

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (AS DEFINED BELOW) LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus following this page (the “**Prospectus**”) and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer (as defined in the Prospectus), or any of Banca IMI S.p.A. London Branch, ING Bank N.V., Raiffeisen Bank International AG, Société Générale and UniCredit Bank AG (together, the “**Joint Lead Managers**”) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES (AS DEFINED IN THE PROSPECTUS) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED PROSPECTUS.

Confirmation of your representation: In order to be eligible to view the attached Prospectus or make an investment decision with respect to the securities being offered, prospective investors must be non-U.S. persons (as defined in Regulation S) located outside the United States. This Prospectus is being sent to you at your request, and by accessing this Prospectus you shall be deemed to have represented to the Issuer and the Joint Lead Managers that (1) you are not a U.S. person nor are you purchasing for the account or benefit of a U.S. person, (2) you are purchasing the securities being offered in an offshore transaction (within the meaning of Regulation S) and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (3) you consent to delivery of this Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The attached Prospectus may only be distributed to, and is directed solely at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The attached Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Joint Lead Managers, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version.



eustream, a.s.

(incorporated with limited liability under the laws of the Slovak Republic)

EUR 500,000,000 1.625 per cent. Notes due 2027

Issue Price: 99.574 per cent.

This prospectus (the “**Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) for the purpose of giving information with regard to the issue of the EUR 500,000,000 1.625 per cent. Notes due 2027 (the “**Notes**”) of eustream, a.s. (the “**Issuer**”). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list and trading on its regulated market (the “**Regulated Market**”). There can be no assurance that any such admission to trading will be obtained. The Regulated Market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in Financial instruments (as amended, “**MIFID II**”). This Prospectus will be valid until the date of admission of the Notes to trading on the Regulated Market. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

Interest on the Notes is payable annually in arrear on 25 June in each year, commencing on 25 June 2021. Payments on the Notes will be made in euros without deduction for or on account of taxes of the Slovak Republic to the extent described under “*Terms and Conditions of the Notes—Taxation*”.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 25 June 2027. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Slovak Republic. The Notes may also be redeemed at the option of the Issuer, in whole but not in part: (a) pursuant to Condition 5(e) (*Redemption at the option of the Issuer (Make-Whole)*) at any time from, but excluding, the Issue Date to, but excluding, 25 March 2027; or (b) pursuant to Condition 5(d) (*Redemption at the option of the Issuer (Issuer Call)*) at their principal amount on any date from and including, 25 March 2027 to, but excluding, their Maturity Date. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at its principal amount in the circumstances described in Condition 5(c) (*Redemption on Change of Control*). See “*Terms and Conditions of the Notes—Redemption and Purchase*”.

The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”).

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAW, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS SUCH TERMS ARE DEFINED IN REGULATION S OF THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS.

The Notes will be in bearer form and in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), which will be deposited on or around 25 June 2020 (the “**Closing Date**”) with a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) and, together with Euroclear, the “**ICSDs**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 each and with interest coupons attached. See “*Summary of Provisions Relating to the Notes in Global Form*”.

As of the date of this Prospectus, the ratings of the Issuer are A- (stable outlook) by Fitch Ratings Ireland Limited (“**Fitch**”) and Baa2 (stable outlook) by Moody’s Deutschland GmbH (“**Moody’s**”). The Notes are expected to be rated A- (stable outlook) by Fitch and Baa2 (stable outlook) by Moody’s. Each of Fitch and Moody’s is established in the European Economic Area/United Kingdom and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Notes involves a high degree of risk. See “*Risk Factors*” beginning on page 4.

Joint Lead Managers

BANCA IMI

ING

Raiffeisen Bank
International AG

Société Générale
Corporate & Investment Banking

UniCredit Bank

The date of this Prospectus is 23 June 2020

IMPORTANT NOTICES

This Prospectus constitutes a prospectus for the purpose of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attaching to the Notes. The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Certain information contained and identified as such in this Prospectus, in particular in sections “*Risk Factors*” and “*Description of the Issuer*”, was derived from third parties. The Issuer does not accept any responsibility for the accuracy of such third-party information, nor has the Issuer independently verified any such third-party information. The Issuer confirms that such third-party information has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus is to be read in conjunction with the documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below).

The Issuer has confirmed to the Joint Lead Managers (as defined below) that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions not misleading in any material respect; and all proper enquiries have been made to ascertain or verify the foregoing.

None of Banca IMI S.p.A. London Branch, ING Bank N.V., Raiffeisen Bank International AG, Société Générale and UniCredit Bank AG (together, the “**Joint Lead Managers**”) or any of their respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Prospectus in connection with the issue or offering of the Notes and no representation or warranty, express or implied, is made by the Joint Lead Managers or any of their directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Prospectus is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Joint Lead Managers or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Prospectus are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorised to give any information or make any representation not contained in this Prospectus in connection with the issue and offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Joint Lead Managers or any of their respective directors, affiliates, advisers or agents. The delivery of this Prospectus does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as of any time subsequent to its date.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Notes by any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions is restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorised or is unlawful.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Furthermore, this Prospectus does not constitute an offer of securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Notes. Consequently this document is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe such restrictions. Further information with regard to restrictions on offers, sales and deliveries of the Notes and the distribution of this Prospectus and other offering material relating to the Notes is set out under “*Subscription and Sale*” and “*Summary of Provisions Relating to the Notes in Global Form*”.

PROHIBITION OF SALES TO EEA OR UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency or where the currency for principal or interest payments is different from the currency in which such potential investor’s financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

None of the Issuer, the Joint Lead Managers or any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

None of the proceeds of the issue of the Notes will be used to fund activities or persons that are subject to sanctions introduced by the U.S. and the European Union.

Unless otherwise specified or the context so requires, references to “euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Prospectus contains various forward-looking statements that relate to, among other things, events and trends that are subject to risks and uncertainties that could cause the actual business activities, results and financial position of the Issuer to differ materially from the information presented herein. When used in this Prospectus, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer and its management, are intended to identify such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus. The Issuer does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect the events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events.

When relying on forward-looking statements, investors should carefully consider the foregoing risks and uncertainties and other events, especially in light of the political, economic, social and legal environment in which the Issuer operates. Factors that might affect such forward-looking statements include, among other things, overall business and government regulatory conditions, changes in tariff and tax requirements (including tax rate changes, new tax laws and revised tax law interpretations), interest rate fluctuations and other capital market conditions, including foreign currency exchange rate fluctuations, economic and political conditions in the Slovak Republic and other markets, and the timing, impact and other uncertainties of future actions. See “*Risk Factors*”. The Issuer does not make any representation, warranty or prediction that the factors anticipated by such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In connection with the issue of the Notes, UniCredit Bank AG (the “Stabilisation Manager”) (or person(s) acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the

Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer's financial information set forth in this Prospectus has, unless otherwise indicated, been derived from the Issuer's unaudited interim condensed financial statements as of and for the six months ended 31 January 2020 (with comparatives as of and for the six months ended 31 January 2019) (the "**Interim Financial Statements**") and the audited financial statements as of and for the 12 months ended 31 July 2019 and 2018 prepared for the purposes of this Prospectus (the "**Annual Financial Statements**") and together with the Interim Financial Statements, the "**Financial Statements**") incorporated by reference into this Prospectus. See "*Documents Incorporated by Reference*".

As from 1 August 2018, the Issuer has changed its accounting period from a calendar year to a financial year beginning on 1 August and ending on 31 July. The first set of audited financial statements prepared by the Issuer after this change was prepared as of and for the seven months ended 31 July 2018 (with comparatives as of and for the 12 months ended 31 December 2017), while the subsequent audited financial statements were prepared as of and for the 12 months ended 31 July 2019 (with comparatives as of and for the seven months ended 31 July 2018). Therefore, to provide investors with audited financial statements for two consecutive comparable periods of 12 months each, the Issuer has prepared for the purposes of this Prospectus the Annual Financial Statements which present financial information as of and for the 12 months ended 31 July 2019 and 2018.

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU and have been audited Ernst & Young Slovakia, spol. s r.o., independent auditors (the "**Auditors**"). The Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 'Interim Financial Reporting' and have been reviewed by the auditors. The Euro is the presentation currency for the Financial Statements. The Financial Statements and financial information included elsewhere in this Prospectus have, unless otherwise noted, been presented in Euros.

Non-IFRS Information

Included in this Prospectus are certain alternative performance measures that are not measures defined by IFRS, namely, EBITDA, Net Debt, Net Debt Ratio, Cash Conversion Ratio and Free Cash Flow (together as the "**Non-IFRS Measures**"). Information regarding the Non-IFRS Measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. The Non-IFRS Measures alone do not provide a sufficient basis to compare the Issuer's performance with that of other companies and should not be considered in isolation or as a substitute for operating income or any other measure as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity.

In addition, the Non-IFRS Measures should not be used instead of, or considered as an alternative to, the Issuer's financial results as reported in the Financial Statements. The Issuer presents the Non-IFRS Measures because it believes they are helpful to investors and financial analysts in highlighting trends in its overall business. A reconciliation of the Non-IFRS Measures is presented below.

EBITDA

EBITDA represents operating profit or loss adjusted for depreciation and amortisation (the "**EBITDA**").

The following table provides a reconciliation of the Issuer's net profit to EBITDA for the six months ended 31 January 2020 and 2019, the 12 months ended 31 January 2020 and the 12 months ended 31 July 2019 and 2018:

	Six months ended 31 January		12 months ended 31 January	12 months ended 31 July	
	2020	2019	2020	2019	2018
	<i>(in EUR thousands)</i>				
Net profit for the period	188,744	174,173	401,183	386,612	368,850
Income tax	(66,268)	(65,594)	(147,762)	(147,088)	(127,860)
Financial income	288	254	1,330	1,296	1,438
Financial expense	(22,435)	(22,117)	(44,656)	(44,338)	(44,927)
Operating profit	277,159	261,630	592,271	576,742	540,199

Depreciation, amortisation and impairment losses, net.....	(72,587)	(63,544)	(136,879)	(127,836)	(134,827)
EBITDA	349,746	325,174	729,150	704,578	675,026

EBITDA is a non-IFRS financial measure used by the management of the Issuer to report the funds generated from continuing operations.

Net Debt

Net Debt represents notes or bonds and loans received less cash and cash equivalents and restricted cash (the “**Net Debt**”).

The following table provides an overview of the Issuer’s Net Debt as of 31 January 2020 and 2019 and as of 31 July 2019 and 2018:

	As of 31 January		As of 31 July	
	2020	2019	2019	2018
	<i>(in EUR thousands)</i>			
Net Debt	1,129,890	1,294,321	1,207,626	1,239,456

Net Debt Ratio

Net Debt Ratio represents Net Debt divided by EBITDA (the “**Net Debt Ratio**”).

The following table provides an overview of Net Debt Ratio as of and for the 12 months ended 31 January 2020 and the 12 months ended 31 July 2019 and 2018:

	As of and for the 12 months ended		
	31 January 2020	31 July 2019	31 July 2018
	<i>(multiple of EBITDA)</i>		
Net Debt Ratio	1.55x	1.71x	1.84x

Cash Conversion Ratio

Cash Conversion Ratio represents Free Cash Flow divided by EBITDA (the “**Cash Conversion Ratio**”).

Free Cash Flow

Free Cash Flow represents EBITDA less income tax paid and acquisition of property, plant and equipment as presented in the statement of cash flows (the “**Free Cash Flow**”).

The table below sets out Free Cash Flow and Cash Conversion Ratio for the six months ended 31 January 2020 and 2019, the 12 months ended 31 January 2020 and the 12 months ended 31 July 2019 and 2018:

	Six months ended		12 months ended 31 January	12 months ended 31 July	
	2020	2019	2020	2019	2018
	<i>(in EUR thousands, unless indicated otherwise)</i>				
EBITDA	349,746	325,174	729,150	704,578	675,026
Income Tax Paid	(71,760)	(77,464)	(93,778)	(99,482)	(157,877)
Acquisition of Property, Plant and Equipment	(37,950)	(32,351)	(65,092)	(59,493)	(24,035)
Free Cash Flow.....	240,036	215,359	570,280	545,603	493,114
Cash Conversion Ratio	-	-	78.2%	77.4%	73.1%

Financial information for the 12 Months Ended 31 January 2020

The Issuer’s financial information presented in this Prospectus for the 12 months ended 31 January 2020 has been derived by the Issuer from the Financial Statements by adding the financial information for the six months ended 31 January 2020 and the year ended 31 July 2019 and subtracting the financial information for the six months ended 31 January 2019. The financial information for the 12 months ended 31 January 2020 has been prepared solely for the purpose of this Prospectus, has not been prepared in the ordinary course of the Issuer’s financial reporting and has not been audited or reviewed. The financial information for the six months and the 12 months ended 31 January 2020 is not necessarily indicative of

the Issuer's results that may be expected for the year ended 31 July 2020 and should not be used as the basis for, or a prediction of, an annualised calculation.

Use of Certain Terms

The terms EBITDA, net debt, net debt ratio, free cash flow and cash conversion ratio do not represent the terms of the same or similar names as may be defined by any documentation for any financial liabilities of the Issuer. Further, the term Net Debt as defined above does not represent the term of a similar name, namely Indebtedness, as defined and used in section "*Terms and Conditions of the Notes*" of this Prospectus.

Websites

Information contained on any website referred to herein, unless explicitly incorporated into this Prospectus by reference (see "*Documents Incorporated by Reference*"), does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank.

Foreign Language Terms

This Prospectus is drawn up in the English language. Certain legislative references and technical terms in English version have been cited in their original Slovak language in order that the correct technical meaning may be ascribed to them under applicable law.

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OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to the more detailed information in the rest of this Prospectus.

Expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	eustream, a.s. The Issuer was incorporated in the Slovak Republic on 10 December 2004 and is registered in the Commercial Register of District Court Bratislava I, Section: Sa, under reference number 3480/B, with company identification number 35 910 712. The Issuer is a joint stock company (<i>akciová spoločnosť</i>) governed by (i) the laws and regulations applicable to commercial companies in the Slovak Republic, in particular, the Slovak Commercial Code, as amended (Act No. 513/1991 Coll.), and (ii) specific provisions of Slovak law in relation to natural gas transmission network, including the Slovak Act no. 251/2012 Coll. on Energy, as amended (the “ Act on Energy ”) and the Slovak Act no. 250/2012 Coll. on Regulation in Network Industries, as amended (the “ Act on Regulation in Network Industries ”) implementing Directive 2009/73/EC. The Issuer’s principal activity is the transmission of gas through the Slovak Republic to the European markets.
Joint Lead Managers	Banca IMI S.p.A. London Branch, ING Bank N.V., Raiffeisen Bank International AG, Société Générale and UniCredit Bank AG.
Fiscal Agent:	Citibank, N.A., London Branch.
The Notes:	EUR 500,000,000 1.625 per cent. Notes due 2027.
Issue Price:	99.574 per cent. of the principal amount of the Notes.
Issue Date:	25 June 2020.
Maturity Date:	25 June 2027.
Use of Proceeds:	The net proceeds from the issue of the Notes (i.e. after deduction of commissions, fees and estimated expenses) are expected to be approximately EUR 496,995,000. The Issuer will use such net proceeds for partial repayment of its financial indebtedness.
Interest Rate:	The Notes will bear interest at the rate of 1.625 per cent. per annum from and including 25 June 2020 to but excluding the Maturity Date (as defined in “ <i>Terms and Conditions of the Notes</i> ”).
Status:	The Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer. See Condition 2 (<i>Status</i>).
Interest Payment Dates:	Interest will be payable annually in arrear on 25 June in each year, commencing on 25 June 2021.
Form and Denomination:	The Notes will be issued in bearer form in the denominations of EUR 100,000 and EUR 1,000 in excess thereof up to and including EUR 199,000.

	The Temporary Global Note and the Permanent Global Note are to be issued in new global note form.
Redemption for Tax Reasons:	Early redemption will be permitted for taxation reasons. See Condition 5(b) (<i>Redemption for tax reasons</i>).
Redemption at the Option of the Issuer:	<p>The Notes may be redeemed at any time from, but excluding, the Issue Date to, but excluding 25 March 2027, at the option of the Issuer (in whole but not in part) at the Make-Whole Redemption Amount, as described in Condition 5(e) (<i>Redemption at the option of the Issuer (Make-Whole)</i>).</p> <p>The Notes may also be redeemed from and including 25 March 2027 to, but excluding, the Maturity Date at the option of the Issuer (in whole but not in part) at their principal amount, as described in Condition 5(d) (<i>Redemption at the option of the Issuer (Issuer Call)</i>).</p>
Redemption on Change of Control:	<p>Noteholders will have the benefit of a put option in the event of a change of control of the Issuer in the circumstances described in Condition 5(c) (<i>Redemption on Change of Control</i>).</p> <p>If 80 per cent. or more in principal amount of the Notes then outstanding has been redeemed pursuant to Condition 5(c) (<i>Redemption on Change of Control</i>), the Issuer may redeem at its option, all of the remaining Notes at their principal amount as described in Condition 5(c) (<i>Redemption on Change of Control</i>).</p>
Negative Pledge:	The Notes contain a negative pledge. See Condition 3 (<i>Negative Pledge</i>).
Events of Default:	Events of Default include: Non-payment of principal on the due date or within seven days in the case of interest; breach of other obligations of the Issuer not remedied for 45 days; cross-default in excess of EUR 75,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate; unsatisfied judgments against the Issuer in excess of EUR 75,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate; enforcement of security over any part of the undertaking, assets and revenues of the Issuer, which exceeds an amount of EUR 75,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate; insolvency and related events; certain other events. See Condition 8 (<i>Events of Default</i>).
Taxation:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Slovak Republic, unless the withholding is required by law. In that event, the Issuer will (subject to the exceptions in Condition 10 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Modification:	The Conditions of the Notes contain a provision permitting the Notes and the Conditions of the Notes to be amended without the consent of the Noteholders, among other things, to correct a manifest error.
Rating:	As of the date of this Prospectus, the ratings of the Issuer are A- (stable outlook) by Fitch and Baa2 (stable outlook) by Moody's. The Notes are expected to be rated A- (stable outlook) by Fitch and Baa2 (stable outlook) by Moody's. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the United Kingdom and registered under the CRA Regulation unless (1) the rating

is provided by a credit rating agency not established in the EEA or the United Kingdom but is endorsed by a credit rating agency established in the EEA or the United Kingdom and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or the United Kingdom which is certified under the CRA Regulation.

Governing Law:

The Notes will be governed by, and shall be construed in accordance with, English law.

Listing and Clearing:

Application has been made to Euronext Dublin for the Notes to be listed on the official list and admitted to trading on its Regulated Market.

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the following:

ISIN: XS2190979489

Common Code: 219097948

CFI Code: DBFUFB

FISN Code: EUSTREAM A.S./1.625 BD 20270625

Selling Restrictions:

The offering and sale of Notes is subject to applicable laws and regulations including, without limitation, those of the United States, the United Kingdom, the Slovak Republic and the Czech Republic. See “*Subscription and Sale*”.

Risk Factors:

Investing in the Notes involves a high degree of risk. See “*Risk Factors*” beginning on page 4.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the Issuer's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Investors should note that the risks described below are not the only risks the Issuer may face. These are the risks that the Issuer currently considers to be material. There may be additional risks that the Issuer currently considers to be immaterial or of which it is currently unaware and any of these risks could have similar effects to those set forth below.

In this Prospectus, the most material risk factors have been presented at the beginning in each category. The order of presentation of the remaining risk factors in each category in this Prospectus is not intended to be an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.

Risks related to the Issuer's business and industries generally

The Issuer's business is exposed to political, economic and social developments in the Slovak Republic, the Central and Eastern Europe region and elsewhere.

The Issuer's operations are located in the Slovak Republic and it is therefore exposed to economic risks associated with the Slovak Republic and the Central and Eastern European region generally. The economy of the Slovak Republic is vulnerable to external shocks, such as the global economic and financial crisis which commenced in the second half of 2008. The Slovak Republic's economy has also been, and may in the future be, negatively affected by an outbreak of any contagious diseases with human-to-human, airborne or contact propagation effects, such as coronavirus ("COVID-19") that has escalated into a global pandemic. The Issuer cannot provide any assurance on the future spread of COVID-19 or other contagious diseases in the Slovak Republic or what the impact on its business will be, due to, among other things, quarantines or other restrictive measures. In fact, due to the ongoing COVID-19 outbreak, the Slovak Republic and many other countries in Europe and worldwide introduced quarantines and other restrictive measures intended to prevent the spread of COVID-19. These restrictive measures have resulted in serious interruptions in business, economic and day-to-day activities in the Slovak Republic and many other countries around the world, affecting, among other things, manufacturing, trade, consumer confidence, levels of unemployment, the housing market, the commercial real estate sector, debt and equity markets, counterparty risk, inflation, the availability and cost of credit, transaction volumes in wholesale and retail markets, the liquidity of the global financial markets and market interest rates. These factors have resulted in a widespread deterioration in the economies of these countries. For instance, according to the latest estimates of the Ministry of Finance of the Slovak Republic from April 2020, as a result of COVID-19, the economy of the Slovak Republic is expected to enter into recession in 2020 and its GDP is estimated to fall by 7.2 per cent. The European Commission expects the Slovak GDP to fall by 6.75 per cent. in 2020. However, as of the date of this Prospectus, the medium to long term impact of the restrictive measures and the accompanying economic slowdown on the Issuer's business and the wider economy is difficult to assess. These factors may have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Economic developments in Europe could also be negatively affected by the departure of the United Kingdom from the European Union (the "EU") (so-called Brexit). On 20 January 2020, the United Kingdom and the EU signed an agreement on the withdrawal of the United Kingdom from the EU. The withdrawal agreement provides the United Kingdom with a transition period until 31 December 2020, which may be extended up to two years, during which the United Kingdom is bound by EU legislation and remains in the single market area. However, if no agreement on the long-term relationship between the United Kingdom and the EU is agreed by 1 January 2021 and the transition period is not extended, the United Kingdom will leave the EU without a trade deal. As a result, trade between the United Kingdom and the members of the EU would be on the basis of World Trade Organisation rules which would, among other things, include being subject to taxes set out by the World Trade Organisation as well as transport checks and other security precautions. This could adversely affect European or worldwide

economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the Euro.

On 29 February 2020, the Slovak Republic held its general election which was won by the former opposition party OĽaNO that formed a new government coalition with three other former opposition parties. Although the programme memorandum of the new government emphasizes pro-Western, pro-EU and pro-NATO orientation of the Slovak Republic and its government, the Issuer can give no assurance that the new government will continue in the current economic, fiscal, and regulatory policies, nor can there be any assurance that any shifts in government policies will not lead to the imposition of new fiscal measures, such as the introduction of new sector-specific taxes or changes in existing tax rates, and that any changes in such policies will not have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

A significant decline in the economic growth of any of the Slovak Republic's major trading partners, in particular Germany, the Czech Republic and other member states of the EU, could in the future have an adverse effect on the Slovak Republic's balance of trade and adversely affect its economic growth. In addition, because international investors' reactions to the events occurring in one market may demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by international investors, the Slovak Republic could be adversely affected by negative economic or financial developments in other European countries or countries with credit ratings similar to those of the Slovak Republic. The economy of the Slovak Republic, including GDP and employment levels, has been adversely affected by such contagion effects on a number of occasions, including following the global economic crisis which commenced in 2008, and similar developments may affect the Slovak economy in the future. Any sustained slowdown in the growth of the Slovak economy as well as any changes in economic, tax, regulatory, administrative or other conditions or policies of the Slovak government, as well as political, economic or social developments in the Slovak Republic over which the Issuer has no control could, among other things, result in reduced demand for gas and could adversely affect the Issuer's commercial customers' creditworthiness and their ability to obtain financing for their operations, and have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's business may be adversely affected by changes in regulated tariffs or the introduction of new obligations to pay regulated tariffs.

Most of the revenues of a gas transmission operator, such as the Issuer, are dependent on transmission tariffs. Pursuant to the applicable Slovak legislation, such tariffs are determined with a view to cover reasonable costs of operation and should protect customers from unreasonable prices. The Issuer, as an operator of a large-scale high-pressure gas transmission system in the Slovak Republic, is obliged to regularly submit to the Slovak Regulatory Office for Network Industries ("**RONI**") for approval tariff structure proposals in respect of the relevant regulatory period. The current regulatory period started on 1 January 2017 and will end on 31 December 2021. In 2017, the European Commission adopted Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas ("**NC on Harmonised Tariffs**") setting out the rules for harmonised gas transmission tariff structures fully applicable as from 31 May 2019. On 29 May 2019, RONI issued a new price decision implementing the rules of the NC on Harmonised Tariffs. Tariffs calculated according to this price decision will, however, start to be applicable in the Slovak Republic as from the new regulatory period commencing on 1 January 2022. The tariffs applicable for the current tariff period that began to apply on 31 May 2019 are, in line with the NC on Harmonised Tariffs, applicable until 1 January 2022. Other changes to existing regulations or the adoption of other new regulations may have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's existing material regulated contracts, including the contract with a prominent Russian shipper of gas due to expire in 2028, incorporate pre-agreed regulated tariffs. These tariffs are subject to adjustments reflecting EU inflation (using the EU Harmonised Index of Consumer Prices (HICP) index) or, in relation to certain contracts concluded prior to 2005, other indices, such as the German investment index. The development of these tariffs is not, during the lifetime of the contract, influenced by new price rulings issued by RONI or the NC on Harmonised Tariffs. However, each new contract is subject to the then applicable tariffs. If the future tariffs set by RONI are lower than the current tariffs, this may lead to the Issuer receiving lower revenues from future new contracts. RONI may decide to limit or even block tariff increases or may change the conditions of access to such regulated tariffs, including changes to the

price setting mechanisms. The Issuer cannot give any assurance that new tariffs would be set at a level which would allow the Issuer to preserve its short-, medium- or long-term profitability, while ensuring a fair return on the capital invested. In particular, tariffs set by RONI may be affected by a number of factors and there is no guarantee that the regulated tariffs set by RONI will be sufficient to cover the Issuer's future eligible operating expenditures ("OPEX"), depreciation and fair profit and any costs of future infrastructure development projects. Further, given that the Issuer is subject to both Slovak and EU regulation, which is continuously evolving, there is no guarantee that the present or future tariffs set by RONI will not be challenged by EU authorities. The materialisation of this risk as well as future changes in the tariff structure applicable to the Issuer's gas transmission network could therefore have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's business could be adversely affected by the continuing crisis in Ukraine and the political and economic uncertainty it creates.

Heightened levels of tension between Russia and Ukraine, military activity on the border between Russia and Ukraine, the accession of Crimea to Russia and the imposition by the U.S., the EU and other countries of various sanctions and certain other measures against specified Ukrainian and Russian individuals and certain Russian entities could have a direct impact on the Issuer in the future. Further escalation of the conflict may lead to fluctuations in gas prices, further U.S. and EU-backed sanctions affecting the long-term sustainable availability of Russian gas or decreased demand for gas due to any of the above factors. Future escalation of the Ukrainian crisis may lead to further expansion of the sanctions regime to include certain of the Issuer's Russian or Ukrainian suppliers, customers and counterparties. This may result in, among other things, the inability of the sanctioned counterparty to duly fulfil its contractual obligations vis-à-vis the Issuer, which may negatively affect the Issuer's business, financial condition, results of operations, cash flow and prospects.

