Terms and Conditions for Issue of the Masaryk Station CZK I/2022 Bond

Issuer identification:	Penta RE Funding CR, s.r.o., registered Office: Na Florenci 2116/15, 110 00 Praha 1 - Nové Město, Česká republika, ID: 07 204 400, registered in the Commercial register kept by the Municipal Court in Prague, Section C, Entry 296551, LEI: 315700GAFKXL9ZGURM87, (the „Issuer“)
Bond name:	Bond Masaryk Station CZK I/2022 (hereinafter referred to as the „Bond“ or „Bonds“)
ISIN:	CZ0003542946
Bond type and form:	Bearer Bonds
Bond definition:	Registered securities
Listing of the Bond at the stock exchange:	No application for listing of the Bonds at the listed securities market or any other stock exchange market will be filed.
Anticipated total nominal value of the Bond issue:	250 000 000 CZK
Nominal value of one bond:	50 000 CZK
Minimum investment by one initial acquirer:	The relevant equivalent of EUR 100 000 in CZK, calculated using the exchange rate published by the European Central Bank valid for the day of payment of the issue price of the Bond by one subscriber.
Number of bonds:	5 000
Date of the issue:	18.08.2022
Maturity date for the bond nominal value:	18.08.2025; Bonds shall bear no interest after this date.
Laws under which the Bonds are issued:	The laws of the Czech Republic
Status of the bonds:	Unsubordinated, secured in accordance with Section 20 of Act No. 190/2004 Coll. on Bonds, as amended (hereinafter referred to as the “Act on Bonds”)
Form and manner of security:	Guarantee issued by PENTA REAL ESTATE HOLDING LIMITED, with its registered office at Agias Fylaxeos & Polygnostou, 212, C & I CENTER, 2nd floor, P.C. 3082, Limassol, Cyprus, registered in the Register of Companies maintained by the Ministry of Energy, Trade and Industry of the Republic of Cyprus under Reg. Number. HE 295402, for the benefit of the bondholders.
Information about the person keeping records of registered Bonds:	Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 14, Prague 1, Identification No.: 250 81 489, registered in the Commercial Register of the Municipal Court in Prague, section: B, insert No.: 4308 (hereinafter referred to as the “**Central Depository**”).
Terms and conditions applicable to the early repayment of the nominal value of bonds and payment	The Issuer reserves the right to prepay the nominal value of the Bonds (hereinafter referred to as ”Prepayment”) under the following terms and conditions: 1. The Prepayment may be executed only on one of the following days:

of the proportional amount of the yield of bonds:	18.08.2023, 18.02.2024, 18.08.2024 and 18.02.2025 (hereinafter referred to as “Available Prepayment Dates“). 2. The Issuer shall notify the exercise of its right to execute Prepayment in nationwide periodicals publishing stock exchange news. 3. The date for Prepayment of the nominal value of the Bonds shall be: a) the day determined by the Issuer in a notice under clause 2 provided that such a day (i) is an Available Prepayment Date under clause 1 and, at the same time, (ii) it occurs no earlier than 14 days after publication of the notice under clause 2; b) next Available Prepayment Date following publication of the notice under clause 2, which shall occur no sooner than 14 days after publication of the notice provided that the Issuer does not determine in the notice any date for Prepayment of the nominal value of the Bond (hereinafter referred to as the "Prepayment Date"); this shall be without prejudice to clause 5. 4. In any case that is not covered by clause 3 (a) or (b) it shall be presumed that the Issuer has not exercised its right to execute Prepayment. 5. If the Prepayment Date determined under clause 3 is a day that is not a business day, the next following business day shall be deemed to be the Early Repayment Date and the owner of the Bond shall not be entitled to any interest or any other performance in respect of this postponement of the Prepayment Date. 6. If the Issuer exercises its right to execute Prepayment, they shall pay, on the Prepayment Date, the nominal value of the Bond and the pro-rated part of the yield of the Bond determined in the manner specified in the clause “Manner of determination of the bond yield”. 7. Bonds shall bear no interest after Prepayment.
Date of bond issue commencement:	18.08.2022
Anticipated subscription period for the Bonds issue:	The subscription period for the Bonds issue shall be from 18.08.2022 (inclusive) to 18.08.2024 (inclusive). The Issuer has decided that during the subscription period for the Bonds issue, the Bonds may also be issued gradually in parts (tranches).
Method and place of subscription for the Bond, method and time of delivery of the Bonds to individual subscribers, and method and place of repayment of the issue price of the subscribed Bond:	The bonds will be issued on the basis of an offer to the public to which, pursuant to Article 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus, the obligation to publish a securities prospectus shall not apply. The place of subscription for the Bond shall be Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419. The subscriber shall pay the issue price in the form of a wire transfer to the Issuer’s account specified in the relevant order form for the subscription for the Bond. The subscribed Bond will be credited to the subscriber’s asset account no later than 14 days from the date of payment of the issue price by the subscriber.
Manner of determination of the bond yield:	The yield is determined based on the fixed interest rate of 8.50 % p.a. of the nominal value of the Bond. The yield shall be calculated as the product of (i) the nominal value of the Bond, (ii) the fixed interest rate under the preceding sentence, and (iii) the proportion between the number of days of the current period and the number of days of the current year where: 1. the number of days of the current period shall mean the actual number of days of the relevant (current) period between the current date of the Bond Yield Payment and the immediately preceding date of Bond Yield Payment or the Issue Date where no previous Bond Yield Payment date exists, 2. the current year shall mean the period of time between the Issue Date until the date of the first anniversary of the Issue Date (inclusive) and each next

