

Securities prospectus dated 27 February
2024

FVE Systems, s.r.o.

(company registered in the Slovak Republic)
Bond programme of up to EUR 100 000 000

FVE Systems, s.r.o., with registered office at Grösslingova 52, Bratislava - Staré Mesto 811 09, Slovak Republic, ID No.: 54688264, LEI: 3157007EM1C8DVKJE163, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: s.r.o., 161813/B (hereinafter referred to as the "**Issuer**") approved on 07.03.2024 a 10-year offering programme for the issuance of bonds with a total nominal value of up to EUR 100,000,000 (hereinafter referred to as the "**Programme**"), under which the Issuer may continuously or repeatedly issue individual issues of bonds in the total volume or in tranches, which will be further specified in the Final Terms and Conditions, including the currency of issue, in accordance with the laws of the Slovak Republic in the form of certificated securities in registered form or book-entry securities in bearer or registered form (hereinafter referred to as the "**Bonds**" and each individual issue of Bonds issued under the Programme hereinafter referred to as the "**Issue**"). The aggregate nominal value of all outstanding Bonds issued under the Programme shall not at any time exceed EUR 100,000,000 (or the equivalent in a foreign currency).

This document prepared by the Issuer constitutes the base prospectus for the Bonds issued under the Programme (the "**Prospectus**" or the "**Base Prospectus**") and has been prepared pursuant to (a) 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**"), (b) Commission Delegated Regulation (EU) 2019/979 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, (c) Commission Delegated Regulation (EU) 2019/979 of 14 June 2017 on the Prospectus Regulation, (d) Commission Delegated Regulation (EU) 2019/979 of 14. March 2019 supplementing the Prospectus Regulation as regards regulatory technical standards on key financial information in the summary of the prospectus, publication and classification of prospectuses, securities advertisements, supplements to the prospectus and the notification portal and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, and (e) Commission Delegated Regulation (EU) 2019/980 of 14. March 2019 supplementing the Prospectus Regulation as regards the format, content, review 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 **Delegated Prospectus Regulation**"). This Prospectus has been prepared in accordance with the requirements for the content of the Prospectus set out in Annex 6, Annex 14 and Annex 22 of the Delegated Prospectus Regulation.

This Base Prospectus contains common information regarding the Notes and the terms of the

offering. For each individual issue of the Bonds, the Issuer shall prepare, submit to the National Bank of Slovakia (the "NBS") and publish a separate document marked Final Terms (the "Final Terms") prior to the commencement of the offering. The Base Prospectus contains all material information pursuant to applicable generally binding legislation for each individual issue of the Bonds. The Final Terms will set out those parameters of the issue and the terms and conditions of the issue of the Bonds of each Issues that are not known at the time of the preparation of this Base Prospectus or are listed in the Base Prospectus in more than one variant.

Each individual issue of Bonds will be offered within the EU countries. The specific country/countries will be specified in the Final Terms. This Prospectus and any amendment thereto will be notified by the National Bank of Slovakia to the relevant EU regulator at the request of the Issuer prior to the commencement of the public offer.

The Base Prospectus was drawn up on 27.02.2024, as at the date of the Base Prospectus, unless otherwise stated. The Base Prospectus is valid for a period of 12 months from the date of its approval by the NBS for the purposes of the public offering, subject to updating. At any time during the term of the Base Prospectus, an amendment to the Base Prospectus (the "**Amendment**") may be prepared and submitted to the NBS for approval in connection with its updating. Once approved, the Supplement will be published in the same manner as the Base Prospectus.

Prior to the expiry of the Base Prospectus, the Issuer shall, in sufficient time, apply to the NBS for approval of a new Base Prospectus, which shall be published in the same manner as this Base Prospectus. This Base Prospectus will expire when the new Base Prospectus is approved by the NBS and subsequently published by the Issuer. In such event, the new Base Prospectus will also cancel and replace this Base Prospectus in its entirety. The purpose of the above provisions is to ensure that in cases of a public offering, each individual Issue of Bonds is always made on the basis of a valid and up-to-date Base Prospectus.

Investing in the Bonds involves risks. Prospective investors should take into account the risks described in Article 2. of this Base Prospectus "Risk Factors".

The Base Prospectus was approved on 7 March 2024 by the National Bank of Slovakia, the competent authority of the Slovak Republic pursuant to Section 120(1) of Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments and Additions to Certain Acts, as amended (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 base prospectus is valid until 7 March 2025. The obligation to supplement the prospectus in the event of new material factors, material errors or material inconsistencies does not apply where the prospectus is no longer valid.

In Bratislava, on 27.02.2024

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1 GENERAL DESCRIPTION OF THE PROGRAMME

This summary constitutes a general description of the Programme for the purposes of Article 25(1)(b) of the Delegated Prospectus Regulation.

Issuer:	FVE Systems s.r.o., with registered office at Grösslingova 52, Bratislava - Staré Mesto 811 09, Slovak Republic, ID No.: 54688264, LEI: 3157007EM1C8DVKJE163, registered in the Commercial Register of the Municipal Court Bratislava III, section: s.r.o., insert number: 161813/B, implements the Programme on the basis of its approval by the statutory body, the managing directors of the Issuer.
Type of security:	Bond.
Form of Bonds:	The bonds will be issued in certificated or book-entry form. No global certificates, definitive certificates or coupons will be issued in respect of the Notes.
Form of Bonds:	The certificated bonds will be issued in registered form. Book-entry bonds will be issued in bearer/ registered form.
Nominal value of one bond:	Bonds may be issued at a nominal value equal to or greater than EUR 1,000, up to a maximum of EUR 100,000 as specified in the relevant Final Terms.
Issue Rate/Interest Rate:	The bonds will be issued at an issue price that is lower than their face value, ranging from 50% to 95%. The Issuer may specify in the Final Terms that the Bonds shall bear interest at a fixed rate. The frequency of payment and the date of the first payment of interest income will also be determined.
Currency:	The Bonds will be denominated in EUR, CZK or another currency set out in the relevant Final Terms.
Country of public offering:	The bonds will be offered in EU countries.
Due dates:	The Notes will have the maturity periods specified in the relevant Final Terms, subject to such minimum or maximum maturity periods as may be permitted or required by the relevant central bank (or equivalent authority) or any laws or regulations applicable to the Issuer.
Method of issuing bonds:	Individual issues of Bonds may also be issued by the Issuer in parts (tranches) in accordance with the relevant provisions of applicable law, if so specified in the Final Terms.

Risk factors:	There are certain factors that may affect the Issuer's ability to meet its obligations under the Bonds issued under the Programme. In addition, there are certain factors that are material for purposes of assessing the market risks associated with the Notes and risks relating to legal aspects or other features of the Notes issued under the Programme. These factors are referred to in Article 2. " <i>Risk Factors</i> " of the Prospectus.
Description:	A debt securities issuance programme of up to EUR 100,000,000 under which the Issuer is authorised to issue unsubordinated Bonds from time to time or repeatedly to corporate, retail and professional investors who intend to invest available funds, on the basis of the information described in this Base Prospectus, as amended by any subsequent Supplements and the Final Terms. In each case, all Bonds will be issued in accordance with the legislation in force.
Duration of the Programme:	The Programme shall last for a period of 10 (in words: ten) years from the approval of the Programme by the statutory body (directors) of the Issuer, i.e. from 7 March 2024 to 7 March 2034.
Warranties:	Under the Final Terms, security may be provided, in particular in the form of a surety bond or pledge (in which case the entity of the Security Agent will also be designated, who will be in the position of a pledgee).
Administrator (lead manager, listing agent, calculation agent):	The activities of the Administrator shall be provided by the Issuer on its own. However, the Issuer may, for specific issues, delegate the performance of the above activities to an Administrator authorised to perform such activity (hereinafter referred to as the "Administrator").
Programme volume:	The aggregate nominal value of all outstanding Bonds issued under the Programme shall at no time exceed EUR 100,000,000.
Distribution:	The Bonds will be offered in the form of a public offer within the EU countries through the Issuer or other financial intermediaries, as the case may be.
Proceeds of the Bonds:	The Bonds will be issued (a) at a fixed rate of interest determined in accordance with the Final Terms, or (b) as zero interest rate bonds and their yield is determined by the difference between the nominal value of the Bonds and their issue odds.
Redemption:	The Issuer shall have the right (but not the obligation) at any time prior to the Maturity Date of the Nominal Amount to redeem any of the Bonds in the secondary market at any market price.

<p>Early redemption at the option of the Issuer:</p>	<p>The Issuer does not have the right to request early redemption of Bonds of a particular Issue unless specified in the relevant Final Terms. If such right of early redemption is specified in the relevant Final Terms, the Issuer will be entitled to redeem early all (but not only some) of the Bonds of the selected Issue, provided that the conditions set out in the Final Terms are met.</p> <p>If specified in the Final Terms, the Issuer shall be entitled to prepay all (but not only some) of the Bonds of the selected Issue if, in the reasonable opinion of the Issuer, the Issue ceases to meet the criteria for the use of funds or it ceases to be possible to comply, in whole or in part, with the additional information obligations set out in the Final Terms.</p> <p>conditions.</p>
<p>General terms and conditions and estimated timetable of the offer:</p>	<p>The expected total issue volume of all Bonds (i.e. the highest amount of nominal values) is EUR 100,000,000. The nominal amount of the Bonds will be in the smallest amount of EUR 1,000 up to EUR 100.000. All Bonds will be issued under the laws applicable in the territory of the EU and any rights and obligations under the Bonds will be governed by and construed in accordance with the laws of the Slovak Republic. There are no pre-emption, exchange or other rights attached to the Bonds, except as set out in the Terms and Conditions of Issue. The issue price is set between 50% and 95% of the nominal value of the Bonds. The yield on the Bonds is determined by the Issuer as the difference between the nominal value of the Bonds and the issue price of the Bonds. The Issuer may specify in the Final Terms that the Bonds shall bear interest at a fixed rate.</p> <p>The issue will be issued on a rolling basis.</p> <p>The Issuer has not set a minimum level of success of the Issue and therefore the Issuer is entitled to issue individual Issues of Bonds in a smaller volume than the highest amount of nominal values of the Bonds in a particular Issue, in which case the particular Issue will be deemed to be a successful Issue.</p> <p>There are no pre-emption, exchange or other rights attached to the Bonds, except as set out in the Final Terms.</p>

<p>Acceptance for trading:</p>	<p>The Issuer may apply for admission of the Bonds to trading on the regulated open market of the Bratislava Stock Exchange, a.s. ("BSE") or on the regulated market of Burza cenných papírů Praha, a.s. ("BCPP"), which are regulated markets for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID II"), in accordance with the laws and rules of the relevant stock exchange. However, no assurance can be given that the BSE or the CSE will admit the Bonds to trading. The details of the regulated market to which the application for admission to trading will be made will be set out in the relevant Final Terms.</p>
<p>Governing law:</p>	<p>The Bonds and any rights and obligations under the Bonds shall be governed by and construed in accordance with Slovak law Republic.</p>

2 RISK FACTORS

Any person interested in investing in the Bonds should read this Prospectus as a whole. The information provided by the Issuer in this section for consideration by those interested in investing in the Bonds, as well as other information contained in this Prospectus, should be carefully evaluated by those interested in investing in the Bonds before making a decision to invest in the Bonds.

The purchase and ownership of the Bonds involve a number of risks, the most significant of which are set out later in this chapter. The risk factors set out in this chapter are ranked according to their significance, likelihood of occurrence, severity and the expected extent of their adverse impact on the Issuer's business. The risk factors below are categorised according to their nature and are listed only in a limited number. Within each category, the most significant risk factors are listed first. The following summary of risk factors is not exhaustive, is not a substitute for any professional analysis and is in no way an investment recommendation. The Issuer recommends that all prospective investors discuss their investment in the Bonds with their financial, tax or other advisers before making such investment.

2.1 Risk factors related to the Issuer

The Issuer's business is affected by various risk factors. The risk factors set out below represent the most significant risk factors that may adversely affect the Issuer's financial and economic condition, business and ability to meet its obligations under the Bonds.

2.1.1 Risks relating to the Issuer's financial position

2.1.1.1 Risk of dependence of the Issuer on the business of subsidiaries

The Issuer is a company without a long business history. The Issuer was established for the purpose of carrying out business activities, primarily energy development, management and financing of its projects as well as projects of its subsidiaries or newly established subsidiaries over which the Issuer has/will have ownership and/or management control. The purpose of the Issue is to finance new construction and development of photovoltaic power plant projects both in Slovakia and in the Balkans. Priority will be given to photovoltaic projects across Europe. Thus, the funds will be used to purchase projects, land as well as completed projects for construction, as well as to obtain all relevant permits for the construction of photovoltaic power plants and their connection to the power distribution grid, both by the Issuer and the Issuer's subsidiaries, which would finance this with loans provided by the Issuer. The Issuer's business is therefore also to provide financing for these projects, carried out through its subsidiaries, in particular in the project preparation and construction phase. The Issuer's main sources of income, in addition to income from its own activities, are: a) income from dividends from subsidiaries, which

(b) proceeds from increased refinancing of bank loans (e.g. refinancing of a construction loan into an investment loan), (c) proceeds from the sale of subsidiaries after successful completion of projects and proceeds from the sale of assets of subsidiaries. The Issuer's financial position and its ability to meet its obligations under the Bonds are also dependent on the ability of the aforementioned subsidiaries to generate cash flow and profit. Accordingly, if those subsidiaries are unable to generate the expected returns, the Issuer's ability to meet its obligations under the Bonds to the Bondholders may be adversely affected. The provision of financing by the Issuer to the Subsidiaries is therefore subject to a number of risks and there can be no assurance that the Subsidiaries will always be able to generate sufficient proceeds and that the Issuer will thereby obtain cash in time to enable it to meet its obligations to the Bondholders.

For the foregoing reason, all of the circumstances and risk factors described below in this Prospectus also apply to the individual Subsidiaries in question, which could adversely affect the business of such Subsidiaries, their results of operations and financial condition and, consequently, their ability to repay their obligations to the Issuer and, as a result, the Issuer's ability to repay its obligations under the Bonds.

Currently, the Issuer has the following subsidiaries (which, as part of their acquisition activities, are expanding their assets and applying for connection of PV power plant connections, which, once approved, will be converted into PV parks that will generate electricity and sell it, generating revenues and profits, and thus a return on repayment of liabilities to the Issuer):

a) companies based in Serbia:

- PV ST 1 d.o.o , ID: 112892879 (issuer has 50% share), Bratinac - 10 MWp - connection approved,
- PV PLANT 1 d.o.o., ID No.: 111832532 (issuer has 50% share), Adaševci - 7,3 MWp - connection approved,

b) companies based in Bosnia and Herzegovina:

- Green AMED US d.o.o., ID No.: 4263895000006 (issuer has 50% share), i) Bara - 4 MWp - connection approved, ii) Gorni Petrovci - 2 MWp connection approved, iii) Obljaj - 4 MWp - connection approved,
- FVE ZP d.o.o., ID: 4263905590001 (issuer has 100% share), Ilijaš - 12 MWp pending approval of connection,
- FV SM d.o.o., ID No.: 4263905670005 (issuer has 100% share), i) Gradačac 1 - 1,9 MWp Total Annual Production: 3,197,093 MWh - pending approval of the connection,
ii) Gradačac 2 - 1.5 MWp Total Annual Production: 1,763,952.27 kWh - pending connection approval, iii) Zenica - 3.96 MWp Total Annual Production: 4,576,614.60 kWh - pending connection approval

c) Personally related company based in the Czech Republic:

- Green Energy Systems s.r.o., ID No.: 193 84 262 (50% owned by Marcel Kamon and 50% owned by Martin Štric).

Currently, the Issuer has personnel related companies:

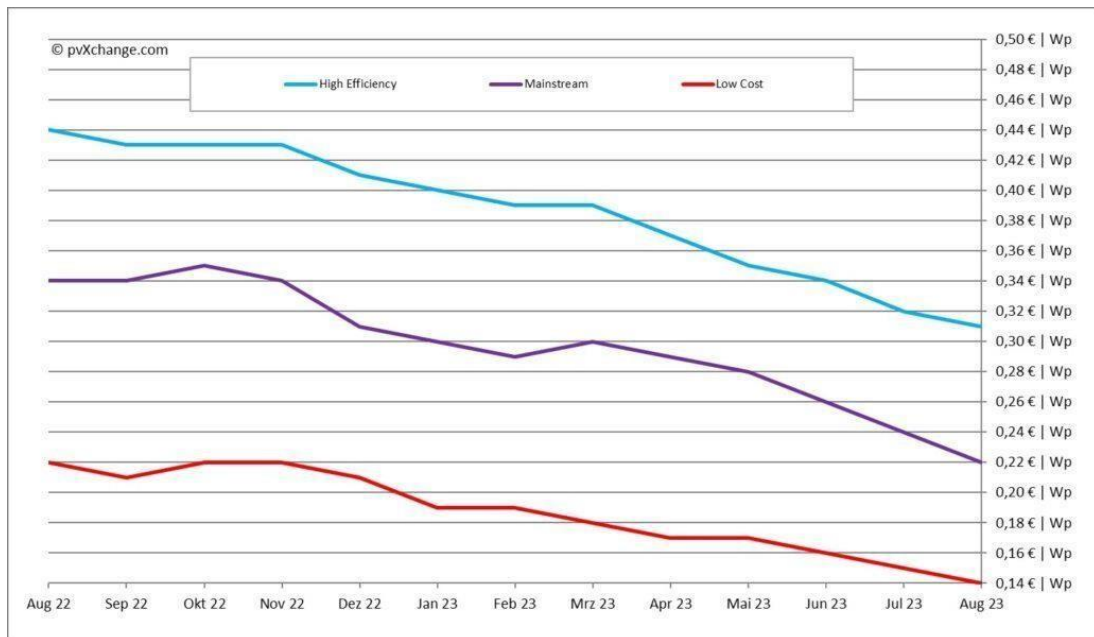
- ECO CLEAN POWER, s.r.o., ID No.: 55 096 395.