The current tensions could also affect Ukraine's ability to transport gas to or from the Issuer's system. Despite current tensions and after protracted negotiations, Russia's Gazprom and Ukraine's Naftogaz Ukrainy signed on 31 December 2019 a new contract on the transit of gas through Ukraine. According to a press release published by Gazprom commenting on the signing of the contract, Naftogaz Ukrainy agreed to transmit a minimum of 65 billion cubic metres ("bcm") of Gazprom's gas to Europe in 2020, approximately 22 bcm less than the volume transmitted in 2018, and at least 40 bcm per year from 2021 to 2024. The contract is for a term of five years and can be further extended until 2034. However, given the complexities and current political climate between Russia and Ukraine, there is no guarantee that the parties will fully discharge their obligations under the contract for its entire duration or that after its expiration, a new contract will be concluded. The Issuer's business could be negatively affected in case of a sustained interruption of the flow of natural gas from Russia to the Slovak Republic via border point Veľké Kapušany resulting from the failure of the parties to agree on future transit cooperation.

There are no significant domestic sources of gas in the Slovak Republic and there is no previous experience in the Slovak Republic of an extended period of disruption in gas supply from the Russian-Ukrainian route, except for the 13 days' disruption in January 2009. In the case of a prolonged gas shortage, gas would have to be sourced from other state interconnectors such as the Czech Republic (from the Lanžhot entry point), Hungary (from the Veľké Zlievce entry point) and Austria (from the Baumgarten entry point) or gas stored by shippers in underground gas storage facilities. Furthermore, the interruption of gas flows from Ukraine could also negatively impact the performance of the Issuer as a portion of its revenues is dependent on the commercial gas flows in its network. This in particular concerns revenues from gas-in-kind, i.e. a pre-agreed fixed percentage of commercial gas transmission volume received from the shippers by the Issuer for its operational needs, which the shippers do not supply in case the booked capacity is not utilised. Furthermore, any escalation of the Ukrainian crisis generally may have the effect of increasing the demand from shippers for developing alternative routes that may act as competitors to the Issuer.

Since November 2015, Ukraine has ceased imports of gas from Russia. As a result, Ukraine has been increasingly reliant on the Issuer's reverse flow facilities for its access to gas, thus increasing the Issuer's revenues from reverse flow bookings. As part of the new contract on the transit of gas through Ukraine concluded on 31 December 2019, Gazprom and Naftogaz Ukrainy finally settled their long-running dispute over gas prices and transit fees. Gazprom paid to Naftogaz Ukrainy USD 2.9 billion as compensation for the Stockholm arbitration rulings and, in exchange, Naftogaz Ukrainy agreed to release seized assets belonging to Gazprom in Europe. The parties further agreed to settle and withdraw from all

arbitration proceedings where final decisions had not been rendered. Despite that, however, as of the date of this Prospectus, Gazprom and Naftogaz Ukrainy still have not concluded an agreement on resuming direct supplies of Russian gas to Ukraine. If supplies of Russian gas to Ukraine were to resume, this may lead to lower demand for the Issuer's reverse flow facilities, thus decreasing its revenues from reverse flow bookings. On the other hand, further escalation of the dispute may ultimately lead to a sustained interruption of the flow of natural gas from Russia to the Slovak Republic, in which case the consequences might be much more severe and difficult to predict.

Should any of the remedial factors mentioned above not be effective in the case of future interruptions, this could lead to a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Risk related to the exposure to one contract with a prominent Russian shipper of gas and several other long-term contracts.

As of the date of this Prospectus, the majority of the gas transmitted by the Issuer is attributable to one material contract with a prominent Russian shipper of gas and several other long-term contracts. The contract with the prominent Russian shipper was concluded in 2008 and is due to expire in 2028. As of the date of this Prospectus, approximately 50 per cent. of the Issuer's existing total annual gas transport capacity (calculated as the lesser of total entry and total exit capacity) is booked under that contract. Further large contracts, which together account for approximately 10 per cent. of the Issuer's existing total annual gas transport capacity, are to expire gradually by 2021 and may not be renewed.

In addition to the existing large long-term contracts mentioned above, the Issuer allocated a significant part of its remaining long-term transmission capacity at entry point Lanžhot during the annual incremental capacity auction in March 2017. Contracts concluded in this capacity auction are valid from October 2019. They are, however, conditional upon several factors, including the successful development of upstream projects which has not yet occurred. As such, as of the date of this Prospectus, the revenues under these contracts are not guaranteed.

Although RONI approves the general terms and conditions for gas transmission in the form of an operational order of the Issuer, which forms an integral part of the applicable contracts concluded after 2005 and is publicly available to the market, the applicable contract may explicitly or implicitly contain further terms and conditions and rights and obligations of the parties thereto.

The Issuer is also subject to the risk that one or more of its counterparties will not renew their contracts after they expire, whether as a result of using other alternative gas transmission routes or for other reasons. Furthermore, even if such contracts are renewed, there can be no assurance that the Issuer will be able to negotiate commercially acceptable terms with any of the counterparties or that the counterparties will book the same amount of capacity as under the existing contracts. In addition, the prices at which such contracts would be concluded would be subject to applicable regulations in effect at the relevant time.

The materialisation of any of the above risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer may agree to renegotiate or amend certain contractual terms to the extent such amendments or renegotiations are deemed beneficial to the Issuer in implementing its long-term strategy, but this strategy may fail.

The Issuer's long-term strategy revolves around carrying out obligations under its contracts and remaining a critical infrastructure in securing European natural gas flows over the long term. As such the Issuer is in regular contact with its counterparties, including the major shipper(s) and adapts its strategy to remain a long-term partner to its clients in light of the developing demand for natural gas imports and plans for alternative infrastructure projects. With a view to maximising its value over the long term, the Issuer may renegotiate or adjust certain terms in its contracts or enter into arrangements with the intention to secure its position in the long term. There is no guarantee that this strategy will work in the long term or that it or such changes will not have a negative impact on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Certain contracts the Issuer has entered into are subject to the risk of unilateral termination in certain circumstances.

General principles of contract law may enable a unilateral termination of a contract in certain circumstances (such as frustration of contract, impossibility of performance or the existence of other important cause). It is possible that circumstances may arise in connection with contracts concluded by the Issuer, including material and long-term contracts, that would enable the Issuer's counterparties to seek unilateral termination of such contracts. Although the Issuer, as of the date of this Prospectus, is not aware of any developments of this nature in relation to its existing contracts, if such termination is successful, this may result in a decrease in the Issuer's revenues and profitability, which in turn could adversely impact the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's customers and counterparties may fail to perform their obligations or default.

The Issuer is exposed to the risk that some or all of its customers may be unable or may refuse to fulfil their financial obligations, whether as a result of a deterioration in their financial situation or in general economic conditions, or otherwise. Although the Issuer requires that all contracts entered into since 2005 are secured by a financial guarantee, such financial guarantee typically only covers several months of the contract's lifetime. As the Issuer has concentrated exposures to a small number of customers with long-term contracts (such as the prominent Russian shipper of gas), a failure of one customer to perform its contractual obligations may have an adverse impact on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's revenues and margins may be negatively impacted by fluctuations in natural gas prices and the demand for natural gas.

Natural gas prices are influenced by numerous external factors, including gas prices, geopolitical developments, weather conditions, alternative energy sources, the development of renewable energy sources (and state subsidies for them), climate fluctuations and environmental laws, that have caused price fluctuations in the past. The Issuer cannot control fluctuations in gas in international markets. The prices for gas have historically been volatile and there is no guarantee that prices will remain within projected levels. The subsidies of renewable sources of energy by the EU could also have an adverse effect on the use of natural gas. Higher natural gas prices in the long term may decrease the general demand for natural gas in Europe and thereby the volume of natural gas the Issuer is contracted to transmit. Conversely, lower natural gas prices may increase the demand for natural gas in Europe, thereby increasing the volume of natural gas the Issuer is contracted to transmit.

The Issuer's activities fluctuate in accordance with the economic cycles and the general economic conditions of the geographical regions in which it operates. Any economic slowdown in those regions may lead to a reduction in gas consumption and, consequently, would have a negative impact on the demand for gas transmission reducing the contract portfolios of the Issuer. The Issuer's business is also affected by variations in general weather conditions and unusual weather patterns. The Issuer forecasts the demand for its gas transmission based on long-term historical average weather conditions. While the Issuer also considers possible variations in normal weather patterns and potential impacts on its operations, there can be no assurance that such planning can prevent negative impacts on its businesses.

The Issuer's decisions to expand its transmission capacity or develop new interconnections, such as the construction of an interconnection between the Slovak Republic and Poland which, as of the date of this Prospectus, is scheduled to commence operation in early 2022, have been and will continue to be based on projected demand for natural gas transmission. Such projections are based on data currently available and historical information on market growth trends. Accordingly, if actual demand for natural gas transmission is not in line with the Issuer's projections, the Issuer may not earn the projected return on its investments, and its financial condition or results of operations could be adversely affected. Furthermore, any decrease in the price of natural gas may adversely affect the Issuer's revenue relating to excess gas-in-kind received from shippers. All of these risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's results of operations may be adversely affected by the development of alternative gas transmission routes, import of shale gas, expanded utilisation of other types of gases and the use of LNG technology.

The Issuer faces competition risk from existing alternative transmission routes, such as Nord Stream and Yamal, and faces risks associated with the development of further alternative gas transmission routes to the areas where the Issuer currently delivers gas. Some projects that have been announced are designed to transport gas to or within Europe and may impact the Issuer's transmission business. These include, for example, Nord Stream's expansion by two additional pipelines with a total capacity of up to 55 bcm ("Nord Stream II") (to the extent gas transmitted by Nord Stream expansion is not routed to the Issuer's system), the TAP project (Trans Adriatic Pipeline ("TAP") which is planned in order to import gas from the Caspian region) and its expansion, the HUAT project (expanding the capacity between Hungary and Austria), the BRUA project (the interconnection between Bulgaria, Romania, Hungary and Austria) as well as the Turk Stream project, to the extent its onshore part is expanded towards Hungary or Austria. As of the date of this Prospectus, some of these projects, such as HUAT, are in the very early stages of implementation or possibly delayed compared to the official timeline, while others, such as Nord Stream II and the TAP project, are in an advanced phase of construction. If these projects were to be completed and become operational, they could introduce new competition to the Issuer and adversely impact its ability to negotiate and conclude new and renew existing transmission contracts.

In addition, quick and easy access to renewable energy sources or alternative energy sources, such as fuel oil, hard coal, electricity or heat generated by central combined heat and power plants or local or community heat plants, an increase in the price of natural gas relative to the prices of such alternative energy sources, and the development of nuclear power engineering may weaken the position of the Issuer, especially in the local energy markets. Further, the developments in the production of other types of gases, for example renewable gases such as biomethane or green hydrogen, an increase in the import of shale gas or the use of LNG technology in certain European countries as well as in other regions of the world, including in the U.S., may materially adversely affect demand for the Issuer's gas transmission capabilities.

Risks associated with failures, breakdowns, unplanned outages, as well as natural disasters, epidemics, sabotage, terrorism or public opposition.

The Issuer's gas transmission infrastructure and information systems controlling this infrastructure, could be subject to failure, breakdowns, unplanned outages, gas leaks, explosions, fire, capacity limitations, system loss, breaches of security or physical damage due to natural disasters (such as adverse weather conditions, storms, floods, fires, explosions, landslides, slope ruptures or earthquakes), human error, computer viruses, hacker attacks, fuel interruptions, criminal acts (such as terrorism or sabotage), legally permitted protests (such as demonstrations), unauthorised third-party excavation works, unscheduled technological breakdowns at customers' facilities or facilities operated by other third parties and other catastrophic events. Any physical damage to the Issuer's facilities, in particular, to its network, may be costly to repair and any outages may cause the Issuer to lose revenues due to its inability to supply gas to its customers or to provide its transmission services in accordance with the contracts with its customers.

For example, in December 2017, the gas transmission in the Issuer's network was paralysed for several hours due to an accident at the compressor station of the Austrian gas transporter Gas Connect Austria at the Central European gas hub in Baumgarten, where the explosion of one of the compressors caused short-term inability to transmit natural gas to Austria. However, transmission was restarted immediately after the situation had been stabilised. Although the Issuer's gas transmission system is generally flexible and an interruption at one entry-exit point typically does not influence gas transmission at other entry-exit points, there is no assurance any such interruption will not paralyse the Issuer's network.

The Issuer's operations may also be negatively affected by an outbreak of any contagious disease with human-to-human airborne or contact propagation effects, such as coronavirus (COVID-19) that has escalated into a global pandemic. The Issuer can provide no assurance on the future spread of COVID-19 or other contagious diseases in areas in which it operates or what the impact on its business and operations will be, due to, among other things, quarantines or other restrictive measures introduced by such countries with the aim to prevent the spread of COVID-19. These restrictive measures have led to serious interruptions in business, economic and day-to-day activities in the Slovak Republic and many other countries around the world and, as a result, have adversely effected the Issuer's and its suppliers' operations. The continuation of these measures or the introduction of any additional restrictive measures

could further negatively affect the Issuer's employees and facilities as well as facilities operated by third parties and, as a result, disrupt the Issuer's operations and activities.

In addition, a malfunction or disruption of service of, or unauthorised access to, one of the highly complex and sophisticated information systems operated by the Issuer may have a material adverse effect on its business. Although the Issuer maintains internal processes and procedures to protect the system, there is no assurance that these processes and procedures will be efficient or that there will not be any unauthorised access to the Issuer's sensitive data by third parties and improper use of such data, which may lead to the loss of company secrets and may result in a breach of applicable data protection regulations. Under Regulation (EU) 2016/679, General Data Protection Regulation ("GDPR"), which implements a stricter data protection compliance regime and substantially increases fines for a breach of data protection regulation, data protection agencies have the right to impose orders and fines up to EUR 20 million, or up to 4 per cent. of the annual revenue for the previous financial year, if they find that the Issuer has not complied with applicable laws and adequately protected customer data.

The hazards described above can also cause significant personal injury or loss of life, severe damage to, and destruction of, property, plant and equipment, contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in increased insurance costs for the Issuer as well as in the Issuer being named as a defendant in lawsuits asserting claims for breach of contract or substantial damages, environmental clean-up costs, personal injury and fines or penalties. A successful claim against the Issuer or material increase in insurance costs could have a material adverse effect on the Issuer's business, financial

Risks relating to the balancing of the gas transmission network.

The Issuer obtains portions of gas in-kind as part of the transmission tariff, which is an efficient mechanism by which the Issuer can obtain gas for operational and technical needs, primarily to power the machinery needed in its operations. The gas in-kind received may be insufficient or there may be a surplus of gas in-kind in the Issuer's network. As the Issuer is legally required to maintain the transmission network balanced, such surplus is disposed of by means of a sale to the market. The economic result is dependent on the volume of actual gas flow and gas prices and the Issuer has limited control over it. In the short-term, changes in the volume of gas flow or the market gas price may have an adverse impact on Issuer's revenues from the sale of gas in-kind.

The Issuer is dependent on key managers, senior executives and other qualified personnel and may not be able to attract and retain them.

The Issuer's ability to maintain its competitive position and to implement its business strategy is largely dependent on its ability to retain key managers and senior executives as well as skilled personnel and to attract and retain additional qualified personnel who have experience in the Issuer's industries and in operating a company of the Issuer's size and complexity. There may be a limited number of persons with the requisite experience and skills to serve in the Issuer's senior management positions, and the Issuer may not be able to locate or employ or retain qualified executives on acceptable terms or at all. Any shortage of adequately skilled candidates may force the Issuer to increase wages to attract suitably skilled candidates, which could substantially increase the Issuer's costs. Any of these factors could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer depends on good relations with its workforce, and any significant disruption could adversely affect the Issuer's operations.

The Issuer's employees are represented by a trade union and, as such, possess certain bargaining or other rights. These employment rights may require the Issuer to expend substantial time and expense in altering or amending employees' terms of employment or making staff reductions. If the Issuer's relations with its workforce or the employees' representatives deteriorate for any reason, including as a result of changes in its compensation or any other changes in the Issuer's policies or procedures that are perceived negatively by employees or their representatives or if the Issuer is unable to successfully conclude any future collective bargaining or other employee representation agreements with the employees' representatives the Issuer may experience a labour disturbance or work stoppage at the relevant facility or facilities, which could have a material adverse effect on any such facility's operations and on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer may be required to make substantial capital expenditures and these may be subject to delays.

The Issuer is required to incur significant capital expenditure in relation to technology development, the renewal and maintenance of its gas transmission network to meet its obligations under environmental and other laws and regulations. Capital expenditures are mostly focused on construction of new technology, replacing and the modernisation of the existing technology and technical modifications to the configuration and settings of the Issuer's transmission system to enable the Issuer to flexibly respond to changes in the demand for and trends in natural gas transmission, such as environmental and low carbon policies. Changes to environmental legislation may require new or additional capital expenditures which may be more costly or time consuming. For example, the Issuer's infrastructure investments and the speed at which those investments are implemented are subject to planning and execution risk and may be affected by delays in receiving necessary authorisations and approvals, delays in the required expropriation procedures or in construction and other factors outside its control. As the investment proposals and implementation of such investment proposals are subject to certain assumptions, the investment projects may not develop as planned, may not yield the expected return or may put the Issuer in a position of non-compliance with applicable legislation. In addition, such assumptions may prove to be incorrect. Although the Issuer intends to continue to finance these increased capital expenditures from its operational cash-flow, this may not always be adequate and the Issuer may not be able to raise sufficient capital to finance such investment plans at rates that are economically viable.

Certain investment projects in which the Issuer participates and may in the future participate, such as the Slovakia-Poland interconnector, benefit from EU funding or receive other form of governmental grants. These are typically provided under strict conditions and any failure to comply with these conditions may result in the investment project ceasing to be eligible to receive the grant in part or in full or, to the extent the grant has already been provided, in the need to return the funds. In such a case, the Issuer may be required to incur additional capital expenses than originally anticipated and the completion of the investment project may turn out to be more costly and, as a result, may not yield the expected return.

In addition, under Act No. 251/2012 Coll., on energy, as amended (the “**Act on Energy**”), RONI has the power to require the Issuer, in its capacity as a gas network operator, to carry out infrastructure investments included in the National Ten Year Network Development Plan and designated as necessary to be implemented within the next three years, subject to a competitive tender process in case the Issuer did not realise the investments within the period set by RONI. Any requirement to incur the abovementioned and other capital expenditures may adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer is exposed to risks relating to its reliance on third-party service providers and subcontractors.

While the Issuer is solely responsible for carrying out its gas transmission services, in several areas it also depends on third-party service providers and subcontractors to carry out certain operations, such as the protection and surveillance of its property, firefighting protection services, control system maintenance services, earth works and pipeline technology and compressor construction and maintenance services. Importantly, the Issuer's capital expenditures works are largely carried out by subcontractors. In addition, some of the Issuer's activities use infrastructure owned and operated by third parties. In particular, the Issuer is exposed to risks related to the availability of interconnected gas grids owned by third parties in order to be in a position to offer a part of its transmission capacity. The Issuer cannot guarantee the performance and quality of the services carried out by third parties or their compliance with applicable regulation, nor can the Issuer guarantee that it will always have access to back-up service providers and subcontractors.. In such a case, there is a risk that they may not be able to perform their obligations towards the Issuer as and when needed, which could, among other things, delay the completion of some of the Issuer's projects. For instance, one of the Issuer's subcontractors working on the construction of the Slovakia-Poland interconnector has suspended its work on the project and filed for temporary protection of entrepreneurs, a new institute under Slovak law that aims to provide a temporary protection to those entrepreneurs who have been affected by the negative economic effects of the spread of COVID-19. Financial difficulties, including insolvency, of any such service provider or subcontractor, or a decrease in the quality of its services, budget overruns or completion delays, are likely to have a negative effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's insurance coverage with respect to its assets and operations may be inadequate.

The Issuer only has a limited benefit of insurance against damage for the pipelines it owns as the majority of the underground pipelines are not insured. While the Issuer's other assets, such as other gas transmission assets, compression stations and the pipeline located within compression stations, are insured against damage, the Issuer cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Issuer may be exposed. Further, the Issuer's insurance does not cover political risks and with respect to protection against business interruption and damage to its property, the insurance coverage has an aggregate annual limit of EUR 355 million and certain additional sub-limits. Damage or third-party claims for which the Issuer is not insured fully or at all as well as increases of insurance costs and other adverse changes in insurance markets could materially and adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer is exposed to commodity risk.

The Issuer's exposure to commodity risk principally consists of exposure to fluctuations in the prices of natural gas, both on the supply and the demand side. The Issuer's primary exposure to commodity price risks arises from the gas-in-kind received from shippers as part of its gas transmission activities. The Issuer aims to reduce exposure to fluctuations in commodity prices using swaps to lock the sales prices for surplus of gas-in-kind received from shippers. However, the variety of instruments and strategies used to hedge exposures may not be effective. In some cases, the Issuer may not elect or have the ability to implement such hedges or, even if implemented, they may not achieve the desired effect and may result in significant losses. The risk management procedures the Issuer has in place may not always be followed or may not work as planned. The occurrence of any of the above risks could adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer is exposed to interest rate risk.

The Issuer has entered into two long-term investment loan agreements with floating interest rates, which exposes the Issuer to interest rate risk. From time to time, the Issuer uses interest rate swaps and other types of derivatives to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs. However, the Issuer may incur losses to the extent its exposure is unhedged or if any of the variety of instruments and strategies used to hedge exposures are not effective or cannot be implemented. The Issuer's actual hedging decisions will be determined in light of the facts and circumstances existing at the time of the hedge and may differ from time to time. Also, the risk management procedures the Issuer has in place may not always be followed or may not work as planned. The occurrence of any of the above risks could adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer is exposed to liquidity risk.

The Issuer faces the risk that it will experience difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As of 31 January 2020, the Issuer had cash and cash equivalents in the total amount of EUR 273 million and had access to revolving facilities in an aggregate amount of EUR 590 million. As of 31 January 2020, the Issuer had financial liabilities with contractual maturities of less than three months in the total amount of EUR 53.3 million, between three months to one year in the total amount of EUR 781.9 million, between one and five years in the total amount of EUR 188.7 million and over five years in the total amount of EUR 591.9 million. Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the Issuer's liquidity risk management strategy. The Issuer typically aims to maintain a sufficient level of cash and cash equivalents with adequate maturity, availability of funding through an adequate amount of committed credit lines, the ability to close open market positions, and access to SPP Infrastructure, a.s. group's system of utilisation of resources and liquidity optimisation. However, if these policies and procedures are not effective, are not followed or do not work as planned, this could adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

The interests of the Issuer's shareholders, the Slovak Republic and EP Infrastructure, a.s., may conflict with those of the Noteholders and the Notes do not benefit from any shareholders' guarantee.

As of the date of this Prospectus, the Issuer is 51 per cent. indirectly owned by the Slovak Republic and

49 per cent. indirectly owned by EP Infrastructure, a.s. (“**EPIF**” and together with its subsidiaries, the “**EPIF Group**”), a Czech Republic-based energy infrastructure utility focused on gas transmission, gas and power distribution, heat and power generation and gas storage, with principal operations in the Slovak Republic and the Czech Republic. Situations may arise where the interests of the Slovak Republic or EPIF may be different from the interests of the Noteholders and such differences could have a material adverse effect on the Issuer’s business, financial condition, results of operations, cash flows and prospects. The obligations of the Issuer under the Notes do not benefit from any direct or indirect form of guarantees from its shareholders. The Notes are not directly or indirectly guaranteed by the Slovak government and do not benefit from any legally enforceable government backing. Accordingly, the Notes are not, and should not be regarded as, obligations of the Slovak government or backed by the Slovak government.

Risks related to governmental regulations and laws

The Issuer’s operations are subject to significant government regulation and laws and these may change.

The Issuer operates in a highly regulated industry and its business is subject to increasingly strict regulation under applicable laws with respect to matters such as price-setting for gas transmission, permitting and licensing requirements, limitations on land use, employee health and safety, unbundling requirements or the EU’s policies with respect to gas transmission infrastructure. The laws, regulations, directives, decisions and policies of the EU and the Slovak Republic determine the scope of the Issuer’s activities and could substantially affect its revenues and the way in which it conducts its business. Introduction of new laws and amendments to existing laws in the EU and the Slovak Republic may affect the legal environment in which the Issuer operates its business in ways that cannot be predicted. Such legislation or regulation may be imposed on the Issuer directly in its role as a gas transmission operator, or indirectly, such as in the case of environmental regulations relating to carbon emissions. In addition, because the Issuer is the transmission system operator (the “**TSO**”) in the Slovak Republic and, as such, holds a monopolistic position on the market, it is subject to extensive anti-trust regulation.

The regulatory framework applicable to the Issuer’s activities has undergone significant changes following the adoption of Directive 2009/73/EC concerning common rules for the internal market in natural gas (the “**EU Third Gas Directive**”) and Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission networks (the “**Gas Regulation**”). The EU Third Gas Directive has been implemented in the Slovak Republic through the Act on Energy and the Act No. 250/2012 Coll., on Regulation in Network Industries, as amended (the “**Act on Regulation in Network Industries**”).

Moreover, in 2019, the European Commission for Energy Union completed the legislation procedure for a package of provisions called Clean Energy for all Europeans, also known as the Winter Package (the “**Winter Package**”). The Winter Package represents a set of legislative motions that includes several directives, regulations and decisions whose application may significantly influence the energy sector and also the Issuer. The Winter Package aims to achieve three goals: to make energy efficiency a priority, to achieve the world leading position of EU countries in the sphere of energy from renewable sources, and to provide fair conditions for consumers. The Winter Package increases the required share of renewable sources from 20 per cent. in 2020 to 32 per cent. in 2030 and sets the energy efficiency target to at least 32.5 per cent. in 2030. The energy efficiency target, renewable share target and the Winter Package in general aim to achieve low-carbon economy and to decrease emissions in accordance with EU emissions targets by 20 per cent. in 2020 and by 80 per cent. in 2050. In late 2019, the European Commission presented a strategy called the European Green Deal, which, among other things, aims to increase the EU’s greenhouse gas emission reductions target for 2030 to at least 50 per cent. and to 55 per cent. compared to 1990 levels. A successful achievement of these goals may result in a decrease in the Issuer’s revenues or profitability.

Failure to comply with these regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of clean-up and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting production from the Issuer’s operations. The Issuer may also incur costs and liabilities resulting from claims for damages to property or injury to persons arising from the Issuer’s operations. The Issuer must compensate employees for work-related injuries. Any of the foregoing could adversely impact the Issuer’s business, results of operations, financial condition, cash flows and prospects.

Compliance with, breaches of, or changes in, any applicable environmental, health and safety laws and regulations may cause the Issuer to incur increased costs or liability or other damages.

Gas transmission is a potentially dangerous activity and involves the use of products and by-products that may be hazardous to human health and the environment. The Issuer's activities are subject to regulations for the protection of the environment and public health, which are increasingly complex and restrictive and which may change over time. The Issuer has made, and will continue to make, significant capital and other expenditures to comply with applicable environmental, health and safety regulations.

As the Issuer's gas transmission network is primarily powered by gas-driven compressors, it inevitably emits carbon dioxide, which results in costs in the form of emission allowances that the Issuer must procure. The cost of such emission allowances is derived from the market and an increase in the emission allowance prices may adversely impact the Issuer's financial condition. The Issuer is therefore exposed to changes in the way emissions allowances are allocated, as well as changes in the market prices of emissions allowances that the Issuer needs to acquire. A further decrease in the allocation of emissions allowances or any increase in the price of emissions allowances, as well as further measures to be taken in order to achieve emissions reductions anticipated by the agreement reached in Paris on 12 December 2015 by the parties to the United Nations Framework Convention on Climate Change, may result in a substantial increase in the costs of the Issuer's operations.

