country risk and enables the Group to capture opportunities on markets where economic and natural conditions offer attractive returns.

Business Strategy

The objective of the Group's strategy remains the expansion of recurring revenue streams while increasing the Group's and its customers' value. The Group's strategic goals include:

- increase the production of clean energy by expanding the Group's global electricity generation capacity of the proprietary portfolio of photovoltaic power plants; the Group intends to continue to acquire new PV projects to develop, design and construct them for the proprietary portfolio; in the Board of Directors' opinion this shall support the growth of recurring revenue stream from clean electricity generation;
- designing customised, decentralised energy storage solutions using the available PV technology; the Group intends to compete for PV projects, which aim to address the needs for provision of clean energy in locations which require tailor-made approach to design complete energy systems, which would combine generation of clean energy with energy storage solutions; such PV projects require an integrated approach in application of PV technology, which, in the Board of Directors' opinion, the Group is able to provide;
- providing O&M services to increase revenues and reduce risks of the Group's customers; provision of O&M services that the PV power plants run smoothly at high generation levels; this shall increase revenues from the Group's proprietary portfolio as well as revenue streams of the Group's customers;
- procure and trade the PV components through co-operation with PV technology manufacturers; and
- remediate contaminated sites and ground water pollution deploying water treatment technology.

The Group's focus as at the Prospectus Date remains on the Australian and Hungarian markets for the expansion of PV generation capacity. Moreover, the Group has established its presence on other potential markets in Central Europe, namely Poland and Romania. Further markets in Central and South America, the Middle East and Africa remain under the Group's investigation. In addition, the Group's focus remains on expansion of operations & maintenance solutions in Central Europe and Australia and selective entry to new markets following its customers, and development of various water treatment technologies and preparation for its commercialization.

History

In 2008 Photon Energy a.s., was incorporated in the Czech Republic, with the aim to develop, procure components, build, invest into and provide long term O&M services to PV power plants. In the same year the company debuted on the NewConnect segment of the Warsaw Stock Exchange, raising EUR 0.6 million in a private placement.

Between 2009 and 2011 Photon Energy a.s. built and commissioned 11 PV plants with an installed capacity of 15.0 MWp in the Czech Republic and further 11 PV plants with an installed capacity of 10.4 MWp in Slovakia for its proprietary portfolio.

Between 2011 and 2021 Photon Energy a.s. expanded its portfolio to Germany and Italy with the construction of an additional 2.6 MWp of PV plants. Further, in 2011 Photon Energy a.s. established its presence in Australia.

On 9 December 2010 the Company was incorporated under the laws of the Netherlands by the two cooperatives, Solar Future Cooperatief U.A. and Solar Power to the People Cooperatief U.A., being entities controlled by Georg Hotar and Michael Gartner, respectively.

In 2012 a corporate restructuring took place, during which the main assets and business activities of Photon Energy a.s. were transferred under the Company and this a Dutch holding structure was established.

Following the restructuring, in 2013 the Company decided to undertake an exchange offer for minority shareholders of Photon Energy a.s. for shares of Photon Energy N.V. in the ratio 1:1 as well as a listing of the Companies shares on the NewConnect segment of the Warsaw Stock Exchange. In the same year a capital increase in the amount of EUR 24.0 million was realized by capitalization of a receivable. Further, the placement of the first Company 5-year corporate bonds with an 8% coupon and quarterly payments took place and started trading in the unregulated market segments of the Stock Exchanges in Frankfurt, Berlin, Hamburg, Hannover, Munich, Stuttgart and Vienna.

In 2013 the Company commissioned its first power plant in Australia, at that time one of the largest rooftop PV power plants with an installed capacity of 0.1 MWp, which the Company holds until today in its proprietary portfolio. In 2014 the Australian subsidiary of the Company installed its first off-grid capable PV power plant with battery storage system and Diesel back-up generation that powers a large-scale radio antenna.

In 2015 the Operations & Maintenance customer base grew by 35 MWp and maintenance activities expanded to Romania.

In 2016 dual listing of the Company's shares on the Prague Stock Exchange and issuance of corporate bonds with 6% coupon in the Czech Republic took place. Moreover, the Company followed with expanding its Australian portfolio, by building more power plants, including two rooftop projects totaling 347 kWp in Canberra, a smaller rooftop power plant for Sydney's Macquarie University, as well as a 99 kWp power plant in Leeton.

In 2017 the Company opened its office in Budapest and started development of a pipeline of utility scale PV projects for its proprietary portfolio in the region of Monor and Fertöd.

In the same year the Company expanded its strategic focus to water, intending to cover the entire life cycle of water purification and remediation systems.

On 21 September 2017 the Company launched a public offering for the second EUR-denominated 5-year corporate bond (with a 7.75% coupon and quarterly payments) together with an exchange offer for the holders of its first 8% EUR-bond due in March 2018.

In 2018 the Company entered into co-operation with Canadian Solar, one of the world's largest solar photovoltaic products and energy solutions providers, as well as one of the largest solar power plant developers globally, to jointly develop five utility scale PV projects with a planned installed capacity exceeding 1.1 GWp in New South Wales. Moreover, the Company obtained an EPC contract for the installation of 4.6 MWp of rooftop solar systems for the retail chain ALDI across 31 locations in Australia.

In the same year the Company constructed and commissioned in Hungary its first pilot project with an installed capacity of 0.5 MWp in the region of Fertöd and further eight projects with a combined installed capacity of 5.5 MWp in the region of Tiszakecske. The Group's Photon Water business brought ultra-sound-base solutions to fight blue-green algae formation in several locations in the Czech Republic.

In 2019 the Group continued its growth strategy by further expanding its proprietary portfolio in Hungary by connecting 29 PV power plants with a combined capacity of 20.1 MWp in the regions of Almásfüzitő, Nagyecsed, Monor, Fertöd, Kunszentmárton and Taszár (see "*Description of the Group's Project Pipeline*").

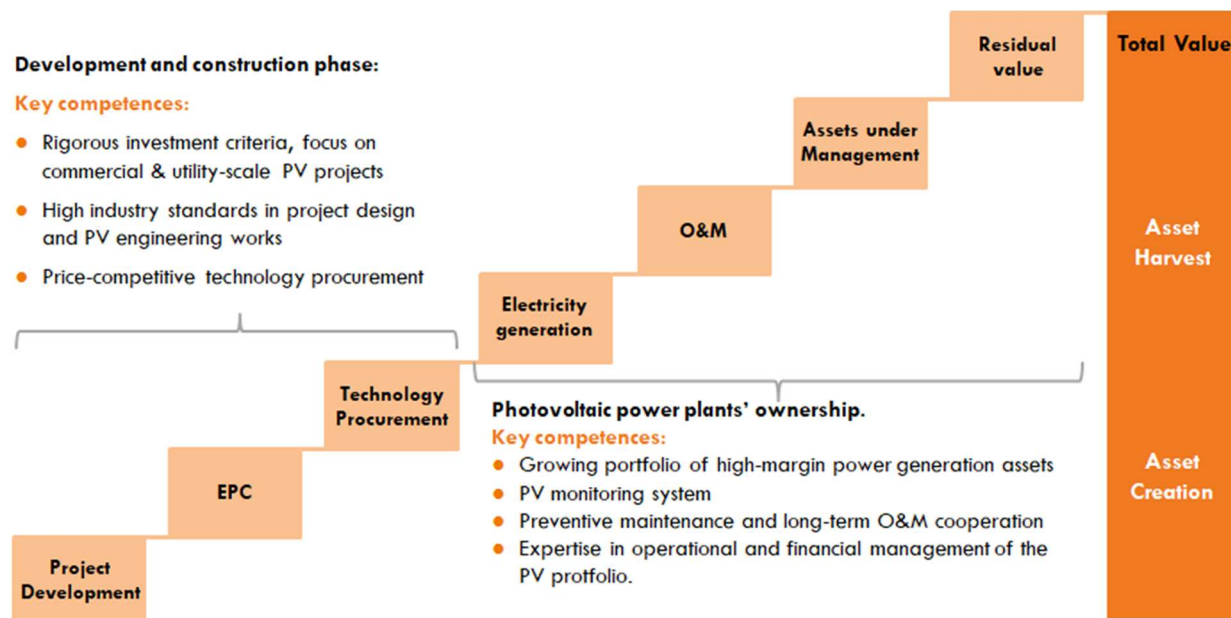
In 2020 the Company invested a minority equity investment in Australia based RayGen Resources Pty Ltd. in order to develop, build and invest into global renewable energy projects suitable for the roll-out of RayGen's solar power and electricity storage technology, as well as added further 23 PV power plants in Hungary in the regions of Tata, Malyi, Kunszentmárton and Püspökladány with a combined capacity of 23.0 MWp bringing the Groups proprietary portfolio to 74.7 MWp as of the Prospectus Date.

In September 2020 the Company announced its market entry in Poland. In the same month Photon Water, a subsidiary of Photon Energy Group, launched its in-situ remediation technology to clean PFAS contamination in the environment and announced a trial with the Australian Government Department of Defence, for the treatment of PFAS contaminated groundwater.

Description of the Group's Business

The Group is vertically integrated in the downstream segment of the photovoltaic industry, with low capital tie-up and high operating leverage. The Group's business model covers the value chain of the whole life cycle of a power plant from development, design, construction, technology procurement, O&M, electricity generation and assets management to decommissioning. The Group offers comprehensive PV solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

The graph below presents the value chain of the whole life cycle of a power plant.



Source: The Company.

Main business activities of the Group comprise of: (i) project development, (ii) energy solutions, (iii) PV technology, (iv) investments and (v) operations and maintenance. In addition to that, as at the Prospectus Date the Group launched a new service line *water treatment*, which offers comprehensive services in the fields of contaminated land and ground water remediation and water purification systems.

The operating segments are related to the respective business activities: (i) energy solutions includes PV wholesale and import of PV components as well as engineering and construction services (EPC), (ii) production of electricity includes generation of electricity from the proprietary PV power plants, (iii) PV Investments includes revaluation of the Group's proprietary portfolio according to IAS 16, (iv) Operations, Maintenance and PVPP supervision includes revenues from provision of operations, maintenance and supervision services related to the management of PV assets, and (v) other, includes activities not related to any of the above mentioned segments and includes project development activities and water treatment business.

For information on the Group's results from its business activities and segment reporting see "*Operating and Financial Review—Results of Operations by Business Segments*" and "*Operating and Financial Review—Significant Accounting Policies, Judgements and Estimates—Significant Accounting Policies—Segment Reporting*".

Project Development

Project development is a crucial activity in the Group'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 the Group 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 the Group with a high level of control and allows locking in EPC (one-off) and O&M (long-term) services. Hence, project development is a key driver of the Group's future growth. The Group's experience in project development and financing in Australia, the Czech Republic, Germany, Hungary, Italy, and Slovakia is an important factor in selecting attractive markets and reducing the inherent risks related thereto.

EPC Solutions (Engineering, Procurement and Construction)

The Group provides reliable turn-key solar solutions specialising in on-grid and off-grid installations and solar battery storage solutions.

Commercial Solar

The Group's commercial solar power solutions are managed and commissioned by the Group's in-house engineers. These solutions – both on-grid and off-grid – are engineered for the specific requirements of the Group's large clients, which include large production facilities, water utilities, airports, service centers, shopping malls, hospitals, hotels, housing developments, office buildings, processing plants and mining infrastructure.

Off-Grid Solar

The Group offers scalable solar power storage solutions, both standardized and customizable for a broad range of applications. An autonomous off-grid energy supply offered by the Group enables industries and communities (even on islands or in remote areas) to pool their resources within a local power network and integrate them with solar power. This is done to high standards of reliability and power quality, without the need for a grid connection.

Utility Solar

The Group has built large utility-connected green-field solar power plants with a combined capacity of over 100 MWp. A control system architecture called SCADA communicates with the utility control room for remote control and monitoring purposes (see “–*Technology*”).

As an independent power producer, the Group integrates solar power enabling in to diversify power sources, boost weak spots in the grid, cover transmission losses and boost production during summer peak time. The Group's solutions are compatible with power storage infrastructure and natural gas peak generators.

Solar-plus-Storage in partnership with RayGen Resources

In April 2020, the Group entered a strategic partnership with the Melbourne-based technology company RayGen Resources in order to develop global renewable energy projects suitable for the roll-out of RayGen's innovative solar power and electricity storage technology. Photon Energy is acting as a project developer and EPC contractor and – where suitable – as an equity investor in the projects, which will be supplied by RayGen.

Solar Storage

The Group provides power storage and ancillary services configuration for a multitude of off-grid and on-grid applications, from remote communities to facilities with high power needs. The power storage solutions are built around the SCADA architecture, which is using smart algorithms to optimize performance and extend the power storage assets life. The whole system is remotely monitored and controlled from a manned control room, and integrates various power storage technologies which include batteries, heat and water. In the Group's experience the power storage solutions are suitable for companies with large remote operations (mining etc.), aiming to reduce their fossil fuel consumption.

Operations & Maintenance

The Group's O&M services include preventive maintenance, service interventions, compliance and reporting services, full system monitoring and control, accounting services, and security support, all supported by output and uptime guarantees.

The Group is also a provider of services for PV central inverters of various brands, including Satcon and Siemens.

The Group's approach is based on ensuring savings for power plant owners through a combination of preventive maintenance and data analysis from its own monitoring software. The Group's power plants run with an average uptime of more than 99%.

PV Monitoring

The Group's monitoring systems include SCADA, smart PLC and grid protection, all of which are programmed and commissioned by the Group's experienced programmers and technicians (see “–*Technology*”).

Technology

The Group oversees technology procurement and logistics for the construction of power plants in the Group's own project portfolio as well as for international, external clients. The Group provides each client with such technological solutions that match their project's location, design and budget, including required logistics and professional after-sales support. Professional handling of all logistics allows the Group to minimize the risks and direct involvement for the power plant owner.

The Group offers: (i) crystalline modules, (ii) mono PERC modules from Longi Solar, JA Solar and Jinko Solar and others (iii) inverters, (iv) integrated power storage and backup systems and (iv) monitoring and control devices.

The Group has access to warehousing capacities in the Netherlands, Germany, Slovakia and the Czech Republic. The Group also maintains certain stocks with its partners in Germany, Poland, Slovakia and Romania on a consignment stock basis. Such geographical distribution of products allows the Group to bring the technology closer to all its customers in a shorter period of time without having to sacrifice quality and competitive pricing.

In addition, the Group offers monitoring, control and planning software platform PECOM (Photon Energy Command), which was developed in-house, for managing portfolios of geographically distributed PV power plants. The platform is web-based and suitable for all types of PV projects.

Investments

In connection with the portfolio expansion, the Group’s business model relies on the effort to acquire and implement completed projects, and then to independently operate developed PV power plants through individual SPVs. If feasible from a strategic and economic perspective, the Group also strives to acquire already-completed solar facilities.

The Group primarily finances the project acquisition and development of PV power plants. However, following the completion thereof, it seeks to ensure refinancing, with a significant share of debt financing. The PV project plans, services and activities that might be necessary in the course of a project’s implementation, such as the development of PV power plants and commercial or technical management of operations, is ensured by the Group’s affiliated companies, utilising the expertise of the Group.

The Company’s management assumes that this has a synergistic effect, leading to cost minimalisation and possibility of securing a certain level of guaranteed quality. Synchronised and standardised processes result in the improved and security of all operations.

Photon Water

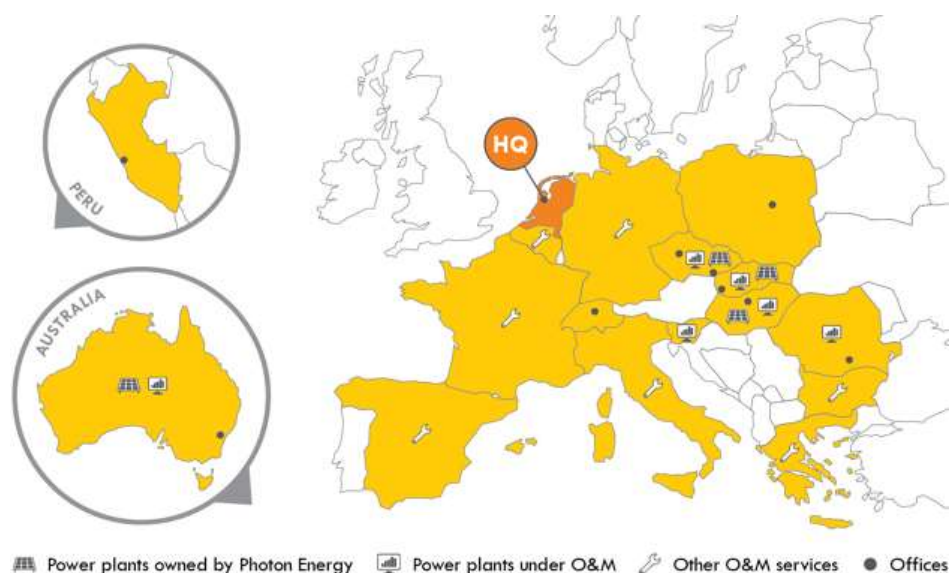
Photon Water Technology (“PWT”) represents a separate business line of the Group’s global activities, aiming to complement solar energy and help face the world’s growing problem of scarce fresh drinking water. The PWT covers the entire cycle of water management, from analysis of the current need to design of the suitable customized solution, applicable technology recommendation, project implementation as well as provision of remote monitoring and control software.

The range of activities include water management, purification and treatment, ensuring sufficient water resources, contaminated water remediation and algae and biofilm control. Where applicable, solar energy or battery storage solutions are integrated in order to provide clean water using clean energy.

Geographical Diversification

The Group is headquartered in the Netherlands, and its business and investments primarily operate in Australia, the Czech Republic, Hungary, Peru, Poland, Romania, Slovakia and Switzerland.

The graphic below provides an overview on the Group’s locations worldwide.



Source: The Company.

Geographical diversification enables the Group to mitigate country-specific risks and capture opportunities in markets where economic and environmental conditions offer attractive returns. As of the Prospectus Date, the Group has built and commissioned over 100 MWp of PV power plants across six countries and has more than 300 MWp of PV power plants under O&M management across two continents (see “–Description of the Group’s Current Portfolio”).

Customers

As an independent power producer (“**IPP**”), the Group sells electricity to local distributors in each market, who further deliver and resell electricity to end users. Distributors are obliged to purchase all of the electricity production for the price based on feed-in tariff prices.

As an EPC provider, the Group designs, constructs and commissions PV power plants for its own portfolio as well as for a wide range of electricity customers, including commercial businesses, governments, utilities, agriculture and industrial facilities.

As an O&M provider, the Group provides its customized service packages (including PV monitoring services) to both its own asset base and third parties.

As a technology wholesaler, the Group is an official supplier and distribution partner of Jinko Solar, Longi Solar, JA Solar, Mounting Systems and Huawei, which represent top-tier technology producers.

Photon Water Technology’s customers include public authorities, governments and utilities.

The Group is not dependent on any individual customer.

Description of the Group’s Current Portfolio

Czech Republic

The proprietary portfolio of the Group in the Czech Republic comprises of 11 photovoltaic power plants. It mainly includes green-field installations, with a total installed output of approximately 15.0 MWp.

The table below presents information on the Group’s portfolio in the Czech Republic as at the Prospectus Date.

Project name	Legal entity	Capacity kWp
Komorovice	Exit 90 s.r.o.	2,354
Zvikov I	Photon SPV8 s.r.o.	2,031
Dolni Dvoriste	Photon SPV10 s.r.o.	1,645
Svatoslav	Photon SPV4 s.r.o.	1,231
Slavkov	Photon SPV6 s.r.o.	1,159
Mostkovice SPV 1	Photon SPV1 s.r.o.	210
Mostkovice SPV 3	Photon SPV3 s.r.o.	926
Zdice 1	Onyx Energy I s.r.o.	1,499
Zdice 2	Onyx Energy projekt II s.r.o.	1,499
Radvanice	Photon SPV11 s.r.o.	2,305
Breclav rooftop	Photon SPV1 s.r.o.	137

Source: The Company.

The total O&M portfolio operated in the Czech Republic includes 137.8 MWp of PV capacities managed for the proprietary portfolio and external clients.

Hungary

The proprietary portfolio of the Group in Hungary comprises of 61 photovoltaic power plants. It only includes green-field installations, with a total installed output of 49.1 MWp.

The table below presents information on the Group’s portfolio in Hungary as of the Prospectus Date.

Project name	Legal entity	Capacity kWp
Tiszakecske 1	Ekopanel Befektetesi Kft.	689
Tiszakecske 2	Onyx-sun Kft.	689
Tiszakecske 3	Solarkit Befektetesi Kft.	689
Tiszakecske 4	Energy499 Invest Kft.	689
Tiszakecske 5	Green-symbol Invest Kft.	689
Tiszakecske 6	SunCollector Kft.	689
Tiszakecske 7	Future Solar Energy Kft.	689
Tiszakecske 8	Racio Master Kft.	695
Almasfuzito 1	Racio Master Kft.	695
Almasfuzito 2	Racio Master Kft.	695
Almasfuzito 3	Racio Master Kft.	695
Almasfuzito 4	Racio Master Kft.	695
Almasfuzito 5	Racio Master Kft.	695
Almasfuzito 6	Racio Master Kft.	660
Almasfuzito 7	Racio Master Kft.	691
Almasfuzito 8	Racio Master Kft.	668
Nagyecsed 1	MEDIATOR Ingatlankozvetito Kft.	689

Project name	Legal entity	Capacity kWp
Nagyecsed 2	Aligote Kft.	689
Nagyecsed 3	PROMA Matra Kft.	689
Fertod I No 1	Fertod Napenergia-Termelo Kft.	528
Fertod II No 2	Photon Energy HU SPV 1 Kft.	699
Fertod II No 3	Photon Energy HU SPV 1 Kft.	699
Fertod II No 4	Alfemo Alpha Kft.	699
Fertod II No 5	Racio Master Kft.	691
Fertod II No 6	Photon Energy HU SPV 1 Kft.	699
Kunszentmarton I No 1	Veniterra Kft	697
Kunszentmarton I No 2	Veniterra Kft.	697
Taszar 1	Optisolar Kft.	701
Taszar 2	Optisolar Kft.	701
Taszar 3	Optisolar Kft.	701
Monor 1	Photon Energy HU SPV 1 Kft.	688
Monor 2	Photon Energy HU SPV 1 Kft.	696
Monor 3	Photon Energy HU SPV 1 Kft.	696
Monor 4	Photon Energy HU SPV 1 Kft.	696
Monor 5	Photon Energy HU SPV 1 Kft.	688
Monor 6	Photon Energy HU SPV 1 Kft.	696
Monor 7	Photon Energy HU SPV 1 Kft.	696
Monor 8	Photon Energy HU SPV 1 Kft.	696
Tata 1	Tataimmo Kft.	672
Tata 2	ALFEMO Beta Kft.	676
Tata 3	ALFEMO Gamma Kft.	667
Tata 4	Tataimmo Kft.	672
Tata 5	Öregfal Kft.	672
Tata 6	Tataimmo Kft.	672
Tata 7	European Sport Contact Kft.	672
Tata 8	Tataimmo Kft.	672
Malyi 1	Zuggó-Dűlő Kft.	695
Malyi 2	ÉGÉSPART Kft.	695
Malyi 3	Zemplénimpex Kft.	695
Püspökladány 1	Ladány Solar Alpha Kft.	1,406
Püspökladány 2	Ladány Solar Alpha Kft.	1,420
Püspökladány 3	Ladány Solar Alpha Kft.	1,420
Püspökladány 4	Ladány Solar Beta Kft.	1,406
Püspökladány 5	Ladány Solar Beta Kft.	1,420
Püspökladány 6	Ladány Solar Beta Kft.	1,394
Püspökladány 7	Ladány Solar Gamma Kft.	1,406
Püspökladány 8	Ladány Solar Gamma Kft.	1,420
Püspökladány 9	Ladány Solar Delta Kft.	1,406
Püspökladány 10	Ladány Solar Delta Kft.	1,420

Source: The Company.

The total O&M portfolio operated in Hungary amounts to 88.4 MWp managed for the proprietary portfolio and external clients.

Slovakia

The proprietary portfolio of the Group in Slovakia comprises 11 photovoltaic power plants. It only includes green-field installations, with a total installed output of approximately 10.4 MWp.

The table below presents information on the Group's portfolio in Slovakia as of the Prospectus Date.

Project name	Legal entity	Capacity kWp
Babina II	Sun4Energy ZVB s.r.o.	999
Babina III	Sun4Energy ZVB s.r.o.	999
Prsa I	Fotonika s.r.o.	999
Blatna	ATS Energy s.r.o.	700
Mokra Luka 1	EcoPlan 2 s.r.o.	963
Mokra Luka 2	EcoPlan 3 s.r.o.	963
Jovice 1	Photon SK SPV2 s.r.o.	979
Jovice 2	Photon SK SPV3 s.r.o.	979
Brestovec	Photon SK SPV1 s.r.o.*	850
Polianka	Solarpark Polianka s.r.o.*	999
Myjava	Solarpark Myjava s.r.o.*	999

Source: The Company; *50% JV with private individuals.

The total O&M portfolio operated in Slovakia includes 21.4 MWp of PV capacity managed for the proprietary portfolio and external clients.

Australia

The Group's proprietary portfolio in Australia comprise of a rooftop photovoltaic power plant in Symonston with a total capacity of 144 kWp. The rooftop installation operates on the basis of a Feed-in-Tariff.

The table below presents information on the Group's portfolio in Australia as of the Prospectus Date.

Project name	Legal entity	Capacity kWp
Symonston	Photon Energy AUS SPV 1 Pty Ltd	144

Source: The Company.

The total O&M portfolio operated in Australia comprised 4.5 MWp of PV plants managed for the proprietary portfolio and external clients.

As at the Prospectus Date the Group is building two solar power plants with an installed capacity of 7.3 MWp each in Leeton, New South Wales. The power plants shall become part of the Groups proprietary portfolio.

Italy

The total O&M portfolio operated in Italy comprises of 14.0 MWp of serviced capacity.

Germany

The total O&M portfolio operated in Germany comprises of 1.75 MWp of serviced capacity.

Belgium and France

Following the bankruptcy of Satcon (estimated capacity of 350 MWp of inverters installed across Europe), the Group secured both key personnel and access to spare parts. The Group is servicing Satcon inverters in Belgium comprising of 10.2 MWp of PV plants, and provides preventive maintenance in France on the basis of contracts for Satcon central inverters at power plants worth 21.3 MWp.

Romania

The total O&M portfolio operated in Romania comprises of 15 MWp of installed capacity.

Slovenia

The total O&M portfolio operated in Slovenia comprises of 2.0 MWp of installed capacity.

Description of the Group's Project Pipeline

As at the Prospectus Date the Group is developing PV projects in Australia (594.6 MWp), Hungary (39.0 MWp), Romania (87.0 MWp) and Poland (4.6 MWp). For projects in Romania and Poland and some projects in Hungary, which are still only in feasibility stage no further project details can be disclosed.

The table below presents more detailed information on the Group's project pipeline as at the Prospectus Date.

Location	Function	Share	MWp	Commercial Model	Land	Grid connection	Construction permit	Expected RTB
Tolna, Hungary	Own portfolio	100%	31.5	Open	Ongoing	Secured	Ongoing	Q1 2021
Leeton, Australia	Own portfolio	100%	14.6	Retailer PPA	Secured	Secured	Secured	Under construction
Gunning, Australia	Developer	49%	220	Co-development and financing	Secured	Ongoing	Ongoing	Q2 2021
Maryvale, Australia	Developer	25%	160	agreement with	Secured	Ongoing	Secured	Q2 2021
Suntop 2, Australia	Developer	25%	200	Canadian Solar	Ongoing	Ongoing	Ongoing	Q2 2021

Source: The Company.

Hungary

As at the Prospectus Date the project pipeline in Hungary consists of 21 projects with a total planned capacity of 39.0 MWp.

Project name	Status
Tolna (31.5 MWp)	The grid connection points have been secured and the negotiations for land plots are currently being finalized. Grid connection plans have been initiated and, once approved, will allow to conclude grid connection agreements with E.ON. with a validity of two years. Most of the 11 projects, involving seven fully-owned project companies, were submitted to the auction process organized from September to October 2020 in Hungary. Construction plans include the use of

Project name	Status
	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.

Source: The Company.

For ten projects with a combined capacity of 7.5 MWp which are still only in feasibility stage no further project details can be disclosed.

Australia

As at the Prospectus Date the Company has four large scale solar farms at different stages of development in New South Wales. The project pipeline in New South Wales is representing a total planned capacity of 594.6 MWp.

On 29 January 2018, as a result of its development partner selection process managed by its financial advisor Pottinger, the Company has signed an agreement for the joint development of five of its utility scale solar projects with a total capacity of 1.14 GWp in New South Wales with Canadian Solar.

The Group's utility scale solar project pipeline, included the 316 MWp project in Gunning as well as four projects co-developed with a local partner, namely the 178 MWp project in Mumbil, the 165 MWp project in Gunnedah, the 286 MWp project in Suntop and the 196 MWp project in Maryvale, all of which shall be further co-developed with Canadian Solar.

Canadian Solar has acquired a 51% shareholding in all five project companies. The equity capital contributed by Canadian Solar is subject to certain development milestones, joint management processes and other terms customary for project co-development and covers the development budgets to bring all five projects to the ready-to-build stage. Post-transaction, the Company retains a 49% stake in the Gunning project and 24.99% stakes in the two other projects.

Up to the Prospectus Date, the Company sold stakes in two of the five projects jointly developed with Canadian Solar Inc. and one project developed with another developer, i.e.: (i) 25% stake in the first co-developed project Suntop 1 with a total planned capacity of 189 MWp, which was sold to Canadian Solar Inc. on 30 July 2019 (this transaction was concluded and settled in Q3 2019), (ii) 25% stake in the second co-developed project Gunnedah with a total planned capacity of 146 MWp, which was sold to Canadian Solar Inc. on 30 August 2019 (this transaction was concluded in Q3 2019 and settled in Q4 2019) and (iii) 51% stake in the project company holding all project rights for the Brewongle Solar Farm to an undisclosed buyer on 27 December 2019.

The table below summarizes information on the status of the projects being co-developed in Australia as at the Prospectus Date.

Project name	Status
Gunning (220 MWp)	As at the Prospectus Date the process of securing construction permit is ongoing. The Group have redefined and redesigned the project layout to include battery storage, what had an impact on the site assessment. Hence feasibility studies and public consultations had to be postponed. The Group intention is to submit the Environmental Impact Studies (EIS) in Q4 2020. In parallel the Group is in discussions with Transgrid regarding the grid connection specifications. GPS studies will follow.
Maryvale (160 MWp)	On 4 December 2019 the construction permitting process has been finalized and Development Approval was granted. As at the Prospectus Date the Group is completing the electrical connection process, which is continuing. The grid connection options are under review and in discussion with Essential Energy. GPS studies will follow.
Suntop 2 (200 MWp)	Suntop 2 is the replacement of the Mumbil Solar Farm project which development was stopped due to significant issues related to aspects such as soil erosion, aboriginal heritage protection and challenges of waterways in the location of Mumbil. As at the Prospectus Date feasibility studies and community consultations have been finalized and EIS were submitted to NSW DP&E in November 2019. The construction permitting process is underway. In May 2020 the Group submitted additional information to complete EIS at NSW DP&E request. The grid connection application shall start upon completion of EIS.
Leeton (14.6 MWp)	In response to tightening the grid connection standards, a revised system size of 2 times 5 MW AC each (7.3 MWp DC in total) has been re-designed for single axis tracking and was proposed to Transgrid. Consequently, the changes had to be incorporated into EIS and submitted to the local council for review and approval, which was granted in February 2019. The grid connection specifications have also been finalized. Long-term project financing has been secured and construction of the power plants has started. Photon Energy Engineering Australia Pty Ltd. is acting as EPC contractor for two PV power plants that are to be developed within this project. Commissioning is expected in December 2020 / January 2021, after which long-term O&M services will be provided by Photon Energy Operations Australia Pty Ltd.

Source: The Company.

PV projects

Investments in PV Projects in the Last Three Financial Years and in Progress Up to the Prospectus Date

The majority of the Group's material investments are associated with the PV portfolio building. The Group has invested strategically in its PV projects over the last several years and is continuously reviewing various market opportunities for further spectrum acquisition and power plant building which will enhance its total installed capacity and hence, its market

position. The Group's cumulative investment expenditures on portfolio development for the financial years ended 31 December 2019, 2018 and 2017, respectively, were EUR 30,817 (EUR 18,848 in 2019, EUR 11,915 thousand in 2018, and EUR 53 thousand in 2017) (see also "*Operating and Financial Review – Capital Expenditures*"). These investments were financed using the Group's own funds derived from operating activities and external sources such as bond and bank financing.

Apart from the PV projects described in section "*Description of the Group's Project Pipeline*" above, there are no material PV projects that are in progress as at the Prospectus Date. Up to the end of September 2020 the Group spent EUR 11,697 thousand on these investments. The PV projects that are in progress as at the Prospectus Date are being financed with the Group's own funds derived from operating activities and external sources such as bond and bank financing.

PV Investments Incurred in the Current Financial Year and Future Investments

Apart from the PV investments described in section "*Operating and Financial Review–Significant events after 31 December 2019*", no other material investments have been made by the Group between 31 December 2019 and the Prospectus Date. Up to the end of September 2020, the Group spent approximately EUR 11,697 thousand on these projects. They were financed using own funds derived from operating activities and external sources such as bond and bank financing.

The Company expects that its future investments will primarily comprise of further development of PV projects around the world, with the focus on combining solar energy, energy storage and water technologies (see also "*Operating and Financial Review – Capital Expenditure – Capital Expenditure Overview for the Periods under Review – Current and Planned Capital Expenditure*"). Except for the described ongoing projects, as of the Prospectus Date no other material investments by the Group have been contractually agreed and there are no binding commitments to do so in the current financial year or in the future.

Property, Plant and Equipment

Apart from the portfolio properties held in the form of shares in property companies, including the associated technical and operating equipment (see "*Description of the Group's Current Portfolio*"), the Company does not have any material property, plant and equipment as at the Prospectus Date. The Company's business premises are leased.