2.1.1.2 Rising prices of building materials and components

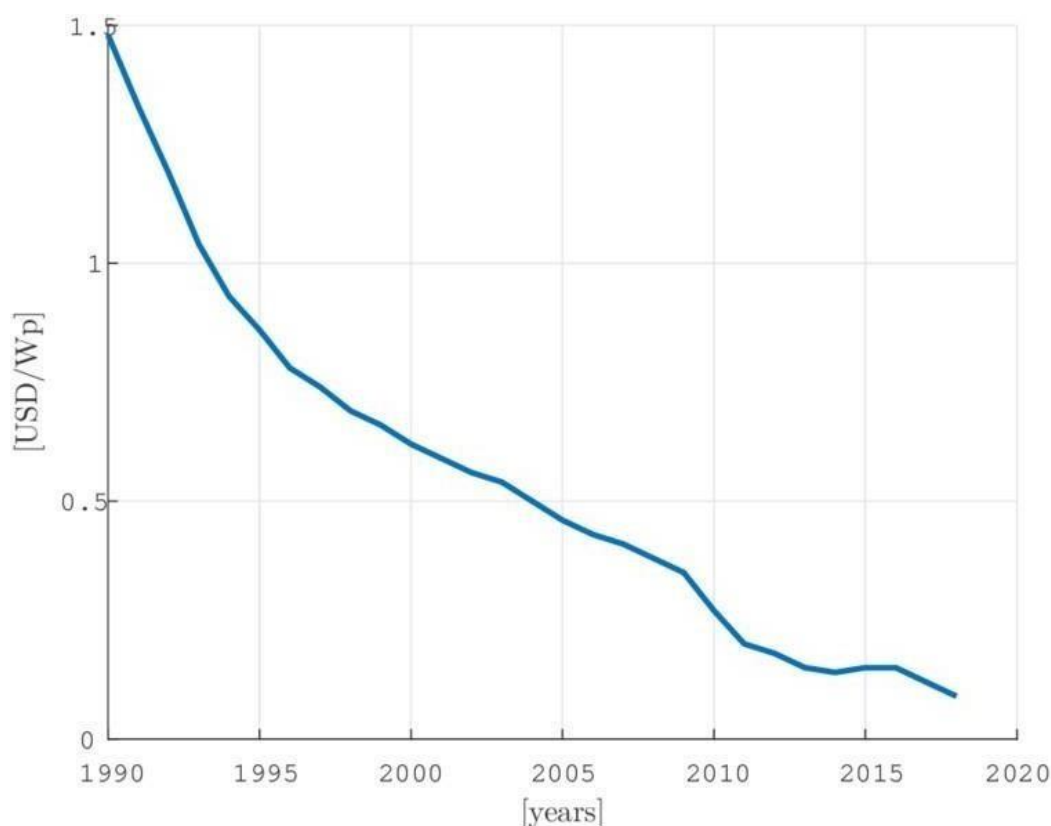
The Issuer uses various types of components and construction raw materials and materials in the execution of its projects under construction, the prices of which may vary quite significantly, which may have a negative impact on the development of the Issuer's profit margins and its operating results, while the cost of securing input price fixing from suppliers may cause the Issuer to incur additional costs. The Issuer operates in an industry that is directly dependent on the prices of components, construction raw materials and materials, which are determined in the international market and any increase in the prices of such raw materials and raw materials may affect the Issuer's financial condition. Similarly, a shortage of one or more materials or raw materials, a failure of individual supply chains or an increase in prices may adversely affect the Issuer's financial condition and its ability to meet its obligations under the Bonds.

PV panel prices have been declining through 2023, and are projected to increase slightly

through 2024. PV panel price development - source pvXchange.com



The Issuer expects a similar development in the case of inverter prices.



2.1.1.3 Risk of rising interest rates

The Issuer as well as its subsidiaries are exposed to the risk of rising interest rates, as they also use bank financing for the implementation of their projects. The interest rates on bank financing are composed of the base rate and the bank's margin. The long-term development of interest rates in the market in which the Issuer and its subsidiaries operate depends on the policies of the European Central Bank ("**ECB**"). In 2022, we have seen high inflation as well as rising interest rates in the European Union and therefore in the Eurozone.

	EURIB OR in %						
Period	2.1.2017	2.1.2018	2.1.2019	2.1.2020	4.1.2021	3.1.2022	2.1.2023
12-month	-0.083	-0.186	-0.121	-0.248	-0.502	-0.499	3.414
6-month	-0.220	-0.271	-0.238	-0.323	-0.532	-0.539	2.732
3-month	-0.318	-0.329	-0.310	-0.379	-0.546	-0.570	2.162
1-month	-0,210	-0,368	-0,362	-0,436	-0,570	-0,576	1.883

Source : <https://www.emmi-benchmarks.eu/benchmarks/euribor/rate/>

The Issuer anticipates that, in conjunction with the persistently high inflation in the Eurozone as well as across the European Union, there will be a continuation of increases in these rates in the near term in order for the ECB to stabilise and reduce current inflation through monetary policy. At the same time, the Issuer does not exclude that in the following periods, when inflation in the Eurozone slows down and decreases, the ECB will change its monetary policy and interest rates in the financial markets will start to fall again, which will subsequently be reflected in a reduction in the interest rates at which it raises cash from commercial banks to finance projects. Hedging the risk against rising interest rates in the form of hedging bank financing imposes additional financial costs on the Issuer and its subsidiaries.

2.1.1.4 Risk associated with energy consumption and prices

The Issuer's revenues and profits are significantly dependent on the energy off-take and the prices at which the Issuer provides the energy. These factors are influenced to a large extent by the overall macroeconomic prosperity and demand for energy as well as by the national policies of the countries where the projects are/will be located. The Issuer plans to invest in the construction of new photovoltaic resources and energy project solutions in order to operate them thereafter. This entails a number of different administrative steps leading to the granting of licenses or permits for the generation of electricity from renewable energy sources. A major risk for the Issuer therefore arises from fluctuations in energy prices on the market. The overall payback period of the projects may fluctuate between 2 and 12 years or may have a negative impact on the Issuer's intention and expansion.

The Issuer and its subsidiaries will sell the generated electricity on the market at spot prices. The development of the spot price of energy is available e.g. on the website:

<https://eng.kurzy.cz/commodities/electricity-price-development-chart/>

2.1.1.5 Liquidity risk

Liquidity risk is the risk of short-term shortage of liquid funds to pay the Issuer's maturing liabilities, i.e. imbalance in the structure of the Issuer's assets and liabilities. Liquidity, i.e. easy access to funds, is essential to the Issuer's business, particularly in connection with the financing of the business activities of its subsidiaries. Liquidity risk includes, in particular, the risk of not being able to finance assets through instruments with the appropriate maturity and interest rate, the risk of not being able to obtain liquid assets quickly enough or in sufficient quantities and the related risk of not being able to pay maturing liabilities.

As the Issuer will have significant sources of funds as receivables from its subsidiaries, it cannot be excluded that the Issuer will face a liquidity shortage which could adversely affect its business, economic results and financial condition and, therefore

and the ability to meet the obligations under the Bonds.

2.1.1.6 Risk of bankruptcy (insolvency)

The inability of the Subsidiaries to repay funds to the Issuer may lead to the Issuer's bankruptcy (insolvency) because the Issuer, as described above under "Risk of the Issuer's Dependence on the Business of the Subsidiaries", has significant sources of funds necessary to meet its obligations (including obligations under the Notes) as receivables from the Subsidiaries. If the Issuer becomes insolvent, bankruptcy or restructuring proceedings may be commenced against it.

2.1.1.7 Risk of subordination of claims

As most of the Issuer's claims are claims against persons who are "related parties" of the Issuer, in the event of bankruptcy, restructuring or other similar proceedings in relation to the assets of such debtors of the Issuer, the Issuer's claims against such persons will be subordinated to the claims of other unrelated creditors of such persons, with the result that the Issuer's claim satisfaction rate may be very low to nil. In such an adverse situation, the Issuer's ability to repay its obligations under the Bonds may be impaired.

2.1.1.8 Risk of further indebtedness

The Issuer's acceptance of further debt financing (in connection with the intentions described in the following paragraph) (in particular through Future Bonds secured by the same Pledge) may ultimately mean that in the event of bankruptcy, restructuring, liquidation or other similar proceedings in respect of the Issuer, claims on the Bonds will be satisfied to a lesser extent than if such other debt financing had not been accepted.

The reasons for the current indebtedness of the subsidiaries and the Issuer are based on objective reasons, as the Issuer raises cash for the Group by issuing bonds and subsequently provides the cash raised in the form of loans to the subsidiaries for the implementation of projects.

2.1.1.9 Risk of crisis of the Issuer and crisis legislation

a) As of 1 January 2016, the provisions of the Commercial Code on companies in crisis entered into force. According to the provisions of § 67a et seq. of the Commercial Code shall be understood as a situation where the company is bankrupt or threatened with bankruptcy, and the company is threatened with bankruptcy if the ratio of the amount of the company's equity to its liabilities is less than 8 to 100. The Issuer is a company with a short history and, at the time of this Prospectus, without significant sales and profits.

The Issuer has been/is in crisis as a result of a significant increase in its liabilities through the issue of the Bonds, and it will be possible to verify whether the Issuer is in crisis from the Issuer's published financial statements for the following years. It will be possible to reasonably infer this from the Issuer's equity to liabilities ratio as stated in those financial statements. If the Issuer is in crisis, certain restrictions will apply, in particular with regard to the Issuer's financial transactions with its related parties referred to in § 67c et seq. of the Commercial Code, but also a special regime regarding the enforcement of creditors' rights under the Issuer's obligations secured by related parties of the Issuer. Such special regime referred to in § 67g and § 67h of the Commercial Code should be applied if the securing of the company's obligations occurs during its crisis. The regulation of the provisions contained in the Commercial Code on crisis is relatively new and the wording of the provisions appears in some respects to be vague and unclear. The above creates legal uncertainty as to their interpretation and application in practice. In the Issuer's opinion, the above provisions should be §67g and §67h of the Commercial Code should not apply in relation to the Bonds. Even if the provisions in question were to apply because of their different interpretation, in the Issuer's opinion, they should not have a material adverse effect on the ability of the Bondholders to satisfy their claims under the Bonds. However, any ignorance or lack of knowledge or misunderstanding of these rules applicable to a company in crisis may adversely affect the process of enforcing the rights of a Bondholder against the Issuer. In addition, the rules relating to a company in crisis themselves introduce additional complexity into the process. The Issuer's entry into crisis does not constitute an event of default and is not a reason for the early redemption of the Bonds. In the Issuer's opinion, the crisis provisions do not in any event (even during a crisis) prevent the Issuer from duly and timely fulfilling its obligations under the Bonds (in particular, paying the nominal value of the Bonds and the proceeds of the Bonds) to the Bondholders.

2.1.2 Risks related to the Issuer's business activities

2.1.2.1 Currency risk

The Issuer and its subsidiaries operate in countries where different currencies, not exclusively the euro ("EUR"), are used for payment and their income and expenses are equally denominated in different currencies. The Issuer issues the Bonds in different currencies, mainly in EUR and in Czech koruna ("CZK"), and is therefore indirectly exposed to currency risk in the event of significant exchange rate volatility. For example, the EUR/CZK exchange rate. The use of hedging instruments may increase or decrease the exposure to the other currency, but may not eliminate the exposure to such risk altogether. Exchange rate volatility may therefore have an adverse effect on the amount payable on a bond issued in another currency.

To illustrate, the table below shows the historical development of the CZK against the EUR.

Historical development						
Date	1.1.2019	1.1.2020	1.1.2021	1.1.2022	1.1.2023	1.1.2024
EUR/CZK	25,7167	25,4057	26,2167	24,8561	24,115	24,724

Source: National Bank of Slovakia, available at <https://nbs.sk/statisticke-udaje/kurzovy-listok/kurzovy-listok/>

In the event that a potential investor decides to invest in a Bond that is denominated in a currency other than its reference currency (i.e. the currency in which it accounts or the currency in which it measures the performance of its investments), it exposes itself to currency risk on that investment. If the investor's reference currency appreciates against the currency in which the Bond is denominated, the value of the investor's assets denominated in the equivalent of the reference currency will fall and the investor will experience a foreign exchange loss. Otherwise, it will record a foreign exchange gain. The Investor is therefore exposed to currency risk arising from an open currency position and exchange rate volatility in such a case. If it invests in a Bond denominated in its Reference Currency, the investor is not exposed to such a risk.

2.1.2.2 Overall economic situation in the business region

The business region of the Issuer and the Issuer's subsidiaries is mainly Slovakia, the Czech Republic, Romania, Serbia, Bosnia and Herzegovina, Croatia. The overall economic situation in the aforementioned project development region directly influences the economic results of the subsidiaries domiciled or doing business therein and, therefore, also the Issuer. The risk that, as a result of a significant negative change in the economic development of the countries in this region, the Issuer's economic results will also deteriorate to a greater or lesser extent cannot be excluded. The development of energy projects is a long-term process (usually takes 3 years), it may happen that unexpected legislative changes or changes in the electricity market occur between the commencement of the preparation and the moment when the project starts generating revenues. Possible changes in legislation may cause increased financial, administrative or other difficulties and prolong the return on investment, which could force the Issuer to modify its investment plan.

2.1.2.3 Risk of loss of key persons

The risk of loss of key persons represents the risk that the Issuer will not be able to sufficiently motivate and retain persons who are key to the Issuer's ability to develop and execute the Issuer's key strategies. Key Persons of the Issuer include members of the Issuer's senior management and are:

- a) Mr. Ing. Marcel Kamon, responsible for the development of the company's energy projects and development activities in the Balkan region,
- b) Mr Mgr. Peter Krištofčák, responsible for project development and administration in Bosnia

- and Herzegovina,
- c) Mr. Patrik Kupčo, responsible for project administration in Slovakia, fundraising and finance,
 - d) Mrs. Merjam Husić, responsible for administration and support to the development in Bosnia and Herzegovina,
 - e) Mr. Samil Sinanović, responsible for development in Bosnia and Herzegovina.

The departures of managers or key employees could adversely affect the Issuer's business, financial condition and results of operations, which could indirectly adversely affect the Issuer's ability to meet its obligations under the Bonds. An increase in demand over supply of skilled labour may cause an outflow of key persons and the Issuer may have to expend a greater amount of funds to retain or attract employees. This may have a negative impact on the Issuer's increased costs and, therefore, on the Issuer's results of operations.

2.1.2.4 Risk of change in the Issuer's strategy

Although the Issuer is not aware of any plans for a change in investment strategy, it cannot be excluded that a change in the current ownership structure will result in a change in the future overall strategy of the Issuer.

2.1.2.5 Risk of litigation

In the event of legal or arbitration proceedings, the Issuer exposes itself to the potential risk that such proceedings could result in a change in the Issuer's financial position. Since incorporation, the Issuer is not aware of any judicial, administrative or arbitration proceedings affecting the Issuer and the Issuer is not aware of any threat of such proceedings.

2.2 Risk Factors Relating to the Bonds

2.2.1 Risks relating to the nature of the securities

2.2.1.1 Inflation risk

In general, inflation devalues the currency in which the Bond is denominated. The table below provides an overview of the year-on-year development of inflation in Slovakia, which affects the real yield on the issued Bonds. In this case, a potential investor is exposed to the risk that the value of its investment in the Bond will decrease depending on the level of inflation and the duration of the Bond, which is a reflection of the sensitivity of the Bond to changes in interest rates. The higher the duration of the Bond, the more an investment in such instrument may depreciate in value as inflation increases. If the amount of inflation exceeds the amount of the nominal yields on the Bonds, the value of the real yields on the Bonds will be negative.

Year-on-year inflation in the Czech Republic in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1.9	3.3	1.4	0.4	0.3	0.7	2.5	2.1	2.8	3.2	3.8	15.1

Source: Czech Statistical Office, available at: https://www.czso.cz/csu/czso/mira_inflace

Year-on-year inflation in Slovakia in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
4,1	3,7	1,5	-0,1	-0,3	-0,5	1,4	2,5	2,8	2,0	2,8	12,1

Source: <https://nbs.sk/statisticke-udaje/vybrane-makroekonomicke-ukazovatele/>

Annual inflation in Croatia in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2.3	3.4	2.2	-0.2	-0.5	-1.1	1.1	1.5	0.8	0.2	2.6	10,8

Source: World Bank, available at:

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=HR&start=2011>

Year-on-year inflation in Slovenia in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1.8	2.6	1.8	0.2	-0.5	-0.1	1.4	1.7	1.6	-0.1	1.9	8.8

Source: World Bank, available at:

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=SI&start=2011>

Year-on-year inflation in Bosnia and Herzegovina in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3,7	2,1	0,1	-0,9	-1	-1,6	0,8	1,4	0,6	-1,1	2	14

Source: World Bank, available at:

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=BA&start=2011>

Year-on-year inflation in Serbia in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
11,1	7,3	7,7	2,1	1,4	1,1	3,1	2	1,8	1,6	4,1	12

Source: World Bank, available at:

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=RS&start=2011>

Annual percentage change in EU inflation											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3.3	2.7	1.2	0.2	-0.1	0.2	1.4	1.7	1.6	0.5	2.6	8,8

Source: World Bank, available at

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=EU&start=2011>

Year-on-year inflation in the euro area in %											
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3,3	2,5	1,2	0,2	0	0,2	1,4	1,7	1,4	0,2	2,4	8,4

Source: World Bank, available at:

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2022&locations=XC&start=2011>

2.2.1.2 Risk of default

Like any other loan, the Bonds are subject to the risk of default. In the circumstances described in this Risk Factors section, the Issuer may not be able to repay its obligations under the Bonds and the value to Bondholders of the Bonds when they are sold may be less than the amount of their original investment. The Issuer's current obligations are almost entirely comprised of issues of the Bonds. Sources of revenue for the repayment of the Bonds are largely in the form of loans made by the Issuer to subsidiaries corresponding to the amount of the Bonds issued, including the related interest. The subsequent repayment of the Issuer's obligation to the Bondholders is therefore dependent on the repayment of the obligation of the Subsidiaries to the Issuer.