Compliance with environmental regulations in the Slovak Republic and abroad may materially increase the Issuer's costs of operations. Recent EU and Slovak legislation requires TSOs, such as the Issuer, to implement the resolution of the European Commission No. 2017/1442, which specifies results regarding the Best Available Techniques (BATs) pursuant to Directive No. 2010/75/EU for large combustion plants. The Issuer continuously incurs, and will continue to incur, costs related to reducing emissions and specific types of air pollution, and capital expenditures related to ensuring that its installations comply with applicable laws for the protection of the environment and human health and safety. In addition, any of the Issuer's operations may, in the future, become subject to stricter laws and regulations, which may increase the capital expenditures the Issuer will be required to incur.

The Issuer may be exposed to significant liabilities if it fails to comply with applicable environmental and health and safety laws and regulations. There can be no assurance that the Issuer will not incur substantial costs and liabilities, including the cost of clean-up operations and claims for damages to property and persons resulting from environmental or health and safety incidents. Any such costs and liabilities could have an adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's business could be negatively affected by changes in the EU's and Member States' renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency.

The power generation industry in Europe is strongly influenced by the EU's policy, implemented in 2008 by the EU Climate and Energy Package, as subsequently amended by the Winter Package, to increase the share of electricity generated by renewable energy sources. Furthermore, individual Member States have renewable energy policies, some of which are more progressive than the EU's policy. Continued or increased support for renewable energy sources in the EU may reduce demand for gas and, as a result, the volume of natural gas transported in the Slovak Republic, and thereby reduce the Issuer's revenues. This, together with any potential obligation to subsidise or work as an agent in the scheme of subsidies for renewable energy sources without proper compensation in tariffs, could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Directive 2012/27/EU on energy efficiency (the "EED"), which entered into force on 4 December 2012, targets a 20 per cent. increase in energy efficiency by 2020. To reach that goal, the EED requires that Member States set national energy efficiency targets and report any progress achieved towards these targets to the European Commission by 30 April of each year from 2013. It also imposes mandatory energy-savings schemes on utility companies and energy audits on large companies. As a result, such companies may be required to incur substantial capital expenditure. In 2018, the EED was amended by Directive (EU) 2018/2002 ("Directive 2018/2002"), which increases the EED efficiency target to at least 32.5 per cent. by the year 2030. Pursuant to the EED, as amended by Directive 2018/2002, Member States may opt to take other policy measures to achieve energy savings by the obligated parties among

final customers as an alternative to setting up an energy efficiency obligation scheme. The annual amount of new energy savings achieved through this approach would be equivalent to the amount of new energy savings required by the energy efficiency obligation scheme option. Provided that equivalence is maintained, Member States may combine obligation schemes with alternative policy measures, including national energy efficiency programs. To meet these targets once they are implemented into national law, the Issuer may be required to incur substantial capital expenditure. This, in turn, could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's activities require various administrative authorisations and permits that may be difficult to maintain or obtain or that may be subject to increasingly stringent conditions.

The Issuer requires various administrative authorisations and permits in the Slovak Republic. The procedures for obtaining and renewing these authorisations and permits can be time consuming and complex. The Issuer may be required to incur significant expenses to comply with the requirements for obtaining or renewing these authorisations and permits (including external and internal costs of preparing the applications and investments associated with installing necessary equipment required for the issuance or renewal of permits). Obtaining the necessary authorisations or permits can be expensive and can place a significant burden on the Issuer. Whilst the Issuer has not had problems obtaining administrative authorisations or permits in the past, there can be no assurance that it may not have difficulty in the future if Slovak or EU regulation changes to introduce new procedures in relation to authorisations or permits. Any significant compliance costs which are incurred or difficulties encountered in obtaining requisite authorisations or permits could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer is subject to broad regulatory supervision and powers, and any of its licences, authorisations and permits may be suspended, amended or terminated prior to the end of their terms or may not be renewed.

The Issuer's authorisations, licences and permits required to conduct business operations, such as operating a gas transmission network, could be revoked, withdrawn or amended by the relevant authorities under certain circumstances. For example, a licence or permit could be revoked, withdrawn or amended if there is a breach of a collateral clause, a subsequent change of facts or a relevant regulation, such permit is found to be contrary to the public interest, the holder of the licence is in breach of its duties, or it is deemed necessary to prevent severe harm to the common good. The authorities would in such a case be required to adhere to the applicable legislation and the respective licence holder would normally have procedural rights allowing it to protect its interest. Any such licence revocation, withdrawal or amendment decision would generally be subject to a judicial review if asked for by the licence holder.

In addition, the Issuer is subject to regulatory supervision and inspections, in particular by the Slovak Ministry of Economy, RONI and the Slovak Anti-Monopoly Office. Although, as of the date of this Prospectus, the Issuer is not aware of any material inspection findings or regulatory proceedings to which it is a party, no assurance can be given that inspections or regulatory proceedings will not arise in the future and will not have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Further, the Issuer's business operations and certain personnel changes in its bodies are subject to the regulatory decisions of RONI. RONI has broad regulatory powers, including the power to adopt secondary legislation, setting regulatory policy and setting the regulation of energy prices, quality and other matters. The development of RONI's scope of influence and the impact it may have on the Issuer's operations is beyond the Issuer's control.

If any of the Issuer's licences or permits is revoked, withdrawn or amended, or if the Issuer has difficulty renewing a licence or permit, it may experience delays in operations. Any of the foregoing could adversely impact the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer could incur unforeseen taxes, tax penalties and special levies.

Tax rules, including those relating to the energy industry in the Slovak Republic, and their interpretation, may change, possibly with retrospective effect. The imposition of any new taxes in the Slovak Republic, or changing interpretations or application of tax regulations by either tax authorities or courts, harmonisation of Slovak and EU tax law and regulation, significant tax disputes with tax authorities, and

the possible imposition of penalties and other sanctions due to incorrectly reported or unpaid tax liabilities may result in additional amounts due by the Issuer and could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Slovak Republic has imposed a measure in a form of a special levy on businesses in regulated industries, including the energy sector. The levy is payable by any regulated entity, i.e. a licensed entity with profit exceeding EUR 3 million for the respective accounting period. The basis for calculation of the levy is the financial result (profit) for the relevant year multiplied by a specific coefficient (calculated as a ratio between the revenues from regulated activities and total revenues). The levy is payable on monthly basis. With effect from 1 January 2019, the levy rate is 0.00545 and will be decreased to 0.00363 with effect from 1 January 2021. For the 12 months ended 31 July 2019 and 2018, the Issuer incurred costs of EUR 47.6 million and EUR 33.9 million, respectively, in respect of this special levy. Although not currently proposed by the Slovak government, it cannot be ruled out that there will be additional changes (including an increase of the levy's rate or adjustment of the base for calculation) which would have an adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

Risks relating to the Issuer's financial profile

The Issuer's substantial financial indebtedness could adversely affect its business and prevent it from fulfilling its obligations with respect to its indebtedness.

The Issuer has a substantial amount of outstanding indebtedness. As of 31 January 2020, the Issuer had Net Debt of EUR 1,130 million. The level of the Issuer's indebtedness could have important consequences. For instance, it could make it difficult for the Issuer to satisfy its obligations with respect to its outstanding indebtedness, increase the Issuer's vulnerability and reduce its flexibility to respond, to general adverse economic and industry conditions. Further, the level of the Issuer's outstanding indebtedness could require that a substantial portion of the Issuer's cash flow from operations is dedicated to the payment of principal of, and interest on, the outstanding indebtedness, thereby reducing the availability of such cash flow for, and limiting the ability to obtain additional financing to fund, working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes. Any of the foregoing could have a material adverse effect on the Issuer's ability to satisfy its debt obligations, including the Notes. In addition, the Issuer may incur substantial additional indebtedness in the future. Although the terms of the shareholders agreement between the Issuer's shareholders provide for restrictions on the incurrence of additional indebtedness by the Issuer which, unless agreed otherwise by the parties, may not exceed 2.5 (calculated as the ratio of (a) its financial interest bearing debt (excluding intra-group items) less its cash and cash equivalents to (b) the average of its EBITDA for the past two financial years and its EBITDA projection for the current financial year), the amount of indebtedness that could be incurred in compliance with this restriction could be substantial. The above risks may have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer's ability to access credit and capital markets and its ability to raise additional financing is in part dependent on its credit ratings.

The Issuer's ability to access the capital markets and other forms of financing or refinancing, and the costs connected with such activities, depends in part on the credit rating of the Issuer. As of the date of this Prospectus, the Issuer has been assigned a long-term corporate credit rating of A- (Stable) by Fitch and Baa2 (Stable) by Moody's. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. The Issuer's ability to maintain its current rating is dependent on a number of factors, some of which may be beyond its control. In the event that the Issuer's credit rating is lowered, the Issuer's ability to access credit and bond markets and other forms of financing or refinancing could be limited. This may have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows and prospects.

The Issuer may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain financing on financially attractive terms as and when needed.

The Issuer is reliant upon having financial strength and access to credit and bond markets to meet its financial requirements. If the Issuer's financial performance does not meet its existing contractual obligations or market expectations, it may not be able to refinance existing debt issuances or facilities on

terms considered favourable. If the Issuer is no longer able to obtain the financing it needs as and when needed, or if it is able to do so only on onerous terms, its further development and competitiveness could be severely constrained. The Issuer's ability to raise additional capital could be further influenced by factors such as changing market interest rates, restrictive covenants in its debt instruments or negative changes in its credit rating. At the same time, any additional debt incurred in connection with future acquisitions, construction or development could have a significant negative impact on the Issuer's performance indicators, and could result in higher interest expenses for the Issuer. If the Issuer does not generate sufficient cash flows or if it is unable to obtain sufficient funds from future financings or at acceptable interest rates, the Issuer may not be able to pay its debts as they fall due or to fund other liquidity needs. The materialisation of any of these risks could have a material adverse effect on the Issuer's business, results of operations, financial condition, cash flows and prospects.

The Issuer is subject to restrictive covenants that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities.

The terms of certain of the Issuer's financial indebtedness contain restrictive provisions which, among other things, limit the Issuer's ability to incur additional financial indebtedness, dispose of assets, create security or merge with other companies. These restrictions are subject to a number of exceptions and qualifications. For example, under the term facility agreements the Issuer has entered into, the Issuer can incur additional financial indebtedness if, among other things, certain net leverage limits are met. Some of the revolving facilities agreements the Issuer has entered into and the notes issued by SPP Infrastructure Financing B.V. and guaranteed by the Issuer also contain a change of control provision the triggering of which may result in mandatory prepayment or early redemption, respectively. The above restrictive provisions could limit Issuer's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest, which may in turn adversely affect the Issuer's business, financial condition, results of operations, cash flows and prospects.

Risks related to the Notes

Set out below is a brief description of certain risks relating to the Notes generally:

New global note structure.

The Issuer intends that the Notes will be held by a common safekeeper for Euroclear or Clearstream, Luxembourg. This does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the applicable Eurosystem eligibility criteria have been met.

Redemption prior to maturity for tax reasons.

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any change in or amendment to the laws or regulations of the Slovak Republic or any political subdivision thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes. It may not be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and this may only be possible at a significantly lower rate.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions may charge their clients for own commissions which are either fixed minimum commissions or *pro rata* commissions depending on the order value. To the extent that additional—domestic or foreign—parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

In the event of the Issuer's insolvency the Public Sector Partners Act may impose certain obligations on Noteholders.

According to the Slovak Act No. 315/2016 Coll., on the register of public sector partners, as amended (the “**Public Sector Partners Act**”), recipients of funds or other benefits from certain transactions with the state or state-related parties from the public sector are required to register as public sector partners (“**Public Sector Partners**”) in the public sector partners register (the “**Register**”) and disclose information on their ownership structure, including their ultimate beneficial owners in the Register. Following recent amendments to the Public Sector Partners Act, the Issuer no longer qualifies as part of the public sector and holders of financial instruments (such as bonds) issued by public sectors entities and listed on the regulated market within the EU, or which were otherwise placed or subscribed for through the respective financial institution, have been specifically excluded from the obligation to register as Public Sector Partners. As such, the Noteholders do not qualify as Public Sector Partners by virtue of their subscribing, purchasing, acquiring or holding the Notes or receiving the payments of interest or principal in respect of the Notes.

However, the Issuer itself is registered in the Register under the Public Sector Partners Act, in the event of the Issuer's bankruptcy or restructuring, the Noteholders other than (i) public sector entities, (ii) banks, (iii) electronic money institutions, (iv) insurance companies, (v) reinsurance companies, (vi) health insurance companies, (vii) management companies, (viii) securities traders, (ix) stock exchanges or (x) central securities depositories will be required, pursuant to the Slovak Act No. 7/2005 Coll., on bankruptcy and restructuring, as amended (the “**Insolvency Code**”), to register in the Register in order to avoid their claims against the Issuer above EUR 1 million being deemed as subordinated to all other senior unsecured creditors of the Issuer. Noteholders can avoid the deemed subordination of their claims against the Issuer by effecting the registration at any time after the commencement of formal bankruptcy or restructuring proceedings.

Due to numerous issues related to the practical application of the Public Sector Partners Act, it cannot be excluded that changes in its interpretation or its future amendments will result in new obligations or limitations for the Issuer or the Noteholders.

The claims of the Issuer's related parties are subordinated to claims of unrelated creditors in insolvency proceedings.

A related party of the Issuer under the Insolvency Code includes any creditor holding directly or indirectly at least 5 per cent. of the shares or voting rights in the Issuer or any of its related parties or, alternatively, where the Issuer or any of its related parties holds at least 5 per cent. of the shares or voting rights in that creditor (any such party, a “**Related Party**”).

The claims which are or were owed by the Issuer to any creditor which is or was a Related Party of the Issuer may only be satisfied in the bankruptcy of the Issuer after all other senior claims have been satisfied (and are therefore, as a practical matter, these claims are very rarely satisfied in insolvency where the available assets of the company may be limited). If any Noteholder is or becomes a Related Party of the Issuer, the claims of such Noteholder will be subordinated to the claims of all other creditors of the Issuer which would include Notes held by Noteholders that are not Related Parties.

The Insolvency Code expressly provides that creditors who acquire a receivable from a Related Party will not themselves be deemed to be a Related Party for the purposes of the Insolvency Code if they could not have known (acting with due care) that they are acquiring a Note previously owned by a Related Party. There is also a rebuttable presumption that a Noteholder who acquires the Notes on a regulated market would not know that any Notes purchased were previously owned by a Related Party and thus the subordination rule would not apply.

However, in case the relevant Noteholder is unable to prove that it falls within one of the above exemptions, there is a risk that a Slovak court may apply the subordination rule broadly, in which case the subordination of particular Notes held by a person who was a Related Party at the relevant time will apply to such Notes indefinitely irrespective of whether such Notes are later transferred to a Noteholder that is not a Related Party.

Possible difficulties or delays in enforcing English court judgements after Brexit.

At the end of the transitional period following the withdrawal of the United Kingdom from the EU, the so-called Recast Brussels Regulation (Regulation (EU) No 1215/2012) (“**Recast Brussels Regulation**”), which is the formal reciprocal regime on jurisdiction and judgments which is currently applied in the EU context will no longer apply in the United Kingdom. As a result, persons enforcing a judgment obtained before English courts will no longer automatically be able to benefit from the recognition of such judgment in EU courts (including Luxembourg and Ireland) under the Recast Brussels Regulation. The United Kingdom intends to, at an appropriate time prior to the termination of the transition period, deposit an instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the “**Hague Convention**”) and the Hague Convention should become applicable in the United Kingdom. At the date of this Prospectus, the accession is expected to remain suspended at least until 31 December 2020. The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. However, the scope of the Hague Convention is limited to contracts containing exclusive jurisdiction clauses and there is no assurance that such judgments will be recognised on exactly the same terms and in the same conditions as under the Recast Brussels Regulation. Similarly, there is uncertainty as to whether or how the Hague Convention would apply to contracts containing exclusive jurisdiction clauses entered into before the United Kingdom became a party to the Hague Convention in its own right, i.e. as it is currently anticipated to happen following its departure from the EU by having formally deposited an instrument of accession to the Hague Convention. Should the Hague Convention not apply to such contracts, the enforceability of English court judgments would need to be assessed on a case-by-case basis under the domestic rules of the jurisdiction in which the enforcement is being sought.

As for rules that would be applied by Slovak courts, the judgments of courts in countries not bound by the Recast Brussels Regulation rendered against the Issuer would only be enforceable in the Slovak Republic if: (i) the judgment has been certified by the competent foreign authority and officially translated into Slovak; (ii) the judgment has been super-authenticated or apostilled in accordance with the Hague Convention Abolishing the Requirement of the Legalization of Foreign Public Documents dated 5 October 1961; (iii) the matter decided in the judgment does not fall within the exclusive jurisdiction of the Slovak authorities; (iv) the authority of the foreign state would have the power to make a decision if its jurisdiction were reviewed under Slovak law; (v) the judgment is final (*právoplatné*) and enforceable (*vykonateľné*) in the country of its issuance, (vi) it is a judgment on the merits of the case, (vii) the foreign authority has not deprived the party against whom the judgment is to be recognised of the right to attend the proceedings, in particular, if a summons or petition for the commencement of a proceeding has been duly delivered to such party, the court does not review whether such condition is discharged if the foreign decision was delivered to such party and the party did not appeal it or waived the review of such condition, (viii) a Slovak judicial body has not issued a final decision on the same legal matter, or an earlier foreign decision on the same matter has not been recognized or does not meet the requirements for recognition and (ix) the recognition of the judgment would not be contrary to the public order of the Slovak Republic.

Risks related to the market generally.

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally.

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by the Issuer is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Slovak Republic, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Market value of the Notes.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in the Slovak Republic or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Credit rating may not reflect all risks.

The Notes are expected to be rated A- (stable outlook) by Fitch and Baa2 (stable outlook) by Moody's. The ratings assigned by Fitch and Moody's to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Change of law.

The Terms and Conditions of the Notes are governed by English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice or the official application or interpretation of English law after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in the Slovak Republic and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

Taxation.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes.

Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, except for the text in italics, will be endorsed on each Note in definitive form:

The EUR 500,000,000 1.625 per cent. Notes due 2027 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of eustream, a.s. (the “**Issuer**”) are subject to, and have the benefit of, a fiscal agency agreement dated 25 June 2020 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer and Citibank, N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the London Branch for the time being of the Paying Agent, being at the date hereof Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The Notes are in bearer form in denominations of EUR 100,000 and EUR 1,000 in excess thereof up to and including EUR 199,000 with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and the Issuer shall procure that no Subsidiary will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In these Conditions:

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 180 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Relevant Indebtedness” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Interest**

The Notes bear interest from 25 June 2020 (the **“Issue Date”**) at the rate of 1.625 per cent. per annum, (the **“Rate of Interest”**) payable in arrear on 25 June in each year (each, an **“Interest Payment Date”**), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be EUR 1,625 in respect of each Note of EUR 100,000 denomination and EUR 16.25 in respect of each Note of EUR 1,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be

calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest euro (half a euro being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means EUR 1,000;

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 25 June 2027, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Slovak Republic or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 23 June 2020; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

- (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in (i) and (ii) above prevail and setting out the details of such circumstances; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption on Change of Control*: If at any time while any Note remains outstanding, either of the following events shall occur (each, as applicable, a “**Put Event**”):
 - (i) a Change of Control occurs and, if at the start of the Change of Control Period the Notes are rated by any Rating Agency, a Rating Downgrade in respect of

that Change of Control occurs within such Change of Control Period (such Change of Control and Rating Downgrade not having been cured prior to the expiry of the Change of Control Period); or

- (ii) a Change of Control occurs and, on the occurrence of the Change of Control, the Notes are not rated by any Rating Agency,

then the Holder of each Note will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 5(b) (*Redemption for tax reasons*) to require the Issuer to redeem or, at the Issuer’s option, to purchase or procure the purchase of that Note on the Optional Redemption Date (as defined below), at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest up to but excluding the Optional Redemption Date.

For the purposes of this Condition 5(c):

A “**Change of Control**” shall be deemed to have occurred if:

- (i) the Slovak Republic ceases to hold, directly or indirectly at least 50 per cent. *plus* one share of the ordinary shares of the Issuer; or
- (ii) any person or persons (other than the Slovak Republic or EP Infrastructure, a.s.) acting in concert or any person or persons acting on their behalf, at any time directly or indirectly come(s) to acquire control (whether through share- ownership, acquisition of voting rights, the ability to direct management, or otherwise) of the Issuer.

“**Change of Control Period**” means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant by the Issuer, the Slovak Republic or any other shareholder of the Issuer, or any actual or potential bidder or any designated adviser thereto of Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below), if any, and (ii) ending on the date which is 120 days after the date of the relevant public announcement (such 120th day, the “**Initial Longstop Date**”) **provided that**, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Notes, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Notes under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the date of such public announcement by such Rating Agency;

“**Rating Agency**” means any of the following: (i) Fitch Ratings Ireland Limited or Moody’s Deutschland GmbH; or (ii) any other rating agency of equivalent international standing specified from time to time by the Issuer, and, in each case, their respective successors or affiliates;

“**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period, the rating previously assigned to the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (iii) if such rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents), provided in each case that a Rating Downgrade otherwise arising by virtue of a withdrawal or lowering of a rating shall be deemed not to have occurred in respect of a particular Change of Control unless the Rating Agency making the withdrawal or lowering of rating announces publicly or confirms in writing to the Issuer that such

withdrawal or lowering was the result, in whole or in part, of the applicable Change of Control; and

“Potential Change of Control Announcement” means any public announcement or statement by the Issuer, the Slovak Republic or any other shareholder of the Issuer, or any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where **“near-term”** shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated adviser to be intended to occur, within 120 days of the date of such announcement or statement).

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **“Put Event Notice”**) to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition.

To exercise the Put Option, the Noteholder must deposit any applicable Note, together with each unmatured Coupon relating thereto (if any), to the account of any Paying Agent for the account of the Issuer within the period (the **“Put Period”**) of 30 days after the day on which the Put Event Notice is given, together with a duly signed and completed Put Option Notice in the form (for the time being current and substantially in the form set out in the Agency Agreement) obtainable from the specified office of any Agent.

Subject to the deposit of any such Notes to the account of an Agent for the account of the Issuer as described above, the Issuer shall redeem the Notes in respect of which the Put Option has been validly exercised as provided above on the date which is the fifth business day following the end of the Put Period (the **“Optional Redemption Date”**). The Agent to whom a Note has been so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once so deposited with a duly completed Put Option Notice in accordance with this Condition 5(c), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on or prior to the end of the Put Period, payment of the redemption moneys is improperly withheld or refused on the relevant Optional Redemption Date, the relevant Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent in accordance with this Condition, the depositor of such Note and not such Agent shall be deemed to be the holder of the Note for all purposes.

For the purposes of the above paragraph, “business day” means, any day, not being a Saturday or a Sunday on which the TARGET System is operating and on which Euroclear Bank SA/NV and Clearstream Banking S.A. are open for general business.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 5(c), the Issuer may, on not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders in accordance with Condition 14 (*Notices*) given within 30 days after the Optional Redemption Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.

The Fiscal Agent is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred or to notify the Noteholders of the same and, until it shall have actual knowledge or notice pursuant to the Agency Agreement to the contrary, the Fiscal Agent may assume that no Change of Control or Put Event has occurred.

- (d) *Redemption at the option of the Issuer (Issuer Call)*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any date, from and including, 25 March 2027 to, but excluding, the Maturity Date (the “**Call Settlement Date**”) at a price equal to 100 per cent. of their principal amount on the Issuer’s giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the Call Settlement Date at such price plus accrued interest to such date).
- (e) *Redemption at the option of the Issuer (Make-Whole)*: Unless a Put Event Notice has been given pursuant to Condition 5(c) (*Redemption on Change of Control*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time from, but excluding, the Issue Date to, but excluding, 25 March 2027 (the “**Make-Whole Redemption Date**”) on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer), at the Make Whole Redemption Amount.

For the purposes of this Condition:

“**Business Day**” means a day on which commercial banks are open for business in the city in which the Calculation Agent has its specified office;

“**Calculation Agent**” means an independent agent appointed by the Issuer for the purposes of calculating the Make-Whole Redemption Amount;

“**Make-Whole Redemption Amount**” shall be an amount equal to the sum of (i) Make-Whole Redemption Price and (ii) accrued and unpaid interest on the Notes to (but excluding) the Make-Whole Redemption Date;

“**Make-Whole Redemption Price**” shall be an amount equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) the sum of the then present values (as determined by the Calculation Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed (but not including any portion of such payments of interest accrued to the Make-Whole Redemption Date) discounted to the Make-Whole Redemption Date on an annual basis at the Reference Rate plus 0.35 per cent. per annum;

“**Reference Bond**” means the German Bundesanleihe selected by the Calculation Agent as having a fixed maturity most nearly equal to the remaining term of the Notes to be redeemed being euro-denominated with a principal amount approximately equal to the then outstanding principal amount of the Notes to be redeemed however, that, if the period from such redemption date to maturity of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used;

“**Reference Bond Price**” means (i) the average of all Reference Market Maker Quotations (which in any event must include at least two such quotations), after excluding the highest and lowest Reference Market Maker Quotations, or (ii) if the Calculation Agent obtains fewer than four such Reference Market Maker Quotations, the average of all such quotations;

“**Reference Market Maker Quotations**” means, with respect to each Reference Market Maker and any relevant date, the average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a

percentage of its principal amount) quoted in writing to the Calculation Agent at 5.00 p.m., CET, on the third Business Day preceding such Make-Whole Redemption Date;

“Reference Market Makers” means brokers or market makers of bonds selected by the Calculation Agent or such other persons operating in the bonds market as are selected by the Calculation Agent in consultation with the Issuer; and

“Reference Rate” means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Rate will be calculated on the third Business Day preceding the Make-Whole Redemption Date.

- (f) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled Redemption*) to (d) (*Redemption at the option of the Issuer*) above, or through purchase and cancellation in accordance with paragraphs (f) (*Purchase*) and (g) (*Cancellation*) below.
- (g) *Purchase*: The Issuer or any Subsidiary may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (h) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any Subsidiary and any unmatured Coupons attached to or surrendered with them may at their option be cancelled and, if cancelled, may not be reissued or resold.

6. **Payments**

- (a) *Principal*: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) *Interest*: Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Interpretation*: In these Conditions:

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“TARGET Settlement Day” means any day on which TARGET2 is open for the settlement of payments in euro; and

“TARGET System” means the TARGET2 system.

- (d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the United States Internal Revenue Code of 1986, as amended (the **“Code”**) or otherwise imposed pursuant to sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any interpretations thereof, or, any law implementing an intergovernmental approach thereto or an agreement between the United States of America and the Slovak Republic to implement FATCA or any law implementing or

complying with, or introduced in order to conform to, such agreement. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) *Deduction for unmatured Coupons:* If a Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.
- (f) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, “**business day**” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.
- (g) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or on behalf of the Slovak Republic or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes in respect of such Note or Coupon by reason of its having some connection with the Slovak Republic other than the mere holding of the Note or Coupon; or
- (b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Notwithstanding anything to the contrary in this Condition 7 (*Taxation*), no additional amounts shall be paid where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any interpretations thereof or law implementing an intergovernmental approach thereto or an agreement between the United States of America and the Slovak Republic to implement FATCA or any law implementing or complying with, or introduced in order to conform to, such agreement.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Slovak Republic, references in these Conditions to the Slovak Republic shall be construed as references to the Slovak Republic and/or such other jurisdiction.

8. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 7 days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer*:
 - (i) any Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period;

- (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (**provided that** no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
- (iii) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 75,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount/an amount in excess of EUR 75,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of any part of the undertaking, assets and revenues of the Issuer, which exceeds an amount of EUR 75,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate; or
- (f) *Insolvency, etc.*: (i) the Issuer becomes insolvent, over indebted, or is unable to pay its debts as they fall due, (ii) any corporate action, legal proceedings or other procedure or step is taken in relation to (1) bankruptcy of the Issuer or (2) restructuring of the Issuer or a similar arrangement with any creditor of the Issuer, unless the petition to commence such proceedings or procedure is discharged, stayed or dismissed within 60 calendar days of such commencement (iii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or the whole or any part of the undertaking, assets and revenues of the Issuer, (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer; or
- (h) *Analogous event*: any event occurs which under the laws of the Slovak Republic has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Slovak Republic is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Coupons,

then Noteholders holding not less than one quarter of the aggregate principal amount of the outstanding Notes may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately due and payable at their principal amount together with accrued interest without further action or formality.

9. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. **Paying Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices (as defined in the Agency Agreement) are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; **provided, however, that** the Issuer shall at all times maintain (i) a fiscal agent and (ii) a paying agent in at least one major European city. Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. **Meetings of Noteholders; Modification and Waiver; Substitution of the Issuer**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more voters holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more voters being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency in which amounts due in respect of the Notes are payable, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more voters holding or representing not less than two-thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Notes and these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.
- (c) The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes such company (the “**Substitute**”) subject to the Agency Agreement, provided that no payment in respect of the Notes is at the relevant time overdue. The substitution shall be made by a deed poll (the “**Deed Poll**”), to be substantially in the form exhibited to the Agency Agreement, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder against any Taxes which are imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note and which would not have been so imposed had the substitution not been made, as well as against any Taxes and any cost or expense, relating to the substitution, (ii) the obligations of the Substitute under the Deed Poll and the Notes shall be unconditionally guaranteed by the Issuer by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll and the Notes represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll, of the Issuer have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them from a firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 12(c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of the Issuer. References in Condition 8 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 8 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Conditions 8(d) to 8(h) inclusive shall be deemed to apply in addition to the guarantor.

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Agency Agreement, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in Dublin or London (which is expected to be *The Irish Times* or the *Financial Times*). In addition, so long as Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, published on the website of Euronext Dublin (www.ise.ie). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *Jurisdiction:*
 - (i) The courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligations arising out of or in connection with the Notes).
 - (ii) The Issuer agrees that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (c) *Service of Process:* The Issuer agrees that the documents which start any proceedings relating to any Dispute (“**Proceedings**”) in England pursuant to Condition 15(b) (Jurisdiction) and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England and/or at such other address in England as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.
- (d) *Consent to enforcement etc.:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
- (e) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note (“NGN”) form. On 13 June 2006 the European Central Bank (the “ECB”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “Eurosystème”), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystème eligibility—that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystème monetary policy and intra-day credit operations by the Eurosystème either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystème eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) in the denomination of EUR 100,000 or EUR 1,000 each at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if either of the following events (each, an “**Exchange Event**”) occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no Definitive Notes will be issued with a denomination above EUR 199,000. Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note “**business day**” means any day on which the TARGET System is open.

Exercise of put option: In order to exercise the option contained in Condition 5(c) (*Redemption on Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the

Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The net proceeds from the issue of the Notes (i.e. after deduction of commissions, fees and estimated expenses) are expected to be approximately EUR 496,995,000. The Issuer will use such net proceeds for partial repayment of its financial indebtedness.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank shall be incorporated in, and form part of, this Prospectus:

- (a) the auditors' report on review and the unaudited interim condensed financial statements as of and for the six months ended 31 January 2020 (with comparatives as of and for the six months ended 31 January 2019) of the Issuer, including the information set out at the following pages in particular:

Independent auditors' report on review.....	Before p. 1
Condensed balance sheet.....	Page 1
Condensed income statement	Page 2
Condensed statement of changes in equity.....	Page 4
Condensed statement of cash flows.....	Page 5
Accounting principles and notes	Page 6-26

- (b) the auditors' report and the audited financial statements as of and for the 12 months ended 31 July 2019 and 2018 of the Issuer, prepared for the purposes of this Prospectus, including the information set out at the following pages in particular:

Independent auditors' report	Before p. 1
Balance sheet.....	Page 1
Income statement	Page 2
Statement of changes in equity.....	Page 4
Statement of cash flows	Page 5
Accounting principles and notes	Page 6-44

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer. The Interim Financial Statements will be available for viewing on the website of the Issuer at https://www.eustream.sk/files/PROSPECT_2020/20_EuS_Interim_FS_31_01_2020.pdf and the Annual Financial Statements will be available for viewing on the website of the Issuer at https://www.eustream.sk/files/PROSPECT_2020/20_EuS_Special_Purpose_FS_31_07_2019.pdf.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of the Notes.

SELECTED FINANCIAL INFORMATION

The following tables present selected historical financial information of the Issuer as of and for the six months ended 31 January 2020 and 2019 and as of and for the 12 months ended 31 January 2020, 31 July 2019 and 2018 which has been derived from the Financial Statements incorporated by reference into this Prospectus. The information below should be read in conjunction with the information contained in "Presentation of Financial and Other Information" and the Financial Statements incorporated by reference into this Prospectus.

Income Statement

	Six months ended 31 January		12 months ended 31 January	12 months ended 31 July	
	2020	2019	2020	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
(in EUR thousands)					
Revenue from sales of services					
Natural gas transmission and other.....	390,327	366,243	816,941	792,857	770,597
Total revenues	390,327	366,243	816,941	792,857	770,597
Operating costs					
Own work capitalised	1,942	1,697	3,935	3,690	2,086
Consumption of natural gas, consumables and services	(17,576)	(18,357)	(43,130)	(43,911)	(42,955)
Depreciation, amortisation and impairment losses, net	(72,587)	(63,544)	(136,879)	(127,836)	(134,827)
Other services	(11,696)	(10,254)	(22,410)	(20,968)	(21,471)
Personnel expenses	(14,896)	(14,508)	(30,975)	(30,587)	(29,974)
Provisions for bad and doubtful debts, obsolete and slow-moving inventory, net	(114)	(153)	(301)	(340)	(471)
Provisions	-	-	1,305	1,305	-
Other operating income	2,508	1,249	4,839	3,580	3,759
Other operating expenses	(749)	(743)	(1,054)	(1,048)	(6,545)
Total operating costs	(113,168)	(104,613)	(224,670)	(216,115)	(230,398)
Operating profit	277,159	261,630	592,271	576,742	540,199
Financial income	288	254	1,330	1,296	1,438
Financial expense	(22,435)	(22,117)	(44,656)	(44,338)	(44,927)
Profit before taxation	255,012	239,767	548,945	533,700	496,710
Income tax	(66,268)	(65,594)	(147,762)	(147,088)	(127,860)
Net profit for the period	188,744	174,173	401,183	386,612	368,850
Other comprehensive income (items that may be reclassified subsequently to income statement):					
Fair value gains/(losses) on cash flow hedges	32,264	1,328	43,500	12,564	(47,498)
Deferred tax relating to components of other comprehensive income/loss for the period	(6,775)	(279)	(9,134)	(2,638)	10,375
Other comprehensive income (items that will not be reclassified subsequently to income statement):					
Increase of reserve from revaluation of assets	510,153	-	510,153	-	-
Decrease of reserve from revaluation due to changes in fair value	(35)	(91)	(550)	(606)	(119)
Deferred tax relating to items of other comprehensive income/(loss) for the period	(129,347)	19	(129,239)	127	28
Other comprehensive income/(loss) for the period	406,260	977	414,730	9,447	(37,214)
Total comprehensive income for the period	595,004	175,150	815,913	396,059	331,636

Balance Sheet

	As of 31 January	As of 31 July	
	2020	2019	2018
	(unaudited)	(audited)	(audited)
	(in EUR thousands)		
Assets			
Property, plant and equipment	4,622,937	4,150,389	4,211,639
Intangible assets.....	2,616	2,527	3,026
Non-current financial investments.....	6,687	6,661	6,659
Other assets	34,507	33,041	54,673
Total non-current assets	4,666,747	4,192,618	4,275,997
Inventories	11,552	13,463	15,414
Receivables and prepayments	157,650	414,590	131,298
Cash and cash equivalents	272,788	172,894	76,751
Current income tax receivable.....	-	-	7,403
Total current assets.....	441,990	600,947	230,866
Total assets	5,108,737	4,793,565	4,506,863
Equity			
Registered capital	282,929	282,929	282,929
Legal reserve fund and other reserves.....	65,883	40,394	30,468
Revaluation reserve.....	1,849,514	1,497,745	1,541,772
Retained earnings	218,128	430,382	251,222
Total equity	2,416,454	2,251,450	2,106,391
Liabilities			
Bonds issued	492,660	492,660	1,233,019
Loans received.....	139,989	139,983	74,972
Deferred income	58,778	58,696	62,033
Provisions	6,623	6,860	8,406
Retirement and other long-term employee benefits.....	4,040	3,986	3,258
Deferred income tax liability	1,016,611	894,462	914,460
Other non-current financial liabilities	77,323	75,443	39,813
Total non-current liabilities.....	1,796,024	1,672,090	2,335,961
Bonds issued	769,958	747,811	8,151
Loans received.....	71	66	65
Trade and other payables	54,913	59,287	55,760
Current income tax liability	71,192	62,712	-
Provisions and other current liabilities	125	149	535
Total current liabilities	896,259	870,025	64,511
Total liabilities.....	2,692,283	2,542,115	2,400,472
Total equity and liabilities	5,108,737	4,793,565	4,506,863

Statement of Cash Flows

	Six months ended 31 January		12 months ended 31 January	12 months ended 31 July	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (audited)	2018 (audited)
<i>(in EUR thousands)</i>					
Cash flows from operating activities.....	327,521	263,194	484,536	420,209	593,444
Interest paid.....	(132)	(134)	(45,001)	(45,003)	(45,036)
Interest received.....	117	60	196	139	322
Income tax paid	(71,760)	(77,464)	(93,778)	(99,482)	(157,877)
Net cash flows from operating activities	255,746	185,656	345,953	275,863	390,853
Acquisition of property, plant and equipment	(37,950)	(32,351)	(65,092)	(59,493)	(24,035)
Provision of borrowings	(25)	-	(25)	-	(25)
Proceeds from sale of property, plant and equipment and intangible assets.....	4	17	10	23	22
Dividends received.....	-	-	751	751	786
Net cash used in investing activities.....	(37,971)	(32,334)	(64,356)	(58,719)	(23,252)
Proceeds (payments) from loans received.....	-	-	65,000	65,000	(60,000)
Dividends paid.....	(118,000)	(186,000)	(118,000)	(186,000)	(300,000)
Other income from financial activities	118	(22)	140	-	3,629
Net cash flow from financial activities.....	(117,882)	(186,022)	(52,860)	(121,000)	(356,371)
Net increase/(decrease) in cash and cash equivalents.....	99,893	(32,700)	228,737	96,144	11,230
Effect of foreign exchange differences.....	1	1	(1)	(1)	(9)
Cash and cash equivalents at the beginning of the period.....	172,894	76,751	44,053	76,751	65,530
Cash and cash equivalents at the end of the period.....	272,788	44,053	272,788	172,894	76,751

Key Performance Indicators

	Six months ended 31 January		12 months ended 31 January	12 months ended 31 July	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (audited)	2018 (audited)
<i>(in EUR thousands, unless indicated otherwise)</i>					
EBITDA.....	349,746	325,174	729,150	704,578	675,026
Net Debt.....	1,129,890	1,294,321	1,129,890	1,207,626	1,239,456
Net Debt Ratio.....	-	-	1.55x	1.71x	1.84x
Free Cash Flow	240,036	215,359	570,280	545,603	493,114
Cash Conversion Ratio.....	-	-	78.2%	77.4%	73.1%

DESCRIPTION OF THE ISSUER

Introduction

The Issuer is the owner and operator of one of the major European gas pipelines and is the only TSO in the Slovak Republic. The Issuer's transmission network is part of the Central Corridor, which is one of the largest and the most important piped gas import routes into Europe. The Central Corridor consists of the existing onshore pipelines in Central and Eastern Europe that import Russian gas to Central, Western and Southern Europe. The Issuer accounts for approximately 20 per cent. of the EU's total yearly piped gas import capacity and a third of the import capacity of Russian gas into Europe, according to the Issuer's calculation based on data from Argus. As of 31 January 2020, the Issuer operated approximately 2,273 kilometres of high-pressure pipelines running across the Slovak Republic and the annual transmission capacity of its system was 78.5 bcm in the east-west direction, 55.1 bcm in the north-south direction and 14.6 bcm with respect to the reverse flow (west-east).

In the six months ended 31 January 2020, the Issuer transported approximately 31.1 bcm of gas (as compared to 30.3 bcm of gas transported in the six months ended 31 January 2019), in the 12 months ended 31 January 2020, the Issuer transported approximately 67.3 bcm of gas and in the 12 months ended 31 July 2019, the Issuer transported approximately 66.5 bcm of gas (as compared to 61.9 bcm of gas transported in the 12 months ended 31 July 2018). In the six months ended 31 January 2020, the Issuer generated revenues of EUR 390.3 million and EBITDA of 349.7 million (as compared to revenues of EUR 366.2 million and EBITDA of 325.2 million in the six months ended 31 January 2019). In the 12 months ended 31 January 2020, the Issuer generated revenues of EUR 816.9 million and EBITDA of EUR 729.2 million and in the 12 months ended 31 July 2019, the Issuer generated revenues of EUR 792.9 million and EBITDA of 704.6 million (as compared to revenues of EUR 770.6 million and EBITDA of 675.0 million in the 12 months ended 31 July 2018). The Issuer's Net Debt as of 31 January 2020 was 1,130 million as compared to EUR 1,208 million as of 31 July 2019.

In 2019, the Issuer observed several trends which may have a positive impact on its business, most importantly the increase in the volume of gas transmitted both from Russia to Central, Western and Southern Europe, and also to Ukraine through the Issuer's reverse flow facilities. The increase was, to some extent, caused by the frontloading of transmitted volumes resulting from the uncertainty surrounding the negotiation of the contract on the transit of gas through Ukraine between Russia's Gazprom and Ukraine's Naftogaz Ukrainy, which was finally signed on 31 December 2019. See *"Risk Factors – Risks related to the Issuer's businesses and industries generally – The Issuer's business could be adversely affected by the continuing crisis in Ukraine and the political and economic uncertainty it creates"*. With the new contract in place, the positive effect of the above-mentioned trend has ended. In addition, the combined effect of the frontloading of gas in 2019 and a generally warmer winter, accompanied by lower power spreads, have had and may continue to have a negative impact on the Issuer's business in 2020.

The Issuer is a wholly-owned subsidiary of SPP Infrastructure, a.s. ("SPPI") and is indirectly owned by the Slovak Republic (approximately 51 per cent.) and EPIF (approximately 49 per cent., including management control), a Czech Republic-based energy infrastructure utility focused on gas transmission, gas and power distribution, heat and power generation and gas storage, with principal operations in the Slovak Republic and the Czech Republic. Pursuant to a reorganisation plan approved by the Slovak Republic on 4 September 2013 and completed on 4 June 2014 (the **"Reorganisation Plan"**), a reorganisation of Slovenský plynárenský priemysel, a.s. ("SPP") and its subsidiaries was finalised, whereby EPIF and the Slovak Republic remained the ultimate shareholders of the Issuer (see *"—History and development"* below).

As of the date of this Prospectus, the Issuer has not issued any securities admitted to trading on any public market in the Slovak Republic or elsewhere. The Issuer has provided a guarantee with respect to EUR 750 million 3.75 per cent. notes due 2020 and EUR 500,000,000 2.625 per cent. notes due 2025 issued by SPP Infrastructure Financing B.V. (the **"SPP Infrastructure Financing"**), a subsidiary of SPPI (see *"—Financial indebtedness"* below).

General information

The Issuer was incorporated in the Slovak Republic on 10 December 2004 and is registered in the Commercial Register of District Court Bratislava I, Section: Sa, under reference number 3480/B, with company identification number 35 910 712. The registered office of the Issuer is Votrubova 11/A, 821 09

Bratislava. The Issuer's telephone number is +421 (2) 6250 7111, 7112 and its website is <http://www.eustream.sk>.

History and development

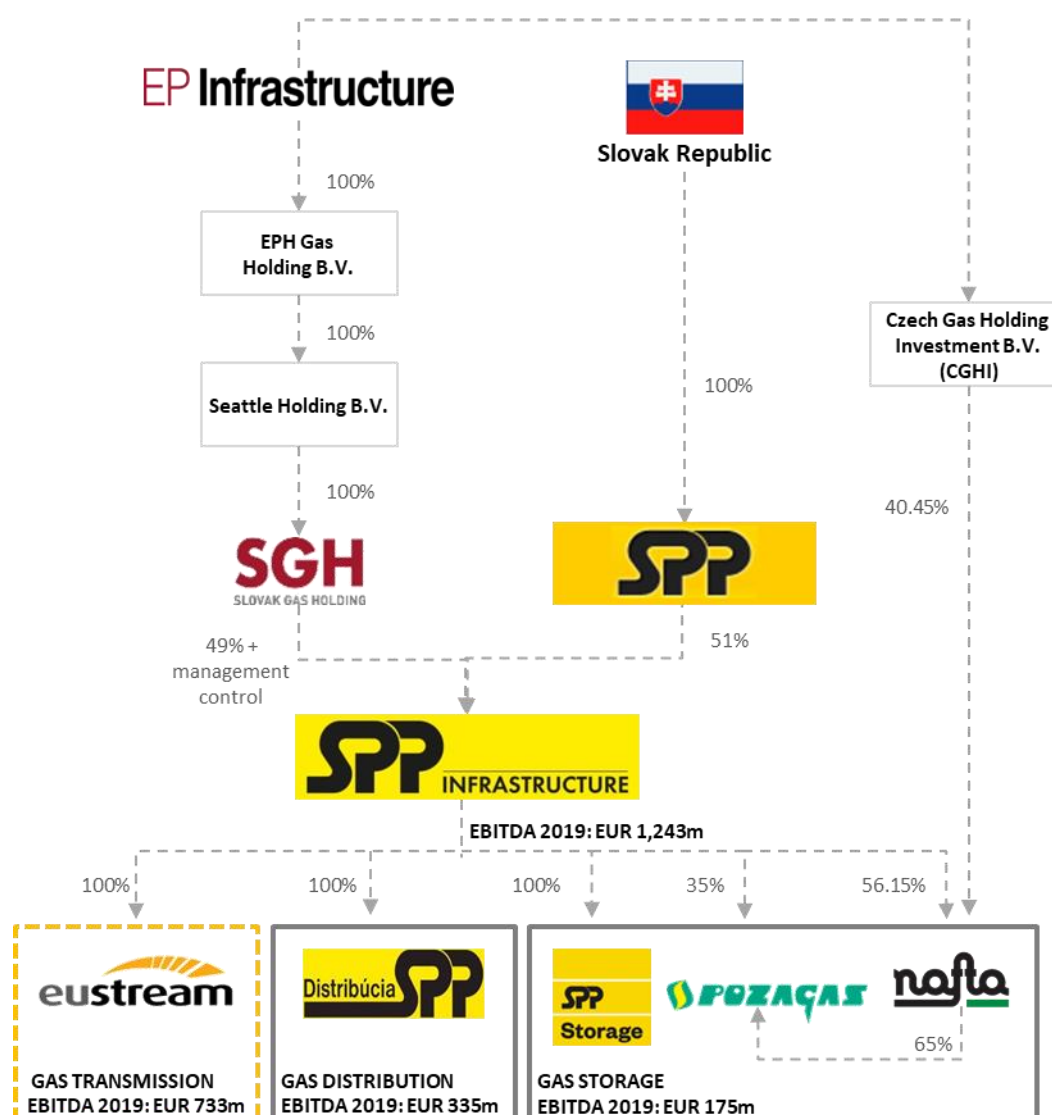
The Issuer continues in the tradition of more than 45 years of international gas transmission through the Slovak Republic. The first international gas transmission pipeline in what is now the Slovak Republic began operations with the opening of the international gas pipeline "Brotherhood" (*Družba*) in 1967. The first volumes of gas were transported from Russia to Austria via the Brotherhood pipeline in 1968. This pipeline is still a part of the Slovak gas distribution system, currently owned and operated by SPP — distribúcia, a.s. ("**SPPD**"). After the construction of several parallel transit pipelines, the then-Czechoslovak gas transmission system to Western European countries was in operation from December 1972 to January 1993, when Czechoslovakia separated as a political union and the Czech Republic and the Slovak Republic emerged as independent states. As a consequence, the Czechoslovak gas transmission system was also split. Global gas transmission services in the Slovak territory were incorporated into the business activities of Slovenský plynárenský priemysel, š.p., a state-owned enterprise ("**SPP s.p.**"). In 2001, SPP was established by converting SPP s.p. into a joint stock company. In 2002, the Slovak Republic sold approximately 49 per cent. of its shares in SPP together with management control over SPP to strategic investors E.ON Ruhrgas and Engie (formerly known as GDF Suez). In response to the legislative requirements of "legal unbundling", SPP preprava, a.s., was established and began operations as a TSO on 1 July 2006. In 2008, SPP-preprava, a.s., was renamed to eustream, a.s., in compliance with the EU's regulatory policy which required the complete separation of branding strategies for transmission activities from trading activities in vertically integrated gas companies. Since its establishment, the gas transmission system operated by the Issuer has been continuously upgraded in-line with the growing demands of the European gas market.

On 23 January 2013, Energetický a průmyslový holding, a.s. ("**EPH**"), EPIF's majority shareholder, acquired through Slovak Gas Holding B.V. from E.ON Ruhrgas and Engie their approximately 49 per cent. of shares in SPP along with management control.

In response to the Third Energy Package implemented into the Slovak legal system mainly by the Act on Energy and Act on Regulation, the Issuer applied for certification as an independent transmission operator ("**ITO**"). In order for the Issuer to receive successful certification, SPP transferred its transmission assets, including the gas transmission pipelines, to the Issuer in February 2013, effectively making the Issuer the owner of such assets under its operation. The pipelines were previously owned by SPP and leased to the Issuer (See "*—Property and equipment*" below). Following the transfer, the ITO assessment procedure was successfully completed and the European Commission issued its opinion on the certification, followed by the decision of RONI that granted the ITO certification to the Issuer in November 2013. This certification process confirmed the Issuer's compliance with the requirements of independency within a vertically integrated gas undertaking.

In 2014, SPP and its subsidiaries undertook a regrouping as part of which Slovak Gas Holding B.V.'s shares in SPP were transferred to the Slovak Republic and SPP contributed its shares in its operating subsidiaries, including the Issuer, into a new holding company, SPPI. Primarily in the first quarter of 2016, EPH completed an internal regrouping as a result of which its shareholding in SPPI and its subsidiaries, including the Issuer, were transferred to EPIF.

The following diagram shows a simplified ownership structure of the entities owned by SPPI as of the date of this Prospectus:



Key strengths

The Issuer's management believes that the Issuer benefits from the following key strengths:

- The Issuer considers the assets under its operation as critical infrastructure for the EU and the Slovak Republic as it transports around approximately 20 per cent. of the EU's total yearly piped gas import capacity and a third of the import capacity of Russian gas into Europe, according to the Issuer's calculation based on data from Argus, provides for north-south flows in the corridor across Germany, Czech Republic, Slovakia, Austria to Italy and transports the majority of Ukrainian natural gas imports. The Issuer is a key strategic infrastructure asset for the Slovak Republic and one of the largest contributors to the state budget, corresponding to approximately 2.6 per cent. of the state budget income in 2018, according to the Issuer's estimate.
- The Issuer's revenues are stable and predictable due to its 100 per cent. ship-or-pay contracts, whereby the Issuer receives the contracted transmission fees even if the booked capacity is not utilised, held with counterparties with reliable credit standings, supported in most cases by bank guarantees or cash collaterals. Most of the Issuer's capacity is usually booked by its customers on a long-term basis (i.e. five years or more). As of the date of this Prospectus, approximately 65 per cent. of the Issuer's total annual east-west transmission capacity is booked until 2028.
- The Issuer's core business has been highly cash generative, which allows the Issuer to operate

without relying on additional operational financing. The core business has very limited non-discretionary capital expenditure requirements as the Issuer carefully evaluates each individual capital expenditure investment (whether non-discretionary or discretionary) in a standardised process that assesses legal and regulatory requirements and economic and strategic criteria. The Issuer's cash flow from operations is supported by its modern infrastructure, which has historically provided for predictable and stable maintenance costs. Only after carefully considering all operational and investment cash needs and future debt service, does the Issuer distribute excess cash to its shareholder via dividends or intercompany debt.

- The Issuer utilises a conservative approach in terms of net leverage and targets a maximum level of leverage set at 2.5x EBITDA as set out in the shareholders' agreement entered into by, among others, Slovak Gas Holding B.V., EPH, the Slovak Republic and SPP on 29 May 2014.
- The Issuer has had a strong monthly operational cash-flow profile due to (i) its monthly revenues resulting from the ship-or-pay contracts, which are not subject to utilisation of the booked capacity, (ii) its monthly operational expenditures that are significantly lower than its revenues and (iii) limited one-off monthly payments (such as for capital expenditures or tax settlements). The Issuer's monthly operational cash-flow is negative only in cases resulting from such one-off payments.
- Regulation of gas transmission in the Slovak Republic is based on a clear and stable framework, providing a good degree of visibility of revenue generation. Regulation of natural gas transmission tariffs is based on the methodology of direct comparison of the prices (the so-called "benchmarking"). In November 2013, the Issuer was certified as an ITO.
- The Issuer believes that it will continue to be able to attract high calibre professionals, with good experience in the energy industry.

Strategy

The Issuer aims to continue to transport natural gas reliably through the Slovak Republic to the Slovak and other European markets and thereby contribute to the energy security of countries in Western, Eastern and Southern Europe. The Issuer is not involved in the businesses of providing gas storage, supply or distribution.

The Issuer's long-term strategy focuses on the following goals: (i) continuing to provide reliable gas transmission services, (ii) maintaining strategic significance in terms of traditional deliveries of Russian gas to the countries located in Western, Eastern and Southern Europe, (iii) securing long-term contracts that provide financial stability and long-term visibility and (iv) pursuing new interconnections and participating in the evolving European gas map by attracting the newly planned pipeline corridors (such as the European North-South Corridor) to be directly linked with the Issuer's system.

The Issuer believes that the most important part of its strategy is to properly fulfil its existing contracts by continuing its track record of uninterrupted operations. In addition, the Issuer continuously monitors the efficiency of its network and continuously seeks to reduce the cost of gas transmission for its customers.

In terms of the Issuer's strategy regarding new potential contracts, the demand drivers for transmission capacities are impacted mostly by:

- demand of natural gas, in particular Russian gas, in Europe;
- development of alternative gas routes;
- gas shippers' preference of gas transmission route driven by economic and political factors;
- natural gas price differentials and volume availability in different locations; and
- regulatory developments.