Material Agreements

Other than discussed below, there are no agreements (other than agreements entered into in the ordinary course of business) that have been entered into by the Company or any of its Subsidiaries within the two years preceding the Prospectus Date, which are material or which have been entered into by the Company or any of its Subsidiaries at any other time and which contain provisions under which the Company or any of its Subsidiaries has an obligation or entitlement that is material to the Group as at the Prospectus Date.

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

Trade shares in Czech SPVs that own photovoltaic power plants within the territory of the Czech Republic and are part of the Group, are owned by Raiffeisen – Leasing, s.r.o. ("**Raiffeisen Leasing**").

On 12 November 2012 the Group entered into several framework cooperation agreements with Raiffeisen Leasing under which the Company has a call option for 100% shares in all Czech SPVs financed by Raiffeisen Leasing, provided any and all liabilities of such SPVs to Raiffeisen Leasing arising under concluded transaction documents and loan agreements are duly settled and the payment price for the transfer of such shares is paid. Any breach by the respective SPVs of obligations arising from the transaction documents and particularly from the relevant loan agreements could result in early maturity of loans provided to individual SPVs.

Framework Cooperation Agreement dated 12 November 2012 Between Raiffeisen Leasing and Photon SPV 3 s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement Dated 1 December 2009 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 926.04 kWp located in the municipality of Mostkovice, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Photon SPV 3 s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Photon SPV 3 s.r.o. (as the loan recipient) a credit facility in the amount of CZK 37,047,514 (EUR 1,213,838) with fixed interest rate of 5.19% p.a. and credit facility of CZK 3,000,000 (EUR 114,517) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023, and credit facility in the amount of CZK 5,300,000 (EUR 202,313) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 23,500,000 (EUR 897,049) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Photon SPV 3 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement dated 12 November 2012 Between Raiffeisen Leasing and Onyx Energy s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement dated 12 November 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 1,498.5 kWp located in the municipality of Zdice, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Onyx Energy s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Onyx Energy s.r.o. (as the loan recipient) a credit facility in the amount of CZK 50,045,967 (EUR 1,877,897) with fixed interest rate of 5.19% p.a., credit facility of CZK 4,000,000 (EUR 152,689) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023, and credit facility in the amount of CZK 8,000,000 (EUR 305,378) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. . The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 79,000,000 (EUR 3,015,612) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Onyx Energy s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement Dated 12 November 2012 Between Raiffeisen Leasing and Onyx Energy Project II s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement dated 12 November 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 1,498.5 kWp located in the municipality of Zdice, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Onyx Energy Project II s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Onyx Energy Project II s.r.o. (as the loan recipient) a credit facility in the amount of CZK 47,830,679 (EUR 1,794,772) with fixed interest rate of 5.19% p.a., credit facility of CZK 8,000,000 (EUR 305,378) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023, and credit facility in the amount of CZK 2,000,000 (EUR 76,345) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 78,000,000 (EUR 2,977,440) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Onyx Energy Project II s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement dated 12 November 2012 Between Raiffeisen Leasing and Photon SPV 8 s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement dated 21 July 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 2,031.36 kWp located in the municipality of Zvíkov u Lišova, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Photon SPV 8 s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Photon SPV 8 s.r.o. (as the loan recipient) a credit facility in the amount of CZK 67,319,075 (EUR 2,526,044) with fixed interest rate of 5.19% p.a., credit facility of CZK 8,400,000 (EUR 320,647) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023, and credit facility in the amount of CZK 6,700,000 (EUR 255,754) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 34,500,000 (EUR 1,316,945) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Photon SPV 8 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement Dated 12 November 2012 Between Raiffeisen Leasing and Exit 90 SPV s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement Dated 30 August 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 2,354 kWp located in the municipality of Komorovice, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Exit 90 SPV s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Exit 90 SPV s.r.o. (as the loan recipient) a credit facility in the amount of CZK 74,505,583 (EUR 2,795,707) with fixed interest rate of 5.19% p.a., credit facility of CZK 12,000,000 (EUR 458,068) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023, and credit facility in the amount of CZK 8,700,000 (EUR 332,099) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 41,120,000 (EUR 1,569,654) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Exit 90 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement Dated 12 November 2012 Between Raiffeisen Leasing and Photon SPV 10 s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement Dated 7 December 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 1,645.20 kWp located in the municipality of Dolní Dvořiště, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Photon SPV 10 s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Photon SPV 10 s.r.o. (as the loan recipient) a credit facility in the amount of CZK 60,722,853 (EUR 2,278,531) with fixed interest rate of 5.19% p.a., due and payable as of 1 January 2023.

With conjunction to the agreement, the subordinated loan in the amount of CZK 95,687,400 (EUR 3,652,609) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Photon SPV 10 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement Dated 12 November 2012 Between Raiffeisen Leasing and Photon SPV 4 s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement Dated 5 November 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 1,231.2 kWp located in the municipality of Svatoslav, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Photon SPV 4 s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Photon SPV 4 s.r.o. (as the loan recipient) a credit facility in the amount of CZK 42,311,088 (EUR 1,587,658) with fixed interest rate of 5.19% p.a. and credit facility of CZK 3,600,000 (EUR 137,420) with interest rate of 4.30% p.a.+ 3M PRIBOR due and payable as of 1 January 2023. The smaller credit facility has been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 68,700,000 (EUR 2,622,438) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Photon SPV 4 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Framework Cooperation Agreement Dated 12 November 2012 Between Raiffeisen Leasing and Photon SPV 6 s.r.o. (as Amended on 28 April 2014, 9 July 2014 and 30 December 2015) with Subordinated Loan Agreement Dated 5 November 2010 (as Amended on 12 November 2012 and 30 December 2015)

The agreement governs the rights and obligations of the parties with regard to a photovoltaic power plant project with an output of 1,159 kWp located in the municipality of Slavkov u Brna, and includes a right of the Company to exercise a call option with regard to the 100% share in the special purpose vehicle Photon SPV 6 s.r.o.

On the basis of the agreement Raiffeisen Leasing granted to Photon SPV 6 s.r.o. (as the loan recipient) a credit facility in the amount of CZK 43,146,222 (EUR 3,115,029) with fixed interest rate of 5.19% p.a. due and payable as of 1 January 2023, and credit facility in the amount of CZK 2,600,000 (EUR 99,278) with interest rate of 2.70% p.a. + 3M PRIBOR due and payable as of 1 January 2022. The two smaller credit facilities have been repaid fully before the final maturity.

With conjunction to the agreement, the subordinated loan in the amount of CZK 73,800,000 (EUR 2,817,116) was granted, to be repaid no later than 30 days from the effective date of the transfer of the 100% share in Photon SPV 6 s.r.o. from Raiffeisen Leasing to the Company based on an exercised call option.

Agreements Relating to Financing of the Photovoltaic Power Plant Portfolio in the Slovak Republic

Loan Agreement Dated 15 April 2011 Between UCB SK and ATS Energy s.r.o.

On 15 April 2011 UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraniční banky (as the creditor) (“**UCB SK**”) and ATS Energy s.r.o. (as the debtor) entered into loan agreement with credit limit of EUR 1,749,806 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 0,98% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,210,313 to EUR 1,530,000 with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR. The current outstanding value of loans is EUR 604,190.

The loans are due and repayable until 30 June 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Eco Plan 2 s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Eco Plan 2 (as the debtor) entered into loan agreement entered with credit limit of EUR 2,507,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest

rate EURIBOR 3M has been fixed at 1,06% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,875,923 to EUR 2,080,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 897,379. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Eco Plan 3 s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Eco Plan 3 s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,507,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,06% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,875,923 to EUR 2,080,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 897,379. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2010 Between UCB SK and Fotonika s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Fotonika s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 3,125,364 repayable until 2024 and interest rate of 3.0% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 20,93% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,831,998 to EUR 2,205,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 878,321. The loan is due and repayable until 30 June 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Photon SK SPV 1 s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Photon SK SPV 1 s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,299,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,06% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,513,583 to EUR 1,800,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 763,956. The loan is due and repayable until 31 December 2024.

Loan agreement dated 9 September 2011 between UCB SK and Photon SK SPV 2 s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Photon SK SPV 2 s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,569,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,06% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,833,519 to EUR 1,920,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 818,787. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Photon SK SPV 3 s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Photon SK SPV 3 s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,569,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,06% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,843,105 to EUR 1,920,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 818,785. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Solarpark Myjava s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Solarpark Myjava s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,658,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,03% p.a. until 2024.

The current outstanding value of loan is EUR 739,036. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2011 Between UCB SK and Solarpark Polianka s.r.o.

On 9 September 2011 UCB SK (as the creditor) and Solarpark Polianka s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 2,655,000 repayable until 2024 and interest rate of 2.9% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 1,06%. until 2024 In 2014, the outstanding amount was increased from EUR 1,868,294 to EUR 1,970,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 838,454. The loan is due and repayable until 31 December 2024.

Loan Agreement Dated 9 September 2010 Between UCB SK and SUN4ENERGY ZVB s.r.o.

On 9 September 2010 UCB SK (as the creditor) and SUN4ENERGY ZVB s.r.o. (as the debtor) entered into loan agreement entered with credit limit of EUR 3,155,714 repayable until 2024 and interest rate of 3.0% p.a. + 3M EURIBOR. The

reference interest rate EURIBOR 3M has been fixed at 0,93% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,854,688 to EUR 2,120,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 841,433. The loan is due and repayable until 30 June 2024.

Loan Agreement Dated 9 September 2010 Between UCB SK and SUN4ENERGY ZVC s.r.o.

On 9 September 2010 UCB SK (as the creditor) and SUN4ENERGY ZVC s.r.o. (as the debtor) entered into loan agreement entered with credit limit EUR 3,155,714 repayable until 2024 and interest rate of 3.0% p.a. + 3M EURIBOR. The reference interest rate EURIBOR 3M has been fixed at 0,93% p.a. until 2024. In 2014, the outstanding amount was increased from EUR 1,854,688 to EUR 2,120,000, with the loan increase subject to interest rate of 2.7% p.a. + 3M EURIBOR.

The current outstanding value of loans is EUR 841,433. The loan is due and repayable until 30 June 2024.

Agreements Relating to Financing of the Photovoltaic Power Plant Portfolio in Hungary

Agreements Between the K&H Bank and the Relevant Project Companies for Financing PV Power Plants in Fertöd, Almásfüzitő and Tiszakécske, Hungary dated 16 January 2019

On 16 January 2019, the Company concluded with K&H Bank, the Hungarian subsidiary of Belgian KBC Group N.V. (“**K&H Bank**”) long-term non-recourse project financing framework agreement for 11.5 MWp of its proprietary PV power plant portfolio in Hungary in the amount of HUF 3.33 billion (EUR 10.4 million).

The loans were fully drawn down within 2019 with interest rate of 2,2% p.a. + 3M BUBOR 60% of the reference interest rate BUBOR 3M has been fixed at 1,6% p.a. until 2026.

The current outstanding value of loans is HUF 3,17 billion (EUR 8.69 million). Final maturity of the loans is 28 June 2034.

Agreements Between the K&H Bank and the Relevant Project Companies for Financing PV Power Plants in Fertöd, Monor, Taszár, Tata, Kunszentmárton and Mályi, Hungary dated 9 December 2019

On 9 December 2019, the Company concluded with K&H Bank, long-term non-recourse project financing framework agreement for an additional 20.1 MWp of its proprietary PV power plant portfolio in Hungary in the amount of 5.93 billion HUF (17.9 million EUR).

The loans for projects Monor, Taszár, Tata, Kunszentmárton, Malyi and Fertöd were drawn down within 2019 and 2020 with interest rate of 2,2% p.a. + 3M BUBOR. 60% of the reference interest rate BUBOR 3M has been fixed at 1.30% p.a. until 2030.

The current outstanding value of loans is HUF 5.44 billion (EUR 14.9 million). Final maturity of the loans is 31 March 2035.

Agreements Relating to Financing of the Photovoltaic Power Plant Portfolio in Australia

Syndicated facility agreement dated 28 May 2020 between Leeton Solar Farm Pty Ltd and Fivebough Solar Farm Pty Ltd on one side and Infradebt Pty Ltd and Infradebt Security Holdings Pty Ltd on the other side

On 28 May 2020 Leeton Solar Farm Pty Ltd and Fivebough Solar Farm Pty Ltd (as the debtor) and Infradebt Pty Ltd and Infradebt Security Holdings Pty Ltd. and Clean Energy Finance Corporation (as creditors) entered into a syndicated facility agreement with credit limit of AUD 9,000,000 and interest rate of 3.25% p.a. plus 3M BBSY. 75% of the reference rate 3M BBSY has been fixed at 0.79% p.a. until 2025. The loan has not been drawn down as of the Prospectus Date. The loan incorporate construction finance and long term project refinance of two PV power plants in Leeton in New South Wales, with a grid connection capacity of 4.95 MWp AC and an installed capacity of 7.3 MWp DC each.

The loan has a 10-year amortization profile and a bullet payment on 31 December 2025.



Intellectual Property

Trademarks

As at the Prospectus Date the Company has registered 4 trademarks and has applied for the registration of one additional trademark.

The Company’s trademarks are presented in the table below.

Trademark / Type	Application Date	Trademark Number	Nice Classification
PHOTON ENERGY (EUIPO word trademark)	6 August 2010	009299661	16, 41
PHOTON FINANCE (EUIPO word trademark)	27 July 2010	009276445	35, 36
PHOTON TECHNOLOGY (EUIPO word trademark)	25 May 2011	009995259	35

Trademark / Type	Application Date	Trademark Number	Nice Classification
 (WIPO figurative trademark)	8 November 2010	1076413	7, 9, 40
 (EUIPO figurative trademark)	31 March 2020	018218668	7, 9, 40

Research and Development

As at the Prospectus Date the Group does not perform any material research and development activities.

Sustainability and Environmental Matters

The Group's assets and operations are subject to various environmental laws and regulations in the jurisdictions in which it operates. These environmental requirements include, among other things, ecological waste disposal of PV components. Non-compliance with such requirements may result in criminal or civil penalties, damage claims, an obligation to remediate any environmental damages (including damages to natural resources) and/or an obligation to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring.

The Group keeps records of waste in accordance with the provisions of environmental law and transfers waste to specialist companies holding waste management permits. In addition, the Group conducts systematic environmental impact assessments during its project development activities for PV power plants, when required by law. Specific national regulations for ecologic waste disposal for photovoltaic components are in place and that the Group complies with those regulations accordingly.

Regulatory Matters

Each of the investments carried out by the Group requires a number of permits and concessions issued by the national administrative authorities. The investments implemented by the Group require, in particular, building permits, the possession of appropriate construction projects and connection conditions to the power plant, as well as obtaining appropriate environmental decisions. In addition, the activity of energy generation is a regulated activity which requires obtaining appropriate concessions.

The Group holds all the decisions required by the law, specifying the scope and manner of use of the environment, the obligation to obtain which is related to the specific nature of its operations, and also obtains new required permits on an ongoing basis. The Group also operates installations, the operation of which does not require obtaining environmental decisions.

Board of Directors believes that the Group's operations are in compliance with the terms of the Group's permits, decisions and licenses and that there are no issues that are material to the Group's current operations.

Governmental, Legal or Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering the previous 12 months which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

Insurance

The Group has insurance policies covering property, against all risks, including in particular fire and related risk, storm, hailstorm, flood and deluge, other risk, theft by burglary. In addition, the Group holds third-party liability insurance for damage caused in connection with the Group's business including reimbursement of medical expenses incurred by the health insurance company and provided benefits social insurance, damaged to rented property, damage to employees' property, damages to received property, damage to underground and overhead power lines, counter-claim insurance, damage caused by environmental damage, purely financial damage. The indemnification limit and the scope of insurance of each of the insurance contracts is in line with market standards.

Insurance coverage is up to 100% of lost revenues for 3 months for interruption of power plant operation, 100% of property value in case of fire, explosion or lightning strike, 25% of property value in case of hurricanes or hail, 10% of property value in case of flooding, 1% of property value in case of theft or vandalism and 10% of property value in case of other hazards.

Employees and Other Persons Who Cooperate on a Permanent Basis

As of 30 September 2020, the Group employed 134 employees on both fixed term and indefinite contracts compared to 117 employees as of 31 December 2019. As at the Prospectus Date no material changes have occurred in the Group's employment structure.

The table below presents information regarding the number of the Group's employees (calculated as full-time employees) employed on the basis of a contract of employment or similar cooperation agreement as of the dates stated.

	As of	As of 31 December		
	30 September	2019	2018	2017
	2020		(unaudited)	
Group overall	130.9	113.5	88.0	69.4

Source: The Company.

There are 28 people who permanently cooperate with the Group on the basis of civil law agreements (mandate agreements, work product agreements and cooperation agreements with persons conducting business).

The table below presents information regarding the number of the Group's employees (calculated as full-time employees) by geographical and occupational division.

	As of	As of 31 December		
	30 September	2019	2018	2017
	2020		(unaudited)	
Czech Republic	79.1	77.5	64.9	55.7
Slovakia	4.0	4.0	4.0	4.0
Hungary	14.0	10.0	5.0	0
Australia.....	22.8	14.8	9.4	5.0
Romania.....	5.0	3.0	3.0	3.0
Switzerland	1.0	1.0	1.0	1.0
The Netherlands.....	2.0	0.8	0.8	0.8
Peru.....	2.0	2.0	0	0
Poland.....	1.0	0	0	0

Source: The Company.

As at 30 September 2020 the Group did not employ significant number of temporary employees.

As at the Prospectus Date, there were no trade unions in the Group and no collective labour agreements or social agreements were in force.

At present, the Group is not party to any material proceedings concerning any employee claims or proceedings related to employment on any basis other than a contract of employment. The Company believes that the Group's labour relations with employees are good.

The management of the Company recognises the significant contribution of a majority of its employees to the future development of the Group. Therefore, it operates an Employee Share Purchase Program as a part of its motivation system. Under the terms of the programme, the Group periodically purchases shares a majority of its employees equal to 10% of their gross compensation. The disposition rights to these shares are limited and employees can dispose of these shares only under specific conditions.

Employee Share Purchase Program

The Company has implemented an Employee Share Purchase Program ("ESPP"). According the ESPP the employee receives an automatic monthly bonus of 10% to his gross salary and the difference between after-tax amounts of 100% and 110% of the base salary are transferred by the respective group company to each employee's securities account and used for the purchase of shares on the NewConnect market (after the Admission the same will apply mutatis mutandis to the purchase of shares on the Markets). The shares are purchased with after-tax money so that only capital gains tax after sale of shares is applicable, if any. As at the Prospectus Date, following a mutual agreement signed between employees and the Company, employees are not allowed to sell their shares acquired through the ESPP as long as they are employees.

Each participating employee has a managed securities account with a broker. To date, share purchases were pooled and on average executed every three months in order to optimize transaction costs in the high fee structure.

As at the Prospectus Date the ESPP is currently available only for employees in the Czech Republic and Slovakia.

MARKET AND REGULATORY OVERVIEW

Information presented in this section has been extracted from, amongst other sources, publicly available third-party publications that the Company deems reliable, such as International Energy Agency or Solar Power Europe. In addition, certain industry and market data, as well as information on the competitive position presented in this section, in the paragraph entitled “Specific countries in which the Company operates” and in the paragraph describing the “Company competitive landscape”, has been derived from the Company’s internal analyses and estimates based on its knowledge of and experience on the markets where it operates. Although the Board of Directors has grounds to believe that such analyses and estimates are reasonable and reliable, their fairness and completeness, the methodology used and assumptions made therein have not been independently verified, and they may change. The projections and forward-looking statements contained in this section do not guarantee that actual results will be the same in the future. Actual events and circumstances may significantly differ from the current assumptions. Therefore, investors should not rely only on the industry and market data or information on the market position presented in this section “Market and Regulatory Overview”.

Before reading this section, investors should read “Important Information–Market, Economic and Industry Data”, where sources of third-party data are indicated. In addition, information presented in this section should be read in conjunction with the information in “Abbreviations and Definitions”.

Overview of the Global Solar Market¹

In the last 15 years, PV technology has shown an ever-increasing market growth thanks to technology and price development and has gone from being a niche technology mostly used for electricity production, either in space or in remote places, to a mainstream energy source. In 2019, solar PV stood for approximately 59% of the total renewable electricity production from new production assets.

The year 2019 saw at least 115 GWp of new solar generation capacity deployed, in comparison to 104 GWp in 2018, bringing the total cumulative installed capacity to around 627 GWp (617 GWp representing the minimum estimation). In 2019, the PV market grew by 12% year-to-year. This growth follows a year of stabilization and is explained by the significant market increase in all continents, which global effect has been partially hidden by the slowdown in China, the world market leader in PV installations.

China has remained the global leader in terms of PV capacities installed in 2019 with the total amount of 30.1 GWp of new PV assets added, compared to 43.4 GWp installed a year earlier.

The European Union ranked second with around 16.0 GWp of annual installations in 2019 compared to 8.0 GWp a year earlier. The largest European market in 2019 was Spain (4.4 GWp), followed by Germany (3.9 GWp), Ukraine (3.5 GWp), the Netherlands (2.4 GWp), and France (0.9 GWp). Australia came as the seventh market in the global rankings with an installed capacity estimated at 3.7 GWp in 2019 close to 3.8 GWp installed a year earlier.

Overview of the European Solar Market²

2019 was one of the best years ever for solar in the European Union. The region installed 16 GWp, compared to around 8 GWp added the year before. Further, 2019 also showed the strongest solar growth since 2010, when the EU PV market also increased by 104% during the first European solar boom, although to a lower level, reaching 13.4 GWp. The broadening of solar support in the EU resulted in a total of 131.9 GWp by the end of 2019, a 14% increase over the 115.2 GWp operating the year before. There are several reasons for Europe’s new solar boom. First, the key to solar energy growth in the EU and beyond is its competitiveness. According to the Solar Power Europe, solar power is often cheaper than any other power generation source today, and its attractiveness is only increasing as the cost reduction curve continues at a much faster pace than for any other technology. Another major factor for the growth of solar in the EU today is the close deadline for member states to meet their binding national 2020 renewable energy targets. At the same time, EU countries have already started to prepare for their compliance with the Clean Energy Package’s 32% renewables target by 2030.

The set of tools and technologies backing solar comprise from tenders that show utility-scale solar is able to win technology-neutral tenders against all other power generation technologies; to self-consumption and storage attracting prosumers that are looking to reduce their electricity bills; to new business models that are enabled by digitalisation, such as peer-to-peer electricity supply. The latest trend that has supported the rise of solar is corporate renewable power sourcing. This has become a crucial part of the energy and sustainability strategy of many leading corporates, who have invested in on-site solar as well as signing ‘subsidy-free’ direct bilateral solar PPAs from large off-site solar power plants that increasingly compete with wholesale power markets in a number of European countries.

¹International Energy Agency, *Snapshot of Global PV Markets 2020* (available online at: https://iea-pvps.org/wp-content/uploads/2020/04/IEA_PVPS_Snapshot_2020.pdf).

²Solar Power Europe, *EU Market Outlook for Solar Power 2019-2023* (available online at: https://www.solarpowereurope.org/wp-content/uploads/2019/12/SolarPower-Europe_EU-Market-Outlook-for-Solar-Power-2019-2023_.pdf?cf_id=7181).

Key regions in which the Group operates

The principal markets in which the Group currently operates are Czech Republic, Hungary, Slovakia and Australia.

Growth Rates and Drivers

Below the growth rates and drivers by the principal markets in which the Group operates has been presented³:

- **Czech Republic** – in 2019 the PV market in the Czech Republic grew by 25.1 MWp, representing a significant growth compared to the 7.0 MWp installed in 2018. The total number of new projects (3,437) more than doubled compared to 2018, with 99% of them being rooftop installations, as the Czech Republic only supports residential and commercial rooftop installations by means of investment support. The country has over 2,080 MWp of installed PV capacity with no significant additions since 2010, the year during which the country reached its national solar target of 1,695 MWp. The Czech Republic was one of two countries in the European Union to reach its “National renewable energy action Plan” ten years in advance of the target date;
- **Hungary** – Hungary saw 653 MWp of PV capacity deployed in 2019, compared to 410 MWp in 2018. As of the end of December 2019, the country’s cumulative installed PV capacity stood at around 1,450 MWp, exceeding the GW level for the first time. This dynamic development has been propelled by the country’s National Renewable Action Plan, which aimed to have Hungary cover 14.65% of its power demand with renewables by 2020. 2019 growth was mainly driven by large-scale solar projects developed under the FIT scheme (KÁT), which has been now replaced by the new Renewable Energy Support Scheme METÁR introduced in 2017, and by an auction mechanism for renewable energy sources, which commenced in late 2019. The new scheme allows large energy producers, with over 1 MWp of planned project capacity, to compete for a premium support if they participate and win the tender.
- **Slovakia** – Slovakia’s additional capacity was almost non-existent with 1.8 MWp installed in 2019. The country’s cumulative capacity amounted to around 531 MWp at the end of December 2019.
- **Australia** – the country’s cumulative capacity amounted to around 14.6 GWp at the end of December 2019. In 2019 large-scale renewable energy capacity increased by 2,200 GWp, with solar projects accounting for approximately 60%. According to PV Magazine Australia, based on research from the consultancy firm SunWiz⁴, 23 solar farms totaling 1,141 MWp were connected to the grid in 2019, a similar number as in 2018 but with a significantly lower capacity (1,500 MWp in 2018). On the other hand, rooftop installations continued to thrive with 2.2 GWp of installed capacity, breaking the previous year’s record of 1.6 GWp. Meanwhile, the battery storage sector started to gain momentum, with small-scale batteries installed taking Australia’s household storage capacity past 1 GWh for the first time.
- **Germany** – adding around 4 GWp, solar PV demand in Germany increased by 35% in 2019, after the country installed 2.9 GWp in 2018, which was up 67% from 1.7 GWp in 2017. The main drivers for the country’s solar boost in 2019 were self-consumption/feed-in premiums for medium- to large-scale commercial systems ranging from 40 kW to 750 kW. Tender-based, ground-mounted systems above 750 kW were responsible for less than 20%. The Mieterstrommodell (on-site community solar) regulation, introduced in 2017 to enable collective self-consumption of PV installations on apartment buildings, also continued to attract very limited interest in 2019. In 2019, the first German subsidy-free solar PV system was built – an 8.8 MWp system by BayWa r.e. -. The country’s cumulative capacity amounted to around 49,016 MWp at the end of December 2019.
- **The Netherlands** –The country added an estimated capacity of 2.5 GWp in 2019, up 66% from 1.5 GWp installed in 2018, when it exceeded the GW-level for the first time. The biggest market segment in the country in 2019 was the rooftop solar market. Again, the major driver for solar in the Netherlands was the SDE+ technology neutral tender programme, which is the base for the growth of the commercial and utility-scale solar segments. Meanwhile, the country’s net metering scheme, almost the only one of its kind in the EU, has been instrumental in the success of residential solar. The country’s cumulative capacity amounted to around 6,725 MWp at the end of December 2019.
- **Peru** – The renewable energy generation capacity in Peru has nearly doubled between 2010 and 2019, reaching more than 6.6 GWp in the latter year. No solar or wind capacity was added in 2019, as further development are subject to greater clarity on the regulatory and legislative front. The country’s current top project – Enel’s 180MWp Rubi plant, in operation since March 2018– helped boost nation-wide PV capacity between 2017 (153 MWp) and 2018 (345 MWp). The Federal government has authorized two projects with a total capacity of 160 MWp in February 2020, which could bring a surge to Peru’s PV market. The country’s cumulative capacity amounted to around 345 MWp at the end of December 2019.
- **Poland** – with newly installed capacities of around 784 MWp in 2019, the Polish solar PV market almost quadrupled compared to the 203 MWp connected to the grid in 2018. The foundation for that growth is self-

³ Source: *Ibidem*; Company own research and analysis.

⁴ Source: PV Magazine Australia (available online: <https://www.pv-magazine-australia.com/2020/01/22/australia-poised-for-record-large-scale-pv-rollout-in-2020/>)

consumption systems; in particular, small systems below 50 kW – so called micro-installations – are in high demand as they do not need permits for grid-connection and have become increasingly attractive with falling PV product prices. This market segment is complemented by a RES auction scheme that started in 2016, which was followed by two further biddings in 2017 and 2018. Although to a minor extent, the 2019 solar market boost also stems from a mid-year installation deadline for the second auction system awards. The country's cumulative capacity amounted to around 1,300 MWp at the end of December 2019.

- **Romania** – the country's cumulative installed capacity amounted to around 1,390 MWp as of the end of December 2019, Most of this capacity comes from megawatt-scale PV plants built under the country's now-expired green certificates scheme. Green certificates were only granted to companies that connected their PV projects to the grid before Jan. 31, 2016.
- **Switzerland** – In 2019, solar power systems with a capacity of almost 332 MWp were newly installed in the country, representing a 20 percent increase compared to 2018, during which a capacity of 269 MWp was newly installed. The addition in 2019 is still below the highest value to date in 2015, at almost 340 MWp. In total, the country's cumulative capacity amounted to around 2,498 MWp, which has been installed on roofs and open spaces.
- **The United Kingdom** –The country's FIT, a key policy for supporting rooftop solar, closed to new applicants at the end of March 2019, leading to a fall in new residential installations. Paralysis caused by uncertainty over Brexit as well as policy changes also resulted in reduced investment in community solar projects. The country had its slowest year since 2010, with an estimated 0.3 GWp added in 2019, well below the 2015 peak of 4.2 GWp and bringing the country's cumulative capacity to around 13.4 GWp at the end of 2019.

Competitive Landscape

The Group's competitive landscape is comprised of internal PV departments of large utilities companies, as well as independent competitors or new entrants that may compete broadly with the Group or in limited segments of its market.

With the end or reduction of incentives in some big markets, one of the main drivers for creating value in the PV sector is the improvement of operating efficiency in existing plants through operations and maintenance, an increasingly central activity for many operators in different markets.

The competitive landscape of the PV O&M market is country specific, with different firms leading in each of the top solar markets.

The companies that offer O&M services are mostly: EPCs, developers, electrical/inverter firms, vertically integrated solar firms, IPPs/utility companies and independent O&M providers.

The typical clients are solar system owners, ranging from private investors to large banks.

Based on the Company's internal analyses and estimates resulting from its knowledge of and experience on the markets where it operates, the market shares held in the Czech Republic, Slovakia, Hungary and Australia are as follows:

- **Czech Republic** – The proprietary portfolio of the Group in the Czech Republic comprises of 11 photovoltaic power plants. It mainly includes green-field installations, with a total installed output of approximately 15.0 MWp, representing approximately 1% of the total installed capacity in the country (approximately 2,080 MWp as of the end of 2019). The total O&M portfolio operated in the Czech Republic included 137.8 MWp of PV capacities managed for the proprietary portfolio and external clients as of the end of 2019, representing approximately 7% of the total installed capacity in the country.
- **Slovakia** – Photon Energy currently owns shares in 11 SPVs in Slovakia with a total installed output of approximately 10.4 MWp, representing approximately 2% of the total installed capacity in the country (approximately 531 MWp as of the end of 2019). The total O&M portfolio operated in Slovakia includes 21.4 MWp of PV capacity managed for the Company's proprietary portfolio and external clients, representing approximately 4% of the total installed capacity in the country.
- **Hungary** – the Company's proprietary portfolio comprised 38 power plants with a total capacity of 26.1 MWp at the end of 2019 (49.1 MWp as of the Date of the Prospectus), representing approximately 2% of the total installed capacity in the country (approximately 1,450 MWp as if the end of 2019). The total O&M portfolio operated in Hungary comprised of 47.7 MWp of PV plants managed for the proprietary portfolio at the end of 2019 (as of the Date of the Prospectus, the O&M portfolio amounted to 88.4 MWp managed for the proprietary portfolio and external clients), representing approximately 3% of the total installed capacity in the country.
- **Australia** – the Company's proprietary portfolio comprised one rooftop photovoltaic power plant in Symonston with a total capacity of 144 KWp connected in April 2013. The total O&M portfolio operated in Australia comprised 4.5 MWp of PV plants managed for the proprietary portfolio and external clients, representing approximately 0.03% of the total installed capacity in the country.

The Group believes that is able to differentiate itself from its competitors on the markets where it operates by, among other things:

- applying its 12-year experience to the development and delivery of products and professional services that enable the Group's customers to overcome their challenges and achieve service differentiation by providing a personalized and intelligent customer experience, simplifying the complexity of the operating environment (see "*Business-Competitive Strengths*");
- continuing to design and develop solutions targeted specifically to the PV industry;
- innovating in a changing market, with the development of solar-hybrid power solutions or off-grid solutions, as energy storage is increasingly important in regions with a high penetration of solar power to maintain a continuous and reliable electricity supply. According to PV Europe.eu, based on research from the consultancy firm IHS Markit⁵ global installations are being expected to grow by more than 5 GW in 2020, up from 3.1 GW in 2019, and, going forward, expects a five-fold global growth in grid-connected storage to a capacity of 15.1 GW in 2025. The Group also develops solutions directly coupled with off-grid applications, such as on-site water pumping and filtration powered by solar energy for which a growing demand is driven by a wide range of applications, from household to agriculture and irrigation; and
- providing scalable, integrated, yet modular services.

While the Group follows IT and digitalization trends in its business operations in line with the digitalization of the global economy, it does not focus on the development of digital products or solutions specific to the PV industry or its business. Its competitive position is therefore not directly impacted by new business models enabled by digitalization and the Board of Directors does not foresee any material risks related to new business models which shall be described in the Risk Factors section.

Regulatory Framework

Auctions and Tendering Schemes

Auctions and tendering schemes for renewable energy sources ("**RES**") are competitive mechanisms for allocating financial support to RES projects, usually on the basis of the cost of electricity production. In auctions, the price is the only criterion to be evaluated, while tenders may include additional criteria. RES auctions and tenders are organised by public authorities who have the responsibility for the preparation of the tender documents, the publication of the tender, the evaluation of the bids and the selection of the winning bids. Depending on the RES tender design, the bids can refer to installed capacity or electricity production. The tender is competitive if the total cumulated capacity or electricity production that is being offered in the bids exceeds the capacity or electricity production that is being tendered. In some cases, these limits are also defined in the form of the available budget for public financial support. The support that is granted to the winning bids can be in the form of feed-in-tariff, feed-in-premium, capacity payments, certificate prices or investment grants. RES tenders can be technology neutral or focusing on a specific RES technology (e.g. solar PV or offshore wind energy).

