

SUMMARY

Introduction and Warnings

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

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

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

The Prospectus has been approved as a single document prospectus for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”), as a competent authority under the Prospectus Regulation, on 14 December 2020 (the “**Prospectus Date**”). The AFM’s registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands and its telephone number is +31 (0)20 797 2000. The AFM only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Shares and the Company or the Shares that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

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

Key Information on the Company

Who is the Issuer of the Shares?

Domicile and Legal Form

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

Principal Activities

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

Share Capital

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

Major Shareholders

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

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

Source: The Company.

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

Managing Directors

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

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

Independent Auditor

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

What is the Key Financial Information Regarding the Company?

Selected Financial Information

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

Table 1: Statement of Comprehensive Income for the Periods Indicated

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

Source: Historical Financial Statements.

Table 2: Statement of Financial Position at the Periods Indicated

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

Source: Historical Financial Statements.

Table 3: Statement of Cash Flows for the Periods Indicated

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

Source: Historical Financial Statements.

Other Key Financial Information

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

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

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

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

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

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

Key Information on the Shares

What are the Main Features of the Shares?

Type, Class and ISIN

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

Currency

The Company's Shares are denominated in euro.

Rights Attached to the Shares

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

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

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

Restrictions on Free Transferability of the Shares

The Shares are freely transferable.

Dividend Policy

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

Where will the securities be traded?

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

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

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

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

Key Information on the Admission to Trading on a Regulated Market

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

The only person asking for the Admission is the Company.

Why is this Prospectus Being Produced?

Reasons for the Admission

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

Net Proceeds

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

Conflict of Interest

There are no conflicts of interests pertaining to the Admission.