

BASE PROSPECTUS

Nova Green Finance, a. s.

(a joint-stock company registered in the Slovak Republic)

Bond Programme of up to EUR 60,000,000

Nova Green Finance, a. s., with its registered office at Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, Identification No. (IČO): 50 335 588, LEI: 097900BHCB0000067044, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B (the **Issuer**), approved a bond issuance programme in the total principal amount of up to EUR 60,000,000 (the **Programme**) under which the Issuer may, continuously or repeatedly, issue unsecured bond issues under the laws of the Slovak Republic as book-entered bearer securities (the **Bonds**, and each individual issue of the Bonds issued within the Programme, the **Issue**). All Bonds shall in any case be issued in accordance with the laws of the Slovak Republic, in particular Act No. 530/1990 Coll. on Bonds, as amended (the **Act on Bonds**) and Act No. 566/2001 Coll. on Securities and Investment Services, Amending and Supplementing Certain Acts (the **Securities Act**), as amended (the **Securities Act**).

This document prepared by the Issuer constitutes the base prospectus (the **Base Prospectus**) for the Bonds issued under the Programme and has been prepared pursuant to Article 8 of 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**), pursuant to Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing the Prospectus Regulation with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 and pursuant to Article 25 and Annexes 6,7, 14 and 15 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the **Prospectus DR**).

The Base Prospectus has been approved by the National Bank of Slovakia (the **NBS**) as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation. The Base Prospectus is subject to subsequent publication pursuant to Article 21 of the Prospectus Regulation. The Issuer has requested the NBS to notify the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the **FMA**) and the Czech National Bank (the **CNB**) concerning the approval of the Base Prospectus.

The NBS has approved this Base Prospectus only as a document meeting the standards of completeness, comprehensibility and consistency set out in the Prospectus Regulation. The approval by the NBS should not be deemed to be a confirmation of the Issuer or a confirmation of the quality of the Bonds being the subject-matter of this Base Prospectus.

The Base Prospectus shall be valid until 5 May 2021. If new material factors, material errors or material irregularities occur, the obligation to supplement the Base Prospectus shall not apply when the Base Prospectus is no longer valid.

Investing in Bonds involves risks. Prospective investors should have regard to the factors described in Section 2. of this Base Prospectus headed “Risk Factors”.

The total principal amount of all outstanding Bonds issued under the Programme shall at any time not exceed EUR 60,000,000 (or its equivalent in a foreign currency). The minimum maturity of any Bonds issued under the Programme shall be 12 months. No maximum maturity has been determined.

The final terms prepared by the Issuer with regard to a particular issue of the Bonds under the Programme will be submitted to the NBS and published on or before the date of commencement of the offer of, or trading in, the Bonds on a regulated market (the **Final Terms**). This shall also apply to the issues of the Bonds offered without the obligation to prepare and publish the prospectus pursuant to Article 1(4) of the Prospectus Regulation. The Final Terms will also include such information of the issue of the Bonds that is unknown at the moment of preparation of the Base Prospectus or stated in the Base Prospectus in several alternatives.

The Issuer will request that the Bonds be admitted to trading on a on the regulated free market of Burza cenných papierov v Bratislave, a.s., with the registered office at Vysoká 17, 811 06 Bratislava, Slovak Republic, Identification No.: 00 604 054, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 117/B (the **BCPB**); however, no guarantee may be provided that BCPB admits the Bonds to trading.

The Base Prospectus dated 27 April 2020.

Leading Financial Intermediary

Arca Brokerage House o.c.p. a.s.

TABLE OF CONTENTS

1.	General description of the Programme	2
2.	Risk factors	4
3.	Responsibility statement.....	10
4.	Documents included by reference	11
5.	Documents available	12
6.	General	13
7.	Notices and restrictions	15
8.	Common Terms	17
9.	Form of the Final Terms.....	38
10.	Information about the Issuer.....	43
11.	Description of the NOVA Green Energy Fund	54
12.	Taxation.....	55

1. GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is not complete, it only provides a selection of information from the following sections of the Base Prospectus. In order to obtain complete information, it is necessary to read the entire Base Prospectus and, in relation to the terms of any particular issue of Bonds, the relevant Final Terms.

This overview constitutes a general description of the Programme pursuant to Article 25(1)(b) of the Prospectus DR.

Issuer:	Nova Green Finance, a. s., with its registered office at Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, Identification No. (IČO): 50 335 588, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B.
Issuer Legal Entity Identifier (LEI):	097900BHCB0000067044
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds issued under the Programme. In addition, there are certain factors that are material for the purposes of assessing the market and legal risks associated with the Bonds. These factors are listed in Section 2. of the Base Prospectus " <i>Risk Factors</i> ".
Description:	The debt securities issuance programme of up to EUR 60,000,000 under which the Issuer may continuously or repeatedly issue unsecured Bonds in accordance with the laws of the Slovak Republic.
Leading Financial Intermediary:	Arca Brokerage House o.c.p. a.s.
Financial Advisor, Administrator, Listing Agent and Calculation Agent:	Slovenská sporiteľňa, a.s.
Programme Size:	The total principal amount of all outstanding Bonds issued under the Programme shall not at any time exceed EUR 60,000,000 (or its equivalent in a foreign currency).
Distribution:	<p>The Bonds will be offered:</p> <ul style="list-style-type: none">(i) in the form of a public offer in the Slovak Republic, the Czech Republic and/or Austria through the Leading Financial Intermediary or other financial intermediaries; or(ii) in the form of an offer that is not subject to the obligation to draw up and publish a prospectus pursuant to Article 1(4) of the Prospectus Regulation (or, in the case of the United Kingdom and Northern Ireland (the United Kingdom), in accordance with the relevant national legislation).
Currencies:	The Bonds will be denominated in EUR, CZK, USD or another currency specified in the relevant Final Terms.
Maturities:	The Bonds will have the maturities specified in the relevant Final Terms. The minimum maturity of any Bonds issued under the Programme shall be 12 months. No maximum maturity has been determined.
Issue Price:	The Bonds may be issued at an issue price that is at par or at a discount to, or premium over, par.
Type of Bonds:	<p>The Bonds will be issued as book-entered (in Slovak: <i>zaknihované</i>) bonds under the laws of the Slovak Republic.</p> <p>No global certificates, definitive certificates or coupons will be issued with respect to any Bonds.</p>
Yield on the Bonds:	<p>The Bonds may be issued as bonds:</p> <ul style="list-style-type: none">(i) with zero interest income that have no interest rate and their interest is determined as the difference between the principal amount of the Bonds

	and their issue price;
	(ii) bearing a fixed interest rate throughout their life; or
	(iii) bearing interest at the floating rate set as the sum of the Reference Rate and the Margin specified in the Final Terms.
Bondholders' right to request the redemption of the Bonds:	The Issuer will use at least 50% of the Total Volume of the Bonds of the relevant Issue to invest in the shares of the NOVA Green Energy Fund. At the same time, the shares of the NOVA Green Energy Fund must be traded on a regulated market. If the Issuer fails to comply with these conditions, the Bondholders will have the right, subject to the terms set out in clause 11.3 of the Common Terms to request that the Issuer repurchase the Bonds.
Principal amount of the Bonds:	The Bonds may be issued at par or at a discount to, or premium over, EUR 100,000, as specified in the relevant Final Terms.
Taxation and no increase due to withholding tax:	<p>The payments of the Principal Amount and interest income from the Bonds are subject to withholding tax, levies or other charges as required by the laws of the Slovak Republic applicable as at the Payment Date.</p> <p>If any such withholding of taxes, levies or other charges is required by the Slovak laws effective on the Payment Date, the Issuer will not be obliged to pay any additional amounts to their recipients as a result of these withholdings of taxes, levies or charges.</p>
Status of obligations:	The obligations under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other direct, general, unsubordinated, and unsecured obligations of the Issuer, present or future, save for the obligations as may be preferred solely due to the mandatory provisions of law and of general application to creditor rights.
Admission to trading:	The Issuer will apply for admission of the Bonds for trading on the regulated market of BCPB in accordance with the applicable laws of the Slovak Republic and the rules of BCPB.
Governing law:	The Bonds and any and all rights and obligations arising from the Bonds shall be governed and construed in accordance with the laws of the Slovak Republic.
Restrictions on the distribution of the Base Prospectus and offering of the Bonds in the United States of America:	Regulation S, Category 2 of the United States Securities Act of 1933.

2. RISK FACTORS

Purchase and holding of the Bonds are associated with a number of risks; those considered material by the Issuer are specified in this section of the Base Prospectus. As part of its activities, the Issuer faces several risks typical of the areas in which it operates. The key risks that the Issuer believes could significantly affect the Issuer's business, its financial condition and/or the results of its operations, and its ability to honour its obligations under the Bonds, are detailed below. Most of the macroeconomic, operational, market and commercial risks listed below apply to the entire Arca Group.

The description of the risk factors given below is neither exhausting nor substitutes a professional analysis or information given in this Base Prospectus, does not restrict any rights or obligations arising out of this Base Prospectus and in no case constitutes a recommendation to invest.

The risk factors described below are ranked according to their importance, probability of their occurrence and the expected extent of their negative impact on the Issuer's activity. Risk factors are listed in a limited number of categories, depending on their nature. In each category, the most relevant risk factors are listed first.

2.1 Risk Factors Related to the Issuer

Risk of the Issue as a special purpose vehicle

The Issuer is a special purpose vehicle established to issue bonds; its business activities are limited to providing intra-group financing and acquiring units in the open-ended unit trust of qualified investors NOVA Green Energy, SICAV, a.s. (the **NOVA Green Energy Fund**). The Issuer will not perform any other business activity and therefore cannot create resources from its own business activities to repay the liabilities under the Bonds if the primary source of repayment of the Bonds (i.e. repayments of intra-group financing and investment income) were not sufficient to repay them in full.

Risk of indebtedness and crisis of the Issuer

In 2017 and 2018, the Issuer issued a total of five bond issues, with the total amount of its liabilities thereunder as of 31 December 2019 being approximately EUR 74 million. The Issuer has negative net assets and is in crisis, and it is possible that it will be in crisis until the maturity of the Bonds. According to the provisions of Section 67a et seq. of the Commercial Code, crisis means a situation where a company is bankrupt or is in danger of going bankrupt, and a company is in danger of going bankrupt if the ratio of its net assets to its liabilities is less than 8 to 100. Because, as stated above, the Issuer does not carry out its own business activities, the repayments of intra-group financing and the return on the Issuer's investments will have to be sufficient not only to satisfy the obligations under the Bonds issued under the Programme but also to satisfy its other existing obligations.

Credit risk and dependency of the Issuer on the Arca Group

Because the Issuer will provide part of the funds from the Bonds issues as intra-group financing to companies within the Arca Group, the ability of the Issuer to repay the obligations under the Bonds is significantly dependent on the ability of the Arca Group and its individual companies to secure sufficient resources to repay these liabilities of the Issuer. The Issuer's operations are also dependent on the sharing of the administrative, accounting and IT infrastructure of the Arca Group. If individual Arca Group companies were unable to repay their obligations owed to the Issuer or the Arca Group's administrative, accounting and IT infrastructure fails, this would be likely to adversely affect the Issuer's financial and business situation, its business and its ability to satisfy its obligations under the Bonds.

Liquidity risk

The liquidity risk in relation to the Issuer is associated with the Issuer's ability to repay its liabilities on time. The liquidity risk may materialise in the event of a significant negative market trend or in the event of an unforeseen event that causes the Issuer or other Arca Group persons to be unable to repay their liabilities on time or to be able to realise their assets at a reasonable price within a reasonable time.

Arca Group holding structure risk (mutual ties)

The individual entities of the Arca Group are managed by a circle of people with close ties, and when they leave the Arca Group, there is a risk that the Issuer's business plans will not be fulfilled. The Issuer is indirectly dependent on the shareholders of Arca Investments, a.s.

Risk of conflicts of interest of the Issuer's owners and the Bondholders

Prior to the redemption of the Bonds, a member of the Arca Group or their shareholders may start taking steps (mergers, transactions, acquisitions, profit distribution, sale of assets, etc.) that may be conducted for the benefit of the Arca Group as such rather than of the Issuer and the Bondholders. These changes may have a negative impact on the financial and business situation of the Issuer, its business activity and its ability to meet its obligations under the Bonds.

2.2 Risk factors associated with the purpose of use of the funds and the business activities of the Arca Group

Risk factors associated with the use of funds obtained from the issue of the Bonds

The use of funds obtained from the issue of the Bonds may prove unprofitable

The Issuer and the Arca Group plan to invest a significant portion of the proceeds from the Bonds issue in green energy projects primarily in the Central Europe, either through credits, loans, or indirectly through purchases of units of funds investing in those projects, primarily the NOVA Green Energy Fund. Energy business is exposed to external risks specific to the market, such as e.g. cyclicalities of the sector, fluctuations in macroeconomic trends in different geographical areas, activities of competitors and fluctuations in project revenues within the relevant market segments. In certain circumstances, it may prove that such investments do not generate the expected return or may even generate a loss; such a result may adversely affect the Issuer's ability to meet its obligations under the Bonds.

Risk associated with the purpose of use of the funds for investments in the NOVA Green Energy Fund

Since the Issuer plans to invest a significant part (at least 50%) of the funds obtained from the Bonds issues in the NOVA Green Energy Fund, the following risks related to the financial performance of this fund are also significant:

- Regulatory / political risk: means the risk of changes in the legislation governing guaranteed revenues from green electricity production;
- Concentration risk: means that the investments and energy projects of the NOVA Green Energy Fund are concentrated on the Arca Group and the failure of the Arca Group may affect the final return achieved by the investor;
- Risk of change in the market situation: means a negative development in the market for energy projects as a whole that would adversely affect the annual statutory market valuation of the assets of the NOVA Green Energy Fund; this risk is more significant in the current situation associated with the spread of the COVID-19 viral disease;
- Risk of insufficient liquidity: given the nature of energy projects, which form a key part of the NOVA Green Energy Fund's assets, it should be noted that realising assets (e.g. a photovoltaic power plant) in order to achieve the best price is time consuming; if it is necessary to sell assets in the short term, there is a risk that the expected price will not be achieved;
- Operating risk: is associated with the risk of possible losses resulting from insufficient or faulty internal processes, from the failure of operating systems or the human factor, or from other external events;
- Currency risk: means that the final return received by an investor may also depend on the development of the exchange rate.

If, as a result of these risks, investments in the NOVA Green Energy Fund are not profitable and do not generate sufficient cash flows to pay the income and repay the principal amount of the Bonds, this circumstance will have a negative impact on the Issuer's ability to meet its obligations under the Bonds.

Risk factors associated with the business and financial situation of the Arca Group

The Arca Group may not be able to successfully implement its strategy or achieve its financial targets or investment objectives

The Arca Group implements strategies, estimates and valuations that affect the reported results, including valuation of selected assets and liabilities, determination of measures to mitigate losses from provided credits, litigations, regulatory measures, goodwill accounting, value adjustments, intangible assets, evaluation of the ability to realise deferred tax assets and the evaluation of net assets-based compensations. These estimates are based on an assessment and availability of information, and Arca Group's actual results may differ materially from the original estimates. Arca Group's estimates and valuations are based on models and procedures to predict economic conditions and market and other events that may affect the ability of counterparties to meet their respective obligations to the Arca Group or affect the value of assets. The meaningfulness of individual models and procedures may be limited to the extent of unexpected market conditions in the area of liquidity and volatility and the ability to make accurate estimates and valuations.

COVID-19 risk

At the end of 2019, a new type of viral disease, later referred to as COVID-19, began to spread in China, which spread worldwide during the first months of 2020. Neither the Issuer nor the Arca Group are currently able to fully assess the consequences of the spreading of COVID-19 on their future financial position and operating activities, but depending on further developments, the impacts may be negative and significant.

The extent to which the COVID-19 pandemic affects Arca Group's business, operating and financial results will depend on many evolving factors that Arca Group may not be able to predict accurately, including governmental, business and individual actions that have been and are being taken in response to the pandemic and the impact of the pandemic on the

economic activity of the Arca Group. The effects of the pandemic may also increase the capital costs of the Issuer and the Arca Group or make the acquisition of additional capital, including the refinancing of the Issuer's and the Arca Group's credit indebtedness, more difficult or available only on less favourable terms.

Each of these events could cause or contribute to risks or uncertainties and could adversely affect the business, financial condition and results of operations of the Issuer and the Arca Group.

If the Arca Group's investments in its business sectors were not profitable and did not generate sufficient cash flow to meet its obligations, any negative impact of the current difficult global situation associated with the spread of the COVID-19 virus could have a negative impact on the Arca Group and also the Issuer's ability to meet its obligations under the Bonds.

Risk of adverse macroeconomic and political situation with regard to geographical concentration

The results of Arca Group's business activities in the countries in which it operates (especially the Czech Republic and Slovakia) are primarily dependent on the macroeconomic and political situation in these countries, with a significant risk also posed by the concentration on the Slovak and Czech markets.

Because a significant part of the Arca Group's activities is located in countries outside the euro area, the Arca Group is also exposed to the risk of fluctuations in the EUR exchange rate, especially in relation to the CZK. Any adverse changes in foreign currency exchange rates may adversely affect the value of investments and cash flow generated by the Arca Group companies.

The Arca Group is exposed to risk due to the amount and terms of its debt financing

In order to finance its growth, the Arca Group raised a significant amount of debt financing (primarily in the form of bank loans and bonds), both at the level of individual SPVs (*Special Purpose Vehicles*) and at the level of the Arca Group. As of 31 December 2019, the outstanding debt of the Arca Group was in the amount of approximately EUR 848.4 million (a preliminary consolidated figure in accordance with IFRS that does not include debt in joint ventures and debt classified as finance leasing). In addition, the Arca Group is currently targeting a higher degree of net indebtedness to finance its business plan.

All of Arca Group's principal loans and/or bonds contain arrangements that require compliance with certain financial ratios and commitments, including the debt-to-interest-payments ratio, a negative pledge and similar obligations. The need to comply with these financial indicators and commitments could prevent the Arca Group from raising additional debt financing and expanding its business.

In the event of adverse market conditions and unavailable financing, the Arca Group could find it difficult to extend or refinance its debt obligations and would need to utilise available cash reserves for the repayment of such debt financing, which reserves according to preliminary information as of 31 December 2019 amounted to EUR 14.8 million. If the cash reserves are insufficient, the Arca Group may be forced to sell assets below their market value in order to increase reserves and/or repay debt that is due, which may have a material adverse effect on the Arca Group's assets and the value of its security.

The problems faced by the banks financing the Arca Group may lead to a change to lending policies, a reluctance to provide new loans or even sales of loan portfolios or even the full sale of loans. The deterioration of creditworthiness on the financing institution's side during the drawdown phase may make an undrawn part unavailable to the Arca Group.

Legal and regulatory risk factors associated with the Arca Group

The Arca Group may be subject to litigation claims, liability claims and other disputes

The Arca Group may face disputes with business partners and may be forced to devote considerable time and attention to managing the successful resolution of these disputes. Any such resolution may involve the payment of significant damages or expenses by the Arca Group. In addition, any such resolution could involve the Arca Group agreeing to terms that would restrict the operation of the Arca Group's business. The Arca Group is currently facing no litigation that could have a significant negative impact on the Arca Group's operations.

The Arca Group is exposed to health, safety and environment protection risks

Any breach of health, safety and environment protection requirements, including any delay in responding to changes in health, safety and environment protection regulations, particularly in light of evolving EU standards and potential new implementing legislation, may result in penalties for noncompliance. Monitoring and ensuring health, safety and environment protection best practices may become increasingly expensive for the Arca Group in the future, and health, safety and environment protection risks may become more acute. All of these risks could have a material adverse effect on the Arca Group's business, financial situation, prospects and/or results of operations.

Risk factors associated with the Arca Group's operation and internal control

The Arca Group depends upon its senior management team and on the expertise of its key personnel and may be unable to hire and retain a highly skilled and experienced workforce

Between 2015 to 2019, there was a significant regrouping of shareholdings in the Arca Group so that Ing. Rastislav Velič became a 60% owner of the Arca Group. In connection with the change in the ownership structure, the strategy of the Arca Group was defined and a team of key 3 to 5 people was created who fulfil the defined strategy of the Arca Group. The risk of loss of the key personnel represents the risk that the Arca Group would not be able to sufficiently motivate and retain the persons who are key to the Arca Group's ability to create and implement key strategies. The loss of key personnel is also associated with the risk of possible leakage of information about the Arca Group's strategy, its projects or other aspects of its activities. The quality of management and key employees, as well as the protection of information, are crucial for the fulfilment of the Arca Group's strategic goals. The ability to retain existing employees and hire new ones plays an important role in this regard. Departures of key employees could adversely affect the business activities, financial position and results of operations of the Arca Group, which could indirectly adversely affect the ability to meet its obligations under the Bonds.

If the Arca Group fails to maintain an effective system of internal controls, it may not be able to accurately determine financial results or adequately prevent fraud

Effective internal controls are necessary for the Arca Group to provide reliable financial reports and effectively prevent fraud. Furthermore, as the Arca Group grows its business, its internal controls become more complex, and it will require significantly more resources to ensure its internal controls remain effective. The existence of any material weakness in the Arca Group's internal control over financial reporting could also result in errors in the Arca Group's financial statements that could require it to restate its financial statements.

