

Photon Energy N.V.

INFORMATION DOCUMENT

Information Document drafted in accordance with the Exchange Rules of the Free market

This document is not subject to approval by the Czech National Bank and Burza cenných papírů Praha, a.s. (the Prague Stock Exchange).

Identification of the applying member: BH Securities a.s.

Date of drafting: 20.9.2016

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Notes:

- *The items in italic correspond to the plan provided by the PSE.*
- *The items in italic highlighted in blue are not relevant due to the nature of the investment instrument, and were left unanswered.*

2 Basic information

2.1 Information on the issuer

| | |
|----------------------------|---|
| <u>Name:</u> | Photon Energy N.V. |
| <u>Legal form:</u> | Dutch public company with limited liability (Naamloze Vennootschap) |
| <u>Registered address:</u> | Barbara Strozzilaan 201, 1083 HN, Amsterdam, The Netherlands. |
| <u>Telephone:</u> | +31 20 240 2570 |
| <u>E-mail:</u> | info@photonenergy.com |
| <u>www:</u> | www.photonenergy.com |
| <u>Company ID No.:</u> | 51447126 |
| <u>VAT No.:</u> | 8500.20.827 |

2.2 Information on applying member

| | |
|----------------------------|----------------------------------|
| <u>Name:</u> | BH Securities a.s. |
| <u>Legal form:</u> | Joint-stock company |
| <u>Registered address:</u> | Na Příkopě 848/6, 110 00 Praha 1 |
| <u>Telephone:</u> | +420 255 710 710 |
| <u>E-mail:</u> | bhs@bhs.cz |
| <u>www:</u> | www.bhs.cz |
| <u>Company ID No.:</u> | 60192941 |
| <u>VAT No.:</u> | CZ60192941 |

2.3 Description of the investment instrument to be admitted for trading

| | |
|--|--------------------------------|
| <u>Type of investment instrument:</u> | Ordinary registered shares |
| <u>ISIN:</u> | NL0010391108 |
| <u>Type:</u> | Ordinary shares |
| <u>Security/ Book-entry security / Immobilised security:</u> | Security |
| <u>Par value of investment instrument:</u> | nominal value of EUR 0.01 each |
| <u>Par value of shares to be admitted for trading on the Free Market segment of the PSE:</u> | EUR 600,000 |

2.4 Information on specification of company's auditor

Photon Energy N.V.'s auditor is:

Grant Thornton Accountants en Adviseurs B.V.

Registered with the Chamber of Commerce of The Hague trade register under number 28105565.

Address:

Laan der Continenten 160

P.O.Box 2259

2400 CG Alphen an den Rijn

The Netherlands

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3 Subscription of investment instruments

| | |
|--|-----|
| <i>Date of resolution of the General Meeting regarding capital increase: NA.</i> | ... |
| <i>Date of resolution regarding issue:</i> | ... |
| <i>Date of certification of ISIN allocation:</i> | ... |
| <i>Form of subscription:</i> | ... |
| <i>Commencement of the subscription period:</i> | ... |
| <i>Termination of the subscription period:</i> | ... |
| <i>Expected date of resolution of the Board of Directors regarding capital increase:</i> | |

- *Description of the planned subscription process*
- *Number of investors to be addressed*
- *Countries where subscription will be conducted*
- *Reference to the legislation governing subscription*
- *Other information*

⇒ The instruments have already been issued. No additional shares will be listed. The free-float will remain unchanged.

⇒ This information document aims to support that the Issuer meets listing qualifications related to the Prague Stock Exchange (Free Market) to become listed both in Prague (Free Market) and Warsaw (NewConnect).

4 Persons responsible for drafting the Information Document

4.1 Issuer's Declaration

See Annex 1.

4.2 Declaration of applying member

See Annex 2.

5 Risk Factors

5.1 Risk factors associated with the Issuer's subject of enterprise

5.1.1 Legislative, regulatory and market risks

The economic viability of energy production using PV installations (unless when selling directly to the consumer) depends on the incentive schemes introduced which include: Feed-in-Tariff (FiT) or green certificates, an obligation to purchase the total amount of energy originated from renewable sources, preferential loans, tax holidays or even non-repayable grants. However as those measures serve the purpose of meeting the goals set by politicians in terms of national targets of energy generation mix, as such they are subject to changes resulting from shifts in political interests.

The Company experienced the introduction of such an adverse law in the Czech Republic, where the Group still holds the majority of its operations. In 2010 and 2013, the government imposed a levy on PV plants' revenues for PV plants connected in 2009 and 2010, which significantly impacted the profitability of the business. This was also the

case in Italy, where cuts to the feed-in-tariff and other retroactive measures have effectively killed the Italian PV market in 2014 and led the Group to sell its two Italian plants in Q2 2015.

On the investment side the Company faces uncertainty in relation to the approval process for the construction of PV installations, grid connection and necessary permits. In particular, the Company must secure various licenses and permits to operate PV plants.

5.1.2 Risks related to the Group's structure

Because the Company conducts its business through its subsidiaries, its ability to pay dividends to shareholders depends on the earnings and cash flow of its subsidiaries and their ability to pay the Company dividends and to advance funds to it. Other contractual and legal restrictions applicable to the Company's subsidiaries could also limit its ability to obtain cash from them. The Company's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors.

5.1.3 Risk related to personnel and property

There will always be risks involved in the operation and installation of PV plants and the installation of PV systems for third parties. The build-up of these business areas is occurring simultaneously, thus posing high demands on management resources. The operating risks relating to the development of PV projects and the installation and operation of PV systems include among others unexpected failure or damage to the PV panels and other technical equipment, theft or sabotage, or adverse weather conditions causing production interruptions and damage. The installation of PV systems on roofs involves specific risks such as damage to the roofs and higher wind-related stress.

5.1.4 Risks related to key personnel

The successful realisation of the business strategy and the Group's goals is significantly dependent on the knowledge, experience and contacts of the current management, especially that of the shareholders and members of the Board of Directors, Georg Hotar and Michael Gartner, who are responsible for the successful development of the Group on the basis of their knowledge of the industry and their expertise, as well as their customer contacts and strategic abilities. There is a risk that the dynamism of the commercial development will fall and/or that important know-how will be lost in the case of the resignation of either of the members of the Board of Directors. The loss of one or more managers could have a significantly adverse effect on the commercial activities and also on the asset value, financial standing and earning position of the Group.

5.1.5 Environmental risk

The business activity of the Group, particularly in the area of photovoltaic power plant construction, must comply with laws, regulations and directives valid in the location of the installation. These laws regulate e.g. emissions in the air, sewages, protection of soil and groundwater as well as health and security of people. Transgressions against these environmental provisions can be pursued according to 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 remove 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 may be responsible, regardless of the cause. This could result in liability risks and material costs in the context of administrative orders or requirements.

All the mentioned circumstances can have a negative impact on the financial situation, status and results of the individual SPVs and the Group.

5.1.6 Construction and performance risk

A PV installation is based on several technical components, namely the solar panels converting sunlight into electricity, cabling, converters converting DC into AC, transformers and grid connection devices. There is always risk associated with the construction and installation of PV installations. Despite efforts made to reduce such risks, there can be no assurances that delays and cost overruns will not occur. Furthermore, the Company is partly dependent upon the ability of sub-contractors to install PV systems that meet specifications, performance parameters, quality standards and delivery schedules of the Company.

5.1.7 Climate and weather risks

The performance and therefore also the earnings positions of the companies in the Issuer's 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 Issuer 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 Issuer.

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 Issuer.

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 Issuer's 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 Issuer's Group and therefore also of the respective project companies and therefore also ultimately of the Issuer. Please note that with realisation of investment projects in Australia the overall financial liquidity of the Issuer will become less seasonally affected due to diversification of locations in northern and southern hemisphere of the globe.

5.1.8 Risks of the withdrawal or of ineffectiveness of permits vital for operation

For the business activity of the SPVs it is necessary to have various permits, authorisations, concessions etc. depending on various locations in order to be allowed to build and operate photovoltaic power plants in compliance with valid national legislation. In case of existing power plants, the permits and authorizations were granted. The decisions are usually accompanied with secondary provisions and/or requirement to maintain the permissions. It may happen that the decisions can be revoked or cancelled, for example in case of the breach of the legal requirements, which could result in the interruption, limitation and/or prohibiting of the business activity and consequently would have a very negative impact on the financial situation, status and results of specific SPVs and the whole Group. There is another danger: a third party could claim the ineffectiveness of the granted permits, for example because of procedural errors, or there could requirements emerge or demand concerning the permission appear that would limit the business activity and/or call for costly (consequent) measures; this would then also have a negative impact on the financial situation and results of the Group.

5.1.9 Risk related to the technology

The technology involved in the production of electricity using PV is characterized by rapid fundamental developments. Currently the Company does not own any patents for the technology used in relation to PV technologies. However, the development of new technology may fundamentally change the economics of electricity production plants using PV technology. For various reasons the Company may not gain access to this new technology, which may put it at a significant disadvantage to its competitors.

5.1.10 Risk related to the expansion

The Group focuses currently on the market in Australia. However, there is a risk that the market entry in new countries will fail or that it will not happen in the intended time period or not in the intended intensity. It is also not ensured, whether in each case new markets will be open to the building of photovoltaic power plants as assumed in the strategy as the development of the photovoltaic business can be influenced unfavourably by plenty of factors, for example by general political, economic, infrastructural, legal and fiscal framework conditions, by unexpected changes of political and regulatory conditions and tariffs, recession, limited protection of intellectual property, problems with staffing and managing of positions in foreign affiliated companies or state subsidies to rival companies. Start-up losses can also be one of the results of entering a new market. All of the aforementioned factors could have a negative impact on the development of the business activity and also on the asset value, financial standing and earnings position of the Group.

5.1.11 Contractual risks

The Company's business depends on contracts with multiple parties including, but not limited to, land owners, banks, investors, suppliers, contractors, energy utilities and electricity customers. Each contract normally involves a substantial value or consideration to the Company. Furthermore, some of the contracts are governed by foreign law, which may create both legal and practical difficulties in case of a dispute or conflict.

5.1.12 Uninsured losses

The development and the operation of PV installations are subject to a number of risks and hazards, including adverse environmental conditions, theft, technical failure, changes in the regulatory environment and natural phenomena such as inclement weather conditions. Although Photon Energy maintains some insurance to protect against certain of these risks, the Company's insurance will not cover all the potential risks associated with the development and operation of PV installations.

5.1.13 Risks connected to a change of (indirect) shareholder structure

Both members of the board of directors of the issuer, Michael Gärtner and Georg Hotar, hold at the moment by means of associated companies together 79,3 % of the voting rights in the Issuer. In case of sale, transfer or heritage of the shares of Photon Energy N.V. it is not ensured that Mr. Hotar and/or Mr. Gärtner will remain in the management of the issuer and/or that the current strategy of the issuer will be further followed. In addition the bond creditors are in this case obliged to ask repayment option; during the execution of this option and with the presence of other preconditions the issuer can be obliged to pay back - at short notice - 50 % or more of the outstanding bond capital. All the mentioned factors can have a negative impact on the development of the business activity of the Issuer's Group and on its financial situation, status and results.

