



ESTO Holdings OÜ

Registration No. 14996345

LEI: 894500UN7EH159A54J90

## TERMS OF THE NOTES ISSUE

<b>ISIN:</b>	EE3300005065
<b>Type of security:</b>	Senior secured and guaranteed Notes
<b>Nominal:</b>	EUR 1,000.00 (one thousand Euro)
<b>Nominal value of the issue:</b>	Up to EUR 15,000,000.00 (fifteen million Euro)
<b>Annual Coupon Rate:</b>	12.00%
<b>Maturity:</b>	20 November 2026

*These Terms of the Notes Issue are not a prospectus for the purposes of the Prospectus Regulation and no competent authority of any Member State has examined or approved the contents thereof. These Terms of the Notes Issue have been prepared on the basis that all offers of the debt securities are issued by the Issuer according to these Terms of the Notes Issue and will be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation.*

*The issue of the Notes is a private placement and there is no intention of the Issuer to list the Notes on a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("MiFID II").*

*The Issuer, ESTO Holdings OÜ, is a company duly incorporated and validly existing under the Applicable Laws. The Issue, including the relationship between the Issuer and Investors or any third parties, and their respective rights and duties attached to the Notes are governed by the Legal Acts of the Republic of Estonia.*

*Decision of the Issuer to organize the issue of the Notes has been passed in compliance with the Applicable Laws. The issue of the Notes including the relationship between the Issuer and Investors (or Potential Investors) or any third parties, and their respective rights and duties attached to the Notes such as voting rights, dividends and corporate actions is governed by the Applicable Laws.*

*These Terms of the Notes Issue do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

*MiFID II product governance - 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, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling, or recommending the Notes should take into consideration the manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels.*

*Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.*

*Before deciding to purchase the Notes, prospective investors must make their own assessment as to the suitability of investing in the Notes. In particular, each prospective investor should:*

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;*
- (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;*
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant 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.*

*In addition, before deciding to purchase the Notes, prospective investors should carefully review and consider the risk factors described herein. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Notes and the likelihood the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments.*

*Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Notes are issued in accordance with these Terms of the Notes Issue. A prospective investor should not make an investment decision relying solely upon the information provided in the prospective investor presentation or otherwise.*

Arranger:



1 November 2024

## TABLE OF CONTENTS

TERMS OF THE NOTES ISSUE.....	1
DEFINITIONS.....	4
RISK FACTORS.....	12
REPRESENTATIONS AND WARRANTIES, RESPONSIBILITY STATEMENT .....	18
INFORMATION ON NOTES.....	19
TAXES .....	37
TERMS OF THE PRIVATE OFFERING .....	39
GENERAL INFORMATION.....	42
BUSINESS DESCRIPTION .....	43

## DEFINITIONS

<b>Accounting Principles:</b>	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted from time to time by the EU).
<b>Agent:</b>	Authorised representative of the Noteholders under these Terms of the Notes Issue.
<b>AML:</b>	Anti-money laundering and counter terrorism and proliferation financing.
<b>Applicable Laws:</b>	Any applicable law, including without limitation: (a) the regulations of the EFSA and Nasdaq CSD; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether state, local, foreign, or EU; and, (c) the laws and regulations of the Republic of Estonia.
<b>Arranger:</b>	Signet Bank AS, a Latvian credit institution registered in the Enterprise Register of the Republic of Latvia under registration No. 40003043232.
<b>Auditor:</b>	Any of the following audit firms – KPMG, Deloitte, Ernst & Young, PricewaterhouseCoopers, Grant Thornton and BDO – appointed by the Company to conduct audits of its annual Financial Report.
<b>Business Day(s):</b>	Business Day(s) is a day when Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
<b>Capitalization Ratio:</b>	The result (expressed as a percentage) obtained by dividing Consolidated Net Worth of the Group (calculated as of the end of the Relevant Period covered by the most recent consolidated Financial Report) by consolidated Net Loan Portfolio as of such date of determination.
<b>Change of Control:</b>	The occurrence of an event or series of events whereby, a person (natural person or legal entity) or a group of persons acting in concert (directly or indirectly) acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to:  (a) cast or control the casting of more than 50% (fifty percent) of the maximum number of votes that might be cast at a general meeting of the shareholders of the

Issuer; or

- (b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory board members or other equivalent officers of the Issuer or the current shareholder of the Issuer.

**Collateral Agent Agreement:**

The agreement entered into between the Issuer, the Service Provider, the LV Service Provider, the LT Service Provider, and the Collateral Agent, which stipulates the rights and obligations of the Collateral Agent and Service Providers in relation to the enforcement of the Collateral, as provided in these Terms of the Notes Issue, in the interests of the Noteholders, as well as the Collateral Agent's and Service Providers' compensation. The Collateral Agent Agreement is available upon request from the Noteholder, and it constitutes an integral part of these Terms of the Notes Issue.

**Collateral Agent:**

TRINITI Collateral Agent XIII OÜ (registration code 17100007) as the Collateral Agent, whereas the Service Provider has full control over the Collateral Agent and owns the sole share of the Collateral Agent. In the event of the replacement of the Collateral Agent, the person who controls and has sole ownership of the Collateral Agent shall change and the business name of the Collateral Agent may change.

