

Prospectus for
the public offer of
SUN CONTRACTING REGISTERED CHF BOND 2020
of
SUN CONTRACTING AG

SUMMARY

Section A

Introduction and warnings

This Prospectus relates to the public offer in the Principality of Liechtenstein, Austria, Luxembourg, Czech Republic, Hungary, Bulgaria, Italy, the Slovak Republic, Poland, Romania, Croatia, Slovenia and Switzerland (“**Offer States**”) by Sun Contracting AG of bonds of the “**Sun Contracting Registered CHF Bond 2020**” with an aggregate principal amount of up to CHF 24,000,000.00, which is divided into registered, fixed- interest partial bonds with a nominal amount of CHF 0.96 per bond (“**Partial Bond**”/“**Partial Bonds**”) and with a maturity on 5 September 2045 (“**Maturity Date**”). The term of the Partial Bonds ends on 31 August 2045. The Partial Bonds constitute direct and unsecured obligations of the Issuer, ranking pari passu among themselves.

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Partial Bonds should be based on consideration of the Prospectus as a whole by an investor. Investors could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, a plaintiff investor might, under national law, have to bear the costs of translating this 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 this 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 Partial Bonds.

The name and international securities identification number (ISIN) of the Partial Bonds

The name of the Partial Bonds is **Sun Contracting Registered CHF Bond 2020**. The international securities identification number (ISIN) is: LI0555031421

The identity and contact details of the Issuer, including its legal entity identifier (LEI)

The Issuer is Sun Contracting AG. The address and other contact details of the Issuer are FL-9495 Triesen, Austrasse 14, Liechtenstein, telephone number +41 44 551 00 40, e-mail: office(at)sun-contracting.com. The legal entity identifier (LEI) of the Issuer is: 5299005WMQHXYP4CO693

The identity and contact details of the competent authority approving the prospectus and, where different, the competent authority that approved the registration document or the universal registration document

This Prospectus has been approved by the Financial Market Authority Liechtenstein as competent authority under the Prospectus Regulation. The address and other contact details of the Financial Market Authority Liechtenstein are Landstrasse 109, Postfach 279, 9490 Vaduz, Liechtenstein, telephone number +423 236 73 73, email info@fma-li.li and fax +423 236 72 38

The date of approval of the prospectus

This Prospectus has been approved on 12 August 2020.

Section B – Issuer

Sub-section

Who is the issuer of the Partial Bonds?

The Issuer is Sun Contracting AG, a stock corporation, incorporated, organized and existing under the laws of the Principality of Liechtenstein and registered with the commercial register of the Principality of Liechtenstein under registration number FL-0002.555.661-3 (Registry Office: Office of Justice of the Principality of Liechtenstein). The Issuer was founded on 6 September 2017 and registered in the commercial register of the Principality of Liechtenstein on 7 September 2017.

Principal Activities of the Issuer?

The primary business activity of the Issuer encompasses the installation and operation of photovoltaic systems (photovoltaics) on the basis of agreements with customers (“Photovoltaic Contracting”). Photovoltaics is a technology used to convert sunlight (solar radiation) into electrical energy. In the course of Photovoltaic Contracting the Issuer enters into a contract with a customer according to which the Issuer shall install and operate a photovoltaic system with a module efficiency/production to be agreed upon in advance with the respective customer. In order for the Issuer to install a roof based photovoltaic system, a customer has to agree to provide space on the roof of a building during the term of Photovoltaic Contracting. Agreements in connection with Photovoltaic Contracting are usually being entered into for a term of 18 years. The electricity which is generated with a photovoltaic system is either being sold to the contracting party of the Photovoltaic Contracting or fed into the grid. In both cases the Issuer is entitled to collect a remuneration in consideration of the energy to be (or having been) sold.

Major shareholders, including whether it is directly or indirectly owned or controlled and by whom?

The total nominal share capital of the Issuer as registered in the commercial register of the Principality of Liechtenstein amounts to EUR 1,000,000.00 and is divided into 100,000,000 registered shares with a portion of the share capital attributable to each share of EUR 0.01. The shares are issued and fully paid. As of the date of this Prospectus the Issuer is controlled by Andreas Pachinger, who holds 99.00 % of the shares and who, jointly with Clemens Gregor Laternser, is also a member of the Issuer's board of directors with sole power of representation for the Issuer.

Key managing directors

Key managing directors of the Issuer are Clemens Gregor Laternser and Andreas Pachinger, who are both members of the board of directors (*Verwaltungsrat*).