5.1.14 Potential conflict of interest

The current members of the Board of Directors, Mr. Georg Hotar and Michael Gartner, indirectly own 79,3% of the voting rights of the Issuer. The aforementioned fact may result in various conflicts of interest – between their obligations in the capacity of members of the issuer's Board of Directors and between their interests in the capacity of indirect shareholders. Based on their position of indirect shareholders of Photon Energy N.V., Mr. Hotar and Mr. Gartner have a substantial (also private) interest in the economic benefit of the issuer's affiliated companies, with which the issuer has commercial and performance relations. Conflict of interest situations may arise, for example, on the basis of comparable economically detrimental agreements by and between the issuer and its affiliates or parent company, as appropriate, in order to generate profits in the parent company or affiliated companies. Unlike the issuer, the affiliated companies are not subject to any restrictions concerning distribution of dividends and may, therefore, pay potential profits to the company Photon Energy N.V., where Mr. Hotar and Mr. Gartner act as indirect shareholders.

5.1.15 Risks connected to future acquisition plans

The Issuer intends, in the near future, to make a real estate investment, located in a lucrative area close to Charles Bridge in Prague. It is therefore not excluded that in the future it will be subject to additional risks.

5.2 Risk factors associated with the market environment in which the Issuer operates

5.2.1 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.

5.2.2 Liquidity risks

The Company is dependent upon having access to short- and long term funding mainly in the form of project financing. There is a risk that the Group will not be able to arrange such project financing and/or that the credit market tightens or completely dries out for the PV industry, which would have an adverse effect on the liquidity of the Group and costs of debt financing in the short term as well as growth prospects in the long term. There can be no assurance that the Group may not experience net cash flow shortfalls exceeding the Group's available funding sources. Furthermore, there can be no assurance that the Company or its subsidiaries will be able to raise new equity, or arrange new borrowing facilities, on favourable terms and in amounts necessary to conduct its ongoing and future operations, should this be required. During the year 2014, the group managed to renegotiate the financing of its Czech & Slovak portfolios, and has therefore limited its exposure to liquidity risk.

5.2.3 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 and AUD. Although mainly the CZK/EUR exchange rate experienced wide fluctuations in 2013, the Group is, typically, able to collect prepayments from its customers at the time of committing itself to purchases from third parties and thus to a large extent to mitigate currency risk. There is no financial hedging used by the company against the currency risk. Company's management does not formally monitor the FX positions.

5.2.4 Interest rate risks

The Company's results are highly dependent on interest rates as a high proportion of project capital expenditure is debt financed. A substantial increase in interest rates may have a material negative impact on the project equity returns and thus profitability of the Company and returns to shareholders.

5.2.5 Indebtness risk

The Group is burdened by high level of leverage as the business model assumes financing of individual projects in the model of 80/20 debt-to-equity ratio. A significant amount of debt outstanding, results in growing financial costs which expose the Group to a risk of insufficient cash flow to service the debt payments and hence the liquidity risk. Thanks to the restructuring of its debt in the year 2014, the company has significantly improved its leverage ratios and limited its exposure to risk.

5.2.6 Political, economic and other uncertainties

Changes in the regulatory, legislative and fiscal framework (including tax rules) governing the production of energy using PV installations could have a material impact on the Group's operations.

The largest uncertainty factor in the photovoltaic industry is still the regulatory framework, especially in the Eurozone states, where a large number of photovoltaic power plants have so far been built on the basis of state managed support systems (feed-in-tariffs or green certificates). The rapid growth in those markets in recent years has been largely based on regulatory framework conditions and subsidies. Without state managed subsidy programmes photovoltaic would not yet be competitive, especially in comparison with the use of conventional energy sources. Therefore, the commercial operations of the Group are influenced by the continuation of the state managed subsidy programmes for photovoltaics.

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, the state managed subsidy programme concerning the buyback price (feed-in-tariff) is guaranteed for a fixed period in the 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 or according to the permit. The starting dates for the application of any new legal regulations are therefore of special significance. If new 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 could result in the revenues 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 cover 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. 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 programmes with retroactive effect cannot be fully ruled out.

Therefore, the given regulatory framework cannot be taken for granted and temporary adjustments in the incentives schemes and national targets can be introduced ad-hoc, reflecting short-term fiscal needs of changes in the economic situation of the country. Such changes in the regulatory framework may have a material, adverse effect on the profitability of existing projects and future growth opportunities hence should be taken into consideration while assessing the risk of PV business.

Moreover, companies operating internationally are also subject to various risks including risks of war, terrorist activities, political, civil or labour disturbances and embargoes. The Company currently operates in several European Union member countries including: Czech Republic, Slovakia, Germany and Italy as well as one non-EU country – Australia. Among those we can distinguish between developed economies such as Germany and Australia with relatively stable political systems economic policies. However, most of the Group's operations are still held in Central and Eastern European countries which are still perceived as emerging economies and hence may represent risks that are not encountered in countries with well-established economic and political systems. In addition, the legal and regulatory systems of the emerging European markets identified above may be less developed and less well enforced than in more developed countries. The Company's ability to protect contractual and other legal rights in those regions may thus be limited compared to regions with more well established markets.

5.3 Risk factors associated with the capital market in which the Issuer's financial instruments are to be traded

5.3.1 Currency risks relating to share price

The Company's shares will be quoted in CZK while the Company's financial results are derived and reported in EUR. Further, the registered capital of the Company and nominal value of Shares are also denominated in EUR. Significant fluctuations in the EUR/CZK exchange rate may have a material impact on the capital return to shareholders.

5.3.2 High share price volatility

The trading price of the Issuer's shares could fluctuate significantly in response to quarterly variations in operating results, general economic outlook, adverse business developments, interest rate changes, or changes in financial estimates by securities analysts. Market conditions may affect the Issuer's shares regardless of the Company's operating results. Accordingly, the market price of the Issuer's shares may not reflect the underlying value of the Company's assets and operations, and the price at which investors may dispose of their shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

The market price of the Issuer's shares could decline due to sales of a large number of shares in the market, or the perception that such sales could occur. Such sales could also, in the future, make it more difficult for the Company to offer equity securities at a time and at a price that are deemed appropriate.

5.3.3 The ability to bring an action against the Company may be limited under Dutch law

The Company is a joint-stock company incorporated under the laws of the Netherlands. The rights of holders of Shares are governed by Dutch law and by the Articles. These rights might differ from the rights of shareholders in other jurisdictions.

5.3.4 Risks related to simultaneous application of Dutch, Polish & Czech law

As a result of being organised under the laws of the Netherlands, the Issuer, as well as the rights and obligations of its shareholders may be different from the rights and obligations of shareholders in Czech companies listed on the Prague Stock Exchange and in Polish companies listed on the Warsaw Stock Exchange. Three different legal systems – Dutch, Polish & Czech - may, from time to time, apply to the various legal processes related to the activities of the Company and/or to its Shares. Additional legal and/or operational risks may be connected to this situation. Because of the legal complexity and uncertainty involved, the Company's management may be currently unaware of certain legal and/or operational risks.

5.3.5 Dilution of shareholding

The investors' percentage of ownership in the Company may be diluted if ordinary shares are offered. The Board has been designated as the authorized body to issue shares and to limit or exclude any pre-emptive rights to which shareholders may be entitled in connection with the issuance of shares. In addition, for reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of shares or other securities, and may face dilution as a result.

5.3.6 Differences in availability of public information, reporting obligations and rights of shareholders

The disclosure requirements applicable to Dutch public companies may differ in certain respects from those applicable to public companies in other countries, including Czech Republic. As a result, such public companies, including the Company, may disclose less information or at different dates than public companies in certain other countries, including Czech Republic.

The rights of holders of the Shares are governed by Dutch law and the Company's organization documents. These rights differ in certain respects from the rights of shareholders in corporations organized under the laws of Czech Republic. Moreover, to exercise certain of their shareholder rights, the Shareholders will have to comply with certain requirements of Dutch or Czech law. Therefore, there can be no assurance that shareholders intending to exercise their corporate rights, including voting rights and pre-emptive rights, will be able to do so in a timely manner, if at all, and without incurring additional costs.

6 Detailed information about the investment instrument

- *Legislative links (regulations regarding private/public subscription, transferability, disclosure duty, regulations regarding private/public subscription, right to receive dividends, number of members of the Board of Directors and Supervisory Board, rights of the instrument owners, tax regulations).*

6.1 Detailed specification of types, number and total value of financial instruments including types of privileges, any restrictions on transfer of rights attached to financial instruments and safety measures or additional benefits

6.1.1 Financial instruments introduced to trading

The instruments introduced to trading on the basis of this Information Document are 60,000,000 (sixty million) ordinary registered shares with a nominal value of EUR 0.01 (one Euro Cent) each. All of the Shares introduced to trading on the basis of this Information Document represent 100.00% of the registered capital of the Issuer as of 30 June 2016, and authorize their holders to 100.00% of the votes at the General Meeting of the Issuer.

6.1.2 Information about the primary CSD

Central depository for the shares is Euroclear Nederland in Amsterdam. The depository affects the fees that are charged on the basis of the price list of the depository.

6.1.3 Privileges, additional charges and additional benefits

All Shares are ordinary registered shares, of no special privileges, no security rights are attached to the Shares, and no additional financial charges are attached to the Shares.

6.1.4 Restrictions as to the transfer of Shares on the basis of undertaken commitments

As of the date of this Information Document all of the Shares are not subject to any lock-up agreement and are free of any encumbrances and the Issuer's Statutes do not restrict the transfer of Shares in any specific way.

6.1.5 Restrictions resulting from the Market Abuse Regulation

The EU Market Abuse Regulation ("MAR") came into force on 3 July 2016 and replaced in entirety the current Market Abuse Directive. The aim of MAR is to expand and develop the existing market abuse regulations and establish a more uniform regime across all member states to reduce complexity and offer greater legal certainty.

MAR applies to financial instruments admitted to trading on EU regulated markets, multilateral trading facilities, organised trading facilities and other financial instruments such as credit default swaps or contracts for difference.

Inside information

Under MAR, inside information is information which is precise, has not been made public, relates directly or indirectly to the company's shares or other financial instruments and which, if it were to be made public would be likely to have a significant effect on the price.

In principle, persons holding inside information are forbidden to (i) acquire or dispose of financial instruments for their own account or for the account of a third party on the basis of the inside information, or effect any other legal transaction undertaken for their own account or for the account of a third party which leads or might lead to disposal of such financial instruments, (ii) recommend or induce another person on the basis of the inside information to acquire or dispose of financial instruments to which such information relates, and (iii) disclose the inside information.

The requirement to announce inside information as soon as possible, except under certain limited circumstances, remains the same under MAR. What has changed is the introduction of more extensive record keeping if a decision has been taken to delay such a disclosure. This includes when the inside information first existed, evidence that the conditions to delay a disclosure have been met and a record of the persons responsible for the decision to delay.

Insider Lists

The Company keeps and maintain insider lists of people working for them and of advisors who have access to inside information. The insider list is promptly updated after someone gains or ceases to have access or there is a change in the reason someone has access.

For each insider the list states, among other information, identity, reason for being on the list, date and time they got access to inside information and date the list was drawn up.

This list includes persons who are members of the company's management and supervisory boards, its proxies, or other persons who are in the company's organization directing business, and who have access to the confidential information, and who as a result of their position have a material impact on the development prospects of the company.

Notifications

Pursuant to art. 19 of the MAR, Persons discharging managerial responsibilities ("PDMR"), as well as persons closely associated with them, shall notify the issuer and the competent authority of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other financial instruments linked thereto.

PDMR, including all other persons part of the insider list, are currently obliged to report to the KNF (the Polish regulatory organization) on any transactions concluded by themselves, or persons remaining in close relation to them, in the company's shares. Related persons are defined as: 1) spouse or cohabitating partner, 2) dependent children and persons related through adoption, custody or guardianship, 3) other persons related through blood or marriage who are members of the same household with such person for at least one year, 4) entities.

Closed periods

During mandatory closed periods, all PDMR (persons discharging managerial responsibilities) dealings are prohibited with very limited exceptions. The rules defined by the Company's insider trading policy are described below.