2.2.1.3 Risk of low market liquidity

The Bonds will be admitted to trading on a regulated market, but given the uncertainty as to whether a sufficiently liquid secondary market will be established, trading in them may generally be less liquid than trading in other securities. Or, even if a sufficiently liquid secondary market is created, whether such a secondary market will persist. Indeed, in a potentially illiquid market, it may not be possible to sell the Bonds at any time at an adequate (i.e., investor-demanded) price, which may adversely affect, in particular, Bondholders who have invested in the Bonds for the purpose of trading them on the secondary market and making a profit from such trading or Bondholders who are forced for other reasons to sell the Bonds prior to their maturity. Bondholders generally hold the Bonds purchased by the Issuer until their maturity or redemption by the Issuer and do not expose themselves to the risk of low liquidity. In the event of a need to sell the Bonds early, investors may contact their securities dealer, who may arrange for the sale of the Bonds on behalf of their clients. In this case, the client is exposed to the aforementioned risk as the securities dealer may not be able to find a client interested in purchasing the Bonds. Neither the Securities Dealer nor the Bank will be market makers and, therefore, may not quote prices for the Bonds on a binding basis.

2.2.1.4 Prepayment risk

As the Terms and Conditions of Issue of the Bonds allow for their early redemption in full at the option of the Issuer, if such early redemption of the Bonds occurs prior to the date of their maturity, the Bondholder will be exposed to the risk of a lower than expected total return due to such early redemption as well as reinvestment risk in the event that the pre-paid principal amount cannot be reinvested at a comparable yield under given market circumstances.

2.2.1.5 Risk of tax and levy burden

In assessing the attractiveness of an investment in the Bonds, a potential investor should take into account the tax laws of the country of tax residence, the country in which the trade in the Bond is settled, or any other country whose tax laws and customary tax burdens may affect the performance of the investment in the Bond itself or the return on the investment in the Bond. Prospective purchasers or sellers of the Bonds should be aware that they may be liable for taxes, levies or other claims or charges in accordance with the laws and customs of the country in which the transfer of the Bonds takes place or any other country relevant to the situation. Prospective investors in the Bonds should also be aware that any changes in tax regulations may also cause the resulting yield on the Bonds to be lower than originally anticipated and/or that the investor may be paid a lower amount on the sale or maturity of the Bonds than originally anticipated.

2.2.1.6 Risk of Zero Interest Bonds

Bondholders are exposed to the risk that the price of such Bonds in the secondary market will decline as a result of changes in interest rates, and the prices of such Bonds are more volatile than the prices of Fixed Rate Bonds and may be more responsive to changes in market interest rates compared to Bonds of similar maturity bearing interest.

2.2.1.7 Risk related to Fixed Rate Bonds

Holders of fixed rate bonds are exposed to the risk of a decline in the price of such bonds due to changes in market interest rates. While the nominal interest rate on the Notes is fixed for the life of the Notes, the current capital market interest rate (for the purposes of this paragraph, the Market Interest Rate) varies. As the Market Interest Rate changes, the value of the Fixed Rate Notes also changes, but in the opposite direction. Thus, if the Market Interest Rate increases, the value of the Fixed Rate Notes will generally decline to a level where the yield on such Notes is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate decreases, the value of the Fixed Rate Notes will generally increase to a level where the yield on such Notes is approximately equal to the Market Interest Rate.

2.2.1.8 Risk of fees and other expenses

The amount of the return on an investment in the Bonds may be adversely affected by third-party fees, such as fees payable by Bondholders in connection with the purchase, sale and participation of a Bond in a settlement system. These fees may include fees for account opening, securities transfers or funds transfers and relate mainly to secondary market trading. The amount of proceeds (the amount to be paid to Bondholders) may also be affected by other payments made in respect of the Bonds (such as taxes and other expenses).

2.2.2 Risks relating to the security of the Bonds

2.2.2.1 Risk associated with the Collateral Agent

The Security Agent represents the Bondholders in the creation and enforcement of pledges and the pledge is created in the name of the Security Agent, but for the account of the Bondholders, on the fiction that the Security Agent is the sole creditor. Therefore, the Bondholders cannot individually exercise the pledge and must enforce their claims under the Bonds if they do not wish to jeopardise the legal effects of the pledge.

The terms of the Bonds permit a change of Security Agent in certain cases without the consent of the Bondholders. In certain circumstances, a change of Collateral Agent associated with the assignment or renewal of Collateral poses a risk to the enforcement and legal effect of the Collateral.

In the event of the enforcement of a Lien, the Security Agent will hold the proceeds received from the enforcement of the Lien prior to distribution to the Bondholders. During this period, the Bondholders will be exposed to the credit risk of the Security Agent. The Collateral Agent will also normally have the right to withhold consideration from the aggregate proceeds of the Collateral in the event of enforcement of the Lien and will also have the right to deduct reimbursement of its reasonably incurred and documented out-of-pocket expenses. These claims ultimately reduce the satisfaction of the Noteholders from the enforcement of the Security.

The Terms and Conditions of the Bonds and the Security Agent Agreement contain provisions defining the claims to be secured by the Pledge, as well as provisions on the manner and principles of enforcement of the Pledge by the Security Agent. These provisions may be further supplemented or specified in the relevant Pledge Agreements or may arise under the laws governing the creation of the relevant Pledge. These rules are intended to maximise the proceeds from the enforcement of the lien, but may also cause the enforcement of the lien to be prolonged.

3 RESPONSIBLE PERSON, AUTHORISED AUDITORS, APPROVAL BY THE COMPETENT AUTHORITY, AND DECLARATION OF RESPONSIBILITY

3.1 Person responsible for the content of the Base Prospectus

The Issuer, FVE Systems s.r.o., with its registered office at Grösslingova 52, Bratislava - Staré Mesto 811 09, Slovak Republic, ID No.: 54688264, LEI: 3157007EM1C8DVKJE163, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: s.r.o., Insert No.: 161813/B, on behalf of which acts Ing. Marcel Kamon, Managing Director and Martin Štric, Managing Director declare that they are solely responsible for the information contained in the Base Prospectus.

3.2 Authorised auditors

Also in connection with the Base Prospectus, the Issuer has commissioned the auditor VELOX, s. r. o. to verify the historical financial data for the year 2022 presented in this Base Prospectus, with registered office at Ivánska cesta 5285/91, 821 04 Bratislava - Ružinov, Slovak Republic, , ID No.: 44 725

906, registered in the Commercial Register of the Municipal Court Bratislava III, Section: Sro, Insert No.: 57892/B, registered in the Slovak Chamber of Auditors, Section ÚSBA, Certificate of Competence for Audit No.: 1048.

The Issuer represents that there has been no change in the Issuer's auditor during the period covered by the financial information contained in the Base Prospectus.

The auditors listed above have not resigned or been removed during the period for which historical financial information is included in this Base Prospectus.

3.3 Information from experts and third parties

The Issuer confirms that it is not aware that information from third parties has been used in the Base Prospectus.

The Issuer further represents that the Base Prospectus does not contain any statements or reports that could be attributed to a particular person as an expert witness.

3.4 Declaration by the person responsible for the Base Prospectus

The Issuer declares that:

- having taken all reasonable care, the information contained in the Base Prospectus is, to the best of its knowledge, in accordance with the facts,
- no facts have been omitted from the Base Prospectus which could affect or change its meaning,
- The Base Prospectus was approved by the National Bank of Slovakia as the competent authority pursuant to Section 120(1) of the Securities Act,
- The National Bank of Slovakia only approves the Base Prospectus as a document that meets the standards of completeness, clarity and consistency as set out in the Prospectus Regulation,
- the approval of the Base Prospectus by the National Bank of Slovakia should not be considered as an endorsement of the Issuer,
- the approval of the Base Prospectus by the National Bank of Slovakia should not be deemed to be an endorsement of the quality of the securities which are the subject of the Base Prospectus,
- investors should make their own assessment as to the suitability of investing in Bonds.

In Bratislava, on 27.02.2024

The Issuer's Statutory Officers are responsible for the information in the Prospectus - Ing. Marcel Kamon and Martin Štric.

4 INFORMATION ON THE ISSUER, STRATEGY AND BUSINESS ENVIRONMENT

4.1 Basic information about the Issuer

4.1.1 History of the Issuer

The Issuer was established and registered in the Commercial Register maintained by the Municipal Court Bratislava III. The Issuer was established under Slovak law as a company with limited liability for an indefinite period.

The Issuer's shareholders are:

- **Ing. Marcel Kamon** - 50 % share in the share capital
- **Martin Štric** - 50 % share in the share capital

4.1.2 Basic information about the Issuer

Business name:	<i>FVE Systems, s.r.o.</i>
ID:	<i>54688264</i>
LEI identifier:	<i>3157007EM1C8DVKJE163</i>
Place of registration:	<i>Slovak Republic, Commercial Register of the Municipal Court Bratislava III, Section: Sro, Insert No.: 161813/B</i>
Formation of the Issuer:	<i>The Issuer was entered in the commercial register on 22 June 2022</i>

Social contract and the Issuer's Articles of Association:	<i>The Issuer was established on the basis of the Memorandum of Association dated 07.06.2022. The Articles of Association of the Issuer came into force on 07.06.2022. Amendments and changes to the Articles of Association are decided by the General Assembly.</i>
Duration:	<i>The issuer was established for an indefinite period of time</i>
Legal form:	<i>Limited liability company</i>
Governing law:	<i>The Issuer shall be represented by the Managing Directors acting individually</i>
Headquarters:	<i>Grösslingova 52, Bratislava - Old Town 811 09, Slovak Republic</i>
Phone number:	<i>+421 905 890 800</i>
Contact person:	<i>Ing. Marcel Kamon</i>

E-mail:	marcel@fvesystems.com
Share capital:	5.000,- Eur
Subject of activity:	<p><i>The Issuer is a legal entity established to carry on business. Production, trade and services not specified in annexes 1 to 3 trade act, in branches:</i></p> <ul style="list-style-type: none"> - <i>Rental of movable things</i> - <i>Purchase of goods for the purpose of its sale to the ultimate consumer (retail) or another operator trade (wholesale)</i> - <i>Brokerage activity in the field of trade, services, production</i> - <i>Preparatory work for the construction</i> - <i>Implementation of constructions and their changes</i> - <i>Activities of business, organisational and economic consultants</i> - <i>Rental property associated with providing other than basic services related to renting</i> - <i>Engineering, construction cenárstvo, design and construction of electrical equipment</i> - <i>Management and maintenance of housing and nebytového fund in the range of free trades</i>

The main legislation governing the Issuer:	<ul style="list-style-type: none"> - <i>Act No. 513/1991 Coll. Commercial Code,</i> - <i>Act No. 455/1991 Coll., the Trade Licensing Act</i> - <i>Act No. 566/2001 Coll. on Securities and Investment Services,</i> - <i>Act No. 530/1990 Coll. on Bonds.</i>
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4.1.3 Latest and most important events relevant to the evaluation of the Issuer

The Issuer is a company that has never been insolvent during its existence. There have been no material changes in the financial or trading position of the Issuer since the preparation of the Issuer's ordinary separate financial statements as at 31 December 2022 and up to the date of this Base Prospectus that are materially relevant to an assessment of the Issuer's solvency.

4.1.4 Rating

Neither the Issuer nor the Bonds have been rated by any rating agency nor is it expected that any such rating will be given for the purposes of this Issue.

4.1.5 Investments

The Issuer has not made or committed to make any material investments since the preparation of the Ordinary Separate Financial Statements and none of the Issuer's authorities has approved any such investment.

4.1.6 Significant changes in the Issuer's borrowing and financing structure since the last financial year

There have been no material changes in the Issuer's borrowing and financing structure since the preparation of the Issuer's annual separate financial statements as at 31 December 2022 and up to the date of this Base Prospectus. The Issuer has not taken any borrowings or financing since its inception until the date of this Base Prospectus, except for the public offering of the Solar ENERGY Eurobond, ISIN: CZ0000001656 corporate bonds in an amount up to a maximum of EUR 1.000.000. The said issue is due on 17.10.2022.

4.1.7 Description of the expected financing of the Issuer's activities

The Issuer expects that its overall operations will be financed as follows:

- I. interest income from loans granted to companies in the Issuer's Group,
- II. funds raised from bond issues,
- III. dividends from subsidiaries,
- IV. dividends from subsidiaries that the Issuer will acquire in the future to its property,
- V. bank loans

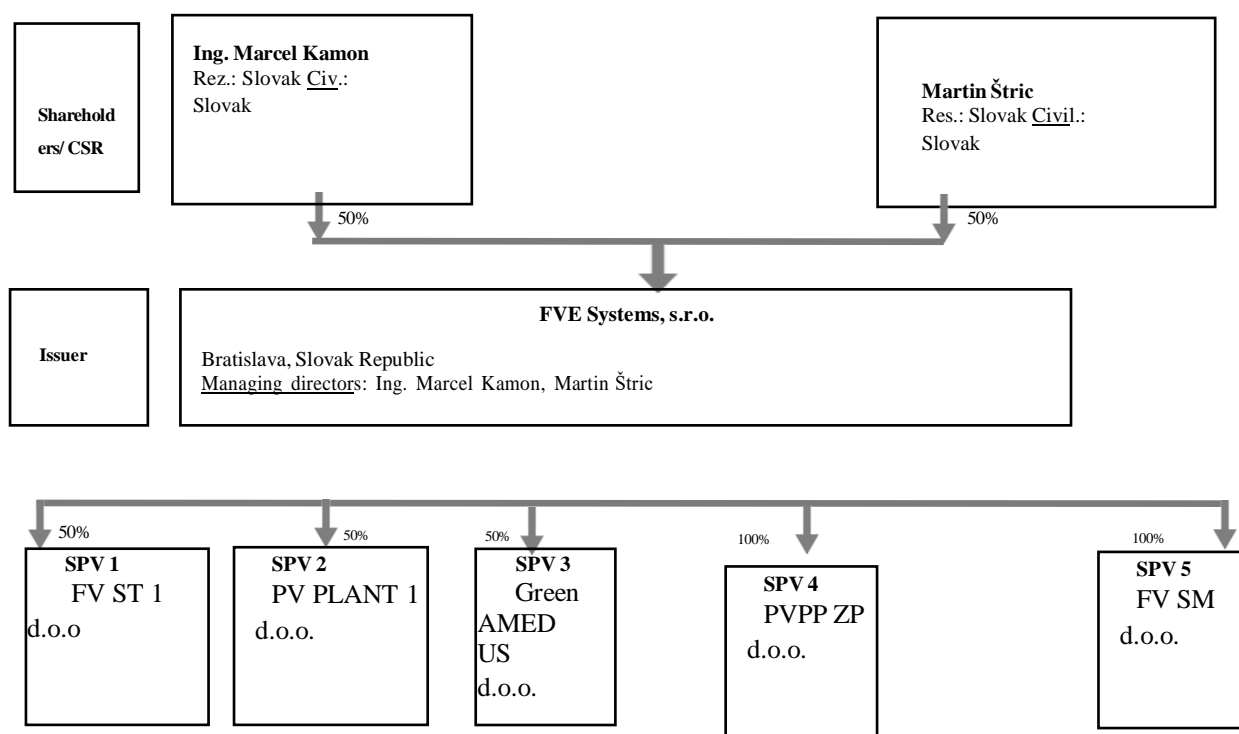
4.2 Organisational structure

4.2.1 Organisational structure of the Issuer's Group and the Issuer's position within it

The Issuer has 2 partners, namely natural persons:

- I. **Ing. Marcel Kamon** - directly owns 50% of the Issuer's shares in the Issuer's company and an equal share of voting rights in the Issuer's company,
- II. **Martin Štric**
 - directly owns 50% of the Issuer's shares in the Issuer's company and an equal share of the voting rights in the Issuer's company,

The organisational structure of the Issuer Group as at the date of the Base Prospectus, including the ultimate beneficial owners:



The percentages in the Issuer's organisational structure set out above represent the holdings of individual shareholders in the share capital and voting rights in individual companies.

4.2.2 Dependence of the Issuer on entities of the Issuer's group

The ability of the Issuer to meet its obligations will be significantly affected by the ability of the relevant subsidiaries to meet their obligations to the Issuer, which creates a dependence of the Issuer's sources of income on the relevant subsidiaries and their economic performance.

As at the date of this Base Prospectus, the Issuer has not made any loans, borrowings or issued any investment instruments (other than the decision to issue the Bonds under the Programme) that would create a credit exposure of the Issuer to a third party. The Issuer has not taken any loans or financing since its inception until the date of this Base Prospectus, except for the public offering of the Solar ENERGY Eurobond , ISIN: CZ0000001656 corporate bonds in an amount up to a maximum of EUR 1.000.000. The said issue is due on 17.10.2022.

4.3 Management and supervisory bodies

The Issuer is a company incorporated under the laws of the Slovak Republic. The Issuer's governing body is a statutory body represented by the Managing Director, Mr. Ing. Marcel Kamon and the managing director Mr. Martin Štric, who act for the Issuer independently. The Issuer does not have a supervisory board.

4.3.1 Statutory body of the Issuer

The Managing Directors constitute the Issuer's statutory body. The Statutory Body decides on all matters of the Issuer, unless they have been entrusted by the Articles of Association or the Commercial Code to the General Meeting or the Supervisory Board, as the case may be.

The statutory body of the company is one or more managing directors. Only a natural person may be a managing director of the company. The managing director shall be appointed by the general meeting from among the shareholders or other natural persons without time limitation until the removal or resignation of the managing director. Re-appointment as managing director is possible. Only the articles of incorporation or the general meeting may limit the powers of the managing director, but such limitation is ineffective against third parties.

The competence of the managing director includes in particular

- a) to act on behalf of the company;
- b) handle the day-to-day affairs of the company;
- c) to exercise the rights and duties of an employer;
- d) convene the General Assembly and implement its decisions;
- e) to ensure that the prescribed records and accounts are kept;
- f) disposition of the reserve fund and funds in the company's account;
- g) to submit to the General Meeting for approval the ordinary individual financial statements and the extraordinary individual financial statements and a proposal for the distribution of profits or the settlement of losses.