period of time from the day following the last day of the preceding period until the first anniversary of the last day of the preceding period (inclusive), depending on the period within which the relevant date of the Bond Yield Payment occurs and

3. the number of days of the current year shall mean the product of the number of days of the current period and the number of dates of the Bond Yield Payment for the current year, i.e. the basis for the calculation is Act/Act in compliance with the ICMA rule no.251.

Issue price of the Bonds:

The issue price of the bonds is set from 90% up to 110% of the nominal value of a bond. As of each subsequent day during the primary offer (i.e., at or before the end of the bond issue period) the relevant first-time investor must pay the Issuer the Issue Price together with the amount corresponding to the accrued interest expressed as a percentage of the bond's nominal value and calculated using the following formula:

1. for period from 18.08.2022 until 18.08.2023

$$AI = \frac{\left(\frac{8.50\ \%}{4}\right)}{NDIIP} \times NDPO$$

2. for period from 18.08.2023 until 18.08.2024

$$AI = \frac{\left(\frac{8.50\ \%}{2}\right)}{NDIIP} \times NDPO$$

where:

"AI" means the resulting accrued interest.

"NDIIP" means the actual number of days of the current interest income period within the bond issuance period between: (i) the immediately following bond yield payment date and (i) the immediately preceding bond yield payment date, or (if there is no such date) the issue date,

"NDPO" means the actual number of days between: (i) the date of payment of the bond yield immediately preceding the date of subscription of the relevant bonds, or (if there is no such date) the date of issue, and (ii) the date of subscription of the relevant bonds.

Bond yield payment dates:

18.11.2022, 18.02.2023, 18.05.2023, 18.08.2023, 18.02.2024, 18.08.2024, 18.02.2025 and 18.08.2025 (the "Bond Yield Payment dates"). If the date under the preceding sentence is a day that is not a business day, the date for Bond yield payment shall be the next business day and the owner of the Bond shall not be entitled to any interest or any other performance in respect of postponement of the date of Bond yield payment.

Ex-Coupon dates:

03.11.2022 (as of the Bond yield payment date of 18.11.2022),

06.02.2023 (as of the Bond yield payment date of 18.02.2023),

03.05.2023 (as of the Bond yield payment date of 18.05.2023),

04.08.2023 (as of the Bond yield payment date of 18.08.2023),

05.02.2024 (as of the Bond yield payment date of 18.02.2024),

05.08.2024 (as of the Bond yield payment date of 18.08.2024),

04.02.2025 (as of the Bond yield payment date of 18.02.2025),

04.08.2025 (as of the Bond yield payment date of 18.08.2025).

A Bond yield payment for the relevant period shall only be paid to a holder of the Bond who is a holder of the Bond according to the records kept by Central Depository on the Business Day immediately preceding an ex-coupon date.

Payment of the nominal value of bonds:

The Issuer shall pay the total nominal value of the Bond as a lump sum on the day that represents the maturity date for the total nominal value of the Bond or on the Prepayment Date. If the date of settlement of the nominal value of the Bond is a day that is not a Business Day, the next following Business Day shall be deemed to be the maturity date and the owner of the Bond shall not be entitled to any interest or any other performance in respect of this postponement of the maturity date.

Ex-Principal date:

The Ex-Principal date is 04.08.2025. In case of Prepayment of the Bonds, the Ex-Principal Date corresponds to the last Ex-Coupon Date before the date of Prepayment of the nominal value of the Bond. The nominal value of the Bond shall be paid out only to the owner of the Bond who is the actual owner of the Bond under the records kept by Centrální depozitář cenných papírů, a.s. on the Business Day immediately preceding the Ex-Principal Date.

Manner of payment of bond yields and repayment of the bond nominal values:

Payment of the yield of the Bond and repayment of the nominal value of the Bond shall be executed via a bank transfer to the owner's account.

