

CONSOLIDATED QUARTERLY REPORT

2015 Q4

For the period 1.1.2015 – 31.12.2015

BGS Energy Plus a.s.

1 March 2016

Světlá nad Sázavou, Czech Republic

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1. Selected consolidated financial results for the period 1 January to 31 December 2015

	1.1.2015 - 31.12.2015		1.1.2014 - 31.12.2014	
	CZK 000	EUR 000	CZK 000	EUR 000
Income Statement				
Revenues	330 712	12 127	335 259	12 169
Consumption	283 560	10 398	289 009	10 490
Operating profit	47 152	1 729	46 009	1 679
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	90 748	3 328	98 182	3 564
- of which Depreciation	30 608	1 122	29 848	1 083
EBIT (Profit + Interest expenses + Income tax)	60 140	2 205	68 334	2 481
Profit / loss before taxation (EBT)	36 457	1 337	41 320	1 500
Profit / loss after taxation	36 457	1 337	34 646	1 258
Balance sheet				
Fixed Assets	507 621	18 780	470 859	16 980
Current Assets, of which:	495 150	18 319	490 113	17 674
- long-term receivables	131 948	4 882	0	0
- short-term receivables	280 809	10 389	407 620	14 700
- current financial assets	20 055	742	31 435	1 134
Total Assets	1 004 884	37 177	963 739	34 754
Equity	270 312	10 000	244 119	8 803
Long-term liabilities	89 345	3 305	0	0
Short-term liabilities	221 140	8 181	224 724	8 104
Bank loans and other borrowings	417 236	15 436	492 512	17 761

Note: Exchange rates provided by the Czech National Bank

2. Selected consolidated financial results for the period 1 October to 31 December 2015

	1.10.2015 - 31.12.2015		1.10.2014 - 31.12.2014	
	CZK 000	EUR 000	CZK 000	EUR 000
Income Statement				
Revenues	140 750	5 203	87 834	3 169
Consumption	111 186	4 110	78 271	2 824
Operating profit	29 564	1 093	9 563	345
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	36 115	1 335	31 408	1 132
- of which Depreciation	7 332	271	17 224	621
EBIT (Profit + Interest expenses + Income tax)	28 783	1 064	14 184	511
Profit / loss before taxation (EBT)	26 597	983	4 275	154
Profit / loss after taxation	26 597	983	8 451	305
Balance sheet				
Fixed Assets	507 621	18 780	470 859	16 980

Current Asests, of which:	495 150	18 319	490 113	17 674
- long-term receivables	131 948	4 882	0	0
- short-term receivables	280 809	10 389	407 620	14 700
- current financial assets	20 055	742	31 435	1 134
Total Assets	1 004 884	37 177	963 739	34 754
Equity	270 312	10 000	244 119	8 803
Long-term liabilities	89 345	3 305	0	0
Short-term liabilities	221 140	8 181	224 724	8 104
Long-term liabilities including bank loans	417 236	15 436	492 512	17 761

Note: Exchange rates provided by the Czech National Bank

3. Brief description of the most important achievements or failures of the issuer during the period of the report as well as a description of the most important factors and events, in particular atypical ones, which impact the achieved results:

The BGS Group consolidated turnover for the period 1.1.2015 – 31.12.2015 exceeded CZK 330 mio. This value was achieved, above all, thanks to the generation of the electricity in own biogas plants and providing services to BGS clients.

The Group consolidated EBITDA for 4Q2015 is CZK 91 mio.

There are no atypical factors or events during the period.

Recent electricity production in 2015 is summarized in the following table:

Power plant	MW	Monthly Production (kWh)	Projection (kWh)	Monthly perf.	Production YTD (kWh)	Projection YTD (kWh)	YTD perf.
Zavidkovice	0,99	535914	595000	90%	6593166	7140000	92%
Suchdol nad Odrou	0,59	385655	348000	111%	4295991	4176000	103%
Čihošť	0,62	383678	383750	100%	4335544	4605000	94%
Skury	0,59	364001	348000	105%	3801412	4176000	91%
Ovesná Lhota	0,62	380353	383750	99%	4109941	4605000	89%

4. Forecasts of financial results

The issuer does not publish the forecasts of financial results.