The Managing Director is obliged to perform his duties with professional care and in accordance

with the interests of the Company. He is obliged to obtain and take into account all available information when making decisions

concerning the subject matter of the decision, to maintain confidentiality of confidential information and facts, the disclosure of which to third parties could cause damage to the Company or jeopardise its interests, and in the exercise of his/her powers he/she shall not favour his/her own interests or the interests of third parties over the interests of the Company.

Each managing director acts and signs separately on behalf of the company.

Other rights, obligations and competences are governed in accordance with the provisions of *Act No. 513/1991 Coll. of the Commercial Code*.

The business contact address of the Managing Directors is the address of the registered office of the Issuer.

A summary of the relevant details of the Issuer's Statutory Officers is set out below:

Name	Feature	Date of creation of the function
Ing. Marcel Kamon	Managing Director	22.06.2022
Martin Štric	Managing Director	22.06.2022

4.3.2 Supervisory Body of the Issuer

The Issuer has not established a Supervisory Board in accordance with applicable law.

4.3.3 Conflicts of interest at the level of management and supervisory bodies

The Issuer is not aware of any potential conflict of interest between the Issuer and the duties of the members of the Issuer's management and supervisory bodies, if any, and their private interests or other duties.

4.3.4 Procedures of the authorities and compliance with corporate governance principles

The Issuer does not have an Audit Committee or a Review Committee. The Issuer currently administers and complies with all corporate governance requirements set out in the laws of the Slovak Republic.

4.4 Partners of the Issuer

4.4.1 Control over the Issuer

The partners of the Issuer are natural persons, Mr. Ing. Marcel Kamon, born on 29.04.1981, permanently residing at Wienerova Alej 1415, 900 42 Miloslavov and Mr. Martin Štric, born on

23.12.1975, permanently residing at Vrbická 1944/7, 031 01 Liptovský Mikuláš, who together own 100% of the Issuer's shares, corresponding to 100% of the Issuer's voting rights. The relationship of direct control of the Issuer by the given natural persons is primarily based on the ownership of 100% of the Company as described in this Prospectus. The share of voting rights of each shareholder corresponds to their share in the share capital of the Issuer.

Measures to ensure that control is not abused are derived from the legislation of the Slovak Republic. The Issuer has not taken specific measures beyond the requirements of the legislation of the Slovak Republic.

4.4.2 Arrangements that may lead to a change of control of the Issuer

As at the date of the Base Prospectus, the Issuer is not aware of any mechanisms or arrangements that could lead to a change of control of the Issuer. However, the Issuer does not exclude that such a change may occur during the term of the Bond Programme.

4.5 Business overview

4.5.1 Main activities

The Issuer's core business is investment management and development of industrial real estate. Within this activity, the Issuer owns shares in subsidiaries through which individual investments are made. As part of the investment management and development of industrial real estate, the Issuer also raises financing for the business activities of its subsidiaries through borrowings, loans and the issuance of bonds. The Issuer provides funds obtained from these external sources of financing mainly in the form of loans or borrowings to its subsidiaries according to their actual needs.

In the short term, (year 2023 and 1st half of 2024), the Issuer plans to submit as many applications for connections as possible and wants to obtain as many connections as possible. The aim is to build the portfolio to 250 MW, and to submit applications for 400 - 500 MW. This is the Balkan region, i.e. Bosnia and Herzegovina, Serbia, Montenegro and currently Croatia.

In the medium term, the Issuer plans to get the projects to a "ready to build" state, i.e. ready for construction, and then build the power plants.

In the long term. Within 10 years, the Issuer plans to build a portfolio of 2 GW.

The challenges for the Issuer are to create stable development teams in each region, to ensure stable staff, excellent administrative processing, management structure, sales teams, distribution channels, products, to increase the credibility of the company in front of investors as well as institutional clients, to create tools for the Issuer to be able to raise sufficient funds from investors, to increase the target to EUR 100 000 000. The capital-raising instruments to be used by the Issuer are bonds and mutual funds.

Funds are required for development, preparation and submission of applications for connections,

provision of project documentation, purchase of land, staff salaries, travel costs, offices, etc. Also for the creation of additional structure, e.g. fund structure. The funds of the Eminent he wanted to use it later on to buy projects that are ready to build, which means that they are projects that are already available and we can start building, and also to buy the portfolio.

The Issuer's uniqueness lies in its experience not only in the energy sector, but also in the management of companies and the set-up of company structures; it has know-how that is key and as one of the few players in this sector it has activities throughout the Balkan region.

The Issuer should close the year 2024 with sales of around EUR 2.5 million, 2025 with sales of around EUR 5 million and 2026 with sales of around EUR 8 million.

4.5.2 Description of the purpose of the bond issue

The main purpose of the issue of the Bonds is to raise the necessary financing for development projects in the Czech Republic, the Slovak Republic, Croatia and Slovenia. The Issuer is currently implementing 6 development projects, four of which are in Croatia and two in Slovenia with a total leasable area of over 350,000 sqm and is preparing other new development projects in the industrial real estate segment in the areas of the Moravian-Silesian Region, Western Slovakia, Zagreb, Rijeka and Ljubljana. The purpose of the bond issue is to finance the initial phases of the development projects, in particular land acquisition, preparatory works and permitting phases of the projects until the projects themselves can be financed by bank financing at the level of the subsidiaries.

Funds from bond issues may be supplemented by bank or mezzanine financing in order to make the overall financing cheaper or to accelerate the acquisition.

4.5.3 Main markets

The main markets of the Issuer and its subsidiaries are mainly the Czech Republic, the Slovak Republic, Croatia, Bosnia and Herzegovina, Montenegro, Serbia, Macedonia.

4.5.3.1 Economic situation - Czech Republic

At present, i.e. in 2023, the economic situation in the Czech Republic is relatively stable. Economic activity is slowly but surely recovering from the crisis caused by the COVID-19 pandemic. According to statistics from the Ministry of Finance of the Czech Republic for the last quarter of 2022, GDP increased by 2.7% and overall GDP growth for 2022 reached 5.1%. For 2023, GDP growth is projected to decline slightly to 3.6%.

The Czech Republic is characterised by a high level of exports, especially in the automotive, mechanical and electrical engineering sectors. Businesses operating in these areas are therefore benefiting from global economic growth.

The labour market in the Czech Republic is also improving. Unemployment is currently at historic levels, and its growth has been curbed in the past thanks to government programmes

to maintain employment and improve business conditions.

Nevertheless, there are also problems affecting the economic situation in the Czech Republic. These problems include, for example, the shortage of skilled workers, which limits productivity growth and causes wage growth. In addition, the country is also experiencing high inflation, which affects the prices of products and services and can make life more expensive. The Czech Republic has long had a relatively high investment attractiveness and is one of the most attractive countries in Central and Eastern Europe for foreign investors. This is due, for example, to:

- Strategic location: The Czech Republic is located in the heart of Europe and has good transport links with other countries, making it a strategic hub for international trade.
- Skilled workforce: Thanks to a long tradition in education, the Czech Republic has a highly skilled workforce and many schools offering specialised vocational training in a variety of fields.
- Favourable business environment: the Czech Republic has favourable conditions for business, which is reflected in low levels of bureaucracy, low tax rates and plenty of incentives for foreign investors.
- Modern infrastructure: the Czech Republic has a modern infrastructure that provides quality conditions for production and logistics.
- Available financial resources: In the Czech Republic, there are a number of financial resources for entrepreneurs and investment projects, such as European Union funds, bank loans, loans and subsidies.

Thanks to its advantages, the Czech Republic is an attractive destination for foreign investors and has strong competition in Central and Eastern Europe.

The table below provides an overview of the GDP development of the Czech Republic for the period 2016-2022:

Annual GDP development of the Czech Republic, 2016-2022, in billion EUR							
Period	2016	2017	2018	2019	2020	2021	2022 - forecast
GDP	182.2	196.5	211.6	226.5	211.3	245.8	258.3

Source: Czech Statistical Office, available at https://www.czso.cz/csu/czso/hdp_cr

4.5.3.2 Economic situation - Slovakia

Slovakia has a relatively stable economy, but is highly dependent on international trade and the automotive industry. The COVID-19 pandemic has significantly affected the country's economic development, but Slovakia expects a gradual economic recovery and GDP growth of 1.7% in 2022, according to estimates by the National Bank of Slovakia.

The main factors influencing Slovakia's economy include:

- a) Automotive: Slovakia has a strong automotive industry, which is very important for the country's economic growth. Several car companies have production plants in Slovakia and employ thousands of workers.
- b) Foreign trade activity: Slovakia has a high share of exports in GDP, which means that the economy is highly dependent on foreign trade activity. Exports account for a significant share of GDP, especially in the automotive, electrical, mechanical engineering and chemical sectors.

- c) **Business environment**: Slovakia is trying to improve the business environment and welcome foreign investors. The government actively supports various investment projects and offers a number of incentives and tax breaks for foreign investors.
- d) **Unemployment rate**: the unemployment rate in Slovakia is relatively high compared to other EU countries. However, the government is trying to increase employment through various programmes and incentives for entrepreneurs.
- e) **Digitalisation**: Slovakia is striving to be competitive in the digital economy. The government supports various initiatives and projects in the field of digital transformation as well as the development of innovative technologies.

Slovakia has a relatively favourable business environment and the government is trying to attract foreign investors and encourage domestic entrepreneurship. Some of the factors that make Slovakia attractive to investors are:

- f) **Low labour costs**: Slovakia has relatively low wages compared to other EU countries, which makes the country attractive for investors looking for cheap labour.
- g) **Tax incentives**: Slovakia offers various tax breaks and incentives for foreign investors that can help reduce the cost of investment.
- h) **Strategic location**: Slovakia is strategically located in Central Europe and is a natural bridge between East and West. This location allows easy access to various markets and business opportunities.
- i) **Stable economic environment**: Slovakia has a relatively stable economic environment and the government is committed to promoting the country's economic growth and development.
- j) **Skilled workforce**: Slovakia has a skilled workforce in engineering, automotive and electrical engineering.

The Government of the Slovak Republic is also actively trying to attract foreign investment to the country. For example, the government offers various incentives to foreign investors such as tax breaks, subsidies and support programmes. In addition, it seeks to improve trade relations with foreign partners and simplify administrative and bureaucratic procedures for investors in order to increase Slovakia's attractiveness as a place for investment.

In the table below we present an overview of GDP development in Slovakia for the period 2016-2022:

Slovakia's annual GDP development, 2016-2022, in billion EUR							
Period	2016	2017	2018	2019	2020	2021	2022 - forecast
GDP	81,2	84,6	89,8	94,4	93,4	100,25	109,6

Source: ŠÚSR, available at <https://slovak.statistics.sk>

4.5.3.3 Economic situation - Croatia

Currently, the economic situation in Croatia is stable. In 2020, the country faced challenges related to the COVID-19 pandemic, which led to a significant economic downturn. However, since 2021, the economy has started to slowly recover again.

Croatia's investment attractiveness benefits mainly from its geographical location - it is in the

heart of Europe and has an important coastline on the Adriatic Sea, which serves for transport and trade between Europe and the rest of the world.

Croatia has one of the most beautiful coastlines in Europe and is a popular tourist destination. In recent years there has been a significant development of tourism and the area still has a large potential for growth.

Croatia actively seeks to attract foreign investment and has many support programmes for foreign investors. The government is trying to improve the business environment and invest in infrastructure. Croatia is investing in the construction of roads, bridges and motorways, which is helping to improve logistics and transport for businesses and investors.

Croatia has a skilled and affordable workforce. There is an abundance of skilled workers who are ready to work in a variety of sectors.

Compared to other countries in Europe, Croatia has a low cost of doing business and many support programmes for small and medium-sized enterprises.

On 1 January 2023, Croatia will become the 27th Schengen area country where the free movement of goods and people is possible, and the 20th EU member to adopt the euro as its currency.

One of the main advantages of joining the euro area is the stability of the currency and its perception as a reliable currency, which could attract more investors and boost economic growth. In addition, joining the euro area could facilitate trade and financial transactions with other euro area countries. Accession could also improve the country's financial situation by reducing the cost of currency exchange and the risk of exchange rate fluctuations.

In the table below, we present an overview of Croatia's GDP development for the period 2016-2022:

Annual GDP development of Croatia, 2016-2022, in billion EUR							
Period	2016	2017	2018	2019	2020	2021	2022
GDP	47,33	49,52	51,93	54,78	50,45	58,21	67,39

Source: World Bank, available at <https://data.worldbank.org/indicator/NY.GDP.MKTP.CN?locations=HR>

4.5.3.4 Economic situation - Slovenia

Slovenia has a relatively stable and developed economy with low unemployment and a high level of average income per capita.

Slovenia is located at the crossroads of important transport routes, making it an important commercial hub for the transport of goods and services between Central Europe and the Adriatic Sea.

Slovenia has a well-developed infrastructure that includes modern motorways, railways and airports. This infrastructure improves logistics and transport for businesses and investors.

Slovenia is one of the most innovative countries in Central Europe. The country has a high level of research and development and many support programmes for innovative companies.

Slovenia has a skilled and affordable workforce. The country has a high level of education and schooling, which increases the quality and productivity of the workforce.

Slovenia has one of the best business environments in Central Europe. The country has low

costs of doing business, simple laws on setting up and running a business and support programmes for small and medium-sized enterprises.

The table below provides an overview of Slovenia's GDP development for the period 2016-2022:

Annual GDP growth rate of Slovenia, 2016-2022, in billion EUR							
Period	2016	2017	2018	2019	2020	2021	2022
GDP	40,44	43,01	45,88	48,53	47,02	52,21	58,99m

Source: World Bank, available at

<https://data.worldbank.org/indicator/NY.GDP.MKTP.CN?end=2022&locations=SI&start=2015>

4.6 Information on trends

The Issuer is aware of the upward trends in EURIBOR interest rates as well as the upward trends in inflation in the European market. Rising inflation may have an impact on the price of building materials, which will however be reflected later in the rentals of already constructed and operational industrial properties. Which therefore means that the Issuer, through its subsidiaries, by increasing rents, will be able to mitigate the negative effects of inflation on its business operations.

The Issuer is also taking into account the potential negative impact of the COVID-19 pandemic on the commercial real estate market. As a result of measures to combat the spread of the virus, such as plant closures and travel restrictions, many businesses have experienced financial difficulties, which has led to an increase in business failures and therefore a reduction in demand for commercial space. This has led to a fall in property prices and increased uncertainty in the commercial property rental market. On the other hand, some sectors, such as logistics and manufacturing, have seen increased demand for commercial space as a result of the COVID-19 pandemic, leading to a stabilization of the sector and an increase in commercial space rental prices.

The Issuer points to the trend of increasing attractiveness of the Balkan Peninsula as a new maritime transport artery for goods imported from Asia to Europe. Behind this trend is the increase in competition and the need for faster, more efficient and cheaper transport of goods from Asia. This trend is coupled with the significant infrastructure development in the Balkan Peninsula region, resulting in substantial investments flowing into the construction of ports and large hubs and halls for logistics companies.

The war situation in Ukraine may have an impact on the transfer of warehouses and production halls from the eastern part to the western part of the Balkan Peninsula. Logistics companies, as a result of the war conflict, are looking for safer and more stable locations for their activities, which leads to the transfer of warehousing and production capacities to this region as well.

The Issuer is not aware of any trends, uncertainties, claims, liabilities or events, other than those referred to above, that could reasonably be expected to have a material effect on the Issuer's

operations and prospects during the current financial year.

4.7 Forecasts or estimates of profit

The Issuer has chosen not to include any profit forecast or estimate in the Prospectus. As at the date of this Prospectus, the Issuer has not published, and has decided not to publish in the future, any profit forecast or profit estimate.

5 FINANCIAL INFORMATION REGARDING THE ASSETS, LIABILITIES AND OVERALL FINANCIAL POSITION OF THE ISSUER

5.1 Historical financial information

The Issuer was incorporated on 22 June 2022. For the period from incorporation to 31 December 2022, the Issuer has prepared proper individual financial statements prepared in accordance with the generally binding accounting regulations of the Slovak Republic. For the period of 2022, the financial statements in question have been audited for the purposes of the Prospectus.

The Issuer's regular individual financial statements prepared for the purposes of the Prospectus for the financial year 2022 have been audited by VELOX, s.r.o., with registered office at Ivánska cesta 5285/91, 821 04 Bratislava - mestská časť Ružinov, Slovak Republic, , ID No.: 44 725 906, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: Sro, Insert No.: 57892/B, registered in the Slovak Chamber of Auditors, Section ÚSBA, Certificate of Competence for Auditing No. 1048.

This Prospectus is accompanied by the Issuer's audited standalone financial statements prepared for the purposes of this Prospectus for the year 2022, in accordance with the generally binding accounting regulations of the Slovak Republic, with the auditor's report.

There have been no material changes in the information set out below from the date of the Issuer's last audited separate financial statements to the date of this Prospectus.

The Issuer also attaches to the Prospectus the interim financial statements for the period from 1 January 2023 to 30 June 2023. These financial statements have not been audited. Accounting Standards The Issuer is not required to prepare, and has never voluntarily prepared or published, financial statements in accordance with International Accounting Standards. Unless otherwise stated below, all of the Issuer's financial information is based on Slovak accounting standards.

5.2 Nature of financial information disclosed

The Issuer's financial data presented in the Prospectus is derived from its individual financial

statements as the Issuer is not subject to consolidation.

5.3 Audit of historical financial information

Until the date of this Prospectus, the Issuer was not obliged under the relevant legislation to have its audited financial statements. Nevertheless, also for the purpose of preparing the Prospectus, the Issuer has entrusted VELOX, s. r. o, with registered office at Ivánska cesta 5285/91, 821 04 Bratislava - Ružinov district, Slovak Republic, , ID No.: 44 725 906, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: Sro, Insert No: 57892/B, registered with the Slovak Chamber of Auditors, section ÚSBA, certificate of competence to audit number 1048, by auditing the Issuer's regular individual financial statements prepared for the purposes of the Prospectus for the financial year 2022, on the basis of which the financial information presented in the Prospectus is presented. Unless otherwise expressly stated in the Prospectus, the source of all financial information regarding the Issuer included in the Prospectus is these audited annual financial statements of the Issuer prepared for the purposes of the Prospectus.