**Collateral Agreements:**

The agreements concluded or to be concluded (or other relevant instruments issued or to be issued) in order to provide the Collateral referred to in Clause 20.1 (*Collateral*) between the Collateral Agent (acting in the interests of the Noteholders) and the Issuer, substantially on terms set out in the Annexes.

**Collateral:**

Collateral that is described in Clause 20.1 (*Collateral*), which serve as security for the fulfilment of the Issuer's obligations towards the Noteholders and under the Notes in accordance with these Terms of the Notes Issue.

**Consolidated Net Worth**

The sum of paid in capital, retained earnings, reserves and Subordinated Debt of the Group as set forth in the consolidated balance sheet as of the Relevant Period covered by the most recent Financial Report.

**Coupon Payment Date:**

Coupon payments shall be made 4 times per year – every 20 November, 20 February, 20 May, 20

August.

Should any Coupon Payment Date fall on a date which is not a Business Day, the payment of the Coupon due will be postponed to the next Business Day.

<b>Coupon:</b>	Interest on the Notes calculated in accordance with Clause 10 ( <i>Coupon</i> ).
<b>Custodian:</b>	Nasdaq CSD participant directly or a licensed credit institution or an investment brokerage company that has a financial securities custody account with a Nasdaq CSD participant.
<b>EBITDA:</b>	<p>Consolidated net profit from ordinary activities for the Relevant Period covered by the most recent Financial Report:</p> <ul style="list-style-type: none"><li>a) before deducting any amount of tax on profits, gains or income paid or payable by any Group company;</li><li>b) before deducting any Net Finance Charges;</li><li>c) before taking into account any exceptional items which are not in line with the ordinary course of business;</li><li>d) not including any accrued interest owing to any Group company;</li><li>e) before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);</li><li>f) before taking into account any gains or losses on any foreign exchange gains or losses;</li><li>g) after adding back any amount attributable to the amortization, depreciation or depletion of assets.</li></ul> <p>The measurement period of EBITDA is period of trailing twelve months, calculated from the most recent Financial Reports of four consecutive calendar quarters.</p>
<b>EFSA</b>	The Estonian Financial Supervision and Resolution Authority ( <i>Finantsinspektsioon</i> ).
<b>EUR:</b>	Euro (the single currency of the Member States of the European Monetary System).
<b>Event of Default:</b>	Any event or circumstance set out in Clause 14.1 ( <i>Events of Default</i> ) of these Terms of the Notes Issue.

<b>Fair Market Value:</b>	With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Issuer.
<b>Finance Charges:</b>	For the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalized by any Group entity according to the latest Financial Report (calculated on a consolidated basis) without taking into account any: (a) costs related to the Notes issue; (b) unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis; (c) losses arising on foreign currency revaluations of intercompany balances.
<b>Financial Indebtedness:</b>	<p>The outstanding aggregate amount of total indebtedness of the Issuer according to the most recent consolidated Financial Report, including:</p> <ul style="list-style-type: none"><li>(a) monies borrowed and debt balances at banks or other financial institutions;</li><li>(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Notes;</li><li>(c) the amount of any liability in respect of any financial lease;</li><li>(d) any amount raised under any other transaction having the commercial effect of a borrowing and treated as a borrowing under Accounting Principles;</li><li>(e) any counter-indemnity obligation in respect of a guarantee or any other instrument issued by a bank or financial institution;</li><li>(f) any monies borrowed from any shareholder of the Issuer;</li><li>(g) any derivative transaction based on mark-to-market value; and without double-counting any assurance against financial-loss in respect of a type referred to the above items (a) to (e),</li></ul> <p>but excluding any Subordinated Debt.</p>
<b>Financial Report:</b>	From the Issue Date, annual audited

	consolidated financial reports of the Issuer and quarterly interim unaudited consolidated reports of the Issuer prepared in accordance with Accounting Principles.
<b>Financial Year:</b>	For the Issuer, each year starting on 1 January and ending on 31 December.
<b>First Settlement Date (Issue Date):</b>	The date on which interest on the Notes starts to accrue: 20 November 2024.
<b>Group:</b>	Group of the legal entities comprising of the Issuer and its direct or indirect Material Subsidiaries.
<b>Interest Coverage Ratio (ICR):</b>	The ratio of EBITDA to Net Finance Charges.
<b>Force Majeure Event:</b>	Has the meaning set forth in Clause 17 ( <i>Force Majeure</i> ).
<b>Issuer:</b>	ESTO Holdings OÜ (registry code: 14996345, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Laeva 2, 10111, Estonia).
<b>Issuer's webpage</b>	Issuer's webpage at domain: <a href="https://esto.eu/investor-relations">https://esto.eu/investor-relations</a> .
<b>Issue Registration Date</b>	The date when Notes will be credited to the Issuer's account by Nasdaq CSD and is 14 November 2024.
<b>Majority Noteholders:</b>	<p>The Noteholders who collectively hold in aggregate the Notes with the Nominal Value representing at least 1/2 (one half) of the aggregate Nominal Value of all outstanding Notes plus at least one additional Note.</p> <p>The Issuer, its direct or indirect shareholders and the Related Parties holding any such Notes are not eligible for voting.</p>
<b>Material Subsidiary:</b>	<p>ESTO AS (registry code: 14180709, legal address: Laeva 2, 10111 Tallinn, Estonia);</p> <p>ESTO LV AS (registry code: 40103050993, legal address: Gustava Zemgala gatve 74, Riga, LV-1039; Latvia);</p> <p>ESTO UAB (registry code: 305219905, legal address: Lvivo g. 25-104, Vilnius, Lithuania),</p> <p>and any current and future Subsidiary of the Issuer, which constitutes (total assets) more than 20% of total Net Loan Portfolio of the Issuer and/or which constitutes (by revenue) 10% of the total consolidated revenue of the Issuer.</p>