The bidding procedure for RES capacity or electricity usually takes the form of a reverse multi-unit auction. This means that offers for multiple units of RES capacity (e.g. in MW), electricity (e.g. in MWh) or individual RES projects are submitted by multiple sellers to a sole buyer who is ranking the bids based on their unit price starting with the lowest offers. In some cases, single-unit RES auctions are organised for a single pre-defined RES project, e.g. an offshore wind park at a specific location. In a sealed bid auction, single undisclosed bids are submitted by each bidder, without knowing the bids of the competitors and being able to react to them ("*static auction*"). The price determination can take the form of pay-as bid (each bidder receives the price he has offered) or of a common price for all bidders, e.g. the price of the most expensive successful bid ("*marginal price*"). In open bid auctions, bids are submitted publicly and there is the possibility of adjusting them downwards as a reaction to other bidders ("*dynamic auction*") until the least-cost price has been determined. In most RES tenders, maximum price limits are set by public authorities in order to eliminate the risk of excessive bids that would result in high costs for the RES support scheme.

Bidders in RES tenders usually have to fulfil a number of criteria in order to qualify for participation in the tender. These can include requirements related to the bidder (e.g. turnover volume, references, financial solidity, etc.), technical or commercial requirements related to the RES project, as well as the availability of licenses and permits that are required for the RES project. These criteria can either be evaluated in a pre-qualification phase ("*two stage tender*") or during the evaluation of the final bids ("*single stage tender*"). In many cases, bid bond guarantees are required either from the bidding participants or only from the successful participants. In the case of non-realisation or significant delay of a project that has been selected during the tendering procedure, this bid bond can be retained and other types of penalties (e.g. termination of contracts, lowering of support levels, shortening the duration of support, other financial penalties), can be applied. Here it is important to make a clear differentiation between delays that are attributable to the RES investor and delays that are outside of his responsibility (e.g. non-respect of deadlines by public licensing authorities).

⁵ Source: PV Europe.eu (available online: <https://www.pveurope.eu/energy-storage/energy-storage-market-strong-growth-ahead>)

Prosumers Policies

“Prosumer” is a relatively new term that, in the energy field, most often denotes consumers who both produce and consume electricity, i.e. they self-consume some of the electricity they produce, and sell the excess to the grid.

The profitability of presuming partly depends on the share of electricity that prosumers can consume themselves, as this directly reduces their bills. Self-consumption could also be beneficial to the electricity system, as it can reduce transmission losses and peak demand and thus save costs in the long term. But to achieve this, prosumers would need to self-consume at the time of demand peaks, which is often not the case.

Like other electricity from RES, prosumer energy is variable, i.e. it depends on whether there is enough sun or wind power available, and therefore requires more reserves to balance the system in case there is no wind or no sun. On the one hand this creates the problem of handling the grid when there is too much power, and on the other hand requires back-up generation capacity when there is too little. A rise in the number of prosumers creates challenges for the traditional business model of legacy generators, distribution service operators and transmission service operators.

The first set of policies used to develop the market of small-scale PV installations on buildings were called “*net-metering*” policies and were adopted in a large number of countries, however, with different definitions. The genuine “*net-metering*” which offers credits for PV electricity injected into the grid, have previously supported market development in the USA, Canada, Denmark, the Netherlands, Portugal, Korea and partially in Belgium, but such policies are increasingly replaced by self-consumption policies favouring real-time consumption of PV electricity, often completed with a feed-in tariff (or feed-in premium in addition the spot price) for the excess PV electricity fed into the grid. As a result, self-consumption is becoming a major driver of distributed PV installations.

The use of self-consumption in collective buildings is not yet widespread but exists in the Netherlands, Sweden, France, Switzerland and in Germany. In Italy, PV systems connected through a private transmission line to a single end user are allowed under specific conditions, and several countries are testing the concept. The idea of virtual self-consumption between distant points has been tested in Mexico, Brazil, France and Australia, and it is now possible under certain circumstances in the Netherlands. In many countries, such policies encounter a fierce resistance from many distribution system operators who fear for their future financing.

The EU has no specific legislation on prosumers, self-generation or self-consumption, nor has it a common definition of prosumers. However, existing energy legislation does include some provisions applicable to this field. For instance, the 2009 Renewable Energy Directive requires Member States to provide either priority or guaranteed access to the grid system for all renewable electricity production, big and small. The only concession for small projects and for decentralised devices is that Member States should ensure simplified and less burdensome authorisation procedures, including through simple notification if allowed by the applicable regulatory framework. Similar provisions are included in the 2009 Electricity Directive. The 2021 Energy Efficiency Directive introduces a similar requirement for small scale and micro-combined heat and power. It also requires Member States to encourage participation of demand response in wholesale and retail markets and, when necessary, to include aggregators. Recently, the European Union introduced the concept of Renewable Energy Communities (“**REC**”), which should allow citizens to sell renewable energy production to their neighbours, some crucial components are the definition of the perimeter and the tariffication for grid use.

The 2010 Energy Performance of Buildings Directive does not introduce special provisions for prosumers, but creates a need for them and for self-consumption. It introduces the concept of “*nearly zero-energy*”, which are supposed to become the requirement for all new buildings from 2021. Outside the EU, collective self-consumption beyond individual buildings has been already introduced in Switzerland in the new Energy Act in 2018 (as long as the public grid is not used) and is likely to expand existing PV market segments and to allow cost reductions for consumers not able to invest themselves in a solar installation.

Decentralized or distributed self-consumption is starting to develop with the idea to disconnect production and consumption of PV electricity. This would allow one or several PV producers (even utility-scale plants) to feed one or more consumers at a reasonable distance so that the use of the public grid is minimized. Such disconnection between production and consumption would help to alleviate the constraint of the local self-consumption ratio and allow for a better use of available space on roofs or land. France, the Netherlands and Australia allow it under different forms, mostly for small-scale installations.

Measures Penalizing Existing Installations and Retroactive Measures

In 2019, most of the PV markets did not experience abrupt or unannounced retroactive measures and the situation has therefore improved compared to previous years. However, retroactive measures in recent years considerably decreased investor’s confidence in the PV market and still have an impact on the level of installations, even when the market conditions are favourable. The most important changes took place in Spain, where the retroactive measures reduced in some cases the revenues of PV system owners by 50%. In Italy, in order to reduce the impact of PV costs to the electricity consumers, the government imposed in 2014 a decrease of the feed-in-tariff level compensated by an increase of the payment years. Other countries also applied retroactive measures that reduced the level of financial support or changed the conditions applying to already existing PV systems. Bulgaria, Romania and the Czech Republic have discussed or applied

such measures in the last three years, often with the consequence of destroying investors' confidence and bringing down the PV market.

In Belgium, retroactive measures were integrated in the law granting green certificates, which legally allowed a decrease of the number of years during which the certificates were granted. Some Belgian regions also implemented or tried to implement specific taxes for existing prosumers' installations under the justification of financing the grid. These measures, sometimes legally justified, have significantly decreased the confidence of investors and in all cases reduced the PV markets mentioned above. The biggest barrier to PV development for prosumers is now the fear that self-consumption or net-metering policies already granted could be changed, downgraded or taxed for existing PV installations.

However, given the increased competitiveness of PV solutions, such measures are vanishing rapidly from the agenda of policymakers in most countries.

GENERAL INFORMATION ON THE GROUP

Basic Information on the Company

Name and legal form:.....	Photon Energy Naamloze Vennootschap
Abbreviated name:.....	Photon Energy N.V.
Registered office and address:.....	Barbara Strozziilaan 201, 1083 HN Amsterdam, the Netherlands
Telephone No.:.....	+31 202 402 570
Website:.....	www.photonenergy.com
Email:.....	info@photonenergy.com
Commercial Register No.:.....	51447126
Official National Business Register:.....	Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>)
Tax Identification Number:.....	NL850020827B01
Legal Entity Identifier (LEI):.....	315700YHFON9RJOPCK19

The Company was incorporated in the Kingdom of the Netherlands as a joint-stock company (*naamloze vennootschap*) under the Dutch law on 9 December 2010. The Company is registered with the Commercial Register kept by the Netherlands Chamber of Commerce under KvK number 51447126.

The Company has been established for an indefinite period of time and operates on the basis of the provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) and other legal regulations concerning commercial companies, as well as the provisions of the Articles of Association and other internal regulations.

Corporate Objects

Pursuant to Article 3 of the Articles of Association, the Company's objects are:

- to participate in, to take an interest in any other way in, and to conduct the management of other business enterprises, of whatever nature;
- to finance other persons and to give security, to give guarantees and to bind itself in any other manner for debts of other persons;
- to borrow, to lend and to raise funds, including the issue of bonds, debt instruments and other securities, as well as to enter into agreements in connection therewith;
- to render advice and services to other persons;
- to acquire, manage, exploit and dispose of immovables and other registered properties;
- to trade in currencies and securities, as well as in items of property in general;
- to develop rights and other intellectual property rights;
- to perform all activities of an industrial, financial or commercial natures,
- as well as all activities which are incidental to or which may be conducive to any of the foregoing in the broadest sense.

The above information should be read in conjunction with, and is qualified in its entirety by reference to the Articles of Association. The full text of the Articles of Association (in Dutch, and an unofficial English translation) is available free of charge on the Company's website (www.photonenergy.com).

The Group

As at the Prospectus Date, the Group consists of the Company and 103 Subsidiaries. In addition, the Company has 9 Associates.

There are no other joint ventures or undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

Basic information about the Group is presented in the table below.

Subsidiaries

Name	% of share capital held by the holding company*	Country of registration ¹	Consolidation method	Legal owner
Photon Energy Operations NL B.V. ("PEO")	100%	NL	Full Cons.	PEONV

Name	% of share capital held by the holding company*	Country of registration ¹	Consolidation method	Legal owner
Photon Energy Engineering B.V. (“PEEBV”)	100%	NL	Full Cons.	Company
Photon Energy Operations N.V. (“PEONV”)	100%	NL	Full Cons.	Company
Photon Remediation Technology N.V.	100%	NL	Full Cons.	KORADOL
Photon Energy Australia Pty Ltd.	100%	AU	Full Cons.	Company
Gunning Solar Farm Pty. Ltd	49%	AU	Equity	Company
Photon Energy AUS SPV 1 Pty. Ltd.	100%	AU	Full Cons.	Company
Leeton Solar Farm Pty Ltd.	100%	AU	Full Cons.	Company
Fivebough Solar Farm Pty Ltd.	100%	AU	Full Cons.	Company
Photon Energy AUS SPV 4 Pty. Ltd.	100%	AU	Full Cons.	Company
Suntop Stage 2 Solar Farm Pty. Ltd.	25%	AU	Equity	Company
Photon Energy AUS SPV 6 Pty. Ltd.	51%	AU	Equity	Company
Maryvale Solar Farm Pty. Ltd.	25%	AU	Equity	Company
Photon Energy Operations Australia Pty. Ltd.	100%	AU	Full Cons.	PEONV
Photon Energy Engineering Australia Pty Ltd	100%	AU	Full Cons.	PEEBV
Global Investment Protection AG (“GIP”)	100%	CH	Full Cons.	Company
ALFEMO AG (“ALFEMO”)	100%	CH	Full Cons.	Company
KORADOL AG (“KORADOL”)	100%	CH	Full Cons.	Company
Photon Energy Corporate Services CZ s.r.o.	100%	CZ	Full Cons.	Company
Photon SPV 1 s.r.o	100%	CZ	Full Cons.	KORADOL
Photon SPV 11 s.r.o.	100%	CZ	Full Cons.	KORADOL
Photon Energy Operations CZ s.r.o. (“PEOCZ”) ²	100%	CZ	Full Cons.	PEONV
Photon Energy Control s.r.o.	100%	CZ	Full Cons.	PEOCZ
Photon Energy Technology CEE s.r.o.	100%	CZ	Full Cons.	PEEBV
Photon Water Technology s.r.o.	65%	CZ	Full Cons.	Company
Photon Remediation Technology Europe s.r.o.	100%	CZ	Full Cons.	Company
Photon Energy Solutions s.r.o. (“PES CZ”)	100%	CZ	Full Cons.	Company
Photon Energy Projects s.r.o. (“PEP”)	100%	CZ	Full Cons.	Company
Photon Energy Cardio s.r.o.	100%	CZ	Full Cons.	PEOCZ
Photon Maintenance s.r.o.	100%	CZ	Full Cons.	Company
Photon Energy Technology EU GmbH	100%	DE	Full Cons.	Company
Photon Energy Corporate Services DE GmbH	100%	DE	Full Cons.	Company
Photon Energy Engineering Europe GmbH	100%	DE	Full Cons.	PEEBV
EcoPlan 2 s.r.o.	100%	SK	Full Cons.	Company
EcoPlan 3 s.r.o.	100%	SK	Full Cons.	Company
Fotonika s.r.o.	100%	SK	Full Cons.	Company
Photon SK SPV 1 s.r.o.	50%	SK	Equity	Company
Photon SK SPV 2 s.r.o.	100%	SK	Full Cons.	Company
Photon SK SPV 3 s.r.o.	100%	SK	Full Cons.	Company
Solarpark Myjava s.r.o.	50%	SK	Equity	Company
Solarpark Polianka s.r.o	50%	SK	Equity	Company
SUN4ENERGY ZVB s.r.o	100%	SK	Full Cons.	Company
SUN4ENERGY ZVC s.r.o.	100%	SK	Full Cons.	PEONV
ATS Energy s.r.o.	100%	SK	Full Cons.	ALFEMO
Photon Energy Operations SK s.r.o.	100%	SK	Full Cons.	ALFEMO
Photon Energy HU SPV 1 Kft. b.a.	100%	HU	Full Cons.	PEONV
Fertod Napenergia-Termelo Kft.	100%	HU	Full Cons.	ALFEMO
Photon Energy Operations HU Kft.	100%	HU	Full Cons.	PEONV
Photon Energy Solutions HU Kft.	100%	HU	Full Cons.	Company
Future Solar Energy Kft	100%	HU	Full Cons.	ALFEMO
Montagem Befektetési Kft.	100%	HU	Full Cons.	ALFEMO
Solarkit Befektetesi Kft.	100%	HU	Full Cons.	ALFEMO
Energy499 Invest Kft.	100%	HU	Full Cons.	ALFEMO
SunCollector Kft.	100%	HU	Full Cons.	ALFEMO
Green-symbol Invest Kft.	100%	HU	Full Cons.	ALFEMO
Ekopanel Befektetési és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
Onyx-sun Kft.	100%	HU	Full Cons.	ALFEMO
Tataimmo Kft.	100%	HU	Full Cons.	ALFEMO
Öregfal Kft.	100%	HU	Full Cons.	ALFEMO
European Sport Contact Kft	100%	HU	Full Cons.	ALFEMO
ALFEMO Alpha Kft.	100%	HU	Full Cons.	ALFEMO
ALFEMO Beta Kft	100%	HU	Full Cons.	ALFEMO
ALFEMO Gamma Kft.	100%	HU	Full Cons.	ALFEMO

Name	% of share capital held by the holding company*	Country of registration ¹	Consolidation method	Legal owner
Archway Solar Kft.	100%	HU	Full Cons.	Company
Barbican Solar Kft.	100%	HU	Full Cons.	ALFEMO
Belsize Solar Kft.	100%	HU	Full Cons.	ALFEMO
Blackhorse Solar Kft.	100%	HU	Full Cons.	ALFEMO
Caledonian Solar Kft	100%	HU	Full Cons.	ALFEMO
Camden Solar Kft	100%	HU	Full Cons.	ALFEMO
Hampstead Solar Kft.	100%	HU	Full Cons.	ALFEMO
Ráció Master Oktatási	100%	HU	Full Cons.	ALFEMO
Aligoté Kereskedelmi és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
MEDIÁTOR Ingatlanközvetítő és Hirdető Kft.	100%	HU	Full Cons.	ALFEMO
PROMA Mátra Ingatlanfejlesztési Kft	100%	HU	Full Cons.	ALFEMO
Optisolar Kft.	100%	HU	Full Cons.	ALFEMO
Ladány Solar Alpha Kft.	100%	HU	Full Cons.	ALFEMO
Ladány Solar Beta Kft.	100%	HU	Full Cons.	ALFEMO
Ladány Solar Gamma Kft.	100%	HU	Full Cons.	ALFEMO
Ladány Solar Delta Kft	100%	HU	Full Cons.	ALFEMO
ÉGÉSPART Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
ZEMPLÉNIMPEX Kereskedelmi és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
ZUGGÓ-DÜLŐ Energiatermelő és Szolgáltató Kft	100%	HU	Full Cons.	ALFEMO
Ventiterra Környezetgazdálkodási és Szolgáltató Kft.	100%	HU	Full Cons.	ALFEMO
VENTITERRA ALFA Kft.	100%	HU	Full Cons.	ALFEMO
VENTITERRA BETA Kft.	100%	HU	Full Cons.	ALFEMO
Hendon Solar Kft.	100%	HU	Full Cons.	ALFEMO
Mayfair Solar Kft.	100%	HU	Full Cons.	ALFEMO
Holborn Solar Kft.	100%	HU	Full Cons.	ALFEMO
Photon Energy Peru S.C.A	100%	PE	Full Cons.	GIP & Company ⁵
Solar Age Polska S.A.	100%	PL	Full Cons.	Company
Photon Energy Polska sp. z o.o.	100%	PL	Full Cons.	Company
Photon Energy Operations PL sp. z o.o.	100%	PL	Full Cons.	PEONV
Stanford Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Halton Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Aldgate Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Holloway Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Moorgate Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Redbridge Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Watford Solar Srl	100%	RO	Full Cons.	PEP & PES CZ ³
Becontree Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Greenford Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Chesham Solar Srl.	100%	RO	Full Cons.	PEP & PES CZ ³
Photon Energy Romania Srl.	100%	RO	Full Cons.	Company & PEO ⁴
PE SOLAR TECHNOLOGY LTD.	100%	UK	Full Cons.	Company

Source: The Company; *indicated percentages do not differ from the proportion of voting powers held by the Company.

Notes: (1) AU, Switzerland – CH, Czech Republic – CZ, Germany – DE, Hungary – HU, Netherlands – NL, Peru – PE, Poland – PL, Romania – RO, Slovakia – SK, United Kingdom – UK; (2) Photon Energy Operations CZ s.r.o. established a branch office in Romania; (3) PEP & PES CZ – Photon Energy Projects s.r.o. owns 95% and Photon Energy Solution s.r.o. owns 5%; (4) Company & PEO – Photon Energy N.V. owns 99% and Photon Energy Operations NL B.V. owns 1%; (5) GIP & Company – GIP owns 99% and Company owns 1%.

Associates

Name	% of consolidated share	% of ownership share	Country Registration	Consolidation Method	Legal owner
Photon SPV 3 s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Photon SPV 8 s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Exit 90 SPV s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Photon SPV 4 s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Photon SPV 6 s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Onyx Energy s.r.o.	49%	0%	CZ	Full Cons.	Raiffeisen Leasing
Onyx Energy projekt II s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Photon SPV 10 s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing
Kaliopé Property, s.r.o.	100%	0%	CZ	Full Cons.	Raiffeisen Leasing

Source: The Company.

SHAREHOLDING STRUCTURE, DESCRIPTION OF THE SHARE CAPITAL AND CORPORATE GOVERNANCE

Set out below is a summary of certain relevant information concerning the Company's share capital and of certain significant provisions of Dutch law and the Articles of Association. It is based on relevant provisions of Dutch law in effect on the Prospectus Date and the Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association and the relevant provisions of the Dutch law. The full text of the Articles of Association (in Dutch, and an unofficial English translation) is available free of charge on the Company's website (www.photonenergy.com).

Shareholding Structure

According to the Company's information, its main shareholders, who as at the Prospectus Date directly hold the Shares representing at least 3% of the total number of votes on the General Meeting and the Company's share capital, are the subjects listed in the table below.

Shareholder	Number of Shares	Share in the share capital (%)	Number of votes on the General Meeting	Share in the total number of votes on the General Meeting (%)
Michael Gartner ⁽¹⁾	21,796,620	36.33	21,796,620	42.56
Georg Hotar ⁽²⁾	20,952,378	34.92	20,952,378	40.91
The Company.....	8,784,000	14.64	0 ⁽³⁾	0.00
Senior Manager.....	1,856,139	3.09	1,856,139	3.62
Free float ⁽⁴⁾	6,610,863	11.02	6,610,863	12.91

Source: The Company.

Notes: (1) Michael Gartner owns indirectly 21,775,116 shares through Solar Future Cooperatief U.A. and 21,504 shares directly. (2) Georg Hotar owns indirectly 20,843,375 shares through Solar Power to the People Cooperatief U.A. and 109,003 shares directly. (3) According to the Company's Articles of Association no votes can be cast in respect of a share held by the Company, and when determining to what extent the shareholder cast votes, are present, or represented, or to what extent the share capital is provided or represented, no accounts shall be taken of the shares held by the Company (4) Free float includes the shares directly owned by employees as a part of the Employee Share Purchase Program, except for the shares of the board of directors and the senior manager which are shown separately above. Since the implementation of the Employee Share Purchasing Programme the total number of shares which have been transferred to the employees amounts to approximately 573 thousand shares, which represent 0.96% of the share capital and 1.11% of the voting rights.

Share Capital

The Company's authorised share capital accounts to EUR 1,000,000. As at the Prospectus Date, the Company's share capital amounts to EUR 600,000 (fully paid up) and consists of 60,000,000 ordinary registered series A shares with a par value of EUR 0.01 each. The number of the ordinary registered series A shares that can be issued is limited to the number of series A shares available in the authorised but unissued share capital of the Company, being 40,000,000 ordinary registered series A shares. There are no other classes of shares outstanding in the Company's share capital as at the Prospectus Date.

The Shares have been created under, and are subject to, Dutch law.

The Shares are not preferred shares in terms of voting rights, rights to dividends or the division of assets in the event of the liquidation of the Company.

Changes in the Share Capital

At its incorporation, the Company's issued share capital comprised of 4,600,000 shares with a nominal value of EUR 0.01 per share and total nominal value of EUR 46,000 fully paid up with monetary contributions of Georg Hotar and Michael Gartner, as the Company's founders.

On 4 December 2012 the Company issued 18,400,000 shares, i.e. registered capital was increased by EUR 184,000 with total registered capital amounting to EUR 230,000 in the form of 23,000,000 shares. Next, on 30 June 2013 the registered capital was increased by EUR 270,000 (27,000,000 shares) up to EUR 500,000 divided into 50,000,000 shares. Last registered capital increase took place on 21 November 2013 and the capital was increased by EUR 100,000. The current issued registered capital is equal to EUR 600,000, divided into 60,000,000 ordinary registered shares.

In the period covered by the Historical Financial Statements and up to the Prospectus Date, the share capital of the Company has not been changed.

Rights and Obligations Related to the Shares

Form of Shares and Transferability of Shares

The Shares are in registered form. The Company shall not issue share certificates. The Shares shall at all times remain in dematerialised form. As at the Prospectus Date the Shares are registered with the CSD and partially with the NDS, the central securities depositories and clearinghouses in Poland and the Czech Republic (see "Additional Information—Place of Registration of Shares"). For the purposes of listing on the WSE the remaining Shares will also be registered with the NDS. The Shares are in book entry form and shareholding is evidenced by reference to securities

accounts held for the shareholder by members of the respective depository (e.g. brokers or custodians). Transfer of Shares takes place through the facilities of the respective depositories.

Issue of Shares

Shares shall be issued pursuant to a resolution of the General Meeting or a resolution of the Board of Directors, if by resolution of the General Meeting the Board of Directors has been authorized for a specific period not exceeding five years to issue shares. At designation, the number of shares that may be issued, price and further terms and conditions shall be determined. Unless otherwise stipulated at its grant, the authorisation cannot be withdrawn. The General Meeting is not authorised to resolve on the issuance of the Shares to the extent it has authorised the Board of Directors as the competent body for such purpose.

The above provisions shall apply by analogy to the granting of rights to subscribe for shares. They shall not apply to the issue of shares to persons exercising a previously granted right to subscribe for shares.

Pre-emptive Rights

Dutch law and the Articles of Association give shareholders pre-emptive rights to subscribe on a pro rata basis for any issue new shares or upon a grant of rights to subscribe for shares. Such pre-emptive rights do not apply, however, in respect of (i) shares issued against payment other than cash, (ii) shares issued to employees of the Company or a Subsidiary, and (ii) shares issued to persons exercising a previously granted right to subscribe for shares.

The Articles of Association stipulate that pre-emptive rights may be limited or excluded by the resolution of the General Meeting at the proposal of the Board of Directors. The General Meeting may also designate this authority to the Board of Directors for a period not exceeding five years, and only if the Board of Directors at the time is also authorized to issue shares (see “–*Issue of Shares*”) or is simultaneously designated as such. If this authority is designated to the Board of Directors, the Board of Directors may limit or exclude pre-emptive rights. If less than one half of the issued capital is represented at the General Meeting, a majority of at least two thirds of the votes cast shall be required for a resolution of the General Meeting to limit or exclude pre-emptive rights or to designate this authority to the Board of Directors. Unless otherwise stipulated at its grant, the designation cannot be withdrawn.

Acquisition of Shares in the Company's Capital

Subject to certain statutory conditions having been met, the Board of Directors shall be authorised to acquire fully paid-up Shares either for no consideration (*om niet*), under universal succession of title, or if: (i) the Company's equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-up share capital and any statutory reserves, as required to be maintained by Dutch law (such excess, the “**Distributable Equity**”) and (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by the Subsidiary does not exceed one-half of the issued share capital.

The acquisition of Shares by the Company for consideration is permitted only if the General Meeting has authorised the Board of Directors to do so. This authorisation is valid for a maximum period of 18 months. As part of the authorisation, the General Meeting must specify the number of Shares, that may be acquired, the manner in which they may be acquired and the limits within which the practice must be set.

The Company may not cast votes on Shares held by it or by its Subsidiaries nor will such Shares be counted for purpose of calculating a voting quorum. No dividend shall be paid on the Shares held by the Company in its own capital, unless such Shares are subject to a right of usufruct or pledge. For the purpose of determining the profit distribution, the Shares held by the Company in its own capital shall not be included. The Board of Directors is authorised to dispose of the Company's own Shares held by it.

The Company may, without authorisation by the General Meeting, acquire its own shares for the purpose of transferring such shares to its employees or employees of another member of its Group under a scheme applicable to such employees, provided such shares are quoted on the price list of as stock exchange.

The Company may only accept Shares in its own share capital in pledge if: (i) the Shares to be accepted in pledge have been fully paid up, (ii) the aggregate nominal amount of the Shares to be accepted in pledge and already held or held in pledge by the company does not exceed one-tenth of the issued share capital, and (iii) the General Meeting has granted its approval to the pledge agreement.

Reduction of Share Capital

The General Meeting may, at the proposal of the Board of Directors, resolve to reduce the Company's issued share capital by: (i) cancelling Shares, or (ii) by amending the Articles of Association to reduce the nominal value of the Shares.

A resolution to cancel may only relate to Shares held by the Company itself or to which the Company holds depository receipts.

Reduction of the nominal value of Shares without repayment shall be effected pro rata to all shares, unless its waived upon the consent of all shareholders. Partial repayment of Shares may only be made pursuant to a resolution to reduce the nominal

value of the shares. Such a repayment shall be effected pro rata on all shares, unless its waived upon the consent of all shareholders.

If less than one half of the issued capital is represented at the General Meeting, a majority of at least two thirds of the votes cast shall be required for a resolution of the General Meeting to reduce the issued share capital. Otherwise, such resolution of the General Meeting requires an absolute majority.

Right of Usufruct on Shares

A right of usufruct may be established on shares. The voting rights on the Shares encumbered with a right of usufruct shall accrue to the shareholder or to the usufructuary if so provided at the time of the establishment of the right of usufruct.

The usufructuary shall have rights conferred by law on holders of depositary receipts for Shares issued with the cooperation of the Company, unless the usufructuary is not entitled to voting rights.

Right of Pledge on Shares

A right of pledge may be established on shares. The voting rights on the pledged Shares shall accrue to the shareholder or to the pledgee if so provided at the time of the establishment of the right of usufruct.

The pledgee shall have rights conferred by law on holders of depositary receipts for Shares issued with the cooperation of the Company, unless the pledgee is not entitled to voting rights.

Dividend and other Distributions

The Company may only make distributions to the Shareholders insofar as its equity exceeds the Distributable Equity.

Following the adoption of the annual accounts of the Company by the General Meeting, the General Meeting may determine which part of the profits shall be distributed to Shareholders. The profits shall be at free disposal of the General Meeting. In the event of a tie vote regarding a proposal to distribute or reserve profits, the profits concerned shall be reserved.

Subject to certain statutory conditions having been met, the General Meeting may resolve (i) to distribute an interim dividend on shares insofar as its equity exceeds the Distributable Equity to be evidenced by an interim statement of assets and liabilities relating to the condition of such assets and liabilities on a date no earlier than the first day of the third month preceding the month in which the resolution to distribute is published, and (ii) that distributions on shares are made out of reserves.

Shares which the Company holds in its own share capital shall not be counted when determining the division of the amount to be distributed on shares.

In accordance with the Articles of Association, distribution on shares shall be made payable within four weeks after they have been declared, unless the General Meeting determines another date of payment, following a proposal of the Board of Directors.

The General Meeting may resolve that a distribution on shares shall be made in whole or in part in a form not in cash but in Shares.

Each issued and outstanding share entitles its holder to equal ranking rights to dividends and other distributions.

Claims to dividend and other distributions not made within five years from the date such dividends or distributions became payable, will lapse and any such amounts will be considered to have been forfeited to the Company.

Meetings of Shareholders and Voting Rights

In this section, the term “Shareholders” also refers to persons to whom meeting rights accrue pursuant to Dutch law or the Articles of Association.

General Meetings

According to the Articles of Association, General Meetings can be held in Amsterdam, Haarlemmermeer, The Hague or Rotterdam, at the choice of those who call the meeting. Resolutions adopted at a General Meeting held elsewhere shall not be valid. The annual General Meeting shall be held within six months of the end of the preceding financial year. An extraordinary General Meeting may be convened, whenever the Company’s interests so require. The Board of Directors and the Supervisory Board shall be authorised to convene the General Meeting. In addition, Shareholders representing alone or in aggregate at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting will be convened. If no General Meeting has been held within eight weeks of the Shareholders making such request, the Shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) shall be entitled to attend the General Meeting, to address such meeting and, to the extent applicable, to exercise his or her voting rights. The Board of Directors

must be notified in writing of a Shareholder's intention to attend the meeting. Such notice must be received by the Board of Directors no later than on the date specified in the notice of the meeting. The Board of Directors may determine that the voting rights may be exercised by means of electronic communications.

Shareholders may only attend the General Meeting and participate in the voting in respect of shares which are registered in their name on the record date as specified in the notice of the meeting.

The notice of the General Meeting must be published in a nationally distributed newspaper and through an announcement by electronic means. The notice of the meeting shall be effected no later than on the 42nd day prior to the date of the meeting and shall state the items to be dealt with, the items to be discussed and which items are to be voted on, the place and time of the meeting, the procedure for participating at the meeting whether or not by written proxy-holder, the address of the website of the Company, if applicable, the procedure for participating at the meeting and exercising one's right to vote by electronic means of communication and such other information as may be required by Dutch law. The agenda for the annual General Meeting must contain specific subjects, including, among other things, the consideration of the director's report, the adoption of the annual accounts and the allocation of the profits, and the granting of discharge to the managing directors for their management and the Supervisory Board directors for their supervision during the past financial year, insofar as these are at the disposal of the General Meeting. If the agenda of the General Meeting contains the item of granting discharge of the directors concerning the performance of their duties in the financial year in question, the discharge must be mentioned on the agenda as a separate item.

Shareholders who, individually or with other shareholders, hold Shares that represent at least one-tenth of the issued and outstanding share capital or a market value of at least EUR 250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called "identification round" in accordance with the provisions of the Dutch Securities Transactions Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by one of the directors or another person as appointed by the Board of Directors. If the Board of Directors has not appointed a chairman for a General Meeting, a chairman is elected by the directors present. If no directors are present at the General Meeting and the Board of Directors has not appointed a Chair of the General Meeting, the General Meeting shall appoint a Chair of the General Meeting. The Chair of the General Meeting will have all powers necessary to ensure the proper and orderly functioning of the General Meeting. Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The external auditors of the Company are also authorised to attend the General Meeting. The Chair of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

Each share entitles the holder to one vote at a General Meeting. Shareholders may vote by proxy. In the General Meeting, no voting rights may be exercised for any share held by the Company or a Subsidiary, not for any share for which the Company or a Subsidiary holds the depositary receipts. However, the holders of right of usufruct and holders of a right of pledge on shares held by the Company or a Subsidiary are not excluded from their right to vote, if the right of usufruct or right of pledge was granted prior to the time such share was held by the Company or such Subsidiary. Neither the Company nor a Subsidiary may cast votes in respect of a share on which it holds a right of usufruct or a right of pledge.

Except where Dutch law or the Articles of Association require a larger majority, all resolutions shall be adopted by an absolute majority of votes cast. Blank votes and invalid votes shall be regarded as not having been cast.

Amendment of the Articles of Association

The General Meeting may resolve to amend the Articles of Association, subject to a proposal by the Board of Directors. Amendment of the Articles of Association requires an absolute majority of the votes cast in the General Meeting.

In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by Shareholders and other persons holding meeting rights, until the end of the meeting.

Dissolution and Liquidation

The General Meeting may resolve to dissolve the Company, subject to a proposal by the Board of Directors. When a proposal to dissolve the Company is to be made to the General Meeting, such proposal must be stated in the notice convening the General Meeting. In the event of dissolution, the business of the Company will be liquidated in accordance with Dutch law and the Articles of Association, and the member of the Board of Directors (unless otherwise determined by the General Meeting) will become liquidators. During liquidation, the provisions of the Articles of Association will remain in force to the extent possible.

Any assets remaining after settlement of debts shall be distributed to the shareholders in proportion to the aggregate nominal value of the Shares held by each of them.

Corporate Governance

The Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any financial year starting on or after 1 January 2017 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Corporate Governance Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders and audit and financial reporting.

As the Company will be listed on the regulated markets of the WSE and the PSE, it will become required to apply the Dutch Corporate Governance Code as of the Admissions since the Code applies to all Dutch companies listed on a government-recognised stock exchanges, whether in the Netherlands or elsewhere in Europe. However, the application of the principles and best practice provisions of the Dutch Corporate Governance Code is not compulsory and is subject to the “comply or explain” (*pas toe of leg uit*) principle.