5.4 Age of last audited accounts

The Issuer's most recent audited financial statements are the Issuer's proper standalone financial statements prepared for the purposes of the Prospectus for the year ended 31 December 2022, drawn up as at 31 December 2022. These financial statements have been audited for the purposes of the Prospectus.

5.5 Interim financial information

The Issuer does not have a general legal obligation to publish financial information on a quarterly or half-yearly basis as it has not been, and is not required as at the date of this Prospectus to prepare financial statements on a quarterly or half-yearly basis under applicable law.

5.6 Judicial and adjudication proceedings

As at the date of this Prospectus and since the incorporation of the Company, the Issuer has not been a party to any administrative proceedings, litigation or arbitration proceedings which may have or have had a material effect on the financial position or profitability of the Issuer or the Group.

As at the date of this Prospectus, there are no pending commercial disputes to which the Issuer is a party that could jeopardise or materially adversely affect the Issuer's results of operations. The Issuer is not aware of any such pending disputes.

5.7 Significant changes in the Issuer's financial or business situation

There has been no adverse change in the financial or business condition of the Issuer that has had a material adverse effect on the Issuer's financial or business condition, future results of operations, cash flows or overall prospects of the Issuer between the date of the Issuer's audited separate financial

statements for the period from inception to 31 December 2022 and the date of this Prospectus for the purposes of this Prospectus. The Issuer has attached to the Prospectus the interim financial statements for the period from 1 January 2023 to 30 June 2023. These financial statements have not been audited.

5.8 Share capital

The Issuer's share capital in the total amount of EU R 5.000,-. The

Issuer's shareholders are:

- Ing. Marcel Kamon with a share in the share capital of 50%;
- Martin Štric with a share in the share capital of 50%; the

Issuer's share capital has been paid up in full by its shareholders.

5.9 Major contracts

The Issuer does not record any contracts entered into outside the ordinary course of the Issuer's business that could give rise to liabilities or claims that would be material to the Issuer's ability to meet its obligations to the Bondholders.

The obligations of the Issuer under the Bonds issued and outstanding at any given time shall at all times rank pari passu with each other and shall also rank at least pari passu with all other, present and future, unsecured (or similarly secured), unconditional and unsubordinated obligations of the Issuer (other than obligations which are satisfied in priority by operation of law).

The Issuer has not taken any loans or financing since its incorporation until the date of this Base Prospectus, except for the public offering of the Solar ENERGY Eurobond, ISIN: CZ0000001656 in an amount up to a maximum of EUR 1,000,000. The said issue matured on 17.10.2022.

It is therefore expected that in the future the Issuer will, in the ordinary course of its business, enter into further sub-loan agreements with its subsidiaries in which it will undertake to provide the proceeds of the relevant issue of Bonds in the form of an interest-bearing loan to the subsidiaries at all times.

It is not anticipated that the Issuer will enter into any contract outside the ordinary course of its business which could give rise to an obligation or claim of any member of the Issuer Group against the Issuer which would be material to the Issuer's ability to meet its obligations to the Bondholders.

5.10 Change in accounting framework and accounting reference date

The latest audited historical financial information is presented and prepared in a form consistent with the framework of accounting standards adopted in the Issuer's last published annual financial statements and there has been no change in the accounting framework since then.

The issuer has not changed its accounting reference date during the period for which historical financial information and audited historical financial information. The Historical Financial Information and Audited Historical Financial Information relate to the period during which the Issuer has operated its business.

6 DOCUMENTS AVAILABLE FOR CONSULTATION

During the period of validity of this Base Prospectus, the following documents (or photocopies thereof) may be inspected in hard copy at the registered office of the Issuer (i.e. at the address as shown in the current extract from the Commercial Register) as required:

- i. Basic prospectus;
- ii. Articles of Association of the Issuer;
- iii. reports, deeds and other documents, any part of which forms part of, or is referred to in, the Base Prospectus.

The Base Prospectus will also be publicly available on the Issuer's website <https://fvesystems.com/investicne-portfolio/>

7 COMMON CONDITIONS

All issues of Bonds issued under the Programme pursuant to the Base Prospectus will be governed by the Common Terms and Conditions set out in this Article (the "**Common Terms and Conditions**") and the relevant Final Terms, and the individual terms and conditions of the issues are hereby superseded.

For the purposes of the Common Terms and within the meaning of the Prospectus Regulation, "Final Terms" means the document designated as the "Final Terms" which will be prepared and published by the Issuer for each Issue and which will contain the specific details, the description or alternative wording of which is set out in square brackets in the Final Terms (the "**Final Terms**").

This section of the Base Prospectus contains a description of the Bonds, as well as an indication of such information as will be set out in the Final Terms, of each individual Bond Issue.

This section also contains information in square brackets which does not add specific details or which contains only a general description (or their general principles or alternatives). Such information not known at the time of the Base Prospectus relating to the Notes will be set out by the Issuer for each Issue in the Final Terms (as defined below), which will be drawn up and published in the form set out in Article 8 of the Base Prospectus, "Form of Final Terms".

7.1 Data on securities

7.1.1 Legislation governing the issue of the Bonds

The Bonds are issued by the Issuer in accordance with Act No. 530/1990 Coll. on Bonds, as amended (the "**Bond Act**"), the Securities Act, the Prospectus Regulation and the Delegated Regulation.

7.1.2 Description of the Bonds

The name of the Bonds is **[Name]**.

The Issuer is a trading company FVE Systems s.r.o., with its registered office at Grösslingova 52, Bratislava - Staré Mesto 811 09, Slovak Republic, ID No.: 54688264, LEI: 3157007EM1C8DVKJE163, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: Sro, Insert No.: 161813/B, implements the Programme on the basis of its approval by the Issuer's statutory body.

Issue Administrator - [The function of the Issue Administrator shall be performed by the Issuer / a person authorised by the Issuer in accordance with the applicable legislation].

The type of security is a bond.

Form of the Bonds - The Bonds shall be issued **[in certificated or book-entry form]** under the laws of the Slovak Republic.

No global certificates, definitive certificates or coupons will be issued in respect of the Notes.

Form of the Bonds - The Bonds shall be issued **[in bearer/ registered form]** under the laws of the Slovak Republic.

ISIN, CFI, FISN: The Bonds - **[ISIN], [CFI], [FISN]** will be issued by the Issuer in accordance with the applicable legal regulations.

Face Value per Bond - Bonds may be issued in denominations equal to or greater than EUR 1,000, up to a maximum of EUR 100,000 as specified in the relevant Final Terms **[Face Value per Bond]**.

Total Projected Face Value of the Bond Issue - **[Total Projected Face Value of the Bond Issue]**.

Number of Bonds in an Issue - The number of Bonds in an Issue will be **[Number of Bonds in an Issue]**.

Date of the decision of the Board of Directors of the Issuer of Parameters Issue: **[Date of the decision of the Issuer's Board of Directors on the parameters of the Issue]**.

Bond Issue Price - **[Bond Issue Price]**.

Issue Price for Bonds without Fixed Interest - The Bonds will be issued at an issue price that is less than their nominal value, ranging from 50% to 95% **[Issue Price of the Bonds]**. In determining the issue price and yield of the Bonds as the difference between the nominal value and the issue price, an annual yield to maturity is considered **[Considered Annual Yield to Maturity]**. For the Issue Date as the first day of subscription, the Issue Price is set at the Issue Price of the Bonds of the Nominal Amount in accordance with the formula set out below. The Issue Price is stated as a percentage of the Nominal Amount and is rounded to two decimal places, and no fees are included in the calculation. The issue price of each Bond subscribed after the Issue Date shall be calculated according to the following formula:

$$EK = \frac{1}{1 + [\text{Considered Annual Yield to Maturity}] \cdot \text{Remaining maturity}} * 100$$

where the Remaining Maturity will be calculated as the number of days from the date of subscription of the relevant Bond to the date of the final maturity date under the Act/Act (ISDA) Convention, which means that for the purposes of the calculation, the actual number of days from the beginning of the interest period to the relevant calculation date divided by 365 (or if any part of the period for which the interest yield is being 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 yield is being determined which falls in a leap year divided by 366 and (ii) the actual number of days in that part of the period for which the interest yield is being

determined which falls in a nonleap year divided by 365).

Interest on Fixed Rate Bonds - The Bonds will bear interest at a fixed rate of **[Fixed Rate Rate]** per annum. The interest yield will accrue from the first day of each Interest Period to the last day included in such Interest Period at the rate of interest set forth above. The Accrued Interest Income for each Interest Period will be paid on **[Interest Payment Date]**, first on **[First Interest Payment Date]** and last on **[Issue Maturity Date]**. Interest Period means **[Interest Period in months]** the period from (and including) **[Issue Date]** to (and excluding) **[First Interest Payment Date]** and each subsequent period of such number of months from (and including) an Interest Payment Date to (and excluding) the next succeeding Interest Payment Date until **[Issue Maturity Date]**.

Currency of an Individual Bond Issue - The Bonds will be denominated in the **[Bond Issue Currency]**, which currency will be specified in the relevant Final Terms.

Issue Date - The Issue Date of each issue of Bonds has been fixed as **[Issue Date]**.

Country of public offering - The Bonds will be offered in **[Country of public offering]**.

The Offer is addressed to - [natural persons] and/or [legal persons] or [qualified investors] or [a limited number of persons, namely fewer than 150 natural persons or legal persons in the relevant Member State who are not qualified investors].

Offer Duration - from **[Offer Start Date]** and ending on **[Offer End Date]**.

Name and address of the entity responsible for record keeping: the Central Securities Depository of the Slovak Republic, a.s., with its registered office at ul. 29 August 1/A, Bratislava 814 80, ID No.: 31 338 976, registered in the Commercial Register of the District Court Bratislava I, Section Sa, Insert No. 493/B (hereinafter referred to as the "Central Securities Depository").

Underwriting Agreement Reaching Date - **[Underwriting Agreement Reaching Date]**.

Maturity Periods - The Bonds will have the maturity periods specified in the relevant Final Terms, subject to any minimum or maximum maturity periods permitted or required by the relevant Central Bank (or equivalent authority) or any law or regulation applicable to the Issuer **[Issue Maturity Date]**.

Method of Issuance of Bonds - Individual issues of Bonds may also be issued by the Issuer in tranches in accordance with the relevant provisions of applicable law, if so specified in the Final Terms **[in tranches/not in tranches]**. In the event of the Issues being issued in Tranches, the Issuer shall specify a serial number for each Tranche, which in this case shall be **[Tranche Order]**.

Issue Subscription Deadline - The Issue Subscription Deadline is **[Issue Subscription Deadline]**.

Deadlines for subscription of individual tranches of the Issue - The deadline for subscription of individual tranches of the Issue is:

[Deadline for subscription of individual tranches of the Issue].

Number of Bonds in a single Tranche - The number of Bonds in a single Tranche is **[Number of Bonds in a single Tranche]**.

Final Maturity Date of the Bonds in each Issue - The Final Maturity Date of the Bonds in each Issue is **[Final Maturity Date of the Bonds in each Issue]**.

Par Value Redemption Record Date (Ex-Principal Date) - The Par Value Redemption Record Date (Ex-Principal Date) is **[Par Value Redemption Record Date (Ex-Principal Date)]**.

Interest yield on early redemption of the bond - The interest yield on early redemption of the bond is

at least at the interest rate determined by the Issuer at ordinary maturity, but with a discount to take account of the actual number of days to early redemption. However, the Issuer may determine a higher interest rate to compensate Holders for the early redemption of the Notes. Such interest will be specified in the final terms of each issue - **[Interest Yield on Early Redemption of Notes]**.

7.1.3 Exchange and pre-emption rights and rights attached to the Bonds

There are no rights to exchange the Bonds for any other securities and no pre-emptive rights (rights of first refusal) to any securities. There are no other benefits or rights attached to the Bonds.

7.1.4 Bondholders and the Joint Representative

The owner of the Bonds shall mean the person whose name appears on the certificated bond or any subsequent counterfoil, respectively, in whose owner's account with the Central Depository or in an owner's account maintained by a member of the Central Depository the Bonds are registered, or who is registered as the owner of the Bonds by a person for whom the Central Depository maintains a holding account, if such Bonds are registered in such holding account (the "**Relevant Registrar**" and such person referred to above and hereinafter referred to as the "**Bondowner**"). If any Bonds are registered in a Holder Account maintained by the Central Depository, the Issuer reserves the right to rely on the authority of any person who is the registered Bondholder for the Bonds registered in the Holder Account, to fully represent (directly or indirectly) the Bondholder and to perform towards the Issuer on behalf of the Bondholder all legal acts (whether on its behalf or on its own behalf) in relation to the Bonds as if that person were the owner of the Bonds.

Unless otherwise provided by applicable law or a court order delivered to the Issuer, the Issuer and the Administrator will treat each Bondholder as the beneficial owner of the Bonds in all respects and will make payments to such Bondholder in accordance with the terms and conditions set forth in this Base Prospectus.

No Common Representative of the Bondholders or Security Agent or any other representative of the Bondholders has been appointed. The Issuer or the Meeting may appoint a Common Representative of the Bondholders or Security Agent, as the case may be, in accordance with the Bond Act. The agreement, if any, appointing the Joint Representative of the Bondholders or the Security Agent will be available to the public on the Issuer's website [at https://fvesystems.com/investicne-portfolio/](https://fvesystems.com/investicne-portfolio/).

7.1.5 Transferability of the Bonds

The transferability of the Bonds is not limited. The transfer of the book-entry Bonds takes place by registering the transfer in the relevant register. The transfer of certificated Bonds is effected by their delivery to the transferee and the endorsement of a counterfoil in favour of the transferee, which shall be unconditional and shall transfer all rights attached to the certificated Bonds. The endorsement of the certificated Bond, it is necessary to provide the information necessary to

uniquely identify the person to whom the certificated Bond is transferred and the date of transfer of the certificated Bond. Such transfer shall only be effective against the Issuer upon the entry of the change of the Bond owner in the list of Bond owners maintained by the Administrator.

Prior to the actual filing of the application for approval of the Base Prospectus with the NBS, the Bonds have not been admitted to a listing or other market on any stock exchange or traded on any foreign regulated public market. However, the Issuer may elect to apply for admission of the Bonds to trading on the regulated open market of the BSE or the BSE.

7.1.6 Status of the Issuer's obligations under the Bonds

Individual Bond Issues may be unsecured or secured. The status of the Issuer's obligations under the Bonds is **[unsecured/secured]**. In the case of a Secured Issue, the Issue will be secured - **[Security Detail]**.

a) in case of unsecured Bonds

The Obligations of the Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking pari passu with each other without any mutual preference and at least pari passu with all other present or future direct obligations of the Issuer, general, unconditional, unsubordinated and similarly unsecured obligations of the Issuer, except for those obligations which may be given preference solely by virtue of mandatory provisions of law generally applicable to creditors' rights.

The Bonds will be issued solely by the Issuer, which is the sole obligor on the obligations under the Bonds. No other person provides any guarantee or other security in respect of the Bonds which would enable the Bondholders to assert any claim under the Bonds against any person other than the Issuer or against the property of any person other than the Issuer. The Issuer does not undertake to the Bondholders that it will repay the nominal value or pay a pro rata portion of the proceeds on demand prior to the stated maturity date.

b) in the case of secured Bonds

The Obligations of the Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer ranking pari passu with each other without any mutual preference and at least pari passu with all other present or future direct obligations, general, unconditional, unsubordinated and similarly secured obligations of the Issuer, except for those obligations which may be given preference solely by virtue of mandatory provisions of law generally applicable to creditors' rights.

The Bonds will be issued solely by the Issuer, which is the sole obligor on the obligations under the Bonds. The obligation of the Issuer to pay the obligation under the Bonds may be supplemented by a guarantee declaration of a third party or a related person. The Issuer or the third party may also provide security in the form of a pledge (in particular but not exclusively a pledge over business shares, real estate, business, receivables, movables, etc.). If another person provides a guarantee or other security in respect of the Bonds, this would allow the Bondholders or the Security Agent to assert claims under the Bonds against that person or that person's property. The Issuer does not undertake to the Bondholders that it will repay the nominal value or pay a proportionate part of the proceeds on demand before the stated maturity date.

7.1.7 Declarations and Undertaking of the Issuer

The Issuer declares that it owes the Nominal Amount to the Bondholders and undertakes to repay the Nominal Amount to them and, if applicable, to pay the proceeds to them in accordance with the terms and conditions set out in this Base Prospectus.

7.1.8 Commitments

The Issuer undertakes that until all its payment obligations under the Bonds issued and outstanding in accordance with this Base Prospectus have been discharged, it will not create or permit the creation of any security over its assets, any of its obligations, by way of pledge or other similar rights of third parties, which would restrict the Issuer's rights to its present or future property or income unless, at the latest simultaneously with the creation of such pledges or other similar third party rights, the Issuer shall ensure that its obligations under the Bonds are secured on a parity with the obligations so secured. However, this restriction shall not apply to:

- I. any third party liens or other similar rights of a third party such as are customarily granted in the course of business conducted by the Issuer or created in connection with the Issuer's normal banking operations; or
- II. any liens or other similar rights of third parties (existing or future) arising under contractual arrangements of the Issuer existing at the date of issue of the Bonds or relating to property or assets of the Issuer pledged or used as security at the time of the Base Prospectus; or
- III. any liens or other similar rights which attach to the Issuer's business assets at the time of acquisition or for the purpose of securing obligations of the Issuer arising solely in connection with the acquisition of such property or assets or any part thereof (including, without limitation, in connection with the acquisition of new equity interests in other persons); or
- IV. any liens or other similar rights of third parties, arising by law or by virtue of a court or other official decision.