A closed period covers:

- A period from the time from receiving confidential information in relation to the company, company's shares, or other financial instruments connected to the company's shares, fulfilling the conditions of an inside information, until submitting this information to the public knowledge;
- In the case of an annual report, two months before submitting the report to the public;
- In the case of a quarterly report, two weeks, before submitting the report to the public knowledge.

6.2 Dividend

6.2.1 Right to a dividend

In accordance with Dutch law and article 31 of the Articles, the Company may make distributions to its shareholders and other persons entitled to distributable profits in so far as the Company's equity exceeds the aggregate amount of the issued share capital plus the reserves the Company is required to maintain by Dutch law.

6.2.2 Amount of dividend

The profits shall be at the free disposal of the General Meeting. Any distribution of profits shall be made after the adoption of the annual accounts by the General Meeting from which it appears that distributions to shareholders are permitted. Each year within five months after the end of the financial year of the Company, save where this period is extended by a maximum of six months by the General Meeting on account of special circumstances, the board shall prepare its annual accounts and shall make the same available for inspection by the shareholders at the office of the Company. The annual meeting shall be held within six months from the end of the Company's financial year. General Meeting may determine that distribution of dividends and other distributions shall be made in whole or in part in a form other than cash.

6.2.3 Shares held by the Company

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, unless a right of usufruct or pledge has been created on these shares.

6.2.4 Interim distributions

The Company may make interim distributions provided that the Company's equity exceeds the sum of its paid-in and called-up share aggregate amount of the issued share capital plus the reserves as evidenced by an interim financial statement of assets and liabilities. This statement relates to the condition of such assets and liabilities on a date not earlier than the first day of the third month preceding the month in which the resolution to distribute is published. The statement shall be prepared on the basis of generally acceptable valuation methods. The amounts to be reserved under Dutch law shall be included in such statement of assets and liabilities. It shall be signed by the directors and, if one or more of their signatures is missing, this shall be stated, giving the reason therefor. The Company shall deposit the financial statement at the offices of the trade register within eight days after the day on which the resolution to distribute is published.

6.2.5 Expiration of right to the dividend payment

Dividends and other distributions shall be due and payable four weeks after they have been declared, unless the General Meeting determines another date on the proposal of the Board. Dividends and other distributions which have not been collected within five years of the start of the day after the day on which they became due and payable, shall revert to the Company.

Notifications to shareholders, usufructuaries and pledgees regarding the availability for payment of dividends and other distributions shall be given by means of an announcement made by electronic means of communication.

6.2.6 Distribution of profits in breach with requirements

Any distribution in breach of the equity requirements or the requirements regarding interim distributions must be repaid by the shareholders or any person entitled to profits who was or ought to have been aware that such distribution was not permitted.

6.2.7 No exclusion to dividend

None of the shareholders may be wholly excluded from sharing in the profits. The Articles do not specify any privileges in respect to profit distribution, which means, each share carries right to the equal amount of profit distribution. The Company's shareholders do not have cumulative dividend rights.

6.3 Board of Directors as of 30 June 2016

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer's Board of Directors has the following members:

| Name | Position | Date of birth | Term of office expiry date |
|-----------------|--------------------------------|---------------|----------------------------|
| Georg Hotar | Director (<i>Bestuurder</i>) | 21. 04. 1975 | No term of expiry |
| Michael Gartner | Director (<i>Bestuurder</i>) | 29. 06. 1968 | No term of expiry |

6.4 Supervisory board

Under Dutch law, a public company is required to establish a supervisory board if:

- The issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- The company or a dependent company has established a work council pursuant to a statutory obligation and,
- The company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three subsequent financial years. The Issuer does not meet the above described criteria and therefore is not required to create a supervisory board. No Supervisory Board was established, however, the Issuer has the intention to appoint an independent Supervisory Board in the future.

6.5 Rights attached to financial instruments and rules for their exercise

Rights attached to Shares are defined by the relevant collection of laws: Dutch Civil Code, the Financial Supervision Act as well as the Company's Articles. The register of shareholders shall be maintained by the Board at the Company's corporate headquarters in Amsterdam, the Netherlands. If an investor holds Shares in a securities account through Euroclear Nederland, transfers and pledges can be made through Euroclear Nederland via a bookentry transfer or pledge. Apart from regulations described below, the Issuer is not aware of any other legal restrictions resulting from Dutch law, which could prevent the exercise of rights arising from the Shares held by foreign shareholders. In accordance with art. 92 of the Dutch Civil Code, all Shares shall rank *pari passu* in proportion to their amount, and all shareholders and holders of depositary receipts whose circumstances are equal must be treated in the same manner.

6.5.1 Voting rights

Each Share with the nominal value of EUR 0.01 represents 1 vote. The persons who on the record date, to be set by the Board in accordance with Dutch law, have the right to vote or attend the meeting and have been registered as such in a register designated by the Board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the General Meeting. The notice of meeting shall mention the record date as well as the

manner in which the persons entitled to vote and attend the General Meeting can register and the manner in which they can exercise their rights.

The Board may determine that each shareholder and each usufructuary and pledgee to whom the voting rights accrue be authorised to attend the General Meeting in person or by a proxy authorised in writing, to address the General Meeting and, to the extent he is entitled to the voting rights, to exercise the voting rights by electronic means of communication. To do so, the shareholder, usufructuary or pledgee must be identifiable through the electronic means of communication and be able to directly observe the proceedings at the meeting. The Board may set conditions for the use of the electronic means of communication, provided that these conditions are reasonable and necessary for the identification of the shareholder, usufructuary or pledgee and the reliability and security of the electronic communication. These conditions shall be mentioned in the notice of the meeting.

Upon convening a General Meeting the Board may determine that votes which are cast prior to the General Meeting by electronic means of communication or by letter shall be put on par with votes which are cast at the time of the meeting. These votes shall be cast not earlier than on the record date to be set by the Board. The persons who on a date to be set upon the convening of the General Meeting have the right to vote or attend the meeting and have been registered as such in a register designated by the Board shall be deemed to have such rights, irrespective of to whom are entitled to the shares at the time of the General Meeting. The notice of meeting shall mention the record date as well as the manner in which the persons entitled to vote and attend the General Meeting can register and the manner in which they can exercise their rights.

No votes may be cast in respect of a share held by the Company or a subsidiary company. No votes may be cast in respect of a share the depositary receipt for which is held by the Company or a subsidiary company. However, the holders of a right of usufruct and holders of a right of pledge on shares held by the Company or a subsidiary company are not excluded from their right to vote, if the right of usufruct or the right of pledge was granted prior to the time such share was held by the Company or such subsidiary company. Neither the Company nor a subsidiary company may cast votes in respect of a share on which it holds a right of usufruct or a right of pledge.

6.5.2 General Meeting

General Meetings shall be held in Amsterdam. A General Meeting shall be held at least once a year within the period required by Dutch law, which is currently no later than six months after the end of our financial year. Notice of a General Meeting shall be given by announcement in a national daily newspaper and by means of an announcement made by electronic means of communication which is directly and permanently accessible until the General Meeting.

Notice of a General Meeting shall be given no later than on the forty-second day prior to the date of the meeting. If the notice period was shorter or if no notice was sent, no valid resolutions may be adopted. The notice shall set forth the date, place and time of the meeting, the matters to be considered, the procedure for attending the General Meeting by a proxy authorised in writing, and the procedure for attending the General Meeting and the exercise of the voting rights by any means of electronic communication in the event the board determines that such procedure may be used. Extraordinary General Meetings shall be held as frequently as deemed necessary by the Board. Further, within three months after it has become evident to the Board that the Company's equity has decreased to an amount equal to or less than half of the issued share capital, a General Meeting shall be held to discuss the measures to be taken, if necessary.

6.5.3 Quorums

Resolutions proposed to the General Meeting must be adopted by a simple majority of votes cast, unless another majority of votes and/or a quorum is required by virtue of Dutch law or the Articles.

Pursuant to the Articles the following quorums are required:

- A resolution of the General Meeting to limit or exclude pre-emption rights or to designate another body of the Company as the body competent to limit or exclude pre-emption rights shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.
- A resolution of the General Meeting to a grant of rights to subscribe for shares shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.

- A resolution of the Board to grant a loan, in respect of the subscription for or acquisition of shares in the Company's share capital or depositary receipts for such shares by other persons, shall be subject to the prior approval of the General Meeting. A resolution to approve the grant of the loan shall require a majority of at least ninety-five per cent of the votes cast.

- A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting. Further, reduction of the nominal value of shares without repayment shall be effected pro rata to all shares.

The pro rata requirement may be waived with the consent of all shareholders. Partial repayment on 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. The pro rata requirement may be waived with the consent of all shareholders.

- If a proposal to amend the articles of association is to be made to the General Meeting, such shall always be mentioned in the notice of the General Meeting. The persons who have given such notice shall simultaneously make a copy of the proposal including the literal text of the proposed amendment available at the offices of the Company for inspection by each shareholder and each usufructuary and pledgee to whom the voting rights accrue until the end of the meeting. Failing such, the resolution regarding the proposal may only be adopted by unanimous vote at a meeting at which the entire issued share capital is represented.

6.5.4 Right to convene a General Meeting

Pursuant to the Articles, the Board shall be authorised to convene a General Meeting. If the authorised persons fail to hold a General Meeting as prescribed by law or the Articles any shareholder may be authorised by the interim provisions judge of the district court to proceed to do so himself.

In addition, one or more shareholders, who jointly represent at least 10% of the issued capital, may on their application be authorised by the district court in preliminary relief proceedings to convene a General Meeting. As the Articles do not provide for a lesser amount regarding the right to convene a General Meeting by shareholders, one or more shareholders who jointly represent at least 10% of the issued capital have the right to convene a General Meeting.

The district court in preliminary relief proceedings shall disallow the application if it does not appear to him that the applicants have previously requested the board in writing, stating the exact matters to be considered, to convene a general meeting and the board has not taken the necessary steps so that the general meeting could be held within six weeks after the request.

6.5.5 Right to request the placement of an item on the agenda of the General Meeting

One or more holder of shares who, alone or jointly, represent 3% of the issued capital may request a matter to be considered at the General Meeting. Pursuant to the Articles, a matter of which discussion has been requested in writing by one or more shareholders, usufructuaries or pledgees to whom the voting rights accrue who are so entitled by Dutch law shall be mentioned in the notice of meeting or announced in a supplementary notice if the Company has received the request, including the reasons, or a proposal for a resolution no later than on the sixtieth day prior to the date of the meeting. The requirement of written form for the request shall be met if the request has been recorded electronically.

6.5.6 Right to take a formal actions against General Meeting resolutions

Upon the written application of one or more holders of shares or depositary receipts issued for shares who, solely or jointly, represent at least 10% of the issued capital or who are entitled to an amount in shares or depositary receipts issued therefore with a nominal value of EUR 60,000 (as of 30 June 2016) or such lesser amount as is provided by the articles of association, the Enterprise Division of the Court of Appeal in Amsterdam may appoint one or more persons to undertake an inquiry into the policy and conduct of business of a company limited by shares either as a whole or in respect of a part thereof or in respect of a specific period. In addition, persons authorised by the articles of association or under an agreement with the company limited by shares are entitled to file an application for an inquiry.

Where an immediate remedy (e.g. the suspension or avoidance of a shareholders' resolution) is required in connection with the condition of the company limited by shares or in the interest of the inquiry, the

Enterprise Division may at any stage of the proceedings, upon the application of the applicants, order such remedy for the duration of the proceedings at most.