Statutory auditors

Grant Thornton AG (formerly:ReviTrust Grant Thornton AG), FL-9494 Schaan, Bahnhofstrasse 15, Principality of Liechtenstein (*Revisionsstelle*) are the current statutory auditors of the Issuer. The Issuer's financial statements for the financial years, which ended on 31 December 2019 and on 31 December 2018 respectively, were audited by Grant Thornton AG. The Issuer's financial statements for the financial year, which ended on 31 December 2017 were reviewed by Grant Thornton AG.

What is the key financial information regarding the issuer?

The key financial information are derived from the Issuer Financial Statements as of 31 December 2017 (reviewed), 31 December 2018 (audited) and as of 31 December 2019 (audited) which have been prepared in accordance with the provisions of PGR and with generally accepted accounting principles.

Balance Sheets

Balance Sheet (in EUR)	31.12.2017	31.12.2018	31.12.2019
Assets			
Prepaid Expenses	0	19,625.82	14,679.94
Current Assets	88,667.73	4,088,274.53	15,467,052.22
Fixed Assets	206,689.07	9,786,600.59	11,722,520.18
Total Assets	295,356.80	13,874,875.12	27,189,572.40
Liabilities			
Total Debts	118,619.26	12,277,886.97	25,175,890.56
<i>Liabilities</i>	0	12,193,311.87	25,111,058.56
<i>Provisions</i>	10,962.50	74,370.00	40,000.00
<i>Deferred Income</i>	107,656.76	10,205.10	24,832.00
Equity	176,737.54	1,596,988.15	2,013,681.84
Total Liabilities	295,356.80	13,874,875.12	27,189,572.40

(Source: annual financial statement of the Issuer as of 31 December 2017, as of 31 December 2018 and as of 31 December 2019)

Income statements:

Income Statement	07.09.2017 to 31.12.2017	01.01.2018 to 31.12.2018	01.01.2019 to 31.12.2019
(in EUR)			
Net Sales	206,689.07	1,654,167.80	3,126,285.47
Costs of material/services	-104,665.66	-295,056.16	-660,794.69
Gross Profit	102,023.41	1,359,111.64	2,465,490.78
Other Operating Expenses	-14,096.31	-698,771.06	-1,667,343.13
Depreciation, adjustments	0	-18,589.50	-2,366.18
Income from participation	0	0	158,060.45
Interests and similar expenses	-227.06	-46,803.36	-497,066.05
Interests and similar income	0	10.50	2,824.91

Result from ordinary business activities	87,700.04	594,958.22	459,600.78
Taxes Paid	-10,962.50	-74,707.61	-42,907.09
Net income	76,737.54	520,250.61	416,693.69

(Source: annual financial statement of the Issuer as of 31 December 2017, as of 31 December 2018 and as of 31 December 2019)

Cash Flows:

Cash flow Statement	07.09.2017 to 31.12.2017	01.01.2018 to 31.12.2018	01.01.2019 to 31.12.2019
(in EUR)			
Profit during period	76,737.54	520,250.61	416,693.69
Operating cash flow	-11,332	365,234.61	1,509,022.07
Cash flow from investing activities	0	0	0
Cash flow from financing activities	100,000	900,000	0

(Source: annual financial statement of the Issuer as of 31 December 2017, as of 31 December 2018 and as of 31 December 2019)

What are the key risks that are specific to the Issuer?

The risk factors have, within each category, been listed in an order of priority that reflects their materiality based on the probability of their occurrence and the expected magnitude of their negative impact on the Issuer.

Risks related to the Issuer

The Issuer is not restricted to incur additional indebtedness or guarantees ranking senior or pari passu with the Partial Bonds. The Issuer has significant outstanding indebtedness.

The Issuer has financial assets in the amount of EUR 11,546,707.73. The statutory auditor was unable to conclusively assess the recoverability of financial assets in the amount of EUR 8,614,000.00. As a company that has entered the photovoltaic market in 2017, the Issuer has to rely on financing through debt finance as source of liquidity and has to fund the expansion of its business with the funds to be raised from the issue of the Partial Bonds. At the date of this prospectus, the share capital of the Issuer amounts to EUR 1,000,000.00. In case of a successful placement of the Partial Bonds, the Issuer's leverage may increase to a large extent. The Issuer has not agreed to, and has not entered into, any restrictive covenants in connection with the issuance of the Partial Bonds regarding its ability to incur additional indebtedness. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of, or default in, payments of interests or principal under the Partial Bonds and/or may reduce the amount recoverable by Bondholders in the event of insolvency or liquidation of the Issuer.