For the purposes of this Base Prospectus, "Obligations" means the obligations of the Issuer to pay any

sums due and surety obligations assumed by the Issuer for the obligations of third parties to pay any sums due. For the purposes of this definition of Obligations, "Guarantee Obligations" means obligations of the Issuer assumed for the obligations of third parties in the form of a surety statement, assumption of an obligation or other form of guarantee or assumption of a joint and several obligation

7.1.9 Interest yield

The interest income of the Bonds of the Issues shall be in the form of a [**zero-coupon bond/fixed rate bond**]. In the form of a zero-coupon bond, the Bonds will not bear interest at any rate and the yield on the Bonds is determined by the Issuer as the difference between the nominal amount of the Bonds and the Issue Price of the Bonds.

Fixed Rate Bonds will bear interest at the [**Fixed Rate**] set out in the Final Terms.

7.1.10 Repayment and redemption

7.1.10.1 Final maturity

Unless an individual Issue is redeemed early or the Issue is purchased by the Issuer and extinguished as set out below, the aggregate nominal amount of the Issue shall be payable in a single lump sum on the final maturity date of the individual Issue specified in the Final Terms (the "**Issue Final Maturity Date**").

The Bondholder shall not be entitled to demand early redemption of the Bonds and payment of a pro rata portion of the interest income on the Bonds prior to the Final Maturity Date of the Issue, except for early redemption of the Issue in accordance with the provisions of Clause 7.1.10.2.

7.1.10.2 Early redemption of the Issue at the option of the Issuer

The Issuer shall have the right, at its option, to prepay all outstanding Bonds of the Issue on any date, provided, however, that the Issuer shall give notice of its decision to the Bondholders and not later than 30 days prior to such relevant prepayment date (the "**Bond Prepayment Date**").

A notice of early redemption at the option of the Issuer pursuant to this Article shall be irrevocable and shall obligate the Issuer to redeem early all Bonds of that Issue issued to date in accordance with the terms and conditions set out in this Base Prospectus.

7.1.10.3 Redemption of Bonds

The Issuer is entitled to redeem the Bonds at any time at any price. Bonds redeemed shall not lapse and it shall be at the discretion of the Issuer whether to hold them in its possession and, if applicable, resell them or decide to extinguish them. In such case, the Bonds shall be extinguished by virtue of the merger of the right and obligation (liability) in one person.

7.1.10.4 Presumption of repayment

If the Issuer pays to the Administrator the amount of the Nominal Amount and the amount of the relevant proceeds (if applicable) payable in connection with the redemption of the Issue in accordance with the Common Terms and the relevant Final Terms, all of the Issuer's obligations under the Issue shall be deemed to be fully repaid on the date on which the relevant amounts are credited to the relevant account of the Administrator. This presumption may be invoked if the Administrator is a licensed securities dealer or, as the case may be, a bank solicensed. For the avoidance of doubt, if the function of the Administrator is performed by the Issuer, the above presumption cannot be invoked.

7.1.11 Payment terms

7.1.11.1 Currency of payments

The Issuer undertakes to pay the proceeds and repay the Nominal Amount in the relevant currency to be determined in accordance with the Final Terms. The Yield will be paid and the Nominal Amount will be repaid to the Bondholders in accordance with the Common Terms and the relevant Final Terms of the relevant Issue and in accordance with the tax, exchange and other applicable laws in force at the time the relevant payment is made.

All references to EUR in the Common Terms and the relevant Final Terms are to the lawful currency of the Slovak Republic.

All references to another currency in the Common Terms and the relevant Final Terms are to the lawful currency of the EU country where that currency is the official currency.

7.1.11.2 Date of payment

Payment of the Nominal Amount shall be made by the Issuer directly to the Client or, if the Administrator is appointed (the "OCP"), through the Administrator on the dates specified in the relevant Final Terms (each such date, as the same may be construed from time to time, also referred to hereafter as the "**Issue Final Maturity Date**" or the "**Issue Early Maturity Date**" or each such date also referred to hereafter as a "**Disbursement Date**").

If the Payment Date does not fall on a Business Day on which banks are open and interbank

trades are settled and TARGET is also open for the settlement of trades (a "**Business Day**"), the Nominal Amount will be paid on the following Business Day and the Bondholder will not be entitled to additional interest.

7.1.11.3 Determination of rights to receive payments related to the Bonds

The nominal value will be paid to persons who are the Beneficial Owners of the Bonds as evidenced by the Relevant Records on the relevant Record Date (as such term is defined below) (each, an "**Eligible Person**").

Record Date means the third Business Day prior to the Payout Date (the "**Record Date**").

For the purposes of determining the Eligible Person, neither the Issuer nor the Administrator will take into account transfers of Bonds made after the Record Date.

7.1.11.4 Making payments

The Issuer, resp. The Administrator, if appointed by the Issuer, shall make payment of the Nominal Amount to the Eligible Persons by wire transfer to their portfolio account held with the Administrator or to a current account held with a bank (including, for the avoidance of doubt, a foreign bank) or a branch of a bank in the European Economic Area (EEA) pursuant to an instruction delivered by the relevant Eligible Person to the Administrator at the address of the designated office of the Administrator in a reliable manner not later than 5 (five) Business Days prior to the Payment Date.

The instruction must be in the form of a signed written statement with a notarized signature or signatures that includes sufficient information about the Eligible Person's account to enable 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 relevant attachments, if any, hereinafter referred to as the "**Instruction**"). The Instruction must be in a form and content satisfactory to the Administrator and the Administrator shall be entitled to require evidence satisfactory to the Administrator that the person signing the Instruction is authorised to sign such Instruction on behalf of the Eligible Person. Such proof must also be received by the Administrator not later than five Business Days prior to the Payment Date. In this regard, the Administrator shall be entitled to require, in particular, (i) the production of a power of attorney in the event that an agent will act for the Eligible Person and (ii) additional confirmation of the Instruction from the Eligible Person. For the avoidance of doubt, if the function of the Administrator is performed by the Issuer,

the above process cannot be used as instructions will be given directly to the Issuer.

Any Eligible Person who, in accordance with any relevant international double taxation treaty (to which the Slovak Republic is a party), claims a tax benefit shall deliver to the Administrator, together with the Instruction, as an integral part thereof, proof of his/her tax domicile and such other documents as the Administrator and the relevant tax authorities may require. Notwithstanding such authority, neither the Administrator nor the Issuer shall verify the accuracy and completeness of such Instructions and shall not be liable for any damages caused by any delay by the Eligible Person in delivering the Instruction or any incorrectness or other defect in the Instruction. In the case of original foreign official documents or official authentication in a foreign country, the Administrator may require the provision of an appropriate higher or further authentication or apostille pursuant to the Hague Apostille Agreement (whichever is applicable). The Administrator may further require that all documents executed in a foreign language be supplied with an official translation into Slovak.

The obligation to repay the Nominal Amount shall be deemed to have been duly and punctually discharged if the relevant amount is remitted to the Eligible Person in accordance with its Instruction pursuant to this clause and is debited from the Administrator's account no later than the relevant due date for such amount.

Neither the Issuer nor the Administrator shall be liable for any delay in the payment of any amount due caused by (i) the failure of an Eligible Person to timely deliver a proper Instruction or other documents or information required of it hereunder, (ii) such Instruction, documents or information being incomplete, incorrect or incorrect or (iii) such delay being caused by circumstances beyond the control of the Issuer or the Administrator. In such case, the Eligible Person shall not be entitled to any additional payment or interest for any delay in the relevant payment so caused.

If the Administrator is unable to make payment of any amount due on the Bonds within a reasonable time after the Payment Date because of delay on the part of the Eligible Person, failure to give a proper Instruction or other reasons on the part of the Eligible Person (e.g. 40/1964 Coll., Civil Code, as amended, the Administrator may, without prejudice to the powers under Section 568 of the Act No. 40/1964 Coll., Civil Code, as amended, either deposit the amount due at the expense of the Eligible Person (or its successor in title) at its discretion into a notarial custody or deposit the amount due itself. By depositing the amount due in escrow, the obligation of the Issuer and the Administrator in respect of the payment of such amount shall be deemed to have been discharged and the Eligible Person (or its successor in title) shall not in such cases be entitled to any additional payment, interest or other return in respect of the safekeeping and subsequent payment of the amount in question. For the avoidance of doubt, if the function of the Administrator is performed by the Issuer, the Issuer shall proceed in accordance with applicable law on default by a Lender.

7.1.12 Statute of Limitations

Any rights under the Bonds shall be barred after a period of ten years:

- (i) from the relevant Interest Payment Date, if there is a right to payment of interest income attached to a particular Bond,
- (ii) from the Issue Final Maturity Date or the Issue Early Maturity Date, as the case may be, in the case of the right to receive payment of the Nominal Amount, a pro rata portion of the Interest Proceeds (if applicable) and Extraordinary Proceeds (if applicable); and
- (iii) from the first day on which the right in question could have been exercised in accordance with the law, in the case of rights other than those mentioned above, as they may be amended in accordance with the relevant legislation.

7.1.13 Administrator

7.1.13.1 Administrator and Agent for calculations

The activities of the administrator related to the issue and subscription of the Bonds, payment of the nominal value of the Bonds and activities related to the admission of the Bonds to the relevant regulated market will be provided by the Issuer, or it is possible that for individual Bonds of the Issuer they will be performed in accordance with the applicable legislation by a company (hereinafter referred to as the "**Administrator**") on the basis of the terms and conditions set out in the contract with the administrator (hereinafter referred to as the "**Administrator Contract**"). The Administrator may be a securities dealer authorised by the NBS to provide investment services or a bank authorised by the NBS to provide the same.

The Issuer shall be entitled to decide to appoint another or further Administrator and to designate another or further Designated Establishment of the Administrator. Changes to the Administrator and the Designated Establishment shall be deemed to be changes to the payment venue. The changes must not cause material detriment to Holders. The Issuer shall notify the Holders of the decision to appoint another or additional Administrator by email and on the Issuer's website - <https://fvesystems.com/investicne-portfolio/>. Any such change shall take effect upon the expiry of a period of 15 days from the date of such notice, unless a later effective date is specified in such notice.

If an Administrator is appointed by the Issuer, the Administrator shall act as an agent of the Issuer in connection with the performance of its obligations under the Agreement with the Administrator and its legal relationship with the Holders shall arise only from the Agreement with the Administrator.

The activities of the Calculation Agent in relation to the Bonds will be carried out for the Issuer by the Issuer or by another company appointed by the Issuer which will be responsible for carrying out activities in connection with the performance of calculations in relation to the

Bonds (the "**Calculation Agent**").

7.1.13.2 Designated Administrator establishment

Designated Establishment and Payout Point (hereinafter referred to as "**Designated Establishment**"):

At the registered office of the Issuer as defined in the Commercial Register, at that time Grösslingova 52, 811 09 Bratislava - Staré Mesto, Slovak Republic on working days between 9:00 and 16:00 local time.

7.1.13.3 Other, or other administrator and other Designated establishment

The Issuer reserves the right at any time to appoint a different or additional administrator, which may only be another bank or branch of a foreign bank or securities dealer in the European Union (a "**Qualified Person**"), or to designate a different or additional Designated Establishment.

The Administrator shall have the right to resign in accordance with the Administrator Agreement and the Issuer shall be obliged to appoint another Administrator, otherwise a successor, who must be a Qualified Person, may be appointed by the original Administrator at the expense and liability of the Issuer.

7.1.13.4 Relationship of the Administrator to the Bondholders

The Administrator acts as the agent of the Issuer in connection with the performance of its obligations under the Administrator Agreement and has no legal relationship with the Bondholders, except as otherwise provided in the Administrator Agreement or by law. The Administrator does not guarantee or otherwise secure the obligations of the Issuer under the Bonds.

7.1.13.5 Conflicts of interest at the level of the Issuer and the Administrator

The Issuer is not aware of any potential conflict of interest between the Issuer and the Administrator's duties and their private interests or other duties.

7.1.13.6 Changes and waiver of claims

The Issuer and the Administrator may agree, without the consent of the Bondholders, to (A) any amendment to any provision of the Indenture with the Administrator if the amendment is solely formal, incidental or technical in nature or is made for the purpose of correcting a manifest error or required by changes in law and (B) any other amendment and waiver of claims arising out of any breach of any provision of the Indenture with the Administrator which, in the reasonable opinion of the Issuer and the Administrator, will not cause prejudice to the Bondholders.

7.1.14 Changes to the Common Terms and Conditions

The Issuer may unilaterally change the Common Terms only if the change is a correction inaccuracies in the provisions of the Common Terms and Conditions, by changing the name of the Issuer or the place of payment, unless the Bond Act or a special law provides otherwise.

7.1.15 Bondholders' Meeting

Any Holders of Bonds of a given Issue whose Nominal Amount is at least 10% of the aggregate Nominal Amount of the issued and outstanding Bonds of that Issue shall have the right to request to convene a meeting of the Bondholders in relation to this Issue (the "**Meeting**"). Application for the Meeting must be delivered to the Issuer, the Administrator, if any, and the Security Agent, if any. Bondholders who have requested a Meeting are required to submit with the request for a Meeting an extract from the records showing that they are Bondholders within the meaning of clause 7.1.4 as at the date of signing the request.

The relevant Bondholders may withdraw the relevant request for a Meeting, but only if such withdrawal is received by the Issuer, the Administrator and the Security Agent, if any, not less than three Business Days prior to the Meeting. The withdrawal of the Request for a Meeting shall not affect any request for a Meeting by other Bondholders. If the Meeting is not held solely due to the withdrawal of the request for a Meeting, the relevant Bondholders shall be jointly and severally liable to reimburse the Issuer for the costs incurred to date in the preparation of the Meeting.

The Issuer shall be entitled to convene the Meeting at any time and shall be obliged to convene the Meeting without undue delay if any of the reasons pursuant to § 5a (3) arise. of the Bond Act.

7.1.16 MiFID II monitoring of financial instrument creation and distribution

So long as the Issuer has appointed the Administrator, solely for the purposes of its own approval process, by reviewing the Target Market in relation to the Bonds, the Administrator, which will also be the Lead Manager, will have assessed that (i) the Target Market for the Bonds is the Eligible Counterparties, professional clients within the meaning of Directive 2014/65/EU, as amended ("MiFID II"), and also retail clients of the Principal Manager's clients and (ii) in the distribution of the Bonds in this target market, selected distribution channels are permissible, namely through a non-advised sales service or a portfolio management service, as the case may be.

Any person subsequently offering, selling or recommending Notes subject to the MiFID II Rules is responsible for conducting its own target market analysis in relation to the Notes (either by adopting or refining a target market assessment) and determining its own appropriate distribution channels. The Lead Manager and the Issuer are only ever responsible for determining target markets and distribution channels in relation to the primary offering of the Notes or an offering

made by the Lead Manager itself.

7.1.17 Announcements

Any notice, disclosure or communication by the Issuer to the Bondholders in relation to the Bonds will be published in specific sections of the Issuer's website and/or, if the publication is provided by the Administrator and decided by the Administrator, in specific sections of the Administrator's website. If the law, the Common Terms and Conditions and the relevant Final Terms or the rules of the regulated market on which the Bonds are admitted to trading provide for any other method of publication of any notice, such notice shall 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 in more than one manner, the date of such notice shall be deemed to be the date of its first publication. The date of publication shall also be deemed to be 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 disclosures 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: 52 Grösslingova Street, 811 09 Bratislava - Staré Mesto, Slovak Republic, or to such other address as may be notified to the Bondholders in the manner set out in this clause.

7.1.18 Applicable law and adjudication of disputes

All rights and obligations under the Bonds shall be governed by and construed in accordance with the laws of the Slovak Republic.

All disputes between the Issuer and the Bondholders arising out of or in connection with the Bonds shall be finally settled by the competent courts in the Slovak Republic.

7.2 Terms and conditions of the offer

The Bonds will be offered for subscription and purchase by public offer in EU countries in accordance with the Final Terms.

7.2.1 Conditions for investor participation

As a condition of the investor's participation in the Offer:

- (i) the provision of all necessary data, documents and declarations required for the purpose of identifying (verifying the identity of) the investor or establishing the ownership of the funds used for the transaction within the meaning of generally binding legislation,
- (ii) in the case of book-entry bonds - the investor must have established and maintained an owner's account with the Central Depository or with a member of the Central Depository, or which has a

registration account established and maintained by a person for whom the Central Depository maintains a holding account, if such Bonds may be registered in such holding account; and

(iii) fulfillment of other terms and conditions of the Administrator.

There are no pre-emption rights or rights of first refusal in respect of the Bonds.

7.2.2 Information on fees charged to investors

If the Issuer appoints the Administrator, who is also the Lead Manager, in connection with the primary sale (subscription) of the Bonds and the secondary sale of the Bonds, it may charge investors fees in accordance with its current fee schedule (the "Fee Schedule"). This is a per trade fee as a one-off fee and a portfolio management fee on an annual basis.

7.2.3 Offering and subscription of bonds in a single Issue

7.2.3.1 Primary sales

Within the framework of the primary sale (underwriting), the activities related to the issuance and underwriting of all Bonds in a particular Issue will be carried out by the Administrator. The Offering is not subject to any firm commitment or best efforts underwriting arrangements. The Issuer does not allow trading in the Bonds at a time prior to the crediting of the Bonds to the accounts of the Bondholders. The Issuer does not reserve the right to unilaterally reduce the volume of subscriptions for the Bonds in a single Issue. Investors intending to invest in the Bonds will be satisfied in accordance with the time of receipt of their orders, and no further orders will be accepted or satisfied once the Total Issue Volume has been filled.

The relevant orders and agreements will be available to investors at selected trading venues of the Administrator and/or on the website of the Administrator and/or the Issuer. The manner in which the investor will be notified of the amount of Bonds subscribed by him will be contained in the relevant contract and/or order, and trading in the Bonds may commence at the earliest after the issue of the Bonds. The results of the issue of the Bonds will be published in specific sections of the Administrator's website without undue delay after the closing of the Offering.

The expected time for registration of the book-entry Bonds in the respective accounts of the first Bondholders is one week from the Issue Date.