The Arca Group faces risks associated with strategic transactions, such as mergers, acquisitions and investments

From time to time, the Arca Group evaluates potential strategic acquisitions or investment opportunities, and from time to time the Arca Group pursues and undertakes certain of those opportunities. Due to its continuous growth, the Arca Group intends to continue or accelerate its investments in selected industries. Any significant transactions that the Arca Group enters into could be material to its financial condition and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures and could entail unforeseen liabilities that are not recoverable under the relevant transaction agreements or otherwise.

2.3 Risk factors associated with the Bonds

Risk factors arising from the nature of the Bonds as debt financial instruments and the situation on the financial markets

Inflation

The Bonds do not contain the inflation clause and the fair value of investment in the Bonds may fall with the falling value of the currency due to inflation. Inflation also causes the reduction of real yield on the Bonds. If the amount of inflation exceeds the amount of nominal yield on the Bonds, the value of real yield on the Bonds will be negative. The average inflation rate in Slovakia was 2.7% in 2019.

Risk associated with fluctuations on the financial instruments markets in the region

As a result of responses of international investors to events taking place on the market of a country or a group of countries, a "contagion effect" may occur where the entire region or a group of investments finds itself on the blacklist of those international investors. The financial instruments market in the Slovak Republic or the Slovak Republic itself may thereby be exposed to an adverse effect of unfavourable economic or financial developments in other European countries or countries with credit ratings similar to that of the Slovak Republic. The economy of the Slovak Republic, including its financial market, the level of GDP and employment, have already been adversely affected by this contagion effect several times, including the recent global economic downturn. It is therefore legitimate to anticipate that a similar development in the future, e.g. as a result of the crisis in Ukraine, slower growth of the Chinese economy, deterioration of international relations between the European Union and the Russian Federation and the USA, exit by the United Kingdom from the European Union or the existence or deepening of the European sovereign debt crisis, could adversely affect the economy and financial market of the Slovak Republic and thereby the value of the Bonds.

Fees

The overall rate of return of the investments in the Bonds will be affected by the level of fees charged by the person intermediating the purchase/sale of the Bonds or charged by the relevant settlement system used by the investor.

Currency risk

If the Bonds are issued in a currency other than the domestic currency of the Bondholders and the exchange rate moves in an unfavourable direction, the investment may lose its value.

Risk of insufficient liquidity of the Bonds when trading on the secondary market

The Issuer intends to request that the Bonds be admitted to trading on the regulated free market of the BCPB, but even if the Bonds are admitted to trading (which cannot be guaranteed), this fact may not lead to higher liquidity of the Bonds. In an illiquid market, it may be not possible to sell the Bonds for the adequate market price at any time. The Issuer has not undertaken to repurchase the Bonds from the Bondholders, i.e. liquidity will not be provided by the Issuer. Trading in the Bonds on the BCPB may be suspended, interrupted or terminated for several reasons, and the Issuer may not have an influence on such an event (events). Given the previous bond issues by the Arca Group companies, the Issuer assumes that trading in the Bonds will not be liquid, which may have a negative impact primarily on investors who have invested in the Bonds for the purposes of trading and generating a profit from their trading and not holding term to maturity.

Risk factors related to the interest payment provisions of the Bonds

Risk related to the Bonds with a fixed interest rate

A Bondholder of a Bond with a fixed interest rate is exposed to a risk of a decline in the value of such Bonds as a result of a change in the market interest rates. While the nominal interest rate of the Bonds is fixed for the life of the Bonds, the actual interest rate on the capital market (for the purpose of this paragraph, the **Market Interest Rate**) is subject to change. As the Market Interest Rate changes, the value of the Bonds changes too, but in the opposite direction. Hence, when the Market Interest Rate increases, the value of fixed-rate Bonds usually falls to the level where the yield on these Bonds is approximately equal to the Market Interest Rate. However, if the Market Interest Rate falls, the price of the fixed-rate Bonds generally rises to a level when the yield on such Bonds approximately equals the Market Interest Rate.

The holders of the Bonds with a floating interest rate may be exposed to the risk of interest rate fluctuations and uncertain interest income

The Bonds with a floating interest rate are usually volatile investments. The Bondholder of the Bonds with a floating interest rate is exposed to the risk of interest rate fluctuations and uncertain interest income. As a result of interest rate fluctuations, it is not possible to determine in advance the interest income on the floating-rate Bonds.

Interest on the floating-rate Bonds will be calculated by reference to one or several specific benchmark indices (each a **Benchmark**), such as the Euro Interbank Offered Rate (the **EURIBOR**) or another Benchmark, each of which are provided by a relevant administrator. Benchmarks have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. International proposals for reform of Benchmarks include Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure performance of investment funds (the **Benchmark Regulation**). These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or to have other consequences that cannot be predicted. Any such consequence may have a material adverse effect on any Bonds linked to such Benchmarks.

Risk of the Bonds with zero coupon

The Bondholders of these Bonds are exposed to the risk that the price of such Bonds will fall as a result of changes in the interest rates, while the prices of these Bonds are more volatile than prices of the Bonds with a fixed interest rate and are likely to respond to a greater degree to market interest rate changes than interest bearing Bonds with similar maturity.

Risk factors related to the provisions in the terms and conditions of the Bonds

Risk of early redemption of the Bonds decided by the Issuer

According to the Terms and Conditions, the Issuer may decide on the early redemption of the entire issue of the Bonds if 80% or more of the relevant issue is repurchased due to non-compliance with the investment requirement of at least 50% of the proceeds of the issue or if NOVA Green Energy shares cease to be traded on a regulated market. Such a decision may be made by the Issuer regardless of the will of the remaining Bondholders. In such a case, the Issuer will pay the Bondholders their principal amount and any proportional part of the interest income accumulated until the early maturity date as of the specified early maturity date. In the event of early maturity of the Issue, the total income from the Bonds may be lower than expected by the Bondholders until their final maturity. The Bondholders who intended to hold the Bonds to maturity may be forced to make changes to their portfolio or investment strategy earlier than originally expected due to the early redemption of the Bonds.

Risk of the legal framework related to the Bonds

Subordination risk

According to Act No. 7/2005 Coll. on Bankruptcy and Restructuring, Amending and Supplementing Certain Acts (the **Bankruptcy Act**), any obligation of the Issuer whose creditor is or was at any time during its existence a person who is or was an affiliate of the Issuer pursuant to Section 9 of the Bankruptcy Act (the **Affiliated Obligation**) will be (A) in the bankruptcy of the Issuer conducted in the Slovak Republic automatically by law subordinated to all other unsubordinated obligations of the Issuer and this Affiliated Obligation will not be satisfied before the satisfaction of all other

unsubordinated obligations of the Issuer against the creditors who filed their claims within the bankruptcy of the Issuer; (B) in the restructuring of the Issuer, the Affiliated Obligation may not be satisfied by equal or better manner than any other unsubordinated obligation of the Issuer against the creditors who filed their claims within the restructuring of the Issuer. Given the wording of the Bankruptcy Act, it may mean that a Bondholder who on its own is unrelated to the Issuer if it acquires the Bonds that at any time in the past were held by a person related to the Issuer may also become a creditor of the Affiliated Obligation. This shall not apply to the claims of a creditor who is not affiliated with the bankrupt and at the time of acquisition of the affiliated claim did not know and could not have known, despite using its professional care, that what it was acquiring was the affiliated claim. According to Section 95(4) of the Bankruptcy Act, it is assumed that the creditor of a claim under the Bonds acquired by a trade on a regulated market, multilateral trading facility or a similar foreign organised market was not aware of the affiliation of the claim.

Tax cost risk and withholding tax risk

The Investors may have to pay taxes or other claims or fees in accordance with the laws and customs of the country where the Bonds are transferred or of another country relevant in the given situation. Official statements of tax authorities or court decisions regarding financial instruments as the Bonds may not be available in certain countries. Primarily in the case of a public offer in the Czech Republic and in Austria, when acquiring, selling or redeeming the Bonds, the investors should not rely on the general brief summary of tax issues contained in this Base Prospectus, they should seek advice of tax advisors regarding their individual taxation. Any changes of tax regulations could result in the income on the Bonds lower than originally anticipated by the investors or in amount paid in the case of sale or redemption of the Bonds lower than originally anticipated.

Income from the Bonds paid to certain categories of investors is subject to withholding tax. For example, 19% in the case of a tax resident – a natural person – of the Slovak Republic and 35% in the case of a tax resident of a country with which the Slovak Republic has not entered into the relevant treaty. The Bondholder must bear all tax obligations that may arise from any payment made in connection with the Bonds, regardless of the jurisdiction, governmental or regulatory authority, state department, local tax requirements or fees. The Issuer will not compensate the Bondholders for any taxes, fees or other costs or deductions paid.

3. RESPONSIBILITY STATEMENT

Nova Green Finance, a. s., with its registered office at Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, Identification No. (IČO): 50 335 588, LEI: 097900BHCB0000067044, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B (the **Issuer**), represented by the chairman of the board of directors Ing. Rastislav Velič, represents that it is solely responsible for the information provided in the Base Prospectus.

The Issuer hereby declares that to the best of its knowledge and having taken all reasonable care to ensure that such is the case, the information contained in the Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

In Bratislava on 27 April 2020.

Nova Green Finance, a. s.

Name: Ing. Rastislav Velič

Function: Chairman of the Board of Directors

4. DOCUMENTS INCLUDED BY REFERENCE

In the Base Prospectus, more specifically in its clause 10.10 headed “*Financial information concerning assets and liabilities, financial situation and profits and losses of the Issuer*”, the following information is included by reference:

- (1) The audited individual financial statements of the Issuer as of 31 December 2018 compiled in compliance with the SAS, which form part of the Issuer’s annual report for 2018 compiled pursuant to the applicable legal regulations (the **2018 Annual Report**). The Base Prospectus must be read in conjunction with the above-mentioned part of the 2018 Annual Report that is deemed to be part of the Base Prospectus. Other parts of the 2018 Annual Report not incorporated in the Base Prospectus by reference are of no relevance for the investors (http://www.novagreenfinance.eu/pdfviewer/web/viewer.html?file=%2Fdata/uploads/en_annual_report_ngf_for_2018.pdf);
- (2) The audited individual financial statements of the Issuer as of 31 December 2019 compiled in compliance with the SAS, which form part of the Issuer’s annual report for 2019 compiled pursuant to the applicable legal regulations (the **2019 Annual Report**). The Base Prospectus must be read in conjunction with the above-mentioned part of the 2019 Annual Report that is deemed to be part of the Base Prospectus. Other parts of the 2019 Annual Report not incorporated in the Base Prospectus by reference are of no relevance for the investors (http://www.novagreenfinance.eu/pdfviewer/web/viewer.html?file=%2Fdata/uploads/en_annual_report_ngf_for_2019.pdf).

The above-mentioned financial statements are available in a designated section on the Issuer’s website (www.novagreenfinance.eu).

The Base Prospectus must be read in conjunction with the above-mentioned financial statements of the Issuer that are incorporated into and form part of the Base Prospectus.

5. DOCUMENTS AVAILABLE

- (1) The following documents are available free of charge in electronic form in a designated section on the Issuer's website (www.novagreenfinance.eu), until the maturity of the relevant issue of the Bonds:
 - (a) the Base Prospectus and any updates thereof in the form of any supplement(s) to the Base Prospectus (the **Base Prospectus Supplement(s)**);
 - (b) the relevant Final Terms prepared for an individual issue of the Bonds;
 - (c) the relevant Summary of the Issue (if applicable) prepared for an individual issue of the Bonds that will be attached to the relevant Final Terms (the **Summary of the Issue**);
 - (d) the foundation deed of the Issuer / articles of association of the Issuer;
 - (e) notices to the Bondholders of the relevant issue of the Bonds; and
 - (f) minutes of the meetings of the Bondholders of the relevant issue of the Bonds.
- (2) The following documents are available free of charge in electronic form in a designated section on the Issuer's website (www.novagreenfinance.eu) for as long as the Base Prospectus remains valid:
 - (a) the 2018 Annual Report; and
 - (b) the 2019 Annual Report.

6. GENERAL

- (1) **Financial Advisor.** The Issuer has appointed Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, as the financial advisor in connection with the preparation of the Programme and the drawing up of this Base Prospectus (the **Financial Advisor**). **The role of the Financial Advisor is to provide professional services exclusively to the Issuer and cannot be construed as any approval or recommendation by the Financial Advisor regarding the Issuer or the Bonds.** The Financial Advisor (i) is not and will in no way be responsible for the information contained in the Base Prospectus, is not responsible for the contents of the Base Prospectus as a whole and no statement or information contained therein may be considered information or statement made or approved by the Financial Advisor; (ii) has not ascertained or verified the authenticity, currency and reliability of the data relating to any information contained in the Base Prospectus; (iii) has not examined the risk of the Issuer and the Bonds to be issued under the Programme; (iv) will not place, sell or otherwise offer the Bonds to be issued under the Programme on the primary market; and (v) the Financial Advisor is not a financial intermediary and has not been granted consent by the Issuer for the final placement of the Bonds to be issued under the Programme, nor has the Financial Advisor requested such consent from the Issuer. The Financial Advisor has no obligation to examine the Issuer's financial situation or other matters or the purpose for which the funds raised from the issues of the Bonds will be issued during the Programme or to advise any investor investing in the Bonds issued under the Programme on any information the Financial Advisor has learned.
- (2) **IFRS.** IFRS means International Financial Reporting Standards.
- (3) **Language of the Base Prospectus.** The Base Prospectus has been drawn up and will be approved by the NBS in the Slovak language. If the Base Prospectus is translated into another language, the Slovak language version of the Base Prospectus shall prevail in case of any interpretation discrepancy between the wording of the Base Prospectus in Slovak and the wording of the Base Prospectus translated into another language.
- (4) **Qualified investor.** In the Base Prospectus, the term "qualified investor" in any grammatical form shall have the meaning assigned to it in Article 2(e) of the Prospectus Regulation for the purposes of the offering in the Slovak Republic and another Member State of the European Union.
- (5) **SAS.** Unless specified otherwise, every financial information of the Issuer is based on its financial statements prepared in accordance with the SAS.
- (6) **Consents.** Prior to the issue of the Bonds, all necessary consents, decisions and approvals pursuant to the laws of the Slovak Republic and the Issuer's internal regulations will be obtained by the Issuer.
- (7) **Statutory auditors of the Issuer.** FS consulting, s.r.o., with its registered office at Cintorínska 21, 811 08 Bratislava, Slovak Republic, Identification No. (IČO): 44 733 780, registered in the Commercial Register of the District Court Bratislava I, section: Sro, insert No.: 69811/B, registered in the register of the Slovak Chamber of Auditors under number 923, shall be the auditors of the Issuer.
- (8) **Audited data.** Apart from the data derived from the Issuer's audited individual financial statements, the Base Prospectus does not contain information that would be audited. No auditor has audited the Base Prospectus as a whole.
- (9) **Credit and indicative ratings.** Neither the Issuer nor the Bonds have been assigned a rating by a company registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A separate financial rating of the Bonds has not been performed; therefore, the Bonds do not have a separate rating nor are the Bonds expected to be assigned a rating.
- (10) **Enforcement of private claims against the Issuer.** *This text constitutes a mere summary of certain provisions of the laws of the Slovak Republic regarding the enforcement of private claims related to the Bonds against the Issuer. This summary does not describe the enforcement of claims against the Issuer pursuant to the laws of any other jurisdiction. This summary is based on legal regulations effective as of the date of this Base Prospectus and may be subject to subsequent amendments (including any retroactive effects). The information contained in this clause is only of a general nature to describe the legal situation. Investors should not rely on this information and are recommended to assess the issues regarding the enforcement of private claims against the Issuer with their legal advisors.*

Slovak courts have jurisdiction for the purposes of the enforcement of any private claims against the Issuer related to the purchase or holding of the Bonds. All rights and obligations of the Issuer vis-à-vis the Bondholders are governed by Slovak law. As a result, there is only a limited possibility of claiming rights against the Issuer in proceedings before foreign courts or pursuant to a foreign law.

The Brussels I Regulation (recast) is directly applicable in the Slovak Republic. Pursuant to the Brussels I Regulation (recast), save for certain exceptions stated therein, judicial decisions issued by judicial bodies in the EU Member States in civil and commercial matters are enforceable in the Slovak Republic, and *vice versa*, the

judicial decisions issued by judicial bodies in the Slovak Republic in civil and commercial matters are enforceable in the EU Member States.

If, for the purposes of the recognition and enforcement of a foreign decision the application of the Brussels I Regulation (recast) is excluded, but the Slovak Republic entered into an international treaty on the recognition and enforcement of court decisions with a certain country, the enforcement of a judicial decision of such country is ensured in accordance with the provisions of the given treaty. If such treaty does not exist, the decisions of foreign courts may be recognised and enforced in the Slovak Republic subject to the terms and conditions set out in Act No. 97/1963 Coll. on Private and Procedural International Law, as amended. According to this Act, decisions of judicial authorities of foreign countries in matters specified in Section 1 of this Act on International Private and Procedural Law, foreign settlements and foreign notarial deeds (jointly the **foreign decisions**) may not be recognised and enforced if (i) the decided matter falls within the exclusive jurisdiction of the authorities of the Slovak Republic or the authority of the foreign country had no jurisdiction to decide on the matter if the provisions of Slovak law were applied to the assessment of its jurisdiction, or (ii) are not final and enforceable in the country of their issuance, or (iii) do not constitute a decision on the merits, or (iv) by the procedure of the foreign authority, the party to the proceedings against whom should the decision be recognised was deprived of the option to act before this authority, especially if the party was not delivered the summons or the application initiating proceedings; the court does not examine the satisfaction of this term if the foreign decision has been properly delivered to that party and the party did not appeal it or if that party declared not to insist on the examination of this term, or (v) a Slovak court has already validly decided on the matter, or there is an earlier foreign decision on the same matter that was recognised or satisfies the terms of its recognition, or (vi) their recognition would be inconsistent with the Slovak public order.

- (11) **Yield to Maturity.** The yield to maturity specified in the Final Terms of the relevant issue of the Bonds with a fixed interest rate shall be calculated as the internal rate of return of the relevant Bonds as of the Issue Date. The internal rate of return is defined as the discount rate in which the current value of all future cash flows from the Bonds is equal to the initial investments in them. As set out above, the yield to maturity is calculated as at the Issue Date on the basis of the Issue Price. Such calculation of the yield cannot be considered to be an indication of the actual future yield on the Bonds.

7. NOTICES AND RESTRICTIONS

(1) **Separate assessment by investors.** Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. Every investor should in particular:

- have sufficient knowledge and experience to purposefully value the Bonds, assess the benefits and risks of investing in the Bonds and evaluate the information contained in this Base Prospectus and any supplements thereto (whether such information is provided directly in the above documents or by reference);
- have knowledge of and access to appropriate analytical tools to evaluate investments in the Bonds and be able to evaluate the effect of the investments in the Bonds on its financial situation and/or its overall investment portfolio, always in the context of its particular financial situation;
- have sufficient funds and liquidity to be prepared to bear all the risks associated with investments in the Bonds, including the potential volatility of the value of the Bonds;
- fully understand the Terms and Conditions, the information contained in this Base Prospectus and be familiar with the behaviour or development of any relevant indicator or the financial market; and
- be able to evaluate (individually or with the assistance of a financial advisor) possible economic and interest rate scenarios and other factors that may affect its investment or its ability to bear the potential risks.

(2) **Important notices regarding the reliability and currency of the data.** No person is entitled to provide any information or make any statement in relation to the Programme, the Issuer, the relevant Issue, offer or sale of the Bonds that is not contained in this Base Prospectus or other publicly available document.

Under any circumstances, the provision of the Base Prospectus or any Final Terms, or the offer, sale or delivery of any Bond does not constitute or provide a guarantee that the information contained in this Base Prospectus is true and accurate after the date of the Base Prospectus (or its update date) or that no adverse change or event that could cause any adverse change in the Issuer's prospects or financial or business position from the date of the Base Prospectus (or its update date) has occurred, or that any other information provided in connection with the Programme is true and accurate at any time after the date on which they were provided.

Any information set out to in Sections 12. "*Taxation*" and 6. "*General information*" of the Base Prospectus – item "*Enforcement of private claims against the Issuer*" is provided only as general information and not as exhaustive information based on the state of legislation as of the date of the Base Prospectus. Potential investors in the Bonds should rely solely on their own analysis of the factors mentioned in these parts of the Base Prospectus and their own legal, tax and other professional advisors. Potential foreign investors in the Bonds are recommended to consult the provisions of the applicable legal regulations with their own legal and other advisors, in particular as regards foreign exchange regulations and the tax regulations of the Slovak Republic, of the country in which they are residents and, if applicable, of other relevant countries, and also as regards each relevant international agreement and its effect on the particular investment decision.