As the Articles do not include any provisions regarding the right to file an application for an inquiry with the Enterprise Division, the right to take formal actions applies to one or more shareholders or depositary receipts issued for shares who, solely or jointly, represent at least 10% of the issued capital.

6.5.7 Right to elect a Supervisory Board member

The Company does not have a supervisory board. Any future supervisory board members of the Company need to be appointed by the General Meeting by a simple majority of the votes cast. The Articles do not provide for any provisions regarding the right to elect a supervisory board member.

The articles of association may restrict the circle of persons eligible for appointment by imposing requirements which the supervisory board members must meet. The requirements may be waived by a resolution of the General Meeting adopted by two-thirds of the votes cast representing more than one half of the issued capital. The articles of association may also provide that an appointment by the General Meeting shall be made from a list of candidates containing the names of at least two persons for each vacancy to be filled. Notwithstanding the foregoing, the General Meeting may, at all times, by a resolution passed with a two-thirds majority of the votes cast representing more than one half of the issued capital, resolve that such list shall not be binding. In the event of a “large” company under Dutch law (i.e. balance sheet of EUR 16 million, establishment of a works council and the company employs at least 100 employees in the Netherlands), other provisions apply.

6.5.8 Right to information

The Board shall provide to the General Meeting all the information it requests, unless this conflicts with a substantial interest of the Company.

6.5.9 Right of usufruct and right of pledge on shares

Usufruct

The creation of a right of usufruct on an interest in a collective depot shall be effected by means of a credit entry in the name of the usufructuary in the records of the intermediary. The transfer of a right of usufruct on an interest in a collective depot shall be effected by means of a debit entry in the name of the transferor and a credit entry in the name of the acquirer in the records of the intermediary. Pursuant to the Articles, the voting rights on the shares encumbered with a right of usufruct shall accrue to the shareholder. However, the voting rights shall accrue to the usufructuary if so provided at the time of the creation of the right of usufruct.

Pledge

The creation of a right of pledge on an interest in a collective depot in favour of a person other than the intermediary shall be effected by means of a credit entry in the name of the pledgee in the records of the intermediary. The creation of a right of pledge on an interest in a collective depot in favour of the intermediary shall be effected by agreement between the pledger and the intermediary. Pursuant to the Articles, the voting rights on the pledged shares shall accrue to the shareholder. However, the voting rights shall accrue to the pledgee, if so provided at the time of the creation of the right of pledge.

6.5.10 Right to squeeze-out

A person who as a shareholder and for his own account contributes at least 95% of the issued share capital of a company limited by shares may institute proceedings against the other shareholders jointly for the transfer of their shares to the claimant. The same shall apply if two or more group companies jointly contribute such part of the issued capital and jointly institute proceedings for the transfer to one of them.

At first instance the Enterprise Division of the Court of Appeal in Amsterdam shall hear the proceedings.

Appeal from its decision shall be exclusively by way of cassation (appeal to the Supreme Court). The court shall disallow the proceedings against all defendants if, notwithstanding compensation, a defendant would suffer serious tangible loss by such transfer, if a defendant is the holder of a share in which, under the articles of association, a special right of control of the company is vested or if a claimant has, as against a defendant, renounced his power to institute such proceedings.

The court which allows the proceedings shall order the person acquiring the shares to pay the determined price with interest to the persons to whom the shares belong or will belong against delivery of the unencumbered right to the

shares. The court shall give such order for costs in the proceedings as it shall think fit. No order for costs shall be given against a defendant who has not raised a defence.

Upon the court order for transfer becoming final and binding, the person acquiring the shares shall give written notice of the date and place of payment and of the price to the holders of shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish the same in a daily newspaper with a national circulation.

6.5.11 Right to redemption of shares

The General Meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the nominal value of shares by an amendment of the Articles. This resolution shall specify the shares to which the resolution applies and shall describe how such a resolution shall be implemented. The amount of the issued share capital may not fall below the minimum share capital as required by law in effect at the time of the resolution. A resolution to reduce the issued share capital shall require a majority of at least two thirds of the votes cast, if less than half of the issued share capital is represented at the meeting.

A resolution to cancel shares can only apply to shares which are held by the Company itself or to shares for which the company holds depositary receipts. Reduction of the nominal value of shares without repayment shall be effected pro rata to all shares. The pro rata requirement may be waived with the consent of all shareholders. The Company shall deposit a resolution to reduce the issued share capital at the offices of the trade register and shall announce the deposit in a national daily newspaper.

6.5.12 Rights to claim the residual value of the Company's assets

Pursuant to the Articles, if the Company is dissolved pursuant to a resolution of the General Meeting, its assets shall be liquidated by the Board, if and to the extent that the General Meeting shall not resolve otherwise. During the liquidation, the Articles shall, to the extent possible, remain in full force. The balance of the assets of the Company remaining after the creditors have been paid shall be transferred to the shareholders in proportion to the aggregate nominal value of their shares.

In the event of bankruptcy, each of the Company's shareholder has a right to claim the residual value of the Company's assets on a pro-rata basis, once all other creditors' claims have been satisfied. The Dutch Bankruptcy Act (Faillissementswet) has the leading principle of *paritas creditorum*. This means that all creditors have an equal right to payment and that the proceeds of the bankrupt's estate shall be distributed in proportion to the size of their claims. However, there are two groups of creditors to whom this principle of *paritas creditorum* does not apply: (i) secured creditors; and (ii) creditors who have a preference by virtue of the Dutch Civil Code or any other relevant act. Unsecured and non-preferred creditors are *paritas creditorum* creditors and they do not have any preference and will therefore be paid, if any proceeds of the estate remain, after all other creditors have received payment. The company's assets shall be used for the satisfaction of the creditors' claims. Any surplus assets of the company shall be transferred to the shareholders. In accordance with art. 92 of the Dutch Civil Code, all shares shall rank *pari passu* in proportion to their amount, and all shareholders and holders of depositary receipts whose circumstances are equal must be treated in the same manner.

6.5.13 Pre-emptive right for subscription of shares in subsequent capital increases

Existing shareholders shall have pre-emptive rights in respect of future issuances of ordinary shares in proportion to the number of ordinary shares held by them, provided that such shares are being subscribed through monetary contributions. This right may be restricted or excluded by a General Meeting's decision. The pre-emptive right may also be restricted or excluded by the Board if the Board is designated by the General Meeting.

On 17 December 2012 the General Meeting resolved to designate the Board as the competent body to limit or exclude any pre-emptive rights to which shareholders may be entitled in connection with the issuance of shares. The aforesaid designation will be valid until 17 December 2017. The authority to limit or exclude pre-emptive rights may be extended in the same manner as the authority to issue shares.

Resolutions of the General Meeting (1) to limit or exclude pre-emptive rights or (2) to designate the Board as the corporate body that has authority to limit or exclude pre-emptive rights, require at least a two-thirds majority of the votes cast in a meeting of shareholders, if less than 50% of the issued share capital is present or represented. In the event that more than 50% of the issued share capital is present or represented, the resolutions shall be passed by a simple majority of the votes cast. For these purposes, issuances of shares includes the granting of rights to subscribe for shares, such as options and warrants, but not the issue of shares upon exercise of such rights.

6.6 Taxation rules concerning income related to holding of and trading in financial instruments referred to in the Information Document

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch and Czech tax laws which could be of relevance to a holder of Shares. It is recommended that parties interested in acquiring shares of the Issuer should consult with their legal and tax advisors with regard to the tax and legal consequence of purchasing, selling or holding the shares and receiving dividend payments under the tax legislation in effect in the Netherlands, Czech, and the countries where such parties reside, as well as countries in which proceeds from holding or selling the shares could be taxed.

6.6.1 Netherlands

For the purpose of this paragraph, “Dutch Taxes” shall mean taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

6.6.1.1 Withholding tax

It is generally required to withhold Dutch dividend withholding tax at a rate of 15% from dividends distributed. Dutch Individuals and Dutch Corporate Entities are generally allowed to credit Dutch withholding tax against their personal or corporate income tax liability, and are generally entitled to a refund of such withholding tax to the extent it exceeds, together with other creditable taxes, their Dutch personal or corporate income tax liability.

Non-resident holders of Shares may be eligible for full or partial relief from withholding tax, on the basis of the Tax Convention for the Kingdom (in Dutch “Belastingregeling voor het Koninkrijk”), tax treaties concluded by the Netherlands, and/or the EU Parent Subsidiary Directive, provided the non-resident Holder of Shares fulfils all the relevant conditions for obtaining relief.

Dutch anti dividend stripping rules deny reduction of withholding tax in situations where the holder of Shares, be it a Dutch Individual, Dutch Corporate Entity or non-resident Holder of Shares, is not considered as the “beneficial owner” (legally defined term) of the dividend.

6.6.1.2 Taxes on capital gain from sale of Shares

The description of certain Dutch tax consequences in this paragraph is only intended for the following holders of Shares:

- (i) Individuals who are resident or deemed to be resident of the Netherlands for the purposes of Dutch income tax;
- (ii) Individuals who opt to be treated as a resident of the Netherlands for purposes of Dutch income tax ((i) and (ii) jointly “Dutch Individuals”); and
- (iii) Entities that are subject to Dutch corporate income tax under the Dutch Corporate Income Tax Act 1969 (“CITA”) and are a resident or deemed to be a resident of the Netherlands for the purposes of the CITA, excluding pension funds (in Dutch “pensioenfondsen”) and other entities, that are wholly or partially exempt from Dutch corporate income tax; and investment institutions (in Dutch “beleggingsinstellingen”) as defined in article 28 of the CITA; (Hereafter referred to as the “Dutch Corporate Entities”).

Residents of the Netherlands: Dutch Individuals

Generally, Dutch Individual holders of Shares who do not have a (fictitious) substantial interest (in Dutch “fictief aanmerkelijk belang”) in the Company and who hold Shares that are not attributable to:

- (i) an enterprise from which he derives profits as an entrepreneur (in Dutch “ondernemer”) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur; or (ii) to miscellaneous activities (in Dutch “overige werkzaamheden”), will be subject annually to an income tax imposed on a fictitious yield on such Shares.

The Shares held by such Dutch Individuals will be taxed under the regime for savings and investments (in Dutch “inkomen uit sparen en beleggen”).

Residents of the Netherlands: Dutch Corporate Entities

Any benefits derived or deemed to be derived from Shares (including any capital gains realised on the disposal thereof) that are held by Dutch Corporate Entities are generally subject to corporate income tax at a statutory rate.

Non-residents of the Netherlands

A holder of Shares who is not a resident or deemed to be a resident of the Netherlands or, in case of an individual, who has not opted to be treated as a resident of the Netherlands, will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the units, except if:

- the holder of Shares derives profits from an enterprise, whether as entrepreneur or pursuant to a coentitlement to the net worth of such enterprise other than as an entrepreneur, which enterprise is, in whole or in part, carried on through a permanent establishment (in Dutch “vaste inrichting”) or a permanent representative (in Dutch “vaste vertegenwoordiger”) in the Netherlands, to which the Shares are attributable; or
- the holder of Shares is an individual and derives benefits from miscellaneous activities (in Dutch “resultaat uit overige werkzaamheden”) carried out in the Netherlands in respect of Shares, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or
- the holder of Shares is entitled, other than by way of the holding of securities, to a share of the profits of an enterprise that is effectively managed in the Netherlands and to which the Shares are attributable.