5. General information about the Issuer

Company Name: BGS Energy Plus a.s.

Company Address: Zamecka 7, 582 91 Svetla nad Sazavou, Czech Republic

www: www.bgs-energy.cz

Ticker: BGS

ISIN: CZ0005121707

Authorized Advisor: Capital Solutions ProAlfa Sp. z o.o.

6. Description of the organisation of the group indicating consolidated entities

The following table presents the Group's structure and the holding company's stake in the entities comprising the Group:

Entity name	Country of registration	% of share capital held by the holding company	Consolidation method
Energy produkt plus s.r.o.	Czech Rep.	100%	full consolidation
Agroprodukt plus a.s.	Czech Rep.	100%	full consolidation
BGS Biogas a.s.	Czech Rep.	100%	full consolidation
Podhradí s.r.o.	Czech Rep.	100%	full consolidation
Agromilk, druzstvo vlastniku	Czech Rep.	68,25%	full consolidation
BPS, Lhota, s.r.o.	Czech Rep.	60%	full consolidation
Forest-servis, s.r.o.	Czech Rep.	100%	full consolidation
Mlyn Okor s.r.o.	Czech Rep.	40%	equivalence method
BPS Ptení s.r.o.	Czech Rep.	50%	equivalence method

BGS Energy Plus a.s. is a group of companies involved in electricity and heat production from power plants powered by biogas. The group builds biogas plants for its own account as well as for clients on engineering, procurement and construction (EPC) basis. BGS Energy Plus a.s. is a holding company, responsible for the full cycle of energy production, from growing and management of agricultural substrates, through engineering and construction management, technology procurement as well as biogas plants ownership and management.

In the three-month period ended 31.12.2015, the Group did not discontinue any of its operations.

In the three-month period ended 31.12.2014, the Group did not make any changes to its structure, including mergers, acquisitions, sale of the Group's entities, long-term investments, divisions, restructuring or discontinuation of operations.

7. Share capital of the Issuer

Share capital as at 31 December 2015

Series / issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares
A	Bearer	No	Yes	11 459 000
B	Bearer	No	No	3 750 000
Total number of shares				15 209 000
Total share capital in CZK				15 209 000
Nominal value per share = CZK 1,00				

8. Shareholder structure

As of 31 December 2015 the Issuer's shareholder structure was as follows:

Shareholder	No. Of shares	% of capital	No. Of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Ales Radil	3 819 666	25,11451	3 819 666	25,11451
Radim Hruza	3 819 666	25,11451	3 819 666	25,11451
Zdenek Radil	3 819 666	25,11451	3 819 666	25,11451
Ales Radil, Radim Hruza, Zdenek Radil (as a common ownership)	2	0,00001	2	0,00001
Other investors	3 750 000	24,656	3 750 000	24,656
TOTAL	15 209 000	100.00%		100.00%

9. Statutory bodies of the issuer

Board of Directors

Position	Name	Date of Birth	Position held since
CEO	Ales Radil	2.2.1973	20.5.2009
Board member	Radim Hruza	1.10.1977	20.5.2009
Board member	Bc. Oksana Batalova	4.9.1983	22.5.2014

Supervisory Board

Position	Name	Dat of Birth	Position held since
Chairman	JUDr. Ing. Zdeněk Radil	31.1.1975	20.5.2009

10. Detailed consolidated financial results for the period of 1 January to 31 December 2015

The tables below provide the **consolidated** and **unaudited** financial statements of BGS Energy Plus a.s. in accordance with **Czech Accounting Standards** for the period 1 January to 31 December 2015 and the corresponding period in 2014.