(3) **Restrictions applicable to dissemination of the Base Prospectus and offering of the Bonds.** The distribution of the Base Prospectus and the offering, sale and purchase of the Bonds in certain jurisdictions are restricted by law. The Base Prospectus was approved by the NBS and this approval was notified to the FMA and the CNB only for the purposes of the public offering of certain issues of the Bonds in the Slovak Republic, the Czech Republic and Austria, and the admission of the Bonds to trading on the BCPB's regulated free market. The Bonds are not and will not be registered, permitted or approved by any administrative or other authority of another country. Therefore, the Bonds may only be offered in any other country to the extent to which an approval or notification of the Base Prospectus is not required for such an offering and also subject to the compliance with any and all requirements pursuant to the legal regulations of such other country.

In particular, the Bonds have not been and will not be registered under the United States Securities Act of 1933. Therefore, the Bonds may be offered, sold or provided in any manner in the territory of the United States or to residents of the United States of America only subject to the exemption from the registration requirements under that Act or as part of a deal that is not subject to that registration obligation. Persons who obtain possession of the Base Prospectus must become acquainted with and observe any restrictions that may refer to those persons. The Base Prospectus itself does not constitute an offer to sell, or the solicitation of an offer to buy the Bonds in any country.

Each person acquiring the Bonds shall be deemed to declare and agree that (i) such person has understood any and all relevant restrictions related to the offer and sale of the Bonds which refer to him/her/it and to the relevant form of offer or sale; (ii) that such person will neither offer for sale nor further sell the Bonds without complying with any and all relevant restrictions which refer to that person and the relevant form of offer and sale; and (iii) prior to further offering or selling the Bonds, that person will inform the buyers of the fact that further offers or sales of the Bonds may be subject to statutory restrictions in different jurisdictions which must be observed.

In addition to above, all acquirers of the Bonds are required by the Issuer to comply with the provisions of all applicable laws (including the laws of the Slovak Republic), where they will distribute, make available or otherwise circulate the Base Prospectus, including any Base Prospectus Supplements, individual Final Terms or other offering or promotional materials or information related to the Bonds, always at their own expense and regardless of whether the Base Prospectus or Base Prospectus Supplements, individual Final Terms or other offering or promotional materials or information related to the Bonds are in written, electronic or any other form.

- (4) **Specific restrictions on MiFID II.** The Final Terms will provide basic data on the analysis of the target market for the Bonds and the suitability of channels for distribution of the Bonds. Any person who subsequently sells or recommends the Bonds (the **Distributor**) should take into account this target market analysis. However, any Distributor subject to the rules of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, including all its statutory instruments and implementations into relevant national law (**MiFID II**), is responsible for carrying out its own analysis of the target market in respect of the Bonds (either by adopting or improving the target market assessment) and identifying their own appropriate distribution channels.

If the Final Terms so indicate, the Bonds are not intended to be offered, sold or made available otherwise and should not be offered, sold or made available otherwise to any non-professional client (investor) in any EEA Member State. A non-professional client means any person other than a professional client (investor) or an eligible counterparty under the relevant MiFID II implementation. For these Bonds, no document shall be made containing the key information required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**), and therefore the offer or sale of the Bonds or making them available otherwise to any non-professional client (investor) anywhere in the EEA may be unlawful under the PRIIPs Regulation.

- (5) **Approval of the Base Prospectus.** Unless provided otherwise, every information contained herein is provided as of the date of this Base Prospectus. The Base Prospectus may be updated pursuant to Article 23 of the Prospectus Regulation in the form of a Base Prospectus Supplement. Pursuant to the applicable laws, any Base Prospectus Supplement (as the Base Prospectus itself) must be approved by the NBS and subsequently published.

The NBS has approved this Base Prospectus as a document meeting the standards of completeness, comprehensibility and consistency set out in the Prospectus Regulation. Such an approval should not be deemed to be a confirmation of the Issuer or a confirmation of the quality of the Bonds being the subject-matter of this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Bonds, even though the Issuer believes that all material risks relating to an investment in the Bonds have been described. Potential investors should separately assess the suitability of investment in the Bonds.

- (6) **Benchmark administrators.** Interest payable on the Bonds with a floating interest rate will be calculated with reference to the Benchmarks, for example EURIBOR, as specified in the relevant Final Terms. As of the date of the Base Prospectus, the administrators of used Benchmarks are registered in the ESMA register of administrators under Article 36 of the Benchmark Regulation.
- (7) **Completeness of the Base Prospectus.** The Base Prospectus must be read in conjunction with all Supplements to the Base Prospectus and the documents and data included by reference into the Base Prospectus (see Section 4. of the Base Prospectus “*Documents included by reference*”). Comprehensive information regarding the Issuer and the Bonds may only be obtained from combination of the Base Prospectus (including Base Prospectus Supplements and documents and data included by reference) and the relevant Final Terms and Summaries of Issues (if prepared).
- (8) **Rounding.** Certain values included in the Base Prospectus have been subject to rounding adjustments. This also means that values given for the same information item may slightly differ at different places and that values given as a sum of certain values do not necessarily have to be an arithmetic sum of the values on which they are based.
- (9) **No investment recommendation.** Neither the Base Prospectus nor any Final Terms shall be construed as a recommendation by the Issuer or the Financial Advisor or any of them that any recipient of the Base Prospectus or the Final Terms should subscribe for or purchase any Bonds. Each recipient of the Base Prospectus or the Final Terms should conduct its own review and assessment of the Issuer’s (financial or other) terms and the purpose for which the funds raised by the Bonds will be used to make the investment decision regarding the Bonds.

8. COMMON TERMS

This section of the Base Prospectus contains certain information in square brackets that do not contain specific information or contain only a general description (or general principles or alternatives). This unknown information, at the moment of preparation of the Base Prospectus, concerning the Bonds, will be completed by the Issuer for individual issues of the Bonds in the Final Terms (as defined below) that will be prepared and published in the form specified in Section 9. of the Base Prospectus designated as the “Form of the Final Terms”. In case of certain information concerning the terms of the offer in clause 8.2 marked with a footnote, the information / data that will not be relevant in view of the given type of offer by which this Issue will be offered will not be supplemented by the relevant Final Terms of the given Issue.

For the purposes of this Section 8., the term “Bonds” only refers to the bonds of a particular issue and shall not be construed as referring to any bonds issued continuously or repeatedly by the Issuer under the Programme that are designated as “bonds issued under the Programme”.

All issues of the Bonds to be issued under the Programme on the basis of the Base Prospectus will be governed by the Common Terms set out in this Section 8. (the **Common Terms**) and the relevant Final Terms. For the purposes of the Common Terms and pursuant to Article 8(4) and (5) of the Prospectus Regulation, the term Final Terms means a document designated as the “Final Terms” to be prepared and published by the Issuer with regard to individual issues of the Bonds that will contain particular information the description or alternative wording of which is given in square brackets in these Common Terms (the **Final Terms**).

8.1 Information about securities

This clause 8.1 of the Common Terms together with Part A of the Final Terms replaces the terms and conditions of the respective issue of the Bonds (the **Terms and Conditions**). For the sake of clarity, the individual paragraph of the Terms and Conditions are numbered separately.

1. Legal regulations governing the issuance of the Bonds

The Bonds are issued by Nova Green Finance, a. s., with its registered office at Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, Identification No. (IČO): 50 335 588, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B (the **Issuer**) in accordance with Act No. 530/1990 Coll. on Bonds, as amended (the **Act on Bonds**) and in accordance with Act No. 566/2001 Coll. on Securities and Investment Services, Amending and Supplementing Certain Acts, as amended (the **Securities Act**) (the **Bonds** and each individual issue of the Bonds, an **Issue**).

The Bonds will be issued under the EUR 60,000,000 bonds issuance programme pursuant to Article 8 of the Prospectus Regulation (the **Programme**). The Programme was approved by a decision of the sole shareholder of the Issuer adopted acting in the capacity of general meeting pursuant to the provisions of Section 190(1) of Act No. 513/1991 Coll., the Commercial Code, as amended (the **Commercial Code**), dated 17 April 2020.

2. Class, name, total principal amount, issue price, issue date and admission to trading of the security

The class of the security is: unsecured bond.

The name of the Bonds is [Name]. The ISIN of the Bonds is [ISIN]. The FISN of the Bonds is [FISN].

The total principal amount of the Issue is [Total Volume of the Issue] (the **Total Volume of the Issue**).

The issue price of the Bonds is the [Issue Price] of the Bonds Principal Amount (the **Issue Price**).

[Information about the Accrued Interest]

The date of issue of the Bonds has been set for [Issue Date] (the **Issue Date**).

The Issuer, acting through the Administrator (as defined below) will request Burza cenných papierov v Bratislave, a.s., with the registered office at Vysoká 17, 811 06 Bratislava, Slovak Republic, Identification No. (IČO): 00 604 054, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 117/B (the **BCPB**), promptly after the Issue Date, that the Bonds be admitted to trading on the regulated

free market of the BCPB. The Issuer cannot guarantee that the BCPB will grant the request of the Issuer for admission of the Bonds to trading. Trading in the Bonds will commence upon their admission to trading on the regulated open market of the BCPB.

3. **Form, type and principal amount of the Bonds**

The Bonds are book-entered security in the bearer form registered with Centrálny depozitár cenných papierov SR, a.s., with its registered office at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic, Identification No. (IČO): 31 338 976, registered with the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 493/B (the **Central Depository**), under the Securities Act.

The Bonds will be issued exclusively in [**Currency**] (the **Currency**), with the principal amount of each of the Bonds of [**Principal Amount**] (the **Principal Amount**).

4. **Exchange and pre-emption rights and rights attached to the Bonds**

No rights to exchange them for any other securities and no pre-emption rights (rights for preferential subscription) to any securities are attached to the Bonds.

In accordance with the Terms and Conditions, a Bondholder shall have the right to be repaid the Principal Amount, to be paid the income and the right to participate and to decide at the Meeting (as defined below).

The rights attached to the Bonds are not limited, with the exception of general restrictions under applicable law, in particular under the relevant provisions of Act No. 7/2005 Coll. on Bankruptcy and Restructuring, as amended (the **Bankruptcy Act**), and with the exception of rights that are subject to the approval by the Meeting in accordance with the Terms and Conditions and the Act on Bonds.

There are no further benefits or rights attached to the Bonds.

5. **Bondholders and Joint Representative**

Bondholder means the person on whose holder's account with the Central Depository or on whose holder's account maintained by a Central Depository member the Bonds are registered or the person who is registered as the holder by an entity for which the Central Depository maintains a holding account provided that these Bonds are registered on such holding account (the **Relevant Records**, and this person a **Bondholder**). If some of the Bonds are registered in a holder's account kept by the Central Depository, the Issuer reserves the right to rely on the authority of each person registering the Bondholder for the Bonds registered in the holder's account to fully represent (directly or indirectly) the Bondholder and perform *vis-à-vis* the Issuer and to the account of the Bondholder all legal acts (either in the Bondholder's name or in its own name) associated with the Bonds as if this person were their holder.

Unless provided otherwise by the applicable legal regulations or a court decision delivered to the Issuer, the Issuer and the Administrator shall deem each Bondholder to be an eligible holder of the Bonds in all respects and make payments to the Bondholder in compliance with the Terms and Conditions.

No joint representative of the Bondholders or any other representative of Bondholders has been appointed. The Meeting may appoint a joint representative of the Bondholders in accordance with the Act on Bonds.

6. **Transferability of the Bonds**

The transferability of the Bonds is not restricted. The Bonds are transferred upon registration of the transfer in the Relevant Records.

7. **Status of the Issuer's obligations under the Bonds**

The obligations under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu*

with all other direct, general, unsubordinated, and unsecured obligations of the Issuer, present or future, save for the obligations as may be preferred solely due to the mandatory provisions of law and of general application to creditor rights.

Under the same conditions, the Issuer undertakes to treat all the Bondholders equally.

8. Representation and undertaking of the Issuer

The Issuer represents that it owes the Principal Amount of the Bonds to the Bondholders and undertakes to pay them the Principal Amount and income in accordance with the Terms and Conditions.

9. Covenants

Moreover, until the fulfilment of all its financial obligations arising from the Bonds, the Issuer undertakes as follows:

9.1 Negative covenants in respect of the Issuer's financing and encumbrances

The Issuer (i) will not, directly or indirectly, assume, cause, guarantee or otherwise become liable for (jointly "assume", including the use of the word in all its forms) any Obligations; and (ii) will not encumber its assets in any way by a pledge, security transfer of right, assignment of receivable by way of security, lien, transfer or assignment with repurchase or assignment (repo) or any other agreement/contract or arrangement under any law having similar purpose or effect.

Obligations means obligations other than those arising out of the Bonds in accordance with these Terms and Conditions to pay any amounts due (principal, accessories) arising from debt financing (loans, borrowings, bonds, etc.), including any guarantee obligations assumed for third party obligations to pay any outstanding amounts in the form of a guarantee statement or other form of guarantee, bill of exchange guarantee or assumption of a joint and several liability. Obligations do not mean obligations of the Issuer to pay principal and accessories arising from any (i) debt financing in the form of bonds or (ii) in the form of a loan or credit granted to the Issuer by a creditor who is an Arca Group company (as defined below) up to a total of EUR 50,000,000.

Arca group (the **Arca Group**) means Arca Investments, a.s., with its registered office at Plynárenská 7/A, 821 09 Bratislava, Slovak Republic, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 3788/B, Identification No. (*IČO*): 35 975 041 (**Arca Investments**) and (i) any person in which Arca Investments has a direct or indirect interest in the registered capital or voting rights in excess of 50% or the right to appoint and remove a majority of the members of such person's statutory body; or (ii) any person who enters into the consolidation of Arca Investments.

9.2 Limited transformations

The Issuer shall not participate in any merger, amalgamation, demerger and shall not change its legal form, unless such transformations have been approved by the Meeting and after their approval by the Meeting.

9.3 Limited object

The Issuer will not substantially engage in activities other than those related to (i) bonds and fulfilment of obligations under, and contracts associated with, bonds and (ii) the provision of funds raised by bonds issues to any affiliated companies in the Arca Group in the form of loans, borrowings or other forms of financing for the purposes of investing in green energy and related projects primarily in the Central Europe or through REDSIDE investiční společnost, a.s. for investing in projects in the field of green energy through the NOVA Green Energy, SICAV, a.s. fund.

9.4 Information duties of the Issuer

The Issuer undertakes to provide the Administrator and notify the Bondholders through publication on its website from time to time until all obligations of the Issuer under the Bonds have been fulfilled:

- (a) information on any significant change in the financial situation of the Issuer that could have a negative impact on the fulfilment of its obligations arising out of the Bonds, within three Business Days of the date on which it became aware of such a fact;
- (b) information on any Event of Default within five Business Days of the date on which it became aware or should have become aware of such a fact;
- (c) the annual audited and half-year unaudited non-consolidated financial statements of the Issuer prepared in accordance with the SAS without undue delay after their preparation, but in any case within four or three months of the end of the relevant accounting period;
- (d) information on the use of funds raised by the Bonds Issue, stating the exact amount and percentage of funds invested in the NOVA Green Energy Fund shares, as well as a confirmation that these shares are traded on a regulated market, all this together with the publication of the Issuer's financial statements as set out in paragraph (c) above;
- (e) the annual audited consolidated financial statements of Arca Investments prepared in accordance with the IFRS without undue delay after their preparation; and
- (f) every information submitted to the NBS and the BCPB in connection with the Bonds pursuant to the applicable legal regulations (regulated information), at all times at the time when they are to be submitted or published pursuant to the applicable legal regulation or otherwise without undue delay.

10. Interest income

10.1 Interest payment; Interest Period

The Bonds will bear interest [**Determination Interest Income**] in the amount of [[**Interest Rate**] or [**Reference Rate and Margin**]] (the **Interest Rate**) or [**Bonds without Interest Income Payments (zero coupon)**].

If the Interest Rate is determined as the sum of the Reference Rate and the Margin (the **Floating Interest Rate**), the relevant findings and calculations will be performed by the Administrator as a calculation agent. The Reference Rate will be set for the first time [**Reference Rate Setting Deadline**] before the Issue Date and subsequently set [**Reference Rate Setting Deadline**] before the applicable Payment Date for the following Interest Period (as defined below) (the **Reference Rate Setting Date**). The Administrator shall immediately notify the BCPB of the set amount of the Floating Interest Rate.

Interest income will be paid [**Interest Income Payment Frequency**] [**Interest Income Payment Date**] (each the **Interest Income Payment Date**). The first Interest Income Payment Date will be [**First Interest Income Payment Date**].

In these Terms and Conditions, **Reference Rate** means the interest rate expressed as the percentage p. a. displayed at around 11.00 of the Bratislava time on the relevant Reference Rate Setting Date on [**Screen Page**] (or any substitute screen page displaying such information) as the value fixing the interest rates for sale on the interbank market for deposits in EUR for the relevant period; information/data regarding the past performance, current value as well as the volatility of the Reference Rate can also be obtained there. If the Reference Rate cannot be determined on the relevant Reference Rate Determination Date in the manner specified in the previous sentence, the Reference Rate will be determined by the Administrator as the arithmetic average of interest rate quotations on the interbank deposit market in EUR for the relevant period obtained by the Administrator from at least three banks operating on the Slovak interbank market of its choice on the relevant Reference Rate Setting Date. If it is not possible to determine the Reference Rate via the quotations according to

the previous sentence on the relevant Reference Rate Setting Date, the Reference Rate will be determined as the rate determined by the Administrator as of the closest previous day for which the Reference Rate was determinable based on its displaying on the Screen Page. For the avoidance of doubt, if the Reference Rate ceases to exist or ceases to be generally used in the interbank deposit market, the rate that will normally be used in the interbank deposit market will be used instead of the Reference Rate. Such replacement of the Reference Rate (i) will in no way affect the existence of the Issuer's obligations under the Common Terms and the applicable Final Terms or their enforceability, and (ii) will not be construed as a change to the Common Terms and the relevant Final Terms or an Event of Default. If the sum of the Reference Rate and the Margin is less than 0 (zero), the Reference Rate with the 0 (zero) value shall be used for the purposes of calculation of the Interest Rate under these Common Terms. The findings and calculations made by the Administrator regarding the determination of the Interest Rate will be binding on the Issuer and the Bondholders, save for a manifest error.

Interest Period for each Issue means the period beginning on the Issue Date (inclusive) and ending on the first Interest Income Payment Date (excluding that date), and each immediately subsequent period beginning on the Interest Income Date (inclusive) and ending on the next subsequent Interest Income Payment Date (excluding that date) until the Issue Final Maturity Date (excluding that date) or the Issue Early Maturity Date (excluding that date). For the purposes of the beginning of any Interest Income Period, the Interest Income Payment Date shall not be changed in accordance with the Convention under clause 10.3 below.

10.2 End of interest payment

The Bonds will cease to bear interest on the Issue Final Maturity Date (as defined in clause 11.1) or the Issue Early Maturity Date (as defined in clause 11.3 and clause 13), unless, after all conditions and requirements have been met, the amount due were unduly withheld or refused by the Issuer. In such a case, the interest income will accrue at the Interest Rate until the earlier of (a) the day on which the Bondholders are paid all amounts payable as of that day in accordance with the Common Terms and the relevant Final Terms or (b) the day on which the Administrator notifies the Bondholders of its receipt of all amounts payable in connection with the relevant Issue, unless another false withholding or refusal of payments took place after that notice.

10.3 Interest income calculation convention

For the purposes of calculation of the interest income attributable to the Bonds, the [**Convention**] interest calculation convention shall be used to calculate the accrued interest information.

In the Common Terms, **Convention** means one of the following conventions for the calculation of interest income:

30E/360 which, for the purposes of calculation, means that a calendar year has 360 days divided into 12 (twelve) months, and each month has 30 days;

Act/360 which, for the purposes of calculation, means that a calendar year has 360 days; however, the actual number of days lapsed in the relevant Interest Period is taken into consideration, i.e. the same convention as is used for the Reference Rate is used;

Act/Act (ISDA) which, for the purposes of calculation, means the actual number of days from the beginning of the Interest Period to the day of the relevant calculation divided by 365 (or if any part of the period for which the interest income is determined falls within a leap year, the sum of (i) the actual number of days in that part of the period for which the interest income is determined, which falls within the leap year, divided by the number 366, and (ii) the actual number of days in that part of the period for which the interest income is determined, which falls into the non-leap year, divided by the number 365) is taken into account; and

Act/Act (ICMA), which, for the purposes of calculation, means the actual number of days in the relevant Interest Period divided by the number of days of the relevant year is taken into account. For the purposes of the Terms and Conditions, **the number of days of the relevant year** means the product of the actual number of days in the relevant Interest Period and the number of Payment Dates for the relevant year (with an exception relating to the irregular payments of interest).

10.4 Determination of the interest income

The amount of interest income attributable to one Bond will be determined as the Principal Amount multiplied by the Interest Rate (expressed as a decimal number) multiplied by the relevant day fraction calculated in accordance with the Convention specified in clause 10.3 above. The amount of interest income attributable to one Bond calculated under this clause 10.4 will be rounded, following the mathematical rules, to seven decimal points and the final amount to be paid to the relevant Bondholder will then be rounded, following the mathematical rules, to two decimal points.