<b>Maturity Date:</b>	The date when the Notes shall be repaid in full at their Nominal Value by the Issuer, which is 20 November 2026.
<b>Minimum Settlement Unit:</b>	The minimum amount which can be held and traded, which is equal to the Nominal Value.
<b>Nasdaq CSD:</b>	Nasdaq CSD SE Eesti filiaal (registration number: 14306553, legal address Harju maakond, Tallinn, Kesklinna linnaosa, Maakri tn 19/1, 10145, Estonia), or any other entity which, from time to time, operates the Register in accordance with Applicable Laws.
<b>Net Finance Charges:</b>	For the Relevant Period (calculated from the most recent Financial Reports of four consecutive calendar quarters), the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the Relevant Period to any Group entity and any interest income relating to cash and cash equivalents of the Group.
<b>Net Loan Portfolio:</b>	The sum of loans, securities and receivables, minus allowances for losses of the Issuer and Subsidiaries as set forth in the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, prepared in accordance with the Accounting Principles.
<b>Nominal Value:</b>	Face value of a single Note, which is EUR 1,000.00 (one thousand Euro).
<b>Note(s):</b>	The debt security issued by the Issuer according to these Terms of the Notes Issue.
<b>Noteholder(s) or Investor(s):</b>	A private person or legal entity that is an owner of one or more Notes and has a claim against the Issuer as provided in these Terms of the Notes Issue.
<b>Parallel Debt:</b>	The legal arrangement described in Clause 21 ( <i>Parallel Debt</i> ) of these Terms of the Notes Issue.
<b>Potential Investor(s):</b>	A private person or legal entity that has, according to the terms stated in these Terms of the Notes Issue, expressed interest or is planning to purchase for its own account one or more Notes.
<b>Prospectus Regulation:</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading

	<p>on a regulated market, and repealing Directive 2003/71/EC.</p>
<b>Register</b>	<p>The Estonian Register of Securities (in Estonian – <i>Eesti väärtpaberite register</i>) which is maintained in accordance with the Securities Register Maintenance Act (in Estonian – <i>väärtpaberite registri pidamise seadus</i>) and operated by Nasdaq CSD.</p>
<b>Related Parties:</b>	<p>Any person (natural person or legal entity) related to another party within the meaning of the International Accounting Standards (IAS 24 - Related Party Disclosures) as adopted by the EU.</p>
<b>Relevant Period:</b>	<p>Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.</p>
<b>Sanctions:</b>	<p>Economic or financial sanctions, trade embargoes and similar measures imposed, administered, or enforced from time to time by the Republic of Estonia, the Republic of Latvia, the European Union, the United Nations or the Office of Foreign Assets Control of the US Department of the Treasury (OFAC).</p>
<b>Service Provider</b>	<p>Any of the law firms providing the collateral agent services as legal service and/or advice related to the creation, maintenance and enforcement of the Collateral, respectively in Estonia (via EE Service Provider), Latvia (via LV Service Provider) and Lithuania (via LT Service Provider). For as long as the Collateral Agent is TRINITI Collateral Agent XIII OÜ, the Service Providers shall be:</p> <ul style="list-style-type: none"><li>(a) the EE Service Provider will be Advokaadibüroo TRINITI OÜ (registry code 11984324);</li><li>(b) the LV Service Provider will be TRINITI, ZAB PS (registry code 40203348038);</li><li>(c) the LT Service Provider will be Advokatų profesinė bendrija "TRINITI JUREX", (registry code 302633203).</li></ul>
<b>Settlement Unit Multiple:</b>	<p>Multiple that defines the settlement quantity or nominal and must be a multiple of the Minimum Settlement Unit.</p>
<b>Subordinated Debt:</b>	<p>Unsecured debt of the Issuer that is subordinated to the Notes, either pursuant to a Subordination Agreement with the Collateral</p>

Agent or in accordance with the terms of the relevant debt instrument, with maturity after the Maturity Date, including already Existing Subordinated Loan (as defined in Clause 6 (*Status of the Notes*)). The debt is subordinated to other more senior debts and these Notes with respect to claims on assets or earnings and is fully or partly repayable only if: (a) the Issuer's existing and future financial covenants and undertakings are met after the repayment; and (b) settlement of all obligations under these Terms of the Notes Issue is made.

For the sake of clarity, the Issuer is allowed to make interest payments on the Subordinated Debt if such interest payments do not cause a breach of Clause 12 (*Financial Covenants*).

**Subordination Agreement**

An agreement between the Collateral Agent, the Issuer and one or more Related Parties of the Issuer, concluded substantially on the terms set out in Annex 2 or otherwise on terms approved by the Noteholder Majority.

**Subsidiary(ies):**

Both direct and indirect subsidiaries of the Issuer defined in accordance with the IFRS.

**Terms of the Notes Issue:**

This document, which entitles the Issuer to execute the Issue and the initial offering of the Notes.