The Issuer's most recent strategic response to the demand for natural gas transmission has been the

construction of a new compressor station located at Lakšárska Nová Ves, comprising two new compressor units with combined power of 46 MW. This has resulted in a substantial expansion of gas transmission capacity from the Czech Republic to 55.1 bcm/year in order to be better positioned to transport natural gas volumes that are expected to come from Nord Stream II, once it is commissioned.

In October 2013, the European Commission identified projects of common interest (“**PCIs**”) which are necessary for the development of the priority gas corridors and which benefit from accelerated planning and permit granting procedures, improved regulatory treatment, and the possibility to receive financial support under the so-called “Connecting Europe Facility”. In relation to the NSI East Gas corridor, the identified PCIs include projects allowing bi-directional flows of gas between Poland, the Czech Republic, the Slovak Republic and Hungary, and connecting liquefied natural gas (“**LNG**”) terminals in Poland and Croatia. The Issuer has been involved in two such PCIs, namely the Slovakia-Poland interconnection and the Slovakia-Hungary interconnection. The Slovakia-Hungary interconnector was fully completed and its commercial operations began in July 2015. As of the date of this Prospectus, the Slovakia-Poland interconnector is under construction and is scheduled to commence operation at the beginning of 2022. According to the European Energy Security Policy communications published on 28 May 2014, the Slovakia-Poland interconnector is listed as one of the priority projects with significant contribution to European energy security and, as such, benefits from EU funding through the EU’s Connecting Europe Facility (the “**CEF Programme**”) (see “*–Infrastructure investments and capital expenditures*” below).

Recently, the situation in Ukraine has significantly impacted the traditional European gas sector and has brought about increased demand for natural gas imports from the reverse direction, i.e. from the west (Poland, Hungary and the Slovak Republic) to Ukraine. In September 2014, with the assistance of the European Commission, the Issuer finalised and commissioned new reverse flow capacities to Ukraine with the aim to reinforce the security and resilience of its revenue flows. The Issuer is very well positioned to transport gas to Ukraine because of limited and interruptible reverse-flow capabilities in other countries (e.g. in 2019, Poland transmitted only 1.4 bcm, while Hungary transmitted 3.8 bcm) (see “*–Reverse flow facilities*” below).

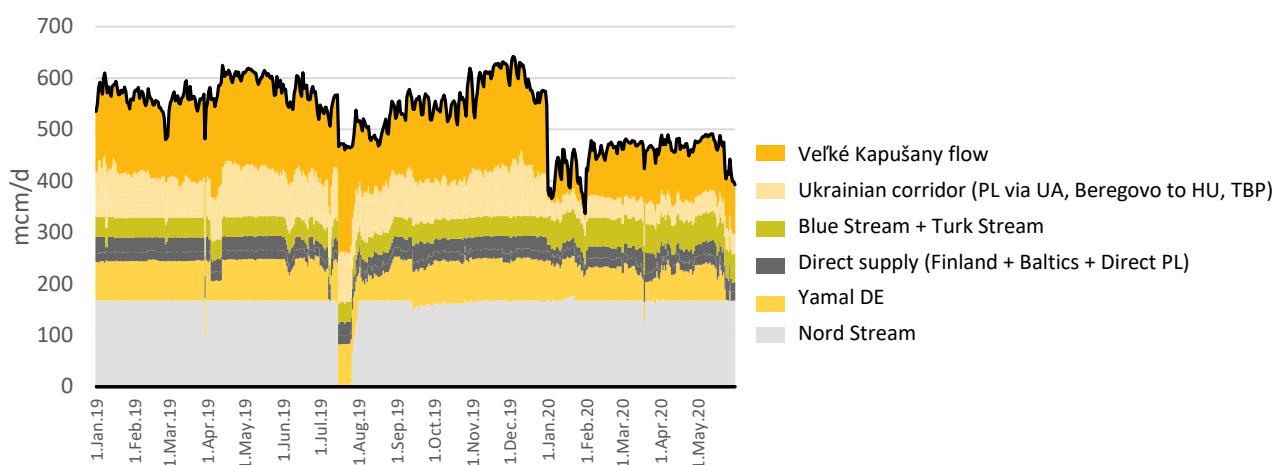
With regards to potential new areas of business, the Issuer is, and intends to remain, predominantly focused on gas transmission. As of the date of this Prospectus, acquisitions do not form a part of the Issuer’s business strategy and are only considered in case of extremely high strategic relevance and compatibility with the Issuer’s core business, such as the recent minor investment in the Central European Gas Hub. Unless any new activities or acquisitions are (i) directly associated with gas transmission and (ii) exceptionally compatible with the Issuer’s activities, long-term strategy and current risk profile or (iii) required by any regulatory developments, the Issuer’s management does not actively plan to expand its scope of business.

Business overview and principal activities

Overview

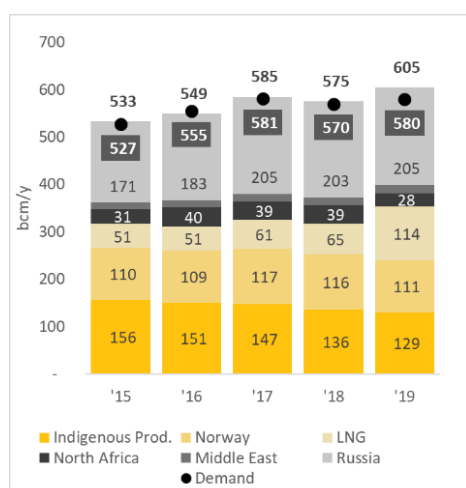
The Issuer is the owner and operator of one of the major European gas pipelines and is the only gas TSO in the Slovak Republic. The transmission network of the Issuer is part of the Central Corridor which is the largest (based on volume of gas transmitted) and the most important piped gas import route into Europe. The Central Corridor consists of the existing onshore pipelines in Central and Eastern Europe that import Russian gas to Central, Western and Southern Europe. The Central Corridor includes the Slovak pipeline system (continuing with adjacent pipeline systems in the Czech Republic and Austria) with an annual physical east-west capacity of 78.5 bcm (entry point Veľké Kapušany and Budince) and additional capacities in other directions, and the Yamal pipeline system across Poland with annual capacity of approximately 36.5 bcm (entry capacity to Poland) and 33.0 bcm (exit capacity to Germany, actual flow in 2019 was 27.4 bcm). In 2019, additional 4 bcm of gas were transmitted to Poland through a pipeline connecting Ukraine with the south of Poland.

The following diagram shows flows of natural gas from Russia to Europe between January 2019 and May 2020:



Source: Bloomberg, Argus

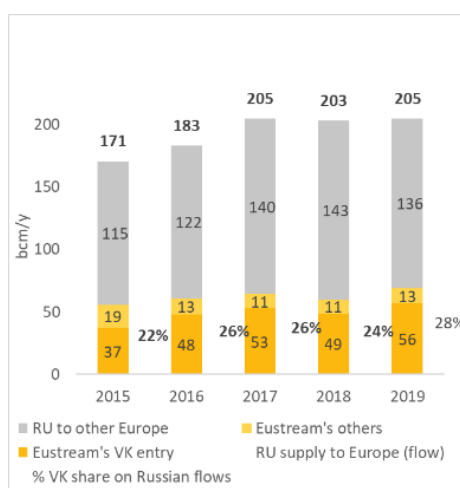
The following diagrams show (i) natural gas demand in Europe and sources of gas delivered to Europe over the last five years and (ii) the Issuer's share on natural gas flows to Europe from Russia over the last five years:



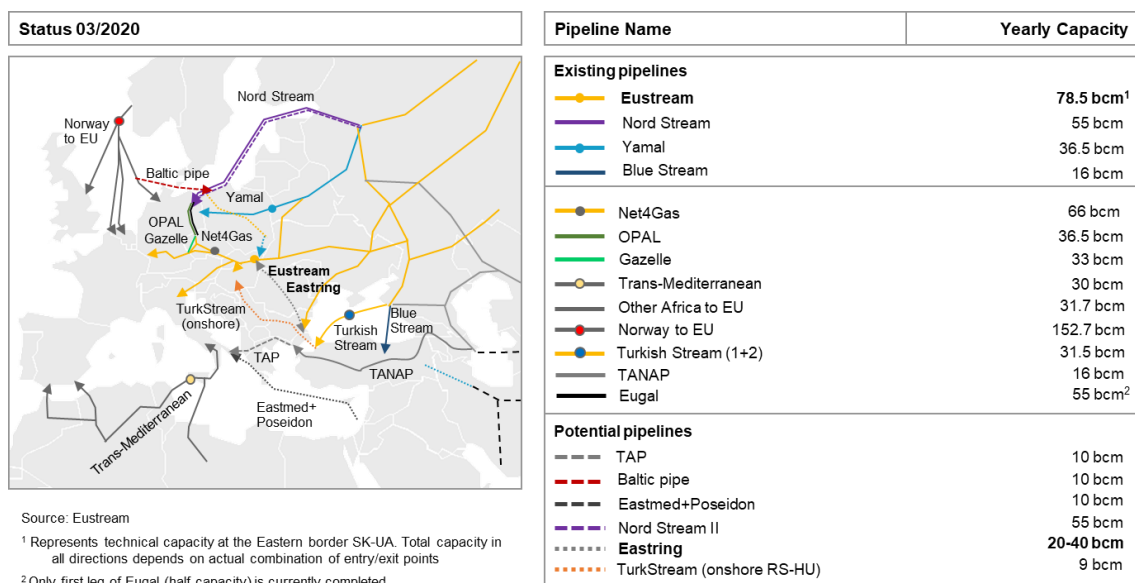
Source: Bloomberg, Argus

Notes:

- Data are presented in bcm with gross calorific value of 10.48 at 20 degrees Celsius
- Difference between sourcing and demand is attributable to storage change
- Europe includes EU28, Switzerland, Bosnia and Herzegovina, North Macedonia, Macedonia, Montenegro, Serbia, Turkey, Ukraine

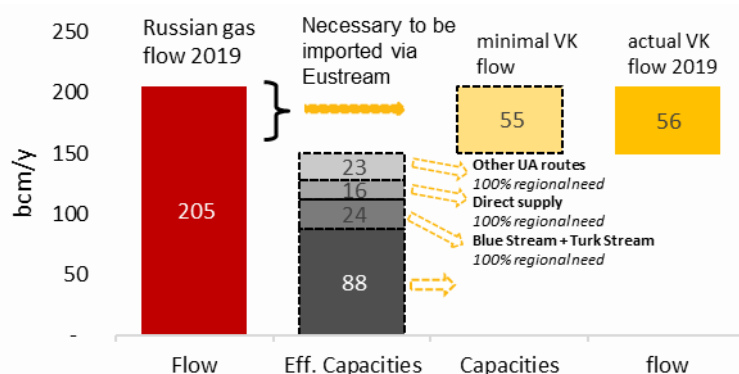


The following diagram shows the piped gas import routes in Europe as of March 2020:



The Issuer is the largest natural gas transporter within the EU, accounting for approximately 20 per cent. of the EU's total yearly piped gas import capacity and a third of the import capacity of Russian gas into Europe, according to the Issuer's calculation based on data from Argus.

The following diagram shows a split of natural gas flows from Russia to Europe in 2019 and the share of the flows that were transmitted through the entry point Veľké Kapušany:

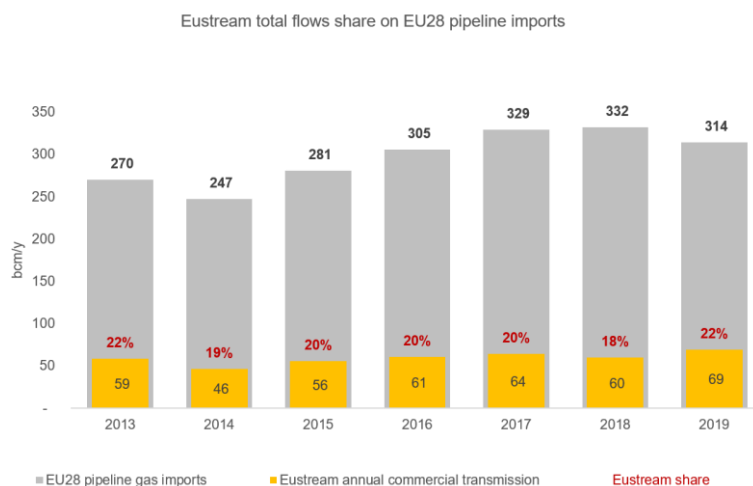


Source: The Issuer's internal analysis based on 2019 data and internal views

Since 1968, the Issuer has transmitted more than 2.5 trillion cubic metres of natural gas across the territory of the Slovak Republic. In the 12 months ended 31 July 2019, the Issuer transported approximately 66.5 bcm of gas, which was 11.5 per cent. of the average annual total consumption in the EU, Switzerland, Turkey and Ukraine between 2017 and 2019, as compared to 61.9 bcm of gas, or 10.7 per cent., in the 12 months ended 31 July 2018.¹ As of the date of this Prospectus, the total annual capacity of the Issuer's transmission system is more than 106 bcm, which is more than 20 times the overall domestic gas consumption of the Slovak Republic. Therefore, although the Issuer also transports gas intended for consumption in the Slovak Republic, the core of its business is primarily international gas transmission.

¹ Source: Argus, Cedigaz.

The following chart shows the Issuer's stable market share in the EU from 2013 to 2019:



Source: The Issuer, Argus

Notes:

- Total piped gas import to EU28 includes pipeline deliveries from Russia, Norway, Algeria and Libya
- Total Issuer share on piped gas imports to EU28 is calculated as Total Issuer transmission / Total piped imports. Data are for calendar years.

Since the start of commercial operation of the Issuer's reverse flow facilities (see "*Reverse flow facilities*" below), more than 73 per cent. of the imported gas from the EU to Ukraine has been transmitted using the Issuer's network (through the Budince point).² As of 31 January 2020, the annual transmission capacity of the Issuer's system was 78.5 bcm in the east-west direction, 55.1 bcm in the north-south direction and 14.6 bcm with respect to the reverse flow (west-east). However, the total capacity depends on the actual combination of entry and exit points. All entry and exit points of the Issuer's gas transmission system provide for physical reverse flow capabilities so that gas can be transported both from east to west and from west to east through the Slovak Republic.

The Issuer's strong and stable financial performance is based on its contract portfolio and, in particular, a 100 per cent. ship-or-pay contracts, whereby the Issuer receives the contracted transmission fees even if the booked capacity is not utilised, with a major Russian gas shipper accounting for approximately 50 bcm/year or 64 per cent. of the Issuer's east to west transmission capacity running until 2028 (see "*Customers and long-term contracts*" below). In addition, the Issuer has entered into two large contracts with leading European utilities and gas companies which are to expire gradually until 2021. In annual capacity auctions held in 2017, 2018 and 2019, the Issuer entered into large contracts for reverse capacity at entry point Lanžhot until the year 2039, however they are conditional upon several factors including the successful development of upstream projects which has not yet occurred. Furthermore, in 2014 the Issuer experienced an increase in contracted volume resulting from the reverse flow to Ukraine (see "*Reverse flow facilities*" below). The Issuer generates revenue from transmission fees as compensation for booked capacities and gas in-kind that is received legally for operational purposes (see "*Tariffs for using the gas transmission network*" below). In the six months ended 31 January 2020, all of the Issuer's revenues were collected in Euros and there were no revenues denominated in Russian rubles.

The Issuer allows access to the gas transmission network and offers its customers transmission services on a transparent and non-discriminatory basis (see also "*Third party access to the gas transmission network*" and "*Compliance programme relating to third party access to the gas transmission network*" below). Contracts entered into on a long-term basis prior to 2004 (when the regulation of gas transmission was introduced in the Slovak Republic) are in compliance with the previously applicable legislation. The Issuer's transmission tariffs are regulated, which to date have given rise to a predictable return on investments (see "*Tariffs for using the gas transmission network*" and "*Customers and long-term contracts*" below).

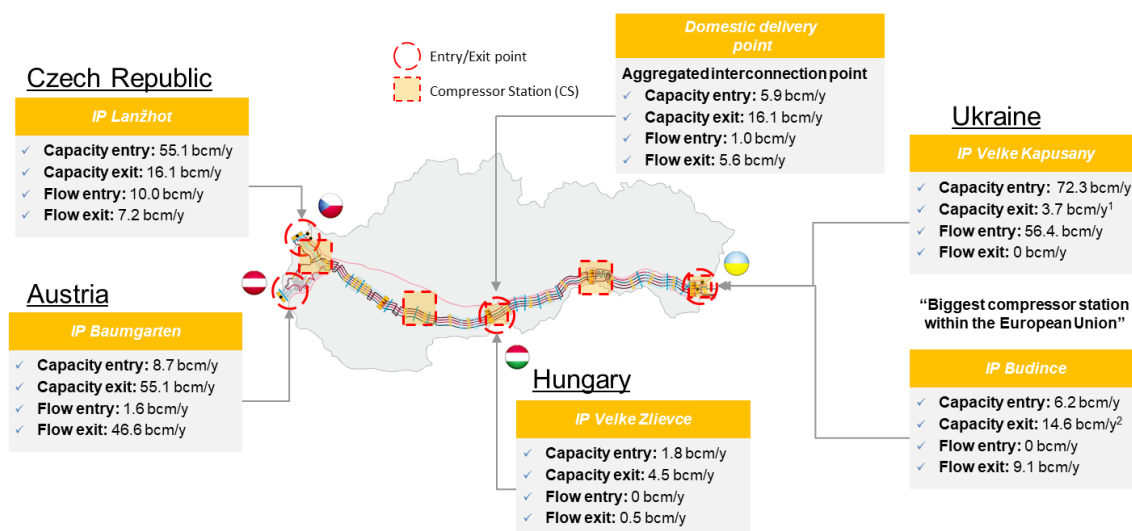
² Source: Issuer, FGSZ Zrt. and GazSystem S.A., data are for the years 2014-2019.

Gas transmission network

As of the date of this Prospectus, the Issuer is the sole TSO in the Slovak Republic and the owner of the entire gas transmission infrastructure in the Slovak Republic. The Issuer's network currently connects to the transmission networks of four countries: Ukraine, Czech Republic, Austria and Hungary. As of the date of this Prospectus, the Issuer is working on the expansion of its network and on the construction of an interconnection to Poland. The construction of this interconnection is a strategic project that has received financial support from EU funds and is, as of the date of this Prospectus, scheduled to commence operation at the beginning of 2022. In January 2020, the Issuer completed a capacity expansion from the Czech Republic. As of the date of this Prospectus, the Issuer plans to expand or construct another interconnection to Hungary as part of the envisaged Eastring project (see "*The Eastring project*" below).

As of the date of this Prospectus, the Issuer's main assets consist of four to five (depending on the location) parallel gas transmission pipelines (between 48"/58" in diameter depending on the section of the network) running across the Slovak Republic with a total length of approximately 2,273 kilometres. The Issuer's gas transmission network has an annual physical capacity of approximately 78.5 bcm in the east-west direction, 55.1 bcm in the north-south direction and 14.6 bcm with respect to the reverse flow (west-east) and a maximum daily east-west capacity of 215 million cubic metres ("mcm"). The aggregated entry transmission capacity of all entry points is approximately 411 million cubic metres per day. The gas transmission network is supported by five large compressor stations with an aggregated power of almost 550 megawatts. The most important compressor station is located at Veľké Kapušany at the Ukrainian-Slovak border and is the biggest compressor station in the EU. As of the date of this Prospectus, it has a total output of about 290 megawatts, allowing entry flow of 215 mcm.

The following diagram shows the entry and exit points of the Issuer's gas transmission network along with their individual capacities as of June 2020 and their individual flow in 2019:



Source: The Issuer

Notes:

* Capacity partially interruptible

Reverse flow facilities

The Russian-Ukrainian gas crisis that began on 6 January 2009 and lasted for two weeks, during a period of extreme cold weather, tested the Issuer's transmission network as it was the Issuer's first instance of using reverse physical flow as a mode of operation. The Issuer was able to demonstrate its ability to comply with its commitments by responding promptly to consumer needs. To do so, the Issuer strengthened its cross-border capacities by implementing technical measures to enable physical reverse flows and establishing new transmission routes, especially between the Slovak Republic, the Czech Republic and Austria. In cooperation with the neighbouring TSOs in the Czech Republic and Austria, the Issuer quickly implemented, within three days, a provisional reverse flow solution at the entry and exit points of Lanžhot and Baumgarten. In the course of that year, the Issuer further reinforced the provisional solutions with a more systematic and robust technological solution. The entire costs, including

adjustments along the internal part of the Slovak transmission network, amounted to EUR 65 million. The reverse flow from the Czech Republic has been used regularly since 2013. The reverse flow from Austria is not currently used regularly, but is ready for physical reverse operation, if required. In mid-2015, the Issuer commissioned the first direct natural gas link between Slovakia and Hungary. In September 2014, with the assistance of the European Commission, the Issuer finalised and commissioned new reverse flow capacities to Ukraine with the aim to reinforce the security and resilience of its revenue flows. The new reverse flow capacities to Ukraine were further expanded in November 2014 and January 2015 in order to address the recently increased demand for capacities in this direction. The Issuer is very well positioned to transport gas to Ukraine because of limited and interruptible reverse-flow capabilities in other countries (e.g. in 2019 Poland transmitted only 1.4 bcm, while Hungary transmitted 3.8 bcm).

Recent gas flow evolution

Historically, the Issuer's gas transmission system transported natural gas predominantly in the east-west direction, primarily from the entry border point at Veľké Kapušany to the exit border points at Baumgarten and Lanžhot, thereby providing a junction for the separation of gas flows from Russia to Western Europe (Lanžhot exit point) from those to Southern Europe (Baumgarten exit point). However, recent developments indicate a change in the direction of natural gas flow. The Nord Stream pipeline, which was commissioned in November 2011 and which transports natural gas from Russia to Western Europe, has negatively impacted the flow of natural gas through the Issuer's transmission system in the direction from Veľké Kapušany to Lanžhot. This could be further exacerbated as a result of Nord Stream's planned expansion by two additional pipelines with a total capacity of 55 bcm (Nord Stream II), which is currently in an advanced phase of construction, and which would increase the overall annual capacity of Nord Stream to up to 110 bcm. As a result, the risk of non-renewal of the Issuer's existing long-term contracts attributable to this direction of gas flow has increased. A situation of increased gas demand may also motivate shippers to book additional long-term capacities using the Nord Stream pipeline.

Although Nord Stream has negatively impacted demand for the Issuer's capacity in the traditional east-west direction, its commissioning has increased demand for the Issuer's capacity in the north-to-south direction from Lanžhot to Baumgarten, with the network of the Issuer currently representing one of the major routes for natural gas flow from the countries located in Northern Europe to Southern Europe.

Third party access to the gas transmission network

The European and Slovak regulatory framework in the gas sector is intended to ensure competitive and efficient European gas markets. An important element of that framework is the principle of transparent and non-discriminatory access to gas transmission networks. Accordingly, the Act on Energy requires gas transmission network operators, such as the Issuer, to guarantee a right of access to the transmission network, ancillary services and to an accumulation of gas in the network to all gas market participants. To facilitate the cross-border transit of gas in compliance with the Act on Energy and the Gas Regulation, the Issuer, subject to economic viability, is required to construct cross-border connection points which are needed for the integration of transmission networks in the European Economic Area. In setting the conditions under which the Issuer and other network operators are required to grant access to their networks, they are discouraged from discriminating between different network users or different categories of network users. Subject to certain limited exceptions, such as a lack of capacity or a need to give priority to public service obligations, the Issuer may not refuse access to its gas transmission network. Temporary exemptions may also be granted by RONI on the basis of serious economic and financial difficulties with take-or-pay contracts.

Operation of the gas transmission network

The Issuer's transport service consists of taking-over the gas delivered to it by the shipper at one or more entry points and delivering an equivalent quantity of gas to one or more exit points, within the limits of daily capacities established by the relevant contract. Subject to capacity limitations, the network of the Issuer is designed in such a way as to transport natural gas in between any combination of entry/exit points. The delivery of gas of a contractually specified quality and quantity and the balancing of natural gas flows requires sophisticated modelling and a firmly established expertise in the areas of safety, flow split and quality monitoring. Furthermore, pursuant to the Act on Energy, the Issuer as a network operator is required to ensure that its network is operated safely and efficiently and that the way in which it is balanced is based on objective, transparent and non-discriminatory rules.

Tariffs for using the gas transmission network

The Issuer generates revenue by charging tariffs for the transmission of gas through its pipelines and by the sale of gas in-kind which it receives from shippers and which remains in the network of the Issuer after serving the network's technological needs. Transmission tariffs in the Slovak Republic for the current regulatory period are set directly by RONI, are based purely on direct comparison of tariffs (also known as benchmarking) with other TSOs, primarily competitors across Europe, and are not directly impacted by natural gas prices or other elements (except for EU inflation rate). However, from the beginning of the next regulatory period in 2022, the benchmarking of tariffs will be used only as the secondary adjustment of the reference prices calculated on the cost-base principles. Currently, the Issuer is obligated to submit price proposals to RONI for every five years (the duration of the regulatory period). Up to the date of this Prospectus, RONI has not rejected a price proposal that the Issuer had submitted. Pursuant to the NC on Harmonised Tariffs, from the beginning of the next regulatory period, the setting of the tariff system will be recalculated following a consultation at least every five years.

According to the current regulations, a client can enter into a regulated long-term contract with prices that are independent of price regulatory changes during the contractual term, subject only to pre-defined escalation that amounts to 50 per cent. of EU inflation (according to new price decision valid from 2022, escalation will amount to 100 per cent. of EU inflation). However, this does not entirely apply to certain old contracts that were concluded prior to 2005. The mechanics concerning these old contracts are similar, but instead of escalation rates being driven by EU inflation, they are driven by other indices, for example the German investment index.

In 2019, the majority of the Issuer's revenues were from transmission fees. The transmission fees are fixed from the start for each contract and are therefore not subject to unilateral renegotiation, termination or other adjustments (other than for inflation as discussed above). In addition to the transmission fees, network users are required to provide in-kind gas for operational needs, predominantly as a fixed percentage of commercial gas transmission volume at each entry and exit point. The network users may agree with the Issuer to provide in-kind gas in a financial form (the amount of respective in-kind gas multiplied by the spot index price published on the website of CEGH Gas Exchange (www.ceghex.com) ("CEGHIX") valid on the date of gas transmission plus additional 0.25 EUR/MWh). Gas for operational needs covers, among other things, the energy needs for the operation of compressors and the gas balance differences related to the measurement of gas flows. As the Issuer is legally responsible for network balance, it sells any gas in-kind it has received that is not consumed. Since the volume of gas in-kind is variable, any revenue from this mandatory sale of residual gas in-kind is also variable.

Compliance programme relating to third party access to the gas transmission network

In accordance with the Act on Energy, the Issuer has established a compliance programme setting out its internal organisational measures designed to prevent discriminatory practices in relation to third party access to the Issuer's transmission network and specifying the duties of the Issuer's employees to achieve such purpose. The compliance programme applies to all the Issuer's personnel. The Issuer has appointed, upon prior approval by RONI, a compliance officer, whose task is to ensure that the Issuer complies with non-discriminatory principles. The compliance officer reports annually to RONI in relation to the Issuer's measures taken to implement the compliance programme.