11. Redemption and buy-back

11.1 Final maturity

Unless an Issue is redeemed earlier or repurchased by the Issuer and thus ceases to exist as defined below, the total principal amount of the Issue shall be redeemed on the one-off basis [**Final Maturity Date**] (the **Issue Final Maturity Date**).

The Bondholder may not request early redemption of the Bonds and payment of a proportionate part of the interest income from the Bonds before the Issue Final Maturity Date, with the exception of early redemption of the Issue in accordance with the provisions of clause 13.

11.2 Early redemption of an Issue decided by the Issuer

The Issuer may not decide to early redeem the Bonds.

11.3 The Bondholders' right to demand redemption of the Bonds in the event of non-compliance with the purpose of use of proceeds and trading on the regulated market with NOVA Green Energy Fund shares

If at any time prior to the final redemption of the Bonds (a) the Issuer does not disclose the information under clause 9.4(d) or this disclosure makes it clear that the Issuer has not invested at least 50% of the Total Volume of the Bonds of the relevant Issue in NOVA Green Energy Fund shares or (b) NOVA Fund shares Green Energy share cease to be traded on a regulated market, this circumstance will be considered to be a **Redemption Event**. The Issuer must notify the Bondholders of the Redemption Event in accordance with clause 18 without undue delay, but in any case within 14 days of the day on which it became aware or should have become aware of this fact if it acted with professional care (the **Redemption Event Notice**). In the notice, the Issuer will also specify the procedure to be followed when exercising the right to have the Bonds redeemed pursuant to this clause.

If a Redemption Event occurs, each Bondholder will be entitled, upon request delivered to the Issuer within 30 days of the date of the Redemption Event Notification, to request the Issuer to redeem all Bonds owned by it and the Issuer will be obliged to redeem those Bonds and pay the Bondholder (a) 100% of the Principal Amount and (b) any *pro rata* part of the interest income, all within 60 days of the date of the Redemption Event Notification.

At the request of a Bondholder, as well as for the calculations and payments pursuant to the paragraph above, the provisions of clauses 10.3 and 12 of the Common Terms shall apply *mutatis mutandis*, and sending the request shall not release the Bondholder from the obligation to send an Instruction. Neither the Issuer nor the Administrator is bound by the request, unless the applicant is registered in the Relevant Records as Bondholder as of the Date of Record. The Bondholder's request pursuant to the previous paragraph may be withdrawn only with the prior consent of the Issuer.

If, as a result of exercising the right of the Bondholders under this clause, 80% or more of the total Principal Amount of the Bonds of a given Issue has been redeemed, the Issuer will be entitled, in its own discretion, to early redeem all remaining outstanding Bonds of the Issue. The Issuer must notify the Bondholders of that decision in accordance with clause 18 of the Common Terms within 120 days of the date of the Redemption Event Notification, with early maturity occurring on the date specified by the Issuer that may not be later than 150 days from the date of the Redemption Event Notification (the **Early Maturity Date**). The Issuer's notification of the early maturity of the Bonds is irrevocable and obliges the Issuer to early redeem the entire Issue in respect of which the notification was made. As of the Early Maturity Date regarding an Issue decided

by the Issuer, the Issuer shall pay each Bondholder 100% of Principal Amount and any *pro rata* part of the interest income. The provisions of clauses 10.3 and 12 of the Common Terms shall apply accordingly to such early redemption of the Issue.

11.4 Buy-back of the Bonds

The Issuer may buy back any quantity of the Bonds at any time on the market or otherwise for any price.

11.5 Cancellation of the Bonds

Any Bonds bought back by the Issuer will not be cancelled and may be resold.

11.6 Redemption presumption

If the Issuer pays the Administrator the amount of the Principal Amount and the amount of relevant income due in connection with the redemption of the Issue in accordance with the Terms and Conditions, all obligations of the Issuer arising out of the Issue will be deemed to be fully paid as of the date the relevant amounts have been credited to the relevant account of the Administrator.

12. Payment terms

12.1 Currency of payments

The Issuer undertakes to pay the interest income and repay the Principal Amount in the relevant Currency. The interest income shall be paid and the Principal Amount shall be repaid to the Bondholders in accordance with the Common Terms and the relevant Final Terms of the Issue and in accordance with tax, foreign exchange and other applicable laws of the Slovak Republic effective at the time of the relevant payment.

All references to EUR in the Terms and Conditions shall be references to the legal tender of the Slovak Republic.

12.2 Payment date

Payments of interest income on the Bonds and redemption of the Principal Amount will be made by the Issuer through the Administrator as of the dates specified in the Common Terms and the relevant Final Terms (each such day the **Interest Income Payment Date** or **Issue Final Maturity Date** or **Issue Early Maturity Date** or each of those days also **Payment Date**).

Business Day means any day on which commercial banks in city [**Financial Centre**] are normally open for business and the TARGET 2 system (Trans-European Automated Real-time Gross Settlement Express Transfer System) is open for settling transactions, except for Saturdays, Sundays and any other day which is considered a public holiday in the Slovak Republic.

If the Payment Date falls on a day that is not a Business Day, that Payment Date will be such a Business Day that is the next following Business Day thereafter, and the Issuer will not be obliged to pay interest or any other additional amounts for any delay due to the Business Day convention determined in this manner.

12.3 Determination of the right to receive payments associated with the Bonds

The interest income on the Bonds and the Principal Amount will be paid to those persons who are according to the Relevant Records demonstrably Bondholders at the close of business of the Central Depository on the relevant Date of Record (as defined below) (the **Eligible Person**).

Date of Record means (i) the 30th day preceding the relevant Payment Date other than the Issue Early Maturity Date and (ii) the third Business Day prior to the Issue Early Maturity Date for the purposes of early redemption of the Bonds (the **Date of Record**).

For the purposes of determination of the Eligible Person, neither the Issuer nor the Administrator will take into consideration any transfers of the Bonds after the Date of Record until the relevant Payment Date.

12.4 Making of payments

The Administrator will make payments of interest income on the Bonds and of the Principal Amount to Eligible Persons by wire transfer to their accounts held at a bank (for the avoidance of doubt, including a foreign bank) or a branch of a bank in the European Economic Area (the **EEA**) according to the instruction delivered by the relevant Eligible Person to the Administrator at the address of the Specified Office of the Administrator in a credible manner no later than 5 Business Days before the Payment Date.

The instruction must be in the form of a signed written statement with the signature(s) authenticated containing information about the Eligible Person's account sufficient for the Administrator to make the payment. In the case of legal persons, the instruction shall be accompanied by the original or a copy of a valid extract from the Commercial Register or other similar register in which the Eligible Person is registered (such instruction together with the extract from the commercial register or other similar register (if relevant) and any other potential relevant schedules an **Instruction**). The form and content of the Instruction must satisfy the reasonable requirements of the Administrator, and the Administrator will be entitled to request sufficiently satisfactory evidence that the person who has signed the Instruction is authorised to do so on behalf of the Eligible Person. Such evidence must be delivered to the Administrator also no later than five Business Days before the Payment Date. In this respect, the Administrator will be entitled to request, in particular, (i) presentation of a power of attorney where a representative will act for the Eligible Person, and (ii) an additional confirmation of the Instruction from the Eligible Person.

Any Eligible Person who, in accordance with any applicable international double taxation treaty (to which the Slovak Republic is a party), exercises its right to a tax advantage, shall provide the Administrator together with the Instruction as its integral part with a document evidencing its tax domicile and other documents that the Administrator and the relevant tax authorities may request. Regardless of this authorisation of theirs, neither the Administrator nor the Issuer will verify the correctness and completeness of these Instructions and will not be liable for any damage caused by the delay of the Authorised Person in delivering the Instruction or incorrectness or other defect of the Instruction. In case of originals of foreign official documents or an official certification abroad, the Administrator may request the relevant legalisation or further verification or an Apostille under the Hague Apostille convention (as appropriate). The Administrator may also require that all documents in a foreign language be provided with their official translation into the Slovak language.

The obligation to pay out any interest income on the Bonds or to redeem the Principal Value shall be deemed fulfilled in a proper and timely manner if the relevant amount has been remitted to the Authorised Person in accordance with its Instruction under this clause and debited from the Administrator's account on or before its relevant due date.

Neither the Issuer nor the Administrator shall be liable for any delay in paying any outstanding amount due to (i) the Eligible Person's failure to deliver proper Instruction or other documents or information demanded of it in this paragraph on time, (ii) the fact that this Instruction, documents or information were incomplete, incorrect or untrue, or (iii) the fact that this delay was caused by circumstances outside the control of the Issuer or the Administrator. In such a case, the Eligible Person shall not become entitled to any additional payment or interest for the delay affecting the relevant payment so caused.

If the Administrator, in reasonable time after the Payment Date, cannot pay any amount due under the Bonds due to delays caused by the Authorised Person, failure to provide a proper Instruction or for other reasons on the part of the Authorised Person (e.g. in case of his/her death), the Administrator may, without prejudice to the authorisations pursuant to Section 568 of Act No. 40/1964 Coll., the Civil Code, as amended, deposit the due amount at the expense of the Authorised Person (or his/her legal successor) at his discretion either into notarial custody or keep the due amount itself. By depositing the due amount into custody, the Issuer's and the Administrator's obligation in connection with the payment of the amount shall be deemed to have been discharged and the Eligible Person (or the Eligible Person's legal successor) shall in such cases not be entitled to

any additional payment, interest or other income in connection with the safekeeping and subsequent payment of the amount.

12.5 No increase due to withholding tax

The payments of the Principal Amount and interest from the Bonds are subject to withholding tax, levies or other charges as required by the laws of the Slovak Republic applicable as at the Payment Date. If any such withholding of taxes, levies or other charges is required by the laws of the Slovak Republic effective as of the Payment Date, the Issuer will not be obliged to pay any additional amounts to their recipients as a result of these withholdings of taxes, levies or charges.

A description of the tax regime of the Bonds is given in Section 12. of the Base Prospectus “*Taxation*”.

13. Early maturity of the Bonds on Event of Default

13.1 Events of Default

If any of the following cases occurs or continues (the **Events of Default**), then the Bondholders who are Bondholders of the relevant Issue of the Bonds whose total Principal Amount is at least 10% of the total Principal Amount of the issued and outstanding Bonds of the relevant Issue may, by a written notice request that a Meeting be convened in accordance with clause 17 (the **Meeting Convocation Request**) in order to vote on the early maturity of the Bonds:

- (a) **Non-payment:** The Issuer fails to make any payment of the Principal Amount or income in respect of the Bonds on their maturity date and such failure continues for a period of 7 days in relation to the Principal Amount and 14 days in relation to the income; or
- (b) **Breach of other obligations:** The Issuer fails to comply with or fulfil any obligation (other than those set out in clause 13.1(a) above) in relation to the Bonds and fails to remedy such default within 30 days of the Administrator or the Bondholder notifying the Issuer in writing of this fact; or
- (c) **Breach of other monetary obligations (cross-default):** (i) any other current or future debt of the Issuer in relation to the borrowed or raised funds becomes due before the specified due date for an actual or similar reason (of any nature), or (ii) such debt is not repaid upon its becoming due or within the originally applied additional period of time, or (iii) the Issuer fails to pay any amount it is required to pay, at the time of its maturity under any current or future guarantee or indemnity for the borrowed or raised funds, provided that the total amount the relevant debt, guarantee and indemnity in connection with one or more of the cases referred to in this clause 13.1(c) that have arisen is equal to or exceeds EUR 1,500,000 (or its equivalent in another currency or currencies); or
- (d) **Enforcement proceedings:** any part of the Issuer’s property, assets or income is subject to execution proceedings, confiscation proceedings, enforcement or other similar legal proceedings the value of which, individually or in total, exceeds EUR 1,500,000 (or its equivalent in another currency or currencies), and the proceedings are not terminated or suspended within 90 days; or
- (e) **Enforcement of security:** any current or future pledge, lien or other encumbrance created or assumed by the Issuer in respect of any amount individually or in total exceeding EUR 1,500,000 (or the equivalent in another currency or currencies) will be enforced or steps will be taken to enforce it, including the taking over of administration or the appointment of a bankruptcy trustee or other similar person); or
- (f) **Insolvency:** The Issuer is unable to repay its debts, ceases, suspends or threatens to cease or suspend all or a substantial part of its debts (or a specific type of debt), proposes or enters into a deferral, rescheduling or other arrangement for all (or a particular type of debt) of its debts (or any part which it will not be able to repay), proposes or makes a general assignment in favour of the relevant creditors or a settlement with the relevant creditors in respect of those debts, or agree on a moratorium or its declaration in respect of all the Issuer’s debts or affecting all or any part (or a specific part) of them; or

- (g) **Winding-up:** an order has been issued or an effective decision has been taken to wind up or dissolve the Issuer, except for the purposes and as a result of a reorganisation, amalgamation, amalgamation or consolidation under the conditions approved by the Meeting. For the avoidance of doubt, the above does not involve a change in the legal form of the entity concerned; or
- (h) **Ceased trading:** Due to the breach of the Issuer's obligation, the Bonds have ceased to be traded for more than 21 days on the regulated free market of the BCPB or another regulated market of the BCPB (or its successor) replacing the regulated free market; or
- (i) **Authorisation and consents:** an action has not been taken, condition fulfilled or matter arranged (including the obtaining or securing any necessary consent, approval, authorisation, exemption, filing, license, order, record or registration) at the time when the taking of the action, fulfilment of the condition or arrangement of the matter is required in order to (i) enable the Issuer to meet or comply with its obligations under or in connection with the Bonds; (ii) ensure that these obligations are legal, valid, binding and enforceable, and (iii) ensure that the Bonds are admissible as evidence before the courts of the Slovak Republic; or
- (j) **Change of the Issuer's control:** (i) Any person (or a group of persons acting in concert) other than Arca Investments or a legal entity from the Arca Group acquires a direct or indirect share in the Issuer's registered capital or voting rights in excess of 50% or acquires the right to appoint a majority of members of the Issuer's statutory body or (ii) Ing. Rastislav Velič, Ing. Peter Krištofovič and Ing. Henrich Kiš cease to own, jointly or separately, directly or indirectly, more than 50% of the share capital or voting rights of Arca Investments or lose the right to appoint a majority of the members of the statutory body of Arca Investments; or
- (k) **Illegality:** the liabilities under the Bonds cease to be fully or partially legally enforceable or become inconsistent with the applicable laws, or it becomes illegal for the Issuer to meet any of its obligations under the Terms and Conditions in connection with the Bonds.

13.2 No repeated convocation

A Bondholder may not request that the Bondholder Meeting be convened in the case of such an Event of Default in respect of which the Meeting either has already been convened in the past and either did not resolve to early redeem the Issue or determined an additional period of time to satisfy the obligation of the Issuer and this period of time has not yet expired.

13.3 Early Maturity of the Issue

Unless stated in the Common Terms otherwise, all obligations of the Issuer arising out of the relevant Issue (i.e. the obligation to redeem the Principal Amount and the relevant interest income on the Bonds) shall become early due on the tenth Business Day of the month following the month in which the Issuer has been delivered the minutes of the Meeting that in accordance with clause 13 (the **Issue Early Maturity Date Decided by the Meeting** or abbreviated together with the Issue Early Maturity Date Decided by the Issuer also the **Issue Early Maturity Date**).

13.4 Additional conditions for early maturity of the Issue

Otherwise, the provisions of clause 12 shall apply *mutatis mutandis* to the early maturity of the Issue under clause 13.

14. Limitation period

Any rights arising out of the Bonds shall become time-barred after the lapse of the ten-year period from (i) the relevant Interest Income Payment Date in the case of the right to have the interest income paid; (ii) the Issue Final Maturity Date or the Issue Early Maturity Date (as applicable), in the case of the right to payment of the Principal Amount, proportional part of the interest income (if relevant) and the extraordinary interest income (if relevant); and (iii) the first day on which such right could have been exercised under the law, in the case of a

right other than the ones mentioned above, as these may be amended pursuant to the applicable legal regulations.

15. Administrator and Listing Agent

15.1 Administrator

The activities of the Administrator associated with the payment of interest income, redemption of the Bonds as well as calculations related to the determination of interest income on the Bonds (the **Administrator**) shall be provided for the Issuer by Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, Bratislava 832 37, Slovak Republic, under an administrator agreement (the **Administrator Agreement**).

15.2 Specified Office and the Administrator

The specified office and the Administrator's payment place (the **Specified Office**) shall be at the following address:

Slovenská sporiteľňa, a.s.
Tomášikova 48
Bratislava 832 37
Slovak Republic

15.3 Additional or other administrator and other Specified Office

The Issuer reserves the right to appoint at any time another or additional administrator which, however, may only be another bank or a branch of a foreign bank in the European Union or a securities trader with the relevant license (the **Qualified Person**) or to determine a different or additional Specified Office. The Administrator may resign in accordance with the Administrator Agreement and the Issuer must appoint another administrator; otherwise, the successor, who must be a Qualified Person, may be appointed by the original Administrator at the expense and responsibility of the Issuer. The changes of the Administrator and the Specified Office shall be deemed to be the changes of the payment venue. The changes may not harm the Bondholders. The Issuer shall notify the Bondholders on its decision to appoint another or additional Administrator. Any such change shall become effective after the end of a 15-day period after the date of the notice, unless a later effective date is specified in the notice. However, in any case, any change which would otherwise become effective less than 30 days prior to or after the Payment Date of any amount in connection with the Bonds, shall become effective on the 30th day after such Payment Date.

15.4 Relationship between the Administrator and the Bondholders

In relation to the performance of the obligations arising from the Administrator Agreement, the Administrator shall act as the Issuer's representative and unless the Administrator Agreement or the law provides otherwise, it has no legal relationship with the Bondholders. The Administrator shall not guarantee the Issuer's obligations under the Bonds or secure them in any other manner.

15.5 Listing Agent

The activities of the Listing Agent in connection with the admission of the Bonds to the regulated free market of the BCPB will be performed for the Issuer by Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic, Identification No. (*IČO*): 00 151 653, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 601/B (the **Listing Agent**). The Issuer will apply, through the Listing Agent, for admission of the Bonds to the regulated free market of the BCPB. The Listing Agent shall act in connection with the performance of its obligations as representative of the Issuer and shall have no legal relationship with the Bondholders. The Issuer may at any time appoint other or another Listing Agent at any time.

15.6 Changes and waivers

The Issuer and the Administrator may, without the consent of the Bondholders, agree on (A) any change of any provision of the Administrator Agreement if the change is exclusively of a formal, secondary or technical nature or if it is made in order to correct a manifest error or required due to changes in laws; and (B) any other change and waiver of claims arising from any breach of any provision of the Administrator Agreement that, in the reasonable opinion of the Issuer and the Administrator, will not be detrimental to the Bondholders.

16. Changes to the Common Terms

The Issuer may change the Common Terms unilaterally only if the change is a correction of an inaccuracy in the provisions of the Common Terms, a change of the designation of the Issuer or the payment venue, unless otherwise required by the Act on Bonds or a special law.

17. Meeting of the Bondholders

17.1 Initiating a Meeting

Any Bondholders whose Principal Amount is at least 10% of the total Principal Amount of the issued and outstanding Bonds of the given Issue have the right to request the convening of the Meeting of the Bondholders in relation to that Issue (the **Meeting**). The request to convene the Meeting must be delivered to the Issuer and the Administrator. Along with the request to convene the Meeting, the Bondholders who have requested a Meeting must submit an extract from the records demonstrating that they have been Bondholders pursuant to clause 5 as of the date of signing of the request.

The request to convene a Meeting may be withdrawn by the relevant Bondholders, but only if such withdrawal is delivered to the Issuer and the Administrator no later than three Business Days before the Meeting. Withdrawal of the request to convene a Meeting shall be without prejudice to any other Request to convene a Meeting by other Bondholders. If a Meeting does not take place solely due to the withdrawal of the Request to convene the Meeting, the Bondholders shall jointly and severally reimburse the Issuer for the costs incurred so far for the preparation of the Meeting.

The Issuer may convene a Meeting at any time and must convene a Meeting without undue delay if an Event of Default in relation to the Issue occurs.

17.2 Convocation of the Meeting

The Issuer must provide for the convocation of a Meeting without undue delay, in any case within ten Business Days of the delivery of the Request to convene the Meeting. If the Issuer fails to fulfil this obligation, the Administrator will convene a Meeting without undue delay instead of (for) the Issuer and at the Issuer's expense.

The costs of organising and convening the Meeting shall be borne by the Issuer, unless the Common Terms provide otherwise. The costs of attendance of the Meeting shall be covered by each participant himself.

17.3 Notice of convocation of a Meeting

The Issuer shall publish the notice of convocation of the Meeting in the manner set out in clause 18, at the latest five Business Days prior to the date of the Meeting. If the Issuer fails to fulfil this obligation, the Administrator will provide for the publication without undue delay instead (on behalf) of the Issuer and at the Issuer's expense.

The notice of convocation must include at least:

- (a) name, identification No. (*IČO*) and registered office of the Issuer;
- (b) designation of the Bonds, at least the name of the Bonds, the Issue Date and ISIN;

- (c) place, date and hour of the Meeting; the place of the Meeting may only be a place in Bratislava, the date of the Meeting must be a day which is a Business Day and the hour of the Meeting may not be earlier than 9.00 a.m. and later than 4:00 p.m.;
- (d) agenda of the Meeting; the election of the Chairman of the Meeting must be the first item of the agenda of the Meeting; and
- (e) the Date of Record for attending the Meeting (as defined below).