## RISK FACTORS

BELOW IS THE DESCRIPTION OF RISK FACTORS THAT ARE MATERIAL FOR THE ASSESSMENT OF THE MARKET RISK ASSOCIATED WITH THE NOTES AND RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES. SHOULD ONE OR MORE OF THE RISKS DESCRIBED BELOW MATERIALIZE, THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER. MOREOVER, IF ANY OF THESE RISKS MATERIALIZE, THE MARKET VALUE OF THE NOTES AND THE LIKELIHOOD THAT THE ISSUER WILL BE IN A POSITION TO FULFIL ITS PAYMENT OBLIGATIONS UNDER THE NOTES MAY DECREASE, IN WHICH CASE THE INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENTS.

BEFORE DECIDING TO PURCHASE THE NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO ALL OTHER INFORMATION PRESENTED IN THE TERMS OF THE ISSUE, AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS IF NECESSARY. MOREOVER, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT SEVERAL OF THE DESCRIBED RISK FACTORS CAN OCCUR SIMULTANEOUSLY AND TOGETHER WITH OTHER CIRCUMSTANCES COULD HAVE A POTENTIALLY STRONGER IMPACT ON THE ISSUER OR THE ISSUER. THIS IS NOT AN EXHAUSTIVE LIST OF RISK FACTORS, AND ADDITIONAL RISKS COULD ALSO HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER.

### 1. Risk Factors

#### 1.1. Important note

The risks indicated in this section, if some or all of them materialize, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario.

This section may not feature all the potential risks, which may affect the Issuer.

#### 1.2. Risks related to the economic and regulatory environment

##### 1.2.1. Macroeconomics risk

The consumer lending sector is significantly impacted by macroeconomic fluctuations. Factors such as the business cycle, GDP growth, inflation, employment rates, wage growth, and interest rates affect consumer market demand and supply. An economic downturn could lead to lower consumer demand, increased financing costs, adversely impacting the Subsidiaries' loan values, financial status, and cash flows.

The Subsidiaries' customers are located in the Baltic States, making it particularly sensitive to economic changes in Lithuania, Latvia, and Estonia. However, due to the small size and high foreign trade activity of these economies, they are susceptible to regional and global macroeconomic shifts. The health of the Baltic economies is closely tied to the overall condition of the EU and the euro area. Thus, an economic slowdown in the EU could negatively impact the Baltic States' economies, consequently affecting the Group's business operations.

Since early 2020, the global economy has faced significant challenges due to the impact of the global pandemic, the conflict in Ukraine, and increasing inflationary pressures. In response, central banks worldwide have raised interest rates. In 2022 and 2023, the Baltic countries, where the Issuer operates, experienced a slower growth rate and contraction in real GDP compared to 2021.

	Real GDP (% Y/Y)			CPI (% Y/Y)			Unemployment (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latvia	6,7	3,0	-0,3	3,2	17,2	9,1	7,6	6,9	6,5
Lithuania	6,3	2,4	-0,3	4,6	18,9	8,7	7,1	6,0	6,9
Estonia	7,2	-0,5	-3,0	4,5	19,4	9,1	6,2	5,6	6,4

Source: Eurostat, European Commission and IMF

Nevertheless, if savings are depleted earlier than anticipated for purchases, it could constrain consumption

in the coming quarters. As a result, a more substantial economic recovery may only be expected towards the end of 2024, contingent upon further declines in inflation rates and ECB interest rates. Uncertainty remains high, and there is a possibility that future economic growth rates could be lower while inflation rates may remain elevated.

#### **1.2.2. Geo-political risk**

Political changes in various regions or countries, or decisions affecting specific industries or nations, can significantly impact the Group's operations, profitability, and future development.

The Group faces risks due to its proximity to Russia. Russian military actions in nearby areas have created instability and concerns for the safety of the Baltic countries, where the Group companies' properties and operations are based. The closeness of Russia and Belarus to the Baltic countries presents a potential risk to regional stability and the Group's operations. Should any risks of military conflict materialize it could have a substantial negative impact on the Issuer. Although, as of the date of the Terms of the Notes Issue, the war has not directly impacted the Group's operations and financial performance, a general economic downturn, or a shift in investor sentiment toward the Baltics due to geopolitical events could affect the Group's business results.

#### **1.2.3. Global pandemic risk**

The global economy faced a period of uncertainty due to the Covid-19 outbreak in March 2020. In response, national authorities quickly enacted various laws and regulations to provide a legal basis for governments to implement measures to limit the spread and impact of Covid-19. The pandemic directly affected the Baltic consumer lending market, which had been experiencing rapid growth before the outbreak.

The Issuer recognizes that disruptions stemming from the Covid-19 pandemic, or the potential emergence of a new pandemic, could recur, potentially impacting its future operations and adversely affecting revenue and operations. The exact impacts on the Group remain uncertain, depending on the severity of future situations. Prolonged periods of such disruptions could lead to higher default rates, reduced loan demand, and altered risk assessments, which may negatively impact the lender's portfolio value, financial performance, and cash flow.

#### **1.2.4. Changes in legislation risk**

The Group's operations are governed by the legislation of each country where it operates and may also be influenced by regional or supranational regulations, including EU legislation. Management believes the Issuer currently materially complies with all legislative requirements and regulations as of the date of the Terms of the Notes Issue. However, legislation and regulations can change, and management cannot guarantee immediate compliance without potentially significant measures if regulations are amended.

