Prospectus

for the public offer of

SUN CONTRACTING REGISTERED JUNIOR BOND 2020

of

SUN CONTRACTING AG

SUMMARY

Section A

Introduction and warnings

This Prospectus relates to the issuance of bonds of the "**Sun Contracting Registered Junior Bond 2020**" with an aggregate principal amount of up to EUR 48,000,000.00, which is divided into registered, fixed-interest Bonds with a nominal amount of EUR 0.96 per bond ("**Bond**"/"**Bonds**") and with a maturity on 4 October 2045 ("**Maturity Date**"). The term of the Bonds ends on 30 September 2045. The Bonds constitute direct, unsecured and subordinated obligations of the Issuer, ranking pari passu among themselves. The Bonds will be issued by Sun Contracting AG (the "**Issue**r") and publicly offered in Liechtenstein and in Germany.

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the 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 Bonds.

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

The name of the Bonds is **Sun Contracting Registered Junior Bond 2020**. The international securities identification number (ISIN) is: LI0565892531

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 2 September 2020.

Section B – Issuer

Sub-section

Who is the issuer of the Bonds?

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

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 to be entered into with customers for a term of usually 18 years ("**Photovoltaic Contracting**"). Photovoltaics is a technology used to convert sunlight (solar radiation) into electrical energy. In the course of Photovoltaic Contracting 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 to enable 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. 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 directly 99.00 % of the shares in the Issuer 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*) is the current statutory auditor 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 and the 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`s Financial Statements as of 31 December 2017, 31 December 2018 and as of 31 December 2019, which have been prepared in accordance with the provisions of the PGR and with generally accepted accounting principles.

The statutory auditor has issued a qualified audit opinion with regard to the financial statement of the Issuer as of 31 December 2018, because the auditor was unable to assess the collectability of receivables in the amount of EUR 1,062,266.78 and to assess the recoverability of financial assets in the amount of EUR 8,614,000.00. The statutory auditor has issued a qualified audit opinion with regard to the financial statements of the Issuer as of 31 December 2019, because the auditor was unable to assess the recoverability of financial assets in the amount of EUR 8,614,000.00. With respect to both years, 2018 and 2019, the auditor noted that contrary to the provisions of Art. 179a PGR, the annual financial statements were not submitted to the general meeting for approval within six months of the end of the financial year.

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
Liabilities	0	12,193,311.87	25,111,058.56
Provisions	10,962.50	74,370.00	40,000.00
Deferred Income	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 statements 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, value adjustments	0	-18,589.50	-2,366.18
Income from participations	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
Profit for the year	76,737.54	520,250.61	416,693.69

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

Cash Flow Statements

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
Cash flow from operating activities	-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 statements 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 has significant outstanding indebtedness. The Issuer is not restricted to incur additional indebtedness or guarantees ranking senior or pari passu with the Bonds.

The statutory auditor has issued qualified audit opinions with regard to the financial statements of the Issuer as of 31 December 2018 and as of 31 December 2019. With respect to the financial year that ended on 31 December 2018, the auditor was unable to assess the collectability of receivables in the amount of EUR 1,062,266.78 and to assess the recoverability of financial assets in the amount of EUR 8,614,000.00. With respect to the financial year that ended on 31 December 2019, the statutory auditor was unable to assess the recoverability of financial assets in the amount of EUR 8,614,000.00. With respect to both years, 2018 and 2019, the auditor noted that contrary to the provisions of Art. 179a PGR, the annual financial statements were not submitted to the general meeting for approval within six months of the end of the financial year.

Having entered the photovoltaic market in 2017 only, the Issuer has to rely on financing through debt finance as source of liquidity (such as the proceeds from the issuance of the Bonds) to fund the expansion of its business. The share capital of the Issuer currently amounts to EUR 1,000,000.00. In case of a successful placement of the Bonds, the Issuer's leverage may increase to a large extent. The Issuer is not obligated to refrain from entering into any restrictive covenants with respect to additional indebtedness. Any additional indebtedness of the Issuer may significantly increase the likelihood of a deferral of, or default in, payments of interests or principal under the 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. In case of a lack of liquidity (eg due to a poor placement of Bonds) the Issuer may not have sufficient funds available to maintain or to extend its activities, which employs substantial amounts of funds. The Issuer´s business activities are capital intensive and the continued funding of such activities is critical to maintain or to increase 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 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 a photovoltaic system. This may result in a customer not getting the desired or calculated amount of electricity 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 Bonds?