Liquidity risk could limit the Issuer's ability to engage in planned activities and grow its business. The Issuer is subject to the risk of not being able to raise enough funds for the planned expansion of its business activities.

Liquidity is essential to the Issuer's businesses. A lack of liquidity may mean that the Issuer will not have funds available to maintain or increase its activities, which employs substantial amounts of funds. The Issuer's industrial activities are capital intensive and the continued funding of such activities is critical to maintain business activities in periods when net operating cash flow is negative or

insufficient to cover capital expenditures and to maintain or to increase business activities in accordance with its business plans. The Issuer is exposed to a risk that the proceeds collected by the issue of the Partial Bonds will not be sufficient to extend its business.

Risks related to the Issuer's business

The business model of the Issuer regarding photovoltaic contracting is essentially depending on the electricity which is generated by a photovoltaic system. Actual results may differ from corporate planning.

The Issuer bases its calculation with respect to revenues to be generated in connection with Photovoltaic Contracting on the average performance, the maintenance costs of photovoltaic systems in the past and on climatic conditions to be expected in an area a photovoltaic system is to be installed. Photovoltaic systems consist of several technical components, which are believed to have an average lifetime of approximately 20 years. Material uncertainties remain with regard to the actual climatic conditions and the durable performance of the respective photovoltaic systems. Hence, the actual performance of a photovoltaic system might turn out be lower as calculated, e.g. due to lower solar radiation and/or due to underperformance of a photovoltaic system and/or increased maintenance costs for the photovoltaic system and/or the need for any additional investments.

The Issuer is subject to a calculation risk as well as planning and financing risks in connection with the development and installation of its photovoltaic systems. Furthermore, there is a risk with respect to roof-based photovoltaic systems.

There are risks involved in the construction and operation of photovoltaic systems, which include planning, financing and operational risks. The Issuer might insufficiently or incorrectly plan the photovoltaic system. This may result in a customer not getting the desired or calculated amount of energy and the Issuer losing out on calculated remuneration. In case of roof-based photovoltaic systems, there is (inter alia) a risk that the statics and load-bearing capacity of a roof structure is incorrectly calculated or misjudged and that a roof on which the photovoltaic system is intended to be mounted may be structurally unsuitable for carrying its load. Consequently, additional investments may become necessary or a photovoltaic system might even have to be dismantled or the procurement of a replacement roof might become necessary. In any of these events, additional costs would be incurred by the Issuer.

The Issuer is reliant on third parties with respect to the installation and the maintenance of photovoltaic systems.

The Issuer retains third parties with respect to the installation and maintenance of photovoltaic systems. Such contractors often work with subcontractors. The Issuer is exposed to the risk that contractors and subcontractors perform the respective assigned tasks poorly or fail to deliver on time or fail to deliver at all, which may result in additional costs to be borne by the Issuer or in legal action to be taken by customers against the Issuer.

The Issuer is subject to increased competition.

In a number of jurisdictions, regulations or laws have been or are being considered to limit or reduce greenhouse gas emissions. Tighter emission reduction targets, especially in connection with subsidies in relation to renewable energies, may lead to other competitors entering the market in which the

Issuer is operating which may lead to increased competition, increased price pressure and may result in the Issuer not being able (or only to a lesser extent) to procure new customers.

The Issuer is subject to the risk arising from the operation of photovoltaic systems.

Defects or faults may affect a photovoltaic system and may result in an interruption of operation, during which periods none, or only reduced amounts of, electricity can be generated and provided to customers or fed into the grid. Unforeseen damages could harm third parties. As a consequence, damages have to be compensated and costs are to be borne by the Issuer as part of its liability (as far as the resulting claims for damages by third parties are not fully covered by insurance).

The Issuer is exposed to and subject to a significant number of laws and regulations. The Issuer is subject to adverse effects on its business and financial conditions as well as its operating results due to amendments in the legal framework.

Amendments or changes to applicable legal and tax framework or any amendment to, or change in, an official and binding interpretation of any such laws may affect the Issuer because the calculation and the planning of the Issuer regarding a market entry is based on prevailing legal and tax framework that might subsequently be changed or amended. Any amendments to applicable law and regulations may even make the Issuer's business model partially or wholly unprofitable.

The Issuer is exposed to the risk that the existing insurance coverage will not be sufficient to cover all conceivable damages.

Although the Issuer's insurance is intended to cover the majority of the risks to which it is exposed, it cannot account for every potential risk associated with its operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all losses and liability to which the Issuer may be exposed.