6.6.1.3 Gift Tax and Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of Shares by, or inheritance of Shares on the death of, a holder of Shares, except if:

- The holder of Shares is a resident or is deemed to be a resident of the Netherlands; or
- At the time of the gift or death of the holder of Shares, his Shares are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment (in Dutch “vaste inrichting”) or permanent representative (in Dutch “vaste vertegenwoordiger”) in the Netherlands to which the Shares are attributable; or
- The Shares are acquired by way of a gift from a holder of Shares who passes away within 180 days after the date of the gift and who is not and is not deemed to be at the time of the gift, but is, or is deemed to be at the time of his death, a resident of the Netherlands; or
- The holder of Shares is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Shares are attributable.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift.

Furthermore, under circumstances, a holder of Shares will be deemed to be a resident of the Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

6.6.1.4 Other Taxes and Duties

No other taxes and duties (including stamp duty) are due by or on behalf of a holder of Shares in respect of or in connection with the purchase, ownership and disposal of the Shares.

6.6.1.5 Residency

A holder of Shares will not become a resident, or deemed resident of the Netherlands for tax purposes by reason only of holding the Shares.

6.6.2 Czech Republic

Taxation differs between individual shareholders and corporate shareholders. In addition, taxation depends on whether or not the shareholder is subject to taxation on worldwide income or solely on Czech-sourced income.

Corporations resident in the Czech Republic for tax purpose, i.e. particularly those who have their registered offices or place of effective management in the Czech Republic (“Czech Corporate Investors”) are subject to corporate income taxation in the Czech Republic on their worldwide income. Other corporations (“Non Czech Corporate Investors”) are subject to corporate income taxation in the Czech Republic only on their Czech-sourced income.

Individuals resident in the Czech Republic for tax purposes, i.e. particularly those who have a place of residence the Czech Republic, or who usually stay the Czech Republic (“Czech Individual Investors”) are subject to personal income

taxation in the Czech Republic on their worldwide income. Other individuals (“Non Czech Corporate Investors”) are subject to personal income taxation in the Czech Republic only on their Czech-sourced income.

Detailed rules are described in the Czech-Dutch Tax Treaty, a convention between the Czech Republic and the Kingdom of the Netherlands for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income.

- *Description of the subscription (how much is offered, when the subscription was conducted, subscription price/range, minimum subscription, when it was decided to subscribe/increase capital and conduct the placement on the market, and who it was decided by, information and registration of instruments in CSD).*

⇒ No issue of new shares.

- *Information about other financial instruments that affect or may in the future affect the value of financial instruments (bonds, convertible bonds, options, warrants, tacit partnership). Information about other markets where the instruments are already traded.*

BONDS

ISIN

DE000A1HELE2

Open Market in Frankfurt, Berlin, Hamburg-Hannover, Corporates Prime Segment in Vienna

Coupon (paid quarterly)

8% per annum

Denomination

Eur1,000

Redemption date

12.03.18

Nominal value outstanding 30.06.2016

Eur 9,632 thousand

- *Requirement/Recommendation regarding the “lock-up” period, during which the majority owner does not sell their shares. It may be a statement of the owner, or it shall be voted within the framework of the decision to subscribe.*

⇒ No lock-up period, the shares have already been issued.

- *Indication of the cost of registration (by completing the table):*

| | |
|--|-----------------------|
| <i>Cost of the applying member:</i> | <i>... (Currency)</i> |
| <i>Cost of the Legal Counsel:</i> | <i>... (Currency)</i> |
| <i>Cost of Subscription:</i> | <i>... (Currency)</i> |
| <i>Miscellaneous:</i> | <i>... (Currency)</i> |
| <i>Total:</i> | <i>... (Currency)</i> |
| <i>Total % of the amount subscribed:</i> | <i>... (%)</i> |

⇒ The shares have already been issued.

7 Information about the Issuer

7.1 Significant information about the historical development of the Issuer

- **2008:** Photon Energy a.s., the predecessor company was founded in the Czech Republic in January. In September, the company raised EUR 0.6m in a private placement (as the only external equity financing to date) and in October its shares were listed on the NewConnect segment of the Warsaw Stock Exchange.
- **2009:** Photon Energy connected the first large scale PV plant of 911 kWp as an EPC in July. In total the company commissioned four plants with an installed capacity of 3.5 MWp, including the 795 kWp plant in Mostkovice, the first plant in its proprietary portfolio.
- **2010:** Photon Energy built and connected 32.5 MWp of PV plants in the Czech Republic and Slovakia and expanded its proprietary portfolio to 20MWp. In December Photon Energy N.V. was incorporated by two founding shareholders: Mr Georg Hotar (48.33% of share capital) and Mr. Michael Gartner (51.67%) under the laws of the Netherlands, with its statutory seat in Amsterdam in the Netherlands. Mr. Hotar contributed 7,976,159 shares and Mr. Gartner contributed 8,526,150 shares of Photon Energy a.s. to the capital of the Issuer, which thus became a 71.75% shareholder of Photon Energy a.s.. Subsequently, the shares of the Issuer were contributed by the two founding shareholders to Solar Power to the People Cooperatief U.A. and Solar Futur Cooperatief U.A.
- **2011:** Photon Energy built an additional 8.8 MWp of PV plants in Slovakia and added 1.3 MWp in Germany and 0.3 MWp in Italy (first power plant). The Company also established its presence in Australia and started project development.
- **2012:** The Group completed its corporate restructuring, implemented a structure based on six legally separated business lines and transferred all activities and assets under its Dutch holding structure. The increasingly deteriorating situation on the Czech PV market led to the discontinuation of the Company's local operating activities by disposal. The Company established Photon Energy Investments N.V., in which it concentrated its proprietary portfolio of PV plants. Photon Energy connected a 1 MWp rooftop PV plant in Italy in June.
- **2013:** Photon Energy Investments placed a 5-year corporate bond with an 8% coupon and quarterly payments, which trades on the Frankfurt, Berlin, Hamburg, Hannover and Vienna Stock Exchanges. After a share exchange with the minority shareholders in Phoenix Energy a.s. (formerly Photon Energy a.s.), its Czech predecessor, in June 2013 Photon Energy N.V. was listed on the NewConnect segment of the Warsaw Stock Exchange, followed by a capital increase by EUR 24 million by issuing 27 million shares at PLN 3.85 in June. These shares were admitted to trading on NewConnect in October 2013. Furthermore, PENV executed a share issuance and contribution transaction, which increased the number of shares by 10 million to a total of 60 million. These 10 million newly issued shares are held in treasury by Photon Energy N.V. Subsequently, the Group announced its new global strategy and launched Photon Energy Generation Australia (PEGA). In December PEGA signed its first three PV projects in the ACT, Australia.
- **2014:** The most successful year so far in terms of new O&M contracts. Photon Energy Operations has been able to increase its business from 63 MWp as of year-end 2013 to 123 MWp under management one year later. In August 2014, in the wake of new anti-renewable steps taken by the Italian government as well as other EU member states, new services dedicated to protecting Renewable Energy investors were launched through a newly-established subsidiary Global Investment Protection AG (GIP). In November 2014, a revolutionary solar storage project was launched in Muswellbrook, Australia allowing a radio broadcast tower to be powered with solar energy 24/7. In the first half of 2014, a 283 kWp power plant was completed in Sydney's Commercial Business District and in December 2014, an EPC project was signed for the fifth power plant in Australia (a 99 kWp roof mounted PV installation in Sydney). In 2014 Q3, a partial repayment and refinancing of the short term loan facility was executed in the amount of EUR 6.0 million,

significantly improving the Group's risk profile. In 2014 Q3, financing facility amendments were also concluded with Raiffeisen Leasing Real Estate s.r.o. in Prague as well as with Unicredit Bank in Bratislava, increasing the existing credit facility on nine Czech power plants by CZK 60 million (EUR 2.2 million) and on the eleven Slovak power plants by EUR 2.2 million.

- **2015:** Photon Energy Engineering Australia signed a contract for the construction of a 348 KWp project in the Australian Capital Territory for a third party in June 2015. The group sold its two Italian power plants in reaction to retroactive cuts by the Italian government, in April 2015. The group sold its two German power plants in August 2015. In December 2015, the Group concluded amendments to its financing facility with Raiffeisen Leasing s.r.o. in Prague.

7.2 Issuer's ownership structure

| Series/ issue | Type of shares | Type of preference | Limitation of right to shares | Number of shares | Nominal value of series/issue (EUR) | Capital covered with |
|------------------------------------|----------------|--------------------|-------------------------------|-------------------|-------------------------------------|----------------------|
| A | bearer | - | - | <u>60,000,000</u> | <u>600,000</u> | cash |
| Total number of shares | | | | 60,000,000 | | |
| Total share capital | | | | | 600,000 | |
| Nominal value per share = EUR 0.01 | | | | | | |

| Shareholdership as of 30.06.2016 | No. of shares | % of capital | No. of votes at the Shareholders Meeting | % of votes at the Shareholders Meeting |
|--|-------------------|----------------|--|--|
| Solar Age Investments B.V. | 28,263,974 | 47.11% | 28,263,974 | 55.45% |
| Solar Future Cooperatief U.A. | 8,590,683 | 14.32% | 8,590,683 | 16.85% |
| Solar Power to the People Cooperatief U.A. | 8,051,919 | 13.42% | 8,051,919 | 15.80% |
| Photon Energy N.V. | 9,027,839 | 15.05% | 0 | 0.00% |
| Free float | 6,065,585 | 10.11% | 6,065,585 | 11.90% |
| Total | 60,000,000 | 100.00% | 50,972,161 | 100.00% |

7.3 Business plan of the Issuer

- *Description of the business activity and planned project for which the funding will be used (primary and secondary, detailed description of the current and planned services).*

7.3.1 Strategy

2015 proved to be an inflexion point in our company's development. We managed to reignite revenue growth, optimise our cost base across all business lines while the resulting EBITDA growth fed through to the bottom line, where we managed to reduce our loss after taxation by two thirds. The momentum in our Operations & Maintenance and Inverter Cardio service businesses in Europe and the Australian markets provide the backdrop for sustained growth in 2016 and beyond.

The objective of our strategy remains the generation of recurring revenue streams while maximizing customer value. Photon Energy's focus remains on:

- Customised Energy Solutions
- Decentralised Energy Production and Energy Storage Solutions
- Operations & Maintenance of PV plants and Energy Storage facilities
- Asset Management
- Investment Protection

Our next steps are:

- The Photon Energy Operations team focuses on full O&M solutions in Central Europe and expands its Inverter Cardio services to additional inverter technologies covering the whole European market.
- Photon Energy's power plant control and monitoring solutions will be offered as a standalone product.
- The Australian market still remains our focus for the expansion of PV generation capacity, further potential markets in Central and South America and Africa are currently under investigation.
- Our Swiss subsidiary Global Investment Protection AG will continue offering services in the area of arbitration advice, legal advice and restructuring for investors whose assets might be under threat from retroactive government measures.

Moreover, in order to reduce the dependence on government subsidies in the future, the Group's strategy mainly focuses on the expansion to markets which have already reached Grid Parity, i.e. the cost of PV-generated electricity is competitive with grid-supplied electricity.

The Group also intends to specialise in energy generation solutions providing hybrid-system and diesel-replacement solutions for energy-intensive industries. In this area Photon Energy intends to focus on industries such as retail, agriculture, telecommunications and others. In the case of remote off-grid locations, where usually irradiation levels are constantly high throughout the year, such energy solutions allow customers to reduce fuel consumption by over 50%. In on-grid locations, energy efficiency solutions can materially lower monthly electricity bills. We are also continuing our development of off-grid solutions, which will not only include hybrid power plants, but solutions directly coupled with off-grid applications, such as on-site water pumping and filtration powered by solar energy.