Dutch companies are required under the laws of the Netherlands to disclose in their annual reports whether or not they apply those provisions of the Dutch Corporate Governance Code that are addressed to the managing board or, if any, supervisory board of the company and, if they do not apply those provisions, to give the reasons for such non-application. The Dutch Corporate Governance Code recognizes that non-application of its best practice provisions is not in itself objectionable and indeed may be justified under certain circumstances.

The Company acknowledges the importance of good corporate governance and intends to comply with the Dutch Corporate Governance Code as much as possible. To this end, the Board of Directors has decided to change the Company’s current corporate structure and corporate governance policy and bring it in line with the Dutch Corporate Governance Code. These changes include, among others, the introduction of a supervisory board (see also “*Management – Changes in the Company’s Corporate Structure After the Admissions*”).

If a company departs from a best practice or principle in the Dutch Corporate Governance Code, the reason for such departure must be properly explained in its management report. The table below presents information on the principles and best practice of the Dutch Corporate Governance Code the Company departs from as at the Prospectus Date along with a corresponding explanation.

Principle / Best Practice	Explanation of Departure from the Dutch Corporate Governance Code
Chapter 1. Long-Term Value Creation	
Monitoring of effectiveness (Best practice 1.2.3)	Partially applied. The Company has the risk management system implemented and manages the risks associated with the strategy and activities of the Group. The Board of Directors monitors the internal risk management and control systems on an ongoing basis. Annual review of the risk management system is performed in line with the audit procedures once a year but does not ensure systematic assessment of its design and effectiveness. Current risk management system has been used for long term and proved to be sufficient given the current scale of the business.
Internal Audit Function (Principle 1.3)	Partially applied. The Company partially adheres to this principle. The Company carries out an internal audit, however, the Company partially deviates from the specific best practices in this regard. An explanation of how the Company departs from the principle is based on the analysis of the individual best practices discussed below.
Appointment and dismissal (Best practice 1.3.1)	Not applied. The Company does not apply this best practice as there is no formal internal audit unit in the Company nor a senior internal auditor has been appointed. As at the Prospectus Date the function of internal audit is performed by two senior employees (“ Audit Specialists ”) with competence and knowledge of accounting and auditing procedures. These procedures are being supervised by the Board of Directors. The appointment of the Audit Specialists happened only informally by the Board of Directors. Since the Supervisory Board and an Audit Committee has been installed in the Company, it is envisaged that in the future the appointment and dismissal of those Audit Specialists will be approved by the Supervisory Board on recommendation of the Audit Committee. Furthermore, since no separate internal audit department has been installed in the Company, the Supervisory Board shall assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the Audit Committee, and shall consider whether it is necessary to establish internal audit department. The Supervisory Board includes the conclusions with this regard, along with any resulting recommendations and alternative measures, in the report of the Supervisory Board.
Reports of findings (Best practice 1.3.5)	Partially applied. This best practice is only partially applied as there is no internal audit department. The Audit Specialists report to the Board of Directors the essence of its audit results. Upon changes of the corporate structure, also audit committee and supervisory board will be involved in this process.
Risk Management Accountability (Principle 1.4)	Partially applied. Since the risk management systems are in place in the Company but the implementation and monitoring of their effectiveness is not applied, the Company adheres to this principle partially. The functioning and effectiveness of the internal risk management and control systems will constitute the responsibility of the supervisory board.

Principle / Best Practice	Explanation of Departure from the Dutch Corporate Governance Code
Chapter 2. Effective Management and Supervision	
Executive committee (Best practice 2.1.3)	Not applied. The Company does not work with an executive committee due to the limited size of the Company and the fact that its Board of Directors consists of only two members. The members of the Board of Directors perform the duties that would be performed by an executive committee. Nevertheless, the Articles of Association stipulate that the Board of Directors can appoint such executive committee should it be necessary in the future, for example as a necessity for the proper performance of the supervisory functions.
Diversity policy (Best practice 2.1.5)	Not applied. This best practice has not been applied as at the Prospectus Date. The diversity policy was not in place due to the size of the Board of Directors which consist of two members only and due to the non-existence of a supervisory board prior to 4 December 2020. The Company is committed to ensure that the Supervisory Board will take into account that a diversity policy needs to be discussed and adopted to the extent that is possible given a small size of the Board of Directors and supervisory board.
Accountability about diversity (Best practice 2.1.6)	Not applied. Please see explanation in point 2.1.5.
Appointment, succession and evaluation (Principle 2.2)	Partially applied. The Company believes that it adheres to this principle partially as transparency of the procedures is ensured by the formal rules set out in the current regulations of the Company, i.e. is Articles of Association. The Company deviates from this principle also in part relating to the diversity policy – for more details see point 2.1.5.
Appointment and reappointment periods – management board members (Best practice 2.2.1)	Not applied. This best practice has not been applied as of the date of this Prospectus. The Board of Directors represents the majority shareholders and has not changed since the foundation of the Company i.e. since year 2010. The Company believes that the deviation from this provision of the Dutch Corporate Governance Code does not have a negative impact on the business of the Company. Both majority shareholders have founded the Company and have documented experience and knowledge to continue its growth. On the other hand given that they are both majority shareholders confirms that they both have an interest in long-term value creation of the Company. The Company changed its Articles of Association in such a manner that the Board of Directors is appointed for the term of four years. Further details on the amendments to the articles of association and the changes described above can be found on the Company’s website.
Duties of the selection and appointment committee (Best practice 2.2.5)	Not applied. This best practice has not been applied as at the Prospectus Date. Currently, there is no selection and appointment committee appointed in the Company as this is not necessary yet due to the limited size of the Company and simplified governance structure. It should be noted that the Articles of Association allow that such committees are appointed by the Supervisory Board in the future, at the discretion of the Supervisory Board and according to the needs of the Company.
Employee participation (Best practice 2.5.3)	Not applied. This best practice has not been applied as the date of the Prospectus. The limited size of the Company, its distribution over several countries of operation and its flat managerial structure does not justify implementation of an employee participation body.
Misconduct and irregularities (Principle 2.6)	Partially applied with the exception of best practises which are not applied as described below.
Procedure for reporting actual or suspicion of misconduct or irregularities (Best practise 2.6.1)	Not applied. There are no formal procedures established for reporting actual or suspected irregularities within the Company and its affiliated enterprise. The Board of Directors is in close contact with all employees and thanks to the flat structure of the Company all employees have direct access to the Board of Directors and an opportunity to report directly on any occurrence of misconduct or irregularities within the Company.
Personal loans (Best practice 2.7.6)	Not applied. This best practice has not been applied as the Company has granted such loans to its Board of Directors’ members. All the details about those loans are disclosed in the annual report and this Prospectus.
Chapter 3. Remuneration	
Remuneration (Principle 3.1)	Not applied. This principle has not been applied due to the small size of the Board of Directors and the fact that both directors are also majority shareholders so their primary motivation stems from their shareholding rather than the remuneration. Both directors benefit primarily from the growth of the Company’s value so their interests are allign with the interest of other shareholders. Therefore, currently no remuneration policy has been adopted by the Company.
Remuneration policy proposal (Best practice 3.1.1)	Not applied. This best practice has not been applied due to the small size of the Board of Directors. Please see explanation provided under point 3.1 above. The Supervisory Board of the Company has the right to adopt such remuneration policy in the future, if necessary.
Remuneration – executive committee (Best practice 3.1.3)	Not applied. This best practice has not been applied as there was no need for the Board of Directors to work with an executive committee.
Determination of management board remuneration (Principle 3.2)	Not applied. This best practice has not been applied due to the small size of the Board of Directors. Please see explanation provided under point 3.1 above.
Remuneration committee’s proposal (Best practice 3.2.1)	Not applied. Please see explanation provided under point 3.1 above.

Principle / Best Practice	Explanation of Departure from the Dutch Corporate Governance Code
Management board members' views on their own remuneration (Best practice 3.2.2)	Not applied. Please see explanation provided under point 3.1 above.
Agreement of management board member (Best practice 3.4.2)	Not applied. This best practice is not applicable as there are no Board of Directors' agreements in place between the Company and Board of Directors members. The Board of Directors was appointed by notarial deed of incorporation in 2010 and re-appointed for the term of 4 years by the General Meeting on 4 December 2020.
Chapter 4. The General Meeting	
Policy on bilateral contacts with shareholders (Best practice 4.2.2)	Not applied. This principle has not been applied as the Company does not have such policy in place as due to the lack of institutional investors in its shareholding structure those kind of meetings were not requested. The Company mainly meets its investors in on-line meetings and those have always been published on the website (the announcement and the script or vide recording from such meetings).
Outline of anti-takeover measures (Best practice 4.2.6)	Not applied. This principle has not been applied as there are no anti-takeover measures implemented as at the Prospectus Date. The articles of association state that anti-takeover measures may be adopted by the Supervisory Board, when necessary. It should be noted that the Company has engaged (legal) advisors to assist with the assessment and options of putting anti-takeover measures in place.
Voting right on financing preference shares (Best practice 4.3.4)	Not applicable. There are no preference shares.
Publication of institutional investors' voting policy (Best practice 4.3.5)	Not applicable. There are no institutional investors in the current shareholding structure.
Report on the implementation of institutional investors' voting policy (Best practice 4.3.6)	Not applicable. There are no institutional investors in the current shareholding structure.
Trust office board (Best practice 4.4.1)	Not applicable. There is no trust office in the Company.
Appointment of board members (Best practice 4.4.2)	Not applicable. See explanation under 4.4.1 above.
Board appointment period (Best practice 4.4.3)	Not applicable. See explanation under 4.4.1 above.
Attendance of the general meeting (Best practice 4.4.4)	Not applicable. See explanation under 4.4.1 above.
Exercise of voting rights (Best practice 4.4.5)	Not applicable. See explanation under 4.4.1 above.
Periodic reports (Best practice 4.4.6)	Not applicable. See explanation under 4.4.1 above.
Contents of the reports (Best practice 4.4.7)	Not applicable. See explanation under 4.4.1 above.
Voting proxies (Best practice 4.4.8)	Not applicable. See explanation under 4.4.1 above.

WSE Best Practices

In accordance with the WSE Best Practices, companies listed on the primary market of the WSE should observe the principles of corporate governance set out in the WSE Best Practices. The WSE Best Practices is a set of recommendations and rules of procedure for governing bodies of publicly listed companies and their shareholders. The WSE Rules and resolutions of the WSE's management board and its council set forth the manner in which publicly listed companies disclose information on their compliance with corporate governance rules and the scope of information to be provided. If a publicly listed company does not comply with any specific rule on a permanent basis or has breached it incidentally, such publicly listed company is required to disclose this fact in the form of a current report. Furthermore, a publicly listed company is required to attach to its annual report information on the scope in which it complied with the WSE Best Practices in a given financial year.

The Company strives to ensure maximum transparency with respect to its operations, the best quality of communication with its investors and the protection of the rights of its shareholders, also in respect of areas not governed by law. Accordingly, the Company has taken or will take the necessary actions to observe all of the rules comprising the WSE Best Practices to the fullest extent possible.

As at the admission of the Shares on the regulated market operated by the WSE, the Company will comply with all of the corporate governance rules set forth in the WSE Best Practices, subject to the following:

No.	Rule (Z) / Recommendation (R)	Explanation
I.R.2	Where a company pursues sponsorship, charity or other similar activities, it should publish information about the relevant policy in its annual activity report.	Not applicable. The Company does not pursue any sponsorship, charity or any other similar activities.
I.Z.1.8	Selected financial data of the company for the last 5 years of business in a format enabling the recipient to process such data.	Not applicable. The Company intends to publish selected financial data in excel files in the future.

I.Z.1.10	Financial projections, if the company has decided to publish them, published at least in the last 5 years, including information about the degree of their implementation.	Not applicable. The Company does not intend to publish financial forecasts due to the dynamic phase of development of the market in which the Company operates and in view of the fact that the Company is currently building up its position in this market. For this reason, the publication of any financial forecast is subject to very high level of uncertainty.
I.Z.1.16	Information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting.	Not applicable. Transmission of the general meetings is currently not justified by the shareholders structure. The Company provides investors with appropriate access to information on the organisation and conduct of the General Meeting by publishing relevant EBI and ESPI reports and information on its website.
I.Z.1.20	An audio or video recording of a general meeting.	Not applicable. Transmission of the general meetings is currently not justified by the shareholders structure. The Company provides investors with appropriate access to information on the organisation and conduct of the General Meeting by publishing relevant EBI and ESPI reports and information on its website.
II.R.2	Decisions to elect members of the management board or the supervisory board of a company should ensure that the composition of these bodies is comprehensive and diverse among others in terms of gender, education, age and professional experience.	Not applicable. The current Board of Directors is too small to apply the rules of diversification policy.
II.Z.2	A company's management board members may sit on the management board or supervisory board of companies other than members of its group subject to the approval of the supervisory board.	Not applied.
II.Z.10.4	an assessment of the rationality of the company's policy referred to in recommendation I.R.2 or information about the absence of such policy.	Not applicable. The Company does not pursue any sponsorship, charity or any other similar activities.
III.Z.3	The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks.	Not applicable. See explanation provided in III.Z.2 above.
IV.R.2	If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through: <ol style="list-style-type: none"> 1) real-life broadcast of the general meeting; 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting; 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary. 	Not applicable. Organizing the general meeting using electronic communication is not justified by the structure of shareholders or expectations of shareholders therefore it has never been organized in this way. The Company enables to exercise the voting right during a general meeting either through person or plenipotentiary.
IV.Z.2	If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.	Not applicable. This is not justified by the structure of shareholders.
IV.Z.3	Presence of representatives of the media should be allowed at general meetings.	Not applicable. There has never been an interest from media to be present at the general meetings so there was no reason to provide such an opportunity.
IV.Z.4	If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2-4 of the Commercial Companies Code, the management board should immediately take steps which it is required to take in order to organize and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.	Not applicable. The Company was established and operates under the Dutch law, and therefore, Polish law provisions regarding the convening of general meetings in a special mode do not apply to it.

IV.Z.16	The dividend record date and the dividend payment date should be set so as to ensure that the period between them is not longer than 15 business days. A longer period between these dates requires a justification.	Not applicable. So far, the Company has not paid any dividends and does not intend to distribute any in the short-term.
IV.Z.17	A resolution of the general meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment takes place before the dividend record date.	Not applicable. So far, the Company has not paid any dividends and does not intend to distribute any in the short-term.
IV.Z.18	A resolution of the general meeting to split the nominal value of shares should not set the new nominal value of the shares below PLN 0.50, which could result in a very low unit market value of the shares, and which could consequently pose a threat to the correct and reliable valuation of the company listed on the Exchange.	Not applicable. The nominal value of each ordinary share is EUR 0.01, which is below the threshold defined in this rule however it is fully in line with the Dutch law and requirements.
V.Z.6	In its internal regulations, the company should define the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct where a conflict of interest has arisen or may arise. The company's internal regulations should among others provide for ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the management board or the supervisory board from participation in reviewing matters subject to a conflict of interest which has arisen or may arise.	Not applicable. The Company does not have internal regulations defining measures to prevent, identify and resolve conflict of interest. However, any potential areas of conflict have been analysed and described in the auditor's reports, section 'Related parties'.
VI.R.1	The remuneration policy should be closely tied to the company's strategy, its short- and long-term goals, long-term interests and results, taking into account solutions necessary to avoid discrimination on whatever grounds.	Not applicable. The Company does not apply any specific remuneration policy closely tied to the Company's strategy but by the fact that the Management Board is represented by the majority shareholders, the short- and long-term interests of both are aligned.
VI.R.2	If the supervisory board has a remuneration committee, principle II.Z.7 applies to its operations.	Not applicable. The Company does not have a remuneration committee.
VI.Z.4	In this activity report, the company should report on the remuneration policy including at least the following: 1) general information about the company's remuneration system; 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group 3) information about non-financial remuneration components due to each management board member and key manager; 4) significant amendments of the remuneration policy in the last financial year or information about their absence; 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.	Not applicable. The Company discloses only general information about the company's remuneration system.

MANAGEMENT

This section gives an overview of the material information concerning the Company's management and its corporate governance. It is based on relevant provisions of Dutch law in effect on the Prospectus Date and the Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association and the relevant provision Dutch law. The full text of the Articles of Association (in Dutch, and an unofficial English translation) will be available free of charge on the Company's website (www.photonenergy.com).

Corporate Structure

The Company has a two-tier corporate structure. Managing body of the Company is the Board of Directors comprising of managing directors and supervising body of the Company is the Supervisory Board comprising of supervisory directors. The Board of Directors is the statutory executive body (*raad van bestuur*) and managing directors are collectively responsible for the Company's management and the general affairs of the Company. The Supervisory Board is a supervisory body (*raad van toezicht*) and supervisory directors are collectively responsible for the Company's supervision, advising the Board of Directors and the general affairs of the Company.

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

The Board of Directors

Powers, Responsibilities and Functioning

The Board of Directors is the executive body of the Company. It is entrusted with the management of the Company, it supervises the general course of affairs in the Company and the business affiliated with the Company and is responsible for the continuity of the Company. The Board of Directors is accountable for these matters to the General Meeting.

The power to represent the Company is vested in each managing director individually. The Board of Directors may appoint one or more officers with general or restricted power to represent the Company on a continuing basis. Each officer shall represent the Company with due observance of the restrictions imposed on him. The title of such officers shall be determined by the Board of Directors.

In the event that one or more managing directors are failing or are prevented from acting, the remaining managing directors or the only remaining managing director shall temporarily be in charge of the management. In the event that one or more managing directors are failing or are prevented from acting, the remaining managing directors or the only remaining managing director shall temporarily be in charge of the management. In the event that all managing directors or the only managing director is failing or is prevented from acting, the Company shall temporarily be managed, at the latest until the date of the next General Meeting, by one or more persons to be designated for that purpose by the Supervisory Board from its midst.

The Board of Directors' responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, formulating and developing its strategies and policies, identifying, analysing and managing the risks associated with the Company's strategy and activities, and setting and achieving its objectives.

The Board of Directors may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting as a matter of Dutch law or pursuant to the Articles of Association (see "*Meetings and Decisions*").

Dutch law provides that resolutions of the Board of Directors involving major changes in the Company's identity or character are subject to the approval of the General Meeting (see "*Meetings and Decisions*").

Composition, Appointment, Dismissal and Suspension

According to the Articles of Association the Board of Directors shall consist of such number of managing directors as the General Meeting may determine. As at the Prospectus Date the Board of Directors consists of two managing directors, appointed for the four year term of office (see "*Members of the Board of Directors as at the Prospectus Date*"). A managing director may always be re-appointed for another term of four years.

Managing directors shall be appointed by the General Meeting. A resolution of the General Meeting to appoint a managing director may only be adopted by an absolute majority of votes cast by shareholders.

The General Meeting may at any time suspend and dismiss a managing director. If the General Meeting has suspended a managing director, the General Meeting shall within three months after the suspension has taken effect resolve either to dismiss such managing director or to terminate the suspension, failing which the suspension shall lapse.

Meetings and Decisions

Pursuant to the Articles of Association the Board of Directors meets as often as deemed desirable by the managing director.

The Board of Directors resolutions are adopted by absolute majority of votes cast. Each managing director shall have one vote. If there is a tie in voting, the proposal is rejected. Resolutions taken at a meeting of the Board of Directors shall only be valid if more than half of the managing directors is present or represented. A managing director may only be represented at a meeting by a co-managing director authorised in writing. The requirement of written form for the authorisation shall be met if the authorisation has been recorded electronically.

The Board of Directors may adopt resolutions without holding a meeting, provided that all managing directors have consented to this manner of adopting resolutions and the votes are cast in writing or by electronic means.

Dutch law and the Articles of Association provide that resolutions of the Board of Directors involving major changes in the Company's identity or character are subject to the approval of the General Meeting. Such changes include: (i) the transfer of all or a substantial portion of the business and/or assets of the Company to a third party; (ii) entering into or terminating a long-term cooperation between the Company or a Subsidiary (*dochtermaatschappij*) and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company; and (iii) acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one-third of the sum of the assets of the Company according to its consolidated balance sheet and explanatory notes set out in the last adopted annual accounts of the Company, but the Company or a Subsidiary (*dochtermaatschappij*).

In each of the above-mentioned situations, the absence of approval from the General Meeting does not affect the authority of the Board of Directors to represent the Company.

Conflict of Interest

Dutch law provides that a member of the Board of Directors of a Dutch public limited liability company, such as the Company, may not participate in the deliberation or decision-making of a relevant board resolution if he or she has a direct or indirect personal interest conflicting with the interest of the relevant company and the business connected with it. Such a conflict of interest in any event exists if, in the situation at hand, the managing director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Pursuant to the Articles of Association in the event that a managing director has a direct or indirect personal interest that conflicts with the interest of the Company, such managing director shall not be authorised to participate in the discussion and decision-making process. The managing director who, due to a conflict of interest, is unable to participate in the deliberation and decision-making of the Board of Directors with respect to the relevant matter giving rise to the conflict of interest, will to the extent of that inability be regarded as a managing director who is unable to perform its duties (*belet*). If such managing director does not comply with the provisions on conflict of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and such managing director may be held liable towards the Company. This prohibition, however, does not apply if the conflict of interests exists for all managing directors. If as a result thereof no Board of Directors resolution can be adopted, the relevant Board of Directors resolution shall be adopted by the Supervisory Board. In the event that a supervisory director has a direct or indirect personal interest that conflicts with the interest of the Company, such managing director shall not be authorised to participate in the discussion and decision-making process. If as a result thereof no Supervisory Board resolution can be adopted, the relevant resolution shall be adopted by the Supervisory Board after all, taking into account the relevant principles of corporate governance under Dutch law and regulations.

As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company as described under “–Powers, Responsibilities and Functioning”. Furthermore, agreements and transactions entered into by a company cannot be annulled on the grounds that, a decision of its board of directors was adopted with the participation of a member of the board of directors, of which one or more directors had a conflict of interest with respect to the matter. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Members of the Board of Directors as at the Prospectus Date

The table below presents the principal information about the managing directors performing their duties as at the Prospectus Date.

Name	Age	Position	Start of Function	Business address
Georg Hotar	45	Executive Director	4 December 2020*	Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands
Michael Gartner	52	Executive Director	4 December 2010*	204/55 Grafton Street, Bondi Junction, NSW 2022, Australia

Source: The Company; * Mr Hotar and Mr Gartner has been the Company's managing directors since 9 December 2010, however, new term of their office (previously unlimited and currently term of four years, as described in section “- Composition, Appointment, Dismissal and Suspension” above) has started on 4 December 2020, due to the changes in the Company's corporate structure.

Georg Hotar

Georg Hotar co-founded the Company in 2010 and was the Company's Chief Financial Officer until 2011. Since then he has spearheaded the Group's expansion in Europe and overseas as the Chief Executive Officer.

Mr Hotar started his professional career in 1995 as an equity sales trader with IB Austria Securities in Prague. In 1996 he joined Carnegie AB in London as an equity analyst and later that year he moved to ICE Securities Ltd. in London as an equity analyst for the TMT sectors in the CEE region. In 1999 he joined FFC Fincoord Finance Coordinators Ltd. in Zurich as an investor relations specialist. In 2000 he founded Central European Capital, a financial advisory boutique headquartered in Prague.

In 1999 he graduated from the London School of Economics with a BSc Accounting and Finance degree. In 2001 he completed and obtained a Master in Finance degree in finance from the London Business School.

Michael Gartner

Michael Gartner co-founded the Company in 2010 and was the Company's Chief Executive Officer until 2011. Since then he holds the position of Chief Technical Officer and Managing Director of Photon Energy Australia.

Mr Gartner has an extensive experience in the photovoltaic business, and is instrumental in driving the Company's utility scale project development, EPC, commercial solar and off-grid and solar-hybrid power solutions. In 2007 when he developed one of the first large PV installations in the Czech Republic, he has successfully developed 326 MW of ready to build projects and a pipeline of 754 MW currently under development in Australia. Between 1994 and 2004 he was an equity and debt analyst and head of fixed income sales in ING and Commerzbank Securities in Prague. From 2005 to 2007 he ran an investment boutique specializing in medium term notes in the Eurobond market and M&A.

In 1991 he completed and obtained a bachelor's degree in economics from University of Newcastle in Australia. He holds MBA title from the US Business School in Prague obtained in 1994.

Positions Held by the Members of the Board of Directors in Other Companies and Partnerships

The table below presents information on the other companies and partnerships in which, during the last five (5) years, the members of the Board of Directors: (i) held management or supervisory body positions; or (ii) held shares; or (iii) were partners.

Name	Company	Position	Does the person serve in this capacity as at the Prospectus Date
Georg Hotar	Solar Power to the People Cooperatief U.A.	Director	Yes
	Solar Power of the People S.à r.l.	Director	Yes
	Chamber of Commerce Czech-Pacific Alliance	President	Yes
	Atom Trace a.s.	Shareholder, Director and Chairman of the supervisory board	Yes
	Oberkampf Investments N.V.	Shareholder and Director	Yes
	Innovative Commerce a.s.	Shareholder, Member of the management board and supervisory board	No
Michael Gartner	Solar Future Cooperatief U.A.	Director	Yes
	Solar Future S.à r.l.	Director	Yes
	Oberkampf Investments N.V.	Shareholder and Director	Yes

Source: The Company.

Supervisory Board

The Supervisory Board exercises permanent supervision over the activities of the Company in respect of all the areas of the operation thereof.

Composition of the Supervisory Board

According to the Articles of Association the Supervisory Board consist of two or more directors appointed and dismissed by the General Meeting, on a proposal made by the Supervisory Board, for a four year term of office (see “–Members of the Supervisory Board as at the Prospectus Date”).

After the lapse of the four years period for which the Supervisory Board member has been appointed, such director may only be re-appointed once for another period of four years. After that, such director may be re-appointed once for a period of two years, which term may only be extended once for a period of another two years.

Independence of the Supervisory Board

At least half of the Supervisory Board directors shall be independent.

According to the Supervisory Board Rules of Procedure a Supervisory Board director is not independent if he/she or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second-degree (the “**Close Relative**”): (i) has been an employee or member of the Board of Directors, (ii) receives personal financial compensation from the Company or companies associated with the Company, other than the compensation received for the work performed as a Supervisory Board director and in so far as this is not in keeping with the normal course of business; (iii) has had an important business relationship with the Company or a company associated with it in the year prior to the appointment (this includes case where the Supervisory Board director or the firm of which he/she is a shareholder, partner, associate or advisor, has acted as advisor to the Company and the case where the Supervisory Board director is a management board member or an employee of a bank with which the Company has a listing and significant relationship); (iv) is a member of the Board of Directors; (v) has temporarily performed management duties during previous 12 months in the absence or incapacity of Board of Directors members; (vi) has a shareholding in the Company of at least 10% taking into account the shareholding of natural persons or legal entities cooperating with him/her on the basis of an expressed or tacit, verbal or written agreement; and (vii) is a member of a management board or a supervisory board of a legal entity which holds at least 10% of the shares in the Company unless the entity is a group company.

Powers of the Supervisory Board

The Supervisory Board supervises the policies of the Board of Directors and the general course of affairs of the Company and its affiliated business. It shall give advice to the Board of Directors, asked or unasked for. When performing its duties, the Supervisory Board shall be guided by the interest of the Company and its affiliated business.

The supervision of the Board of Directors shall include the following areas: (i) the Company’s strategy and achievement of the Company’s objectives, (ii) the financial reporting process; (iii) functioning and effectiveness of the internal risk management and control systems; (iv) compliance with and maintaining of the Company’s corporate governance structure; and (v) preparation of the annual accounts.

If there is no separate department for the internal audit function, the Supervisory Board shall assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the Audit Committee, and shall consider whether it is necessary to establish internal audit department. The Supervisory Board includes the conclusions, along with any resulting recommendations and alternative measures, in the report of the Supervisory Board.

The Board of Directors shall in time provide the Supervisory Board with the information required for the performance of its duties. At least once a year, the Board of Directors shall inform the Supervisory Board in writing in respect of the principles of the strategic policy, general and financial risks, and the management and control system of the Company.

The Supervisory Board shall be authorized to inspect the books, records and other carriers of data of the Company and take cognisance of all acts that have taken place. Moreover, the Supervisory Board nominates the external auditor, based on the proposal from the Audit Committee for appointment by the General Meeting, also taking into account the auditor’s independence.

The Supervisory Board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Board of Directors itself is involved, the Supervisory Board shall have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.

The Supervisory Board presents a proposal of remuneration policy to the General Meeting for adoption, the aspects of which are defined in the Dutch Corporate Governance Code.

With the prior approval of the Board of Directors, the Supervisory Board may seek assistance of one or more experts in performing its duties at the expenses of the Company.

The Supervisory Board shall prepare a report on its functioning and activities during the preceding year, the composition of committees of the Supervisory Boards, the independence of its members, the number of meetings held by the Supervisory Board and committees, and other matters as required by Dutch law and regulations and the Dutch Corporate Governance Code. The Supervisory Board’s report shall be included in the Company’s annual accounts. Furthermore, at least once per year, the Supervisory Board shall evaluate both the functioning of the Board of Directors as a whole and that of the individual managing directors, and shall discuss the conclusions that must be attached to the evaluation, such also in light of the succession of Board of Directors members.

Meetings and Decisions

Pursuant to the to the Supervisory Board Rules of Procedure Supervisory Board meets as often as deemed desirable for the proper performance of its duties, but not less than once per year.

The Supervisory Board resolutions are adopted by absolute majority of votes cast at a meeting at which more than half of the Supervisory Board directors is present or represented. Each Supervisory Board director shall have one vote. If there is a tie in voting, the proposal is rejected. A Supervisory Board director may only be represented at a meeting by a co-

Supervisory Board director authorised in writing. The requirement of written form for the authorisation shall be met if the authorisation has been recorded electronically.

The Supervisory Board may adopt resolutions without holding a meeting, provided that all Supervisory Board directors have consented to this manner of adopting resolutions and the votes are cast in writing or by electronic means.

Conflict of Interest

Pursuant to the Supervisory Board Rules of Procedure the Supervisory Board directors should refrain from (i) competing with the Company, (ii) demanding or excepting substantial gifts from the Company for themselves or their Close Relatives; (iii) providing unjustified advantages to third parties at the Company's expense, and (iv) taking advantage of business opportunities to which the Company is entitled for themselves or Close Relative.

A conflict of interest exists if the Company intends to enter into a transaction with a legal entity (i) in which a Supervisory Director personally has a material financial interest or (ii) which has a management board member who is related under Dutch family law to a Supervisory Board director. Any conflict of interest or potential conflict of interest that is of material significance to the Company or the Supervisory Board directors him/herself, shall be immediately reported to the Supervisory Board's chairman for further inspection.

All transactions in which there is a conflict of interest with a Supervisory Board director shall be agreed on terms that are customary in the sector concerned and disclosed in the Company's management report. Decisions to enter into transactions in which there is a conflict of interest with a Supervisory Board director requires the approval of the Supervisory Board.

In the event that there is a conflict of interest, the Supervisory Board shall not be authorised to participate in the discussion and the decision making process. If as a result thereof no Supervisory Board resolution can be adopted, the relevant resolution shall be adopted by the Supervisory Board after all, pursuant to the Article 24.17 of the Articles of Association, taking into account the relevant principles of corporate governance under Dutch law.

Committees of the Supervisory Board

The Supervisory Board may appoint standing and/or ad hoc committees from among its members which are charged with tasks specified by the Supervisory Board. The composition of any committees is determined by the Supervisory Board and in the event that the Supervisory Board consists of three members or less, the Supervisory Board as a whole shall perform function of these committees.

The Supervisory Board remains collectively responsible for decisions prepared by the committees. A committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Supervisory Board as whole. Furthermore, the Supervisory Board can at all times revoke any powers granted by it to a committee.

Audit Committee

On 4 December 2020 the Supervisory Board appointed an Audit Committee.

The Audit Committee's responsibilities include, among other things: (i) undertaking preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems (i.e. the Audit Committee monitors the Board of Directors with regards to relations with, and compliance with the recommendations and comments by the internal (if any) and external auditors, tax policy and financing of the Company as well as application of communication technology, including the risk related to cybersecurity), (ii) monitoring the external audit of the annual and consolidated accounts, (iii) reviewing and monitoring the independence of the external auditor, and in particular the provision of additional services to the audited entity; (iv) giving advice to regarding the nomination or dismissal, and recommending the external auditor to the Supervisory Board and (v) preparing meeting of the Supervisory Board with the Board of Directors to discuss the director's report and the annual accounts.

The Audit Committee shall act as the principal contact for the external auditor if he discovers irregularities in the content of financial reports. The Audit Committee annually discusses with the external auditor the scope and materiality of the audit plan and the principal risks identified by the external auditor, and it also discusses the findings and outcomes of the audit work on the annual accounts and the director's report.

Furthermore, the Audit Committee shall annually provide the Supervisory Board with a report of deliberations and findings in such a manner that this can form part of the Supervisory Board's report on its functioning and activities which is included in the annual accounts. The report should include the information on (i) the methods used to assess the effectiveness of the design and operation on the internal risk management and control systems as well as the effectiveness of internal and external audit processes; (ii) material considerations regarding financial reporting; (iii) the way material risks and uncertainties have been analysed and discussed, along with a description of the most important findings of the Audit Committee; and (iv) in case no separate internal audit function is established, and assessment whether alternative adequate measures have been taken. The Audit Committee shall also report the Supervisory Board on its dealings with the external auditor, in particular on the Audit Committee's views of his/her independence.

On 4 December 2020 the Supervisory Board members were designated to perform the duties of the Audit Committee, therefore the composition of the Company's Audit Committee is the same as the composition of the Supervisory Board, and will consist of Ms. Boguslawa Skowronski and Mr. Marek Skreta. The Company believes that all members of the Audit Committee are financially literate and have business as well as financial acumen.

Members of the Supervisory Board as at the Prospectus Date

As at the Prospectus Date the Supervisory Board consists of two members.

The table below presents the principal information about the members of the Supervisory Board who perform their functions as at the Prospectus Date.

Name	Age	Position	Start of Function	Business address
Boguslawa Skowronski	64	Supervisory Board member	4 December 2020	Barbara Strozziiaan 201, 1083 HN Amsterdam, the Netherlands
Marek Skreta	54	Supervisory Board member	4 December 2020	Barbara Strozziiaan 201, 1083 HN Amsterdam, the Netherlands

Source: The Company.