For example, changes in laws, regulations, or their interpretation regarding consumer lending or environmental responsibilities related to such activities could materially impact the Group's operations. Adapting the Group's operations to these changes may result in unforeseen costs that could materially affect the Group's business, financial condition, and operational results.

#### **1.2.5. Changes in tax law and practice risk**

The Group operates in three countries with distinct tax regimes. Changes to these local tax regimes or challenges to the current tax structures of the Group's business could significantly impact its operational results, profitability, and future development in a material manner.

Furthermore, certain tax positions taken by the Issuer involve management judgement and interpretation of tax legislation. These positions may prove to be ineffective or could face challenges from tax authorities due to potential errors in interpretation of tax laws. Such challenges could also have adverse effects on the Group's financial outcomes and operational stability.

### **1.3. Risks related to the Issuer's business and industry**

#### **1.3.1. Consumer lending market risk**

The consumer lending market is closely linked to broader economic conditions, which can experience

significant volatility. Shifts in interest rates, borrower creditworthiness, and demand for loans due to economic downturns or changing market trends can negatively impact the profitability and valuation of lending portfolios. A slowdown in the economy or rising default rates could lead to reduced loan originations, lower interest income, and a decline in asset values, adversely affecting the Subsidiaries' financial performance.

### **1.3.2. Competition risk**

The consumer lending market is becoming increasingly competitive, with new entrants and the expansion of existing lenders. The development of alternative lending platforms with similar offerings could intensify competition, potentially leading to lower interest rates, higher default risk, and increased marketing costs. The Subsidiaries may need to invest more in marketing and customer acquisition efforts, which could negatively affect cash flows. If the supply of lending services continues to grow rapidly without a corresponding increase in demand, it could result in lower loan origination volumes and tighter profit margins, adversely impacting financial performance. The Subsidiaries may also need to offer more favorable terms to attract and retain borrowers, which could reduce profitability. Failure to adequately respond to competitive pressures could result in decreased demand for the Subsidiaries' services and negatively impact the Group's overall financial health.

### **1.3.3. Dependence on external service provider's risk**

The Group relies on external service providers for various operational aspects, including utilities, security, and IT services. Any disruption or failure on the part of these providers can significantly impact the Group's operations and Subsidiaries' clients' satisfaction. The inability to secure or maintain contracts with reliable service providers on favourable terms could lead to increased costs and operational challenges.

### **1.3.4. Financial leverage risk**

Borrowing for consumer lending activities is a key source of funding to support the Group's business model. The Issuer plans to maintain a substantial level of debt on its balance sheet, leading to high financial leverage.

The Issuer's debt funding profile is influenced by market interest rates, margin requirements, and the Issuer's debt management strategy, including financing from credit institutions and capital markets. Fluctuations in interest rates or adverse borrowing conditions impacts on profitability could negatively affect the Issuer's financial position, cash flows, and ability to continue acquiring new properties.

### **1.3.5. Employee attraction and retention risk**

Given the Group's large workforce, attracting and retaining skilled employees is a key consideration for its consumer lending operations. However, due to the implementation of advanced automation and digital processes, much of the loan servicing and administrative tasks are streamlined, reducing the dependency on individual staff members. While employee turnover may require additional time and resources for recruitment and training, the efficiency of automated systems helps minimize operational disruptions. As a result, any loss of staff is not expected to have a significant adverse impact on the Group's overall operational stability and performance.

### **1.3.6. Dependence on the operational management team risk**

The operational efficiency heavily depend on the performance of the operational management team. Inadequate performance or misconduct by the management team could adversely affect business operations and the reputation of the ESTO brand.

### **1.3.7. IT system and process risk**

The Group relies on IT systems for various operational functions, including the management of internal financial operations. Therefore, any failures or disruptions in these critical information systems could lead to reduced revenue and increased operating expenses. This could potentially have significant adverse effects on the Group's business, financial health, and operational results. Additionally, cyber-attacks pose a risk of financial loss, operational disruptions, and damage to the reputation of the ESTO brand.

### **1.3.8. Counterparty credit risk**

Credit risk refers to the possibility that the Subsidiaries' clients may not be able to meet their financial obligations to the Subsidiaries. If the Subsidiaries' fail to do so, it could significantly impact the Group's business, financial stability, and operational results in a negative manner.

#### **1.3.9. Operational risk**

Operational risk refers to the potential for losses stemming from inadequate or unsuccessful internal processes, personnel management, systems, or external factors. Group companies mitigate this risk through rigorous personnel selection, precise job duty descriptions, and coordinated division of responsibilities. Despite these measures, the Issuer acknowledges that its Subsidiaries' internal controls, procedures, compliance systems, and risk management frameworks may sometimes prove insufficient. This could lead to the failure to prevent or detect breaches of laws and regulations, as well as other risks that could significantly impact the Group's business operations, financial condition, and results.

### **1.4. Risks related to Notes**

#### **1.4.1. Notes repayment risk**

The Notes shall be secured with a rights pledge over (and/or an acquisition as collateral of) the pool of loan receivables of the Material Subsidiaries (or, subject to the prior written consent of the Majority Investors, any other Subsidiary) which arise from loans issued by the respective Subsidiary to its customers in its ordinary course of business, which are not in payment default for longer than 90 calendar days and the principal amount of which does not exceed EUR 10,000. The Issuer undertakes to ensure that the aggregate of the principal amounts of the loan receivables pledged to the Collateral Agent (and/or acquired as collateral by the Collateral Agent) to secure the Notes shall at all times, from 26 November 2024 onwards, during the validity of the Notes exceed 120% of the outstanding aggregate Nominal Values of the unredeemed (or not otherwise cancelled) Notes and that the Subsidiaries comply with the Collateral Agreements.