Photon Energy wants to position itself at the cutting edge of the industry, creating PV-based power solutions with the integration of energy storage and/or diesel generators. The Group has developed different accurate models for off-grid and on-grid systems with sufficient flexibility to adapt to a wide range of situations. In order to facilitate market penetration, the Group will selectively cooperate with local partners, if necessary or value-adding.

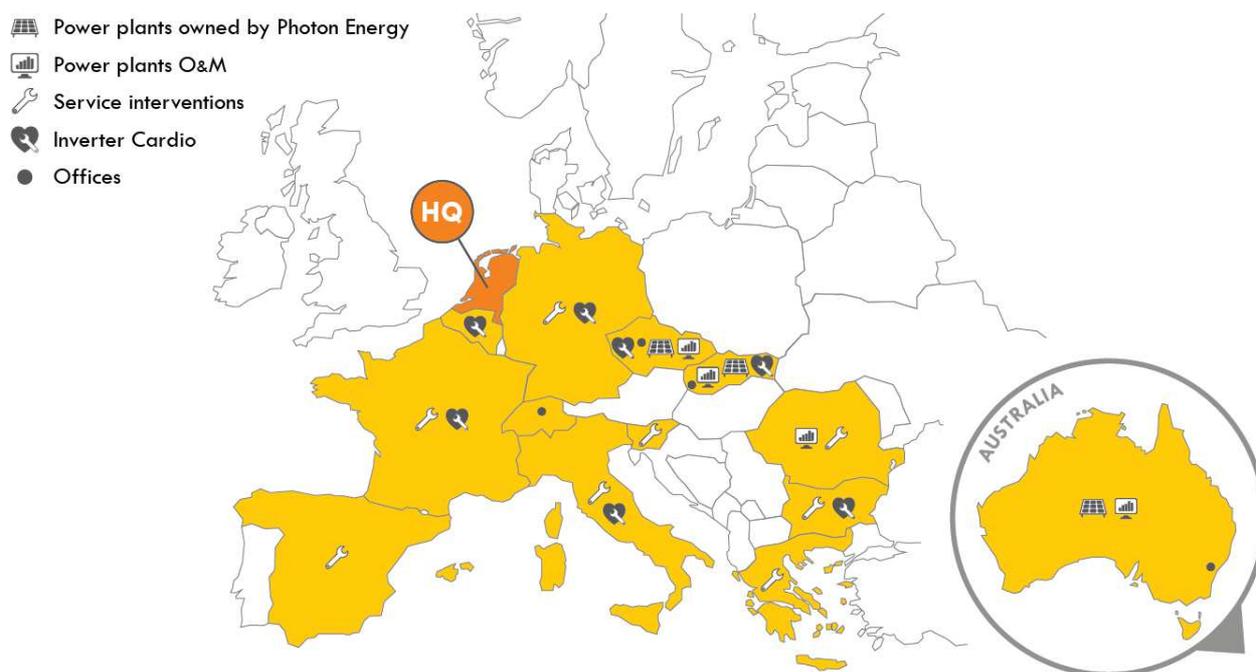
7.3.2 Detailed description of the current and planned services

The company Photon Energy N.V. (“Photon Energy”, “PENV”, “Issuer” or “Company”) is the holding company of the Photon Energy Group and was incorporated under the laws of the Netherlands on 9 December 2010. The Photon Energy Group (“Group” or “PE Group”) offers comprehensive solutions and maintenance services for photovoltaic systems that cover their entire lifecycle globally.

The Group is vertically integrated in the downstream segment of the photovoltaic industry. The company focuses on life-cycle services and delivers:

- **Solar Solutions:** Project development, EPC services , Financing models
- **Solar Storage Solutions:** Battery Backup Systems for off-grid solutions
- **Solar O&M:** High-end Operations & Maintenance Solutions
- **Solar Technology:** High-quality components
- **Solar Investment:** Investor in solar assets and producer of electricity
- **Investment Protection:** Services for investors to safeguard from retroactive measures

7.3.2.1 Country-specific references



Currently the Photon Energy Group is active with 58 professionals in 5 countries across 2 continents (headquartered in Amsterdam). With a track record of 50 MWp of grid-connected PV plants across 5 countries and more than 180 MWp of PV power plants under O&M management across two continents.

7.3.2.2 The proprietary portfolio of Photon Energy N.V. as of 30 June 2016

| Nr | Proprietary portfolio | Legal entity | Country | Cap.(kWp) | Share | Cap. Pro-rata | Completed |
|--------------|-------------------------------|-------------------------------|---------|---------------|-------|---------------|-----------|
| 1 | Komorovice | Exit 90 s.r.o. | CZ | 2,354 | 100% | 2,354 | Dec.10 |
| 2 | Zvíkov I | Photon SPV8 s.r.o. | CZ | 2,031 | 100% | 2,031 | Nov.10 |
| 3 | Dolní Dvořiště | Photon SPV10 s.r.o. | CZ | 1,645 | 100% | 1,645 | Dec.10 |
| 4 | Svatoslav | Photon SPV4 s.r.o. | CZ | 1,231 | 100% | 1,231 | Dec.10 |
| 5 | Slavkov | Photon SPV6 s.r.o. | CZ | 1,159 | 100% | 1,159 | Dec.10 |
| 6 | Mostkovice SPV 1 | Photon SPV1 s.r.o. | CZ | 210 | 100% | 210 | Dec.10 |
| 7 | Mostkovice SPV 3 ¹ | Photon SPV3 s.r.o. | CZ | 926 | 100% | 926 | Dec.09 |
| 8 | Zdice I | Onyx Energy I s.r.o. | CZ | 1,499 | 100% | 1,499 | Dec.10 |
| 9 | Zdice II | Onyx Energy projekt II s.r.o. | CZ | 1,499 | 100% | 1,499 | Dec.10 |
| 10 | Radvanice | Photon SPV11 s.r.o. | CZ | 2,305 | 100% | 2,305 | Dec.10 |
| 11 | Břeclav rooftop | Photon SPV1 s.r.o. | CZ | 137 | 100% | 137 | Dec.10 |
| 12 | Babiná II | Sun4Energy ZVB s.r.o. | SK | 999 | 100% | 999 | Dec.10 |
| 13 | Babina III | Sun4Energy ZVC s.r.o. | SK | 999 | 100% | 999 | Dec.10 |
| 14 | Prša I. | Fotonika s.r.o. | SK | 999 | 100% | 999 | Dec.10 |
| 15 | Blatna | ATS Energy s.r.o. | SK | 700 | 70% | 490 | Dec.10 |
| 16 | Mokra Luka 1 | EcoPlan 2 s.r.o. | SK | 963 | 100% | 963 | Jun.11 |
| 17 | Mokra Luka 2 | EcoPlan 3 s.r.o. | SK | 963 | 100% | 963 | Jun.11 |
| 18 | Jovice 1 | Photon SK SPV2 s.r.o. | SK | 979 | 100% | 979 | Jun.11 |
| 19 | Jovice 2 | Photon SK SPV3 s.r.o. | SK | 979 | 100% | 979 | Jun.11 |
| 20 | Brestovec | Photon SK SPV1 s.r.o. | SK | 850 | 50% | 425 | Jun.11 |
| 21 | Polianka | Solarpark Polianka s.r.o. | SK | 999 | 50% | 500 | Jun.11 |
| 22 | Myjava | Solarpark Myjava s.r.o. | SK | 999 | 50% | 500 | Jun.11 |
| 23 | Symonston | | AUS | 144 | 100% | 144 | Feb.13 |
| Total | | | | 25,569 | | 23,935 | |

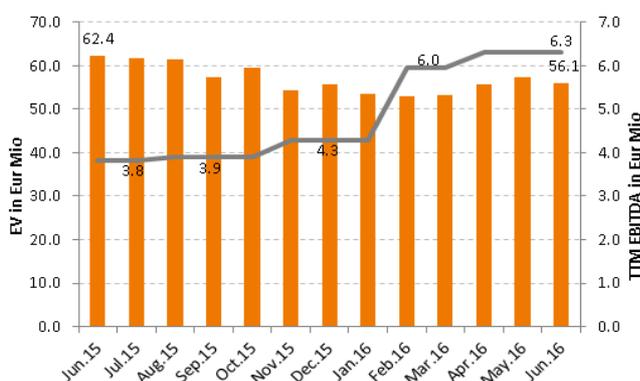
- Key investment data (main identifiers of the Company value = value of instruments).

7.3.3 Main identifiers of the Company value

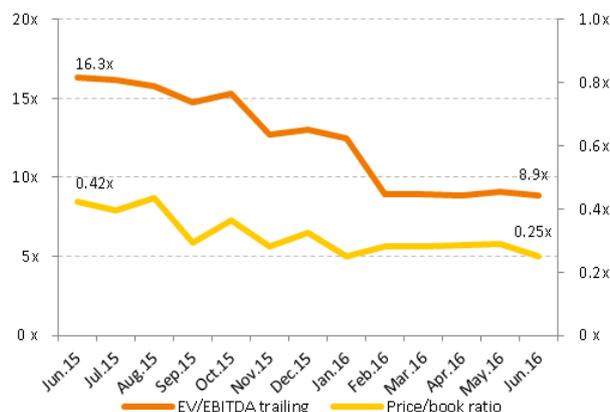
SHARES

| | |
|---|--------------------|
| ISIN (New Connect, Warsaw Stock Exchange) | NL0010391108 |
| Shares outstanding | 50,972,161 |
| Free-float shares | 6,065,585 |
| Nominal value per share | EUR 0.01 |
| Closing price in PLN as of 30.06.16 | PLN 0.62 |
| Closing price in EUR as of 30.06.16 | EUR 0.14 |
| Market cap 30.06.16 | EUR 7,124 thousand |

Enterprise value vs. trailing 12 months (TTM) EBITDA



Enterprise value / TTM EBITDA & price to book ratio



Notes:

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

Trailing 12 months EBITDA – defined as the sum of EBITDA reported in the last four quarterly reports; e.g. in 2016 Q2, the sum of EBITDA reported in 2015 Q2, Q3, Q4 and 2016 Q1.

Price/book ratio – is calculated by dividing the closing price of the stock as of the end of the reporting period by the book value per share reported in the latest quarterly report.

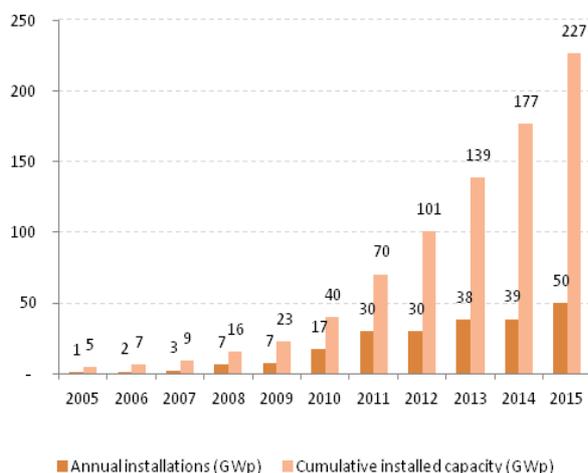
- Key financial data (table with historical indicators and forecast for at least 3 years. The indicators must be relevant to the sector. In general: Sales, EBITDA, Operating profit, Cost of staff, Net profit, CAPEX, Debt)
 - ⇒ See 6.5. for historical figures.
 - ⇒ The Company does not publish financial forecasts.

- Identification of the relevant market (size, development, SWOT analysis, competitors).