Crisis management in the gas industry

The Act on Energy provides that operators of gas transmission networks, such as the Issuer, may be ordered to comply with certain crisis measures which may be determined and approved by the Ministry of Economy of the Slovak Republic and approved by the Slovak government as being in the general economic interest. Such crisis measures may be imposed on all relevant gas market participants by the Slovak Republic's national gas dispatching company, which is nominated by the Ministry of Economy of the Slovak Republic. As of the date of this Prospectus, SPPD acts as the Slovak Republic's national gas dispatching company. If such temporary crisis measures result in a restriction or an interruption of gas transmission, the Issuer is by law released from its liabilities towards the affected customers.

Technical and quality standards for the gas transmission network

The Issuer's operation and maintenance activities reflect relevant technical standards prescribed under European and Slovak law. Among other things, these technical standards regulate gas infrastructure, including pipelines, equipment and regulating stations, pressure equipment, earth works, gas supply

systems, terms of operation, functional requirements, safety systems, testing, cathodic protection, electric engineering, electrical installations and explosive atmospheres (see also “—*Environmental and safety policies*” below).

In addition, RONI sets quality standards with respect to connection to the transmission network, restoring gas transmission after a failure and observing continuity of gas transmission.

Due to its consistent monitoring of quality standards and adherence to the relevant RONI regulations, up to the date of this Prospectus, the Issuer has not recorded any significant complaints and no material fines have been imposed on the Issuer in this respect.

Property and equipment

The Issuer’s transmission assets are mainly comprised of pipelines, compression stations and administrative buildings. In February 2013, SPP transferred the title of the transmission assets and pipelines to the Issuer. As such, the Issuer currently owns all of its pipelines and transmission assets, and holds the title to, or by virtue of leases has the right to use, all of the land underlying its compression stations and administrative buildings. The net book value of the Issuer’s fixed assets was EUR 4.6 billion as at 31 January 2020 (as compared to EUR 4.2 billion as at 31 January 2019) and EUR 4.2 billion as of 31 July 2019.

Infrastructure investments and capital expenditures

Infrastructure investment regulation

In line with the Gas Regulation, TSOs, in regional cooperation within the European Network of Transmission System Operators for Gas (“**ENTSOG**”), must publish a regional investment plan every two years (the “**Gas Regional Investment Plan**” or “**GRIP**”). The aim of the GRIP is to show a regional gas infrastructure outlook, consistent with the ENTSOG’s ten-year network development plan which assesses and identifies potential future infrastructure investments, viable gas transmission networks and necessary regional interconnections, all of which are relevant from a commercial, sustainability or security of supply point of view.

The Issuer, by reason of its and of its transmission network’s location, belongs to both Central-Eastern Europe (Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Poland, Romania, Slovenia and the Slovak Republic) and the Southern Corridor (Austria, Bulgaria, Croatia, Cyprus, Greece, Hungary, Italy, Romania, the Slovak Republic and Slovenia) regions. Accordingly, the Issuer is participating in the GRIPs for both regions. The most recent GRIPs for the Central-Eastern Europe and Southern Corridor were published in January 2020 (fourth edition of the GRIP for the Central-Eastern Europe) and September 2017 (third edition of the GRIP for the Southern Corridor).

The Third Gas Directive gave new powers to the national regulatory authorities regarding the monitoring of investments. In particular, gas transmission network operators are required to submit to national regulatory authorities a ten-year network development plan based on existing and forecasted supply and demand. The plan should indicate the main transmission infrastructures that should be built or upgraded over the next ten years, identify new investments which are to be realised in the next three years and provide a time frame for each investment project. National regulatory authorities are to organise a public consultation on the transmission network operators’ plans and publish the analysis and result of the consultation. National regulators are also to examine the consistency of the plan with the European ten-year network development plan published by ENTSOG and, if any doubt arises, consult the plan with the Agency for the Cooperation of Energy Regulators. They may also require transmission network operators to amend their plan.

Pursuant to the Act on Energy, the Issuer is required to elaborate and submit annually to the Ministry of Economy of the Slovak Republic and RONI a national ten year network development plan, together with a report on the implementation of the plan. The first such plan was submitted in November 2013 and covers the period from 2014 to 2023. The current plan for the period from 2020 to 2029 is composed of the following projects:

- capacity development and transmission network modernisation:
 - the Poland-Slovak Republic gas interconnector;

- increase of capacity of the Lanžhot entry point;
- project Hungary-Slovakia consisting of the project of increasing the firm transmission capacity at the interconnection point Veľké Zlievce;
- increase of reverse flow of natural gas in the direction to Ukraine;
- the Eastring project;
- increase in technical capacity in the east-west direction; and
- modification of the turboset Nuovo Pignone 23MW at DLE 1.5;
- development and modernisation of the main parts of transmission network in following 10 years:
 - projects to increase the integrity of the transmission system.

In addition, under the Act of Energy, RONI has the power, within the period set by RONI, to require the Issuer, in its capacity as a gas network operator, to carry out infrastructure investments included in the national ten year network development plan and designated as necessary to be implemented within the next three years, subject to a competitive tender process in case the Issuer did not realise such investments. However, as such investment programmes are usually market driven and are developed in consultation with industry participants in an “open season” process, this presents a business opportunity and the Issuer would generally have an interest in meeting such a demand for additional infrastructure.

Gas interconnectors

The Issuer continues to promote important international projects, aiming for deeper involvement within the liquid gas market and for strengthening its business operations. All of these projects have strategic importance as they serve as a backbone for the EU-wide and co-financed north-south interconnection project, contribute to the EU’s energy security and address the demand for gas in Ukraine.

In September 2014, the Issuer finalised the construction of an interconnection with Ukraine, which has been expanded in late 2014 and further in early 2015. This project consisted of developing a new interconnection point Budince, which is located in the vicinity of the compressor station in Veľké Kapušany. Here, the Issuer utilised an existing, approximately seven kilometres long, pipeline, previously owned by SPPD, that is connected to the Ukrainian system and constructed a new measurement facility in the area of the compressor station in Veľké Kapušany. As of the date of this Prospectus, the pipeline yields an annual capacity of 14.6 bcm.

In July 2015, the Slovakia-Hungary interconnector was fully completed, with a total length of 111 kilometres (19 kilometres in the Slovak Republic and 92 kilometres in Hungary). This new cross-border pipeline connects the Slovak and Hungarian transmission systems with a bi-directional annual capacity of 1.8 bcm in the direction to Slovakia and 4.5 bcm in the direction to Hungary. The interconnector was developed with the assistance of the European Commission. The capital expenditure for the Slovakia-Hungary interconnector was EUR 13.6 million in the Slovak Republic and the project was co-financed from the European Energy Programme for Recovery.

As of the date of this Prospectus, the Issuer is participating in the construction of the Slovakia-Poland interconnector, which is scheduled to commence operation at the beginning of 2022. If completed, the interconnector will connect Veľké Kapušany and Strachocina interconnection points and have a bi-directional annual capacity of 4.7 bcm in the direction to Slovakia and 5.7 bcm in the direction to Poland. The total length of the 40” diameter pipeline with 32 MW compression power will be 164 kilometres (106 kilometres in the Slovak Republic and 58 kilometres in Poland). The construction of the interconnection between the Slovak Republic and Poland is a strategic project which, based on a grant agreement concluded in December 2017, received EUR 107.7 million (in total for the Slovak and Polish part of the interconnector) from EU funds under the CEF Programme, covering 40 per cent. of the construction costs, which are estimated to reach EUR 437.1 million (of which approximately EUR 133 million are attributable to the Slovak part). In September 2018, the total amount of the grant was decreased to EUR 104.5 million, following a reduction in scope and capital expenditures of the project on the Slovak side. In addition, the project has also received an additional grant in the amount of EUR 4.5 million for engineering works.

The Eastring project

The project is currently in the early stage of development. If completed, it would be a bi-directional gas pipeline with an annual capacity between approximately 20 bcm (in the initial stage) and 40 bcm (in the final stage) and extend from the Slovak border in Veľké Zlievce to the Turkish-Bulgarian border. As such, the project would have to be realised as a partnership of the TSOs in Slovakia, Hungary, Romania and Bulgaria. The length of the pipeline is expected to be 1,208 km, with 56" in diameter, pressure of 100 barg and 279 MW of compression power. As of the date of this Prospectus, the capital expenditures for the project are estimated to reach EUR 2,600 million. It is expected that, if feasible, the project development will be funded mostly through a combination of external financing and EU funding. As in similar previous development projects, the Issuer may consider relying on bank and other external financing to fund a substantial part of its portion of the investment. No contractual commitments have been entered into by the Issuer in relation to the Eastring project and the Issuer expects to pursue the project only in case of a robust business case. The Eastring project's feasibility study, which was finalised in 2018, was supported by the grant from the EU program called *Connecting Europe Facility*. In 2016, government representatives of Slovakia and Bulgaria signed a memorandum of understanding to support the planned extension of the pipeline. A similar memorandum was signed by Slovakia and Hungary in late 2017. More recently, the Issuer signed a memorandum of understanding on the Eastring project with the Romanian TSO Transgaz S.A. The Issuer cannot guarantee that the project will be completed on time or at all, or that its cost will not be higher than expected (see "*Risk factors—Risk related to the Issuer's business and industries generally—The Issuer may be required to make substantial capital expenditures and these may be subject to delays*").

Maintenance and Safety

General

Safe and reliable gas transmission goes hand-in-hand with the continuous effort to invest into new technologies and regular maintenance. The Issuer synchronises its maintenance schedule with all concerned parties, such as network operators and shippers. Further, the Issuer sends to its customers all material information regarding factors that influence its ability to operate its gas transmission system at its full capacity.

Pipeline integrity management system

The Issuer utilises its proprietary Pipeline Integrity Management System ("**PIMS**"), which is a comprehensive approach to pipeline maintenance. Pipeline assessment is based on information from different sources, with the most important data originating from internal (in line) inspections, the active corrosion protection system and from the geographical information system. The data is then evaluated using a risk index, which integrates into one value not only the technical condition of a pipeline, but also the environment (e.g., soil and geology) of where the pipeline is situated and possible consequences in the cases of pipeline damage (e.g., population and reduction of gas transmission). The value is valid for homogenous spot of the line and can be displayed in the matrix system with five levels of risk. Annual maintenance plans are based on results from PIMS.

The Issuer regularly inspects its pipelines using "in line inspections" ("**ILI**"), also known as "intelligent pigging". The results of ILI reports on the real technical condition of the pipelines represent valuable input in the PIMS. After delivering the results, the inspection findings are analysed and assessed, and maintenance activities are planned accordingly. Assessment of the inspection results is based on international codes and is evidenced by maintenance certificates. The pipelines are regularly re-inspected and intervals between ILI of the pipelines are defined individually for each pipeline based on factors such as the pipeline's age, frequency of defects from previous inspection, type of coating and aggressiveness of the soil. The entire cycle of planning, ILI, assessment, and repairs contributes to the safe and reliable operation of the Issuer's pipelines. All such activities are governed by the Issuer's internal guidelines.

Pipeline safety procedures

The Act on Energy and the Slovak technical standard for gas supply systems require gas system operators, such as the Issuer, to monitor and check gas pipelines and the land over them periodically with a special focus on monitoring the activities of third parties near the pipeline routes. The Issuer uses periodical aerial surveys to fulfil this obligation. Periodical aerial surveys are visual inspections of transmission pipelines, gas facilities, and protective and safety zones with the aim to increase the safety of

the transmission system's operation. The Issuer pays close attention to activities of third parties along the pipelines and in their vicinity in order to foresee potential pipeline damage. The Issuer performs aerial surveys using helicopters once a month from March to October and once every two months from November to February.

The Issuer's facilities are protected by technical security which is integrated into its security system. The physical protection of the Issuer's buildings and facilities is provided by a contracted private security service. The protection of the national and European critical infrastructure within the energy sector and gas industry is supervised by the Ministry of Economy of the Slovak Republic, pursuant to Act No. 45/2011 Coll. on protection of critical infrastructure, which transposes into Slovak law Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection.

Customers and Long-Term Contracts

The Issuer is the largest single carrier of Russian gas into the EU. The Issuer's portfolio of customers consists mainly of a prominent Russian shipper of gas and leading European utilities and gas companies and well-known European gas trading companies. A significant portion of the Issuer's capacity is booked by counterparties based in key locations on the European gas map who have historically met their payments in a timely fashion. In recent years, there have been no incidences of payment default by the Issuer's customers.

Gas transmission is a highly regulated industry and, as such, the contractual terms and pricing are heavily influenced by regulation at the national, EU and international level. The profitability of the Issuer's business is primarily driven by bookings for the transmission of gas, which mostly follow long-term contracts. All contracts, regardless of duration, are based on a 100 per cent. ship-or-pay principle, whereby the Issuer receives the contracted transmission fees even if the booked capacity is not utilised. Transmission fees and gas-in-kind volumes are specific to each contract and depend on pre-defined entry and exit points, pre-defined duration and contracted capacity.

The vast majority of the Issuer's capacity bookings are composed of (i) a large contract with the prominent Russian shipper, securing gas transit from Russia to countries in Southern Europe with a capacity of approximately 50 bcm (approximately 64 per cent. of the Issuer's total annual east-west transmission capacity), concluded in 2008 and due to expire in 2028 (the "**Transmission Contract**"); and (ii) certain long-term contracts with leading European utilities and gas companies which will gradually expire until 2021. The remaining contracts are either yearly or short-term contracts with small shippers. In addition to the existing large long-term contracts mentioned above, the Issuer allocated a significant part of its transmission capacity at Entry point Lanžhot, on a long-term basis, in the annual incremental capacity auction in March 2017 and additional capacity in the auctions held in July 2018 and July 2019. Contracts concluded in this capacity auction are valid from October 2019. However they are conditional upon several factors including successful development of upstream projects which has not yet occurred.

The transmission tariffs applicable to the Transmission Contract are subject to regulation by RONI. Pursuant to this regulation, tariffs set by RONI in its price decision as applicable to the first calendar year of the commencement of the transmission services under a transmission contract remain unchanged throughout the entire contractual term, subject only to pre-defined escalation by 50 per cent. of the European inflation.

Pursuant to the price decision of RONI dated 31 October 2016, which is publicly available, transmission tariffs are based on an entry and exit tariff model, i.e. for each entry point into, and exit point from, the transmission system there is a specific tariff set by the price decision. The tariff system has the following two basic elements: (i) transmission fees which are charged for access to the transmission network and gas transmission and are calculated by reference to the booked daily transmission capacity (i.e., on a ship-or-pay basis); and (ii) gas in-kind which the TSO receives for operational needs from shippers and which is calculated as a fixed percentage of the actual gas transmission volume at each entry and exit point. Further elements of the applicable transmission tariff calculation include a duration factor depending on the volume of booked daily transmission capacity and the duration of the relevant transmission contract. The above price decision further obliges the shipper to pay imbalance charges if the daily booked transmission capacity is exceeded.

Competition

The Issuer faces competition from other current pipelines that transmit gas across Europe from east to west, namely the Yamal and Nord Stream pipelines. The impact of the implementation of the Yamal pipeline has been reflected in the Issuer's revenues since 2000. The commissioning of Nord Stream had already been considered and taken into account when the Issuer and the prominent Russian supplier concluded a long-term transmission contract in 2008.

Upon completion, Nord Stream II is planned to add approximately 55 bcm of additional transmission capacity from Russia to Europe and is likely going to replace the existing Ukrainian natural gas flows. However, the gas flows which are presently transmitted through the Ukrainian system are primarily targeted for Italy and Central and Eastern Europe. As such, the gas flows that will be channelled through Nord Stream II with the aim to substitute the existing Ukrainian flows are still expected to be targeted to the Italian market. Such natural gas flows from Nord Stream II to southern Europe are thus expected to utilise the Issuer's transmission system in the north-to-south direction (from Lanžhot to Baumgarten) and in doing so largely offset the potential drop in the volumes of gas transmitted that may occur in the east-to-west direction (Veľké Kapušany entry point from Ukraine). However, there is no guarantee that the drop in the volumes transmitted in the east-to-west direction will be offset, completely or at all, by the increase in the volumes transmitted in the north-to-south direction, and the commissioning of Nord Stream II will not therefore have a negative impact on the Issuer's business (see *“Risk factors – Risk related to the Issuer's business and industries generally – The Issuer's results of operations may be adversely affected by the development of alternative gas transmission routes, import of shale gas, expanded utilisation of other types of gases and the use of LNG technology”*). To the extent Nord Stream II volumes replace the Issuer's present gas flows in the direction to the Czech Republic and Western Europe (which, as of the date of this Prospectus, are estimated at approximately 7 bcm/year), Nord Stream II can be considered a purely competing project.

With the construction of a new compressor station located at Lakšárska Nová Ves, the Issuer has substantially expanded its gas transmission capacity in the direction from the Czech Republic to better position itself for transporting natural gas arriving across Nord Stream II from the Czech Republic. As such, in the event Nord Stream II is commissioned, as of the date of this Prospectus management of the Issuer expects its contractual relationship with its main shipper(s) to be extended beyond 2028. In such a case, the interconnection points covered by its contractual relationship and certain of its contractual terms may be adjusted to reflect to the new arrangement. See *“Risk Factors – Risks related to the Issuer's business and industries generally – The Issuer may agree to renegotiate or amend certain contractual terms to the extent such amendments or renegotiations are deemed beneficial to the Issuer in implementing its long-term strategy”*.

In addition, the Issuer faces potential competition from other planned pipelines that would transmit gas across Europe from east to west and from north to south. Three planned pipeline routes south of the pipeline system of the Issuer, namely the interconnection between Bulgaria, Romania, Hungary and Austria (**“BRUA”**), the expansion of the capacity between Hungary and Austria (**“HUAT”**) and the Trans Adriatic Pipeline (**“TAP”**), are in development or at the planning stages and, if completed, would also transport gas from the east to west of Europe into the areas where the Issuer currently transmits gas. Further, Turk Stream project's offshore part has been completed and deliveries of natural gas to the Turkish market have started. However, the Turkish market has not been a target market for the Issuer and, as such, the Turk Stream's offshore part does not compete with the Issuer's infrastructure. The onshore part of Turk Stream, associated mostly with the capacity of its second offshore leg, has a capacity of between 9 to 20 bcm/year (approximately 9 bcm/year to Hungary and approximately 20 bcm/year to Bulgaria), is envisaged, once commissioned, to supply the Balkan countries and Hungary. These countries are presently being supplied by Russian gas through Ukraine, either through the Trans Balkan Pipeline or the Beregovo interconnection point. As of the date of this Prospectus, the Issuer is active in these markets only to a limited extent, by providing natural gas transmission to Hungary both directly at Veľké Zlievce and indirectly across Baumgarten. If Turk Stream's onshore part is constructed, these minor volumes may be negatively affected.

Major shareholders and organisational structure

The Issuer is a wholly-owned subsidiary of SPPI and is indirectly owned by the Slovak Republic (approximately 51 per cent.) and EPIF (approximately 49 per cent., including management control), a Czech Republic-based energy infrastructure utility focused on gas transmission, gas and power

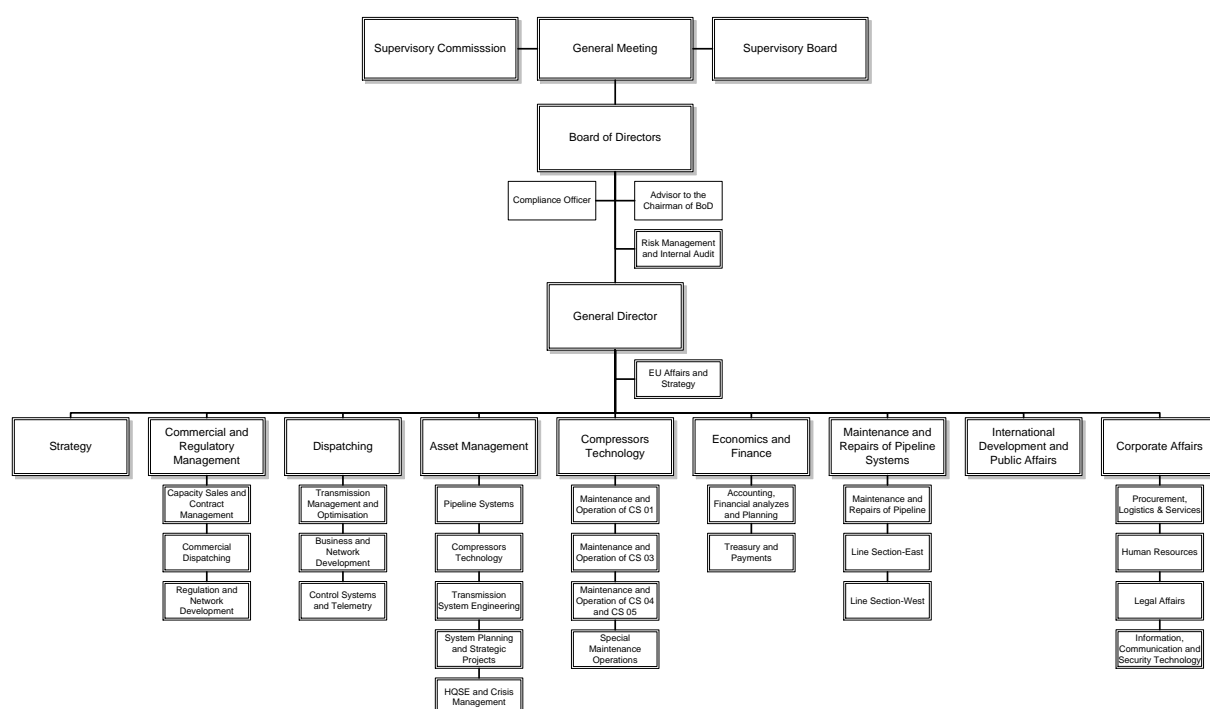
distribution, heat and power generation and gas storage, with principal operations in the Slovak Republic and the Czech Republic.

Pursuant to the Third Gas Directive, operators of gas transmission networks, such as the Issuer, must meet certain requirements intended to ensure their independence from the vertically integrated undertaking of which they form a part (see “*Regulation*”). In order to demonstrate its compliance with the requirements of the Third Gas Directive in respect of its gas transmission activities, the Issuer has completed a complex process of unbundling from the SPPI group and is now fully operationally independent. This includes the effective unbundling of corporate and support functions by implementing its own organisational structure, separating all hardware and information technology, finances, human resources, and head office, from SPP, its former parent prior to the Reorganisation Plan. The Issuer completed this major step in the legal unbundling even before the Third Gas Directive was transposed into Slovak law.

The Issuer is internally organised into units, as follows:

- the asset management unit is in charge of asset development and construction of facilities and strategic development and planning of the network and setting the asset maintenance strategy;
- the dispatching unit is in charge of gas transmission management and optimisation, commercial metering and metrology and control systems and telemetry;
- the compressor technology unit is in charge of all compressor stations and central maintenance focused on compressor technology;
- the maintenance and repairs of pipeline systems unit is in charge of maintenance of pipelines systems and line section equipment;
- the commercial and regulatory management unit is in charge of transmission related services and procedures, contract portfolio management, market and economic analyses, regulatory affairs and communication with national and European regulatory authorities;
- the economics and finance unit is in charge of accounting and taxation, controlling, management of cash-flow and economic affairs;
- the corporate affairs unit is in charge of legal services, procurement and logistics, human resources information and communication systems and facility management;
- the development and public affairs unit is in charge of strategic development projects and activities; and
- the strategic unit is in charge of strategic planning, analyses, evaluations and selected cross-divisional projects.

The following diagram shows the Issuer's internal organisation as of the date of this Prospectus:



Financial indebtedness

This section provides an overview of the financial indebtedness of the Issuer, comprising of bank debt and bonds guaranteed by the Issuer. The Issuer's Net Debt was EUR 1,130 million as of 31 January 2020 and EUR 1,208 million as of 31 July 2019.

The following table provides an overview of outstanding bonds unconditionally and irrevocably guaranteed by the Issuer as of 31 January 2020:

Borrower	Ranking	Ratings	Bonds Outstanding ⁽¹⁾ (in EUR millions)	Maturity	Coupon (%)
Eustream⁽²⁾	guaranteed unsubordinated	A- (Fitch) / Baa2 (Moody's)	750	July 2020	3.75
Eustream⁽²⁾	guaranteed unsubordinated	A- (Fitch) / Baa2 (Moody's)	500	February 2025	2.63

Notes:

- (1) Represents principal owed, disregarding accrued interest, unamortised discounts/premiums and fees
 (2) Issued by SPP Infrastructure Financing but unconditionally and irrevocably guaranteed by the Issuer.

In 2013, SPP Infrastructure Financing issued in aggregate EUR 750 million 3.75 per cent. Guaranteed Notes due 2020 (the “**2020 Guaranteed Notes 2013**”) and in February 2015 SPP Infrastructure Financing issued in aggregate EUR 500,000,000 2.625 per cent. Guaranteed Notes due 2025 (the “**2025 Guaranteed Notes**”) and together with the Guaranteed Notes 2013, the “**Guaranteed Notes**”). The Guaranteed Notes were guaranteed by the Issuer and the proceeds of the issuance of the Guaranteed Notes were on-lent to the Issuer by way of a note instrument purchased by SPP Infrastructure Financing (the “**Note Instrument**”). On 15 July 2014, the Issuer exercised its right for a partial early redemption of the Note Instrument with respect to the 2020 Guaranteed Notes in the amount of EUR 3,162,000.

The following table provides an overview of the Issuer's key bank loan facilities as of 31 January 2020:

Creditor(s)	Type of Facility	Security and Guarantees	Aggregate Outstanding Balance <i>(in EUR millions)</i>	Base Rate	Final Maturity Date⁽¹⁾
European Investment Bank	term	-	75	EURIBOR	26 February 2021
European Investment Bank	term	-	65	EURIBOR	31 December 2027
Commercial banks	series of revolving facilities	-	0 ⁽²⁾	EURIBOR	20 December 2022-2024

Notes:

(1) May vary for different facilities.

(2) Aggregate committed limit of EUR 590 million.

The Issuer is a party to a series of bilateral revolving credit facility agreements dated 20 December 2019 with Citibank Europe plc, pobočka zahraničnej banky, Československá obchodná banka, a.s., ING Bank N.V., pobočka zahraničnej banky, Komerční banka, a.s., pobočka zahraničnej banky, Tatra banka a.s., UniCredit Bank Czech Republic and Slovakia, a.s. and Všeobecná úverová banka, a.s. as original lenders, and a syndicated revolving credit facility agreement dated 20 December 2019 with, among others, Slovenská sporiteľňa, a.s., as agent, and certain financial institutions as original lenders (together the **“Revolving Facilities Agreements”**), pursuant to which the Issuer has been provided with revolving facilities in an aggregate amount of EUR 590 million. The facilities under the Revolving Facilities Agreements have terms of three to five years.

The obligations of the Issuer under the Revolving Facilities Agreements are general, senior unsecured obligations and rank equally in right of payment with the Issuer's existing and future indebtedness that is not subordinated in right of payment, including under the Notes.

The Revolving Facilities Agreements contain restrictive provisions which, among other things, limit the Issuer's ability to dispose of assets, create security or merge with other companies. These restrictions are subject to a number of exceptions and qualifications. Some of the Revolving Facilities Agreements also contain a change of control provision the triggering of which may result in mandatory prepayment.

Based on the decision of the sole shareholder dated 30 September, the Issuer declared a dividend for the 12 months ended 31 July 2019 in the amount of EUR 430 million. This amount was covered by the Issuer's profit of the 12 months ended 31 July 2019 of EUR 386.6 million and retained earnings of EUR 43.4 million. The dividend payable was offset against receivables from cash-pooling in the amount of EUR 369 million and the residual amount of EUR 61 million was paid on 15 October 2019. As of the date of this Prospectus, the Issuer's management may not exclude that additional dividends may be distributed to its shareholders in the future.