Section C – Securities

Sub-section

What are the main features of the Partial Bonds?

- The Partial Bonds constitute direct, unconditional, unsecured obligations of the Issuer, ranking pari passu among themselves.
- The Partial Bonds are denominated in CHF (Swiss Franc) and will be issued in denominations of CHF 0.96 each.
- The initial offer price ("**Issue Price**") is CHF 1.00 per Partial Bond and includes a premium in an amount of CHF 0.04 per Partial Bond. The Partial Bonds are only transferable in minimum amounts of CHF 1.00 and any integral multiples of CHF 1.00 in excess thereof. The minimum subscription amount is CHF 1,000.00.
- International securities identification number (ISIN): LI0555031421
- The Partial Bonds have a term of 25 years, from 1 September 2020 until 31 August 2045 and are scheduled to be redeemed on 5 September 2045 ("**Maturity Date**").
- The Partial Bonds shall bear interest on their aggregate principal amount at a rate of 5.00 % per annum. Depending on the holding period the annual interest rate will be increased to (i) 5.50 % (after a holding period of 7 years), to (ii) 6.00 % (after a holding period of 10 years) to

(iii) 6.50 % (after a holding period of 15 years) and to (iv) 7.00 % (after a holding period of 20 years). Bonus interests will only be applicable with regard to future Interest Periods but not with regard to previous Interest Periods.

- Bondholders will receive compound interest of 5.00 % to 7.00 % per annum on unpaid interest. For this purpose, the interest income is calculated once a year and added to the principal. The interest rate of the compound interest is analogous to the interest rate of the interest calculated for the principal. The respective increased interest rate only applies to the subsequent Interest Periods.
- (Compound) Interest payments are repayable as bullet payments (**Bullet Maturity**) at the end of the term of the Partial Bonds, or – if the Partial Bonds are terminated or purchased prior to the end of the term – at the time of repayment of the principal paid-in on the Partial Bonds.

Where will the Partial Bonds be traded?

The Issuer does not intend to file an application for the Partial Bonds to be listed on a regulated market (as defined in Article 4 para 1 item 21 MiFID II), an MTF, an OTF or any other trading venue.

What are the key risks that are specific to the Partial Bonds?

The risk factors have been listed in an order of priority that reflects their materiality based on the probability of their occurrence and the expected magnitude of their negative impact on the Issuer.

Bondholders are subject to the risk of limited liquidity (tradability) of the Partial Bonds and are exposed to the risk that there will be no secondary market for the Partial Bonds.

The Partial Bonds will neither be introduced nor admitted to trading on a regulated market, an MTF, an OTF or any other trading venue. Hence, the liquidity and tradability of the Partial Bonds may be limited and investors are exposed to the risk that they may not be able to sell Partial Bonds, or that they may be able to sell them only under more difficult conditions or not at the price they are seeking.

The Partial Bonds are complex financial instruments that may not be a suitable investment for all investors.

An Investment in the Partial Bonds is not a bank deposit and not within the scope of a deposit protection scheme. The Partial Bonds are unsecured and there is no amortization prior to Maturity Date or prior to a termination pursuant to the Terms and Conditions. Bondholders are not entitled to terminate the Partial Bonds during the first five years (plus a notice period of six months) of the term of the Partial Bond without cause. Potential investors are recommended to seek individual advice before making an investment decision, taking into account their knowledge, experience, financial situation and investment objectives (including risk tolerance).

Bondholders are not entitled to influence the Issuer.

The Partial Bonds do not grant the rights of shareholders to participate or to vote in, the general meetings of the Issuer. Bondholders have no influence on any decisions of the Issuer.

Section D – Offering

Sub-section

Under which conditions and timetable can investors invest in the Partial Bonds?

The Partial Bonds will be publicly offered to investors who have their respective seat or residence in one of the Offer States between (presumably) 13 August 2020 to presumably 12 August 2021. Investors who intend to subscribe for the Partial Bonds shall submit their subscription requests directly with the Issuer online via its website <https://xserv.kdportal.de/registration/>. Investors will subsequently be informed by email with respect to the acceptance or non-acceptance of the subscription by the Issuer. Currently, paper applications are not planned. Subscribed Partial Bonds are payable on 1 September 2020 (“**First Value Date**”), or – if Partial Bonds are subscribed at a later date – on the first or the fifteenth day of each month (each a “**Further Value Date**”).

Why is this Prospectus being produced?

The offer of the Partial Bonds is being made to enable the Issuer to further pursue its corporate purpose and to increase the number of photovoltaic projects in connection with Photovoltaic Contracting.