In case of the insolvency of the Issuer, the Noteholders will be entitled to recover their investment on the same terms as the Issuer's other creditors of equal ranking according to the Applicable Laws, taking into account, that if the Collateral would be enforced, the Noteholders would receive payment of their claims in respect to Notes only to the extent that the enforcement proceeds of the sale of the Collateral is sufficient to pay the costs of enforcement of the Collateral. Save for mandatory provisions of the Applicable Laws, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured or unsecured liabilities of the Issuer (without prejudice to the Subordinated Debt being subordinated first to other more senior debt).

Should the Issuer become insolvent, or any legal protection proceedings or out-of-court legal protection proceedings of the Issuer are initiated during the term of the Notes, an Investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. An Investor is always solely responsible for the economic consequences of its investment decisions.

#### **1.4.2. Liquidity risk**

Neither the Issuer nor any other person guarantees the minimum liquidity of the Notes. Thus, the Investors should consider the fact that they may not be able to sell or may face difficulties in selling their Notes on the secondary market at a fair market value or at all.

#### **1.4.3. Price risk**

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, overall economic development or demand for the Notes.

Neither the Issuer nor any other person undertakes to maintain a certain price level of the Notes. The Investors are thus exposed to the risk of unfavourable price development of their Notes if they sell the Notes prior to final maturity.

#### **1.4.4. Early redemption risk**

According to these Terms of the Notes Issue, the Notes may be redeemed prematurely at the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from the investment

into the Notes may be lower than initially expected, as the Investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Notes being redeemed. The Issuer's redemption right may also adversely impact the Investor's ability to sell such Notes.

#### **1.4.5. Tax risk**

Tax rates and tax payment procedures applicable at the moment of purchase of Notes to the tax residents, non-residents of Estonia, and residents of other countries may change. The Issuer will not compensate the increase in taxes to Investors, therefore Investors may receive smaller net payments related to the Notes.

#### **1.4.6. Resolutions of Noteholders' risk**

The decision by the Majority Noteholders is binding on all Noteholders. Thus, a Noteholder is subject to the risk of being outvoted by a majority of the other Noteholders. As such, certain rights of a Noteholder against the Issuer may be amended, reduced, or even cancelled without its consent.

#### **1.4.7. Risk that some Investors might have more preferential terms than others**

While the Issuer will try to maintain the proportional reduction principle to the extent possible in the final allocation of the Notes, in case the total number of Notes subscribed for is higher than the number of Notes available, the Issuer has a right to refuse all or part of the subscribed Notes to any Potential Investor at its sole discretion, thus, the proportionality principle might not be observed.

Additionally, the Issuer has the right to sell the Notes at a price lower than their Nominal Value to selected Investors and/or enter into agreements that may add additional rights to selected Investors if the Issuer perceives them as especially important for the Notes issue due to the size of their investment or added experience. This may result in a situation where some Investors might gain preferential terms for investment into the Notes than the rest of the Investors.

### **1.5. Risks associated with the Collateral**

#### **1.5.1. Risks associated with Collateral Agent Agreement**

The Noteholders are represented by the Collateral Agent in all matters relating to the Collateral. There is a risk the Collateral Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing, or taking other necessary actions in relation to the Collateral. Subject to the terms of the Collateral Agent Agreement, the Collateral Agent is entitled to enter into agreements for the use of services of a third party and appoint third-party representatives in the course of performance of its tasks and acts as stipulated in the Terms of the Notes Issue or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Collateral or for the purpose of settling, among others, the Noteholders rights to the Collateral.

#### **1.5.2. Risks associated with the value of the Collateral**

If the Issuer fails to make the Coupon and/or Nominal Value payments in a timely manner, the Collateral Agent, acting in the interest of the Noteholders, will, if necessary, initiate the procedure for applying for Noteholders' consent to takeover and realization of the Collateral. There is a risk that there may be no legal and practical possibility to take over or sell the Collateral in full or in part and no buyer may be interested in buying the Collateral. Considering that the Collateral Agent does not supervise the quality of the Collateral during the duration of the Issuer's obligations and the Collateral Agent has no liability to the Noteholders in this regard, there is a risk that the Collateral may be taken over, but the realization of the Collateral may be insufficient to satisfy the Noteholders' claims.

#### **1.5.3. Risks associated with Parallel Debt**

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the Noteholders but will be created and perfected in favour of the Collateral Agent. Thus, the Noteholders will not have any independent power to enforce, or have recourse to, any of the Collateral Agreements or to exercise any rights or powers arising under the Collateral Agreements. Only the Collateral Agent will be entitled to enforce the Collateral. As a result of these restrictions, the Noteholders

will have limited remedies and recourse against the Issuer in the Event of Default. In particular, none of the Noteholders will have a direct benefit under the Collateral, and none of the Noteholders will directly have the status of a secured creditor in the bankruptcy proceedings of the Issuer. From a purely legal perspective, the Noteholders will qualify as unsecured creditors of the Issuer, and the Noteholders' claims under the Notes vis-à-vis the Issuer directly will be unsecured obligations of the Issuer.