Income Statement for the period of 1 January to 31 December 2015 with comparative results

		1.1.2015 - 31.12.2015		1.1.2014 - 31.12.2014	
		CZK 000	EUR 000	CZK 000	EUR 000
I.	Revenues from sales of third party goods	354	13	814	30
A	Cost of goods sold on third party goods	225	8	567	21
+	Trading margin	129	5	247	9
II.	Turnover from products, services and materials	211 272	7 747	303 141	11 003
B	Cost of products, services and materials	200 561	7 355	219 758	7 977
	Gross margin	10 840	398	83 630	3 036
C	Personnel costs	38 740	1 421	29 436	1 068
C.1.	Labour costs	28 301	1 038	21 431	778
C.3	Social security and health insurance costs	8 643	317	6 588	239
C.4.	Social costs	1 796	66	1 417	51
D	Taxes and charges	1 976	72	541	20
E	Depreciation	30 608	1 122	29 848	1 083
III.	Revenues from sales of own property	28 475	1 044	21 029	763
F	Value of small property	7 262	266	4 867	177
VI.-VII.	Other operation revenues	90 611	3 323	10 275	373
I - J	Other operation costs	4 188	154	3 992	145
	Operating profit	47 152	1 729	46 250	1 679
XIV.	Financial revenues	15 437	566	27 295	991
Q	Financial costs	26 021	954	33 456	1 214
	Interests thereof	23 683	868	27 014	981
	Consolidated profit from financial operations	-10 584	-388	-6 161	-224
	Income tax for common activity	0	0	6 674	242
	Income tax for common activity due	0	0	6 674	242

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	Consolidated profit for common activity	36 568	1 341	33 415	1 213
XVI.	Extra income	448	16	850	31
XVII.	Passive consolidation difference clearance	-2 188	-80	288	10
	Extraordinary consolidated profit	-1 740	-64	1 138	41
	Consol.profit for acc.period without equivalent ratio	34 828	1 277	34 553	1 254
	Share in equivalency	1 629	60	190	7
	EBT	36 457	1 337	41 320	1 500
	EBIT	60 140	2 205	68 334	2 481
	EBITDA	90 748	3 328	98 182	3 564
	NET PROFIT / LOSS	36 457	1 337	34 646	1 258

Balance Sheet for the period of 1 January to 31 December 2015 with comparative results

		1.1.2015 - 31.12.2015		1.1.2014 - 31.12.2014	
		CZK 000	EUR 000	CZK 000	EUR 000
TOTAL ASSETS		1 004 884	37 177	963 739	34 754
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	507 621	18 780	470 859	16 980
B. I.	Long-term intangible asset	0	0	566	20
B II	Tangible fixed assets	486 683	18 005	451 083	16 267
B II.1.	Land	32 599	1 206	21 062	760
B II. 2.	Building	205 207	7 592	185 281	6 682
B II.3	Machinery, equipment, vehicles, fixtures and fittings	134 864	4 989	154 916	5 587
B II. 5		3 408	126	2 955	107
B II.7.	Tangible fixed assets under construction	89 550	3 313	85 018	3 066
B II.9	Difference in valuation of purchased property	1 649	61	1 851	67
B III.	Financial assets	17 324	641	19 098	689
B IV.	Consolidation differences positive / negative	-3 708	-137	-4 080	-147
B V.	Shares from equity method	7 322	271	4 192	151
C	Current assets	495 150	18 319	490 113	17 674
C I.	Inventories	62 338	2 306	50 700	1 828
C II.	Long-term receivables	131 948	4 882	358	13
C III.	Short-term receivables	280 809	10 389	407 620	14 700
C IV.	Current financial assets	20 055	742	31 435	1 134
C IV. 1	Cash and cash equivalents	2 106	78	2 319	84
C IV. 2	Bank accounts	16 109	596	27 276	984
C IV. 3	Short-term securities and shares	1 840	68	1 840	66
D	Prepayments and acc.income	2 112	78	2 767	100
EQUITY AND LIABILITIES		1 004 883	37 177	963 739	34 754
A	Equity	270 312	10 000	244 119	8 803
A I.	Registered share capital	15 209	563	15 109	545