Boguslawa Skowronski

Boguslawa Skowronski joined the Company in 2020 as a member of the Company's Supervisory Board.

Ms. Skowronski is an entrepreneur, technology startups ecosystem builder, VC and angel investor, and financier. She gained financial experience in organisations such as Union Bank of Switzerland in Zurich (1994-1996), European Bank for Reconstruction and Development in London (1991-1994), where she worked as corporate advisor, as well as in Capital Solutions proAlfa in Warsaw, a company which she founded in 2007. In her professional career she advised companies in their capital market strategies and transactions. Since 2015 she is also a co-founder and a board member of MIT Enterprise Forum CEE, a CEE based, equity-free startup acceleration program.

Ms. Skowronski graduated from Massachusetts Institute of Technology with bachelor degree in engineering (1980). She is also a Harvard Business School graduate (1985, MBA).

Marek Skreta

Marek Skreta joined the Company in 2020 as a member of the Company's Supervisory Board.

Mr. Skreta has an extensive, international experience in banking and financial markets. Since 2019 he co-founded P4 Wealth Management in Zurich, where he served as a CEO. From 2017 he serves as a member of the board and head advisor at R2G in Prague, a private investment platform which he helped to establish. Between 2008 and 2016 he was a managing director at UBS Switzerland AG. Between 2002 and 2007 he hold a director position at Credit Suisse in Zurich where he focused on wealth management clients, their corporate transactions and private label investment funds. From 1999 till 2020 he was a Principal of Boston Venture and Associate at Europe Capital Management, where he advised family offices and private equity funds on investments in the CEE region and M&A transactions.

Mr. Skreta graduated from University of St. Gallen with a doctorate on Politics and Finance in the Czech Transition (1999) and a master degree in Business Administration and International Relations (1994). Between 1997 and 1998 he was a visiting scholar and associate at Harvard University.

Positions Held by the Supervisory Board members in Other Companies and Partnerships

The table below presents information on the other companies and partnerships in which, during the last five (5) years, the members of the Supervisory Board: (i) held management or supervisory body positions; or (ii) held shares; or (iii) were partners.

Name	Company	Position	Does the person serve in this capacity as at the Prospectus Date
Boguslawa Skowronski	CMS Corporate Management Services GmbH	Shareholder, management board member	Yes
	Capital Solutions pro Alfa sp. z o.o.	Shareholder, management board member	Yes
	Nomad Management GmbH	Proxy	Yes
	Valuetech Seed sp. z o.o.	Shareholder	Yes
	ASI Investor Valuetech Seed sp. z o.o.	Shareholder	No
	Valuetech Growth sp. z o.o.	Management board member	Yes
	Bogucim sp. z o.o.	Management board member	Yes
	Fit Adept sp. z o.o.	Shareholder	No
	Wedding.pl sp. z o.o.	Shareholder	No
	Fundacja Przedsiębiorczości Technologicznej*	Management board member	Yes

Name	Company	Position	Does the person serve in this capacity as at the Prospectus Date
Marek Skreta	P4 Wealth Management AG	Shareholder, management board member	Yes
	Skreta Consulting	Founder (sole owner)	Yes
	Stichting Administratiekantoor R2G*	Economic beneficiary	Yes
	R2G a.s	Management board member	Yes

Source: The Company; *Foundation

Senior Manager

The table below presents the principal information about the senior manager, who is relevant to establish that the Company has the appropriate expertise and experience for the management of the Company's business as at the Prospectus Date.

Name	Age	Position	Start of Function	Business address
Clemens Wohlmuth	51	Chief Financial Officer	12 May 2012	Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands

Source: The Company.

Clemens Wohlmuth

Clemens Wohlmuth joined the Company in 2012 as the Company's Chief Financial Officer.

Mr Wohlmuth started his professional career in 1994 as a consultant in Ernst & Young Consulting in Vienna, Austria, eventually being promoted to head of reorganization projects in manufacturing and energy sectors in Central Europe. In 2000, Mr. Wohlmuth became the Chief Financial Officer of the company Telekom Austria Czech Republic a.s., where he was promoted to Chief Operating Officer in 2005 and to Chief Executive Officer in 2006. In 2008 Mr Wohlmuth started his own advisory business.

Mr. Wohlmuth holds a Master of Business Administration degree from the University of Economics in Vienna.

Positions Held by the Senior Manager in Other Companies and Partnerships

During the last five (5) years, the Company's Senior Manager (see "–Senior Manager" above) has not (i) held a management or supervisory body position; or (ii) held shares above 1%; or (iii) was partner in another company or partnership.

Other Information Regarding the Members of the Board of Directors, Supervisory Board and Senior Manager

In accordance with the representations made by the members of the Board of Directors, Supervisory Board and the Senior Manager, and except for the cases described in this Prospectus, during the last five years, no member of the Board of Directors or Supervisory Board or the Senior Manager has:

- held any interest or stock in any capital company or been a partner in a partnership;
- been a shareholder of a public company holding shares representing more than 1% of the votes at the general meeting of such company (due to the continuous volatility of small blocks of shares in the case of companies listed on the WSE, PSE or on another regulated market in Poland, Czech Republic or abroad, the Prospectus presents only those companies in which a given member of the Board of Directors hold shares in a number exceeding 1% of the votes at the general meeting of such company);
- carried out any business activity other than his business activity at the Company or a Subsidiary thereof which could be material to the Company or a Subsidiary thereof;
- been convicted of any fraudulent offences;
- been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer; or
- been associated, as member of the administrative, management or supervisory bodies or as senior manager of any issuer, with any bankruptcy, receivership, liquidation or companies put into administration.

Family Relations

There are no family relationships between the members of the Board of Directors, between members of the Board of Directors and Supervisory Board, or between the members of the Board of Directors and/or Supervisory Board and the Senior Manager.

Potential Conflicts of Interest

Current members of the Board of Directors and the Senior Manager indirectly and directly hold 74.34% of the shares in the Company, representing 87,09% of voting rights in the Company (see “–*Board of Directors and Senior Manager Equity Holding*”), and therefore a potential conflict of interests may arise with respect to their personal interests and their obligations or commitments towards the Company. Especially, there may be a conflict of interest in connection with execution of agreements by and between the Company and its Subsidiaries that are not economically beneficial, solely to generate profit within the Group. Unlike the Company, the Subsidiaries are not subject to any restrictions relating to distribution of dividend. Consequently such companies may pay potentially generated profits to the Company, in which current members of the Board of Directors or the Senior Manager act as direct or indirect shareholders. The Company has established procedures whereby conflicted managing directors shall refrain from participating in decisions involving any personal conflict of interest (see “–*Board of Directors Meetings and Decisions–Conflicts of Interests*”). No such conflict of interest exists between the Company and the Senior Manager as at the Prospectus Date.

There are no other circumstances that may lead to a potential conflict of interest between the private interests or other duties of members of the Board of Directors and the Senior Manager vis-à-vis the Company.

There are no existing or potential conflicts of interests between the private interests or other duties of members of the Supervisory Board and the Company.

Agreements and Understandings with Members of the Board of Directors, Supervisory Board and the Senior Manager

Within the period covered by the Historical Financial Statements and until the Prospectus Date the Company has not entered into any transactions with members of the Board of Directors, Supervisory Board or the Senior Manager.

Agreements and Understandings with Principal Shareholders, Clients, Suppliers or Other Persons on the Basis of Which Any Member of the Board of Directors Was Appointed as a Member of the Board of Directors

Based on representations of the members of the Board of Directors, there are no agreements or understandings with the principal shareholders, clients, suppliers or other persons pursuant to which any members of the Board of Directors were appointed, or otherwise the members of the Board of Directors have no knowledge of any such understandings.

Arrangements the Operation of Which May at a Subsequent Date Result in a Change in Control of the Company

Based on representations of the members of the Board of Directors, there are no arrangements, known to the Company, which may at a subsequent date result in a change in control of the Company.

Board of Directors, Supervisory Board and Senior Manager Equity Holding

As at the Prospectus Date Georg Hotar holds directly 0.18% and indirectly 34.74% of shares in the Company through Solar Power to the People Cooperatief U.A., representing 40,91% of the voting rights. Michael Gartner holds directly 0.04% and indirectly 36.29% of shares in the Company through Solar Future Cooperatief U.A., representing 42.56% of the voting rights.

Clemens Wohlmuth, Company’s Senior Manager, holds directly 3.09% of shares in the Company, representing 3.62% of the voting rights.

Mrs Boguslawa Skowronski, Company’s Supervisory Board director, holds directly 0.02% of shares in the Company, representing 0.02% of the voting rights.

Board of Directors and Senior Manager Remuneration

In 2017, 2018, 2019, and first nine month 2020 none of the members of the Board of Directors received remuneration from the Company or a Subsidiary thereof for performing their duties as members of the Board of Directors. As being majority shareholders, they decided that their compensation for the responsibility and function of the directors shall be deemed compensated with the value creation and share appreciation of the company. Furthermore, no emoluments of managing directors, including pension obligations were charged to the Company. No service contracts with the Company nor any of its Subsidiaries have been provided to a member of the Board of Directors for benefits upon termination of employment.

Mr Gartner receives a regular salary as an employee in his function as managing director of Photon Energy Australia Pty Ltd. in Australia and Mr Georg Hotar receives a regular salary as an employee in his function as managing director of Global Investment Protection AG in Switzerland. These compensations are in no direct relation to their Board of Director functions. Mr Wohlmuth receives his remuneration as Chief Financial Officer from Photon Energy N.V.

The overall cost of compensations for the members of the Board of Directors and the Senior Manager from their employment relations with the Company or its subsidiaries amounted to EUR 445 thousand in 2017, EUR 575 thousand in 2018, EUR 654 thousand in 2019 and EUR 512 thousand for the first nine month of 2020. The stated amounts include cost

of the employee share purchase program which amounted to EUR 8 thousand in 2017, EUR 7 thousand in 2018, EUR 7 thousand in 2019 and EUR 5 thousand for the first nine month of 2020. The agreements between the Board of Directors and the Senior Manager with the Company or its Subsidiaries do not foresee any stock option plans, severance payments, company pension plans or other deferred compensation. Termination period of the agreements is up to six month.

Liability of Members of the Board of Directors

Under Dutch law, members of the Board of Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Insurance

Members of the Board of Directors are not insured under an insurance policy against damages resulting from their conduct when acting in their capacities as managing directors.

Indemnification

The Articles of Association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former managing directors against: (i) the reasonable costs of conducting a defence against claims, also including claims by the Company and its Subsidiaries, based on act or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request; (ii) any damages payable by them as a result of any such act or failure to act; and (iii) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former managing directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

However, there shall be no entitlement to reimbursement if and to the extent that: (i) a Dutch court has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterized as willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, or (ii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs of financial loss.

RELATED-PARTY TRANSACTIONS

The Company has executed in the past and intends to execute in the future transactions with its related parties within the meaning of IAS 24 “*Related-Party Disclosures*” (Appendix to Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council).

The Company executes the following transactions with related parties:

- transactions between the Company and its Subsidiaries (such transactions are subject to intragroup elimination pursuant to par. 4 of IAS 24 and are not disclosed in the Historical Financial Statements; nevertheless, information about such transactions, in accordance with the requirements of Regulation 2019/980, is presented below for the periods during which the Company held shares in the respective Subsidiary);
- transactions between the Company and the Company’s shareholders respectively the members of the Board of Directors, the members of the Supervisory Board or the Senior Manager;
- other related-party transactions.

Apart from the transactions described below, during the period from 2017 to 2019 and up to the Prospectus Date no other transactions were executed between the Company and its related parties within the meaning of IAS 24. In the opinion of the Board of Directors, all transactions with related parties were concluded on an arm’s length basis and at prices that did not diverge from the prices used in transactions between unrelated parties. No transactions were executed with related parties on terms other than market conditions

Receivables from or liabilities owed to related parties as at the end of a given financial year are not secured, there is no interest, and they are settled in cash or set-off. Receivables from or liabilities owed to related parties are not covered by any guarantees granted or received. As at 31 December 2019, no receivables with respect to related parties were written off by the Company.

Transactions between the Company and its Subsidiaries

The Group’s business model covers the value chain of the whole life cycle of a power plant from development, design, construction, technology procurement, Operations & Maintenance, electricity generation and asset management to decommissioning. Those services are provided throughout the value chain by different legal entities. Within the Group the following main services are provided between the specified entities:

- **Project Development Services:** *Photon Energy Projects s.r.o.*, *Global Investment Protection AG*, *Photon Energy Australia Pty Ltd.* provide project development services to *Special Purpose Vehicles (SPVs)* and their shareholders within the Group. Such services are charged based on actual cost incurred or actual personal time spent for the service multiplied by actual hourly rates of the involved staff. All charged fees are concluded on an arm’s length basis.
- **Technology Services:** Procurement of inverters and photovoltaic modules is handled by *Photon Technology CEE s.r.o.*, *Photon Energy Engineering EU GmbH* and *Photon Energy Technology CEE GmbH* for PV power plants constructed by *Photon Energy Solutions HU Kft.* The components are sold between those parties on an arm’s length basis at market prices.
- **Engineering Services:** Turn-key construction services for photovoltaic power plants are provided by *Photon Energy Solutions HU Kft.*, *Photon Energy Engineering Australia Pty Ltd* and *Photon Energy Solutions CZ s.r.o.* direct to the respective *SPVs* holding the project rights. All services are provided based on state-of-the art EPC (Engineering, Procurement and Construction) contracts with all necessary guarantees and warranties on an arm’s length basis. Values and service scope of the EPC contracts are additionally reviewed and approved by the financing banks of such projects.
- **Operations and Maintenance Services:** Ongoing full operations and maintenance services (O&M Services) are provided by *Photon Energy Operations CZ s.r.o.*, *Photon Energy Operations SK s.r.o.*, *Photon Energy Operations HU Kft.* and *Photon Energy Operations Australia Pty Ltd* directly to the *SPVs* based on arm’s length basis. All services are based on state of the art O&M contracts with all necessary guarantees and warranties on an arm’s length basis. Values and service scope of the O&M contracts are additionally reviewed and approved by the financing banks of such projects.

Further *Photon Energy Control s.r.o.* is providing monitoring services to *Photon Energy Operations CZ s.r.o.*, *Photon Energy Operations SK s.r.o.*, *Photon Energy Operations HU Kft.* and *Photon Energy Operations Australia Pty Ltd* based on arm’s length basis. *Photon Energy Cardio s.r.o.* is providing inverter services to *Photon Energy Operations CZ s.r.o.*, *Photon Energy Operations SK s.r.o.* and *Photon Energy Operations HU Kft.* based on arm’s length basis.

- **Corporate and Shared Services:** *Photon Energy Corporate Services CZ s.r.o., Photon Energy Corporate Services DE GmbH* and *Global Investment Protection AG* are providing management service to the *Company* and the *Company* is providing management services to its *other subsidiaries*. Those management and consulting services are provided based on arm's length Service Level Agreements signed between the entities. Calculation of those management fees is based on actual time spent for the entity multiplied by actual hourly rates of the involved staff. For the calculation of the hourly rates actual average salary of a certain position (e.g. senior accountant or junior lawyer, etc.) is taken from which the hourly rate is calculated. To this hourly rate an overhead cost factor is added according actual overhead cost. This number is then multiplied with the total hours spent according time sheets.
- **Intercompany Loans:** Between the companies of the group several loans are given from mother companies to their direct subsidiaries. Generally such loans are given on a short-term period of one year with an interest rate of 3% reflecting the current interest environment of the Group on an arm's length basis.

Transactions between the Company and the Company's Shareholders Respectively the Members of the Board of Directors the members of the Supervisory Board and the Senior Manager

The Company is jointly controlled by Mr. Michael Gartner (through Solar Future Coöperatief U.A.) and Mr. Georg Hotar (through Solar Power to the People Coöperatief U.A.), who are the Company's directors.

The table below presents the loans provided by the Group to the above directors in compliance with the arm-length principle in the periods indicated.

	2019	2018	2017
	<i>(EUR thousand)</i>		
Balance at beginning of year.....	219	153	163
Transferred due to the sale	0	0	0
Loan provided to Mr. Hotar	14	77	0
Unpaid interests from Mr. Hotar.....	0	0	0
Loan provided to Mr. Gartner	0	0	0
Unpaid interests from Mr. Gartner.....	0	0	0
Effect of the movement of Fx rate	0	(13)	(10)
Carrying amount at 31 December.....	233	219	153

Source: Audited Financial Statements

No loans were provided to a member of the Supervisory Board or the Senior Manager in the years 2017, 2018, 2019 and until the Prospectus Date.

Other related party transactions

In the period covered by the Historical Financial Statements, the Company concluded other related parties transactions, which included also transactions with close members of the families of the Company's related parties. Such transactions included solely remuneration paid to these parties. Information on the remuneration granted to members of the Board of Directors, Supervisory Board and Senior Manager is provided in section "*Management – Board of Directors, Supervisory Board and Senior Manager Remuneration*".

Additionally (i) Mrs Gartnerova, wife of Mr Michael Gartner, is an employee of Photon Energy Australia Pty Ltd. with a regular employment contract; she receives a salary as a regular employee for function of Office Manager and (ii) Mrs Hotar, wife of Mr Georg Hotar, is an employee of Photon Energy Corporate Services CZ s.r.o., with a regular employment contract; she receives a salary as a regular employee for function of recruiting specialist.

The overall cost of compensations for close members of the families of the Company's related parties from their employment relations with the Company or its subsidiaries amounted to EUR 70 thousand in 2017, EUR 78 thousand in 2018, EUR 91 thousand in 2019 and EUR 93 thousand for the first nine months of 2020.

Apart from the transactions described above no other related-party transactions have been concluded between the Group in the years 2017, 2018, 2019 and until the Prospectus Date.

THE ADMISSION

General Information on the Shares

Pursuant to this Prospectus, the Company intends to apply for admission and introduction to trading on the regulated markets (parallel market) operated by the WSE and the PSE of 60,000,000 Shares of the Company with a par value of EUR 0.01 per Share. Pursuant to the Prospectus, the Company will not conduct any offer, in particular a public offering of the Shares or other securities of the Company.

Pursuant to this Prospectus, the Company intends to apply for admission to listing and trading of 60,000,000 Shares of the Company, with a nominal value of EUR 0.01 each on the regulated market (parallel market) organised by the WSE and on the regulated market (standard market) organised by the PSE (the WSE and the PSE, jointly referred to as the “Markets”).

The Shares are currently listed on the NewConnect, which is an alternative market run by the WSE and on the Free Market, which is an unregulated market run by the PSE. Upon approval by the AFM application has been made to admit all of the Shares to listing and trading on the Markets. The Shares’ International Security Identification Number (ISIN) is NL0010391108.

The Admission to each of the Markets is independent of the other Admission proceeding. Accordingly, if for any reason the Admission to one of the Markets does not proceed, the Admission to the other Market will proceed (and vice versa).

The Admission of the Shares to trading on the WSE and PSE requires, inter alia, that (i) the Board of the WSE and (ii) the CEO of the PSE, adopt resolutions on the admission and listing of the Shares on the WSE and on the PSE, respectively.

As a general rule, the above mentioned regulations may be adopted if the Company satisfies all of the legal requirements as specified in the applicable laws and the relevant rules of the WSE and PSE, including, the requirement regarding minimum free float and the relevant level of capitalization. The conditions concerning the admission and introduction of Shares to trading on the Markets are set out in the relevant provisions of law and the rules of the WSE and PSE respectively.

As at the Prospectus Date the Company does not meet the free float criteria as set forth in the rules of the WSE and PSE respectively (see also “*Risk Factors – The Shares May Not Be Eligible to Be Admitted to Trading or Listing on the Regulated Markets of the WSE and the PSE*”). If justified the WSE and PSE may resign, however, from the application of the requirements set forth in their regulations, if they decide that it does not jeopardize the interest of the trading participants.

As at the Prospectus Date, the Shares are also being traded on the Munich Stock Exchange (Börse München) (see also “*Operating and Financial Review – Specific Factors Affecting Operating and Financial Results – Listing of the Shares on the Munich Stock Exchange (Börse München) in the Freiverkehr Segment*”). In the future the Company may also consider listing on the Frankfurt Stock Exchange. Being listed on the Frankfurt Quotation Board will enable Eurozone investors to trade with Company’s shares without currency risk. Listing on the Frankfurt Stock Exchange is not being covered by the Prospectus.

Legal Basis for Applying for the Admission and Introduction of the Shares to Trading on the Regulated Market Operated by the WSE and PSE

The legal basis for applying for the admission and introduction of the Shares to trading on the WSE regulated market (parallel market) and on the PSE regulated market (standard market) is the resolution of the General Meeting dated 29 June 2020 on the approval of the admission of the shares at the main market of Prague Stock Exchange and Warsaw Stock Exchange, and an unregulated market of Frankfurt Stock Exchange, and granting authorization to the Board of Directors (“**Resolution on the Admission**”).

Approval for the Admission has been granted by 43,109,500 votes, i.e. 100% of those present at the General Meeting dated 29 June 2020, and by the required majority of votes.

The Resolution on the Admission is available for inspection on the Company’s website (see “*Additional Information – Documents Available for Inspection*”).

Reasons for the Admission

The Company intends to have all of the Shares admitted to trading on the Markets to achieve better access to the capital markets.

In particular, being listed on the Markets will enable the Company to have access to a wider pool of institutional investors in case the Company needs to raise capital to finance new investment projects. Currently many institutional investors cannot invest into shares of companies listed in the alternative system of trading such as NewConnect in Warsaw or Free Market in Prague. Being listed on the main markets may result in increased interest of sell/buy side analysts as well as independent research houses to cover the Company with the research. Availability of such professional analytical reports could – in the Board of Directors opinion – benefit current and future shareholders.

Place of Registration of the Shares and ISIN code

As at the Prospectus Date 50,000,000 Shares are registered in the depository for securities maintained by the Polish Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) with its registered office in Warsaw at ul. Książęca 4, 00-498 Warsaw. The Company intention is to have all the remaining 10,000,000 Shares registered in the NDS upon the Admission. In the Czech Republic all the Shares are registered in the Central Securities Depository Prague (*Centrální Depozitář Cenných Papírů*) with its registered office in Prague at Rybná 14, 110 05 Praha 1. The Shares are registered under ISIN code: NL0010391108.

The Company does not expect to use the services of payment agents.

Costs of Admission of the Shares

As of the Prospectus Date, the Company has no information on the final cost of the admission of the Shares. The costs will be disclosed to the public in the form of a current report upon receipt of a summary and approval of all the costs from the entities involved in the process of the admission of the Shares.

THE CAPITAL MARKET IN POLAND AND CZECH REPUBLIC AND CERTAIN DUTCH, POLISH AND CZECH REGULATIONS AND OBLIGATIONS RELATED TO THE ACQUISITION AND DISPOSAL OF SHARES

The information contained in this section is of a general nature, does not constitute legal advice and describes the legal state of affairs as at the date of this Prospectus. Therefore, investors should review the relevant regulations and consult their own legal advisor about the laws and regulations concerning the purchase, ownership and sale of the Shares.

European Union Capital Markets Regulations

Insider Trading and Market Manipulation Rules

The regulatory framework on market abuse is laid down in the Market Abuse Regulation and the Market Abuse Directive (2014/57/EU) (“**MAD II**”) as implemented in Dutch, Polish and Czech Republic law.

Pursuant to the MAR, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Shares; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) unlawfully disclose inside information relating to the Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public, as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the MAR, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of its investment decision). An intermediate step in a protracted process can also be deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under specific circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on their own account or for the account of a third-party, relating to Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or a management report of the Company.

Non-compliance

In accordance with the MAD II, as implemented in Dutch law, the AFM has the power to take appropriate administrative sanctions such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offense and/or a crime, and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the MAR.

Insider Trading

The Company and any person acting on its behalf or on its account is obliged to draw up an insider list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obliged to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing, market manipulation and unlawful disclosure of inside information.

Dutch Capital Markets Regulations

Disclosure rules

Home Member State for Purposes of the Transparency Directive

The Company is a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law. The Netherlands is the home Member State of the Company for the purposes of Directive 2004/109/EC, as amended (the “**Transparency Directive**”). As a consequence, the Company is subject to financial and other reporting obligations under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “**FSA**”) and the Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the “**FRSA**”), which both implement the Transparency Directive in the Netherlands.

Disclosure of Information

The Company is required to publish its annual report (consisting of the audited annual accounts, the annual report and the responsibility statement) within four months after the end of each financial year and its half-yearly report (consisting of the half-year unaudited accounts, the half-yearly report and the responsibility statement) within three months after the end of the first six months of each financial year. Both the annual report and the half-yearly report of the Company are required to be made available to the public during a period of at least 10 years.

Financial Reporting Supervision Act

On the basis of the FRSA, the AFM supervises the application of financial reporting standards by, amongst others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated stock exchange.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards and (ii) recommend the Company to make further explanations available. If the Company does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber of Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the “**Enterprise Chamber**”) orders the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber’s instructions.

Shareholder Disclosure and Reporting Obligations

Long Positions

Pursuant to the FSA, upon the Company becoming a listed company, each shareholder who holds a substantial holding in the Company should forthwith notify the AFM of such substantial holding. Substantial holding means the holding of at least 3% of the Shares or the ability to vote on at least 3% of the voting rights of such Shares. Any person who, directly or indirectly, acquires or disposes of an interest in the share capital or voting rights of the Company must without delay give notice to the AFM, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person, directly or indirectly, reaches or crosses the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. As at the Prospectus Date the Dutch government has prepared draft legislation adding the threshold of 2%. The Dutch government has indicated that it is working towards such draft legislation becoming effective by 1 January 2021, at the latest. As at the Prospectus Date, it is, however, unclear whether and when such draft legislation will be enacted.

In addition, every holder of 3% or more of capital interest or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that their interest reaches or crosses a relevant threshold. Equally, if the composition of a notified holding differs from the previous notification, because options or any other form of negotiable security, not being options, were covered into shares or depositary receipts for shares or vice versa, or because shares were exchanged for depositary receipts or vice versa, a notice must be given to the AFM within four trading days of the moment of change. The same applies if the different composition was caused by the exercise of rights to acquire voting rights.

Controlled entities, within the meaning of the FSA, do not have notification obligations under the FSA, as their direct and indirect interests are attributed to their (ultimate) controlling parent. Any person may qualify as a controlling parent for purposes of the FSA, including a natural person. A person who has a 3% or larger capital interest or voting rights and who ceases to be controlled entity for these purposes must immediately notify the AFM. As at that moment, all notification obligations under the FSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, among other things, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person’s controlled entity or by a third-party for such person’s account or by a third-party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third-party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash-settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as “shares”: (i) shares; depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Company Disclosures

Under the FSA, the Company is required to file a report with the AFM without delay after the date of listing the Shares setting out its issued and outstanding share capital and voting rights. Thereafter, the Company is required to notify the AFM without delay of any changes in the share capital if its share capital has changed by 1% or more compared to the previous disclosure in respect of its share capital. The AFM must be notified of other changes in the Company’s issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all such notifications relating to the Company’s issued and outstanding share capital and voting rights in a public register.

Notification of Short Positions

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person’s gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the company’s issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the company’s notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third-party that the shares have been located. The notification shall be made no later than 15:30 pm CET on the following trading day. On 16 March 2020, the European Securities and Markets Authority (ESMA) issued a decision temporarily requiring the holders of net short positions in shares traded on a regulated market within the EU to notify the relevant national competent authority if the position reaches or exceeds 0.1% of the issued share capital of the listed company. The ESMA has renewed the aforementioned decision on 11 June 2020. As such, as of 17 June 2020 and up to three months thereafter, each person holding a net short position attaining 0.1% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.1% must also be notified.

Non-Compliance with Disclosure Obligations

Non-compliance with the disclosure obligations set out in the paragraphs above is an economic offence and may lead to criminal charges. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed may be instituted by, among others, the Company and/or one or more shareholders who alone or together with others represent(s) at least 3% of the Company’s issued and outstanding share capital. The measures that the civil court may impose include:

- an order requiring the person violating the disclosure obligations under the FSA to make the appropriate disclosure;
- suspension of voting rights in respect of such person’s shares for a period of up to three years as determined by the court;
- voiding a resolution adopted by a General Meeting, if the court determined that it is plausible that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and
- an order to the person violating the disclosure obligations under the FSA to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

Public Registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch FSA on its website (www.afm.nl/en/professionals/registers/). Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company’s shares or a particular notifying party.

Identity of Shareholders

Dutch listed companies may, in accordance with Chapter 3A of the Dutch Securities Transactions Act, request admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. Such requests may only be made during a period of 60 days up to the day on which the general meeting of shareholders will be held. No information will be given on shareholders with an interest of less than 0.5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the 42 days before the day on which the general meeting will be held.

Related Party Transactions Regime

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the “**Shareholder Rights Directive II**”), establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State. The Dutch Act to implement the Shareholder Rights Directive II (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*) (the “**Dutch SRD Act**”) entered into force on 1 December 2019. The Dutch SRD Act, among other things, adds new rules on related party transactions to the Dutch Civil Code and provides that “material transactions” with “related parties” not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by the non-executive members of the board of directors, and be publicly announced at the time that the transaction is entered into. In addition, certain items in respect of any such related party transaction not concluded on normal market terms must be disclosed in the explanatory notes to the Company’s annual accounts. If information is required to be published at an earlier stage under the Market Abuse Regulation, that requirement prevails. The board of directors will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

Any director or shareholder that has a, direct or indirect, personal interest in the transaction cannot participate in the deliberations or decision-making with respect to the related party transaction concerned. In this context: a “related party” is interpreted in accordance with IFRS (IAS 24 (*Related Party Disclosures*)) and includes a party that has “control” or “significant influence” over the company or is a member of the company’s key management personnel; and a transaction is considered “material” if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more shareholders representing at least 10% of the issued share capital, an executive director or a non-executive director). Not all transactions with a “related party” are subject to the approval and disclosure provisions of the Dutch SRD Act (for example, transactions concluded between a company and its subsidiary).

Mandatory Public Offer

Pursuant to the Dutch FSA, and in accordance with European Directive 2004/25/EC, also known as the Takeover Directive, any shareholder who directly or indirectly obtains control of a Dutch listed company (on a regulated market within the meaning of the Dutch FSA), such as the Company after Settlement, is required to make a public offer for all issued and outstanding shares in that company’s share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time that the company’s shares are admitted for the first time to trading on a regulated market).

As each of the Controlling Shareholders envisages to continue to have a voting interest in the Company of more than 30%, each Controlling Shareholder will benefit from an exemption from the Dutch mandatory offer requirements as laid down in Section 5:71 sub 1(i) of the Dutch FSA. As such, the Controlling Shareholders will each be exempted from the Dutch mandatory offer requirements as long as each Controlling Shareholder continues to have voting interest in the Company of at least 30%.

In addition, no person may launch a public offer to acquire the shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. Such a public offer may only be launched by way of publication of an approved offer document. The Dutch public offer rules are intended to ensure that in the event of a public offer, among others, sufficient information is made available to the holders of the shares, the holders of the shares are treated equally, that there is no abuse of inside information and that there is a proper and timely offer period.

Squeeze-Out

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for its own account contributes at least 95% of the issued share capital of a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands may institute proceedings against such company’s minority shareholders jointly for the transfer of their shares to such shareholders. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all

minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following a public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the voting rights. The claim of a takeover squeeze-out is required to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch FSA also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the voting rights. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

There are no other specific statutory squeeze-out proceedings at a lower level of control, however, it is not uncommon for the offeror under a public offer and the target to agree on a post-offer restructuring transaction pursuant to which the offeror may require the target to sell its assets to the offeror against payment of a consideration equal to the offering price. Such a transaction is subject to the approval of the general meeting of shareholders of the target. The remaining minority shareholders will receive their relative portion of the purchase price of this sale through a liquidation distribution in cash as part of the liquidation process of the target. Such a transaction can usually be implemented if the offeror has obtained a supermajority acceptance of the offer which is lower than 95%.

Polish Capital Markets Regulations

Capital Market Regulations

The principle regulations governing the Polish securities market are set out in three acts of July 2005, that is: (i) the Act on Public Offering; (ii) the Act on Trading in Financial Instruments; and (iii) the Act on Supervision over the Capital Market. Furthermore, the Polish capital market is governed by regulations provided for in secondary legislation adopted on the basis of the above-mentioned laws and EU rules, which, similarly to the EU regulations, apply directly in Poland such as, for example, the MAR.

Trading in shares on the regulated market operated by the WSE within the territory of Poland is also subject to certain regulations of the WSE and the NDS, including the WSE Rules and the NDS Rules.

The procedure and organisation of supervision over the Polish capital market is exercised by the PFSA (the authority that oversees the capital markets in Poland).

Disclosure Rules

According to the Act on Public Offering, the issuer for which the Republic of Poland is the host Member State, however whose securities are admitted to trading only on a regulated market in the Republic of Poland, shall be subject to financial and other reporting obligations in accordance with Polish law.

Disclosure Obligations Related to the Acquisition and Sale of Significant Block of Shares

According to the Act on Public Offering, in case of a public company for which the Republic of Poland is the host Member State, the disclosure obligations connected with the acquisition and sale of significant block of shares should be governed by the home Member State law.

Please see “–Dutch Capital Markets Regulations” above.

Tender Offers

The Takeover Directive governs takeover bids for companies not listed in the Member State of the European Union in which they have their registered office. The Shares will be listed on the regulated market on the WSE, but the Company has its registered office in a member state other than in Poland.

As a general rule, in accordance with the above provisions:

- matters relating to the consideration offered in the context of a takeover bid, the takeover bid procedure with which the offeror should comply and the content of the offering document shall be dealt with in accordance with Polish law, in particular the Act on Public Offering. These matters shall be supervised by the PFSA; and
- matters relating to the information to be provided to the employees of the company and to company law (in particular relating to the percentage of voting rights that confers control over the Company any derogation from obligation to launch an offer or the conditions under which the Company's Board of Directors may undertake any action which may result in the frustration of a bid) shall be governed by Dutch law. These matters shall be supervised by the AFM.

Given the fact that Shares will be admitted to the WSE and the Company is a company incorporated in the Netherlands, the authorities competent to supervise mandatory offer rules as described below, applicable with respect to the shares of the Company and under the Takeover Directive, shall be both the AFM and the PFSA. However, the investors should also take into account the respective rules under the Act on Public Offering which are described below.