The Bonds shall be credited to the respective accounts of the first Bondholders upon the instruction of the Administrator immediately upon payment of the Issue Price of the affected Bonds and fulfilment of the other conditions set out above on the Issue Date at the latest. In order to settle the Bonds successfully, the underwriters of the Bonds must comply with the instructions of the Administrator. The Issue will be deemed to have been successfully subscribed upon the

subscription of the aggregate nominal amount of the Issue or the expiry of the Offer Closing Date, even if the aggregate nominal amount of the Issue is not subscribed in full.

The Issuer has not set a minimum amount for the success of the Issue and therefore the Issuer is entitled to issue the Bonds in a smaller volume than the highest amount of the nominal values of the Bonds, in which case the Issue will be considered successful.

The minimum number of bonds in an order is set at 1 (one) bond. The maximum number of Bond Units in an Order is set for the entire volume of a particular Bond Issue. Orders will be satisfied on a rolling basis as they are received by the Issuer until the last order received has accommodated the full volume of a particular Bond Issue. If this last order is for a volume of nominal value of Bonds that exceeds the sum of the remaining nominal values of the unplaced Bonds, this order will only be satisfied to the extent that it corresponds to the unplaced (remaining) volume of Bonds in the particular Issue.

In the event that any overpayment is incurred by the investors concerned, this overpayment shall be transferred back to the investor's account without undue delay. The net purchase price of the Notes to be paid to the Issuer may be reduced by any fees, charges or expenses associated with the subscription and purchase of the Notes. The results of the Primary Sale (Subscription) will be published in a publicly accessible place at the Designated Office and also on the Issuer's website.

Following the issuance of a particular Bond Issue, Financial Intermediaries may offer the following Bonds in secondary sales under this Prospectus.

7.2.3.2 Secondary sales

The Issuer consents to the subsequent resale of the Bonds in the secondary market within the EU countries by the Issuer or any other financial intermediary and consents to the use of this Prospectus for the purpose of the resale of the Bonds. For the avoidance of doubt, the Issuer consents to the use of the Prospectus by all financial intermediaries within the meaning of Article 20a(1)(b) of the Prospectus Regulation. The Issuer's consent to the subsequent resale of the Bonds in the secondary market is limited in time to a period of twelve (12) months from the date of the final decision of the NBS on the approval of this Prospectus.

The Issuer expressly accepts responsibility for the contents of the Prospectus, including with respect to the secondary offering of the Bonds through all financial intermediaries. No other conditions relevant to the use of the Prospectus are attached to the Issuer's consent.

ANNOUNCEMENTS TO INVESTORS:

Information on the terms of the offer of the financial intermediary must be provided by the financial intermediary to each specific investor at the time of the offer. Each financial intermediary using the Prospectus must indicate on its website that it is using the Prospectus in accordance with the Issuer's consent and the terms and conditions attached thereto.

7.3 Additional information

7.3.1 Interest of natural and legal persons participating in the Issue

The Issuer has not yet appointed an Administrator, a Listing Agent, a Lead Manager or a Calculation Agent in connection with the Bonds and these activities are being carried out by the Issuer itself. The Issuer reserves the right to appoint the aforementioned persons at any time during the effectiveness of the Prospectus and the Adviser in connection with the preparation of the Bond Framework and the issue of the Bonds.

The appointed Lead Manager may be motivated to sell the Bonds in respect of its incentive fees (in the event of a successful sale), which may create a conflict of interest (although the Issuer is not aware of such facts). The Lead Manager is obliged to take measures in the event of a conflict of interest in accordance with the requirements of generally applicable law. The Lead Manager is involved and participates in the Issue, in the ordinary course of its business, for which the Issuer will pay it an agreed remuneration. In addition to the preparation of the Issue, participation in the Issue may also consist of the underwriting of all or part of the Issue of the Bonds on the primary market.

The Lead Manager or its affiliates may provide various banking services to the Issuer in the ordinary course of its business. There may be a potential conflict of interest of the Principal Manager in the Issue between, on the one hand, the Principal Manager's interest in arranging the sale of the Bonds pursuant to the Bond Placing Agreement entered into between the Issuer and the Principal Manager and, on the other hand, the Principal Manager's interest in providing investment services consisting of accepting and transmitting a client's order, executing a client's order for the client's account or providing investment advisory services to clients.

Neither the Lead Manager nor any other person has assumed any obligation to the Issuer to subscribe for or purchase the Bonds in connection with the Bond Issue.

Save as disclosed above, as at the date of the Base Prospectus, the Issuer is not aware of any interest of any person or entity involved in the Issue which is material to the Issue or the offering of the Bonds.

In preparing the Programme, the Issuer used the services of Market Advisory s.r.o., registered office: Drieňová 16940/1K, 821 01 Bratislava - Ružinov district, ID No.: 52 623 084, registered in the Commercial Register of the Municipal Court Bratislava III, Section: Sro, Insert No.: 140896/B as its advisor.

7.3.2 Reason for the offer and use of proceeds by the Issue

Estimated Net Proceeds from the Issue [**Estimated Net Proceeds from the Issue**] after payment of all fees, costs and expenses in connection with the Issue, relating in particular to the registration of the Bonds, if any, the preparation of the Base Prospectus and the Final Terms, the admission of the Bonds, if any, to trading on the BSE, or the admission of the Bonds to trading on the BSE, if any. The estimated **amount of [Estimated amount of underwriting or placement commissions]** and other legal and other professional services shall be used to finance the Issuer's ordinary operating needs.

In the event of the issue of the Bonds, the net proceeds will be used to finance the Issuer's projects or the assets of its subsidiaries whose activity is focused on financing new construction and development projects of photovoltaic power plants both in Slovakia and the Balkans. A detailed description of the purpose of the use of the funds in the case of the Bonds is set out in clause 4.5. will also be set out in the relevant Final Terms.

This purpose of use of funds is also the reason for the offer of the given issue of Bonds.

7.3.3 Admission to trading

The Issuer may apply to the BCPP or the BCPB, as the case may be, for admission of the Bonds of the Issue to trading on the regulated open market of the BCPP or the BCPB, as the case may be, no later than after the aggregate nominal amount of the Bonds of the Issue has been subscribed. The Issuer cannot guarantee that the BCPP or the BCPB, as the case may be, will accept the application for admission to trading. In the event that the Issuer applies for admission of the Bonds to trading on a regulated market, trading in the Bonds of the Issue will commence only after they have been admitted to trading on the regulated open market of the BCPP or the BCPB, as the case may be. Apart from the application for admission of the Bonds of the Issue to trading on the regulated open market of the BSE or the CSE, as the case may be, the Issuer has not applied, nor does it intend to apply, for admission of the Bonds of the Issue to trading on any other domestic or foreign regulated market or exchange.

Except for the Bonds issued under the Programme, the Issuer has not issued any debt securities that have been admitted to trading on a regulated market.

7.3.4 Stabilization

If a Stabilisation Manager is appointed in relation to an issue of Bonds, that person or persons acting on its behalf may effect stabilisation transactions (purchases or sales) in relation to the Bonds designed to support the market price of the Bonds at a level higher than might otherwise prevail without the effect of such transactions. The Issuer shall inform the Holders of the appointment of the Stabilisation Manager by email and on the Issuer's website - <https://fvesystems.com/investicne-portfolio/>. **However, there is no guarantee that the Stabilization Manager or any other person will undertake the Stabilization Transactions.**

Stabilization Transactions may be effected from the earlier of the date of adequate public disclosure of the terms of the offer of the relevant issue of Bonds and the termination of the Stabilization Transactions, whichever is earlier, either not later than 30 calendar days after the date of issuance and settlement of the issue of the Bonds (i.e., when the Issuer has received the proceeds of the issue) or not later than 60 calendar days after the date of allocation of the Bonds to the individual investors in accordance with their orders. Any stabilization transactions, if any, will only be carried out in accordance with the requirements of the relevant legislation.

7.3.5 Method of issue

Individual issues of Bonds may also be issued by the Issuer in parts (tranches) in accordance with the relevant provisions of applicable law, if so specified in the Final Terms.

7.3.6 Reproduced information

The Issuer represents that all information contained in this Prospectus has been accurately reproduced from available and verified sources.

8 FINAL TERMS FORM

Set out below is the form of Final Terms that will be prepared for each issue of Bonds to be issued pursuant to the Base Prospectus under the Programme, supplemented by specific details relating to the issue of Bonds in question. The Final Terms will be prepared and published for each individual issue of Bonds issued under the Programme prior to the commencement of the issue of the Bonds.

This symbol "[-]" indicates those parts of the Final Terms that will be supplemented. If "(choice of alternative from the Common Terms)" is indicated for a particular information item, it means that the information is included in the Common Terms for the relevant information item in more than one variant and only such variant or variants as are relevant for the issue will be included in the Final Terms.

The information about any Supplement to the Base Prospectus set out in square brackets below will only be set out in the relevant Final Terms if a relevant Supplement to the Base Prospectus is executed.

[the Final Terms form is on the next page]

Final Terms dated [-]

The Final Terms are drawn up in accordance with 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 securities or their admission to trading on a regulated market, and repealing Directive 2003/71/EC.

The Final Terms, together with the Common Terms set out in the Base Prospectus, supersede the

terms and conditions of issue of the relevant Issue.

[Name and ISIN of the Bonds], maturing on [DD.MM.YYYYY], issued in accordance with the Base Prospectus under the Bond Programme in the amount of up to EUR 100,000,000 of outstanding Bonds:

GENERAL CHARACTERISTICS	
Title:	[-]
ISIN of the bond:	[-]
CFI:	[-]
FISN:	[-]
The nominal value of one bond:	[-]
Total estimated nominal the value of the Bond Issue:	[-]
Number of Bonds in the Issue:	[-]
Date of the decision of the Board of Directors Issuer on the parameters of the Issue:	[-]
Bond Issue Price:	[-]
Issue price of the bonds:	[-]
Yield of the Bonds:	[zero-coupon bond/fixed rate bond]
Fixed interest rate:	[-/not applicable]
Interest due dates:	[-/not applicable]
The first day interest is due:	[-/not applicable]
Interest period in months:	[-/not applicable]
Annual yield to maturity considered:	[-/not applicable]
Currency of the Bond Issue (Selected from variants):	[-]
Date of Issue:	[-]
Country of public offer (Selection from variants):	[-]
The offer is for (Choice of variant):	[natural persons] and/or [legal persons]; or [to qualified investors] or [to a limited number of persons, namely less than 150 natural or legal persons in the relevant Member State who are not qualified investors]
Duration of the offer:	from [Offer Commencement Date] and ending on [Offer Closing Date].

Status of the Issuer's liabilities:	[unsecured/secured]
If the Issuer's obligation is secured:	[Security Detail /not applicable]
Estimated Net Proceeds from the Issue:	[-]
Estimated amount of commissions for underwriting or placement:	[-]
Issue Administrator:	[The function of the Issue Administrator shall be performed by the Issuer / a person authorised by the Issuer in accordance with the applicable legislation].
Objective:	[-]
THE DATE AND METHOD OF SUBSCRIPTION OF THE BOND ISSUE	
Start date of the offer:	[-]
Maturity Date of the Issue:	[-]
Method of issuing bonds:	[in tranches/not in tranches]
Deadline for subscription of the Issue:	[-]
Lehoty For Subscription individual tranches :	[-/not applicable]
Number of bonds in each tranche:	[-/not applicable]
Tranche order:	[-]
Application for admission to trading on a regulated market:	[-/not applicable]
REDEMPTION OF BONDS	
The final maturity date of the Bonds in a particular Issue:	[-]
Record date for repayment nominal values (ex-date):	[-]
Interest yield on early redemption repayment of the bond:	[-/not applicable]
Possibility of early redemption of the Issue by the Issuer:	[yes/no]

These Final Terms, which have been prepared pursuant to 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**"), shall be read and construed in conjunction with the Base Prospectus (the "**Base Prospectus**") for the programme for the issuance of Notes up to EUR 100,000,000 to be issued from time to time or on a recurring basis by FVE Systems, s.r.o., with registered office at Grösslingova 52, Bratislava - Staré Mesto 811 09, Slovak Republic, ID No.: 54688264, LEI: 3157007EM1C8DVKJE163, registered in the Commercial Register of the Municipal Court of Bratislava III, Section: s.r.o., Insert No.: 161813/B (hereinafter referred to as the "**Issuer**"), as well as with any amendment thereto in order to obtain all relevant information. The Final Terms, including the defined terms used, must be read together with the Common Terms set out in the Base Prospectus. The risk factors relating to the Issuer and the Bonds are set out in Article 2. "*Risk Factors*" of the Base Prospectus.

The Base Prospectus and any Supplements to the Base Prospectus are available in electronic form in specific sections of the Issuer's website. Information about the Issuer, the Bonds and the offering thereof is complete only on the basis of the combination of these Final Terms and the Base Prospectus [and the relevant Supplement(s) to the Base Prospectus, if any].

The Base Prospectus was approved by the National Bank of Slovakia by decision No.: 100-000-667-340 and No.: NBS1-000-095-328 dated 7 March 2024. [Supplement to the Base Prospectus No.[●] was approved by the National Bank of Slovakia by decision No.[●] dated [●].]

If there are Final conditions Retrieved from to another language, if interpreted disputes the Slovak language version is decisive.

If the Bonds are continued or reoffered after the expiry of the Base Prospectus, the relevant details will be available in a subsequent prospectus, and the continuing terms of issue will be incorporated by reference in the subsequent prospectus. The Subsequent Prospectus will be published in the same manner as the Base Prospectus.

In Bratislava on 27.02.2024

Issuer: FVE Systems, s.r.o.

The Issuer's Statutory Officers are responsible for the information in the Prospectus - Ing. Marcel Kamon and Martin Štric.

9 IMPORTANT NOTICES

- I. This Base Prospectus is a prospectus within the meaning of the Securities Act, the Prospectus Regulation and the Delegated Prospectus Regulations. This Prospectus has not been approved by any governmental authority, other than the NBS, or any other person. Any statement to the contrary is false.
- II. The Issuer has not authorized any statement or information about the Issuer or the Bonds other than as contained in this Base Prospectus. No such other statement or information may be relied upon as having been approved by the Issuer. Unless otherwise stated, all information in this Base Prospectus is as of the date of this Base Prospectus. The delivery of this Base Prospectus at any time after the date of this Base Prospectus does not imply that the information contained herein is correct as of any time after the date of this Base Prospectus.
- III. The obligations of the Issuer, including the obligations arising from the Bonds, are not guaranteed or otherwise guaranteed by the Slovak Republic or any of its institutions, ministries or political subdivisions (state or local government bodies) or any other person.
- IV. The distribution of this Base Prospectus and the offer, sale or purchase of the Notes may be restricted by law in certain countries. The Bonds will not be registered, authorised or approved by any administrative or other authority of any country other than the NBS and will be offered in the territory of the Slovak Republic and, where applicable, other countries in the European Union.
- V. Purchasers of the Bonds, especially foreign purchasers, are advised to consult with their legal and other professional advisors the provisions of the relevant legislation, in particular the foreign exchange and tax legislation of the Slovak Republic, the countries of which they are residents and other relevant countries, as well as any relevant international agreements, and to evaluate their impact on their particular investment decision before making an investment.
- VI. Bondholders, in particular foreign Bondholders, are advised to keep themselves informed of all laws and regulations governing the ownership of the Bonds, as well as the sale of Bonds abroad or the purchase of Bonds

from abroad, as well as any other transactions with the Bonds, and to comply with such laws and regulations.

- VII. The basic prospectus is available free of charge to all interested parties in electronic form on the Issuer's website <https://fvesystems.com/investicne-portfolio/>.
- VIII. Any assumptions or projections concerning the future development of the Issuer, its financial position, the scope of its business or its market position should not be regarded as a representation or binding promise by the Issuer concerning future events or results because such future events or results depend in whole or in part on circumstances and events beyond the Issuer's direct or complete control. Prospective purchasers of the Bonds should make their own analysis of any developments or projections set out in this Base Prospectus, or make further independent enquiries, as appropriate, and base their investment decisions on the results of such separate analyses and enquiries.
- IX. Unless otherwise stated below, all financial data of the Issuer is based on generally applicable accounting regulations of the Slovak Republic. Certain figures in this Base Prospectus have been adjusted by rounding. This means, among other things, that the values given for the same item of information may differ slightly in different places and the values given as the sum of certain values may not be the exact arithmetic sum of the values on which they are based.
- X. This Base Prospectus is drawn up in the Slovak language. In the event of any inconsistency between the text of the Base Prospectus in the Slovak language and the text of the Prospectus translated into another language, the text of the Prospectus in the Slovak language shall prevail.

10 BASIC DESCRIPTION OF TAXATION AND EXCHANGE REGULATION IN THE CZECH REPUBLIC AND THE SLOVAK REPUBLIC

The Issuer represents that the text of this chapter is only a brief summary of certain tax considerations relating to the acquisition, ownership and disposition of the Bonds in the Czech Republic or the Slovak Republic and does not purport to be a comprehensive summary of all tax considerations that may be relevant to a decision to acquire the Bonds. This summary is based solely on the legislation in force at the date of this Base Prospectus and may

be subject to subsequent change (including with possible retroactive effect). The Issuer is not a tax adviser, is not authorised to provide tax advice and is not responsible for any errors in investors' tax returns. Prospective investors in the Bonds are advised to consult their own legal and tax advisors as to the tax and foreign exchange consequences of acquiring, selling and holding the Bonds and receiving interest payments on the Bonds under the tax and foreign exchange regulations applicable in the Czech Republic and the Slovak Republic and in the states of tax residency of the prospective investors in the Bonds.

10.1 Taxation in the Czech Republic

10.1.1 Interest income

The tax regime relating to the Bonds is based in particular on Act No. 586/1992 Coll., on Income Taxes, as amended (the "Czech Income Tax Act") and Act No. 323/2016 Coll., amending certain acts in the field of monetary circulation and foreign exchange and repealing Act No. 219/1995 Coll., the Foreign Exchange Act, and related legal regulations, as amended, in force on the date of this Base Prospectus, as well as from the usual interpretation of such laws and other regulations applied by the Czech administrative authorities and other state authorities and known to the Issuer as at the date of this Base Prospectus. All of the information set out below is subject to change depending on changes in the relevant laws that may occur after the date of this Base Prospectus or in the interpretation of those laws that may be applied after that date.