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A II.	Reserved capital	36 750	1 360	42 713	1 540
A III.	Reserves, indivisible reserve and other revenue reserves	1 318	49	1 823	66
A IV.	Retained earning	183 167	6 776	148 711	5 363
A V.	Profit / loss of current account.period	36 457	1 349	34 456	1 243
A V. 1.	Net profit of common period	34 828	1 288	34 363	1 239
A V. 2.	Share of profit in equivalency	1 629	60	93	3
A VII.	Consolidation reserve fund	-2 589	-96	1 297	47
B	LIABILITIES	727 721	26 923	717 236	25 865
B II.	Long-term liabilities	89 345	3 305	41 105	1 482
B III.	Short-term liabilities	221 140	8 181	224 724	8 104
B IV.	Bank loans and borrowings	417 236	15 436	451 407	16 279
B IV. 1.	Long-term loans	342 347	12 665	377 747	13 622
B IV. 2.	Short-term bank loans	0	0	11 079	400
B IV.3.	Short-term borrowings	74 889	2 771	62 581	2 257
C	Accruals and deferred income	2 381	88	987	36
D	Minority equity	4 469	165	1 397	50
D I.	Minority capital stock	718	27	749	27
D II.	Minority capital funds	498	18	522	19
D III.	Minority profit funds incl. previous period	1 066	39	-65	-2
D IV.	Minority P/L of common period	2 188	81	190	7

11. Detailed consolidated financial results for the period 1 October to 31 December 2015

The tables below provide the **consolidated** and **unaudited** financial statements of BGS Energy Plus a.s. in accordance with **Czech Accounting Standards** for the period 1 October to 31 December 2015 and the corresponding period in 2014.

		1.10.2015 - 31.12.2015		1.10.2014 - 31.12.2014	
		CZK 000	EUR 000	CZK 000	EUR 000
I.	Revenues from sales of third party goods	38	1	814	29
A	Cost of goods sold on third party goods	-2	0	567	20
+	Trading margin	40	1	247	9
II.	Turnover from products, services and materials	23 922	884	87 396	3 153
B	Cost of products, services and materials	82 481	3 049	42 839	1 545
	Gross margin	-58 519	-2 163	44 804	1 616
C	Personnel costs	11 927	441	15 075	544
C.1.	Labour costs	9 413	348	10 969	396
C.3	Social security and health insurance costs	2 028	75	3 380	122
C.4.	Social costs	486	18	726	26
D	Taxes and charges	1 221	45	239	9

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E	Depreciation	7 332	271	17 224	621
III.	Revenues from sales of own property	27 021	999	4 248	153
F	Value of small property	6 930	256	1 380	50
VI.-VII.	Other operation revenues	89 769	3 319	-4 624	-167
I - J	Other operation costs	1 297	48	947	34
	Operating profit	29 564	1 093	9 563	345
XIV.	Financial revenues	-5 088	-188	7 962	287
Q	Financial costs	4 355	161	14 920	538
	Interests thereof	2 186	81	9 909	357
	Consolidated profit from financial operations	-9 443	-349	-6 958	-251
	Income tax for common activity	-3 620	-134	-4 176	-151
	Income tax for common activity due	-3 620	-134	-4 176	-151
	Consolidated profit for common activity	23 741	878	6 781	245
XVI.	Extra income	427	16	850	31
XVII.	Passive consolidation difference clearance	-3 052	-113	535	19
	Extraordinary consolidated profit	-2 625	-97	1 385	50
	Consol.profit for acc.period without equivalent ratio	21 116	781	8 166	295
	Share in equivalency	1 861	69	285	10
	EBT	26 597	983	4 275	154
	EBIT	28 783	1 064	14 184	511
	EBITDA	36 115	1 335	31 408	1 132
	NET PROFIT / LOSS	22 977	849	8 451	305