If there is no longer reason to convene the Meeting, the convener shall cancel it in the same way as it was convened.

In the notice of convocation of the Meeting, the Issuer may determine the organisational and technical conditions under which the Bondholders may participate in the Meeting using electronic means of distance communication allowing a direct remote transmission of audio and video of the Meeting between the Meeting and a Bondholder.

17.4 Persons entitled to attend and vote at the Meeting

- (a) Persons entitled to attend the Meeting

Each Bondholder who has been registered as a Bondholder pursuant to clause 5, except for any person from the Arca Group, a Controlled Person of the Issuer, a Controlled Person of Arca Investments and any related part of the Issuer or Arca Investments (the **Person Entitled to Attend the Meeting**), on the seventh day before the date of the relevant Meeting (the **Meeting Attendance Record Date**) may participate and vote at the Meeting. Transfers of the Bonds made after the Meeting Attendance Record Date (if any) will not be taken into account.

The Person Entitled to Attend the Meeting may be represented by an attorney who, at the beginning of the Meeting, presents and hands over to the Chairman of the Meeting (as defined below) the original of a power of attorney with an officially certified signature of the Person Entitled to Attend the Meeting or its statutory body (in case of a legal person) together with the original or a copy of a valid extract from the commercial register or other similar register in which the Person Entitled to Attend the Meeting is registered (or the attorney, if legal person); this power of attorney shall be, except for manifest deficiencies, an irrefutable proof of the representative's authority to participate and vote at the Meeting on behalf of the represented Person Entitled to Attend the Meeting. After the end of the Meeting, the Chairman of the Meeting shall hand the power of attorney over to the Issuer's or Administrator's custody, depending on who convened the Meeting.

For the purposes of this clause 17, **Controlled Person** means any legal person in which another person:

- (A) holds a direct or indirect share in the registered capital or the voting rights of more than 50%;
- (B) the right to appoint or remove a statutory body, the majority of members of the statutory body, the supervisory board or the director;
- (C) the possibility to exercise a controlling influence (the **decisive influence**) (I) comparable to the influence corresponding to the share under clause (A) above, either on the basis of the legal person's articles of association or a contract entered into between the legal person and its participant or member, (II) on the basis of the relationship of a participant or member of a legal entity with the majority of members of the statutory body, the majority of members of the supervisory board or the majority of persons constituting another managing, supervisory or audit body of a legal entity created on the basis of their appointment by the relevant participant or member of the legal entity; the relationship so constituted shall exist until the preparation of the next consolidated financial statements after the termination of the right under clause (B) above to the relevant participant or member of the legal entity, (III)

comparable to the influence corresponding to the share under clause (A) above, by an agreement between the participants of the legal entity; or

(D) the possibility to exercise, directly or indirectly, the decisive influence in another way.

(b) Voting right

The Bondholders, namely the Issuer itself, any person from the Arca Group, a Controlled Person of the Issuer, a Controlled Person of the Arca Investments and any close person of the Issuer (the **Excluded Persons**), shall not have the right to vote at a Meeting. However, the Excluded Persons may attend a Meeting. For the avoidance of doubt, a Bondholder registered and represented by an Excluded Person when performing the holding administration shall not be an Excluded Person. In relation to the Bonds held by such Bondholders, the Excluded Person may also exercise the voting rights as administrator.

A Person Entitled to Attend the Meeting shall have as many votes out of the total number of votes that corresponds to the ratio held by the principal amount of the Bonds it holds as of the Meeting Attendance Record Date to the total principal amount of the given Issue held by other Persons Entitled to Attend the Meeting attending the Meeting as of the Meeting Attendance Record Date.

(c) Attendance of other persons at a Meeting and co-operation of the Issuer

The Issuer shall attend a Meeting, either through its statutory body or through a duly authorised person, and provide the information necessary for the decision or adoption of the Meeting's opinion. Other members of the Issuer's and/or Administrator's statutory, supervisory, audit or management body, a notary public and guests invited by the Issuer and/or the Administrator to participate in a Meeting, or any other persons whose attendance at the Issuer's Meeting has been approved by the Administrator, may also attend the Meeting.

17.5 Course of a Meeting and adopting decisions

(a) Quorum

A Meeting shall have a quorum if attended (including through electronic means of communication in accordance with paragraph (f) pod) by the Persons Entitled to Attend the Meeting who were the Bondholders as of the Meeting Attendance Record Date, whose principal amount represents more than 75% of the total principal amount of issued and outstanding Bonds of the Issue, except for the Bonds held by the Excluded Persons that shall be disregarded for the quorum of the Meeting.

At a Meeting, prior to its commencement, the person who convened the Meeting will provide information on the number of Bonds in respect of which the Persons Entitled to Attend the Meeting are entitled to attend and vote at the Meeting in accordance with the Common Terms.

(b) Chairman of the Meeting

The Meeting shall be chaired by the Administrator or a person designated by the Administrator until the Meeting has decided on another person to become the Chairman of the Meeting (the **Chairman of the Meeting**). Election of the Chairman of the Meeting shall be the first item of the agenda of the Meeting. If the election of the Chairman of the Meeting elected by the Meeting is not successful, the Meeting shall be chaired until its end by the Administrator or a person designated by the Administrator.

(c) Adopting decisions at the Meeting

The Meeting may decide only on proposed resolutions that fall within the scope of the decision-making capacity of the Meeting defined in the Common Terms. The Meeting shall decide only on proposed resolutions referred to in the notice of its convocation. Any matters that were neither included in the proposed agenda of the Meeting nor mentioned in the notice of its convocation can only be decided if the discussion of these points is agreed by all attending Persons Entitled to Attend the Meeting entitled

to vote at this Meeting and if, at the same time, those points relate to the items specified in the notice of convocation of the Meeting. The Meeting may decide only on:

- (i) early maturity of the Principal Amount and payment of a proportional part of the interest income as of the Issue Premature Maturity Date in an Event of Default, if the Event of Default continues at the time when the Meeting makes its decisions; by making such a decision, the Bondholders exercise the right to demand the early maturity of the Principal Amount and payment of a proportionate part of the interest income as of the Issue Early Maturity Date;
- (ii) the additional period to fulfil the Issuer's obligation under the Bonds or in connection with the Bonds, except for (I) the obligation to pay the Principal Amount no later than the Issue Final Maturity Date or the interest income from the Bonds, and (II) such other obligations if this changes the Bonds' requirements pursuant to Section 3(1) and (2) of the Act on Bonds; if the Issuer fails to fulfil the obligation within this additional period, it shall constitute a new Event of Default; and
- (iii) other matters expressly provided for in the Common Terms as those which may be decided by the Meeting.

The Meeting shall decide on the submitted proposals by way of resolutions. For the adoption of a resolution, an absolute majority of the votes of the Persons Entitled to Attend the Meeting in attendance shall be sufficient.

Any matter submitted to the Meeting shall be decided in the following manner: after the Chairman of the Meeting has announced the wording of the proposed resolution, each of the Persons Entitled to Attend the Meeting declares, upon the request of the Chairman of the Meeting, whether it (X) is for the adoption of the proposed resolution, (Y) is against the adoption of the proposed resolution, or (Z) abstains from voting; each such statement will be recorded by the attending notary public. After the end of the vote by all Persons Entitled to Attend the Meeting as described above and after the evaluation of the results, the Chairman of the Meeting, upon agreement with the attending notary public, shall announce to the Persons Entitled to Attend the Meeting whether the proposed resolution has been adopted or rejected by the necessary number of the Persons Entitled to Attend the Meeting, the announcement, together with the record of the attending notary public on the result of the vote, shall be an irreversible and conclusive evidence of the result of the vote.

- (d) Binding nature of decisions adopted by the Meeting

Any duly adopted resolution shall be binding on the Issuer and all Bondholders, regardless of whether they attended the Meeting and voted or did not vote for the resolution at the Meeting.

- (e) Rights of dissenting or non-voting Bondholders

If the Meeting decides on the early maturity of the Principal Amount and payment of a proportion of the interest income as of the Issue Early Maturity Date pursuant to clause 13 above, the Person Entitled to Attend the Meeting who according to the minutes of the Meeting voted against the proposed resolution at the Meeting or did not participate in the Meeting, may request the preservation of the rights and obligations of the Issuer and the Bondholder under the original Common Terms (the **Rights Preservation Request**).

The Rights Preservation Request must be submitted within 30 days of the Meeting. After this period, the right to preserve the rights and obligations shall expire. Within 30 days of the delivery of the Rights Preservation Request to the Bondholder, the Issuer shall confirm in the manner specified in clause 18 that the Common Terms shall apply to the Bondholder who properly submitted the request with the Issuer in accordance with the Act on Bonds and the Common Terms, as far as the parts in respect of which the request has been properly submitted, in their original wording.

(f) Attendance and voting at the Meeting through electronic means of distance communication

If, in the notice of convocation of a Meeting, the Issuer set out the organisational and technical terms and conditions for participation of the Bondholders in the Meeting through electronic means of distance communication, the Person Entitled to Attend the Meeting may participate in and vote at it through electronic means of distance communication under the following conditions:

- (i) The Person Entitled to Attend the Meeting shall respect the organisational and technical conditions and instructions of the Issuer (in particular the hardware and software requirements) and will maintain video and audio contact with the Meeting from the start of the Meeting; any later registrations of the Person Entitled to Attend the Meeting will not be taken into account;
- (ii) The Person Entitled to Attend the Meeting may, if attending the Meeting through electronic means of distance communication, not be represented by an attorney who, except if the Person Entitled to Attend the Meeting notified the Issuer of this fact in writing at least two Business Days before the Meeting and at the same time delivered to the Issuer the original of a power of attorney with an officially certified signature of the Person Entitled to Attend the Meeting or its statutory body, in the case of a legal entity, together with an original or a copy of a valid extract from the commercial register or other similar register in which the Person Entitled to Attend the Meeting is registered (possibly also the attorney itself, if legal entity); this power of attorney shall be, except for manifest deficiencies, an irrefutable proof of the attorney's authority to participate in and vote at the Meeting on behalf of the represented Person Entitled to Attend the Meeting;
- (iii) the two-way communication between the Meeting and the Bondholder and the transmission of video and audio will not be interrupted, delayed and will be in sufficient scope and of sufficient quality, which in particular allows the Chairman of the Meeting to verify the identity of the Person Entitled to Attend the Meeting and the Person Entitled to Attend the Meeting to participate in the discussions and vote on the items on the agenda as well as viewing, receiving and submitting documents (in electronic form, if necessary);
- (iv) in the event of failure to comply with the condition under paragraph (iii) above, the Chairman of the Meeting shall be entitled to terminate the participation of the relevant person in the Meeting by interrupting the connection, in which case the relevant Person Entitled to Attend the Meeting shall be deemed to be absent from the Meeting;
- (v) in case of any technical failure or other event giving rise to the termination of the video and/or audio connection between the Meeting and the Person Entitled to Attend the Meeting, such person shall be deemed to be absent from such moment;
- (vi) no Person Entitled to Attend the Meeting whose participation in the Meeting has been terminated under paragraph (iv) or (v) shall have the right to resume his/her participation in that Meeting by re-connecting to the Meeting through electronic means of distance communication; the above shall not apply if the relevant connection was interrupted solely for reasons on the part of the Issuer; in such a case, the Issuer shall allow the relevant Person Entitled to Attend the Meeting to re-establish video and audio contact with the Meeting;
- (vii) while the video or audio contact with the Meeting is interrupted, the relevant Person Entitled to Attend the Meeting will be deemed to be absent; however, the Issuer is not obliged to suspend the course of the Meeting for this reason;
- (viii) the Person Entitled to Attend the Meeting shall provide its necessary assistance to the extent that the Chairman of the Meeting is able to identify and verify the identity of the Person Entitled to Attend the Meeting; and

- (ix) the Chairman of the Meeting can control how the Meeting proceeds and determine and announce the results of voting.

The Person Entitled to Attend the Meeting attending a Meeting through electronic means of distance communication under the above terms will be deemed to be present at the Meeting.

17.6 Adjourning the Meeting

The Chairman of the Meeting shall dissolve a Meeting if a duly convened Meeting does not have a quorum in accordance with the provisions of clause 17.5(a) above after the lapse 60 minutes after the time specified for the beginning of the Meeting. In such a case, the Issuer shall convene a replacement Meeting so that it takes place no sooner than two weeks and no later than three weeks from the date on which the original Meeting was convened. The replacement Meeting shall be announced in the manner set out in clause 17.3 above. The new Meeting shall resolve and decide under the same terms and in the same manner as the dissolved Meeting.

17.7 Minutes of the Meeting

The course of every Meeting (including, but not limited to, the agenda of the Meeting, the individual resolutions adopted by the Meeting, and the results of the votes at the Meeting on individual resolutions) will be recorded in a notarial deed prepared at the Meeting; one copy will be prepared by the attending notary public for the Issuer and one for the Administrator. Minutes that shall be duly deposited with the Issuer and the Administrator will constitute irrefutable evidence of the facts contained in the minutes and, unless proven otherwise, shall evidence the fact that each Meeting recorded in the minutes has been duly convened and/or held and that all resolutions of such Meeting were adopted subject to all conditions and requirements for their adoption in accordance with the Common Terms. The Issuer must publish the minutes within 14 days of the date of their preparation. The minutes of the Meeting will be available to the Bondholders for inspection during the customary business hours in the Specified Office. At the same time, the Issuer shall, without undue delay, make available all decisions of the Meeting in the same manner as the Common Terms.

18. Notices

Any notice, publication or communication by the Issuer addressed to the Bondholders in connection with the Bonds will be published in a designated part of the Issuer's website and/or, if the publication is provided for by the Administrator and decided by the Administrator, in special parts of the Administrator's website. If the laws, the Terms and Conditions or rules of the regulated market on which the Bonds are admitted to trading provide for any other means of publishing any notice, the notice will be deemed to have been validly published by its publication in the manner specified in the relevant regulation or provision. If any notice is published by several manners, the date of its first publication shall be deemed the date of the notice. The publication date shall be also deemed the date of delivery of the notice to the Bondholders. The costs of publication shall be borne by the Issuer.

The Issuer shall make all notices and publications in connection with the Bonds in the Slovak language.

Any notice to the Issuer in connection with the Bonds must be delivered in writing to the following address:

Nova Green Finance, a. s.

Plynárenská 7/A
821 09 Bratislava – mestská časť Ružinov
Slovak Republic

or to such other address notified to the Bondholders in the manner described in this clause 18.

19. Governing law and resolution of disputes

All rights and obligations arising out of the Bonds will be governed and construed in accordance with the laws of the Slovak Republic.

The Terms and Conditions may be translated into Czech, English, German, or other languages. In case of any conflicts between different language versions, the Slovak version will prevail.

Any and all disputes between the Issuer and the Bondholders arising under or in connection with the Bonds will be finally resolved by the Slovak courts having jurisdiction.

[End of separately numbered part of the Common Terms]

8.2 Terms and Conditions of the Offer

The Issues of the Bonds, to be issued under the Programme, will be issued and offered through the Issuer at its registered office, through Arca Brokerage House o.c.p. a.s., with its registered office at Plynárenská 7/A, 824 63 Bratislava, Slovak Republic, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 3228/B, Identification No. (IČO): 35 871 211 (**Arca Brokerage House**), with which the sale and placement of the Issues issued under the Programme without a firm commitment basis under the Agreement on Placement Without a Firm Commitment Basis will be agreed, and possibly through other authorised financial intermediaries who will be granted consent to the use of the Base Prospectus and will be listed on the Issuer's website (jointly the **Financial Intermediaries**), always on the basis of the [**Bond Placement Agreement**].

The Bonds will be offered for subscription and purchase [**Type of Offer** – [in a public offer in [[the Slovak Republic][,] [and] [the Czech Republic] [and] [Austria]]] or [in an offer which is not subject to the obligation to publish the Prospectus]].

[**Offer is Addressed to** – [individuals] and/or [legal entities] and/or [qualified investors] and/or [limited group of persons, i.e. less than 150 individuals or legal entities other than qualified investors]] from [**Offer Commencement Date**] to [**Offer Termination Date**] (the **Offer**).

[[**Terms and Conditions of the Public Offer**¹ – [**Minimum and Maximum Amount of the Order**]

[**Information about Expenses Charged to Investors**]

An investor may participate in the Offer only if: (i) it provides all necessary information, documents and representations necessary for the purposes of identification (authentication) of the investor or identification of ownership of the funds used for the deal pursuant to the generally binding legal regulations, (ii) at or before that time of acceptance of the order, the investor has opened and maintains a securities account with the Central Depository or with a member of the Central Depository or with a person for whom the Central Depository maintains a holder's account if these Bonds can be registered on that holder's account, and (iii) the investor fulfilled other contractual terms of Arca Brokerage House or of the relevant appointed Financial Intermediaries.

There are no entities with the firm commitment to act as intermediaries during the secondary trading and/or providing liquidity through purchase and sale price offers. There are no rights of pre-emption or preferential subscription attached to the Bonds.

[**Manner of Satisfying Orders** – [Investors investing in the Bonds will be satisfied in accordance with the time they submitted their orders. Once the Total Volume of the Issue has been sold, no further orders will be accepted or satisfied] or [**Description of the Manner of Satisfying Orders**]].

Relevant orders and contracts will be available to investors at the Issuer's registered office, at the registered office of Arca Brokerage House and, where applicable, at the registered offices of other appointed Financial Intermediaries. The method whereby an investor will be notified of the quantity of Bonds subscribed to by the investor will be described in the relevant agreement and/or order; dealing in the Bonds may commence on or before the issuance of the Bonds and after their admission to trading on the regulated free market of the BCPB. The results of issuance of the Bonds will be published in the designated part of the website of the Issuer without undue delay after the end of the Offer.

The anticipated time within which the Bonds will be registered on the relevant accounts of first Bondholders is one week from the Issue Date.

The Bonds will be credited to the relevant accounts of first Bondholders against an order of Arca Brokerage House and/or the relevant Financial Intermediary promptly after the payment of the Issue Price of the relevant Bonds and satisfaction of other terms specified above, in any case on or before the Issue Date. In order to achieve a successful settlement, the persons subscribing for the Bonds must proceed in accordance with the instructions of Arca Brokerage House and/or the relevant Financial Intermediary.

The Issue will be regarded successful when the aggregate nominal amount of the Issue has been subscribed for, or on expiration of the Offer Termination Date even though the total principal amount of the Issue has not been subscribed for in full. [**Right to Reject Orders** – [The Issuer reserves the right to reject all offers and not to issue the Bonds if the total amount of investors' orders during the Offer Period does not reach at least [**The Minimum Number of Bonds for Rejection of Orders**]; The Issuer may exercise this right on or before

¹ The following information items related to the Public Offering will be relevant only if the Bonds of the Issue will be offered within the Public Offering.

[**Deadline for Rejection of Orders**] and publish a notice of this fact on a given day in a special part of the Issuer's website and without undue delay through the Administrator to ensure publication in the Specified Office.] *or* [The Issuer does not reserve the right to reject orders.]]

If an order has been cancelled, all funds intended for the purchase of the Bonds will be refunded to the investor immediately.]

or

[**Terms and Conditions of the Offer which is not Subject to the Obligation to Publish the Prospectus**]²]

8.3 Additional information

(a) Advisors in connection with the issue of securities

When drawing up this Base Prospectus, the Issuer has used the services of Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, as the Financial Advisor for the Programme (the **Financial Advisor**). The Financial Advisor (i) is not and will in no way be responsible for the information contained in this Base Prospectus, is not responsible for the contents of the Base Prospectus as a whole and no statement or information contained therein may be considered to be information or statement made or approved by the Financial Advisor; (ii) has not ascertained or verified in detail the authenticity, currency and reliability of the data relating to any information contained in this Base Prospectus; (iii) has not examined the risk of the Issuer and the Bonds issued by the Issuer; in the opinion of the Financial Advisor, there may be risk factors associated with the Issuer and the securities issued by the Issuer other than those specified in this; (iv) will not place, sell or otherwise offer the Bonds to be issued under the Programme on the primary market; and (v) the Financial Advisor is not a financial intermediary (as defined below), and has not been granted consent by the Issuer for the final placement of the Bonds issued under the Programme, nor has the Financial Advisor requested such consent from the Issuer.

The Financial Advisor has been using the services rendered by Allen & Overy Bratislava, s.r.o., with its registered office at Eurovea Central 1, Pribinova 4, 811 09 Bratislava, Identification No. (IČO): 35 857 897, registered in the Commercial Register of the District Court Bratislava I, section: Sro, insert No.: 28828/B, as transaction legal advisor.

[**Information about Other Advisors**]

(b) Financial Intermediaries

The Issuer agrees that Arca Brokerage House o.c.p. a.s. and any other Financial Intermediary listed on the Issuer's website as an intermediary who has been authorised to use the Base Prospectus for the resale or final placement of the Bonds is entitled to use the Base Prospectus for the duration of the public offer in the Slovak Republic, the Czech Republic and Austria as set out in this Base Prospectus. During that time, the subsequent resale or final placement of the Bonds may take place, at all times provided that the Base Prospectus is still valid in accordance with the Prospectus Regulation.