Interest paid to an individual, a Czech tax resident, is subject to withholding tax levied by the Issuer on the payment of interest (i.e. withholding tax) at the rate of 15%. This withholding tax represents the final taxation of the interest in the Czech Republic.

Interest paid to an individual who is not a Czech tax resident and who is also doing business in the Czech Republic through a permanent establishment is subject to withholding tax levied by the Issuer upon payment of the interest in accordance with the double taxation treaty in which the individual is resident.

Interest paid to a legal entity which is a Czech tax resident or is not a Czech tax resident and also carries on business in the Czech Republic through a permanent establishment forms part of the general tax base and is subject to a 19% corporate income tax rate. The tax is not withheld in this case.

The basis of withholding tax is determined on a bond-by-bond basis, the tax withheld is not rounded up, only the total amount of tax withheld by the Issuer on each type of income is rounded down to the nearest whole crown. Rounding down to the nearest crown thus occurs at the time of payment of the withholding tax to the tax office, at the level of the total amount of tax withheld by the payer on the interest income from the Bond for all taxpayers.

10.1.2 Income from sales

Gains from the sale of the Bonds realized by a legal entity that is a Czech tax resident or a permanent establishment of a tax non-resident legal entity located in the Czech Republic are included in the general tax base subject to taxation at the applicable corporate income tax rate (19%). Losses on sales are generally tax deductible.

Gains from the sale of the Bonds realized by an individual who is a Czech tax resident or a permanent establishment of a tax non-resident individual located in the Czech Republic are generally included in the current personal income tax base subject to a tax rate of 15%. If the bonds have not been included in the assets of the enterprise by the individual and if the period between the acquisition and sale of the bonds has exceeded 3 years, the income from the sale of the bonds is exempt from taxation.

Income from the sale of a bond is exempt from tax for an individual if the total income from the sale of securities in a given tax period does not exceed CZK 100,000. The decisive factor is not in the amount of the gain, but the amount of the total proceeds from the sale of the security, even if the investor would have made a loss on the sale. Again, the exemption does not apply here in the case of a sale of securities included in property (by an entrepreneur), within 3 years of the business ceasing operations.

Income from the sale of the Bonds by a Czech tax non-resident derived from a Czech tax resident or a permanent establishment of a Czech tax non-resident located in the Czech Republic is generally subject to income tax at the general income tax rate (19% for corporations, 15% for individuals), unless the relevant double tax treaty concluded by the Czech Republic provides otherwise or unless such income is exempt from personal income tax (see above).

If the Bonds are not sold by a person who is a tax resident of a Member State

of the European Union or the European Economic Area or if the relevant double taxation treaty does not provide otherwise, the purchaser (a Czech tax resident) is generally required to withhold a security tax equal to 1% of such proceeds from the sale of the Bonds. This tax security is deductible against the resulting tax liability of the Czech tax non-resident in the Czech Republic.

10.2 Taxation in the Slovak Republic

Provision of § 7 of Act No. 595/2013 Coll. on income tax, as amended (hereinafter also "Slovak Income Tax Act") with effect from 1 January 2016 defines a special income tax base for income from capital assets. Income from capital assets, unless it is income pursuant to Section 6(1)(d) of the Slovak Income Tax Act, includes, among other things, interest and other income from securities.

Pursuant to Article 11 (1) and (2) of Contract 238/2003 Coll. On the avoidance of double taxation and the prevention of tax evasion in the field of income and property taxes between the Czech Republic and the Slovak Republic, bond proceeds originating in one of the Contracting States and actually held by a resident of the other Contracting State are subject to taxation only in the latter State.

Since 1 January 2016, income from capital assets is not included in the personal income tax base, but is taxed separately as part of the special tax base for capital assets under Section 7 of the Slovak Income Tax Act. The tax rate on the special tax base established under Section 7 of the Slovak Income Tax Act in accordance with Section 15(a)(2) of the Slovak Income Tax Act is 19%. This modification of the Slovak Income Tax Act with effect from 1 January 2016 ensured equal taxation of income from capital assets irrespective of whether it is derived from sources within the Slovak Republic or from sources abroad.

Income from capital assets pursuant to Section 7 (1) to (3) of the Slovak Income Tax Act, which accrues to the spouses from their community of property, is included in the special tax base in the same proportion for each of them, unless they agree otherwise. In the same proportion shall be included in the special tax base the expenses by which the income included in the special tax base pursuant to Section 7(2), (3), (5), (7) and (8) of the Slovak Income Tax Act may be reduced pursuant to Section 7 of the Slovak Income Tax Act. In the majority of cases, withholding tax is applied to income from capital assets under Section 43 of the Slovak Income Tax Act. The taxpayer, i.e. the taxpayer (institution) that pays or credits the income to the taxpayer, is responsible for the collection and payment of withholding tax on such income to the tax administrator.

If the taxpayer receives this income from sources a b r o a d , it is included in the special income tax base according to Section 7 of the Slovak Income Tax Act. The tax liability on such income shall be settled by the taxpayer personally by filing a tax return in accordance with Section 32 of the Slovak I n c o m e Tax Act. This means that all non-residents will be paid interest income by the Issuer in gross amount and the investor is obliged to tax this income by filing a tax return. As such income is taxed as part of the special tax base under Section 7 of the Slovak Income Tax Act, the tax rate is 19%.

An individual who is insured in the Slovak Republic pays health insurance on income from capital assets, which is an expense for income tax purposes.

10.3 Taxation in other countries

If the Issuer decides that the Bonds will also be distributed in other countries, it will add provisions on taxation for residents of each country to the Common Terms and Final Terms, respectively.

11 ATTACHMENTS

- 1) Audited financial statements for 2022
- 2) Interim financial statements for the period from 01.01.2023 to 30.06.2023

INDEPENDENT AUDITOR'S REPORT

to the company's annual accounts

FVE Systems, s. r. o.

as at 31 December 2022

INDEPENDENT AUDITOR'S REPORT

To the statutory body of FVE Systems, s. r. o.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FVE Systems, s.r.o. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes, which comprise a summary of significant accounting policies and methods of accounting.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance for the year then ended in accordance with Act No. 431/2002 Coll. on Accounting, as amended (the "Accounting Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are set out in the paragraph Responsibilities of the auditor for the audit of the financial statements. We are independent of the Company in accordance with the provisions of Act No. 423/2015 on Statutory Audit and on Amendments to 431/2002 Coll. on Accounting, as amended (the "Statutory Audit Act") relating to ethics, including the Auditor's Code of Ethics, relevant to audit of the financial statements, and we have complied with the other requirements of these provisions relating to ethics. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis.

Significant uncertainty about going concern

As at 31 December 2022, the Company is assessed as a company in crisis pursuant to Section 67a of the Commercial Code as the required ratio of the equity to liabilities is not met. These facts indicate that there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company was incorporated during 2022, which may have a material impact on the amount of its liabilities as well as revenues in that financial period.

Our opinion is not qualified in light of these facts.

Another fact

The company does not meet the size criteria for a statutory audit of financial statements under the Accounting Act and therefore does not have to prepare an annual report. It has chosen to have its accounts audited voluntarily.

Responsibility of the statutory body for the financial statements

The statutory body is responsible for the preparation of these financial statements that give a true and fair view in accordance with the Accounting Act and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the company's ability to continue as a going concern, for describing the going concern basis of accounting, if applicable, and for using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report, including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit performed in accordance with International Standards on Auditing will always detect material misstatements, if any. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In an audit conducted in accordance with international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of a material misstatement due to fraud is higher than that due to error because fraud may involve collusion, forgery, deliberate omission, misstatement or circumvention of internal control.
- We consider internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We assess the appropriateness of the accounting policies and methods used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- We conclude on whether the statutory body appropriately applies the going concern assumption in the accounts and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the auditor's attention in our report to the related disclosures in the financial statements or, if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report.
- We assess the overall presentation, structure and content of the financial statements, including the information presented in the financial statements, and whether the financial statements present transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance about, among other things, the planned scope and timing of the audit and significant audit findings, including any significant internal control weaknesses we identify during our audit.

Bratislava, 7 December 2023

VELOX, s.r.o.
Ivánska cesta 5285/91
821 04 Bratislava
licencia č.: 389

Ing. Miroslav Baláz, MBA
certifikovaný audítor
licencia č.: 1000



prepared as of 31 December 2022

Align figures with the right edge and other entries with the left edge. Leave lines with no entries empty.
Make entries in upper-case letters (as shown below), or print or type in blue or black.

Á Ä B Č D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

Tax ID No. 2121782256	Financial statements	Month	Year
	X regular	from 6	2022
Company ID No. 54688264	extraordinary	for the period	
	provisional	to 12	2022
SK NACE 70.22.0	(tick X as appropriate)	Immediately preceding period	
		from 20	
		to 20	

Attachments to the Financial Statements

Balance Sheet (Uč MU J 1-01) Profit and Loss Statement (Uč MU Notes (Úč MÚJ 3-01)
(in whole euros) (in whole euros) (in whole euros or eurocents)

Business name (designation) of the accounting unit

FVE Systems, s. r. o.

Registered office of the accounting unit

Street GRÖSSLINGOVA Number 52
ZIP code 81109 Municipality BRATISLAVA

Designation of the Commercial Register and company ID number

The company registered in the Commercial Register of the City Court
Bratislava III, Section Sro, File no. 161813/B

Tel. Fax

E-mail

Prepared on: 30 June 2023	Approved on: 30 June 2023	Signature of a statutory body of the accounting unit or a member of the statutory body of the accounting unit or signature of a natural person being the accounting unit:
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Records of the Tax Office

Place for the registration number

Imprint of the Tax Office's receipt stamp



Class a	ASSETS b	Line c	Current accounting period Net 1	Immediately preceding accounting period Net 2
	TOTAL ASSETS I. 02 + I. 14	01	1233296	5000
A.	Fixed (non-current) assets I. 03 + I. 04 + I. 09	02	305000	
A.I.	Intangible fixed assets (012, 013, 014, 015, 019, 01X, 041, 051) - /072, 073, 074, 075, 079, 07X, 091, 093, 095A/	03		
A.II.	Tangible fixed assets (Property, plant and equipment) total (lines 05 to 08)	04		
A.II.1.	Land and buildings and constructions (021, 031, 042A, 052A) - /081, 092A, 094A, 095A/	05		
2.	Individual movable assets and sets of movable assets (022, 02X, 042A, 052A) - /082, 08XA, 092A, 094A, 095A/	06		
3.	Other tangible fixed assets (025, 026, 029, 02X, 032, 042A, 052A) - /085, 086, 089, 08XA, 092A, 094A, 095A/	07		
4.	Value adjustments to acquired assets (+/- 097) - /+/- 098/	08		
A.III.	Non-current (Long-term) financial assets total (lines 10 to 13)	09	305000	
A.III.1.	Shares (061, 062, 063, 043A, 053A) - /095A, 096A/	10	301000	
2.	Other non-current financial assets (065A, 066A, 067A, 069, 06XA, 043A, 053A) - /095A, 096A/	11	4000	
3.	Bank accounts with notice period exceeding one year (22XA)	12		
4.	Other non-current financial assets with remaining maturity of up to one year (065A, 066A, 067A, 06XA) - /096A/	13		
B.	Current assets I. 15 + I. 16 + I. 17 + I. 21	14	928296	5000
B.I.	Inventory (112, 119, 11X, 121, 122, 123, 124, 12X, 132, 133, 13X, 139, 314A) - /191, 192, 193, 194, 195, 196, 19X, 391A/	15		
B.II.	Long-term receivables (311A, 312A, 313A, 314A, 315A, 316A, 31XA, 335A, 336A, 33XA, 354A, 355A, 358A, 35XA, 371 A, 374A, 375A, 378A, 381A, 382A, 385A) - 391A	16	804143	
B.III.	Short-term receivables Total (I. 18 to I. 20)	17	10196	
B.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 316A, 31XA) - /391A/	18		
2.	Social insurance, tax assets and subsidies (336A, 341A, 342A, 343A, 345A, 346A, 347A, 34XA) - /391A/	19		
3.	Other receivables (335A, 336A, 33XA, 354A, 355A, 358A, 35XA, 371A, 374A, 375A, 378A, 381A, 382A, 385A, 398A) - /391A/	20	10196	
B.IV.	Financial assets I. 22 + I. 23	21	113957	5000
B.IV.1.	Cash in hand and bank accounts (211, 213, 21X, 221 A, 22XA, +/- 261)	22	113957	5000
2.	Other financial accounts (251, 252, 253, 256, 257, 25X, 259, 314A) - /291, 29X/	23		



Class a	EQUITY AND LIABILITIES b	Line c	Current accounting period 3	Immediately preceding accounting period 4
	TOTAL EQUITY AND LIABILITIES I. 25 + I. 34	24	1233296	5000
A.	Equity I. 26 + I. 29 + I. 30 + I. 31 + I. 32 + I. 33	25	14818	5000
A.I.	Registered capital I. 27 + I. 28	26	5000	5000
A.I.1.	Registered capital and changes in registered capital (411, +/-419) or (+/-491)	27	5000	5000
2.	Receivables from equity subscriptions (-/353)	28		
A.II.	Capital funds (412, 413, 417, 418)	29	50000	
A.III.	Profit funds (421, 422, 423, 427, 42X)	30		
A.IV.	Differences from revaluation (+/-415, 416)	31		
A.V.	Retained earnings/accumulated losses from previous years (428, /-429)	32		
A. VI.	(Profit)/loss for the accounting period after taxation (+/-) I. 01 - (I. 26 + I. 29 + I. 30 + I. 31 + I. 32 + I. 34)	33	-40182	
B.	Liabilities I. 35 + I. 36 + I. 37 + I. 38 + I. 43 + I. 44 + I. 45	34	1218478	
B.I.	Long-term liabilities except for provisions and loans (316A, 321A, 32XA, 372A, 471A, 472A, 473A, 474A, 475A, 476A, 478A, 479A, 47XA, /-255A, 383A, 384A)	35	1203394	
B.II.	Long-term provisions (451A, 459A, 45XA)	36		
B.III.	Long-term bank loans (461A, 46XA)	37		
B.IV.	Short-term liabilities except for provisions, loans and financial assistance Total (I. 39 to I. 42)	38	11084	
B.IV.1.	Short-term trade liabilities (316A, 321A, 32XA, 322, 324, 325, 326, 32X, 475A, 476A, 478A, 479A, 47XA)	39	10760	
2.	Employee related liabilities and social security liabilities (331, 333, 336A, 33X, 479A)	40		
3.	Taxation liabilities and subsidies(341A, 342A, 343A, 345A, 346A, 347A, 34XA)	41	145	
4.	Other short-term liabilities (364, 365, 366, 367, 368A, 36X, 372A, 379, 383A, 384A, 398A, 471A, 472A, 474A, 478A, 479A, 47XA)	42	179	
B.V.	Short-term provisions (323, 32XA, 451A, 459A, 45XA)	43	4000	
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	44		
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, /-255A)	45		



Class a	Text b	Line c	Current accounting period 1	Immediately preceding accounting period 2
*	Operating income Total (I. 02 to I. 07)	01		
I.	Revenues from merchandise (604, 607)	02		
II.	Revenues from own products and services (601, 602, 606)	03		
III.	Change in intra-organisational inventories (+/- account group 61)	04		
IV.	Capitalisation (account group 62)	05		
v.	Revenue from sales of intangible and tangible fixed assets and materials (641, 642)	06		
VI.	Other operating income (644, 645, 646, 648, 655, 657)	07		
*	Operating expenses Total (I. 09 to I. 17)	08	38014	
A.	Cost of merchandise sold (504, (+/-) 505A, 507)	09		
B.	Consumption of materials, energy and other non-storable supplies (501, 502, 503, (+/-) 505A)	10	1166	
C.	Services (account group 51)	11	36848	
D.	Personnel costs (account group 52)	12		
E.	Fees and taxes (account group 53)	13		
F.	Amortisation/depreciation of and value adjustments to intangible and tangible fixed assets (551, (+/-) 553)	14		
G.	Carrying amount of tangible fixed assets and raw materials sold (541, 542)	15		
H.	Value adjustments to receivables (+/- 547)	16		
I.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	17		
**	(Profit)/loss on operations (+/-) (I. 01 - I. 08)	18	- 3 8 0 1 4	
*	Value added (I. 02 - I. 09) + (I. 03 + I. 04 + I. 05) - (I. 10 + I. 11)	19	- 3 8 0 1 4	
*	Financial income total (I. 21 to I. 26)	20	195	
VII.	Revenue from securities and shares sold (661)	21		
VIII.	Revenue from non-current financial assets (665)	22		
IX.	Revenue from current (short-term) financial assets (666)	23		
X.	Interest income (662)	24	195	
XI.	Exchange rate gains (663)	25		
XII.	Other financial income (668)	26		



Class a	Text b	Line c	Current accounting period 1	Immediately preceding accounting period 2
*	Financial expenses Total (l. 28 to l. 33)	27	2363	
J.	Securities and shares sold (561)	28		
K.	Expenses related to current financial assets (566)	29		
L.	Value adjustments to financial assets (+/-) (565)	30		
M.	Interest expense (562)	31	2074	
N.	Exchange rate losses (563)	32	123	
O.	Other expenses related to financial activities (568, 569)	33	166	
**	(Profit)/loss on financial operations (+/-) (l. 20 - l. 27)	34	-2168	
**	(Profit)/loss for the accounting period before taxation (+/-) (l. 18 + l. 34)	35	-40182	
R	Income tax (591, 595)	36		
Q.	Transfer of share of (profit)/loss to partners (+/-) (596)	37		
***	(Profit)/loss for the accounting period after taxation (+/-) (l. 35 - l. 36 - l. 37)	38	-40182	