Balance Sheet for the period 1 October to 31 December 2015 with comparative results

		1.10.2015 - 31.12.2015		1.10.2014 - 31.12.2014	
		CZK 000	EUR 000	CZK 000	EUR 000
TOTAL ASSETS		1 004 884	37 177	963 739	34 754
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	507 621	18 780	470 859	16 980
B. I.	Long-term intangible asset	0	0	566	20
B II	Tangible fixed assets	486 683	18 005	451 083	16 267
B II.1.	Land	32 599	1 206	21 062	760
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B V.	Shares from equity method	7 322	271	4 192	151

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C IV. 3	Short-term securities and shares	1 840	68	1 840	66
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	EQUITY AND LIABILITIES	1 004 883	37 177	963 739	34 754
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A V. 1.	Net profit of common period	34 828	1 288	34 363	1 239
A V. 2	Share of profit in equivalency	1 629	60	93	3
A VII.	Consolidation reserve fund	-2 589	-96	1 297	47
B	LIABILITIES	727 721	26 923	717 236	25 865
B II.	Long-term liabilities	89 345	3 305	41 105	1 482
B III.	Short-term liabilities	221 140	8 181	224 724	8 104
B IV.	Bank loans and borrowings	417 236	15 436	451 407	16 279
B IV. 1	Long-term loans	342 347	12 665	377 747	13 622
B IV. 2	Short-term bank loans	0	0	11 079	400
B IV.3	Short-term borrowings	74 889	2 771	62 581	2 257
C	Accruals and deferred income	2 381	88	987	36
D	Minority equity	4 469	165	1 397	50
D I.	Minority capital stok	718	27	749	27
D II.	Minority capital funds	498	18	522	19
D III.	Minority profit funds incl. previous period	1 066	39	-65	-2
D IV.	Minority P/L of common period	2 188	81	190	7

There were no changes to the applied accounting rules within the period.

12. The factors which will influence the results achieved by the Group - Description of threats and risks

Business operational risks

The company is a holding company, therefore risks identified here below pertain to the company as well as to the operating entities within the BGS group of companies. Any

reference to the company is also understood as reference to any entity within the group, unless explicitly stated otherwise.

Legislative, regulatory and market risks

The economic viability of energy production using BGS installations depends on Feed-in-Tariff (FiT) systems, which are in effect based on material cross-subsidies from all energy users in a given jurisdiction. The FiT system can be negatively affected by a number of factors including, but not limited to, a reduction or elimination in the FiT or green bonus per kWh produced, an elimination or reduction of the indexation of the FiT, a shortening of the period for which the FiT applies to BGS installations. At this time there are differing legal opinions in relation to the actual duration of the FiT for BGS installations in the Czech Republic as the duration explicitly specified by law is 15 years whereas the latest applicable regulatory notice by the Czech Energy Regulator specifies 20 years which is the period most importantly recognized by the financing banks.

Any future changes to the adopted regulations may have a material negative impact on the company business and its financial results.

Operational risks and harm to personnel and property

There will always be risks involved in the operation and installation of BG power stations, the installation of BG power stations for third parties as well as the production of input material for the BG power plants. The build-up of these business areas is occurring simultaneously, thus posing high demands on management resources. The Issuer operates in a highly dynamic industry experiencing exponential growth, thereby posing very high demands on the companies resources and its ability to deliver on projected goals.

The operating risks relating to the development of BG projects and the installation and operation of BG power stations include among others unexpected failure or damage to the biogas technology and other technical equipment, theft or sabotage, or adverse weather conditions causing production interruptions and damage. The Issuer seeks to prevent loss or damages from such occurrences by concluding insurance contracts, planning regular extensive maintenance, contractual regulations and emergency routines. However, there will always be some exposure to technical and operational risks, with unforeseen problems leading to unexpectedly high lost revenues, operating costs, substantial losses, additional investments, etc., which may have a material negative effect on the Issuer's operating results and its financial position. Additionally, the occurrence of any of these risks could hurt the company reputation.