Due to Estonian law requirements, the Collateral Agent cannot take and perfect the security for the Issuer's obligations under the Notes.

Parallel Debt is a contractual instrument designed to allow the Collateral Agent to take, perfect, maintain, administer, and enforce the Collateral in its own name and right but for the benefit of the Noteholders. The concept of Parallel Debt is not explicitly recognized under the Estonian law and its legality, validity, and enforceability have not been clearly tested in the Estonian courts. If the Parallel Debt arrangements are declared to be illegal, invalid, or unenforceable by the Estonian court, that may result in the Collateral not being valid and enforceable or not being duly perfected in accordance with the applicable legal requirements. As a consequence, the Noteholder's claims under the Notes would rank *pari passu* with the other unsecured obligations of the Issuer and the Noteholders will not have a preferential right to the enforcement proceeds of the Collateral.

#### **1.5.4. The enforcement of the Collateral will be subject to the procedures and limitations set out in the Collateral Agent Agreement and these Terms of the Notes Issue**

Even when the Collateral is enforceable, the enforcement is subject to the procedures and limitations agreed in the Collateral Agent Agreement and the Terms of the Notes Issue. There can be no assurance as to the ability of the Noteholders to instruct the Collateral Agent to initiate any enforcement procedures. Furthermore, any enforcement of the Collateral may be delayed due to the provisions of the Collateral Agent Agreement and the Terms of the Notes Issue.

#### **1.5.5. The rights of the Investors depend on the Collateral Agent's actions and financial standing**

By subscribing for, or accepting the assignment of, any Note, each of the Investors will accept the appointment of the Collateral Agent as the agent and representative of the Investors, to represent and act for the Investors in relation to the Collateral. Only the Collateral Agent is entitled to exercise the rights under the Collateral and enforce the same. Any failure by the Collateral Agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Investors due to, for example, the inability to enforce the Collateral and/or receive any or all amounts payable from the Collateral in a timely and effective manner.

Under the Collateral Agent Agreement, the Majority Noteholders may pass a decision to replace the Collateral Agent at any time. In addition to that and without prejudice to said powers of the Majority Noteholders, in case of the Collateral Agent unilaterally terminating the performance of its duties, the Issuer may replace the Collateral Agent. At any time, the Collateral Agent may resign from its role as the Collateral Agent with 1 (one) month notice as well as in accordance with the terms set forth in the Collateral Agent Agreement. Furthermore, the Collateral Agent's liability to the Noteholders is limited in accordance with Clause 22.6 (*Liability of the Collateral Agent*).

As of the date of the Terms of the Notes Issue, the Service Provider's professional liability is insured with an insurance company ERGO Insurance SE (registration number: 10017013).

## **REPRESENTATIONS AND WARRANTIES, RESPONSIBILITY STATEMENT**

### **REPRESENTATIONS AND WARRANTIES**

The Issuer shall, in accordance with these Terms of the Notes Issue, issue the Notes and perform the obligations arising from the Notes to the Noteholders. The Issuer shall be liable to the Noteholders for the due and complete fulfilment of its obligations under the Notes.

The Issuer represents and warrants to the Noteholders that:

- (a) the Issuer is a duly incorporated and validly existing as legal entity in its jurisdiction of incorporation, and operating under the laws of the jurisdiction of its incorporation;
- (b) all the Issuer's obligations assumed under the Notes and the Collateral are valid and legally binding to the Issuer and the performance of these obligations is not contrary to Applicable Law, its constitutional documents, or any agreement concluded by the Issuer;
- (c) the Issuer has all the rights and sufficient authorizations to issue the Notes and provide the Collateral and fulfil other obligations under the Notes and the Collateral Agreement;
- (d) the Issuer has performed all the formalities required for issuing the Notes and to provide the Collateral and fulfil other obligations under the Notes and the Collateral Agreements;
- (e) to the best of the Issuer's knowledge, all information that is provided by the Issuer to the Noteholders in these Terms of the Notes Issue is true, accurate and complete and not misleading in any material respect;
- (f) the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer;
- (g) there are no legal or arbitration proceedings pending or initiated against the Issuer, which may have, or have had a significant effect on the Issuer's financial position or profitability;
- (h) there are no criminal proceedings pending or initiated against the Issuer;
- (i) the Issuer shall not, and shall procure that none of its directors, officers, employees, or agents, use the proceeds from the Notes: (i) to fund, finance, or facilitate any activities or business of or with any person that is, or is owned or controlled by persons that are, or in any country, region or territory, that, at the time of such funding, financing or facilitating is, or whose government is, the target of Sanctions; or (ii) in any other manner that would result in a violation of Sanctions by any person (including, any person participating in the subscription of Notes, whether as a lender, underwriter, advisor, investor, or otherwise).

The Issuer's representations and warranties above are valid on the Issue Date and will remain valid until the fulfilment of all obligations arising from the Notes.

### **RESPONSIBILITY STATEMENT**

The Issuer, represented by the member of its Management Board, accepts responsibility for the information contained in these Terms of the Notes Issue and declares that the Issuer and its Management Board have taken all reasonable care to ensure that the information contained in these Terms of the Notes Issue is, to the best of the Issuer's knowledge, true, accurate and complete and not misleading in any material respect.