7.4 Market description and positioning

7.4.1 Global market and regional trends in 2015

Evolution of global annual and cumulative installed capacity 2005-2015 (GWp)



Top 10 countries of year 2015 in GWp

| Cumulative installed capacity | | | Added Capacity in 2015 | | | | |
|-------------------------------|--|-----------|------------------------|----|--|-----------|------|
| 1 | | China | 43.5 | 1 | | China | 15.2 |
| 2 | | Germany | 39.7 | 2 | | Japan | 11.0 |
| 3 | | Japan | 34.4 | 3 | | USA | 7.3 |
| 4 | | USA | 25.6 | 4 | | UK | 3.5 |
| 5 | | Italy | 18.9 | 5 | | India | 2.0 |
| 6 | | UK | 8.8 | 6 | | Germany | 1.5 |
| 7 | | France | 6.6 | 7 | | Korea | 1.0 |
| 8 | | Spain | 5.4 | 8 | | Australia | 0.9 |
| 9 | | Australia | 5.1 | 9 | | France | 0.9 |
| 10 | | India | 5.0 | 10 | | Canada | 0.6 |

2015 was another year of development for photovoltaic installations. According to preliminary results published by IEA-PVPS in April 2016, almost 50 GWp of PV systems would have been installed globally (compared to 40 GWp in 2014, 38 GWp in 2013 and 30 GWp in 2012). The global PV cumulative installed capacity would then reach an impressive 227 GWp at the end of the year, which represents a 28% increase compared to the year 2014.

GTM Research’s estimates put the global solar market higher in 2015 at 34% growth during the year to 59 GWp.

In 2016, GTM Research expects this growth to slow significantly to only 64 GWp, citing reduced Feed-in-Tariffs in Japan, China and the UK, bringing cumulative installed PV to 321 GWp.

Top 3 global countries in 2015

- China was the number one global market with around 15.2 GWp connected to the grid
- Japan was the second largest global market with around 11.0 GWp
- The USA ranked the number three with 7.3 GWp.

In 2015 Asia has confirmed its leadership over Europe for the third year in a row. The Asia-Pacific region, led by China and Japan, represented 60% of last year’s global market. India is becoming one of the top five markets in 2015 with installations estimated at 2.0 GWp.

Thanks to a booming residential PV market and continued realization of the utility sector’s project pipeline, 2015 was the biggest year yet in the US solar history.

Now Europe represents less than 50% of the total installed capacity and this percentage shall continue decreasing in the coming years.

The relative slowdown of European PV markets originated from further intentional regulatory changes. In a number of European countries, harsh support reduction, retrospective measures and unplanned changes to regulatory frameworks that badly affect investors’ confidence and PV investments viability have led to a significant market decrease.

7.4.2 Evolution of European markets in 2015

- The UK installed 3.5 GW in 2015, taking first place in the European market for the second year in a row (2.3 GWp installed in 2014). However, the government has announced a drastic reduction of FIT and is removing preliminary accreditation under the FIT’s scheme; these measures are expected to significantly affect the growth enjoyed in the UK over the past two years.

- Germany – the top European market in terms of installed capacity experienced another market decline to 1.5 GWp, down from 1.9 GWp in 2014.
- France was close to the gigawatt mark, and stable compared to 2014.
- Italy, as all markets where feed-in tariffs were phased-out, remained stable at a low level of 0.3 GWp.
- PV represents at least 3.5% of the electricity demand in Europe and 7% of the peak electricity demand.

7.4.3 Evolution of US market 2015

- The US installed 7.3 GWp of solar PV in 2015, up 18% over 2014, to reach 27.4 GWp of total installed capacity, enough to power 5.4 million American homes.
- The extension of the solar Investment Tax Credit (ITC) has helped to fuel remarkable solar growth.
- GTM Research forecasts that 16 GWp of new PV installations will come on-line in 2016, up 120% over 2015 with Utility PV driving the majority of demand.
- GTM also predicts that the market will fall back to around 10 GWp in 2017, further to an anticipated drop-down of the ITC.

7.4.4 Evolution of Asian market in 2015

- With 15.2 GWp added in 2015, China has now reached 43.5 GWp of solar PV capacity. China has been the world's largest market for solar PV since 2013, with over 10 GWp installed in 2013 and 2014. The nation plans to install 150 GWp of solar PV by 2020 but is facing grid connections issues and delayed subsidies payments.
- First introduced in July 2012, Japan's compensation scheme has driven a dramatic rise in the number of PV installations. For the second time running, Japan was one of the world's leading nation adding some 11.0 GWp of new solar PV capacity in 2015. The impending liberalization of the electricity market delivers more opportunities for solar growth.
- Following these two market leaders in Asia, the solar market in India is finally taking off. The government has raised the National Solar Mission's solar installations target from 22 GWp to 100 GWp by 2022.

7.4.5 Evolution of emerging markets in 2015

- Emerging markets continued to contribute to the global development in 2015, such as Chile (0.4 GW), Algeria (0.3 GW) or South Africa (0.2 GW).
- In South America, several countries adopted policies that could favour the development of PV in the coming years, especially Mexico, Brazil and Peru.

7.4.6 Evolution of Australian market in 2015

- Australia confirmed its maturity in 2015 and reached approx. 935 MWp in 2015 (compared to 900 MWp in 2014).
- Australia is the eighth largest market in the world, accounting for 1.9% of added capacity in 2015.
- Australia is one of the sunniest continents in the world. The majority of photovoltaic power plants are connected to the electricity network. However, there are numerous "off-grid" solar power plants, meaning that they are independent from the electricity network – particularly in remote Australian villages. It is estimated that the solar irradiation in Australia is approximately 10,000 times higher than the annual energy consumption. Solar irradiation is especially high in Central/North-Western Australia. However, these regions are not connected to the national electricity network.
- The Australian market is unique in the world being predominantly a residential small-scale market as a result of Government policy support that has favoured such systems. One in seven Australian households benefit from solar energy.
- The country has some of the highest penetration rates of residential solar: around 5 GWp of installed capacity with less than 300 MWp of it coming from utility-scale.
- While the RET ("Renewable Energy Target" scheme) has been cut, the CEFC ("Clean Energy Finance Corporation") and ARENA ("The Australian Renewable Energy Agency") have launched complementary programmes to support large scale PV. ARENA launched an AUD 100 million large-scale competitive round that

is looking to develop solar projects larger than 5 MWp. The CEFC complemented this with an AUD 250 million round of loans of AUD 15 million or more for similar big PV projects.

- A study from SunWiz states that solar was the number one new power source in 2015, with 913 MW (935 MWp according to IEA-PVPS) of new solar capacity added across Australia in 2015. By comparison, wind energy did fairly well, installing 774 MWp of new capacity in 2015, while coal actually decommissioned 1,300 MWp of capacity during the year.

7.4.7 Competition

The market for PV downstream services solutions continues to become more competitive. Photon Energy'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 us or in limited segments of our market.

With the end or the 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.

A report from GTM Research and SoliChamba Consulting released in November 2015 states that the global market for utility-scale PV operations and maintenance (O&M) will grow to 390GW by 2020 — almost triple the estimated 133GW at the end of 2015.

The competitive landscape of the PV O&M market is country specific, with different firms leading in each of the top solar markets. The latest Bloomberg New Energy Finance PV O&M Index 2015 reports BELECTRIC, with more than 1.3 GWp of PV capacity under service contracts, as the third largest O&M service provider worldwide after US companies First Solar and SunEdison.

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.

We believe that we are able to differentiate ourselves from these competitors by, among other things:

- Applying our more than 7 year experience to the development and delivery of products and professional services that enable our customers to overcome their challenges and achieve service differentiation by providing a personalized and intelligent customer experience, simplifying the complexity of the operating environment,
- Continuing to design and develop solution targeted specifically to the PV industry,
- Innovating and enabling our customers to adopt new business models that will improve their ability to drive new revenues, and compete and win in a changing market,
- Providing high-quality, scalable, reliable, integrated, yet modular services.

- *Overview of key staff (CVs and description of responsibilities).*

7.5 Overview of key staff

Georg Hotar, Chief Executive Officer and co-founder

Georg co-founded Photon Energy in 2008 and was the company's CFO until 2011. In that year he was appointed CEO and has since spearheaded the group's expansion in Europe and overseas. Georg has extensive knowledge of the solar energy industry as well as in international finance. Before Photon Energy, Georg established Central European Capital in 2000, a regional finance and strategy advisory boutique. He has also held various positions in financial services in London, Zurich and Prague. Georg is an Austrian national and holds a Masters in Finance from the London Business School.

Michael Gartner, Managing Director of Photon Energy Australia and co-founder

Michael developed one of the first large PV installations in the Czech Republic before co-founding Photon Energy in 2008. Michael was CEO of Photon Energy until relocating to Australia to start Photon Energy Australia in 2011. Apart

from growing the Australian business, Michael is instrumental in driving Photon Energy's off-grid and solar-hybrid power solutions. Before Photon Energy, Michael ran an investment boutique arranging Eurobond issues and offering sell-side M&A advisory. Between 1994 and 2004, he was an analyst and head of fixed income sales at ING and Commerzbank Securities in Prague. Michael is an Australian and Czech national and holds an MBA from the US Business School in Prague.

Clemens Wohlmuth, Chief Financial Officer

Clemens is responsible for running the financial activities and strategies of Photon Energy's group of companies. He joined Photon Energy in 2012 and contributes many years of experience in financial management. Since 2008, he ran his own consulting practice focused on financial services and interim management. Prior to this, he was appointed CFO at Telekom Austria's Czech subsidiary, Czech On Line, where he was promoted in 2005 to COO and in 2006 to CEO. From 1994 to 2000 he was Senior Manager for Ernst & Young Consulting in Austria and worked on several reorganisation projects in the manufacturing and energy sectors in Central Europe. Clemens is an Austrian national and holds an Masters degree from the University of Economics in Vienna.

- *Financial overview (historical development and forecast for at least 3 years, at the minimum regarding the following items):*
 - a. Revenue from production output and goods (in the division to the main segments/groups of services and/or products), together with a description of the principal assumptions on which calculations are based.
 - b. Cost of revenue from production output and goods (in the division to the main segments/groups of services and/or products), together with a description of the principal assumptions on which calculations are based.
 - c. Cost of staff (in the division to the managerial staff and others), together with a description of the principal assumptions on which calculations are based.
 - d. Fixed assets and depreciation
 - e. Working capital (inventories, payables, receivables)
 - f. Loans (overview of long-term and short-term loans) with a description of how the loans will be obtained. Indication of the Company's debt level
 - g. Cash flow
 - h. Issuer's investment plan - detailed description of the projects planned in the medium term, including time axis, identification of the key stages and milestones of projects and cash flow. Description and quantification of the key parameters for evaluating the success of projects.
- ⇒ See 6.5.
- *Identification of the plans for international expansion, including a description of investment projects.*
 - ⇒ See Strategy 6.3.
- *List of exchange rates applied to financial data.*

7.6 Exchange rates applied to financial data

7.6.1 Functional 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 functional currency'). The consolidated financial information is presented in EUR, which is the company's functional and the group's presentation currency.

7.6.2 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.

7.6.3 Group companies

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

7.7 Information on historical and/or current litigations of the Issuer (also information about bankruptcy, insolvency, etc.)

⇒ No litigations in progress.

7.8 Historical financial statements

- Latest three completed years or three years since the Company's establishment or statements of the legal predecessor (AUDITED).
- If the application is filed more than three months since the latest annual results, financial statements shall also be required for the latest completed quarter (UNAUDITED) + commentary of the Board on the results.