The consent of the Issuer with the use of the Base Prospectus for the subsequent resale or final placement of the Bonds by the Financial Intermediaries was granted under the condition that (i) the Base Prospectus and all amendments of the Base Prospectus (if any) are available to the potential investors, and (ii) each of the Financial Intermediaries ensures to use the Base Prospectus and all amendments of the Base Prospectus (if any) according to all applicable selling restrictions specified in the Base Prospectus and all applicable laws and regulations in the relevant jurisdiction.

Any new information concerning the Financial Intermediaries who are unknown at the time of approval of this Base Prospectus by the National Bank of Slovakia will be published on the Issuer's website.

If a Financial Intermediary submits an offer, it shall provide the investors with information about the terms of the offer at the time of submission of the offer.

(c) Interest of individuals and legal entities participating in an Issue

The individual entities of the Arca Group are managed by a circle of people with close ties. It cannot be ruled out that in the future, a member of the Arca Group starts taking steps (mergers, transactions, acquisitions, profit distribution, sale of assets, etc.) whose objective may be to obtain benefit for the

² The information item relating to the offer which is not subject to the obligation to publish a prospectus will be relevant only if the Bonds of the Issue are offered as part of an offer which is not subject to the obligation to publish a prospectus.

Arca Group as a whole rather than of the Issuer and the Bondholders. These changes may have a negative impact on the financial and business situation of the Issuer, its business activity and its ability to meet its obligations under the Bonds.

In the opinion of the Issuer, a potential conflict of interest of the Financial Intermediaries within the meaning of the Prospectus Regulation could be of significance from the point of view of the Issues. The Financial Intermediaries through which the Bonds will be offered as part of a public offering in the Slovak Republic, the Czech Republic and Austria may be motivated to sell the Bonds with respect to their incentive rewards (in case of successful sale); this may create a conflict of interests. Moreover, some Financial Intermediaries may be related parties of the Arca Group. The Financial Intermediaries are obliged to adopt measures in case of a conflict of interests in accordance with the requirements of generally binding legal regulations.

[Description of Other Interests]

- (d) Information about interest income until maturity

In case of an Issue with a fixed interest rate issued at an issue rate other than 100%, the yield to maturity as of the Issue Date is **[Information about Yield to Maturity]**.

- (e) Reason for the offer, use of the proceeds of the Issue

The estimated net proceeds of the Issue **[Estimated Net Proceeds of the Issue]**, after deducting the costs associated with assigning the ISIN code, registering the issue of the Bonds and crediting them to the accounts of the first Bondholders in the Central Depository, preparing the Base Prospectus and the Final Terms, the costs associated with the approval process in the NBS, the costs related to the services of the Financial Advisor and the Financial Intermediaries for the placement of the Bonds in the amount of **[Estimated Commissions for Placement]** and the admission of the Bonds on the regulated free market of the BCPB, as well as other legal and other professional services, will be used:

- (i) at least 50% of it for the acquisition of shares in the fund of qualified investors NOVA Green Energy, SICAV, a.s., Identification No. (IČO): 242 44 601, with a sub-fund NOVA Green Energy – podfond 1 that issues investment shares without principal amount, within two classes (growth and dividend) and two currency classes of investment shares (CZK and EUR), administered by REDSIDE investiční společnost, a.s., with its registered office at V Celnici 1031/4, 110 00 Prague 1, Czech Republic, registered in the Commercial Register maintained by the Municipal Court in Prague, file No.: B 18362, Identification number: 242 44 601 (also the **NOVA Green Energy Fund**); and
- (ii) to provide loans or credits to companies of the Arca Group primarily for the purposes of investing in green energy and related projects, primarily in the Central European countries.

The stated purpose of using the proceeds is also the reason for the offer of the given issue of the Bonds.

- (f) Third-party information and expert reports

[Third-party Information and Expert Reports]

- (g) Credit rating of the Issuer and the Bonds

No rating has been assigned or expected to be assigned to the Issuer or the Bonds.

- (h) Admission to trading

With the exception of the application for admission to trading on the regulated open market of the BCPB, the Issuer has not requested and does not intend to request admission of the Bonds to trading on other domestic or foreign regulated market or a stock exchange.

As of the date of drawing-up of the Base Prospectus, the costs of the Issuer associated with the admission of the Bonds to trading on the regulated open market of the BCPB in accordance with the stock exchange price list are approximately EUR 3,500.

In addition to the Bonds, as part of the Programme, the Issuer has issued the following debt securities admitted to trading on a regulated market: on 27 July 2016, the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds.

9. FORM OF THE FINAL TERMS

The Form of Final Terms that will be made for each Issue of the Bonds to be issued on the basis of the Base Prospectus under the Programme, supplemented by the specific information regarding the relevant issue of the Bonds, is set out below. The Final Terms will be prepared and published for each individual issue of the Bonds issued under the Programme prior to the commencement of the issue of the Bonds.

This symbol “[●]” is used to designate those parts of the Final Terms which will be filled in. If the relevant information item is accompanied by the statement “(*selection of option from the Common Terms*)”, it means that such information is included in the Common Terms in the relevant information item with several options and only the option(s) relevant for the given issue will be included in the Final Terms.

Information regarding Base Prospectus Supplement (if any) stated below in square brackets will be provided in the relevant Final Terms only if any such Base Prospectus Supplement has been made.

[The form of the Final Terms is provided on the next page.]

FINAL TERMS

[Date]

Nova Green Finance, a. s.

Total Volume of the Issue: [●]

Name of the Bonds: [●]

issued under the Bond Insurance Programme under the Base Prospectus dated 27 April 2020

ISIN: [●]

These Final Terms prepared for the purposes of 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, shall be assessed and construed in conjunction with the base prospectus (the **Base Prospectus**) to the debt securities issuance programme of EUR 60,000,000, which will be continuously or repeatedly issued by **Nova Green Finance, a. s.**, with its registered office at Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, Identification No. (IČO): 50 335 588, LEI: 097900BHC0000067044, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B (the **Issuer**) and any amendment thereto in order to obtain all relevant information. The Final Terms, including the defined terms used, must be read in conjunction with the Common Terms included in the Base Prospectus. The risk factors associated with the Issuer and the Bonds are set out in Section 2. of the Base Prospectus headed “*Risk Factors*”.

The Base Prospectus and Supplements (if any) to the Base Prospectus are available in the electronic form in the designated part of the website of the Issuer: www.novagreenfinance.eu. The information regarding the Issuer, the Bonds and their offer is only complete when read in conjunction with these Final Terms and the Base Prospectus [and the relevant Base Prospectus Supplement(s)]. [A Summary of the Issue is attached to these Final Terms.]

The Base Prospectus was approved by the National Bank of Slovakia by its decision [●] dated [●]. [The Base Prospectus Supplement No. [●] was approved by the National Bank of Slovakia by its decision [●] dated [●].]

If the Final Terms are translated into another language and there is a dispute regarding their interpretation, the wording in the Slovak language shall prevail.

[MiFID II Product Governance / Eligible Counterparties and Professional Investors Only Target Market]

Solely for the purposes of [the] [each] manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (**MiFID II**) [*specify further target market criteria*]; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. [*specify negative target market, if applicable*]. Any person subsequently offering, selling or recommending the Bonds (a **Distributor**) should take into consideration the manufacturer[‘s’][s’] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer[‘s’][s’] target market assessment) and determining appropriate distribution channels.]

[MiFID II Product Governance / Eligible Counterparties, Professional Investors and Retail Investors Target Market]

Solely for the purpose of [the Issuer’s (as a product manufacturer)] product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients retail clients, each as defined Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (**MiFID II**) [*specify further target market criteria*] [and (ii) all channels for distribution of the Bonds are appropriate, including [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and] [pure execution services] [, (ii) all channels for distribution to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Bonds to retail clients are appropriate: [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and] [pure execution services]. [*specify negative target market, if applicable*] Any person subsequently offering, selling or recommending the Bonds (a **Distributor**) should take into consideration manufacturer’s target market assessment,

however a Distributor subject to MiFID II rules is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[MiFID II Prohibition of Sales to Retail Investors in the European Economic Area]

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (**MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.]

PART A: SUPPLEMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

This part of the Final Terms together with the Common Terms shall constitute the terms and conditions of the relevant Issue.

8.1 Information about securities

2. Class, name, total principal amount, issue price, issue date and admission to trading of the security

Name:	[●]
ISIN:	[●]
FISN:	[●]
Total Volume of the Issue:	[●]
Issue Price:	[●]
Information about the Accrued Interest:	[●]
Issue Date:	[●]

3. Form, type and principal amount of the Bonds

Currency:	[●]
Principal Amount:	[●]

10. Interest income

Determination of the Interest Income:	[●]
Interest Rate or Reference Rate and Margin:	[●]
Bonds without Payment of Interest Income (zero coupon):	[●]
Reference Rate Setting Deadline:	[●]
Interest Income Payment Frequency:	[●]
Interest Income Payment Date:	[●]
First Interest Income Payment Date:	[●]
Screen Page:	[●]
Convention:	[●]

11. Redemption and buy-back

Final Maturity Date:	[●]
----------------------	-----

12. Payment terms

Financial Centre:	[●]
-------------------	-----

PART B: SUPPLEMENTATIONS OF THE TERMS AND CONDITIONS OF THE OFFER AND OTHER INFORMATION

8.2 Terms and Conditions of the Offer

Bond Placement Agreement:	[●]
Type of Offer:	<i>Selection of option from the Common Terms:</i> [in a public offer in [[the Slovak Republic][,] [and] [the Czech Republic] [and] [Austria]]] or [in an offer which is not subject to the obligation to publish the prospectus]
Offer is Addressed to:	<i>Selection of option from the Common Terms:</i> [individuals] and/or [legal entities] and/or [qualified investors] and/or [limited group of persons, i.e. less than 150 individuals or legal entities other than qualified investors]
Offer Commencement Date:	[●]
Offer Termination Date:	[●]
<i>Selection of option from the Common Terms:</i>	
Terms and Conditions of the Public Offer³	
Minimum and Maximum Amount of the Order:	[●]
Information about Expenses Charged to Investors:	[●]
Manner of Satisfying Orders:	<i>Selection of option from the Common Terms:</i> [Investors investing in the Bonds will be satisfied in accordance with the time they submitted their orders. Once the Total Volume of the Issue has been sold, no further orders will be accepted or satisfied] or [Description of the Manner of Satisfying Orders]
Right to Reject Orders:	<i>Selection of option from the Common Terms:</i> [The Issuer reserves the right to reject all offers and not to issue the Bonds if the total amount of investors' orders during the Offer Period does not reach at least [The Minimum Number of Bonds for Rejection of Orders]; The Issuer may exercise this right on or before [Deadline for Rejection of Orders] and publish a notice of this fact on a given day in a special part of the Issuer's website and without undue delay through the Administrator to ensure publication in the Specified Office.] or [The Issuer does not reserve the right to reject orders.]

³ The following information items related to the Public Offer will be provided in the Final Terms only if the Bonds of the Issue are offered within the Public Offer.

Terms and Conditions of the Offer which is not Subject to the Obligation to Publish the Prospectus⁴	
Terms and Conditions of the Offer which is not Subject to the Obligation to Publish the Prospectus:	[●]

8.3 Additional information

Information about Other Advisors:	[●]
Description of Other Interests:	[●]
Information about Yield to Maturity:	[●]
Estimated Net Proceeds of the Issue:	[●]
Estimated Commission for Placement:	[●]
Third-party Information and Expert Reports:	[●]

In Bratislava on [●].

[name and surname]
[executive]
Nova Green Finance, a. s.

[name and surname]
[executive]
Nova Green Finance, a. s.

⁴ The following information item relating to the offer which is not subject to the obligation to publish a prospectus will be provided in the Final Terms only if the Bonds of the Issue are offered as part of an offer which is not subject to the obligation to publish a prospectus.

10. INFORMATION ABOUT THE ISSUER

10.1 Statutory Auditors

The individual financial statements of the Issuer as of 31 December 2018 and 31 December 2019 prepared in accordance with the SAS have been audited by FS consulting, s.r.o., with its registered office at Cintorínska 21, 811 08 Bratislava, Slovak Republic, Identification No. (IČO): 44 733 780, registered in the Commercial Register of the District Court Bratislava I, section: Sro, insert No.: 69811/B, registered in the register of the Slovak Chamber of Auditors under number 923. The auditor's reports on the above financial statements were unqualified.

Save for the information taken from the audited financial statements of the Issuer, no other information contained in the Base Prospectus has been audited by an auditor. The auditor has audited the Base Prospectus as a whole.

During the accounting period covered by the historical financial information given in the above financial statements of the Issuer, the auditor responsible for the audit of the financial statements had not been replaced.

10.2 Information about the Issuer

History and Development of the Issuer

The Issuer was established as a Slovak joint-stock company by the foundation deed dated 4 May 2016 under the laws of the Slovak Republic. The Issuer was incorporated on 24 May 2016 on the basis of its entry in the Commercial Register of the District Court Bratislava I. The Issuer's Identification No. (IČO) is 50 335 588. On 4 May 2016, the Issuer issued its articles of association. The issuer is a private joint-stock company and has been established for an indefinite period of time. As part of its object, the Issuer does not perform an activity for which a permit would be required the validity of which permit would be limited.

The Issuer is a company established for the purposes of issuing bonds and providing intra-group credits and loans. The Issuer issued the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds and the funds raised by these issues were / will be provided as a loan to Arca Capital Slovakia, a.s. Apart from the activities related to the issuance of the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds and to the provision of intra-group credits and loans, the Issuer has not been carrying out any business activities. The Issuer has never been insolvent and has not assumed any guarantees; however, the Issuer is in crisis.

Basic Information about the Issuer

Business name:	Nova Green Finance, a. s.
Registered in:	the Slovak Republic, in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 6388/B
Identification No.:	50 335 588
LEI:	097900BHCB0000067044
Issuer incorporated on:	24 May 2016 by its entry in the Commercial Register of the District Court Bratislava I.
Term:	The Issuer was established for an indefinite period of time.
Incorporation method:	The Issuer was established as a joint-stock company by the foundation deed dated 4 May 2016. On 4 May 2016, the Issuer issued the articles of association. The current wording of the articles of association is dated 24 September 2019.
Legal form and governing law:	A joint-stock company organised and existing under the laws of the Slovak Republic
Registered office:	Plynárenská 7/A, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic
Website of the Issuer:	www.novagreenfinance.eu

the information on the issuer's website does not form part of the Base prospectus, unless such information is incorporated by reference in the Base prospectus. the information on the issuer's website has not been reviewed or approved by the nbs.

Telephone number: +421 2 5825 3510

Object: The Issuer is a legal person established to do business. The object of the Issuer is set out in Article 5 of the foundation deed of the Issuer (for a list of the object of the Issuer, see clause 10.3 of the Base Prospectus headed "*Overview of business activities*").

On 24 January 2018, the Issuer expanded its object by provision of credits or loans from funds raised exclusively without a public invitation and without a public offer of assets, and by procurement of provision of credits or loans from funds raised exclusively without a public invitation and without a public offer of assets. Both activities are operated as free trades.

Principal laws governing the Issuer's activities: The Issuer operates in accordance with the laws of the Slovak Republic, which laws include, without limitation (in each case as amended):

- Act No. 513/1991 Coll., the Commercial Code, as amended;
- Act No. 40/1964 Coll., the Civil Code, as amended; and
- Act No. 455/1991 Coll. on Trade Licensing (the Trade Licensing Act), as amended.

Most Recent and Most Important Events of Importance for the Assessment of Solvency of the Issuer

As of the date of the Base Prospectus, the Issuer is neither insolvent nor does it record as of that date any outstanding credits or loans provided by third parties. Since the date of preparation of the Issuer's audited individual financial statements as of 31 December 2019, no new events have occurred significant for the assessment of the Issuer's solvency.

10.3 Business Overview

Principal Activities

The main object of the Issuer is the provision of loans credits and loans or other forms of financing to related companies in the Arca Group.

According to Article 5 of the Issuer's foundation deed and its entry in the Commercial Register, the object of the Issuer consists of: services procurement activities, publishing services, computer services, services related to computer processing of data, factoring and forfaiting, bookkeeping, business, organisational and economic consultancy, advertising and marketing services, market research and public opinion polling, administrative services and extracurricular educational activities. On 24 January 2018, the Issuer expanded its object by provision of credits or loans from funds raised exclusively without a public invitation and without a public offer of assets, and by procurement of provision of credits or loans from funds raised exclusively without a public invitation and without a public offer of assets. Both activities are operated as free trades.

Principal Markets

Due to its principal activity, the Issuer as such does not compete in any market and has no relevant market shares and position.

Structure and Expected Financing of the Issuer

Except for issuing the Bonds, the Issuer does not plan to accept any credits or obtain any other financing.

10.4 Organisational Structure

Issuer's Position within the Group

The only shareholder of the Issuer is Arca Capital Slovakia a.s., which is thus the controlling person and the direct owner of a 100% share in the share capital and voting rights in the Issuer. The Issuer is not aware of any mechanisms or arrangements that could result in a change in control of the Issuer. The control mechanisms for exercising the shareholder rights and measures to ensure the elimination of any misuse of these rights result from generally binding legal regulations.

Organisational Structure of the Group

The Issuer is part of the Arca Group operating in various areas, the most important of which are energy (and industry), real estate, personnel leasing, tourism, financial sector, which group carries out its activities mainly in Central and Eastern Europe, especially in the Slovak Republic and the Czech Republic and in Ukraine, with offices in Prague, London and Kiev in addition to Bratislava. Thanks to a suitable international deployment and its experienced specialised team, it is capable of making the maximum use of international know-how in assessing investment projects and achieving the required return on investment.

The Arca Group is covered by Arca Investments, a.s., which is an ownership holding company established to manage the ownership interests of all companies in the Arca Group.

Within the structure of the Arca Group, the Issuer belongs to Arca Capital Slovakia, a.s. (the parent company). The total amount of consolidated assets of the Arca Group according to preliminary financial data according to IFRS as of 31 December 2019 was EUR 925.5 million. The most significant ownership interests of Arca Investments, a.s. are the following:

Company	Assets as of 31 December 2019 ⁽¹⁾ (in EUR)	Ownership interest of Arca Investments	Principal area of activity
Arca Capital Slovakia, a.s.	253.8 million	100.00 %	investment company
Arca Capital Bohemia, a.s.	29.6 million	100.00 %	investment company
Arca Capital Finance Group, a.s.	12.5 million	100.00 %	investment company
ARCA CAPITAL LTD	60.6 million	99.00 %	investment company
ARCA CAPITAL MALTA LTD	348.7 million	100.00 %	investment company
Wiener Privatbank ⁽²⁾	411.0 million	9.90 %	bank

Notes:

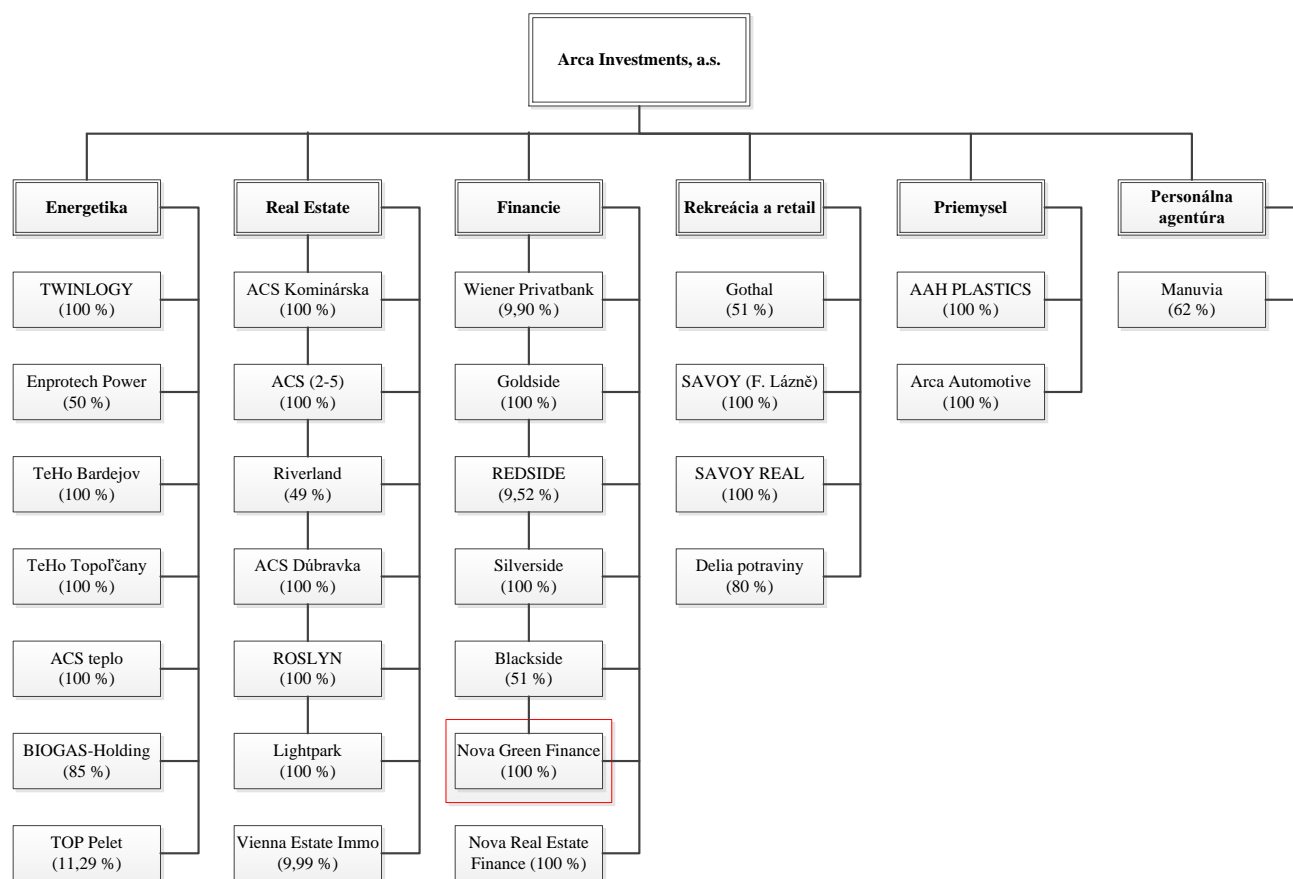
(1) Preliminary data for 2019.