- The Bonds constitute direct, unsecured and subordinated obligations of the Issuer, ranking pari passu among themselves.
- The Bonds are denominated in Euro and will be issued in denominations of EUR 0.96 each.
- The initial offer price ("**Issue Price**") is EUR 1.00 per Bond, including a premium of EUR 0.04 per Bond. The Bonds are only transferable in minimum amounts of EUR 1.00 and any integral multiples of EUR 1.00 in excess thereof. The minimum subscription amount is EUR 1,000.00.
- International securities identification number (ISIN): LI0565892531
- The Bonds have a term of 25 years, from 1 October 2020 until 30 September 2045 and are scheduled to be redeemed on 4 October 2045 ("**Maturity Date**").
- The Bonds shall bear interest on their aggregate principal amount at a rate of 5.00 % p.a. to be increased in correlation to the holding period: to (i) 5.50 % p.a. (after a holding period of 7 years), to (ii) 6.00 % p.a. (after a holding period of 10 years) to (iii) 6.50 % p.a. (after a holding period of 15 years) and to (iv) 7.00 % p.a. (after a holding period of 20 years). Bonus interests will only be applicable with regard to future Interest Periods.
- Bondholders will receive compound interest at a rate of 5.00 % p.a. on unpaid interest to be increased up to 7.00 % p.a. in correlation to the holding period with respect to subsequent interest periods. The interest rate of the compound interest is analogous to the interest rate of the interest calculated for the principal.
- (Compound) Interest payments are repayable as bullet payments (**Bullet Maturity**) at the end of the term of the Bonds, or – if the Bonds are terminated or purchased prior to the end of the term – at the time of repayment of the principal paid-in on the Bonds.

Where will the Bonds be traded?

The Issuer does not intend to file an application for the Bonds to be listed on a Regulated Market, an MTF, an OTF or any other trading venue.

What are the key risks that are specific to the 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.

Claims under the Bonds are subordinated.

The obligations under the Bonds are subordinated ranking (i) junior to all present or future unsubordinated instruments or obligations of the Issuer; (ii) pari passu among themselves, and at least pari passu with all other present or future unsecured instruments or obligations of the Issuer which rank, or are expressed to rank, junior to all unsubordinated obligations or instruments of the Issuer. In the event of liquidation or insolvency of the Issuer or any proceeding for the avoidance of its insolvency, the obligations under the Bonds are subordinated to the claims of all holders of unsubordinated obligations so that in any such event, payments in respect of the Bonds will not be made until all claims against the Issuer under obligations which rank senior to its obligations under the Bonds have been satisfied in full. Bondholders have to accept that no insolvency proceedings against the Issuer are required to be initiated in relation to its obligations under the Bonds. The Bonds do not contribute to a determination whether the liabilities of the Issuer exceed its assets (over-indebtedness (*Überschuldung*) in accordance with Sec 67(3) of the Austrian Insolvency Code (*Insolvenzordnung*) or in accordance with a comparable provision of any act in the Principality Liechtenstein. Bondholders are not entitled to payments from the Issuer out of or in connection with the Bonds as long as the equity of the Issuer is negative or may become negative due to any payments to be made to a Bondholder under the Bonds (so that the sum of the liabilities of the Issuer exceeds the value of its assets).

Bondholders are exposed to the risk of partial or total failure of the Issuer to make interest and/or redemption payments under the Bonds, including the risk of a total loss of the invested funds (credit risk). The Bonds are complex financial instruments that may not be a suitable investment for all investors.

The Issuer may default on its interest and/or redemption payment obligations under the Bonds as a result of an impaired financial situation. An Investment in the Bonds is not a bank deposit and not within the scope of a deposit protection scheme. The Bonds are unsecured and there is no amortization prior to Maturity Date or prior to a termination, which is – without cause – only feasible after a term of five years (plus a notice period of six months). Because the Bonds are subordinated debts of the Issuer, Bondholders would be among the first investors of the Issuer suffering losses if the credit risk would materialize. 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 subject to the risk of limited liquidity (tradability) of the Bonds and are exposed to the risk that there will be no secondary market for the Bonds.

The 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 Bonds may be limited and investors are exposed to the risk that they may not be able to sell Bonds, or that they may be able to sell them only under more difficult conditions or not at the price they are seeking.

Bondholders are not entitled to influence the Issuer.

The 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 Bonds?

The Bonds will be publicly offered to investors who have their respective seat or residence in Liechtenstein and Germany between (presumably) 4 September 2020 to (presumably) 2 September 2021. Subscription requests by investors with respect to the Bonds shall be submitted directly with the Issuer online via the website https://xserv.kdportal.de/registration/. Investors will 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

Bonds are payable on 1 October 2020 ("**First Value Date**"), or – if 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 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.