Technological risks

The technology involved in the production of biogas is characterized by incremental developments. Currently the company does not own any patents for the technology used in relation to BG technologies. However, the development of new technology may fundamentally change the economics of electricity production by biogas combustion and biogas production as such. For various reasons the company may not gain access to this new technology, which may put it at a significant disadvantage to its competitors. New

technology may therefore have material adverse effects on the company operating results, investment returns and financial condition.

Construction and performance risk

A BG power station is based on several technical components, e.g. fermentors, raw material feeder, electro-installation, gas treatment system, cogeneration units, pipe-lines, control system, pumping devices, mixing device, wiring, converters, transformers and grid connection devices. There is always risk associated with the construction and installation of BG power stations. Despite efforts made to reduce such risks, there can be no assurances that delays and cost overruns will not occur. Furthermore, the Issuer might be dependent upon the ability of sub-contractors to install particular BG power station component that meet specifications, performance parameters, quality standards and delivery schedules of the Issuer. Delays, cost overruns or the underperformance of installed BG power stations could have a material adverse impact on the companies operating results, investment returns and financial position.

The biogas production draws on biomass fermentation process which is a time proven technology. However, the stability of the biogas production process respectively the stability of biogas power plant performance depends on stability of certain operating parameters, e.g. composition of the raw material mix, raw material quality, presence of undesirable substances, temperature and acidity in fermentors. Unstable performance of installed BG power stations could have a material adverse impact on the company operating results, investment returns and financial position.

The company is required to maintain inventories, which at times may amount to several months of operations. Such inventories may deteriorate, inflame, or be destructed in any other way, which will have a material impact on the companies ability to continue operations.

Contractual risks

The company business depends on contracts with multiple parties including, but not limited to, land owners, banks, investors, joint venture partners, raw material suppliers, contractors, energy utilities and electricity customers. Each contract normally involves a substantial value or consideration to the company. Furthermore, some of the contracts might be governed by foreign law, which may create both legal and practical difficulties in case of a dispute or conflict. The company currently operates in a jurisdiction and in future in other jurisdictions where the ability to protect contractual and other legal rights may be limited compared to jurisdictions with more well-established legal systems.

Certain important contracts, have not yet been concluded. This may be the case in relation to the projects already in operation (Zavidkovice) as well as those under planning. Timing to conclude various agreements, may be limited by market conditions, willingness of the counterparty, or dictated by best judgement of the Issuer's management. As the company operates in a dynamic, competitive and new market environment, it is required to start operations and/or incur costs, without the possession of all written agreements. This may result in losses to the company, and impact its financial position, without the ability to seek recourse against its counterparty.

Contracts already concluded can be cancelled, by the Issuer or its counterparty. Even though the company will use its best efforts to fulfil all its obligations stipulated in such contracts, it

may not avoid that some contracts are cancelled, which may have a material negative impact on its operations.

Competitive situation

The development and operation of BG power stations might become highly competitive in the future. The company competes with other companies with an equal or larger resource base for suitable location and land plots, grid connectivity, human resources, raw materials etc. There can be no assurance that the company will be able to respond to existing and new sources of competition. Competition may therefore have material adverse effects on the Issuer's operating results, investment returns and financial condition.

Uninsured losses

The development and the operation of BG power plants are subject to a number of risks and hazards, including adverse environmental conditions, theft, technical failure, changes in the regulatory environment and force majeure. Although the company maintains some insurance to protect against certain of these risks, the Issuer's insurance will not cover all the potential risks associated with the development and operation of BG installations. Unanticipated occurrences, insured or uninsured, could have a material adverse effect on the company operating results and financial condition.