Identification of the person involved in providing the issue and repayment of the Bond and the place of repayment of the Bond and the payment of the Bond yield:

Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419, LEI: 31570020000000004154.

All activities associated with the issue and repayment of the Bonds and the payment of the Bond yields shall be fully performed for the Issuer and in its name by Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419.

Method of procuring funds for the payment of the Bond yield and repayment of the nominal value of the Bonds:

The Issuer will procure the funds for the payment of the yield and the nominal value of the Bonds from the Issuer’s cash flow originating in its business activities and/or through the issue of other Bonds, a bank loan or a loan.

Guarantee:

Each holder of the Bond, by subscribing or buying or otherwise acquiring the Bond, agrees that the Issuer’s obligation to repay the nominal value of the Bonds and pay the Bond yield is secured by the guarantee of PENTA REAL ESTATE HOLDING LIMITED, with its registered office at Agias Fylaxeos & Polygnostou, C & I CENTER, 2nd floor 212, 3082 Limassol,, Cyprus, registered in the Companies Register maintained by the Ministry of Energy, Commerce, Industry and Tourism of the Republic of Cyprus under registration number: HE 295402 (hereinafter referred to as “PREHL”); governed by Slovak law and, in the case of any disputes, subject to the exclusive jurisdiction of courts of the Slovak Republic; the PREHL guarantee is accessible to the public and to the holders of the Bonds at the payment place designated for the payment of the Bond yield and the nominal value of the Bonds and at the Issuer’s registered office. The holders of the Bonds are entitled to exercise their rights under the guarantee in the manner and under the conditions set out therein.

Issuer's declaration:

The Issuer declares that it owes the nominal value of the Bond to its owner.

Issuer's undertaking:

The Issuer undertakes to pay the owner of the Bond the nominal value of the Bond and the yield of the Bond on the dates specified herein.

Transferability of bonds:	Bonds are transferable to new owners without restrictions.
Bond yield taxation:	The yield of the Bond shall be taxed in compliance with the legal regulations valid at the time of yield payments.
Method of notifying the meeting of the holders of the Bonds and method of disclosing and making available further information about the Bonds:	The meeting of the holders of the Bonds will be announced through nationwide periodicals. Any further information about the Bonds will be published and made available in nationwide periodicals. Information pursuant to Act No. 190/2004 Coll., on Bonds, as amended, may be published and made available in the Czech and/or Slovak language.
The day of record for attendance of the meeting of the holders of the Bonds:	The day of record for attendance of the meeting of the holders of the Bonds is set as the fifth Business Day prior to the date of meeting of the holders of the Bonds. The holder of the Bonds who is a holder of the Bond according to the records kept by the Central Depository on the day or record according to the first sentence may attend the meeting of the holders of the Bonds.
Target market:	The bond is intended for both professional and non-professional investors as well as eligible counterparties. It is suitable for informed investors who demonstrably have sufficient knowledge of the nature and risks of bonds, declare their resilience to the risk of investing in bonds, and are able to bear the potential loss of invested funds. The goal of the investor who purchased this product is the protection or growth of invested funds. The recommended investment horizon corresponds to the maturity of the bond, i.e., up to 3 years. The bond is not intended for non-professional investors: i) who have not demonstrated sufficient knowledge of the nature and risks of the investment vehicle, ii) whose investment horizon is inconsistent with the date of maturity of the bond, or iii) who have demonstrably not declared resilience to the risk of investing in bonds and are unable to bear any loss of invested funds.
Purpose of the use of the funds raised by issuing the Bonds:	The purpose of using the funds raised by issuing the Bonds after payment of all fees, costs, and expenses in connection with the issue is primarily financing of companies in the Penta Real Estate Holding Limited Group, which is also the guarantor of the issue and holds and manages assets of all real estate projects within the Penta Group.
Additional information:	a. The Bonds will be issued under the laws applicable in the territory of the Czech Republic, in accordance with Act No. 190/2004 Coll. on Bonds, as amended. b. The rights under the Bonds shall be subject to a limitation period of 10 years from their maturity date. c. No rights of first refusal, exchange or other rights other than those specified in the terms and conditions shall be attached to the Bonds. d. Any facts associated with the exercise of the rights of the holders of the Bonds will be published in nationwide periodicals and at the registered office of the Issuer. e. The Issuer excludes the possibility of separating the right to the Bond yield payment from the Bond.

Note:

The bonds will be issued on the basis of an offer to the public to which, pursuant to Article 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus, the obligation to publish a securities prospectus shall not apply.

These terms and conditions have been drawn up in accordance with Act No. 190/2004 Coll., on Bonds, as amended.