7.8.1 Profit & Loss statement

| | Unaudited. | | | |
|---|----------------|---------------|---------------|------------------------|
| in thousand EUR | Total 2013 | Total 2014 | Total 2015 | 1.1.2016- 30.6.2016 |
| <i>Revenues from electricity generation</i> | 11,149 | 10,159 | 10,600 | 5,570 |
| <i>Other revenues</i> | 2,727 | 1,601 | 2,721 | 943 |
| Total revenues | 13,876 | 11,760 | 13,321 | 6,513 |
| Costs of sale | -2,647 | -714 | -2,444 | -723 |
| 26%/10% levy | -1,918 | -682 | -743 | -404 |
| Gross profit | 9,311 | 10,364 | 10,134 | 5,387 |
| <i>Gross profit margin</i> | 67% | 88% | 76% | 83% |
| Other income | 0 | 27 | 0 | 29 |
| Administrative expenses | -2,373 | -2,942 | -1,639 | -764 |
| Personnel expenses | -3,258 | -2,819 | -2,112 | -1,087 |
| Other expenses | -366 | -1,134 | -237 | -86 |
| EBITDA | 3,314 | 3,496 | 6,146 | 3,479 |
| <i>EBITDA margin</i> | 24% | 30% | 46% | 53% |
| Depreciation | -4,838 | -4,420 | -5,033 | -2,613 |
| EBIT | -1,524 | -924 | 1,113 | 866 |
| Interests income | 140 | 52 | 72 | 22 |
| Financial revenues | 0 | 166 | 903 | 0 |
| Interests cost | -3,655 | -2,935 | -3,204 | -1,533 |
| Financial expenses | -610 | -282 | -132 | -34 |
| Revaluation of derivatives | 267 | -2,227 | 240 | -537 |
| Net finance expenses | -3,858 | -5,228 | -2,121 | -2,082 |
| Share of profit/loss of associates /joint venture | 154 | 70 | 91 | 98 |
| Disposal of investments | 509 | 1,081 | 0 | 0 |
| Profit /loss before taxation | -4,719 | -6,081 | -918 | -1,119 |
| Income tax – due | -229 | -13 | -542 | -11 |
| Income tax – deferred | -47 | -21 | -47 | 97 |
| Profit/loss from continuing operations | | -6,115 | -1,507 | -1,033 |
| Profit/loss from discontinued operations | | 1,081 | -213 | -11 |
| Profit/loss after taxation | -4,995 | -5,034 | -1,720 | -1,044 |
| Other comprehensive income, net of tax | -6,894 | 6,500 | 965 | -152 |
| Total comprehensive income | -11,889 | 1,466 | -755 | -1,196 |

7.8.2 Balance sheet

Unaudited.

| in thousand EUR | 31.12.2013 | 31.12.2014 | 31.12.2015 | 30.06.2016 |
|---|---------------|---------------|---------------|---------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| Intangibles | 0 | 0 | 0 | 0 |
| Property, plant and equipment | 78,320 | 81,549 | 76,827 | 76,490 |
| Investments in associates /joint ventures | 2,500 | 2,086 | 2,195 | 2,110 |
| Other investments | 17 | 10 | 1 | 8 |
| Longterm receivables | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 |
| Total fixed assets | 80,837 | 83,645 | 79,023 | 78,608 |
| Current assets | | | | |
| Inventories – Goods | 389 | 683 | 924 | 1,069 |
| Trade receivables | 873 | 1,152 | 917 | 2,319 |
| Other receivables | 2,923 | 2,350 | 3,064 | 3,574 |
| Loans | 0 | 0 | 0 | 0 |
| Gross amount due from customers for contract work | 0 | 262 | 0 | 0 |
| Prepaid expenses | 956 | 818 | 688 | 491 |
| Cash and cash equivalents | 4,682 | 4,631 | 5,297 | 4,643 |
| Assets held for sale | 0 | 0 | 39 | 0 |
| Total current assets | 9,823 | 9,897 | 10,930 | 12,096 |
| TOTAL ASSETS | 90,660 | 93,542 | 89,953 | 90,704 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Issued share capital | 600 | 600 | 600 | 600 |
| Share premium | 23,760 | 23,760 | 23,760 | 23,760 |
| Legal reserve fund | 10 | 10 | 10 | 8 |
| Reserves | 19,988 | 25,344 | 24,020 | 24,087 |
| Retained earnings | -17,778 | -21,675 | -20,001 | -20,660 |
| Combined equity | 0 | 0 | 0 | 0 |
| Equity attributable to owners of the Company | 26,580 | 28,038 | 28,389 | 27,795 |
| Non-controlling interests | 139 | 147 | 151 | 156 |
| Total equity | 26,719 | 28,185 | 28,541 | 27,951 |
| Non-current liabilities | | | | |
| Bank Loan | 42,500 | 41,889 | 38,499 | 39,405 |
| Other long term liabilities | 4,643 | 7,979 | 8,154 | 9,913 |
| Other loans | | 1,178 | 538 | 270 |
| Deferred tax liabilities | 3,367 | 5,061 | 5,481 | 5,601 |
| Total non-current liabilities | 50,510 | 56,106 | 52,671 | 55,189 |
| Current liabilities | | | | |
| Bank Loans | 3,115 | 3,385 | 3,569 | 4,035 |
| Other loans | 6,000 | 649 | 269 | 268 |
| Trade payables | 2,079 | 1,219 | 1,061 | 964 |
| Other payables | 2,063 | 3,900 | 3,096 | 2,175 |
| Other shortterm liabilities | 174 | 97 | 0 | 0 |
| Current tax liabilities (income tax) | 0 | 0 | 747 | 120 |
| Provisions | 0 | 0 | 0 | 0 |
| Total current payables | 13,431 | 9,250 | 8,742 | 7,563 |
| TOTAL EQUITY AND LIABILITIES | 90,660 | 93,542 | 89,953 | 90,704 |
| equity ratio | 32% | 34% | 36% | 34% |

7.8.3 Cash flow statement

Unaudited.

| in thousand EUR | 1.1.2013 – 31.12.2013 | 1.1.2014 – 31.12.2014 | 1.1.2015 – 31.12.2015 | 1.1.2016- 30.6.2016 |
|--|--------------------------|--------------------------|--------------------------|------------------------|
| Cash flows from operating activities | | | | |
| Profit/loss before taxation | -4,995 | -5,000 | -1,131 | -1,119 |
| Adjustments for: | | | | |
| Depreciation | 4,838 | 4,420 | 5,036 | 2,613 |
| Other changes in fixed assets | | | | 230 |
| Share of profit of equity accounted investees | -154 | -70 | -91 | -98 |
| Profit /Loss on sale of property, plant and equipment | 0 | 0 | 0 | 39 |
| Other non-cash items | 0 | 0 | 182 | -36 |
| Changes in: | | | | |
| Trade and other receivables | 2,822 | 1,526 | -479 | -1,912 |
| Gross amount due from customers for contract work | 0 | -262 | 262 | 0 |
| Prepaid expenses | -498 | 138 | 130 | 197 |
| Inventories | -236 | -294 | -241 | -145 |
| Trade and other payables | -7,510 | 758 | 158 | -1,017 |
| Other liabilities | -20,827 | -3,679 | -1,091 | -320 |
| Net cash from operating activities | -26,560 | -2,463 | 2,735 | -1,567 |
| Cash flows from investing activities | | | | |
| Acquisition of property, plant and equipment | 0 | 0 | 0 | 0 |
| Acquisition of subsidiary (net of cash acquired), associates, joint ventures | 0 | 0 | 0 | 0 |
| Acquisition of other investments | 0 | 0 | 0 | 0 |
| Proceeds from sale of investments | 0 | 0 | 2,141 | 0 |
| Proceeds from sale of property, plant and equipment | -42 | 0 | 0 | 0 |
| Interests received | 0 | 0 | 0 | 0 |
| Net cash from investing activities | -42 | 0 | 2,141 | 0 |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of ordinary shares | 24,130 | 0 | 0 | 0 |
| Change of consolidation method (acquisition of JV) | | | | 1,809 |
| Proceeds from borrowings | 0 | 4,267 | 0 | 1,479 |
| Repayment of borrowings | -4,677 | -6,662 | -4,996 | -2,312 |
| Proceeds from issuing bonds | 4,213 | 1,025 | 535 | 1,572 |
| Interest expenses | -240 | 3,782 | 252 | -1,545 |
| Net cash from financing activities | 23,426 | 2,412 | -4,208 | 1,003 |
| Net increase/decrease in cash and cash equivalents | -3,176 | -51 | 668 | -564 |
| Cash and cash equivalents at the beginning of the period | 6,953 | 4,682 | 4,631 | 5,299 |
| Effect of an exchange rate fluctuation | -278 | | | -92 |
| Cash and cash equivalents at the end of the period | | 3,499 | 4,631 | 5,297 |

7.9 Corporate Governance Principles

- *Description of the principles that the Issuer and its representatives will adhere to (in accordance with the Articles of Association, the Free Rules and laws).*
⇒ See Articles of Association.

7.9.1 Board of Directors as of 30 June 2016

The Board of Directors is responsible for the day-to-day operations of the Company. The Issuer's Board of Directors has the following members:

| Name | Position | Date of birth | Term of office expiry date |
|-----------------|--------------------------------|---------------|----------------------------|
| Georg Hotar | Director (<i>Bestuurder</i>) | 21. 04. 1975 | No term of expiry |
| Michael Gartner | Director (<i>Bestuurder</i>) | 29. 06. 1968 | No term of expiry |

7.9.2 Supervisory board

Under Dutch law, a public company is required to establish a supervisory board if:

- The issued share capital of the company together with the reserves pursuant to the balance of sheet amounts to at least EUR 16 million,
- The company or a dependent company has established a work council pursuant to a statutory obligation and,
- The company together with its dependent companies employs at least one hundred employees in the Netherlands.

The company will only be under the obligation to establish a supervisory board if it meets such criteria on the balance sheet dates in three subsequent financial years. The Issuer does not meet the above described criteria and therefore is not required to create a supervisory board. No Supervisory Board was established, however, the Issuer has the intention to appoint an independent Supervisory Board in the future.

7.9.3 Body authorized to make decisions in respect to the issue of financial instruments

The General Meeting may resolve to issue shares, unless another corporate body of the Company has been designated by the General Meeting as the competent corporate body to resolve to issue shares. This designation may be granted for a period of not more than five years. The number of shares that may be issued shall be stipulated in the aforesaid designation. Shares may not be issued at less than their nominal value. The designation may be extended from time to time by the General Meeting, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. As long as the designation is in force, the General Meeting shall not be authorized to resolve to issue shares.

8 Definitions and abbreviations

| | |
|--|---|
| Articles, Statutes: | The Company's articles of association effective as of the date of issuance of this document. |
| Board: | The Board of Directors of the Company. |
| Company, Issuer, PENV, Photon Energy: | Photon Energy N.V. with its registered office in Amsterdam, The Netherlands. |
| CZK: | Czech crown. |
| EUR: | Euro. |
| Euroclear: | Euroclear Netherlands, Central Securities Depository of the Netherlands. |
| General Meeting: | The general meeting of the Company. |
| GW: | Gigawatt, a unit of power. 1GW = 1,000 MW. |
| GWh: | Gigawatt hour, a unit of energy. 1 GWh = 1,000 MWh |
| GWp: | Gigawatt peak; a term used in photovoltaics, a non-norm compliant term for the electrical performance of solar cells. |
| KNF: | Polish Financial Supervision Authority (Komisja Nadzoru Finansowego). |
| N.V.: | A public company with limited liability incorporated under the laws of the Netherlands. |
| PLN: | Polish zloty. |
| Shares: | ordinary registered shares in Photon Energy N.V. |
| SPV: | Special purpose vehicle, legally independent purpose vehicle which is founded for each project. |

9 Annexes

- *Issuer's Affidavit*
- *Affidavit of applying member*