For the information on matters related to the squeeze-out and sell-out see “–*Dutch Capital Markets Regulations*” above.

Exceeding the 33% Threshold

Exceeding the threshold of 33% of the total number of votes in a public company may take place solely (subject to the exception referred to below) by launching a tender offer for the sale or exchange of the shares in such company in a number allowing for the achievement of 66% of the total number of votes, except where exceeding 33% of the total number of votes takes place as a result of launching a tender offer for the sale or exchange of all the remaining shares in the company.

If the threshold of 33% of the total number of votes is exceeded as a result of an indirect acquisition of shares, subscription for shares of a new issue, a public offering, an in-kind contribution to a company, a merger or split of companies, a change to the company's articles of association, the expiry of a preference attached to shares or the occurrence of a legal event other than a legal action, the shareholder, within three months of exceeding 33% of the total number of votes, is required to do the following:

- launch a tender offer for the sale or exchange of shares in the company in a number resulting in the achievement of 66% of the total number of votes; or
- sell the shares in a number resulting in the achievement of no more than 33% of the total number of votes,

unless during that time the share of the shareholder in the overall number of votes changes to no more than 33% of the total number of votes as a result of a share capital increase, a change to the company's articles of association or the expiry of the preference attached to the shares, respectively.

If the exceeding of 33% of the total number of votes results from inheritance, the obligation to announce the tender offer applies solely if after such acquisition of shares the share in the total number of votes will further increase; the period of fulfilling such obligation will be counted from the date on which the event resulting in the increase in the share in the total number of votes occurred.

Exceeding the 66% Threshold

Exceeding the threshold of 66% of the total number of votes in a public company may take place solely (subject to the exception referred to below) by way of launching a tender offer for the sale or exchange of all of the remaining shares in the company.

However, according to the Act on Public Offering when a WSE-listed company has its registered office in a member state of the EEA other than in Poland whose shares have been admitted to trading on a regulated market solely within the territory of Poland, the above mentioned requirement related to the announcement of a tender offer in case of exceeding the 66% threshold do not apply. In such case, the entity acquiring shares is obliged to announce a tender offer for sale or exchange of all the remaining shares in the company in accordance with the legislation in force in the member state where the WSE-listed company has its registered office. However, Polish provisions apply with respect to the consideration offered in the tender offer and procedure of conducting the tender offer, in particular, those relating to the content of the tender offer and the procedures governing its announcement.

Please also see “–*Dutch Capital Markets Regulations*” above.

Terms of the Tender Offer

A tender offer may be launched and made through an entity conducting brokerage activity in Poland, which is required – no later than 14 business days before the date of the commencement of the subscription – to simultaneously notify the PFSA and the company operating the regulated market on which the given shares are listed about the intention to announce the tender offer. Such entity attaches a copy of the tender offer to the notification. A copy of the tender offer should be subsequently published through an information agency and in at least one national newspaper.

A tender offer may be launched only after establishing collateral of a value of no less than 100% of the value of the shares that are to be subject to the tender offer. The collateral should be documented with a certificate issued by a bank or other financial institution providing the collateral or intermediating in its provision.

It is not possible to withdraw from a launched tender offer unless after launching the tender offer a third party launches a tender offer regarding the same shares. A withdrawal from a tender offer announced with regard to all of the remaining shares in a public company is permitted only when another entity announces a tender offer for all of the remaining shares in the company at a price not lower than the price in the first tender offer.

Upon the receipt of a notification announcing a tender offer, the PFSA may – at the latest, three business days before the beginning of the subscription period – request necessary changes and supplements to the text of the tender offer or the provision of explanations regarding the text of the tender offer within the period specified in the request; however, such period may not be shorter than two days.

The beginning of the subscription period indicated in the tender offer shall be suspended until the completion of the activities mentioned in the aforesaid request by the company required to announce the tender offer.

Following the completion of the tender offer, the offeror is required to announce, in the manner set forth in Article 69 of the Act on Public Offering, the number of shares purchased in the tender offer and the share in the total number of votes which has been reached in the tender offer.

In the period between the announcement of a tender offer and the completion thereof, the entity required to announce the tender offer and all of its subsidiaries, dominant entities or entities which are party to any arrangements therewith concerning: (i) the purchase of (directly or indirectly) or subscriptions for (through an offer not being a public offer) shares in a public company by entities being parties to such arrangements or a third party in its own name but on behalf of and at the direction of parties to such arrangements; (ii) voting in the same agreed manner at the general meeting of a public company; or (iii) carrying out a long-term policy with respect to a public company (arrangements referred to in Article 87 Section 1 (5) and (6) of the Act on Public Offering, the “**Acting in Concert Agreement**”):

- may acquire shares in the company to which the tender offer applies exclusively within the scope of that specific tender offer and in the manner defined therein;
- cannot sell shares in the company to which the tender offer applies or enter into any agreements which would require them to sell any such shares during the term of the tender offer; and
- cannot indirectly acquire the shares in the public company to which the tender offer relates.

Price of Shares in the Tender Offer

If any of the shares in the company are subject to trading on the regulated market, the price of the shares proposed in the tender offer may not be lower than:

- the average market price in the 6-month period preceding the tender offer announcement during which the shares were traded on the main market; or
- the average market price in a shorter period if the trading of the shares on the main market was shorter than the period set out in the point above.

In the event that it is not possible to determine the price pursuant to the rules set forth above or in the case of a company subject to composition proceedings or bankruptcy proceedings, the share price cannot be lower than the fair value of such shares.

The price of the shares proposed in the tender offer may also not be lower than:

- the highest price for which the shares subject to the tender offer were purchased within the period of the 12 months before the tender offer announcement by the entity required to announce the tender offer, the entities dependent on the entity required to announce the tender offer or by the parent entity of the same, or by the entity being a party to the Acting in Concert Agreement concluded with the entity required to announce the tender offer; or
- the highest value of the assets or rights issued by the entity required to announce the tender offer or the entities mentioned in the point above in exchange for the shares subject to the tender offer within 12 months before the tender offer announcement.

The price of the shares proposed in the tender offer for the sale or exchange of all the remaining shares in a public company may also not be lower than the average market price within three months of trading in the shares on the regulated market preceding the tender offer announcement.

In the event that the average market price of the shares determined in accordance with the above-mentioned rules significantly differs from the fair value of such shares due to:

- the granting to the shareholders of a pre-emption right, a right to dividend, a right to acquire shares in the acquirer in connection with the division of a public company by unbundling or other property rights connected with the possession of shares in a public company;
- a significant deterioration in the financial or proprietary situation as a result of events or circumstances which cannot be predicted or prevented by the company; or
- the company being threatened by permanent insolvency,

the offeror may apply to the PFSA for consent to propose a price in the tender offer which does not comply with the criteria set forth above. The PFSA may grant its consent thereto, provided that the proposed price is not lower than the fair value of these shares and the call for tender does not breach the legitimate interests of the shareholders.

The price of the shares proposed in a tender offer set out in Articles 73 and 74 of the Act on Public Offering may be lower with regard to shares constituting at least 5% of all the shares in the company that will be purchased within the tender offer from an identified person responding to the tender offer should the company be required to announce the tender offer and should said person so decide.

Entities with Duties with Respect to Significant Blocks of Shares

The duties determined in the provisions regarding notifying the PFSA about reaching or exceeding a particular threshold of the total number of votes in a public company, tender offers, squeeze-outs or sell-outs are also vested:

1. in an entity that achieves or exceeds the threshold of the total number of votes determined under applicable law due to the purchase or sale of depository certificates issued in connection with the shares in such public company;
2. in an investment fund – also in the event that the achievement or exceeding of the given threshold of the total number of votes determined in the regulations takes place with regard to the joint holding of shares by other investment funds managed by the same investment fund company or alternative investment funds or other investment funds established outside the territory of Poland and managed by the same entity;
3. in an alternative investment company – also in the event that the achievement or exceeding of the given threshold of the total number of votes determined in the regulations takes place with regard to the joint holding of shares by other alternative investment companies managed by the same investment manager of alternative investment companies within the meaning of the act on investment funds or other alternative investments established outside the territory of Poland and managed by the same entity;
4. in a pension fund – also in the event that the achievement or exceeding of the given threshold of the total number of votes determined in the regulations takes place with regard to the joint holding of shares by other pension funds managed by the same pension fund manager;
5. in an entity in respect of which the achievement or exceeding of the given threshold of the total number of votes set out in the provisions of the Act on Public Offering takes place in reference to the holding of shares by: (i) a third party in its own name, however, at the instruction of or for the benefit of such entity, excluding shares purchased as part of the performance of activities which involve the buying and selling of a broker's financial instruments for the benefit of the person giving the instruction, (ii) within the framework of activities which involve the management of a portfolio that includes one or a greater number of financial instruments determined in the Act on Trading in Financial Instruments and the Investment Funds Act – in reference to the shares included in the managed securities portfolios in respect of which the entity as a management company may enforce the right to vote at the general meeting on behalf of the instructing parties, and (iii) a third party with which the entity has concluded an agreement the subject of which is the transfer of the right to vote at the general meeting;
6. in a proxy who under a power of attorney to represent the shareholder at the general meeting was authorised to vote based on the rights attached to the shares in a public company if the shareholder has not issued any binding written instructions as to the manner of voting;
7. jointly in all the entities bound by the Acting in Concert Agreement if at least one of such entities carried out or planned to carry out activities resulting in such duties (such duties may also arise in the case of a reduction in the share in the total number of votes in a public company in connection with the termination of the Acting in Concert Agreement or in connection with a reduction in the share in the total number of votes in a public company of the parties to such Acting in Concert Agreement);
8. in entities that conclude the type of arrangement mentioned in the item above which hold shares in a public company in a number ensuring the joint achievement or exceeding of a given threshold of the total number of votes set out in the regulations; and
9. in a proxy other than an investment firm authorised to dispose of and acquire securities held in a securities account.

In the cases mentioned in items 7) and 8) above, the obligations provided in the regulations regarding major stakes of shares in public companies may be fulfilled by one of the parties to the arrangement designated by the parties to such arrangement.

The obligations set forth in the provisions concerning notifying the PFSA about reaching and exceeding a specified threshold of votes in a public company, tender offers, a squeeze-out or sell-out arise also in the case where the voting rights are related to securities deposited or registered with an entity that may dispose of them at its own discretion.

The Act on Trading in Financial Instruments and the MAR

Manipulation

Pursuant to Art. 12 of the MAR, market manipulation is understood as involving the following actions:

- (a) entering into a transaction, placing an order to trade or any other behaviour which:
 - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances; or
 - (ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level,

unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice as established in accordance with Article 13 of the MAR;

- (b) entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;
- (c) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- (d) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

In accordance with Art. 12 of the MAR Regulation, the following behaviour shall, inter alia, be considered as market manipulation:

- (a) the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
- (b) the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
- (c) the placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in Art. 12 paragraph 1(a) or (b) of the MAR, by:
 - (i) disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so;
 - (ii) making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilization of the order book; or
 - (iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;
- (d) the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;

- (e) the buying or selling on the secondary market of emission allowances or related derivatives prior to an auction held pursuant to Regulation (EU) No. 1031/2010 with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

The MAR defines “benchmark” (referred to above) as any rate, index or figure made available to the public or published that is periodically or regularly determined by the application of a formula to or on the basis of the value of one or more underlying asset or price, including estimated prices, actual or estimated interest rates or other values or surveys, and by reference to which the amount payable under a financial instrument or the value of a financial instrument is determined.

The MAR provides for maximum administrative pecuniary sanctions for infringements in terms of market manipulation of: (i) EUR 5 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of natural persons; and (ii) EUR 15 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) or 15% of the total annual turnover of the legal person according to the last available accounts approved by the management body in respect of legal persons, although where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

As stated in the “*Introduction*”, the MAR applies directly throughout the European Union, although in terms of the rules for administrative sanctions referred to in the MAR, Member States shall, in accordance with national law, provide for competent authorities to have the power to take appropriate administrative sanctions and other administrative measures. The Act on Trading in Financial Instruments grants the PFSA the power to impose a cash penalty of up to PLN 2,072,800 on a natural person or PLN 4,145,600 or up to 2% of the total annual revenues as shown in the most recent audited financial statements for a financial year if it is greater than PLN 4,145,600 on other entities for: (i) producing or disseminating investment recommendations or other information recommending or suggesting an investment strategy in breach of the MAR; (ii) the improper or incorrect performance of any such actions; (iii) failure to disclose one’s interest or conflict of interest existing at the time of performance of such actions; or (iv) a breach of the obligations under the MAR concerning the conducting of transactions on one’s own account by persons discharging managerial responsibilities. If it is impossible to determine the value of the benefit gained or loss avoided by an entity as a result of any breach, the PFSA may impose a cash penalty of up to three times the value of the benefit gained or the loss avoided instead of the cash penalty referred to above. Pursuant to the Act on Trading in Financial Instruments, failure to comply with specific obligations under the MAR is subject to a cash penalty of up to PLN 2,072,800 for a natural person or PLN 4,145,600 or up to the equivalent of 2% of the total annual revenues as shown in the most recent audited financial statements for a financial year if it is greater than PLN 4,145,600 on other entities. As regards the implementation of the MAD, the Act on Trading in Financial Instruments imposes a criminal sanction of up to PLN 5,000,000 or imprisonment from three months to five years or the application of both of those penalties jointly for the use of inside information and manipulation. The disclosure of inside information, giving recommendations or soliciting the acquisition or sale of financial instruments to which inside information relates are subject to a penalty of up to PLN 2,000,000 or the penalty of imprisonment for up to four years, or both of these penalties jointly. In addition, the PFSA may impose a cash penalty of up to three times the amount of the profits gained or losses avoided because of the infringement, where such can be determined.

Inside information

Under the MAR, inside information is:

- (a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;
- (b) in relation to commodity derivatives, information of a precise nature which has not been made public relating, directly or indirectly, to one or more such derivatives or relating directly to the related spot commodity contract and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this information is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the EU or national level, market rules, a contract, practice or custom, on the relevant commodity derivatives markets or spot markets;
- (c) in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public relating, directly or indirectly, to one or more such instruments and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments; and
- (d) for persons charged with the execution of orders concerning financial instruments, also information conveyed by a client and relating to the client’s pending orders concerning financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments and which, if it were

made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts or on the price of related derivative financial instruments.

Information shall be deemed to be of a precise nature if it indicates a set of circumstances that exists or that may reasonably be expected to come into existence, or an event that has occurred or that may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments, related spot commodity contracts or auctioned products based on emission allowances. In this respect, in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, such future circumstances or future event, and also the intermediate steps of that process which are connected with bringing about or resulting in such future circumstances or such future event, may be deemed to be precise information. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information.

Moreover, for the purposes of defining inside information, information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

Insider trading

Using inside information, recommending that another person use inside information or illegally disclosing inside information is prohibited. Anyone who possesses inside information as a result of: (i) being a member of the administrative, management or supervisory bodies of a company or other entity; (ii) having an interest in the share capital of the company or another entity; (iii) having access to the information through the exercise of an employment relationship, a profession or duties; or (iv) being involved in criminal activities; and (v) circumstances other than those referred to above, if such person knew or should have known that it was confidential information, is prohibited from using such information.

Insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered to be insider dealing.

Any person that engages or attempts to engage in insider trading in violation of the law may be found guilty of an offence punishable by imprisonment, a fine or both. The maximum fine that can be imposed is PLN 5,000,000, the length of imprisonment ranges from three months to five years.

Recommending that another person engages in insider dealing, or inducing another person to engage in insider dealing, arises where a person possesses inside information and: (i) recommends, on the basis of that information, that another person acquires or disposes of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal; or (ii) recommends, on the basis of that information, that another person cancels or amends an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment.

Unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to another person, except where the disclosure is made in the normal exercise of employment, a profession or duties.

Any person that: (i) recommends that another person engage in insider trading or that induces another person to engage in insider trading; or (ii) unlawfully discloses inside information in violation of the law may be found guilty of an offence punishable by imprisonment, a fine or both. The maximum fine that can be imposed is PLN 2,000,000, whereby the maximum length of imprisonment is 4 years.

An issuer shall inform the public as soon as possible of inside information that directly concerns that issuer.

If an issuer fails to comply with or improperly complies with its obligations in terms of public disclosure of inside information, the PFSA may issue a decision on the exclusion of securities from trading on the regulated market or, if the issuer's securities are introduced to trading in an alternative trading system – a decision on the withdrawal of those securities from trading in that system or the imposition of a cash penalty of up to PLN 10,364,000 or a sum being the equivalent of 2% of the total annual revenue as shown in the most recent audited financial statements for the financial year, if greater than PLN 10,364,000, or apply both sanctions jointly. If it is possible to determine the amount of the achieved benefit or the avoided loss by the issuer as a result of a breach of the above-mentioned requirements, the PFSA may impose a cash penalty of up to three times the value of the achieved benefit or avoided loss.

With respect to the regulations concerning administrative sanctions under the MAR, please see also “*Polish Securities Market Regulations and Obligations Related to the Acquisition and Disposal of Shares – The Act on Trading in Financial Instruments and the MAR – Manipulation*”.

Obligations Related to the Purchase or Sale of Shares During Restricted Periods

Persons discharging managerial responsibilities for an issuer may not trade on their own account or for the account of a third party during a closed period, directly or indirectly, with respect to the shares or debt instruments of such issuer or to derivatives or other financial instruments linked thereto.

A person discharging managerial responsibilities within an issuer is a person who is: (i) a member of the administrative, management or supervisory body of that issuer; or (ii) a senior executive who is not a member of the bodies referred to in point (i) and who has regular access to inside information relating directly or indirectly to that entity and the power to take managerial decisions affecting the future developments and business prospects of that issuer.

A person closely associated means: (i) a spouse or a partner considered to be equivalent to a spouse in accordance with national law; (ii) a dependent child, in accordance with national law; (iii) a relative who has shared the same household for at least one year on the date of the transaction concerned; or (iv) a legal person, trust or partnership the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in points (i) – (iii) which is directly or indirectly controlled by such person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

Under the MAR, a closed period is the period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is required to make public according to: (i) the rules of the trading venue where the issuer's shares are admitted to trading; or (ii) national law.

Any breach of the prohibition on executing transactions during closed periods is subject to a cash penalty of up to PLN 2,072,800. If it is possible to establish the sum of the benefits achieved or losses avoided as a result of the breach, instead of the above-mentioned cash penalty, the PFSA may impose a cash penalty of up to three times the value of the achieved benefits or avoided losses. If the issuer permitted a person discharging managerial responsibilities to execute a transaction during any closed period in violation of the law, the PFSA may impose a cash penalty on the issuer of up to PLN 4,145,600.

Warsaw Stock Exchange

The Polish financial instruments exchange market is operated by the Warsaw Stock Exchange. The WSE runs its business pursuant to applicable laws, including the Act on Trading in Financial Instruments and its internal regulations, including the articles of association of the WSE and the WSE Rules.

The exchange market operated by the WSE constitutes a regulated market for the purposes of the relevant regulations of EU law and the Act on Trading in Financial Instruments. Moreover, the WSE organises and operates an Alternative Trading System which is a non-regulated market. The exchange market operated by the WSE includes the main floor (the official stock exchange market) and the parallel market.

According to the WSE's website (www.gpw.pl), as at 23 November 2020, shares of 433 companies were listed on the WSE, including 49 foreign companies. The total capitalisation of the companies listed on the WSE amounted to PLN 988,429.81 million as at 23 November 2020.

As at the date hereof, the Company is not a public company and the rights and obligations listed below shall apply to the Company from the moment it becomes a public company.

Dematerialisation of Securities

Securities that are subject of a public offering within the territory of Poland or those subject to admission to trading on the regulated market in Poland cease to exist in certificate form upon their registration and thereafter exist only in book-entry form pursuant to an agreement with the NDS, the Polish deposit and clearing institution (i.e. the securities are dematerialized) except for securities offered to the public which will not be subject to admission to trading on the regulated market or introduced exclusively to an alternative trading system, which may keep their certificate form if the issuer so decides. Rights attached to such dematerialized securities arise and are vested upon their recording for the first time in the securities account of the holder of such account. Securities registered in omnibus accounts constitute an exception to the above rule – in such case, the holder of the account is not entitled to those securities. The person entitled to the securities registered in an omnibus account is the person indicated to the entity maintaining such account by the holder thereof as being entitled to a given number of securities. An agreement setting forth the obligation to transfer dematerialized securities conveys the title to such securities when the appropriate entry is made in the relevant securities account. With respect to securities held in an omnibus account, a depository certificate will be a document having identical wording to that of the depository certificate issued in Polish or in English by the holder of such account.

The entity maintaining the securities account, such as a brokerage house, custodian or custodian bank, will issue, at the request of the account holder, a separate registered depository certificate for each type of security registered in the account. The depository certificate confirms the powers to exercise the rights attached to the securities indicated therein that are not, or may not be, exercised exclusively on the basis of entries in the securities account, except to participate in the general meeting of the shareholders. Depository certificates may be issued by brokerage houses, banks conducting brokerage activities, trustee banks, foreign investment companies and foreign legal entities conducting brokerage activities in Poland,

the NDS and the NBP, provided that the relevant accounts are designated in a manner sufficient to identify the persons with whom the rights attached to the securities are vested.

From the moment of the issuance of a registered depository certificate, the securities, in the number indicated in the registered depository certificate, may not be traded until the end of the validity period of the registered depository certificate or until the certificate is returned to the issuer, whichever occurs first. During this period, the issuer of the registered depository certificate will lock up the appropriate securities in the account held by the entity requesting the issuance of the depository certificate. The same securities may be indicated in several registered depository certificates, provided that the purpose of the issuance of each of these registered depository certificates is different. In such case, information is also provided in individual registered depository certificates as regards the lock-up of the securities due to an earlier issuance of other registered depository certificates.

Rematerialization

The PFSA, at the request of a public company, grants consent to the withdrawal of shares from trading on the regulated market (i.e. the WSE) or an alternative trading system (delisting) following the satisfaction of the relevant conditions provided for in the Act on Public Offering.

The withdrawal of shares from trading repeals the effects of the admission of shares to trading on the regulated market or the introduction thereof to trading in an alternative trading system. In particular, following the delisting of the shares, the issuer thereof is no longer a “public company” within the meaning of the Act on Public Offering. This means that the issuer is no longer subject to the obligations specified in the sections of the Act on Public Offering regarding reporting obligations and significant blocks of shares in public companies. The delisting of the shares comes into effect upon the lapse of a deadline on no more than one month as stated in the decision pursuant to which the PSFA granted its consent.

It is permissible to submit a relevant request to the PFSA if the general meeting of a public company or another competent decision-making corporate body of such company, by a majority of nine-tenths of the votes cast in the presence of shareholders representing at least half of the share capital, adopted a resolution on the withdrawal of the shares from trading on the regulated market or on alternative trading system. A request for the convocation of an extraordinary general meeting and the inclusion of the adoption of a resolution regarding the delisting of the shares on the agenda thereof may be made by one or several shareholders representing at least one-twentieth of the share capital.

One or several shareholders demanding the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda are required to first announce a public tender for subscription for the sale of shares in such company by all the other shareholders. In the case of public companies the registered office of which is outside the territory of the Republic of Poland, the obligation to announce the above-mentioned public tender offer is applicable to shares that were acquired as a result of a transaction concluded on a regulated market (i.e. the WSE) or an alternative trading system within the territory of the Republic of Poland and simultaneously recorded in securities accounts maintained within such territory as at the end of the second day after the announcement of such tender offer. One or several shareholders demanding the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda may acquire shares in that company in the period between the submission of the request and the completion of the tender offer only by way of such tender offer. There is no obligation to announce a tender offer if the demand for the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda is made by all of the shareholders of a public company.

Following the delisting of the shares (as well as their exclusion from trading on the regulated market or an alternative trading system), the NDS deregisters such shares from the depository system operated thereby within 14 days from the day of their delisting (exclusion). As at the date of the above-mentioned deregistration of the shares, the agreement based on which such shares were registered with the depository system operated by the NDS is terminated.

Delisting might also occur by operation of law without the need to hold any general meeting or adopt any resolutions. Such is the case only if the issuer was declared insolvent by a court or a court refused to declare the issuer insolvent due to its funds being insufficient to cover more than the costs of the insolvency proceedings. In such situation, the shares will be delisted after the lapse of 6 months after the relevant court order (declaring the issuer insolvent or refusing to do so for the above-mentioned reasons) became final. After the lapse of such 6-month period, the issuer will be, by operation of law, no longer bound by the relevant obligations under the Act on Public Offering (see above).

Settlement

Under the current regulations, all transactions on the regulated market of the WSE are carried out on a delivery versus payment basis, with the transfer of rights to securities occurring upon settlement on a T+2 basis. In principle, each investor must hold a securities account and a cash account with an investment firm or an entity conducting depository activities in Poland, and each investment firm and entity conducting depository activities must hold relevant accounts (*konta and rachunki*) with the NDS and a primary cash account with a settlement bank. Entities authorised to maintain securities accounts may also maintain, within the scope of a security deposit or a securities registration system maintained by the NBP, which are known as omnibus accounts, i.e. accounts in which it is possible to register dematerialized securities that are not owned by the persons for whom such accounts are maintained, but which are owned by another person or persons. Omnibus accounts may be maintained exclusively for the entities listed in the Act on Trading in Financial Instruments.

In accordance with the rules and regulations of the WSE and the NDS, KDPW CCP S.A., a subsidiary of the NDS, is required to arrange, based on a list of transactions provided by the WSE (compiled post-session), the settlement of transactions effected by WSE members. In turn, WSE members coordinate the settlement with the investors on whose account the transactions were executed.

Stock Exchange Trading Mechanisms

Pursuant to the WSE Rules, WSE sessions are held regularly from Monday to Friday from 8:30 a.m. to 5:05 p.m. Warsaw time, unless, in particularly justified cases, the management board of the WSE decides otherwise.

Quotations are made in two systems: in a continuous trading system or in a single-price system (with two auctions per day). In addition, for large blocks of securities, so-called block transactions outside of the public order book in the continuous trading system or a single-price system are possible.

Information as to price, trading volume and any specific rights (pre-emption or dividend rights) attached to the relevant securities is available on the WSE's official website at www.gpw.pl.

Brokerage commissions in Poland are not fixed or approved by the WSE or other regulatory bodies and are set by the brokerage house executing the transaction. There is a fixed catalogue of payments that investment firms might collect in relation to rendering brokerage services but accepting funds from recipients of such services (or their representatives) is permitted without additional restrictions. Note that in the case of brokerage services offered in a bundle, investment firms are required to state whether it is possible to purchase individual services separately and, if yes, on what individual conditions.

The Antimonopoly Act

Competition and Consumer Protection Act

In accordance with Article 13 of the Competition and Consumer Protection Act, the President of the UOKiK needs to be notified of an intended concentration if the following conditions are met:

- (a) the combined worldwide annual turnover of the undertakings participating in the transaction exceeded EUR 1 billion in the preceding financial year; or
- (b) the combined turnover generated in Poland by the undertakings participating in the transaction exceeded EUR 50 million in the preceding financial year.

Pursuant to Article 13 section 2 of the Competition and Consumer Protection Act, a concentration constitutes: (i) a merger of two or more independent undertakings; (ii) a takeover of control (direct or indirect) over one or more undertakings by one or more undertakings; (iii) an establishment of a joint undertaking (regardless of whether or not it will permanently perform all of the functions of an independent undertaking); or (iv) an acquisition by one undertaking of part of the assets of another undertaking (the whole or part of the undertaking), where the turnover of the assets in Poland exceeded the equivalent of EUR 10 million in any of the two preceding financial years.

Pursuant to Article 16 sections 1 and 3 of the Competition and Consumer Protection Act, the relevant turnover covers the turnover of: (i) undertakings directly participating in the concentration; (ii) other undertakings within the capital groups of such undertakings; (iii) undertakings over which the undertakings referred to in (i) and (ii) above exercise control jointly with any other undertaking or undertakings – in proportion to the number of undertakings exercising control; and (iv) undertakings which jointly control the capital group of the undertakings that directly participates in the concentration – on a pro rata basis to the number of undertakings exercising control. However, in the event of an acquisition of control, the relevant turnover on the seller's side only includes the target's turnover (and the entities solely or jointly controlled by the target), i.e. it no longer includes the seller's entire capital group. Also, in the event of an acquisition by one undertaking of the assets of another undertaking, the relevant turnover on the seller's side only includes the turnover generated by such assets.

According to Article 18 of the Competition and Consumer Protection Act, the President of the UOKiK will approve a concentration if the concentration is not expected to significantly impede market competition, in particular by creating or strengthening a dominant market position.

The provisions of the Competition and Consumer Protection Act apply not only to entrepreneurs (undertakings) as defined in the Entrepreneurs' Law dated 6 March 2018 (the "**Entrepreneurs' Law**"), but also, for example – pursuant to Article 4 (1) of the Competition and Consumer Protection Act – to natural persons who have control within the meaning of the Competition and Consumer Protection Act over at least one undertaking, even if such person does not conduct business activity within the meaning of the Entrepreneurs' Law, provided that such person takes further action which is subject to concentration control within the meaning of the Competition and Consumer Protection Act.

In the Competition and Consumer Protection Act, taking over control is understood as any form of the direct or indirect acquisition of rights by an undertaking, which rights, individually or jointly, taking into account all legal or factual

circumstances, enable the exercising of decisive influence on another undertaking or other undertakings. Such rights arise in particular from:

- (c) holding directly or indirectly a majority of the votes at a meeting of the shareholders or a general meeting, also as a pledgee or usufructuary, or on the management board of another entrepreneur (subsidiary entrepreneur), also pursuant to arrangements made with other persons;
- (d) the power to appoint or recall a majority of the members of the management board or supervisory board of another entrepreneur (subsidiary entrepreneur), also pursuant to arrangements made with other persons;
- (e) having members of one's management board or supervisory board accounting for more than one-half of the management board members of another entrepreneur (subsidiary entrepreneur);
- (f) holding, whether directly or indirectly, a majority of the votes in a subsidiary partnership or at a general meeting of a subsidiary cooperative, also pursuant to arrangements made with other persons;
- (g) holding the legal title to all or part of another entrepreneur's (subsidiary entrepreneur's) assets; and
- (h) any contract that provides for the management of another entrepreneur (subsidiary entrepreneur) or for the transfer of profit by such entrepreneur.

Pursuant to Article 14 of the Competition and Consumer Protection Act, acquisition of control over one or more undertakings is not subject to notification if the turnover of the undertaking to be acquired did not exceed the equivalent of EUR 10 million in Poland in either of the two financial years preceding the notification. Concentrations consisting of the merger of undertakings or the establishment of a joint venture are not subject to notification if none of the capital groups of the parties to the concentration generated more than EUR 10 million in Poland in either of the two years preceding the notification. If the concentration involves both the acquisition of control and the acquisition of assets from the same seller, the EUR 10 million threshold applies to the combined turnover of the target (and the entities controlled by the target) and the acquired assets. However, if at the same time or during a period not exceeding two years:

- (a) the acquisition of control over at least two undertakings belonging to the same capital group takes place, the turnover referred to in Article 14 must include the total turnover of all those undertakings, as well as their subsidiaries;
- (b) an undertaking acquires a part of the assets of another undertaking or undertakings belonging to the same capital group, the turnover referred to in Article 13 section 2 point 4 must include the total turnover achieved by all such acquired assets; or
- (c) control over one or more undertakings belonging to one capital group is taken and part of the assets of an undertaking or undertakings belonging to this capital group are acquired, the turnover referred to in Article 14 must include the total turnover of all of the undertakings and the turnover generated by the parts of the assets acquired.

Furthermore, pursuant to Article 14 of the Competition and Consumer Protection Act, an intended concentration need not be notified if: (a) the concentration consists of the temporary acquisition or subscription for shares by a financial institution with a view to reselling them, provided that such institution invests in other undertakings' shares for its own or a third party's account as part of its business activity and the shares will be resold within one year from their acquisition or subscription, and on further condition that: (i) the institution does not exercise the rights attached to the shares, save for the right to a dividend, or (ii) the institution exercises such rights exclusively for the purpose of preparing the sale of the whole or part of the undertaking, its assets or the shares; (b) the concentration consists of the temporary acquisition or subscription for shares by an undertaking for the purpose of securing receivables, provided that the undertaking does not exercise the rights attached to such shares, save for the right to sell the shares; (c) the concentration takes place as part of bankruptcy proceedings, except where the undertaking intending to take over control is a competitor of, or is a member of the same capital group as competitors of, the undertaking to be acquired or the undertaking whose property is to be acquired; and (d) the concentration concerns undertakings from the same capital group.

Article 15 of the Competition and Consumer Protection Act provides that a concentration effected by a subsidiary undertaking is deemed a concentration effected by the parent undertaking.

Pursuant to Article 97 Section 1 of the Competition and Consumer Protection Act, undertakings subject to an obligation to submit a notification must refrain from implementing a concentration until the President of the UOKiK issues a decision approving the concentration or until the deadline by which such decision should be issued passes.

According to Article 98 of the Competition and Consumer Protection Act, the execution of a public offer to purchase or exchange shares of which the President of the UOKiK has been notified does not constitute an infringement of the statutory obligation to refrain from implementing a concentration if the acquirer does not exercise the voting rights attached to the acquired shares or does so exclusively in order to maintain the full value of its equity investment or in order to prevent substantial damage which could affect the undertakings participating in the concentration.

Pursuant to Article 106 section 1 point 3 of the Competition and Consumer Protection Act, if an undertaking fails to notify or completes, even if unintentionally, a transaction before receiving clearance from the President of the UOKiK, the President of the UOKiK can issue a decision to impose a fine of up to 10% of the turnover of this undertaking (not its entire group) obtained in the financial year preceding the year in which the fine is imposed. In addition, according to Article 108 section 1 point 2 of the Competition and Consumer Protection Act, the President of the UOKiK may issue a decision to impose a fine on a manager or a member of a managing body of an entrepreneur in the amount of up to 50 times their average remuneration if this person intentionally or unintentionally fails to notify a concentration or implements it without the President of the UOKiK's consent.

EU Concentration Control

The requirements regarding the control of concentrations also arise from Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the FC Merger Regulation) (the “**Concentration Control Regulation**”). This regulation governs concentrations having an EU dimension and therefore applies to undertakings and their related parties that exceed specific thresholds of sales of goods and services. The Concentration Control Regulation only covers such concentrations in which a change of control on a lasting basis results from: (i) the merger of two or more previously independent undertakings or parts of undertakings; or (ii) the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings.