Environmental and safety policies

The Issuer aims to continue ensuring the safe, reliable and efficient operation of its gas transmission system. Environmental protection, sustainable development and safety are key considerations in the way the Issuer conducts its business. Accordingly, the Issuer has set up an integrated management system comprised of the following objectives:

- achieving levels of reliability and safety that match the highest standards of the profession;
- developing gas infrastructure so as to optimise the transport of natural gas;
- educating, promoting and ensuring compliance among employees of safety and environmental policies;
- setting measurable emission and infrastructure development targets and regular monitoring of such targets;
- continuous assessment of the gas transmission system, focusing on meeting the requirements of Slovak and EU legislation;

- regular auditing, through internal and external audits, of the gas transmission system; and
- regular reporting on the gas transmission system performance by employees to management officers.

With respect to environmental protection, the Issuer focuses, among other things, on:

- waste management in order to reduce the volume of produced waste;
- water management optimisation;
- intensive supervision of the technical condition of gas facilities in order to cut down emissions of greenhouse gases; and
- reducing noise emissions especially at the compressor stations. Noise emissions reduction has been achieved by the decommissioning of old compressor units.

Up to the date of this Prospectus, the Issuer has not experienced any single accident or incident of damage to its gas transmission system that would have a material environmental impact.

The Issuer has introduced a new optimised compressor technology, which has led to a significant reduction of industrial emission of carbon monoxide and nitrogen oxides in comparison to the emission levels in 2011. The increased efficiency of the transmission network and the reduction of industrial emissions has been achieved through several investment projects, namely (i) the modification of turbine technology for lower emissions, (ii) the implementation of tandem turbo-compressors at Veľké Zlievce and Lakšárska Nová Ves with low emission technology in accordance with new environmental legislation, (iii) the increased compression ratio and (iv) the decommissioning of old units with low efficient combustion processes in all of the Issuer's compressor stations.

The Issuer currently prepares for the harmonisation with the resolution of the European Commission No. 2017/1442 which specifies results regarding the Best Available Techniques (BATs) pursuant to Directive No. 2010/75/EU for large combustion plants. The Issuer pays special attention to active prevention of the release of methane emissions, mainly by detailed monitoring and consistent natural gas pumping during the maintenance of gas pipelines.

In addition, the Issuer is required to obtain and holds certain certifications with respect to (i) health and safety in the work place and (ii) the use of individual elements of the environment, in particular:

- ISO 14001 certification for environmental management;
- ISO 9001 certification for quality management;
- ISO 50001 certification for energy management;
- ISO 3834-2 certification for welding management; and
- OHSAS 18001 certification for health and safety management at work and STN ISO 45001 Occupational health and safety management systems.

In 2019, the EPIF Group, of which the Issuer is the largest constituent, obtained an ESG rating "Average Performer" from the renowned environmental, social and corporate governance ("ESG") rating agency Sustainalytics. In September 2019, EPIF released its inaugural annual sustainability report, which provides an overview of environmental, governance and social aspects of the EPIF Group operations in 2018. In 2020, the EPIF Group received from S&P an ESG evaluation, scoring 65/100. The Issuer adheres not only to the EPIF Group's ESG policies but also to its corporate social responsibility principles.

Insurance

Although the Issuer is covered by several industry standard insurances, it cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Issuer may be exposed. The Issuer is covered by the industry standard

insurance for its commercial property, such as its compressor stations, and for the risk of business interruption, with an annual aggregate limit of EUR 355 million and certain additional sub-limits, and for the health of its employees. Separately, the Issuer is insured against business interruption and damage to its property caused by terrorism or sabotage up to an annual aggregate limit of EUR 480 million. The Issuer has only a limited benefit of insurance against damage of the pipelines it owns as the majority of the underground pipelines are not insured because such insurance would not be cost effective and based on the character of placement and maintained prevention, management of the Issuer believes that the cost-benefit of the insurance coverage would be low. The Issuer's insurance does not cover political risks. Between 2004 and 2019, the Issuer made 16 insurance claims with respect to damage to its property totalling EUR 2.2 million, while only one insurance claim made during this period had a value in excess of EUR 1 million.

Currently, the Issuer has the following insurance contracts:

- Commercial property insurance in respect of movable and immovable property with the exception of the transmission pipelines. The compressors that are operational and pipelines located in the compressor station areas are fully covered. The property insurance covers all risks, i.e. natural disasters (such as flood, storm, fire and lightning), theft, machinery breakdown, damage of electronics and damage of shipments in the motor vehicles.
- Terrorism and sabotage insurance covering property damage and business interruption.
- Third party liability insurance against damage to property and health of the third parties which may arise from the Issuer's operational activities. It includes damage caused by interruption, fluctuation or limited gas supply including lost profit, environmental damage and subrogation right of health insurers in consequence of job-related illness and work injury. It also covers the cost of a legal defence associated with damage to the property or health of third parties who pursue a claim through the courts.
- Director's and officer's liability insurance covering damage caused by the Issuer's representatives (i.e., board of directors, supervisory board and executive managers) resulting from the performance of their duties. To be legally enforceable, the damage must result from an unforeseeable and unintended conduct.
- Other immaterial insurance contracts, such as open cargo insurance policy, accident insurance (medical expenses insurance for travel abroad) and accident insurance (relating to aerial inspections of pipelines).

Licences, Permits and Authorisations

The Issuer holds all material licences necessary for the operation of its gas transmission business. In addition to these material licences, the Issuer holds licences for the production, distribution and supply of heat and licences for activities that it conducts in the ordinary course of its business, such as installation, repair, maintenance, professional inspections and tests of gas and pressure facilities and technical testing, metering and analysing.

Employees

As an employer, the Issuer attracts highly qualified professionals and supports a diverse workforce. As of 31 January 2020, the Issuer had 636 full-time equivalent employees, of whom 95 were women, which represented 15 per cent. of its total workforce. Almost 50 per cent. of the employees have a university degree and 38 per cent. have completed secondary education. Currently, there is one woman on the board of directors or in the senior management and five women work in the middle management of the company. None of the younger employees aged 30 or below is a member of the board of directors or of the middle management of the Issuer. The Issuer places strong emphasis on the accurate, timely and transparent communication of all changes and key information to its employees and their representatives. The Issuer ensures that the remuneration system has clear, fair and motivational rules and that rewards are directly linked to performance evaluations. The motivation of employees is supported by social care guaranteed by a collective agreement.

MANAGEMENT

The Issuer has a two-tier management structure consisting of its board of directors (the “**Board of Directors**”) and its supervisory bodies, i.e., the supervisory board (the “**Supervisory Board**”) and supervisory commission (the “**Supervisory Commission**”). The Board of Directors represents the Issuer in all matters and is charged with its day-to-day business management (together with the Senior Management), while the supervisory bodies are responsible for the supervision of the Issuer’s activities and of the Board of Directors in its management of the Issuer and resolve on matters defined in the applicable laws and the Issuer’s articles of association (the “**Articles of Association**”).

Board of Directors

The Issuer is managed by the Board of Directors whose term of office is fixed at four years by the Articles of Association. The applicable legal regulation requires and provides for the independence of the Board of Directors in performing its executive powers and separation of the Board of Directors from the shareholder(s), including in making decisions on the matters related to day-to-day activities of the transmission system operator and the management of the transmission network. Three of the five directors are nominated by EPIF (acting through Slovak Gas Holding B.V.) and two directors are nominated by the Slovak Republic (acting through Slovenský plynárenský priemysel, a.s.). Appointment and recall of directors are subject to prior approval by RONI.

The Board of Directors meets regularly, at least once a month. The Board of Directors constitutes a quorum if at least four directors are present at the meeting. In accordance with the Articles of Association, if the Board of Directors meeting fails to constitute a quorum, there may be an adjourned meeting, where the decreased quorum requirement of three directors will apply (save for exemptions where the mandatory qualified majority of at least four directors is required). Decisions of the Board of Directors are made by simple majority vote save for exemptions where the mandatory qualified majority of at least four directors is required. Each member of the Board of Directors has one vote. With the consent of all members, *per rollam* voting is also allowed.

As of the date of this Prospectus, the business address of all of the members of the Board of Directors is Votrubova 11/A, 821 09 Bratislava, the Slovak Republic.

The following table sets forth the members of the Board of Directors appointed as of the date of this Prospectus, with biographical information provided below:

Name and surname	Current function within the Issuer	Principal activities outside of the Issuer, where these are significant
Tomáš Mareček	Chairman of the Board of Directors	Member of the board of directors of PT Transit, a.s., Member of the supervisory board of Mall Group a.s.
Robert Hančák	Vice-Chairman of the Board of Directors	None
Miroslav Bodnár	Member of the Board of Directors	Member of the supervisory board of Central European Gas Hub AG, Member of the management board of European Network of Transmission Operators for Gas (non-profit)
Eva Markovičová	Member of the Board of Directors	None
Mirek Topolánek	Member of the Board of Directors	None

Tomáš Mareček

Chairman of the Board of Directors

Tomáš Mareček graduated from the Faculty of Finance of VŠE (The University of Economics) in Prague in 2004. He started his professional career by joining the department of Mergers and Acquisitions of J&T Group in 2004. In 2004, he worked for Kablo Elektro a.s., where he was involved in the company’s

restructuring and subsequently served as a finance director. From 2007 to 2009, he was involved in the successful acquisitions of several companies. From 2010 to 2018 he was a member of the board of directors of Pražská teplárenská a.s. (also serving as its vice-chairman) and from 2011 to 2015 he was a member of the supervisory board of EP Industries, a.s. Since 24 January 2013, he has been the Chairman of the Board of Directors.

Robert Hančák

Vice-Chairman of the Board of Directors

Robert Hančák completed his university studies at the University of Economics in Bratislava and postgraduate studies at the Faculty of Law of Comenius University in Bratislava. He started his professional career by joining the Tax Authority Bratislava IV in 1993. His professional experience includes several managerial positions in commercial companies such as Merimex Int. s.r.o. (1995), RENTA g.i.a.s. (1995 – 1997), and J&T Real Estate a.s. (1997 – 2006). From 2006 to 2010, he held the position of General Director of the Economic Section at the Ministry of Interior of the Slovak Republic. From 2011 to 2012, he was responsible for managing major road projects in Strabag. Since 20 September 2012, he has been the Vice-Chairman of the Board of Directors.

Miroslav Bodnár

Member of the Board of Directors

Miroslav Bodnár graduated from the Faculty of International Affairs of the University of Economics in Prague. After a short experience in the banking industry, he joined EPH in 2009 where he worked in the mergers and acquisitions department with a focus on identifying and evaluating acquisition projects in the energy business. In March 2013, he joined the Issuer as a member of the Supervisory Board and the Supervisory Commission, and served in these positions until May 2014. Since June 2013, he has held the position of Strategy Director. He represents the Issuer in the supervisory board of the Central European Gas Hub (the natural gas trading platform in Central and Eastern Europe). Since 13 June 2014, he has been a member of the Board of Directors.

Eva Markovičová

Member of the Board of Directors

Eva Markovičová graduated from the Faculty of Management of the University of Economics in Bratislava. She commenced her long-term experience in the banking industry as a corporate client manager in Všeobecná úverová banka, a.s. In the years 2005 and 2006 she worked as a regional head of retail banking in HVB Bank Slovakia, a.s. in the Trnava region. She held a similar position in UniCredit Bank Czech Republic and Slovakia, a.s. in the Bratislava region from 2006 to 2012. From 2012 to 2016, she held the position of a director of a regional branch in UniCredit Bank Czech Republic and Slovakia, a.s. Since 8 February 2017, she has been a member of the Board of Directors.

Mirek Topolánek

Member of the Board of Directors

Mirek Topolánek graduated from the Faculty of Mechanical Engineering at the Technical University in Brno. He started his professional career as a senior designer in automation and mechanisation at OKD Ostrava, and later as a specialist of measuring and control systems at Energoprojekt Praha. From 1991 to 2003, he was executive director, and later chairman, of the board of directors at VAE, I.t.d. (an engineering, procurement and construction company in the energy sector). In 1996, he started his political career as a member of the Czech Parliament, and later served as the Prime Minister of the Czech Republic. As part of that role, he was President of the European Council in 2009 and actively managed a gas crisis and organised the eleventh Southern Corridor Summit. Since leaving politics, he has been active in the energy business and in educational activities. In 2011, he was elected as the Chairman of the Association of District Heating in the Czech Republic and performed this function until 2018. From 2011 to 2019 he was a chairman of the supervisory board of Elektrárny Opatovice, a.s. From 2013 to 2014, he was the Director for Development & Foreign Relations at NAFTA (Bratislava). He joined the Issuer on

1 November 2014 as the Development and Public Affairs Director and since 11 August 2015 he has been a member of the Board of Directors.

Senior Management

The Issuer's senior management (the "**Senior Management**") consists of the General Director, the Asset Management Director, the Dispatching Director, the Compressor Technology Director, the Director of Maintenance and Repairs of Pipelines Systems, the Commercial and Regulatory Director, the Economics and Finance Director, the Corporate Affairs Director, the Strategy Director, and the Development and Public Affairs Director.

As of the date of this Prospectus, the business address of all of the members of the Senior Management is Votrubova 11/A, 821 09 Bratislava, the Slovak Republic.

The following table sets forth the members of the Senior Management appointed as of the date of this Prospectus, with biographical information provided below. The biographical information for members of the Board of Directors who are also members of the Senior Management is provided above. See "*Board of Directors*".

Name and surname	Current function within the Issuer	Principal activities outside of the Issuer, where these are significant
Rastislav Ňukovič	General Director	None
Peter Tóth	Asset Management Director	None
Ján Janus	Dispatching Director	None
Ivan Orth	Compressor Technology Director	None
Anton Zelenaj	Director of Maintenance and Repairs of Pipelines Systems	None
Peter Pčola	Commercial and Regulatory Director	None
Miloš Farštiak	Economics and Finance Director	None
Petr Krafka	Corporate Affairs Director	Member of the supervisory board of Nadácia EPH (non-profit)
Miroslav Bodnár	Strategy Director	Member of the supervisory board of Central European Gas Hub AG, Member of the management board of European Network of Transmission Operators for Gas (non-profit)
Mírek Topolánek	Development and Public Affairs Director	None

Rastislav Ňukovič

General Director

Rastislav Ňukovič studied at the Faculty of Electrical Engineering and Informatics of the Slovak University of Technology in Bratislava. From 2000 to 2002, he completed his postgraduate studies specialising in the gas industry at the Faculty of Environmental Protection of the Institute of Chemical Technology in Prague. In 1998, he began his career in the gas industry as an IT system administrator in the Slovtransgaz division of SPP, where he later became Head of the Department of Assembly and Technical Support. Between 2005 and 2008, he worked as the Head of Centralised Maintenance and from 2009 to 2011, he managed the section of strategic projects, where he was responsible for the management and coordination of all projects relating to the transmission network. In 2012 became the Asset Management Director and since 1 July 2014 he has been the General Director of the Issuer.

Peter Tóth

Asset Management Director

Peter Tóth graduated from the Slovak University of Technology in 1997 with a degree in Mechanical Engineering/Energy Technology in Bratislava. In 2001, he received a PhD from the same university, where he later worked as a teacher from 2001 to 2004. In 2005, he joined the gas industry after accepting a job offer from SPP, where he held a position in technical system planning. In 2008, he became the Head of System Planning and Strategic Projects of the Issuer. Afterwards, he became the Director of Strategic Projects. Since September 2012, he has been the Director of Asset Management of the Issuer and is responsible for transmission system optimisation.

Ján Janus

Dispatching Director

Ján Janus graduated from the Faculty of Mechanical Engineering at the Technical University of Košice in 1982 and from 1986 to 1988 he completed postgraduate studies at the Faculty of Environmental Protection of the Institute of Chemical Technology in Prague specialising in the gas industry. He started his career in 1982 in Tranzitní plynovod Praha as a machine technologist at the compressor station at Velké Kapušany. After three years, he became head of the border metering station. Between 1993 and 2004, he worked in the Slovtransgaz division of SPP, first as head of the transmission management department and later as the technical director. He has been the Dispatching Director since 2004 and is responsible for the operation of dispatching control systems, transmission management, the purchase of electricity, trading of emissions quotas, commercial metering and metrology.

Ivan Orth

Compressor Technology Director

Ivan Orth graduated from the Engineering school in Zvolen in 1988. He started his professional career by joining Coal mine Baňa Dolina in 1988, where he started as Mining Engineer responsible for maintenance of the mining structures. In 1992 he started his career in gas industry on compressor station Velké Zlievce. From 1992 to 2015 he held various technical and managerial positions across the companies Transgas Praha, Slovenský plynárenský priemysel, a.s. and the Issuer. In 2015 he joined SPP - distribúcia, a.s. on position of Maintenance Manager and deputy of Maintenance Director. In 2018 he returned to the Issuer on position of the Compressor Technology Director.

Anton Zelenaj

Director of Maintenance and Repairs of Pipelines Systems

Anton Zelenaj graduated from the Department of Machinery and Tool Design Technology at the Technical University in Vladimir, Russia. After graduating from his studies, in 1992 and 1993 he focused on his own computer business. In 2010, he received a PhD from the Slovak Technical University in Bratislava, Slovakia, for the pipeline diagnostic methods. He began his career in the gas industry in 1993 when he joined the Slovtransgaz division of SPP as a technician. In 1995, he worked as a pipeline technician and in 1997, as the head of the pipeline diagnostics department. Between 2004 and 2008, he was director of the Ivanka pri Nitre area. In 2009, he was the director of the centralised maintenance section and was responsible for the maintenance and repair of compressors and pipelines. Since 2011, he has held the post of Director of Technical Competence Centre. From January 2015 to November 2018 he was the Director of Compressor Technology and since November 2018 he has been the Director for Maintenance and Repairs of Pipeline Systems.

Peter Pčola

Commercial and Regulatory Director

Peter Pčola graduated in 2004 from the Slovak University of Agriculture with a degree in international business. He continued his studies by qualifying and gaining the ACCA membership and completing a

four-semester course oriented on the gas industry at the Institute of Chemical Technology in Prague. He started his professional career by joining Deloitte (Bratislava) as an auditor where he participated in audits of several major banks, financial institutions and manufacturing companies in the Slovak Republic. In 2008, he managed the internal audit department of Pivovary Topvar of the SAB Miller Group. His career in the gas industry began in 2009 at SPPD as the head of controlling. In January 2014, he became the head of the finance department and deputy section director, where he was responsible for accounting, tax, reporting, controlling and treasury. In 2013, he also served as the executive of SPP – distribúcia Servis, s.r.o. and Plynárenská metrológia, s.r.o. From January 2015 to April 2017 he was the Economics and Finance Director of the Issuer. Since January 2017, he has been the Commercial and Regulatory Director.

Miloš Farštiak

Economics and Finance Director

Miloš Farštiak graduated from the Faculty of Finance at the University of Matej Bel, Slovakia, in 2004 with a degree in financial management. He is a Fellow of the Institute of Chartered Accountants (FCAA) in the UK, a certified auditor (CA) with a license issued by the Audit Oversight Authority in Slovakia as well as certified internal auditor (CIA). He started his professional career in 2003 by joining Deloitte Slovakia where he gained extensive experience in audit and advisory services for companies operating in the financial services, industrial and healthcare sector. In 2015, he joined internal audit function at Citibank, serving as Head of Audit for Slovakia and the Czech Republic as well as a manager in the EMEA Treasury and Trade Services internal audit function. Since May 2017, he has been the Economics and Finance Director.

Petr Krafka

Corporate Affairs Director

Petr Krafka graduated from the Ostrava Business School and started his professional career in the automotive industry. In 2008, he became a general manager of a Croatian subsidiary of Fortuna Entertainment Group, a Czech betting company. In 2011, he joined Sazka, a leading Czech betting company, where he was responsible for the distribution network. When the procurement function was established as a separate division within the Issuer on 1 June 2013, Petr was appointed as the director of the procurement division. Since November 2014, he has been the Corporate Affairs Director.

Supervisory Board

The Supervisory Board, as the Issuer's supreme supervisory body, is in charge of supervising the execution of powers by the Board of Directors and the performance of the Issuer's business activities. The Supervisory Board submits its reports (mostly on the proposals of the Board of Directors) to the General Meeting. Out of the six members of the Supervisory Board, four are elected by the General Meeting for a three-year term and two are elected by the employees of the company, as required by mandatory provisions of Slovak law.

The Supervisory Board constitutes a quorum if at least four members are present at the meeting. Decisions of the Supervisory Board are made by simple majority vote of all Supervisory Board members. Each Supervisory Board member has one vote. With the consent of all members, *per rollam* voting is also allowed.

As of the date of this Prospectus, the business address of all of the members of the Supervisory Board is Votrubova 11/A, 821 09 Bratislava, the Slovak Republic.

The following table sets forth the members of the Supervisory Board appointed as of the date of this Prospectus, with biographical information provided below:

Name and surname	Current function within the Issuer	Principal outside business activities, where these are significant
Peter Trgiňa	Chairman of the Supervisory Board	None
Jiří Zrůst	Vice-Chairman of the Supervisory Board	Various positions within the EPH group, as well as outside of the EPH group (see below)
Andrej Lendvay	Member of the Supervisory Board	None
Mikuláš Maník	Member of the Supervisory Board	None
Peter Pandý	Member of the Supervisory Board	None
Dominik Hríň	Member of the Supervisory Board	None

Peter Trgiňa

Chairman of the Supervisory Board

Peter Trgiňa graduated from the Faculty of Mechanical Engineering at the Slovak University of Technology in Bratislava and received an MBA from Nottingham Trent University in the United Kingdom in 2010. He joined Toyota Motor Slovakia, s.r.o., in 1996 as a manager and held this position until 2007, when he was named the CEO of VOP Nováky, a.s. He managed Automobilové opravovne MV SR, a.s. (Ministry of Interior's vehicle servicing facilities) as its CEO, beginning in 2010. Afterwards he worked as a crisis management and change management consultant for a number of companies. Since September 2012, he has been a member of the Supervisory Board.

Jiří Zrůst

Vice-Chairman of the Supervisory Board

Jiří Zrůst has an industrial engineering background and holds a master of business administration from The Open University Business School. Mr. Zrůst serves on several boards of companies within the EPH group, as well as outside of the EPH group. For instance, in addition to being a member of the Supervisory Board he is also a vice-chairman of board of directors of EP Infrastructure, a.s. and a member of the supervisory board of SPP Infrastructure, a. s.. Outside the EPH Group Mr. Zrůst is also a chairman of the board of directors of Towercom, a.s., vice-chairman of the board of directors of České Radiokomunikace a.s., a member of the board of directors of Czech Grid Holding, a.s., management director of Communications Investments Holdings s.r.o., chairman of the management board of The Duke of Edinburgh's International Award Czech Republic Foundation, o.p.s., an executive committee member of International Gold Event 2017, z. s. and a branch manager of Macquarie Infrastructure and Real Assets (Europe) Limited, Prague branch. Mr. Zrůst is a senior managing director at Macquarie Infrastructure and Real Assets. Mr. Zrůst oversees its coverage and origination activities and management of existing portfolio investments in continental Europe. He also holds non-executive board positions at various other Macquarie Infrastructure and Real Assets -managed investments. He joined Macquarie Infrastructure and Real Assets in 2011 and led several key transactions in the CEE region and southern Europe. Prior to joining Macquarie Infrastructure and Real Assets, Mr. Zrůst spent 17 years in the transport and logistics sector first as chief financial officer and later as chief executive officer managing large-scale turnaround and market consolidation projects. Since 21 March 2017 he has been a member of the Supervisory Board.

Andrej Lendvay

Member of the Supervisory Board

Andrey Lendvay graduated from the Interregional Academy of Personnel Management, Kiev. He joined Tranzitný Plynovod, k.p. in 1987 as a mechanic and worked there until 1997, when he joined Slovenský plynárenský priemysel, a.s. as a metrologist. Since 2008, he has worked as a technologist within the

Issuer. Since 2014, he has been working as the Issuer's regional manager (west Slovakia) for services. He has been a member of the Supervisory Board since 2006.

Mikuláš Maník

Member of the Supervisory Board

Mikuláš Maník graduated from the Technical University Košice. He joined company GEOPRIESKUM, a.s., Rožňava in 1995. In addition, since 1995 he worked on different positions as a technologist in Slovenský plynárenský priemysel, a.s., division Slovtransgaz and later within the Issuer. In 2005, he managed the Issuer's department of technical support. He has been working as a manager at the Issuer's maintenance department since 2010. Since 2016, he has been a member of the Supervisory Board.

Peter Pandy

Member of the Supervisory Board

Peter Pandy graduated from the Pavol Jozef Šafárik Univerzity Košice and received a law degree in 2001. He started his law praxis in 2000 and since 2004 he has had his own law office. He has been a member of the Council of Bars & Law Societies of Europe since 2004. Since 2017, he has been a member of the Supervisory Board.

Dominik Hríň

Member of the Supervisory Board

Dominik Hríň graduated from the Faculty of Law at Komenský University in Bratislava and received his JUDr. degree from Pavol Jozef Šafárik Univerzity Košice in 2014. He has been self-employed as a lawyer since 2016. From 2013 to 2018 he managed projects at Acaimania Europe s.r.o. He has been working as a manager of business development in HOPI HOPI since 2018. Since 2019, he has been a member of the Supervisory Board.

Supervisory Commission

The Supervisory Commission is established in accordance with, and with competence laid down in, the Act on Energy. The Supervisory Commission consists of five members, who are elected and recalled by the General Meeting. Appointment and recall of members of the Supervisory Commission are subject to prior approval by RONI. Powers of the Supervisory Commission include, *inter alia*, election and recall of members of the Board of Directors, approval of proposals for the financial plans and proposal concerning the distribution of profit or settlement of losses as submitted by the Board of Directors. The Articles of Association and by-laws of the Supervisory Commission provide details of the activities of the Supervisory Commission.

As of the date of this Prospectus, the business address of all of the members of the Supervisory Commission is Votrubova 11/A, 821 09 Bratislava, the Slovak Republic.