(2) Data for 2018.

The dependence of the companies in the Arca Group results from the holding structure of the Arca Group and the indirect ownership interconnections of these companies. The Issuer is indirectly owned and controlled by Arca Investments, a.s., which owns a 100% share in the registered capital and voting rights in Arca Capital Slovakia, a.s.. Arca Investments, a.s. is covering the Arca Group; three natural persons participate in its registered capital: Ing. Rastislav Velič, Ing. Peter Krištofovič and Ing. Henrich Kiš.

In all companies of the Arca Group, the share in the registered capital is identical to the share in the voting rights.

The organisational structure of the Arca Group and the Issuer's inclusion in it, indicating the share in the registered capital and the voting rights, is as follows:



Group's Business Overview

The Arca Group strives to diversify its revenue streams within the products offered, the geographical risk and the sectors in which it operates. Despite these efforts, the Arca Group is still exposed to significant cash flow volatility, financial and capital market volatility. The Arca Group strives to increase those components of its business that are characterised by stable cash flows. The Arca Group does business in five basic sectors the basic characteristics of which are set out below:

Energy

The Arca Group has long been focused on investments in energy sector, concentrating on the production and sale of electricity from renewable energy sources and cogeneration of electricity and heat, production and distribution of heat to end customers, especially in the Slovak Republic, the Czech Republic and in Hungary. The companies in the Arca Group that do business in this field have built a significant portfolio of assets for the production of green energy that includes photovoltaic power plants as well as electricity and heat production units whose primary sources of energy are: biogas, biomass and gas. Distribution services in the field of heat supply supplement the offer in this field. More than 70% of the heat generated by cogeneration of electricity and heat, the so-called KVET (in Slovak: *kombinovaná výroba elektrickej energie a tepla*), is used to heat water and heating of towns such as Topoľčany, Bardejov, Handlová and Nitra. The heat sold is a complementary product to the generation of electricity, which increases the profitability of these sources. Business in the field of energy investment with a focus on renewable energy sources is a stable business mainly because these activities are currently supported by the state through various mechanisms.

The most important project holders from the Arca Group in the energy sector are:

BIOGAS-HOLDING, s.r.o. represents an investment made by the Arca Group in the sector of renewable sources, generation of electricity from biogas in the total amount of EUR 12 million. BIOGAS-HOLDING, s.r.o. from the Arca Group currently owns three biogas plants with a total output of 3 MW through its subsidiaries. In 2011, the Arca Group successfully entered the project of a 1 MW biogas plant in Veľké Uherce in the Partizánske district. In the middle of 2012, the Arca Group acquired two more biogas plants in Ožďany, each with an output of 1 MW.

In Hungary, the Arca Group, acting through **Enprotech Power s.r.o.**, is expanding its energy business. The Arca Group has launched a 14 MW photovoltaic power plant in the south of Hungary in Báracs. Another investment of approximately EUR 26 million is made into the construction of photovoltaic power plants in the municipalities of Csabrendek and

Sümeg with an output of more than 28 MW that are designed to produce 35 thousand MWh, supplying energy to about 10,000 households. In Hungary, the Arca Group plans to invest another approximately EUR 35 million into other photovoltaic sources near Lake Balaton, through Hungarian companies owned by Arca Capital Slovakia, a.s., **Csete Solar Napenergia Hasznosító Kft.**, **Darvas Solar Napenergia Hasznosító Kft.**, **Nyires Solar Napenergia Hasznosító Kft.** and **Bardio Solar Napenergia Hasznosító Kft.**. These assumptions may change due to the situation with COVID-19.

TWINLOGY s.r.o. from the Arca Group does business, among other activities, in the distribution of electricity and the supply of electricity to companies, organisations and households.

ACS plyn s.r.o. from the Arca Group does business, among other activities, in the distribution of supply of gas to companies and organisations.

The acquisition of an equity interest in **ARCA CAPITAL Slowakei Beteiligungs GmbH** entailed an investment of approximately EUR 52 million for the Arca Group the instalments of which are spread over several years. Through this company, the Arca Group holds equity interests in TeHo Bardejov, s. r.o. and TeHo Topoľčany, s.r.o. that operate biomass power plants for the generation of electricity and heat by cogeneration. Electricity is supplied to the distribution network and heat to heat distribution lines in Topoľčany and Bardejov.

TeHo Topoľčany s.r.o. from the Arca Group is a power plant providing for the generation of electricity and heat in Topoľčany. In addition to non-residential premises, the power plant supplies heat produced from renewable sources to almost 8,500 households in Topoľčany. The main raw material for the generation of electricity is waste biomass (wood chips) in the consumed volume of approximately 100 thousand tonnes per year, used for cogeneration of electricity and heat (KVET). This biomass power plant in Topoľčany is the only facility of its kind in Slovakia. The Austrian technologies used enable the highly efficient cogeneration of electricity and heat based on a renewable source of energy and represent the technical cutting edge in Europe. TeHo Topoľčany s.r.o. supplies heat to TOMA, a.s. and Svet Zdravia Nemocnica Topoľčany, a.s. The total volume of energy generated is currently about 67 thousand MWh of electricity and 70 thousand MWh of heat per year.

Another company from the Arca Group, **TOMA s.r.o.**, which is the supplier of heat and administrator of flats in Topoľčany, does business in the distribution and sale of thermal energy generated in the power plant TeHo Topoľčany s.r.o. TOMA s.r.o. owns approximately 50% of the distribution network and leases the remaining part of this network from the town of Topoľčany on the basis of a lease agreement effective until 2031. Total revenues from the sale of heat to households currently amount to approximately EUR 4.2 mil. per year.

TeHo Bardejov s.r.o. from the Arca Group is a power plant providing for the generation of electricity and heat in Bardejov, supplying almost 7,000 households in Bardejov with heat generated from renewable sources. The main raw material for the generation of electricity is waste biomass (wood chips) in the consumed volume of approximately 100 thousand tonnes per year, used for cogeneration of electricity and heat (KVET). This biomass power plant in Bardejov is the only facility of its kind in Slovakia. The Austrian technologies used enable the highly efficient cogeneration of electricity and heat based on a renewable source of energy and represent the technical cutting edge in Europe. TeHo Bardejov s.r.o. supplies 90% of the heat generated to Bardejov, or BARDTERM s.r.o., the administrator of the heat management of Bardejov, which signed a heat purchase contract with BARDENERGY, s.r.o. for 20 years. The total volume of energy generated is currently about 67 thousand MWh of electricity and 84 thousand MWh of heat per year.

Another company from the Arca Group, **BARDENERGY, s.r.o.**, which is the supplier of heat and administrator of flats in Bardejov, does business in the distribution and sale of thermal energy generated in the power plant TeHo Bardejov s.r.o. BARDENERGY, s.r.o. owns a part of the distribution network. Total revenues from the sale of heat to households currently amount to EUR 3.2 million per year.

The Arca Group also includes **ACS Biomasa, s.r.o.**, the exclusive supplier of waste biomass in the volume of approximately 200,000 tons per year for the power plants TeHo Topoľčany s.r.o. and TeHo Bardejov s.r.o. Total revenues from the sale of waste biomass currently amount to approximately EUR 12 million per year.

During 2019, the Arca Group, through its subsidiary ACS teplo j.s.a., acquired an equity interest in **KMET Handlová a.s.** The Arca Group acquired a 90% equity interest in the Handlová heating plant; the remaining 10% equity interest was retained by Handlová. KMET Handlová, a.s. is a producer of heat from gas and its supplier to Handlová. The Handlová heating plant with an installed capacity of almost 40 MW supplies heat to more than 4,000 Handlová households. Its distribution network includes 8 kilometres of pipes and 114 heat exchangers in residential buildings. Currently, the fuel burnt in all heat sources is natural gas. However, the Arca Group is planning changes in the heating plant affecting also its fuel base, namely the introduction of a fuel base for cogeneration of heat and power with a significantly higher share of renewable energy sources, or cogeneration of electricity and heat (KVET). The total volume of energy generated is currently about 30 thousand MWh per year. Total revenues from the sale of heat to households currently amount to approximately EUR 2 million per year.

Before the end of 2019, the Arca Group made a significant investment in the heating industry by acquiring a 100% interest in ACS Plyn, s.r.o. (formerly VNG Slovakia, s.r.o.). ACS plyn, s.r.o. owns a 49% equity interest in **Nitrianská teplárenská spoločnosť, a.s. (NTS)**, the rest is owned by Nitra. NTS supplies heat to more than 20,000 households in

Nitra. The distribution network includes 62 kilometres of pipes and 588 offtake points. NTS annually distributes heat in the amount of almost 142 thousand MWh. Total revenues from the sale of heat to households currently amount to approximately EUR 11 million per year.

ACS Teplo j.s.a., a member of the Arca Group, is consolidating heat management in Slovakia and covering the operating companies TOMA s.r.o., BARDENERGY, s.r.o., KMET Handlová a.s., Nitrianska teplárenská spoločnosť, a.s. (NTS) that supply heat to the population as mentioned above. Total investment of ACS Teplo in these acquisitions in the heating industry amounted to EUR 30.3 million. For the Arca Group, the business of these companies represents a stable income from the supply, especially for households in the amount of more than EUR 20 million per year. It is a regulated business that generates stable revenues in the heating industry – historic EBITDA is more than EUR 4 million per year. In summary, ACS Teplo j.s.a. through its subsidiaries:

- owns or leases on a long-term basis thermal infrastructure – heat distribution pipes and boiler rooms with heat distribution pipes of approximately 125 km in length,
- the number of offtake points (heat exchanger stations) is more than 900,
- the annual supply of heat is more than 292 thousand MWh, making the Arca Group one of major private investors in thermal energy sector with Slovak capital.

Real Estate

In the Real Estate sector, the Arca Group focuses on the implementation of projects in the area of residential, commercial and administrative buildings. The Arca Group focuses on the construction of standard housing projects as well as the construction of premium housing in Bratislava and Prague. The Arca Group has been operating on the real estate market for more than 10 years during which it carried out part of its development activities in the field of real estate development, accommodation and storage in the Czech Republic and the Slovak Republic (the Lightpark, Creserus, Mozartka, Grösslingova projects, building land preparation in Preseľany, Podunajské Biskupice, in Palúdzka and in Alžbetin dvor). The projects set out in this part of the Base Prospectus may change due to the situation with COVID-19.

The most important project holders from the Arca Group in the Real Estate sector are:

ROSLYN, a.s. from the Arca Group has been implementing a project called **HUBICE - DVORY**. It is a residential project with the preparation of 72 plots for 72 family houses and the construction of a complete infrastructure (service networks and communications) in the village of Hubice, about 20 km from Bratislava. The project brings an exceptional form of arrangement of houses where the boundaries between the plots are not made by artificial fences, but the structures of the houses themselves, thus giving the future residents intimacy and privacy in their own yard. The project is to be implemented in 6 stages (intention). The first stage that consists of 7 family houses has already been sold. The second stage consisting of 12 family houses is currently being sold. The area of land on which the project is being implemented is 41,752 sq. metres, the total estimated investments in this project are EUR 10.8 million. The construction of roads for the 3rd to 6th stages is currently being prepared, and the construction of built and approved houses is underway.

ACS 4, s. r.o. from the Arca Group has been implementing a project called **Pionierska**. The real estate project is designed as a reconstruction of the buildings of the former area of the Regional Transport Health Service. The aim of the project is to create a multifunctional building with a functional civic amenities content and housing. The areas should include a communal garden with landscaping and a playground. The project is being implemented in the wider center of Bratislava, at Pionierská Street. It is anticipated that the project will include the construction of 48 residential spaces, 63 apartments; commercial space should occupy an area of 551 sq. metres, parking is designed to have a capacity of 170 parking spaces. The project is expected to be complete in the 2nd quarter of 2021. The total expected investment in this project is EUR 19.4 million in total. Currently, an architectural study and layout solutions of the premises are being dealt with.

ACS 5, s. r.o. from the Arca Group has been implementing a project called **Biely kríž**. It is a terraced apartment building with three entrances, one underground and four above-ground floors in the borough of Bratislava III, at Skalická cesta Street. Construction of 43 flats, 2 apartments, parking with a capacity of up to 83 parking spaces is implemented. The project is under construction, its completion is expected in 4th quarter of 2021. The total expected investment in this project is EUR 11.9 million in total. Construction is currently underway and the sale of flats and apartments is ongoing.

The Biely kríž project is located and functionally interconnected with the **Nové Vinice** project, yet another project implemented by ACS 5, s.r.o. It is an apartment building, in the borough of Bratislava III at Skalická cesta street that consists of 5 buildings, all of which will have one underground and five above-ground floors, except for one building that will not have an underground floor. Construction of 111 flats, 1 apartment, parking with a capacity of up to 146 parking spaces is implemented. The project is expected to be complete in the 4th quarter of 2021. The total expected investment in this project is EUR 15 million in total. Construction is currently underway and the sale of flats is ongoing.

ACS Kominárska, s.r.o. from the Arca Group has been implementing a project called **Kominarca**. It is a planned multifunctional building at Kominárska Street in the centre of Bratislava, not far from Račianske múro. The land on which the project is to be implemented has an area of 3,645 sq. metres and is currently built-up by unused halls intended for redevelopment. In 2020, a permit for the removal of the building is expected to be issued, as well as a land planning

permit on placement of the building and the commencement of demolition work. Construction is scheduled to begin in 2021. The proposed building has the shape of the letter “L”, the lower, 6-floor part is to complete the street line of Račianská and Kominárská streets; it respects the existing six-floor development of both streets. In the courtyard, the proposed building transforms into eleven above-ground floors. The north-south orientation of the lower part is appropriate for small apartments, the floor part with its orientation to the east and west is appropriate for flats. The construction of 35 flats, 104 apartments is expected, and offices should be located on an area of 169 sq. metres, commercial operations should occupy an area of 861 sq. metres, parking should have a capacity of 164 parking spaces. The total expected investment in this project is EUR 15 million in total.

ACS 2, s.r.o. from the Arca Group has been implementing a project called **Šancová**. It is a planned multifunctional building at Šancová Street in Bratislava. It is planned that one main building will complete the street line, it should have two underground floors and eight above-ground floors, the smaller building being located from the side of Jelenia Street. The construction of 64 flats, 6 apartments is expected, commercial premises should occupy an area of 1,382 sq. metres, and offices should occupy an area of 1,905 sq. metres, parking should have a capacity of 221 parking spaces. The project is expected to be complete in 2023. The total expected investment in this project is EUR 21 million in total. Planning proceedings / EIA are currently underway.

ACS Dúbravka, s.r.o. from the Arca Group has been implementing a project called **Dúbravka**. In the borough of Bratislava IV, the construction of a multifunctional building with the possibility of housing and additional services (office, retail) is planned. Four 8-floor houses with a courtyard with greenery used for recreation will be constructed. The construction of 164 flats and 71 apartment premises is expected, and offices should be located on an area of 742 sq. metres, commercial operations should occupy an area of 1,088 sq. metres, parking should have a capacity of 432 parking spaces. The project is expected to be complete in 2024. The total expected investment in this project is EUR 34 million in total. Planning proceedings / EIA are currently underway.

Locus Plus, s.r.o. from the Arca Group is preparing the implementation of a project called **Mlynské Nivy Tower**. The intention is to construct an administrative building with an additional function of housing, services, or trade. This real estate project is located in the centre of Bratislava, in the cadastral area of Nivy, and is being implemented on a plot of land with an area of 23,147 sq. metres. The land on which the project is to be implemented is currently empty and is located on the corner of Bajkalská and Mlynské nivy streets. The intention is to build a high-rise multifunctional building with world-class architecture with commercial, office and residential premises. The plan is to create a unique large modern public park on the remaining part of the plot. In order to be able to commence the project, a building permit is anticipated to be obtained in 2022 and completion of construction is anticipated in 2025. The planned multifunctional building is to have 48 above-ground floors and 3 underground floors with parking spaces. Administrative premises should have an area of 22,190 sq. metres, apartments 10,766 sq. metres, retail space 2,250 sq. metres, parking should have a capacity of up to 900 parking spaces. The total expected investment in this project is EUR 80 million in total.

A project called “**Čajakova**”, which is implemented by ACS 3, s.r.o. from the Arca Group, is also under preparation. The project is located at Čajakova 14, in the centre of Bratislava, near Račianske mýto; the construction of a multifunctional building that should consist of a six-floor building in front of the plot and a three-floor building in the rear is anticipated. It is anticipated that there will be of 14 flats, 1 commercial premise, 3 office premises in the structure; parking should have a capacity of 24 parking spaces. The total expected investment in this project is EUR 3,5 million in total.

A project called “**Lightpark**” in Bratislava is also part of the portfolio of the Arca Group. It is a commercial space, a three-floor building with one underground floor, with the entrance from the busy Račianská street. The shops are designed as open-plan shops, which, however, can be flexibly adapted to the requirements of tenants. Lightpark offers 5,000 sq. metres of retail space and parking in the basement with a capacity of 65 parking spaces. There are currently 20 shops, 2 architectural offices and an Italian restaurant there in Lightpark.

The portfolio of the Arca Group also includes **Palác Bellevue** in the centre of Prague, on the Smetana Embankment, with a view of the Prague Castle. Bellevue Palace was built in the 19th century in the style of the Dutch Renaissance and is a unique property in Prague. It is also known for its history – before the war, the famous painter Oskar Kokoschka had his studio there, later he was replaced by another exceptional artist, Jiří Trnka. The Arca Group expects to invest CZK 750 million in this project, which is an aggregate amount, including the reconstruction costs. This property is to be converted into an apartment house where apartments would be rented (65 rooms). Bellevue Palace is not the only historic property in the capital of the Czech Republic in which the Arca Group has invested. On Malá strana at **Thunovská Street**, the Arca Group is preparing an apartment housing project with apartments for rent (20 rooms). The Arca Group plans to invest a total of CZK 250 million in this project. The holder of these real estate projects in the Czech Republic is Riverland, s.r.o.

Personnel Leasing

The Arca Group also includes **Manuvia, a.s.**, which was created by merging the activities of four hitherto competing employment and personnel agencies, EXPRESS PEOPLE, Wincott People, McROY and XAWAX. This merger created the largest provider of personnel leasing services to manufacturing companies and enterprises in the Slovak Republic and the Czech Republic with more than 12,000 employees. Manuvia, a.s., is a holding company associating personnel agencies providing mainly agency employment services. The main specialisation of the Manuvia group is the temporary

assignment of workers to manual positions, especially in the automotive, electrical engineering and logistics industries. Unlike other temporary employment agencies, the Manuvia group relies primarily on efficient and sophisticated domestic and foreign recruitment focusing not only on EU countries (Slovakia, possibly the Czech Republic, Poland or Romania), but the Manuvia group also provides work for people from non-EU countries such as Serbia or Ukraine. The Manuvia group has numerous accommodation and transport capacities of its own, which it uses as and when necessary to support the group's agency employment. For this reason, the Manuvia group has 6,000 beds available in high-quality hostels directly in large industrial areas where it accommodates its agency workers. The mobility of agency workers is facilitated by a fleet of buses, with 80% of this transport capacity being provided free of charge to agency workers. The Manuvia group has 26 liaison offices.

Tourism

The Arca Group's portfolio also includes the project "**Areál GOTHAL – Liptovská Osada, ubytovací a športový areál**", which is carried out by YVEX, s.r.o. and Gothál Residence, a.s. This is a project situated in the village of Liptovská Osada, on the border of the Low Tatras and Great Fatra National Parks, between Donovaly and Ružomberok. The GOTHAL complex is built with an emphasis on folk architecture, traditional natural materials (wood, stone, sheep's wool, herbal products) and handicraft. The GOTHAL complex has been built purposefully as two parts, an accommodation part and a sports part, which complement each other.