A concentration having an EU dimension is subject to the notification of the European Commission, which must issue a merger clearance before the final implementation of such concentration.

Under the Concentration Control Regulation, a concentration between undertakings has an EU dimension if:

- the combined aggregate worldwide turnover of all of the undertakings concerned amounts to more than EUR 5 billion; and
- the aggregate turnover in the European Union of each of at least two undertakings concerned amounts to more than EUR 250 million,

unless each of the undertakings concerned achieves more than two-thirds of its aggregate turnover in the European Union within one and the same Member State.

A concentration of undertakings that does not satisfy the above criteria also has an EU dimension if:

- the combined aggregate worldwide turnover of all of the undertakings concerned amounts to more than EUR 2.5 billion;
- in each of at least three Member States, the combined aggregate turnover of all of the undertakings concerned amounts to more than EUR 100 million;
- in each of at least three Member States, specified for the purpose of point b), the aggregate turnover of each of at least two of the undertakings concerned amounts to at least EUR 25 million; and
- the aggregate turnover in the European Union of each of at least two of the undertakings concerned amounts to more than EUR 100 million,

unless each of the undertakings concerned achieves more than two-thirds of its aggregate turnover in the European Union in one and the same Member State.

In specific cases, a concentration not having an EU dimension may be, in accordance with the Concentration Control Regulation, referred to the Commission for merger clearance.

A concentration of which the European Commission is notified and which is cleared under the Concentration Control Regulation is not subject to clearance from the President of the UOKiK.

Czech Capital Markets Regulations

The Company will be subject to certain securities and capital market regulations applicable in the Czech Republic, in particular with respect to disclosure information. In relation to some of the requirements arising under these regulations, the Company will also be subject to supervision by the CNB and the PSE.

The Czech securities market is governed by a wide range of laws and regulations, including the directly applicable EU legislation, and Czech laws and regulations which often implement the relevant EU legislation. The key laws and regulations relevant to the Czech equities market are, in particular, (i) the Czech Act No. 256/2004 Coll., on conducting business on the capital market, as amended (the “**Czech Capital Markets Act**”), (ii) Czech Act No. 15/1998 Coll., on supervision on capital markets, as amended, (iii) Rules of the CSD; and (iv) Rules of the PSE.

Scope and Timing of Ongoing Disclosure

An issuer of securities admitted to trading on a regulated market of the PSE is required to comply with certain disclosure obligations towards investors, the PSE and the CNB. These duties result primarily from the Czech Capital Markets Act and the rules of the PSE. The fulfilment of these obligations is supervised by the CNB as well as by the Prague Stock Exchange.

Disclosure obligations comprise mainly:

- mandatory publication of regulated information (information that the issuer has to publish pursuant to the Czech Capital Markets Act (the “**Regulated Information**”)); and
- additional disclosure obligations owed towards the PSE under the applicable PSE rules.

In performing its disclosure obligations, an issuer has to apply the principle of equal treatment to all owners of the respective securities which have the same standing and which are admitted to trading on a regulated market. The Regulated Information is published either on a regular basis or on an ad hoc basis, depending on the nature of the information in question. An issuer of shares listed on a regulated market is obliged to publish a stand-alone annual report and a consolidated annual report within four months after the end of the relevant accounting period. Such annual report must be publicly accessible (typically on a web page) for at least 10 years. The annual report must contain audited financial statements (*účetní závěrka ověřená auditorem*) and other information as set out by the Czech Capital Markets Act. Such an issuer must further publish a stand-alone semi-annual report or a consolidated semi-annual report (in case such an issuer is required to consolidate its financial statements) within three months after the end of the first six months of the relevant accounting period. Such semi-annual report must be publicly accessible (typically on a web page) for at least 10 years. The semi-annual report must contain information set out by the Czech Capital Markets Act.

The Czech Accounting Act requires that an issuer of listed securities prepares financial statements in accordance with IFRS and that the annual and extraordinary financial statements of the issuer are audited. The Czech Act on Auditors requires that an issuer of listed securities establishes an audit committee.

In accordance with the Czech Capital Markets Act, an issuer of shares listed on a regulated market is also obliged to publish on an ad hoc basis changes of rights associated with shares.

In addition, the Czech Capital Markets Act sets out further obligations on the part of such an issuer in relation to informing its shareholders in connection with the convening of, voting on and the agenda of a General Meeting.

Apart from the above disclosure obligations, such an issuer must submit to the PSE and the CNB any proposed decrease or increase of its registered share capital or any changes of the rights attached to the shares without undue delay.

The Regulated Information is published on the issuer’s website and submitted to the official Central Storage of Regulated Information (*Centrální úložiště regulovaných informací*) operated by the CNB and accessible online, as well as to the PSE.

In addition to the Regulated Information, an issuer of shares listed on the Prime Market is obliged to submit to the PSE without delay all information necessary for the protection of investors and the operation of the securities market under the rules of the PSE, including in particular:

- a calendar indicating fulfilment of reporting obligations;
- preliminary financial results of the issuer in relation to all or selected indicators from the balance sheet and profit and loss statement;
- annual and annual consolidated, semi-annual or semi-annual consolidated (where obligatory) and interim quarterly reports;
- information about compliance with any corporate governance code;
- information and comments about the issuer’s business results and changes in the issuer’s financial situation or other facts during the financial year;
- information about the convocation of ordinary and extraordinary General Meetings, minutes of regular and extraordinary General Meetings, the pay-out of dividends, the issuance of new shares, the exercising of rights from convertible or priority bonds and the exercising of subscription rights and minutes of meeting;
- a draft resolution for an increase or decrease of registered capital, where relevant;
- any changes in the issuer’s record in the public register;
- information about changes to the members of a statutory body, members of supervisory bodies and the most senior managers of the issuer;
- information about any decision taken in the issuer’s General Meeting to delist the shares from a stock exchange;
- information on changes to rights relating to the shares;

- information required for the protection of investors or for securing the smooth functioning of the market (e.g. legal and commercial disputes, new patents and licenses, closure or cancellation of new contracts, appointment of a new auditor, etc.);
- information about shareholder structure; and
- information about shares held by the issuer in other entities.

The PSE publishes the information provided by the issuers within their reporting obligations.

Takeover Rules

The relevant conflict of laws provisions of the Takeover Directive, implemented into Czech law through an amendment to the Czech Takeover Act, provide that if the securities of the offeree company (i.e. the company the securities of which are the subject of a bid) are admitted to trading on a regulated market in the Member State in which the company has its registered office, the authority competent to supervise the bid shall be that of the Member State in which the offeree company has its registered office.

The competent authority in the Czech Republic is the CNB.

Mandatory Takeover Bids

In compliance with the Czech Takeover Act, if a person acquires a share in the Company's voting rights that corresponds to no less than 30% of all votes attached to the Company's Shares and becomes a controlling person, such person is required to make, within 30 days of the date following the date of acquiring or exceeding such a share, a mandatory takeover bid to all owners of the Shares. This rule applies also to persons acting in concert.

The consideration offered for the Shares by the offeror must equal or exceed the premium price, being the highest price paid for the Shares by the offeror (or by persons acting in concert with it) in the last 12 months and reflecting all monetary and non-monetary considerations paid or given for the acquisition of these Shares, including all benefits provided in this respect. If there is no premium price, the consideration must equal or exceed the weighted average price of the Shares on the PSE for the last six months. The consideration may be in cash, shares or combination of both.

Mandatory takeover bids cannot be made without the consent of the CNB with a publication of an offer document. The Czech Takeover Act sets out conditions under which the CNB may change the consideration offered by the offeror. Anyone who has accepted the mandatory takeover bid and deems the consideration unfair has the right to claim before a court the difference between the price paid on the basis of the mandatory takeover bid and the fair price (the court decision ordering payment of such difference is binding with respect to all Shareholders having accepted the mandatory takeover bid). The court is not bound by the decision of the CNB on the amount of consideration.

The person who fails to perform the obligation to make a takeover bid (and the persons acting in concert) may not exercise voting rights in the Company until the obligation is met.

Mandatory Disclosure During Takeover Bid

Under the Czech Takeover Act, persons who are interested in the outcome or running of the takeover bid, in particular any shareholders of at least 5% of the target's securities, the bidder, cooperating persons, the target, and persons forming a group of companies with the target must report to the CNB without undue delay following the announcement of an intention to launch a takeover bid, any acquisition or sale of the target's securities or options for these securities or securities being offered as consideration by the bidder.

Voluntary Takeover Bid

In case an offeror makes a voluntary public offer to buy the Shares with the intention to gain control in the Company, such voluntary takeover bid must be in accordance with the relevant rules of the Czech Takeover Act and the Czech Companies Act. The offeror must submit the bid document to the CNB, which has a power to prohibit the offer. The minimum period for which the bid is effective is four weeks from the date of publication of the bid document.

Prague Stock Exchange

Introduction

The PSE was founded in 1993 as a successor to the Prague Commodities and Stock Exchange. The PSE is a member of the CEE Stock Exchange Group, which also includes the Vienna Stock Exchange. In 2019, the aggregate trading volume of the PSE for equity and debt instruments, as well as structured products, was CZK 642.5 billion. The monthly value of exchange trades in shares on the PSE in 2019 ranged from approximately CZK 39.2 billion to 60.223 billion.

The PSE is one of two operators of regulated markets within the meaning of MiFID II (as implemented in the Czech law particularly by the Czech Capital Markets Act) for trading in shares in the Czech Republic, the other operator of regulated markets being RM-SYSTÉM, česká burza cenných papírů, a.s. In the Czech Republic, shares may also be traded outside the regulated markets in over-the-counter transactions or multilateral trading facilities ("MTF"). The PSE operates the most prestigious securities market in the Czech Republic (as regards the volumes of trades) for trading in shares and bonds.

Organization

The PSE (*Burza cenných papírů Praha, a.s.*) is a Czech private joint stock company based on a participant principle: only participants of the PSE (which includes both foreign and domestic licensed brokers and banks) may trade directly on the PSE, either on their own account or for the account of their clients. Non-participants may trade on the PSE only through a participant. Further, the CNB and the Ministry of Finance of the Czech Republic may trade on the PSE directly.

The supreme body of the PSE is the General Meeting. The General Meeting elects members of the Exchange Chamber which is the statutory body of the PSE and the Supervisory Board which supervises the Exchange Chamber. The Listing Committee of the PSE accepts securities for trading and is involved in supervision of compliance with the PSE regulations. The Trading Committee of the PSE has competence in the field of initiatives and suggestions relating to trading. Further, the PSE is divided into several departments. The exercise of supervision over the PSE belongs to the CNB.

For trading in shares, the PSE operates a regulated market divided into two segments: the Prime Market and the Standard Market. In addition to these two segments, the PSE also operates exchange-regulated multilateral trading facilities (MTF) called Start Market and Free Market. To be traded on a specific market, certain non-statutory criteria must be met in addition to the statutory listing criteria. As of the date of this Prospectus, 11 companies were listed on the Prime Market, six companies were listed on the Standard Market, six companies were listed on the Start Market and 31 companies were listed on the Free Market.

Rules and Regulations Applicable to the PSE

Activities on the markets regulated by the PSE are subject to numerous internal rules and regulations. These encompass trading rules, participant rules, conditions for the admission of shares for trading on the particular market, rules of the particular market, exchange fees, etc. As long as the Shares will be listed on the PSE's Prime Market, the Company will be obliged to comply with the applicable provisions of the Czech Capital Markets Act and the applicable PSE rules, particularly the Conditions for the Admission of Shares for Trading on the Prime Market of the Exchange and the Trading Rules, and any additional rules which may be introduced by the PSE in the future. The PSE's Listing Committee decides whether to admit a security to trading on the Prime Market and has some discretion to deviate from the admission requirements described above.

Trading and Settlement

The trading on the PSE is carried out in the single auctions regime, continuous trading regime, continuous auction regime or in block trades, in each case through the automated trading system XETRA T7, a technological platform for organized trading in securities. Fees set out by the PSE apply to individual transactions in shares; such fees also include fees for settlement by the CSD. Brokerage firms operating in the Czech Republic have an obligation to report to the CNB all transactions in securities admitted to trading on the PSE.

An important entity related to the PSE is the CSD, a joint stock company wholly owned by the PSE. The CSD started operating as the central securities depository in July 2010 when it took over the registry from the Czech Securities Registry (*Středisko cenných papírů*); and is a member of the European Central Securities Depositories Association (ECSDA). The key services provided by the CSD are the maintenance of the central evidence of book-entry securities and the settlement of all transactions executed on the PSE. The CSD settles both exchange and over-the-counter trades in securities concluded at the PSE, and the settlement occurs on the second day after the trade date. The CSD operates on a participant principle; the services connected with the maintenance of securities and the settlement of trades are provided through the participants of the CSD.

Suspension of Trading or Exclusion From Trading by the PSE

As long as the Shares will be listed on the PSE Prime Market, the PSE shall be entitled to suspend the trading in the Shares or exclude them from trading on the regulated market if they do not meet the conditions for admission to trading set out by both the Czech Capital Markets Act and the applicable PSE rules or the rules of trading on the regulated market or in case information duties regarding the Shares are not performed. However, the PSE must not suspend the trading nor exclude the Shares in case it would cause serious danger to interests of investors or the proper functioning of the market. The decision on suspension of the trading or exclusion from the trading is issued by the General Director of the PSE. The trading in the Shares is ceased or suspended on the day stated in the resolution on exclusion from trading or suspension of trading.

Resolution on Delisting by the Company

Under the Czech Companies Act, the General Meeting of the Company may resolve on delisting the Company's Shares from trading on a regulated market by a resolution adopted by at least three-fourth majority of the votes of the Shareholders present at the General Meeting which own the relevant securities. The Board of Directors must promptly notify the CNB and the PSE about the resolution on delisting and must publish it in the same manner as in the case of the convening of the General Meeting.

Within 30 days from the resolution on delisting, the Company must make a mandatory public bid pursuant to the Czech Companies Act to purchase the Shares from the Shareholders who did not vote for the delisting (unless the Shares are also traded on another European regulated market on which the company performs its information duty under the Czech Capital

Markets Act or similar national laws of the EEA member state). The purchase price in the bid must be fair and the bid is subject to the CNB's approval. The Shareholders who deem the price unfair have a right to claim before a court the difference between the price paid on the basis of the mandatory public bid and the fair price (the court decision ordering payment of such difference is binding with respect to all Shareholders that did not vote for the delisting).

The Shareholders who voted for the delisting must purchase from the Company the Shares which the Company acquired pursuant to the public bid unless the Company may sell the Shares under more preferable conditions. The Shareholders must buy those Shares within 3 months from the date of acquisition of those Shares by the Company and the price is increased by interest common at the time of public bid.

In case the Company fails to make the bid, the Shareholders may request a Czech court to order the conclusion of a share purchase agreement by the Company with respect to the Shares, or claim damages.

Procedure in Case of Voluntary Delisting from Standard Market of the PSE

In case that the Company resolves on the delisting from the regulated market (see “–*Resolution on delisting by the Company*”), then the PSE shall exclude the Shares from trading on the Standards Market upon request or notice by the Company if the conditions for the delisting under the applicable law are fulfilled.

In order to do so, the following documents must be presented to the PSE for the purposes of the delisting: (i) a proof of adopting the resolution on delisting in compliance with applicable laws, (ii) proof of making the mandatory public bid by a the Company to purchase its Shares and purchasing the Shares thereunder, and (iii) other documents that may be requested by law.

Short selling

The practice of naked short selling of shares listed on the PSE and off-market short selling of such shares is prohibited by virtue of the Regulation on Short Selling. The CNB must be notified of significant net short positions in shares listed on the PSE. The significant net short positions must also be disclosed to the public. Some transactions are exempt, for example any sales under a repurchase agreements, transfers of shares under securities lending agreements or futures contracts or other derivative contracts.

Foreign investment and exchange controls

In general, apart from certain specific cases, such as those listed below, the flow of capital into and from the Czech Republic is not restricted. Certain restrictions are imposed by the EU and the UN Security Council on organizations, persons and entities in specific countries. Under the Czech Constitutional Act No. 110/1998 Coll., on Security of the Czech Republic, as amended, the Czech Government may declare a state of emergency upon occurrence of natural disasters, environmental or industrial accidents, other accidents or other dangers which, to a significant extent, endanger lives, health or property values or internal order and security. If a state of emergency is declared, the Czech Government is authorized under the Czech Crisis Act to set certain restriction on the flow of capital in and out of the Czech Republic including, among others, the restrictions of:

- acquiring foreign currencies, securities issued by an issuer residing outside the Czech Republic and derivatives thereof for the Czech currency;
- making payments from the Czech Republic to abroad, including payments between payment services providers and their branches;
- depositing funds in foreign accounts; or
- sale of securities issued by an issuer residing in the Czech Republic to persons residing outside the Czech Republic.

Such an emergency may be declared for a maximum period of 30 days unless prolonged by the approval of the Chambers of Deputies of the Parliament of the Czech Republic.

TAXATION

This information is of a general nature and does not constitute an exhaustive analysis of the tax results related to the acquisition, holding or disposal of the Shares under Polish, Czech and Dutch tax laws. The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the investment in the Shares. Therefore, the investors should, in individual cases, consult their own tax, financial or legal advisers. The term "dividend" used below, as well as any other term applied in this information, shall have the meaning ascribed thereto under Polish, Czech and Dutch tax law, as applicable.

This is a general summary and the tax consequences as described here may not apply to a holder of Shares. This information should not be deemed to be tax advice and does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Shares.

Dutch Taxation

The following summary sets forth the material Dutch taxation matters and is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the ordinary shares, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) investment institutions (fiscale beleggingsinstellingen);
- (ii) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (iii) (corporate Shareholders which qualify for the participation exemption (deelnemingsvrijstelling) or would qualify for the participation exemption had the corporate Shareholders been resident in the Netherlands or which qualify for participation credit (deelnemingsverrekening). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;
- (iv) Shareholders holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Company and Shareholders of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with their partner (statutorily defined term), directly or indirectly, holds or is deemed to hold: (a) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company; (b) rights to acquire, directly or indirectly, such interest; or (c) certain profit-sharing rights in the Company;
- (v) persons to whom the ordinary shares and the income from the ordinary shares are attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001);
- (vi) Shareholders which are not considered the beneficial owner (uiteindelijk gerechtigde) of these ordinary shares or the benefits derived from or realised in respect of these ordinary shares; and
- (vii) individuals to whom ordinary shares or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Dividend Withholding Tax

Withholding requirement

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the Shares. Generally, the Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Shares. In the Dutch Dividend withholding tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from shares, which include:

- (i) direct or indirect distributions of profit, regardless of their name or form;
- (ii) liquidation proceeds, proceeds on redemption of the ordinary shares and, as a rule, the consideration for the repurchase of the ordinary shares by the Company in excess of its average paid-up capital recognised for Dutch dividend withholding tax purposes, unless a particular statutory exemption applies;

- (iii) the nominal value of ordinary shares issued to a holder of the Ordinary shares or an increase of the nominal value of the ordinary shares, insofar as the (increase in the) nominal value of the ordinary shares is not funded out of the Company's paid-up capital as recognised for Dutch dividend withholding tax purposes; and
- (iv) partial repayments of paid-up capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (zuivere winst), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the ordinary shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-up capital is recognised as capital for Dutch dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

Reduction of Share Capital

The Company's recognised capital for Dutch dividend withholding tax purposes (*fiscaal erkend kapitaal*) may be used by the Company to repay capital to Shareholders free of Dutch dividend withholding tax.

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, but only if proposed by the Board of Directors, and in compliance with Section 2:99 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by: (i) cancelling ordinary shares; or (ii) reducing the value of the ordinary Shares by amendment of the Articles of Association. For Dutch dividend withholding tax purposes, such repayment would not qualify as proceeds from shares and therefore not be subject to Dutch dividend withholding tax, if: (i) the General Meeting has resolved in advance to make such repayment; (ii) the nominal value of the ordinary shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association; and (iii) the repayment concerns paid-up capital that is recognised as capital for Dutch dividend withholding tax purposes.

Residents of the Netherlands

If a holder of ordinary shares is a resident or deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, Dutch dividend withholding tax which is withheld with respect to proceeds from the ordinary shares will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes.

Non-residents of the Netherlands

If a holder of ordinary shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax.

A refund of the Dutch dividend withholding tax is available to entities resident in another Member State of the EU, Norway, Iceland, or Liechtenstein provided: (i) these entities are not subject to corporate income tax there; (ii) these entities would not be subject to Dutch corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes; and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to entities resident in other countries, under the additional condition that: (i) the ordinary shares are considered portfolio investments for purposes of Article 63 (taking into account Article 64) of the Treaty on the Functioning of the EU; and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

Dutch Dividend Withholding Tax upon Redistribution of Foreign Dividends

The Company must pay to the Dutch tax authorities all Dutch dividend withholding tax it withholds on dividends it distributed with respect to the Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Dutch subsidiaries, provided that these dividends that the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Dutch dividend withholding tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- (i) 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and
- (ii) 3% of the gross amount of the dividends received during a certain period from the qualifying non-Dutch subsidiaries.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of ordinary shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate

income tax in respect of an enterprise to which the ordinary shares are attributable, income derived from the ordinary shares and gains realised upon the redemption, settlement or disposal of the ordinary shares are generally taxable in the Netherlands (at up to a maximum rate of 25%) (2020 rate).

If a holder of ordinary shares is an individual and is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the ordinary shares and gains realised upon the redemption, settlement or disposal of the ordinary shares are taxable at the progressive rates (at up to a maximum rate of 49.50%) (2020 rate) under the Dutch Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the ordinary shares are attributable or the individual has, other than as a Shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the ordinary shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the ordinary shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the ordinary shares, taxable income with regard to the ordinary shares must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the ordinary shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30% (2020 rate).

Non-Residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate income tax or Dutch individual income tax purposes, such person is not liable for Dutch income tax in respect of income derived from the ordinary shares and gains realised upon the redemption or disposal of the ordinary shares, unless:

- (i) the person is not an individual and such person: (a) has an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which permanent establishment or a permanent representative the ordinary shares are attributable; or (b) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the ordinary shares are attributable. This income is subject to Dutch corporate income tax at up to a maximum rate of 25% (2020 rate);
- (ii) the person is an individual and such individual: (a) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the ordinary shares are attributable; or (b) realises income or gains with respect to the ordinary shares that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands which include activities with respect to the ordinary shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*); or (c) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the ordinary shares are attributable.

Income derived from the ordinary shares as specified under (a) and (b) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50% (2020 rate). Income derived from a share in the profits of an enterprise as specified under (c) that is not already included under (a) or (b) will be taxed on the basis of a deemed return on income from savings and investments (as described under “—*Dividend Withholding Tax—Residents of the Netherlands*”).

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the ordinary shares by way of gift by, or on the death of, a holder of the ordinary shares, unless:

- (i) the holder of the ordinary shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the ordinary shares or in respect of a cash payment made in respect of a transfer of ordinary shares.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder solely in respect of or in connection with the subscription, issue, delivery or transfer of the ordinary shares.

Residence

A holder of ordinary shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these ordinary shares.

Polish Taxation

Income Earned on the Disposal of Securities by Individuals Who Are Polish Tax Residents

In accordance with Article 3, section 1 of the PIT Act, natural persons, provided that they reside within the territory of the Republic of Poland, are liable to pay tax on all of their income (revenue) regardless of the location of the source of revenues (unlimited tax obligation). A person is deemed to be “residing within the territory of the Republic of Poland” if: (i) such person’s center of personal or economic interests (the center of vital interests) is within the territory of the Republic of Poland; or (ii) such person stays within the territory of the Republic of Poland more than 183 (one hundred and eighty-three) days in any tax year.

The above-mentioned rules should be applied subject to the relevant double tax treaties to which the Republic of Poland is a party (Article 4a of the PIT Act). Such treaties may specifically contain a different definition of the term “residence” in respect of a natural person or further clarify the notion of “center of vital interests”.

In case of disposal by a Polish resident of property located in another country, the tax treaty between Poland and that country applies.

Pursuant to Article 30b section 1 of the PIT Act, income from the disposal of securities (including shares) or financial derivatives in exchange for consideration is taxed at a flat rate of 19%. Capital gains are calculated as the difference between the proceeds from the disposal of the securities (in principle, the value of the securities at the price set forth in a contract) and the tax-deductible costs (in principle, the expenditure related to the acquisition of these securities or their subscription); where the price of the securities expressed in the contract is without sound reason significantly different from its market value, the revenue from the disposal of securities in exchange for consideration will be determined by a tax authority in an amount that reflects their market value.

Capital gains arise at the moment of transferring to the buyer the ownership of the shares and securities.

Such income is not aggregated with income from other sources and is taxed separately.

If a taxpayer performs a gainful disposal of securities acquired at different prices and it is not possible to establish the purchase price of the securities disposed of, in determining the income from that disposal, the rule that every disposal refers to securities acquired on a first-in-first-out basis shall apply. The rule mentioned in the previous sentence shall apply separately to each securities account.

During the tax year individuals who earn capital gains are not required to make any income tax prepayment. Neither tax nor prepayment on the above-mentioned income is withheld by the tax remitters. However, after the end of a given tax year, which in the case of individuals is the same as the calendar year, taxpayers earning income from the disposal of securities in exchange for consideration are required to disclose such income in their annual tax return, calculate the due amount of tax and pay it to the account of the relevant tax office by the end of April of the year immediately following the tax year in which the disposal of securities in exchange for consideration was made.

In the case of a tax loss generated on the disposal of securities in a given tax year, such loss may decrease the income generated from such source (i.e. from the disposal of securities) for the next five (5) consecutive tax years. An individual may utilize in one year of this period an amount of the loss up to PLN 5 million and in the remaining years of that period the remaining amount of utilised loss cannot exceed 50% of the loss. A tax loss generated on the disposal of securities cannot be combined with tax losses generated by the taxpayer from other titles (sources of revenues).

The above regulations do not apply if the securities are sold as a result of the performance of any business activities as in such case the revenues from the sale of securities should be qualified as originating from the performance of such activities and should be settled pursuant to general terms.

Income Earned on the Disposal of Securities by Individuals Who Are Not Polish Tax Residents

In accordance with Article 3, section 2a of the PIT Act, individuals who do not reside within the territory of the Republic of Poland are required to pay tax exclusively on income (revenue) obtained within the territory of the Republic of Poland (limited tax liability). Pursuant to Article 4a of the PIT Act, the above-mentioned regulation is applied taking into account the double tax treaties to which the Republic of Poland is a party.

Income (revenue) earned in the territory of the Republic of Poland, means, in particular, inter alia, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

Individuals subject to limited tax liability who earn income from the disposal of securities in Poland should follow similar taxation rules governing the disposal of securities as specified above, save as otherwise stated in the relevant double tax treaties to which the Republic of Poland is a party. In light of Article 30b section 3 of the PIT Act, the application of a tax rate resulting from the appropriate double tax treaty or the non-payment of tax under such treaty is possible provided that the taxpayer proves his place of residence for tax purposes with a relevant certificate of tax residence. As a rule, if the place of residence for tax purposes was documented with a certificate of tax residence, the tax remitter applies such certificate for the period of twelve consecutive months from the date of issuance or, if a period of validity of the certificate results from its content, in such period of its validity. If within that period the place of residence of the taxpayer changes, the taxpayer is obliged document his/her place of residence for tax purposes with a new certificate.

Dividends and Other Income from a Share in the Profits of Legal Persons Earned by Individuals Who Are Either Polish Tax Residents or Are Not Polish Tax Residents

In accordance with Article 3, section 2a of the PIT Act, individuals who do not reside within the territory of the Republic of Poland are required to pay tax exclusively on income (revenue) obtained within the territory of the Republic of Poland (limited tax liability). Pursuant to Article 4a of the PIT Act, the above-mentioned regulation is applied taking into account the double tax treaties to which the Republic of Poland is a party.

Income (revenue) earned in the territory of the Republic of Poland, means, in particular, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

Individuals subject in Poland to limited tax liability who earn income from a share in the profits of a legal persons should follow similar taxation rules governing the dividends and other income from a share in the profits of a legal persons as specified above, save as otherwise stated in the relevant double tax treaties to which the Republic of Poland is a party. The tax rate resulting from Article 30a section 1 of the PIT Act is 19%, save for a lower rate resulting from relevant double tax treaty is applicable. The tax is in general remitted by a remitter which is in general a brokerage house or the company paying the dividend and, if the tax is so remitted, the individual has no obligation to report the dividend or other income from a Share for Polish tax purposes. In other case, the individual is obliged to submit a yearly PIT return and pay tax due till end of April of a following year.

However, in light of Article 30a section 2 of the PIT Act, the application of a tax rate resulting from the appropriate double tax treaty or the non-payment of tax under such treaty is possible provided that the taxpayer proves his place of residence for tax purposes with a relevant certificate of tax residence.

Income Earned on the Disposal of Securities by Corporate Persons Who Are Polish Tax Residents

Pursuant to Article 1 sections 1 and 2 of the CIT Act, corporate income tax is paid by legal persons, companies in organization and organizational entities that have no legal personality (except for companies that have no legal personality, provided that the CIT Act applies also to limited joint stock partnerships having their registered office or management board within the territory of the Republic of Poland).

In accordance with Article 3, section 1 of the CIT Act, taxpayers having their registered office or management board within the territory of the Republic of Poland are required to pay tax on all of their income, irrespective of the location of the source of revenues (unlimited tax liability).

In case of disposal by a Polish resident of property located in another country, the tax treaty between Poland and that country applies.

Gains on the disposal of securities by a corporate income taxpayer having its registered office or management board within the territory of the Republic of Poland are subject to taxation under the general rules stipulated in the CIT Act. Taxable income is the difference between the proceeds from the disposal of securities (in principle, the price of securities stated in the agreement) and the tax-deductible costs (in principle, the expenditure related to the acquisition of these securities or their subscription). If the sale price of the securities, without a justified reason, significantly differs from the market value thereof, capital gains may be determined by a tax authority at a level that reflects their market value. Income from the disposal of securities in exchange for consideration is aggregated with the income of the taxpayer earned from other sources to form the taxable base. Pursuant to Article 19, section 1 of the CIT Act, the income of a corporate income taxpayer is taxed at a rate of 19% of the taxable base (with exceptions to so called “small taxpayers” where tax rate is reduced to 9%).

In the case of income from the disposal of securities for consideration, taxpayers are required to settle the tax themselves as the tax is not collected by the entity that pays for the securities. Taxpayers are required to make prepayments during the tax year and settle the income tax in an annual income tax return (Article 27 section 1 of the CIT Act). The deadline for filing such tax return ends at the end of the third (3rd) month following the end of the tax year. The same deadline applies to the taxpayers’ obligation to pay the due tax.

Income Earned on the Disposal of Securities by Corporate Persons Who Are Not Polish Tax Residents

Pursuant to Article 3, section 2 of the CIT Act, taxpayers who do not have their registered office or management board within the territory of the Republic of Poland are required to pay tax exclusively on income earned within the territory of the Republic of Poland. Income (revenue) earned in the territory of the Republic of Poland means, in particular, income (revenue) from: (i) securities and financial securities which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets. Provisions of the CIT Act also apply to the income obtained on the territory of the Republic of Poland by the companies, which are unincorporated partnerships without legal personality with their registered office or management in another state, if they are treated as legal persons according to the tax legislation of that state and their entire income is taxable in that state, irrespective of where that income is earned (Article 1, section 3 point 2 of the CIT Act). Taxpayers subject to limited tax liability who earn income from the disposal of securities in Poland should follow similar taxation rules governing the disposal of securities as specified above, save as otherwise stated in the relevant double tax treaties to which the Republic of Poland is a party.

Dividends and Other Income from a Share in the Profits of Legal Persons Earned by Legal Persons Who Are Polish Tax Residents

As a rule, dividend income and other income from a share in the profits of legal persons is subject to taxation at a flat rate of 19% of the income earned. However, this rule is modified by the provisions of the relevant double tax treaty.

Pursuant to Article 20, section 3 of the CIT Act, income (revenues) from dividends and other revenues from participation in profits generated by legal persons, are tax exempt in Poland if all of the following conditions are satisfied jointly: (i) the payer of dividends and other revenue from share in the profits of legal persons is a company whose entire income, irrespective of where it is earned, is subject to income tax in a Member State of the European Union or another Member State of the European Economic Area other than the Republic of Poland; (ii) the recipient of income (revenue) from dividends and other revenue from share in the profits of legal persons as referred to in section (i), is a company that is an income tax payer and has its registered office or management in the territory of the Republic of Poland; (iii) a company as referred to in section (ii) directly holds no less than 10% of shares in the equity of a company as referred to in section (i); (iv) a company as referred to in section (ii) does not enjoy exemption from income tax on its entire income, irrespective of the sources from which the income is earned.

The exemption referred to above applies if the company gaining income (revenues) from dividends and other revenues from participation in profits generated by legal persons having their registered seat or management board within the territory of Poland has at least 10% shareholding in the company paying out dividends uninterruptedly for two years. The exemption also applies if the two year period of uninterrupted holding of shares in the required amount by a company generating income (revenues) from participation in profits generated by a legal person having its registered seat or management board within the territory of the Republic of Poland, ends after the date of obtaining such income (revenues). In the case of failure to satisfy the condition of holding shares in the required amount uninterruptedly for two years, the taxpayer shall be required to pay tax, including default interest, on the income (revenues) at 19% of income (revenues) by the 20th day of the month following the month in which it was deprived of the right of exemption. Interest is calculated as of the day following the day on which the taxpayer had first exercised the right to exemption.

In accordance with Article 20 section 15 of the CIT Act tax deduction and exemption referred to above apply: (i) if the shareholding referred to in Article 20 section 2 item 3, section 3 item 3 of the CIT Act is based on a title of ownership; (ii) with respect to income earned from shares held on the basis of a title of ownership or other than a title of ownership, provided exemption would apply to such income (revenue), if the shares were not transferred.

Moreover, the Article 20 section 3 of the CIT Act shall not be applied to dividends and other income (revenues) derived from shares in profit of legal persons, to the extent in which in the country of the company referred to in section 3 item 1 the amounts paid due to that are subject in any form to inclusion in tax-deductible expenses, deduction from income, taxable base, or tax of the company paying them.