The following table sets forth the members of the Supervisory Commission appointed as of the date of this Prospectus, with biographical information provided below:

Name and surname	Current function within the Issuer	Principal outside business activities, where these are significant
Daniel Křetínský	Chairman of the Supervisory Commission	Various positions within the EPH group, as well as outside of the EPH group (see below)
Ružena Lovasová	Vice-Chairman of the Supervisory Commission	Executive Director, Energy Solutions s.r.o.
Hana Krejčí	Member of the Supervisory Commission	Member of the board of directors, EP Industries
Roman Karlubík	Member of the Supervisory Commission	Executive Director, Chemox Holding, s.r.o. Chairman of the board of directors, VUP, a.s.
Jan Střiteský	Member of the Supervisory Commission	Various positions within the EPH group (see below)

Daniel Křetínský

Chairman of the Supervisory Commission

Daniel Křetínský holds a bachelor's degree in political science and a master's and doctoral degree in law from Masaryk University in Brno. Mr. Křetínský serves on multiple boards of companies within the EPH group, as well as outside of the EPH group. These include positions with companies both affiliated and unaffiliated with EPH, including positions of chairman of the board of directors of EP Infrastructure, a.s., EP Corporate Group, a.s., CZECH MEDIA INVEST, a.s., AC Sparta Praha fotbal, a.s., ACS 1893 Holding, a.s., EP Power Europe, a.s., EP Global Commerce a.s., EPH Financing CZ, a.s., EC Investments a.s., Letná Properties, a.s., EPIF Investments a.s., INTERNATIONAL MEDIA INVEST a.s., Czech Radio Center a.s. and SPP-Infrastructure, a.s.; a member of the board of directors of Czech News Center a.s. and EPH Financing SK, a.s., managing director of EP Investment Advisors, s.r.o., United Energy Moldova, s.r.o., Eggborough Power Limited, Serafico investment s.r.o., CZECH PRINT CENTER - Development s.r.o., EP Investment S.à r.l., EP Investment II S.à r.l., EP UK Investments Ltd., EP Global Commerce GmbH, EP Global Commerce III GmbH, EP Global Commerce IV GmbH, EP Global Commerce V GmbH, EP Global Commerce VI GmbH and EP UK Power Development Ltd; chairman of the supervisory board of EP Commodities, a.s., EP Industries, a.s., Mall Group a.s. and NAFTA a.s.; and a member of the supervisory board of Nadační fond AC Sparta Praha, Kapsova Vila, a.s., ANDELTA, a.s., EVROPA 2 spol. s r.o., RADIO BONTON a.s., Frekvence 1, a.s., Active Radio a.s. and INFINITIV spol. s r.o. Through his previous role as a partner in the J&T Group he was also involved in the founding of EPH, where he has served as chairman of the board of directors since 2009. In the past five years, Mr. Křetínský has served as member of the management board of Nadace J&T, and chairman of the board of directors of ACS PROPERTIES, a.s. Mr. Křetínský is currently an indirect shareholder of CZECH MEDIA INVEST a.s., a direct shareholder of EP Global Commerce a.s., an indirect shareholder of EC Investments a.s. and an indirect shareholder of EPH and EP Industries, a.s. and through them, Mr. Křetínský is also an indirect shareholder of their respective subsidiaries. Since 2014, he has been the chairman of the Supervisory Commission.

Ružena Lovasová

Vice-Chairman of the Supervisory Commission

Ružena Lovasová graduated from the Faculty of Commerce at the University of Economics in Bratislava and in 2015 received a PhD from Faculty of Electrical Engineering and Computer Science at Technical University in Košice. She was active in different managerial positions during her professional career. She joined the Ministry of Health of the Slovak Republic as a state advisor in 2004. Afterwards she worked in

Slovenská elektrizačná prenosová sústava, a.s., as an internal auditor until 2006, when she was named vice-chairman of the board of directors of Bratislavská teplárenská, a.s. Between 2008 and 2014, she was a vice-chairman of the supervisory board of RTVS, s.r.o. Since 2013, she has been a vice-chairman of the Supervisory Commission.

Hana Krejčí

Member of the Supervisory Commission

Hana Krejčí graduated from the Faculty of Science of Palacký University in Olomouc in 1996, in the field of mathematical analysis and differential calculus. In 2002, she received PhD in game theory from CERGE-EI. She started her professional career at Citibank Prague focusing on market risk and finance and later moved to Citigroup London. In 2007, she joined J&T Investment Advisors. Since 2012, she has been a member of the board of directors and Chief Financial Officer at EP Industries, a.s. Since 2013, she has been a member of the Supervisory Commission.

Roman Karlubík

Member of the Supervisory Commission

Roman Karlubík graduated from the Faculty of Chemical Technology at Slovak University of Technology in Bratislava and received PhD from University of Economics in Bratislava and MBA from Imadec University/University of Texas in Austin. He joined Petrimex JSC Bratislava in 1983 as the CEO and held this position until 1989, when he was named business attaché at the Czechoslovak Embassy in Tokyo. He managed Petrimex Beijing R/O, Precolor a.s., Duslo a.s., and Istrochem a.s., as their CEO, beginning in 1991. He has been working as a president for Slovak Association of Chemical and Pharmaceutical Industry since 2004 and as a CEO for Chemox Holding s.r.o., Bratislava, and VUP, a.s., Prievidza. Since 2013, he has been a member of the Supervisory Commission.

Jan Stříteský

Member of the Supervisory Commission

Jan Stříteský holds a master's degree in law from Charles University in Prague. Mr. Stříteský started his professional career in 2007 at a law firm Norton Rose. Since 2009 he has been working for EPH as a lawyer in the field of mergers and acquisitions. Mr. Stříteský is a member of the board of directors of SPP Infrastructure, a. s., managing director of Slovak Power Holding B.V., member of the supervisory board of EP Infrastructure, a.s., Pražská teplárenská Holding a.s., EPIF Investments, a.s., Slovenské elektrárne, a.s. and NAFTA a.s. Since 2013, he has been a member of the Supervisory Commission.

Conflicts of Interest

Some members of the bodies of the Issuer are also employees of the Issuer. There are no other material contracts with or loans to members of the Board of Directors, Senior Management, Supervisory Board or Supervisory Commission.

As of the date of this Prospectus, other than for Daniel Křetínský, Jiří Zrůst and Jan Stříteský by virtue of their position as directors or members of the supervisory board or shareholders in EPH and certain of its subsidiaries, there are no existing or potential conflicts of interest between any duties owed to the Issuer by the above members of the Board of Directors, Senior Management, Supervisory Board and Supervisory Commission and their private interests or other duties.

REGULATION

Introduction

The following section provides a summary of EU and Slovak energy legislation that is applicable to the business activities of the Issuer. A description of EU law has been included due to its increasing influence on Slovak national energy legislation.

EU Regulation

Third Energy Package

The regulatory framework applicable to the Issuer's activities has undergone significant changes following the adoption in 2009 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas (the "**EU Third Gas Directive**") and Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks (the "**Gas Regulation**"). The EU Third Gas Directive entered into force in September 2009 and was to be transposed by Member States by March 2011. The EU Third Gas Directive was amended by Directive 2019/692/EU of the European Parliament and of the Council of 17 April 2019 amending Directive 2009/73/EC concerning common rules for the internal market in natural gas, which extended the scope of the EU Third Gas Directive in some provisions (e.g. unbundling rules) also to pipelines to and from neighbouring third countries.

The EU Third Gas Directive enhanced the independence and powers of national regulatory authorities. It required designation of a single national regulatory authority at the national level that is legally distinct and functionally independent from any other public or private entity, any market interest and any political body and that exercises its powers impartially and transparently. In the Slovak Republic, these tasks were entrusted to RONI as the independent national regulatory authority. RONI also intervenes in any disputes that may arise between participants in the markets.

The EU Third Gas Directive generally seeks to achieve greater transparency and independence of transmission and distribution network operators. The Issuer, as a gas transmission network operator belonging to a vertically integrated group of companies, falls directly within the scope of the provisions of the EU Third Gas Directive in relation to transmission network operators. The EU Third Gas Directive sets out principles that will apply, among other things:

- to relations between the Issuer and its parent company;
- to the corporate governance of the Issuer;
- to the independent ethical conduct of the management, officers and employees of the Issuer; and
- to the relationship of the Issuer with other parts of the vertically integrated companies, particularly with regard to the planning of investments.

The EU Third Gas Directive envisages three ownership regimes for transmission network operators from among which Member States are allowed to choose, subject to the conditions of the directive (or to provide for more of them). These are the following:

- Full ownership unbundling: Under this option, transmission networks may no longer be controlled or majority-owned by energy production or supply companies.
- ISO: Under this option, vertically integrated undertakings maintain the ownership of the transmission system, but they are obliged to designate an independent operator for the management of all network operations.
- ITO: This option is a modification of the ISO option whereby vertically integrated undertakings do not have to designate an ISO, but need to abide by strict rules ensuring separation between supply and transmission. The Issuer is designated as ITO; in practice this means that it must meet the requirements specified in Chapter IV of the EU Third Gas Directive, in particular the following:
 - being equipped with all human, technical, physical and financial resources necessary;

- separation of IT systems, physical premises, security access system, corporate identity;
- independence of management structure and staff; and
- introduction of compliance programme and compliance officer.

The EU Third Gas Directive, together with the Gas Regulation and other EU legislation, comprise the so-called Third Energy Package. The Gas Regulation sets out important obligations for the transmission system operators regarding third party access, the principles of capacity-allocation mechanisms, congestion management and transparency requirements. Based on this, the Issuer publishes the relevant and required data on its website and also via the joint platform of the European transmission system operators on the website of Gas Infrastructure Europe or on the European Network of Transmission System Operators for Gas (ENTSOG) transparency platform.

Network codes

The Third Energy Package has introduced a system for the development and implementation of European-wide network code(s) (the “NC”), which enable the harmonisation of the technical, operational and market rules for transmission networks across the EU. These NCs are issued as Commission Regulations, meaning they are directly applicable and therefore binding on the entities affected.

Gas balancing

(Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks, applicable from 1 October 2015)

This NC covers in particular the network-related rules on nomination and the related procedures, imbalance charges and settlement processes. The general principle of the NC is that network users are responsible to balance their balancing portfolios in order to minimise the need for TSOs to undertake balancing actions set out in the NC. On the other hand, network users must have the possibility to enter into an agreement with a TSO enabling them to submit trade notifications regardless of whether they have contracted transport capacity or not.

The TSO is obliged to undertake balancing actions in order to maintain the transmission network within its operational limits. The balancing actions include the purchase and sale of short-term standardised products and the use of balancing services.

Interoperability

(Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules)

This NC mainly aims to harmonise certain technical, operation and communication areas enabling better flow of gas in the EU between the TSOs.

Capacity allocation

(Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013)

This NC applies to interconnection points. It may also apply to entry points from and exit points to non-EU countries if the relevant national regulatory authority decides so.

The NC provides for the following categories of products which the TSOs are obliged to offer:

- Standard firm capacity products: yearly, quarterly, monthly, daily and within-day standard capacity products. Allocation of firm capacity is to be made by means of annual auctions (yearly capacity), *ad hoc* auctions during each year (quarterly auctions), monthly auctions (monthly capacity), daily auctions (daily capacity) and hourly auctions (within-day capacity; subject to the capacity being available).

- Bundled capacity products: to be offered by TSOs. For that purpose adjacent TSOs are obliged to start the necessary analysis and to establish functional virtual interconnection points no later than 5 years after the entering into force of the NC, i.e. by 1 November 2018.
- Interruptible capacity: From 1 January 2018 TSO may only offer standard capacity products for interruptible capacity with duration longer than one day if the corresponding monthly, quarterly or yearly standard capacity product for firm capacity was sold at an auction premium, was sold out, or was not offered.

Tariffs

(Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (“**NC on Harmonised Tariffs**”))

The purpose of the NC on Harmonised Tariffs is to set out the rules on harmonised transmission tariff structures for gas transmission. It sets out the details of capacity weighted distance methodology and three secondary adjustments: equalisation, benchmarking and adjustments by constant. The NC on Harmonised Tariffs became fully applicable as from 31 May 2019. Tariffs calculated according to the NC on Harmonised Tariffs will start to be applicable in the Slovak Republic as from the new regulatory period commencing on 1 January 2022.

Based on the results of consultation with stakeholders and after taking into account the recommendations of the European Agency for the Cooperation of Energy Regulators (the “**ACER**”), the national regulatory authority will decide on the reference price methodology to be applied. However, the results of the consultation and the recommendations of ACER are not binding on the national regulatory authority. The application of the reference price methodology will provide a reference price, the price for a capacity product for firm capacity with duration of one year which is applicable at entry and exit points and used to set capacity-based transmission tariffs.

The NC on Harmonised Tariffs contains a clause protecting the existing contracts, i.e. historical contracts (concluded before 6 April, 2017) with their own tariffs should not be adversely affected for the future.

Slovak Regulation

Relevant legislation

The main law in the Slovak Republic regulating the energy sector is the Act on Energy, which regulates the conduct of business in the electricity and gas sector, including the transmission, distribution, storage and supply of gas. The Act on Energy regulates requirements for obtaining licences to conduct business in the respective fields of the energy sector. Furthermore, the Act on Energy also regulates measures aimed at securing the supply of electricity and gas and the functionality of the internal market for electricity and gas. The Act on Energy has implemented relevant EU energy legislation.

A significant part of the legal framework of the Slovak energy sector, namely (i) the mandate of the RONI as the main supervisory authority in the Slovak energy sector, (ii) the obligations of the regulated entities and (iii) the determination of the market rules, is regulated in Act on Regulation in Network Industries. The Act on Regulation in Network Industries also governs proceedings thereunder related, *inter alia*, to the granting of licenses and price regulation.

RONI

The RONI is a national regulatory organisation established as the main regulatory authority in the energy sector by the Act on Regulation in Network Industries. The RONI is endowed with a broad range of powers, including the right to grant licences, regulate prices, adopt decrees implementing energy legislation, monitor the implementation of unbundling rules, perform inspections and request the provision of documents and information. Moreover, the RONI also executes non-price regulation. Breaches of obligations under the Act on Regulation in Network Industries and under other relevant energy legislation may be punished by the imposition of fines of up to EUR 10 million and, in relation to vertically integrated undertakings, up to 10 per cent. of their turnover in the preceding year. Under the Act on Energy, for repeated violations of certain obligations, the fines imposed may be increased to up to double the amount of the previously imposed fine.

One of the RONI's bodies is the Regulatory Board. The Regulatory Board ensures strategic management and conception of the regulation governing network industries. The Regulatory Board adopts, *inter alia*, the regulatory policy under the Act on Regulation in Network Industries, which is a strategy that governs implementation of regulation in the determined regulatory period. The current regulatory period began on 1 January 2017 and will end on 31 December 2021. The current regulatory policy has remained materially consistent with the previous policy and no significant changes have been approved.

Price Regulation

Price Regulation in General

One of the RONI's competencies is price regulation relating to particular regulated industries. Access to the gas transmission network and gas transmission in the Slovak Republic is also subject to RONI's price regulation. The scope and method of price regulation is governed by the Act on Regulation in Network Industries and by other generally binding legislation adopted by the RONI, such as RONI's Decree No. 223/2016 Coll., on determining price regulation in the gas industry, as amended (the "**Gas Price Decree**").

Generally, the RONI determines maximum prices or sets rules for the determination of maximum prices or tariffs depending on the method of price regulation set forth by applicable laws. The price regulation is adopted by the RONI within legal regulatory proceedings that commence based on a proposal for a new price submitted to the RONI by the respective regulated subject or ex officio. In this respect, the RONI either approves the submitted proposal or determines the price by its individual decision. Under provisions of the currently applicable law, submission of a proposal for a new price to the RONI is subject to prior approval of the respective proposal by the highest body of the concerned company or statutory body of the concerned company if it proves delegation of the competence to approve such proposal to the statutory body. As a general rule, a price decision issued in respect of the first year of a regulatory period applies for the entirety of the regulatory period unless the RONI approves a change. However, the Act on Regulation in Network Industries includes the possibility of a price decision change by the RONI in response to a proposal by the participant in the proceedings or by the RONI's own initiative, *inter alia*, due to a significant change in the economic parameters that formed the basis for the price determination.

Price Regulation for Gas Transmission

The current price regulation of transmission tariffs is provided primarily in the Gas Price Decree, but where there are also corresponding EU rules, such as in respect of determination of neutrality charge for balancing, these also apply. In addition, EU rules on harmonised transmission tariff structures for gas transmission based on the NC on Harmonised Tariffs are to be applicable in the Slovak Republic as from the new regulatory period commencing on 1 January 2022.

The RONI currently regulates the tariffs for access to the gas transmission network and for gas transmission based on a comparison of tariffs of the other TSOs (also known as benchmarking), primarily TSOs applying an entry/exit tariff model and TSOs in the neighbouring EU member states. These tariffs (supported by benchmarking) are directly set by the RONI and are not impacted by natural gas prices.

The tariffs for access to the gas transmission network and for gas transmission are determined based on an entry/exit tariff model, separately for entry points into the transmission system and for exit points from the transmission system. Five basic elements of the tariff system are: (i) transmission fees charged for the booked daily transmission capacity; (ii) transmission fees charged for the actual amount of transmitted gas; (iii) price for the interruptible capacity; (iv) neutrality charge; and (v) fee for exceeding the daily transmission capacity on relevant entry or exit point.

However, from the beginning of the next regulatory period commencing in 2022, benchmarking of tariffs will be used only as the secondary adjustment of the reference prices calculated on the cost base principles. From the beginning of the next regulatory period, pursuant to the NC on Harmonised Tariffs, the setting of the tariff system will need to be recalculated and consulted at least every five years. On 29 May 2019, RONI issued a new price decision respecting the rules of the NC on Harmonised Tariffs (RONI price decision No. 0040/2019/P dated 29 May 2019) and calculations on the cost base principles. Tariffs calculated according to this price decision will, however, start to be applicable in the Slovak Republic only as from the new regulatory period commencing on 1 January 2022.

TAXATION

The following is a general description of certain tax considerations related to the Notes. However, it does not purport to be a complete analysis of all the tax considerations relating to the Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of the Notes under special circumstances or who is subject to special treatment under the applicable law. Prospective purchasers should consult their own tax advisers as to which countries tax laws could be relevant for acquiring, holding and disposing of the Notes and for receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based on the law in effect on the date of this Prospectus and is subject to any change in the law that may take effect after such date.

The Slovak Republic

This taxation summary solely addresses the principal Slovak tax consequences of the acquisition, ownership and disposition of the Notes issued by the Issuer after the date hereof to the holder of the Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of the Notes under special circumstances or who is subject to special treatment under the applicable law. Where English terms and expressions are used in this summary to refer to Slovak concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Slovak concepts under Slovak tax law.

This summary is based on the tax laws of the Slovak Republic in force and in effect on the date of this Prospectus and their prevailing interpretations available on or before this date. All of the foregoing are subject to changes in the law which could apply retroactively and which could therefore affect the continued validity of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to the Notes is conducted at arm's length.

Income Tax

Slovak Individuals

Interest income on the Notes received by an individual who is considered to be a Slovak tax resident (a “**Slovak Individual**”) is subject to Slovak withholding tax at the rate of 19 per cent. The tax withheld is considered as final and thus does not need to be reflected in the individual's tax return. If the Note is issued with a coupon and for a lower than nominal amount, only the interest income (coupon) is subject to withholding tax. The income representing the difference between the nominal amount of the Note payable to an individual (investor) upon its redemption and the issue price of the Note upon its issuance is not subject to withholding tax, but the individual must include such income in his/her separate tax base as a taxable income subject of fixed rate of 19 per cent.

The Issuer is obliged to withhold tax at source except in cases in which the Notes are held for such person by a securities broker as a client; in such case, this securities broker is obliged to withhold the tax.

Capital gains (i.e., the difference between (i) the sale price and (ii) the acquisition price of the Notes, increased by related fees for trading on the capital market and costs connected with the sale) of the Slovak Individual from the sale of the Notes are subject to personal income tax and must be included in his/her personal income tax base.

The capital gains of a Slovak Individual is subject to progressive taxation with the tax rate of 19 per cent. applicable to income not exceeding a multiple of 176.8 times the minimum standard of living applicable as at January 1 of the relevant year, and a tax rate of 25 per cent. applicable to an income exceeding such threshold.

Depending on the Slovak Individual's overall tax position, he/she may be entitled to a tax exemption up to the amount of EUR 500 from income from the sale of the Notes in one tax period. In general, any loss by a Slovak Individual is tax non-deductible except for specific exemptions defined in the Slovak tax law.

Capital gains of a Slovak Individual from the sale of the Notes are exempt from taxation for as long as the Notes are traded on a regulated market and the holder holds the Notes for more than a year; however, the exemption does not apply if the holder holds the Notes as part of his/her business assets.

Interest on the Notes of a Slovak Individual with mandatory health insurance in the Slovak Republic should not be subject to health insurance contributions. However, with regard to repeated recent changes of the withholding tax regime and levies on interest arising from the Notes, each holder of the Note must assess his/her own potential obligations in this field pursuant to the relevant legislation, including the applicable transitional provisions. Health insurance contributions related to capital gains from the Notes should be assessed separately for specific cases.

Slovak Corporations (Legal Entities)

A corporation which is considered to be a Slovak tax resident (a “**Slovak Business**”) is subject to corporate income tax on interest income received on the Notes and on capital gains (i.e., the difference between the sale price and the accounting value of the Notes) from the sale of the Notes. In general, the income derived from the Notes would be included in the tax base of the Slovak Business and taxed at the standard corporate income tax rate of 21 per cent or the decreased corporate income tax rate of 15 per cent (applicable for the Slovak Business with revenues not exceeding EUR 100,000).

Any loss incurred by a Slovak Business upon the sale of the Notes is generally tax non-deductible except for certain exceptions, such as (i) losses up to the amount of the income from the Notes already included in the tax base, or (ii) if the Slovak Business is a licensed security trader.

Slovak Non-for-profit Organisations and the National Bank of Slovakia

Any interest income from the Notes attributable to (i) a legal person tax resident in the Slovak Republic established for purposes other than engaging in business activities or (ii) the National Bank of Slovakia (each a “**Slovak Non-Business Entity**”) will be subject to a self-assessed 19 per cent. withholding tax that is payable by the Slovak Non-Business Entity by the end of the calendar month following the tax period when the interest income was received.

Capital gains of the Slovak Non-Business Entity from the sale of the Notes are subject to a self-assessed 19 per cent. withholding tax that is payable by the Slovak Non-Business Entity by the end of the calendar month following the tax period when that income was received.

Non-Slovak Tax Residents with a Slovak Permanent Establishment

If an individual or a corporation, which is not considered to be a Slovak tax resident (a “**Non-Slovak Tax Resident**”) has a permanent establishment in the Slovak Republic, receives any interest income on the Notes or has capital gains from the sale of the Notes that is attributable to its Slovak permanent establishment, such income is subject to income tax in the Slovak Republic at the relevant tax rates applicable to individuals or corporations. This income should be included in the tax base of the Slovak permanent establishment as a result of its business activities performed in the Slovak Republic and taxed in its income tax return. Any loss incurred upon the sale of the Notes is generally tax non-deductible except for certain exceptions, such as (i) losses up to the amount of the income from the Notes already included in the tax base, or (ii) if the Slovak permanent establishment is conducting business in the Slovak Republic as a licensed security trader.

Non-Slovak Tax Residents without a Slovak Permanent Establishment

Interest income received on the Notes by a Non-Slovak Tax Resident without a Slovak permanent establishment to which the interest income could be attributed is not subject to Slovak taxation.

Capital gains of a Non-Slovak Tax Resident (individual or corporation) without a Slovak permanent establishment to which the capital gains from the sale of the Notes to a Slovak tax resident or a Slovak permanent establishment of another Non-Slovak Tax Resident could be attributed are subject to corporate income tax (at the rate of 21 per cent. or 15 per cent., as applicable – please see above) or to personal income tax (at the rate of 19 per cent. or 25 per cent., as applicable – please see above) in the Slovak Republic, unless provided differently by the applicable Double Tax Treaty. This income should be included in the tax base of the Non-Slovak Tax Resident (Individual or Corporation) and taxed in its Slovak income tax return. Any loss incurred upon the sale of the Notes is generally tax non-deductible. In addition, if the capital gain is realised by the resident of the country outside the EU and EEA, such capital gain is subject to tax securement of 19 per cent. or 35 per cent. (if resident in the country with which the Slovak Republic did not conclude Double Tax Treaty or Tax Information Exchange Agreement). Tax securement is considered as final tax in case the Slovak tax return is not filed.

Capital gains of a Non-Slovak Tax Resident without a Slovak permanent establishment to which the capital gains could be attributed from the sale of the Notes to another Non-Slovak Tax Resident without a Slovak permanent establishment to which the purchased Notes could be attributed is not subject to Slovak taxation.

Notwithstanding the above, holders of the Notes should seek advice from a qualified tax advisor in their country of residence concerning the particular tax consequences of the payments under the Notes.

Accounting Aspects

Slovak tax residents that are subject to Slovak Accounting Standards are required to declare interest income on an accrual basis for accounting purposes and, accordingly, include this income in their general tax base for Slovak income tax purposes in the given period.

Slovak tax residents that prepare their financial statements under Slovak Accounting Standards for Entrepreneurs or under International Financial Reporting Standards may be required to re-valuate the Notes to a fair value for accounting purposes on the balance sheet date, whereby the revaluation would be accounted for as revenue or expense. Such revenue is generally taxable and the corresponding expense should be generally tax deductible for Slovak tax purposes.

Other Applicable Taxes

No Slovak gift, inheritance or estate tax, stamp duty, registration, transfer or similar taxes are payable in connection with the acquisition, ownership, sale or disposal of the Notes.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **“foreign financial institution”** may be required to withhold on certain payments it makes (**“foreign passthru payments”**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Slovak Republic) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**“IGAs”**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining **“foreign passthru payments”** are filed with the U.S. Federal Register generally would be **“grandfathered”** for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under Condition 13 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the **“Commission’s Proposal”**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and the Slovak Republic (the **“participating Member States”**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Banca IMI S.p.A. London Branch, ING Bank N.V., Raiffeisen Bank International AG, Société Générale and UniCredit Bank AG (together, the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement dated 23 June 2020, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at 99.574 per cent. of their principal amount, less any applicable commissions and expenses as agreed between the Issuer and Joint Lead Managers. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers; such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer and/or its affiliates, routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has represented, warranted and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA or UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or the possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction in which an action for that purpose is required.

The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

Each Joint Lead Manager has represented and warranted to the Issuer that it complies with and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Prospectus or any other offering material relating to the Notes.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 27 May 2020 and a resolution of the sole shareholder acting in the capacity of the general meeting of the Issuer dated 16 June 2020.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer.

Significant/Material Change

Save as disclosed in this Prospectus, since the date of its last audited financial statements there has been no material adverse change in the prospects of the Issuer and, since 31 January 2020, there has been no significant change in the financial performance or in the financial position of the Issuer.

Independent Auditors

The Annual Financial Statements, incorporated by reference in this Prospectus, have been audited by Ernst & Young Slovakia, spol. s r.o., independent auditors, as stated in their report incorporated by reference herein. The Interim Financial Statements, incorporated by reference in this Prospectus, have been reviewed by Ernst & Young Slovakia, spol. s r.o., as stated in their review report incorporated by reference herein. Ernst & Young Slovakia, spol. s r.o. is located at Žitkova 9, 811 02 Bratislava, Slovak Republic, and is registered with the Slovak Chamber of Auditors.

Available Documents

For the life of the Prospectus and for as long as the Notes are listed on the official list, and admitted to trading on the Regulated Market, copies of the following documents (together with English translations thereof where relevant) will be available for inspection in electronic form on the website of the Issuer at https://www.eustream.sk/en_investors/:

- (i) the constitutive documents of the Issuer;
- (ii) the Agency Agreement
- (iii) the Deed of Covenant; and
- (iv) the Financial Statements.

This Prospectus will be available, in electronic format, on the website of Euronext Dublin at www.ise.ie.

Yield

On the basis of the issue price of the Notes of 99.574 per cent. of their principal amount, the gross real yield of the Notes is 1.625 per cent. on an annual basis.

Legend Concerning U.S. Persons

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Expenses

The Issuer estimates the amount of expenses related to the admission of the Notes to trading to be approximately EUR 7,790.

ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The ISIN is XS2190979489.

The common code is 219097948.

The CFI Code is DBFUFB.

The FISN is EUSTREAM A.S./1.625 BD 20270625.

The address of Euroclear is 1 Boulevard de Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the official list or to trading on the Regulated Market of Euronext Dublin.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 31570020000000003378.

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