The first part (accommodation), which has a capacity of more than 320 beds, consists of two pensions (with double-bed rooms, rooms for the immobile persons, family rooms and two above-standard equipped apartments on a separate floor), one apartment house called Smrek (with above-standard fitting, in which there are spacious 2 to 4-bed rooms, each with a fully equipped kitchenette). The accommodation part is completed by more than 40 cottages of various types (with a capacity for 3 to 11 persons), each with a fully equipped kitchenette, living room on the ground floor and other rooms on the first floor. For visitors of the GOTHAL complex, there are three restaurants in the building Koliba Liptov (230 chairs), Vlínka and the Smrek restaurant in the Smrek apartment house (60 chairs).

The GOTHAL project is primarily purpose-built for families with children for whom various activities are provided (2 outdoor playgrounds, a children's playroom, animation programs during the holidays and public holidays, children's pool and children's castle, an ice rink with skates and equipment rental). In addition, the year-round occupancy of the GOTHAL complex should be helped by the construction of a conference and social hall called Tis, which is designed for about 200 people and is intended for multi-day training or social events. The construction of this conference hall is currently underway and its commissioning is expected in April 2020. Already today, the activities in the GOTHAL complex are being prepared in such a way that full-fledged services are also provided for participants in multi-day trainings and social events. There are trainings taking place in the complex, in the apartment house Smrek (20 people), in the building of Vodný svet (40 people) and in Koliba Liptov (10 people).

The second part of the GOTHAL complex consists of a sports complex called Vodný svet that suitably complements activities in the surrounding nature. There are currently three swimming pools in operation in the Vodný svet, a sauna world (3 saunas with a relaxation room and a cooling pool), a floating pool (simulation of the Dead Sea) and a fitness room. In the building of Vodný svet, there is a bowling alley, table football, tennis, billiards, golf simulator, fitness centre with a climbing wall available to visitors. Other activities that can be used by paying guests include a workout playground, electric bikes, ice rink with skate rental (in winter), ferrata set rental.

The portfolio of the Arca Group also includes Františkovy Lázně SAVOY a.s. that operates a spa house called the **Lázeňský hotel SAVOY ****** in Františkovy Lázně (Czech Republic), which was built at the end of the 18th century in a purely representative style of the Viennese Neo-Renaissance and is situated in the historical center of Františkovy Lázně. The main advantage of the spa house is that all procedures are provided directly in the spa house and it has its own mineral spring. The hotel has 34 double-bed rooms, 53 single-bed rooms and 6 suites and focuses on heart and vascular diseases care, musculoskeletal diseases, gynaecological diseases, provides follow-up care for oncologic diseases, digestive system treatment or nervous diseases treatment. In addition to therapeutic stays, wellness stays are also provided. Hotel Savoy **** is interesting for its overall equipment, the newly-renovated Balneocentrum provides customers with a wide selection of standard and above-standard procedures, including a swimming pool and a sauna. In 2019, the occupancy of the hotel was at 77.41%, the expected revenues for 2019 were at CZK 121 million.

Financial Sector

The Arca Group is also making efforts to establish itself in the financial sector. There are several financial intermediaries in the Arca Group that provide services in the Slovak Republic as well as in the Czech Republic. **DELUVIS s.r.o.** is one of the most important financial intermediaries providing services in the Slovak Republic. A significant investment of the Arca Group in the financial intermediation sector was the acquisition of a 50% equity stake in **Finportal, a.s.**, which operates as a broker pool structure covering a network of financial agents that provides them with the necessary technical and administrative background for their activities. Finportal, a.s. currently provides support to approximately 1,200 financial intermediaries. In the Czech Republic, the active financial intermediaries include **DELUVIS CZ, s.r.o.** with a focus on financial intermediation on the capital market, **OPEN FINANCE, a.s.**, which intermediates a comprehensive portfolio of financial products. Other financial intermediaries providing financial intermediation on the Czech market include **Porovnej 24, a.s.**, **Financial Solutions and Services, s.r.o.**, **AOF s.r.o.**

The consumer credit provider **Silverside, a.s.** and the management company **GOLDSIDE Asset Management, správ. spol., a.s.** are considered to be major financial institutions in the Arca Group. The Arca Group also holds minority interests in the Czech management company **REDSIDE investiční společnost, a.s.** and in the Austrian bank **Wiener Privatbank SE**. The Arca Group also holds a minority interest in the Hungarian company **VS-Faktor Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság**, which does business in the recovery of outstanding consumer loans.

Silverside, a.s. is part of the Arca Group and a holder of a permit to provide consumer loans without limiting the scope of the provision of consumer loans. This activity has been the core business activity of Silverside, a.s. since 2016. The company is based in Bratislava, but provides its consumer credit services throughout the Slovak Republic through a network of financial agents. Silverside provides two basic types of consumer credit: a Rozumná pôžička product and a Pôžička na refinancovanie product.

GOLDSIDE Asset Management, správ. spol., a.s. is a management company licensed by the National Bank of Slovakia to create and manage alternative investment funds and foreign alternative investment funds. It provides the investors in the Slovak Republic with the opportunity to invest in a special real estate mutual fund called **GOLDSIDE Real Estate Fund, o.p.f., GOLDSIDE Asset Management, správ. spol., a.s.** (GOLDSIDE Real Estate Fund), which is designed primarily for retail investors who want to increase their assets by investing in real estate even with a low initial investment. The management company started operating in 2020.

10.5 Dependence of the Issuer upon the Entities within the Group

The issuer is dependent on its parent company.

10.6 Trend Information

Since the date of the last published individual balance sheet of the Issuer as of 31 December 2019 prepared according to the SAS and audited by an auditor, there has been no material adverse change in its prospects.

On 27 July 2016, the Issuer issued the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds, thus entering a crisis; however, it has been fulfilling all obligations arising from the issued bonds.

The pandemic situation associated with the spread of COVID-19 and related government interventions can have a significant adverse impact on the economy as a whole, including the sectors in which the Arca Group operates, as well as the green energy sector, in which the NOVA Green Energy Fund concentrates its investments. All these circumstances may this indirectly negatively affect the Issuer and its ability to meet the obligations under the Bonds.

In addition, there are no further trends, uncertainties, demands, commitments or events known to the Issuer that would reasonably be likely to have a material adverse effect on the prospects of the Issuer.

10.7 Profit Forecasts or Estimates

The Issuer has not published any profit forecast or estimate in this Base Prospectus or otherwise.

10.8 Administrative, Management and Supervisory Bodies

The Issuer is a joint-stock company organised and existing under the laws of the Slovak Republic. The management body of the Issuer is its board of directors.

Board of Directors of the Issuer

Members of the Board of Directors

Name and surname	Title	Year of election
Ing. Rastislav Velič	Chairman	2016

The Chairman of the Issuer's board of directors is professionally qualified to perform his function. The Chairman of the board of directors has been convicted of a property crime. The Chairman of the board of directors does not conduct any business or activities outside the Issuer that would be material with regard to the Issuer's activities.

The Issuer has no knowledge of any conflict of interests among the members of its supervisory board and the Chairman of its board of directors in relation to their obligations vis-à-vis the Issuer and their private interests or other obligations. Members of the supervisory board and the Chairman of the board of directors represent the holding company Arca Investments, a.s., on the supervisory boards and boards of directors of companies belonging to the Arca Group. The business address of all members of the supervisory board and the board of directors of the Issuer is Plynárenská 7/A, 821 09 Bratislava.

Supervisory Board of the Issuer

The supervisory board is the supreme control body of the Issuer. It has three members elected and removed by the general meeting. A member of the supervisory board may only be a natural person who may not simultaneously be a member of the board of directors, a proxy or a person authorised to act on behalf of the Issuer pursuant to a record in the commercial register. The founder or the shareholders of the Issuer appointed the persons listed below as the Chairman of the supervisory board and its members.

Members of the Supervisory Board of the Issuer

Name and surname	Title	Year of election
Ing. Henrich Kiš	Chairman	2016
Oto Bachratý	Member	2016
Ing. Juraj Koník	Member	2018

All of the members of the Issuer's supervisory board are professionally qualified to perform their functions. None of them has been convicted of a property crime. None of the members of the supervisory board conducts business or activities outside the Issuer which would be material with regard to the Issuer's activities.

Conflicts of Interests of Administrative, Management and Supervisory Bodies

The Issuer is not aware of any potential conflict of interests between the obligations of members of the statutory body and members of the supervisory board to the Issuer and their private interests or other obligations.

10.9 Principal Shareholder

Control of the Issuer

The controlling person and direct owner of a 100% interest in the Issuer is Arca Capital Slovakia a.s., which is thus the controlling person and the direct owner of a 100% interest in the registered capital and voting rights in the Issuer. The Issuer is not aware of any mechanisms or arrangements that could result in a change in control of the Issuer. The control mechanisms for exercising the shareholder rights and measures to ensure the elimination of any misuse of these rights result from generally binding legal regulations.

Agreements that may Result in a Change in Control of the Issuer

The Issuer is not aware of any mechanisms or agreements that could result in a change in control of the Issuer.

10.10 Financial Information Concerning the Assets and Liabilities, Financial Situation and Profits and Losses of the Issuer

For the years ended 31 December 2018 and 31 December 2019, the Issuer has prepared individual financial statements prepared in accordance with the SAS. These individual financial statements of the Issuer were audited by the auditors. The auditor's reports are attached to the Issuer's financial statements.

This financial data of the Issuer is available in a designated part of the Issuer's website (www.novagreenfinance.eu).

10.11 Legal and Arbitral Proceedings

The Issuer has never been a party to any administrative, judicial or arbitral proceedings that could or would have a material impact on the Issuer's financial situation or profitability, and the Issuer is not aware that such proceedings might be threatened.

10.12 Significant Change in the Issuer's Financial Position

Since 31 December 2019, i.e. the date on which the last audited individual financial statements were prepared, there has been no adverse change in the financial or business situation of the Issuer that would have a material adverse effect on the financial or business situation, future operating results, cash flows or the overall prospects of the Issuer.

For the sake of completeness, the Issuer wishes to state that on 27 July 2016, the Issuer issued the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds and it has been fulfilling all obligations arising from those bonds.

The total subscription price of the subscribed-for NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds is cumulatively approximately EUR 39.4 million, which means that the ratio of the Issuer's net assets to its liabilities is less than 8 to 100 and the Issuer is thus in crisis. This situation is evident from the ratio of the Issuer's

net assets and liabilities in the amount stated in the Issuer's audited individual financial statements as at 31 December 2019.

10.13 Material Contracts

As of the date of this Base Prospectus, the Issuer has entered into a financial assistance agreement with Arca Capital Slovakia, a.s., a company of the Arca Group, in which it has undertaken to provide part of the net proceeds from the Bond issue in the form of an interest-bearing loan.

On 27 July 2016, the Issuer issued the NGF EUR 2021 I Bonds, the NGF EUR 2026 I Bonds and the NGF CZK 2021 I Bonds and it has been fulfilling all obligations arising from those bonds.

It is anticipated that the Issuer will enter into loan agreements with companies of the Arca Group under which it will provide a part of the proceeds from each issue of the Bonds in the form of an interest-bearing loan. The Issuer is not anticipated to enter into any other agreement that could give rise to a liability or claim of any member of the Arca Group that would be material to the Issuer's ability to meet its obligations to the Bondholders.

10.14 Additional Information

Registered Capital

The Issuer's registered capital in the amount of EUR 25,000 consists of 50 ordinary registered physical shares with a principal amount of EUR 500 per share. As of the date of this Base Prospectus, the Issuer's registered capital has been paid in full. The transferability of shares is limited in the manner set out in Article 12 of the articles of association.

Constitutional Document and Articles of Association

The Issuer has been established by the foundation deed dated 4 May 2016. On 4 May 2016, the Issuer issued its articles of association. The current wording of the articles of association is dated 24 September 2019.

11. DESCRIPTION OF THE NOVA GREEN ENERGY FUND

Because a significant part of the funds raised by the Bonds issues will be used to invest in the NOVA Green Energy Fund, SICAV, a.s. and its sub-fund NOVA Green Energy – podfond 1, the Issuer provides key information about this fund in this part of the Base Prospectus in order to inform the Bondholders.

The NOVA Green Energy Fund, SICAV, a.s. is a fund of qualified investors with one sub-fund NOVA Green Energy – podfond 1 (NID: 087 89 622), which issues investment shares without a principal amount, within two classes (growth and dividend) and two currency classes of investment shares (CZK and EUR) (the **Fund** or the **Sub-fund**):

Growth investment shares A: CZK class: ISIN CZ0008044807

EUR class: ISIN CZ0008044815.

Dividend investment shares A: CZK class: ISIN CZ0008044823

EUR class: ISIN CZ0008044831.

The product manufacturer, manager and administrator of the Fund is the investment company REDSIDE investiční společnost, a.s., Identification No.: 242 44 601, with its registered office at V Celnici 1031/4, Prague 1 (**REDSIDE**). The Fund's depositary is UniCredit Bank Czech Republic and Slovakia, a.s.

The product is an investment fund of qualified investors with variable capital (SICAV) with one Sub-fund.

The investment objective of the Fund is the permanent appreciation of the funds invested by the shareholders of the Fund, especially by direct or indirect investments in new projects and the development of business plans, especially in the field of green energy. These investments focus on the segment of smaller and medium-sized enterprises engaged in the generation of electricity and heat, primarily from renewable sources (photovoltaic, wind and hydropower, biomass and others). The investment income will be largely derived from interest on loans and a share in the profits of the project and business plan.

As an additional type of investment, the fund will invest in investment instruments of domestic and foreign financial markets, including special-purpose loans for renewable energy projects and corporate bonds. Profits from the Fund's portfolio will also be further reinvested or paid out as dividends, in line with the investment objective.

The Fund was established in 2013 for an indefinite period of time. On 1 January 2020, the legal form of the fund was changed from an open-end unit trust to an investment fund with a variable capital with one sub-fund.

The fund is intended for qualified investors with previous knowledge in the field of investment. The investment is conservative with a long-term investment horizon.

The risk associated with the Fund is lower because the value of the Fund depends on the development of operating parameters of individual energy projects, the returns of which are guaranteed by the state (Czech Republic). The costs of projects consist of debt service and operating costs, such as service and maintenance, repairs, insurance, rental of land, etc.

This investment fund does not include any protection against future fluctuations in market performance; investors might lose part or all of their investment. Past performance is no guarantee of future performance.

Legally and in books, the assets of the Fund are separated from the assets of REDSIDE and other funds (and, where applicable, their sub-funds). If REDSIDE's license to manage the Fund has been withdrawn, the management would be transferred to another investment company or the Fund would be wound up and liquidated; REDSIDE would be obliged to pay out the current value of the investment. If REDSIDE is bankrupt, the insolvency administrator will arrange for the transfer of the Fund's management to another investment company or the liquidation of the Fund.

The redemption of investment shares may be suspended in accordance with law and the Fund's statute for no more than 3 months. REDSIDE shall immediately inform the CNB of the suspension and publish the information at www.redsidefunds.com. Liabilities between an investor and the Fund and REDSIDE are not covered by a system of compensation or guarantees for investors.

The recommended product holding period is 5 years or more. The minimum recommended investment holding period is 3 years.

The statutes of all funds are available at www.redsidefunds.com.

The information on the website www.redsidefunds.com is not included in the Base Prospectus by reference.

12. TAXATION

The tax legislation of the Member State of registration of the investor and of the Member State of registration of the Issuer may affect the income from the Bonds.

The Bondholders are recommended to consult the provisions of the applicable legal regulations with their own advisors, in particular as regards tax and foreign exchange regulations and regulations regarding social and health insurance applicable in the Slovak Republic and in the countries of their residence, as well as in the countries in which the income on the holding and sale of the Bonds may be subject to tax, and the consequences of their applicability. This applies in particular to investors in the public offering of the Bonds in the Czech Republic and Austria for whom the relevant double taxation treaties are also particularly relevant.

The Issuer will not provide the Bondholders with any compensation or gross-up in connection with any tax withholding.

The following summary includes general information regarding the current tax and payment matters of the Slovak legal regulations relating to the acquisition, ownership and disposal of the Bonds applicable in the Slovak Republic as of the date of this Base Prospectus and does not purport to be a comprehensive description of all of its aspects. The information provided is subject to change in the applicable legal regulations that may become effective after the date of this Base Prospectus. This summary does not describe any tax and payment matters under the laws of any other country than the Slovak Republic.

Act No. 595/2003 Coll. on Income Tax, as amended (the **Income Tax Act**), is the key regulation in the Slovak tax system: According to the Income Tax Act:

- interest on the Bonds realised by a tax payer with limited tax liability (the **Tax Non-resident**) not engaged in business through a permanent establishment in Slovakia is not subject to income tax in the Slovak Republic;
- interest on the Bonds realised by a tax payer with unlimited tax liability (the **Tax Resident**) that is an individual, a taxpayer not incorporated or established for business purposes or the National Bank of Slovakia is subject to income withholding tax. Pursuant to the Income Tax Act, the income is subject to a withholding tax at the rate of 19%;
- interest on the Bonds realised by a Tax Resident that is a legal entity, is not subject to income withholding tax; however, it forms part of the tax base of such taxpayer. The tax rate of 21% shall be applied to a legal entity for the taxation of its tax base.
- interest on the Bonds realised by a Tax Non-resident engaged in business through a permanent establishment in Slovakia may be subject to a tax rate of 35%, as applicable; the tax guarantee shall be made by a taxpayer that makes, remits or credits the payments to the given taxpayer.

With regard to a Tax Resident who is an individual, the Bonds are subject to withholding tax at source, and the Issuer is obliged to withhold the tax, except for cases where the Bonds are held for such person by a securities broker as a client; in such a case, this securities broker is obliged to withhold the tax. In individual cases, an income on the Bonds may arise without the tax from it being subject to tax withholding and the income is included in the tax base of an individual (e.g. the Bonds purchased on the secondary market or an income arising on the maturity of a security calculated from the difference between the principal amount of the security and an issue price on its issuance date). A taxpayer not incorporated or established for business purpose or the National Bank of Slovakia are also obliged to withhold the tax in respect of the taxpayer not incorporated or established for business purpose or the National Bank of Slovakia.

Pursuant to Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC of automatic exchange of information (DAC2) and pursuant to agreement entered into between the Slovak Republic and the United States of America to improve compliance with international tax legislation, which were implemented to the Act No. 359/2015 Coll. on automatic exchange of financial account information for purposes of tax administration, amending and supplementing certain Acts, the Issuer reports to the local tax administrator selected information about clients of EU Member States and clients of other selected countries including the USA for the previous year, annually by 30 June of the respective year.

Income from the sale of the Bonds realised by a legal entity being a Slovak Tax Resident or a permanent establishment of a Tax Non-resident is included in the general tax base subject to the relevant corporate income tax rate. In general, losses from the sale of the Bonds calculated on a cumulative basis for all Bonds sold in an individual tax period are not recognisable for tax purposes, except for specific cases stipulated by law (e.g., loss from the sale of the Bonds is recognisable for tax purposes if it is not higher than the yield on the Bonds included in the tax base until its sale or redemption).

Generally, income from the sale of the Bonds realised by an individual being a Slovak Tax Resident or a permanent establishment of a Tax Non-resident is included in the standard personal income tax base. Potential losses from the sale of the Bonds cannot be treated as recognisable for tax purposes. If an individual has held the Bonds at the time of their sale for more than one year and the period of time between their admission to a regulated market or a similar foreign regulated market and their sale exceeds one year, the income from the sale shall be exempt from income tax, except for income from the sale of the Bonds that were the business property of the individual.

Generally, the income from the sale of the Bonds realised by a Slovak Tax Non-resident coming from a Slovak Tax Resident or a permanent establishment of the Slovak Tax Non-resident is subject to the applicable income tax rate, unless the international double taxation treaty entered into by the Slovak Republic provides otherwise.

The income on the Bonds owned by individuals with mandatory health insurance in the Slovak Republic should not be subject to health insurance contributions. In special cases, an income on the Bonds may arise that will be subject to health insurance contributions (e.g. a bond purchased on the secondary market or an income arising on the maturity of a security calculated from the difference between the principal amount of the security and the issue price on its issuance date). Each Bondholder must assess its own potential obligations in this field under the relevant legislation, including the applicable transitional provisions.

[This page is intentionally left blank.]

ISSUER

Nova Green Finance, a. s.
Plynárenská 7/A
821 09 Bratislava – mestská časť Ružinov
Slovak Republic

LEADING FINANCIAL INTERMEDIARY

Arca Brokerage House o.c.p. a.s.
Plynárenská 7/A
824 63 Bratislava
Slovak Republic

FINANCIAL ADVISOR, ADMINISTRATOR AND LISTING AGENT

Slovenská sporiteľňa, a.s.
Tomášikova 48
832 37 Bratislava
Slovak Republic

LEGAL ADVISOR

Allen & Overy Bratislava, s.r.o.
Eurovea Central 1, Pribinova 4
811 09 Bratislava
Slovak Republic

AUDITOR OF THE ISSUER

FS consulting, s.r.o.
Cintorínska 21
811 08 Bratislava
Slovak Republic