The exemption does not apply if dividends or other amounts due on account of a share in the profits of legal persons are paid as a result of the paying company's liquidation.

According to Article 22b of the CIT Act, the above-referenced exemption under Article 20, section 3 of the CIT Act applies on the condition that there are legal grounds therefor under a double tax treaty or another ratified international agreement to which the Republic of Poland is a party, for the tax authority to obtain tax information from a tax authority of a state other than the Republic of Poland where the taxpayer has its registered seat or where the income was generated.

Pursuant to the Article 22c, section 1 of the CIT Act, Article 20, section 3 of the CIT Act does not apply, if income (revenue) from dividends and other revenues from the participation in profits of legal persons is earned in connection with the conclusion of an agreement or performance of another legal act or many related legal acts whose main objective or one of the main objectives was to obtain an income tax exemption under Article 20, section 3 of the CIT Act, and obtaining such exemption does not result only in the elimination of double taxation of such income (revenue), and the acts referred to in above are not real. For the purposes of Article 22c, section 1 of the CIT Act an agreement or other legal act is not real to the extent in which it is not performed for justified economic reasons. In particular, this refers to the situation where by the actions referred to in Article 22c, section 1 of the CIT Act, the ownership of shares in a company distributing dividends is transferred or the company earns revenue (income) which is then paid in the form of a dividend or in the form of other revenue from the participation in the profits of legal persons.

As a general rule, in case the above tax exemption cannot be applied, the entities that make dividend payments and other payments on account of sharing in the profits of legal persons are required, as tax remitters, to withhold a flat-rate income tax on the payment date.

Dividends and Other Income from a Share in the Profits of Legal Persons Earned by Legal Persons Who Are Not Polish Tax Residents

Pursuant to Article 3, section 2 of the CIT Act, taxpayers who do not have their registered office or management board within the territory of the Republic of Poland are required to pay tax exclusively on income earned within the territory of the Republic of Poland. Income (revenue) earned in the territory of the Republic of Poland means, in particular, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

Transfer Tax (Tax on Civil Law Transactions)

In light of Art. 1 section 1 point 1 intent a of the Tax on Civil Law Transactions Act, agreements for the sale and exchange of assets and property rights are subject to tax on civil law transactions. These transactions are taxable if their subjects are:

- assets located in Poland or property rights exercisable in Poland; and
- assets located abroad or property rights exercisable abroad if the purchaser's place of residence or registered office is located in Poland and the civil law transaction was executed in Poland.

As a rule, a sale of shares in companies with their registered offices in Poland is considered to be a sale of property rights exercisable in Poland and is subject to tax on civil law transactions at a rate of 1%, which is payable by the purchaser and must be settled within 14 days from the date on which the tax obligation arose (i.e. effectively from the date on which the sale agreement was concluded). The taxable base is the market value of the property or the property right. If the agreement is executed in the form of a notarial deed, then the tax must be remitted by the notary public. In principle, the tax liability is borne by the buyer in the case of a sale agreement and by the parties to the exchange in the case of an exchange agreement.

Moreover, pursuant to Art. 9 point 9 of the Tax on Civil Law Transactions Act, a sale of property rights being financial instruments: (i) to investment companies or foreign investment companies; (ii) effected with the intermediation of investment companies or foreign investment companies; (iii) effected through organised trading; or (iv) effected outside of organised trading by investment companies or foreign investment companies, provided that the financial instruments were acquired by those companies through organised trading, as defined in the Act on Trading in Financial Instruments, is exempt from tax.

Tax on Inheritance and Donations in Poland

Under Art. 1 section 1, in conjunction with Art. 2 of the Act on Tax on Inheritances and Donations, tax on inheritances and donations applies to natural persons acquiring property rights, including rights attached to securities, through an inheritance,

ordinary legacy, further legacy, legacy per vindication, bequest, donation or donor's order if the property rights are exercisable in Poland, or if the property rights were exercisable abroad and the heir or beneficiary was a Polish citizen or a permanent resident of Poland at the moment of succession or on the date of the donation agreement.

In light of Art. 7 section 1 of the Act on Tax on Inheritances and Donations, the tax base is the value of the acquired assets and property rights after deducting debts and encumbrances (net value) established according to the balance of assets and property rights on the acquisition date and the market prices on the date on which the tax obligation arose.

The rates of tax on inheritances and donations vary and are determined by the personal relationship between the heir and the testator or the donor and the donee. The tax rates grow progressively from 3% to 20% of the tax base, depending on the tax group in which the transferee qualifies. There is a tax-free amount defined for each of these groups.

If the agreement has the form of a notarial deed, the tax on inheritances and donations is collected and remitted by a notary public. If the tax is not remitted by the tax remitter, the taxpayer must file a tax return disclosing the acquisition of property rights within one month from the date on which the tax obligation arose (Art. 17a section 1 and 17a section 2 of the Act on Tax on Inheritances and Donations). The tax is payable within 14 days of receiving a decision assessing the amount of the tax liability to the taxpayer.

Under Art. 4a section 1 point 1 of the Act on Tax on Inheritances and Donations, the acquisition property rights (including securities) by a spouse, descendants, ascendants, stepchildren, siblings or stepparents is exempt from tax on inheritances and donations if they report the acquisition of assets or property rights to the head of the competent tax office within six months from the date on which the tax obligation arises or, in the event of an acquisition by inheritance, within six months of the date on which the court decision acknowledging the acquisition of the inheritance becomes legally binding. The aforementioned exemption applies if at the time of the acquisition the acquirer was a citizen of Poland or any other EU member state, a European Free Trade Association member state being a party to the EEA agreement, or a resident of Poland or such a state (Art. 4.4 of the Act on Tax on Inheritances and Donations).

Additionally, pursuant to Art. 3 section 1 of the Act on Tax on Inheritances and Donations, the acquisition of property rights (including securities) exercisable in Poland is not subject to this tax if, on the date of the acquisition, neither the acquirer nor the testator (or the donor) were Polish citizens, nor permanently resided or had their permanent place of residence or seat in the Republic of Poland

Remitter's Liability

Under Art. 30 of the Tax Code, a tax remitter that fails to fulfil its duty to calculate, withhold or pay tax is liable for the tax that has not been withheld or that has been withheld but not paid up to the total value of its assets. In principle, the tax remitter is not liable if separate provisions of law state otherwise or if the tax has not been withheld due to the taxpayer's fault. In such case, the relevant tax authority issues a decision concerning the taxpayer's liability and not the tax remitter's liability.

Mandatory Disclosure Rules

Poland, as the first EU Member State, transposed the Council of the European Union (EU) Directive 2018/822 of 25 May 2018 amending Directive 2011/16/EU with respect to the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.

The Polish MDR legislation has a much wider scope compared to the MDR Directive and includes an extended definition of reportable tax arrangements so that it comprises not only cross-border, but also domestic tax arrangements.

The new provisions are effective from 1 January 2019; however, with a retroactive effect based on the grandfathering rules.

In general, the Polish MDR legislation requires the reporting of cross-border tax arrangements in relation to which the first implementation step was made after 25 June 2018.

General Anti Abuse Rule

Any action (agreement, restructuring process, etc.) that is carried out mainly for the purpose of achieving a tax benefit and which is considered by the tax authorities as against the aims of the tax law and artificial does not give the suspected benefit. An artificial action is defined in general as an action which normally would not be taken by a reasonable person/entity, if there were no tax benefits resulting therefrom.

Czech Taxation

Income Taxation of Dividends, Decreases of Registered Share Capital and Distributions of Share Premium

Czech Tax Resident Shareholders

Income from dividends distributed by the Company is subject to Czech withholding tax at 15% if that income is realized by a Czech tax resident shareholder. The tax base equals the dividend income distributed by the Company. A tax exemption can apply under the Czech participation exemption rules (see “–Czech participation exemption – Dividend and decrease of registered share capital previously increased from profit”).

If the Company distributes share premium to a Czech tax resident shareholder, that income is subject to Czech withholding tax at 15%. The tax base can be decreased by the tax basis of the Shares if the shareholder can prove that tax basis to the Company. If the Company's registered share capital is decreased and distributed to the shareholder (except insofar as the Company's previous profit / retained earnings have increased that registered share capital), the income less the tax basis in the Shares should be included in the tax base of the shareholder in his/her/its Czech tax return (generally subject to 15% tax for individuals and 19% tax for tax payers other than individuals). If registered share capital is decreased (to the extent that the Company's previous profit / retained earnings have previously increased that registered share capital) and distributed to a Czech tax resident shareholder, that income is subject to withholding tax at 15%, unless a tax exemption applies under the Czech participation exemption rules (see "*Czech participation exemption – Dividend and decrease of registered share capital previously increased from profit*" described below).

Where a withholding tax applies, the Company is responsible for withholding Czech tax at source from distributions that it makes. The tax withheld at source is final. The shareholders can be required to provide certain documents to evidence that they are Czech tax resident shareholders.

Non-Czech Tax Resident Shareholders

Income from dividends distributed by the Company is subject to Czech withholding tax at 15% or 35% (see the rules for the application of the 35% rate below) if such income is realized by a non-Czech tax resident shareholder. The tax base equals the dividend income distributed by the Company. A tax exemption can apply under the Czech participation exemption rules (see "*Czech participation exemption – Dividend and decrease of registered share capital previously increased from profit*" described below).

If the Company distributes share premium to a non-Czech tax resident shareholder, that income is subject to Czech withholding tax at 15% or 35%. The tax base can be decreased by the tax basis of the Shares if the shareholder can prove that tax basis to the Company.

If the Company's registered share capital is decreased and distributed to the shareholder (except insofar as the Company's previous profit retained earnings have increased that registered share capital), the income less the tax basis in the Shares should be included in the tax base of the shareholder in his/her/its Czech tax return (generally subject to 15% tax for individuals and 19% tax for taxpayers other than individuals) which in that case such a shareholder is generally obliged to file. Moreover, such income distributed by the Company to a shareholder, who is not a tax resident in the EU/EEA, is generally subject to 10% securing tax to be withheld by the Company from the gross income. The securing tax, if applicable, would be credited against the tax liability declared in a tax return with any overpayment being refunded (see also section "*Securing Tax*" below). If registered share capital is decreased (to the extent that the Company's previous profit / retained earnings have previously increased that registered share capital) and distributed to a non-Czech tax resident shareholder, that income is subject to Czech withholding tax at 15% or 35%, unless a tax exemption applies under the Czech participation exemption rules (see "*Czech participation exemption – Dividend and decrease of registered share capital previously increased from profit*" described below).

The 35% withholding tax rate referred to in this section applies to income distributed to taxpayers that are neither: (a) residents for tax purposes in an EU Member State or another state that forms the EEA; nor (b) tax residents of a third country or jurisdiction that has concluded with the Czech Republic a valid and effective treaty concerning taxation and the avoidance of double taxation or a valid and effective agreement on exchange of information on tax matters; nor (c) tax residents of a third country or jurisdiction that is a contracting party of a multilateral agreement that includes a provision on exchange of information on income tax matters that is valid and effective both for that third country or jurisdiction and for the Czech Republic.

Under official guidance, the 35% withholding tax rate also applies in case that the tax residency of the recipient cannot be ascertained.

A mitigation or elimination of Czech withholding tax under a tax treaty or a participation exemption under the Czech tax law (see "*Czech participation exemption – Dividend and decrease of registered share capital previously increased from profit*" described below) can apply. The final tax liability on the distributions by the Company may depend upon the individual circumstances of the shareholder.

Where a withholding tax applies, the Company is responsible for withholding Czech tax at source from any distributions that it makes. The tax withheld at source (at a 15% or 35% rate, or at a rate determined under a tax treaty) is final. Shareholders can be required to provide certain documents to evidence their tax status (for example, certificate of tax residency or declaration of beneficial ownership).

Czech Participation Exemption – Dividend and Decrease of Registered Share Capital Previously Increased from Profit

The Czech participation exemption rules implement Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as amended (the "**Parent-Subsidiary Directive**") into Czech tax law.

Dividends from current or retained earnings or income from a decrease of the Company's registered share capital (to the extent that the registered share capital was sourced from the Company's profit / retained earnings) which is distributed by

the Company to its shareholders is exempt from Czech taxation if a parent company shareholder holds at least 10% of the registered capital of the subsidiary (the Company) for at least 12 months without interruption. The 12-month holding period requirement can be met following the distribution.

An entity qualifies as a parent company if it is:

- a Czech tax resident entity having the legal form listed in the Annex to the Parent-Subsidiary Directive, a cooperative (*družstvo*), a trust fund (*svěřenský fond*), a family foundation (*rodinná fundace*), a municipality (*obec*) or an association of municipalities (*svazek obcí*); or
- an EU Member State tax resident entity that: (i) has a legal form listed in the Annex to the Parent-Subsidiary Directive, (ii) is considered to be a tax resident of an EU Member State and is not considered to be a tax resident outside the EU Member States based on the tax treaty concluded with a third state (i.e. a non-EU Member State), and (iii) is subject to tax as listed in the Annex to the Parent-Subsidiary Directive without being exempt or having an option for exemption.

Dividends from current or retained earnings distributed by the Company to its shareholders are also exempt from Czech taxation if a shareholder is tax resident in Switzerland, Norway, Iceland or Liechtenstein under equivalent conditions to those described above for a parent company being a tax resident in an EU Member State.

The Czech participation exemption does not apply on dividends if either the parent company or the Company is exempt from corporate income tax or from similar tax, or is eligible to elect to be exempt from such tax, or is subject to such tax at a rate of 0%. The Czech participation exemption does not apply if a dividend were distributed by the Company in liquidation to a parent company that is a Czech tax resident or a tax resident in Switzerland, Norway, Iceland or Liechtenstein.

The Czech participation exemption does not affect taxation of distributions of share premium as described above.

The Company is, subject to certain exceptions, obliged to notify the tax authority of details of distributions made to non-Czech tax residents if such distributions are in principle subject to Czech withholding tax, but exempt therefrom under Czech laws or under a tax treaty.

Income Taxation of Disposals

Czech Resident Shareholders – Individuals

Income from the sale of the Shares realized by a Czech tax resident individual is, unless exempt from tax, subject to Czech personal income tax at a flat rate of 15%. However, in the specific case of a Czech tax resident individual who holds the Shares as part of his/her business property (*obchodní majetek*) the respective income is also subject to social security and health insurance levies. Furthermore in such case, any positive excess of (i) the annual sum of income included in the partial tax base from employment activities and the partial tax base from entrepreneurial (business) activities over (ii) 48-times the average wage (CZK 1,569,552 for 2019) is additionally subject to a solidarity surcharge tax of 7 per cent. A shareholder is obliged to declare income realized from a sale of Shares in his/her Czech personal income tax return (subject to specific exceptions).

Under certain circumstances, a shareholder that holds the Shares as part of his/her business property and keeps accounting books in line with Czech accounting laws may be obliged to re-measure the Shares to fair value for accounting purposes, whereby the unrealized gains or losses would be accounted for as revenues or expenses, respectively. Such revenues are generally taxable and the corresponding expenses are generally tax effective.

Taxable income can generally be decreased by the tax basis of the Shares. Capital losses incurred by individuals are generally tax non-deductible. If an individual holds Shares as part of his/her business property and keeps accounting books in line with Czech accounting laws, a capital loss incurred upon the sale of the Shares can, under certain conditions, be tax deductible. A capital loss incurred on the sale of the Shares not held as part of his/her business property can be offset against gains on sales of other securities not held as business property realized in the same calendar year as long as the income from the sale of neither the Shares nor the securities is exempt from tax.

Income from the sale of the Shares realized by an individual is exempt from Czech personal income tax if the individual's aggregate gross income realized from the sale of securities (combined with income from unit fund participations in case of a dissolving fund) does not exceed CZK 100,000 in that calendar year, provided that the Shares have never been held as part of his/her business property, or if so, the Shares are sold more than three years following the termination of his/her entrepreneurial (business) activities.

Income from the sale of the Shares realized by an individual is also exempt from Czech personal income tax if the period between the acquisition and the sale of the Shares exceeds three years, provided that the Shares have never been held as part of his/her business property, or if so, the Shares are sold more than three years following the termination of his/her entrepreneurial (business) activities.

Individuals that Receive Income Exempt from Czech Personal Taxation Exceeding CZK 5.0 million are Obligated to Notify the Czech Tax Authorities of the Amount of Tax-Exempt Income (and Relevant Details) Within the Deadline for Czech Personal Income Tax Filing. Czech Resident Shareholders – Taxpayers Other Than Individuals

Income from a sale of Shares realized by taxpayers other than individuals who are Czech tax residents is subject to Czech corporate income tax at 19%. A shareholder is obliged to declare income realized from the sale of the Shares in its Czech corporate income tax return. A participation exemption can apply under the Czech participation exemption rules (see “*Czech participation exemption – disposal*” described below).

Czech resident shareholders who are subject to Czech accounting standards for entrepreneurs (i.e. most companies other than financial or insurance institutions) or to Czech accounting standards for financial institutions (including, in particular, banks) and who hold the Shares for the purposes of trading may be, under certain conditions, required to re-measure the Shares to fair value for accounting purposes, whereby the unrealized gains or losses would be accounted for as revenues or expenses, respectively. Such revenues are generally taxable and the corresponding expenses are generally tax deductible.

Capital loss realized by Czech resident shareholder who re-measures the Shares to fair value for accounting purposes (whether through profit and loss or balance sheet) is generally tax deductible. On the contrary, capital loss realized by Czech resident shareholder who does not re-measure the Shares to fair value for accounting purposes is generally tax non-deductible.

Notwithstanding the above, any loss realized by a Czech resident shareholder (including unrealized loss recognized in profit and loss) who qualifies for Czech participation exemption is tax non-deductible.

Non-Czech Resident Shareholders

The rules for taxation and tax exemption of income from the sale of the Shares realized by a Czech tax resident individual or a taxpayer other than individual generally apply in the same way to Non-Czech tax resident shareholder. In addition, a tax treaty may prevent taxation of such income in the Czech Republic.

Securing Tax

In general, a Czech tax resident or a Czech tax non-resident acting through a Czech permanent establishment purchasing the Shares from a seller who is a resident for tax purposes outside the EU/EEA, is required, under his/her/its own responsibility, to withhold and to remit to the Czech tax authorities a securing tax at the rate of 1% from the (gross) purchase price. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident or can be waived based on a decision of Czech tax authorities.

In general, the securing tax is creditable against the tax liability declared by a Czech tax non-resident in his/her/its annual Czech tax return.

Czech Participation Exemption – Disposal

Income from a sale of Shares is exempt from Czech taxation if a parent company shareholder holds 10% or more of the registered share capital of the subsidiary (the Company) for at least 12 months without interruption. The 12-month holding period requirement can be met following the disposal. The definition of a parent company is provided in section “*Czech participation exemption – dividend and decrease of registered share capital previously increased from profit*” described above and applies in the same way to income from a sale of Shares.

Income from a sale of Shares realized by a shareholder that is tax resident in Norway, Iceland or Liechtenstein is exempt from Czech taxation under equivalent conditions as described above for a parent company being an EU Member State tax resident.

The Czech participation exemption does not apply if either the parent company or the Company is exempt from corporate income tax or from similar tax, or is eligible to elect to be exempt from such tax, or is subject to such tax at a rate of 0%. The Czech participation exemption on income from a sale of Shares does not apply if the Company were in liquidation.

Czech Gift and Inheritance Tax

Income from gift or inheritance is generally subject to Czech income tax (neither inheritance tax nor gift tax is levied by the Czech Republic). Nevertheless, income from inheritance is always exempt from tax. Unless exempt (e.g. gifts between direct relatives), free-of-charge transfers of the Shares are treated as taxable in-kind income of the transferees and are taxed as such. Accordingly, depending on whether the beneficiary is an individual or a taxpayer other than an individual, Czech personal income tax at the rate of 15% or Czech corporate income tax at the rate of 19% applies.

Withholding tax generally applies if the Shares are transferred on a free-of-charge basis by a transferor who is a Czech tax resident or a Czech tax non-resident acting through a Czech permanent establishment (to which the Shares are attributable) to a Czech tax non-resident not acting through a Czech permanent establishment (the tax rate is 15% or 35% based on the same principles explained above). The securing tax at the rate of 10% applies in case of a transferee who is a resident for tax purposes outside the EU/EEA and who is acting through a Czech permanent establishment. The relevant tax treaty (if any) may modify this tax treatment.

Other Czech Taxes

No Czech transfer tax, VAT, stamp duty or any other similar tax or duty is payable in the Czech Republic in respect of or in connection with the acquisition, holding and disposal of the Shares.

ADDITIONAL INFORMATION

Documents Available for Inspection

The following documents will be available to the public on the website of the Company (www.photonenergy.com) throughout the validity of the Prospectus: (i) the Articles of Association (in Dutch and in English), (ii) the Prospectus (and supplements to the Prospectus), (iii) the Historical Financial Statements, and (iv) the Resolution on the Admission.

See also “*Important Information–Documents Incorporated in the Prospectus by Reference*” and “*Important Information–No Incorporation of Website*”.

Independent Auditors

The Audited Financial Statements included in this Prospectus has been audited by Grant Thornton Accountants en Adviseurs B.V. (“**Grant Thornton**”), independent auditors, as stated in its report appearing herein. During the period covered by the Audited Financial Information Grant Thornton acted as an independent auditors to the Company and audited its statutory financial statements.

The address of Grant Thornton is Flemingweg 10, P.O Box 2259, 2400 CG Alpen aan den Rijn, the Netherlands.

The auditors who sign independent auditor’s reports on behalf of Grant Thornton are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

The remuneration of Grant Thornton does not depend on the Admission. Grant Thornton does not hold any material interests in the Company and, specifically, as at the Prospectus Dated, it does not hold any Shares.

During the period covered by the Audited Financial Statements, there were no instances of the resignation of an independent auditor, no independent auditor was dismissed and there were no instances of a failure to the re-appoint by the Company a certified auditor for the next financial year.

As at the Prospectus Date, the Company has changed its independent auditor and engaged PricewaterhouseCoopers Accountants N.V. as its new auditor for the year 2020.

The address of PricewaterhouseCoopers Accountants N.V. is Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands.

The auditors who sign independent auditor’s reports on behalf of Grant Thornton are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

PricewaterhouseCoopers Accountants N.V. does not hold any material interests in the Company and, specifically, as at the Prospectus Dated, it does not hold any Shares.

Entities Involved in the Admission

The entities referred to below are involved in the Admissions.

The Company

The issuer is Photon Energy N.V. with its statutory office in Amsterdam (address: Barbara Strozziilaan 201, 1083 HN Amsterdam, the Netherlands). The Company is not subject to any conflict of interest pertaining to the Admissions.

Legal Counsel to the Company

In connection with the Admissions, legal services to the Company are provided by DLA Piper Giziński Kycia sp.k. with its registered office in Warsaw (address: Icchoka Lejba Pereca 1, 00-849 Warsaw, Poland) (“**DLA Piper**”).

Additionally, DLA Piper may render in the future other legal services in favour of the Company or the Group within the scope of the activities conducted by the Company and the Group on the basis of legal services agreements. DLA Piper is not subject to any conflict of interest pertaining to the Admission.

DLA Piper does not hold any material interests in the Company and, specifically, as at the Prospectus Date, it does not hold any Shares.

Public Takeover Bids

In the financial year ended 31 December 2019 and in the period after that date and until the Prospectus Date, the Shares have not been subject to any public takeover bids.

Information From Third Parties

No information has been prepared at the request of the Company for the purposes of the Admissions which constitutes expert representations or reports is used or referenced in this Prospectus.

ABBREVIATIONS AND DEFINITIONS

Capitalised terms not otherwise defined in the Prospectus will have the meanings assigned thereto below, unless the context requires otherwise.

Act on Goods and Services Tax (VAT)	the Polish Act dated 11 March 2004 on goods and services tax (VAT), as amended.
Act on Public Offering	the Polish Act dated 29 July 2005 on public offering, the conditions governing the introduction of financial instruments to organised trading, and public companies, as amended.
Act on Trading in Financial Instruments	the Polish Act dated 29 July 2005 on trading in financial instruments, as amended.
Act on Supervision over the Capital Market	the Polish Act dated 29 July 2005 on supervision over the capital market, as amended.
Act on Tax on Inheritances and Donations	the Polish Act dated 28 July 1983 on inheritance and donations tax, as amended.
Admission	the admission and introduction of the Shares to trading on the main market of the WSE and PSE.
AFM	the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>).
APM, Alternative Performance Measure	an alternative performance measure within the meaning of the ESMA Guidelines on Alternative Performance Measures.
Articles of Association	the articles of association of the Company in force as of the date of this Prospectus.
Audit Committee	the audit committee of the Company.
Audited Financial Statements	means audited financial statements of the Group as of 31 December 2019, 2018 and 2017, respectively.
Board of Directors	the management board of the Company
Board of the WSE	the management board of the Warsaw Stock Exchange (<i>Gielda Papierów Wartościowych w Warszawie S.A.</i>).
Controlling Shareholders	means Michael Gartner and Georg Hotar, who as at the Prospectus Date hold by means of associated companies respectively 40.70% and 43.48% of the voting rights in the Company.
Company	Photon Energy N.V. with its registered office in Amsterdam.
Competition Act	The Polish Act on the Protection of Competition and Consumers, as amended.
Czech Capital Markets Act	the Czech Act No. 256/2004 Coll., on conducting business on the capital market.
CSD	the Central Securities Depository Prague (<i>Centrální Depozitář Cenných Papírů</i>), and, unless the context requires otherwise, the depository system operated by such company.
Distributable Equity	the excess of the Company's shareholders' equity less the purchase price above the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association.

Act on Goods and Services Tax (VAT)	the Polish Act dated 11 March 2004 on goods and services tax (VAT), as amended.
Dutch Civil Code	the Dutch Civil Code, as amended (<i>Burgerlijk Wetboek</i>).
Dutch Corporate Governance Code	the Dutch Corporate Governance Code, as amended.
Dutch SRD Act	the Dutch Act to implement the Shareholder Rights Directive II (<i>bevordering van de langetermijnbetrokkenheid van aandeelhouders</i>) entered into force on 1 December 2019.
DLA Piper	means DLA Piper Giziński Kycia sp.k., a legal counsel of the Company.
ECB	European Central Bank.
EEA	the European Economic Area, the area of free trading comprising the countries of the European Union and the European Free Trade Association (excluding Switzerland).
Entrepreneurs' Act	means Czech Entrepreneurs' Act dated 6 March 2018.
Enterprise Chamber	means Enterprise Chamber of Amsterdam Court of Appeal.
ESMA	the European Securities and Market Authority.
ESMA Guidelines on Alternative Performance Measures	the ESMA Guidelines on Alternative Performance Measures of 5 October 2015, Ref. No. ESMA/2015/1415pl).
EU	the European Union.
EU Concentration Control Regulation	Council Regulation (EC) 139/2004 on the control of concentrations between undertakings (the EC Merger Regulation)
EURIBOR	a daily reference rate of interest accruing on deposits and loans on the Eurozone interbank market.
Euro, EUR	the currency introduced upon the commencement of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community.
European Commission	the executive authority of the EU that also represents the interests of the EU as a whole.
European Parliament	a representative authority of the EU, an equivalent of a single-chamber parliament, the members of which are elected by the citizens of the EU member states for a five-year term.
FRSA	means Dutch Financial Reporting Supervision Act, as amended.
FSA	means Dutch Financial Markets Supervision Act, as amended.
General Meeting	the ordinary (annual) or extraordinary General Meeting of the Company.
Grant Thornton	means Grant Thornton Accountants en Adviseurs B.V., an independent auditor.
Group	the Company together with the Subsidiaries.
Historical Financial Statements	means jointly Audited Financial Statements and Interim Financial Statements.

Act on Goods and Services Tax (VAT)	the Polish Act dated 11 March 2004 on goods and services tax (VAT), as amended.
IAS	the International Accounting Standards adopted and approved by the EU.
Interim Financial Statements	means the unaudited financial statements of the Group as of 30 September 2020.
IFRS	the International Financial and Reporting Standards, the IAS and their interpretations adopted and approved by the European Union.
K&H Bank	means K&H Bank, the Hungarian subsidiary of Belgian KBC Group N.V.
Markets	means jointly WSE regulated market and PSE regulated market.
Market and Issuers Regulation	The regulation of the Minister of Finance of Poland of 25 April 2019, regarding the detailed terms and conditions that must be satisfied by the official trading market and issuers of securities admitted to trading on such market.
Market Abuse Directive, MAD II	Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (Market Abuse Directive), as amended.
Market Abuse Regulation, the MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC. Text with EEA relevance, as amended.
Member State	a member state of the EU.
MTF	multilateral trading facilities at the PSE.
NDS	the National Depository of Securities in Poland (<i>Krajowy Depozyt Papierów Wartościowych S.A.</i>), and, unless the context requires otherwise, the depository system operated by such company.
NDS Rules	the detailed rules of the operation of the National Depository of Securities effective as of the Prospectus Date.
Notes	means 30,000 bearer notes issued by the Company in 2017.
Parent-Subsidiary Directive	means Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
PFSA	the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego).
PSE	the Prague Stock Exchange (<i>Burza cenných papírů Praha, a.s.</i>), and, unless the context requires otherwise, the regulated market operated by such company.
PSE Rules	means rules and regulations of the Prague Stock Exchange.
Prospectus	prospectus of the Company in English, which constitutes a prospectus in a form of a single document within the meaning of the Prospectus Regulation and in accordance with the provisions of Regulation 2017/1129 prepared in connection with the admission and introduction of the Shares to listing on the WSE and PSE on the basis of which upon its approval by the AFM and publication the Company will seek the Admission.

Act on Goods and Services Tax (VAT)	the Polish Act dated 11 March 2004 on goods and services tax (VAT), as amended.
Prospectus Date	the date of approval of the Prospectus by the AFM.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Raiffeisen Leasing	means Raiffeisen-Leasing, s.r.o.
Resolution on the Admission	means resolution of the General Meeting dated 29 June 2020 on the approval of the admission of the shares at the main market of Prague Stock Exchange and Warsaw Stock Exchange, and an unregulated market of Frankfurt Stock Exchange, and granting authorization to the Board of Directors
Regulated Information	means mandatory publication of regulated information pursuant to the Czech Capital Markets Act.
Regulation 2019/980	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
Shares	The ordinary registered shares of the Company with a nominal value of EUR 0.01.
Shareholder Rights Directive II	Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regard the encouragement of long-term shareholder engagement.
Subsidiary/Subsidiaries	the indirect and direct subsidiaries of the Company from time to time.
Supervisory Board	supervisory board of the Company.
Takeover Directive	means Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.
Transparency Directive	means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.
Tax on Civil Law Transactions Act	the Polish Act dated 9 September 2000 on tax on civil law transactions, as amended.
Tax Ordinance, Tax Code	the Polish Act dated 29 August 1997 – the Tax Ordinance, as amended.
UCB SK	means UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraniční banky.
U.S. Securities Act	the United States Securities Act of 1933, as amended.
U.S. Securities and Exchange Commission	U.S. Securities and Exchange Commission.

Act on Goods and Services Tax (VAT)	the Polish Act dated 11 March 2004 on goods and services tax (VAT), as amended.
VAT	the goods and services tax imposed on the terms and within the scope as provided in the Act on Goods and Services Tax (VAT).
WSE	the Warsaw Stock Exchange (<i>Gielda Papierów Wartościowych w Warszawie S.A.</i>) and, unless the context requires otherwise, the regulated market operated by such company.
WSE Best Practices	“Code of Best Practices for WSE Listed Companies” of 2016, which constitutes a set of rules and recommendations regarding corporate governance applicable to companies listed on the WSE.
WSE Rules	the Warsaw Stock Exchange Rules of 4 January 2006, as amended.

GLOSSARY OF INDUSTRY TERMS

Capitalised industry terms not defined in this Prospectus have the meanings given below unless the context indicates otherwise.

Alternating current, AC	means electricity with an ongoing and often periodic change of the current direction. It can be transformed into different tensions by a transformer.
Direct current, DC	means electricity which does not change its direction. It is constant in time.
EPC	means Engineering, Procurement and Construction, a usual form of project execution and contract management in the building industry. The contractor is the EPC. The EPC fulfils all necessary performances to deliver a turnkey plant to the client.
Feasibility Study	a feasibility study serves to control the feasibility of projects. Solutions are analysed, risks are identified and chances of success are estimated to determine by which resources and during which time der wanted project results can be reached.
Feed-in-tariff	the model in which the retail price is paid for the power consumed from the grid under the long-term contracts, typically of 10 to 25 years, offered by large energy providers at an above-the-market price. Feed-in-tariffs are attractive for investors because they offer predictability and security of their investment.
Feed-in-premiums	a form of remuneration for RES production preferred by the IEA and the European Commission, as they introduce short-term market exposure of RES electricity. Like feed-in tariffs, feed-in premiums imply technology-specific long-term contracts, but the form of a bonus added to the current market price. The premium can be fixed (which can lead to over-compensation if market prices are high or under-compensation if they are low) or sliding (which usually means that they close the gap between the market price and the feed-in-tariff). In both cases, the feed-in-premiums encourage RES producers to produce electricity when and where it is needed, as well as to make their production more efficient.
GWp	means global warming potential.
Inverter	means a converter that transform direct current to alternating current.
Isle system	an independent energy supply system without grid connection. The produced electricity is consumed by the producers and not fed in.
IPP	means independent power producer, and entity that is not a public utility but owns facilities to generate electric power for sale to utilities and end users.
kWp	means kilowatt-peak, the highest possible electric power of a PV system measured under standard test conditions.
Module	a module consists of several solar cells and transforms sunlight directly into electrical energy.
Module efficiency	describes the relation between the output of electrical power of a module and the irradiated performance. The higher the module efficiency, the higher the output of the same surface area
O&M	means Operations & Maintenance, i.e. the performance monitoring of solar cells to maximize plant performance to the highest possible level.
PPA	means Power Purchase Agreement.

PV power plant	a photovoltaic power plant that consists of solar modules, by which solar radiation is directly transformed into electrical energy.
Solar energy	means the energy of solar radiation. It can be used in form of electric power, heat or chemical energy.
Standard Test Conditions	an international standard to determine the rated output of modules in an objective way. Thereby, different modules can be evaluated and compared independently
REC	means renewable energy communities.
RES	means renewable energy sources.
Utility-scale power	means the integration of solar power to diversify power sources, boost weak spots in the grid, cover transmission losses and boost production in summer peak time.