Dependence on key personnel

The company development and prospects are dependent upon the continued services and performance of its senior management and other key personnel. Due to the current strong development of the Czech economy in general and the dramatic increase in activities relating to the development of renewable energy installations in the country, the demand for people is high and the costs are increasing. There is always risk associated with wage levels for qualified personnel in such market environments. Financial difficulties or other factors could also adversely affect the company ability to retain key employees. The loss of the services of any key personnel may have negative effects on the company operating results and financial condition.

In addition, the company business is subject to continued expansion, and thus dependent upon further employment of personnel.

Environmental risk

The company operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions (together, "Operational Regulations"), including, inter alia, those controlling the discharge of materials into the environment, requiring removal and cleanup of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, operation of the BG power stations or otherwise relating to the protection of human health and the environment. The amendment or modification of existing Operational Regulations or the adoption of new Operational Regulations curtailing or further regulating the operation of BG installations could have a material adverse effect on the company operating results and

financial condition. The company cannot predict the extent to which future earnings or capital expenditures may be affected by compliance with such new Operational Regulations.

In addition, the company may be subject to significant fines, penalties or liability if it does not comply with any such existing or future Operational Regulation.

During the lifespan of a BG power plant certain environmental changes, in particular poor crop and significant reduction of farming activity, can have a negative impact on performance and thus the financial performance and position of the company.

Financial risks

The company has invested significant efforts and financial resources into negotiating rental agreements, acquiring raw materials, organizing and executing the joint venture business with UTS, building a professional team, and incurred legal and license fees. If there is a material adverse change in the general prospects for electricity production by biogas combusting, the value of the company tangible and intangible assets would be impaired and the company would be required to take a charge against its earnings. In general, the company future sales and investment returns are uncertain and depend on a variety of factors, many of which will be beyond the company control.

Political, economical and other uncertainties

Changes in the regulatory, legislative and fiscal framework (including tax rules) governing the production of electricity by combusting biogas could have a material impact on the Issuer's operations. In particular, changes in FiT regimes and capital subsidies schemes will constitute a material risk factor for the company operations in foreign countries.

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 the Czech Republic and may decide to operate in other new European Union member countries including Slovakia, Slovenia, Hungary, Bulgaria and Romania as well as other emerging European countries. Operations in emerging European countries may present risks that are not encountered in countries with well-established economic and political systems, including:

- Economic instability, which could make it difficult for the Issuer to anticipate future business conditions in these markets, cause delay in projects that have been awarded to the Issuer and subject the Issuer to volatile markets;
- Political instability, which may make customers less willing to make investments in such regions, and complicate dealings with governments regarding permits, licenses and other regulatory matters;
- Boycotts and embargos that may be imposed by the international community on countries in which the company operates, which could affect the company ability to operate in such countries;
- The imposition of unexpected taxes or other payments on the company revenues in these markets; and
- The introduction of exchange controls and other restrictions by foreign governments.

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 ability to protect contractual and other legal rights in those regions may thus be

limited compared to regions with more well established markets. The Issuer cannot offer any assurance that the company exposure to conditions in emerging European countries will not have a negative effect on its financial condition and results in operations.

13. Exchange rates

The following exchange rates were applied:

From	To	For Balance Sheet statement calculations	For Income Statement calculations
1.1.2014	31.12.2014	27,73	27,55
1.10.2014	31.12.2014	27,73	27,72
1.1.2015	31.12.2015	27,03	27,27
1.10.2015	31.12.2015	27,03	27,05

Source: Czech National Bank

Balance Sheet applicable exchange rate represents the exchange rate as of the last day of the month ending the relevant period.

Income Statement exchange rate represents the average of exchange rates effective on the last day of each month within the relevant period.

14. Information on the number of persons employed by the issuer converted into FTEs

There is 60 FTEs working for BGS Group of companies that are consolidated.

15. Management Board declaration

We hereby confirm that according to our best knowledge the information about BGS Energy Plus a.s. contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

Prague, 2016

16. Investors Relations contact

Jindra Radilova

Phone: +420 603 448866

Email: jindra.radilova@bgs-energy.cz