On behalf of ESTO Holdings OÜ

Mikk Metsa  
Member of the Management Board

*This document is signed electronically with a secure electronic signature containing a time stamp.*

## INFORMATION ON NOTES

### 1. USE OF THE PROCEEDS

- 1.1. The total issue size is up to EUR 15,000,000.00 (fifteen million Euro). The Notes can be issued in one or several tranches. The Notes of each tranche will all be subject to identical terms, except that the issue dates and the issue prices thereof may be different in respect of different tranches.
- 1.2. Funds that are raised as a result of the Notes issue will be used for refinancing of existing notes obligations and general corporate purposes.

### 2. GENERAL INFORMATION

- 2.1. Any individual or entity that holds the Notes in his/her securities account has the right to receive Coupon and the Nominal Value payments. It is planned to issue the Notes with a Nominal Value of EUR 1,000.00 (one thousand Euro) for one Note and the total Nominal Value of up to EUR 15,000,000.00 (fifteen million Euro).
- 2.2. ISIN (International Security Identification Number) of the Notes allocated by Nasdaq CSD is EE3300005065.
- 2.3. The minimum subscription amount for the Notes during the initial offering is EUR 100,000.00 (one hundred thousand Euro) with the minimum step of EUR 1,000.00 (one thousand Euro).

### 3. APPLICABLE LAW AND DISPUTE RESOLUTION

- 3.1. The Notes and these Terms of the Notes Issue are governed by the laws of the Republic of Estonia. The Notes issue is a private placement arranged in compliance with the Applicable Laws, including regulations of the EFSA and Nasdaq CSD.
- 3.2. The ownership of a Note shall be certified by an entry in the Register. The Issuer shall consider the Investor who is registered in the Register as the holder of the Note as its rightful owner, unless the Note is held on a nominee account. If the Note is held on a nominee account, the owner of the Note is determined in accordance with Applicable Laws, including the Securities Register Maintenance Act (in Estonian – *väärtpaberite registri pidamise seadus*). In any case, the holder of a nominee account is entitled to exercise the Investor's rights arising from the Terms of the Issue (inter alia, to receive Coupon and Nominal payment as well as vote on Investors' resolutions) and is liable for performance of the Investor's obligations arising from the Terms of the Issue.
- 3.3. All disputes between any one or more Noteholders and the Issuer relating to the Notes or these Terms of the Notes Issue shall be settled in courts of the Republic of Estonia in accordance with the Applicable Laws (Harju County court as first instance court). These Terms of the Notes Issue are prepared and signed in English and any translations of these Terms of the Notes Issue into another language are unofficial and made exceptionally for the Potential Investors' convenience. In case of any dispute settlement, interpretation of the provisions of these Terms of the Notes Issue in English shall have a priority against an interpretation in any other language.

### 4. FORM AND ACCOUNTING OF THE NOTES

The Notes are issued in dematerialized form and will not be numbered. The Notes shall be registered in the Register in accordance with the Applicable Laws. No certificate or other evidence of title will be issued to the Investors. Investors may hold Notes through Nasdaq CSD participants participating in the Estonian security-settlement system.

### 5. CURRENCY OF THE NOTES

Currency of the Notes is EUR (Euro).

### 6. STATUS OF THE NOTES

The Notes constitute debt obligations of the Issuer which shall be secured by the Collateral, and which shall rank *pari passu* among themselves and at least *pari passu* with unsubordinated and unsecured

obligations of the Issuer, except those obligations which are mandatorily preferred by law.

On the Issue Date, the Issuer has an outstanding Existing Subordinated Loan, which will continue to be subordinated as required by Clause 13(q), in the amount of EUR 3,000,000 (three million Euro).

## **7. RIGHTS AND RESTRICTIONS CONNECTED WITH THE NOTES**

- 7.1. Each Noteholder has the right to receive Coupon and Nominal Value payments in accordance with Clause 10 (*Coupon*) and Clause 11 (*Repayment of Notes*), as well as exercise other rights provided in these Terms of the Notes Issue and Applicable Laws.
- 7.2. The Issuer has the right to purchase the Notes on the secondary market directly from the Noteholders. The Notes that are purchased by the Issuer are held in the Issuer's financial securities custody account and the Issuer has the right to sell the purchased Notes to Potential Investors and other Noteholders. The Issuer may cancel the purchased Notes held in the Issuer's financial securities custody account, therefore decreasing the size of the Notes issue.
- 7.3. The Notes held by the Issuer and Related Parties are not eligible to participate in the voting in accordance with these Terms of the Notes Issue.

## **8. RESTRICTIONS ON FREE CIRCULATION OF THE NOTES**

- 8.1. The Notes are freely transferable debt securities and may be pledged. However, the Notes cannot be offered, sold, resold, transferred, or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the Applicable Laws.
- 8.2. Any Noteholder wishing to transfer or offer the Notes must ensure that any offering related to such transfer or offer would not be qualified as a public offering in the meaning of the Applicable Laws. According to these Terms of the Notes Issue, it is the obligation and liability of the Noteholder to ensure that any offering of the Notes does not fall under the definition of public offering under the Applicable Laws.
- 8.3. Each Noteholder shall inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes. When offering, selling, reselling, transferring or delivering any of the Notes, a Noteholder shall be responsible for complying with all relevant laws, including Applicable Laws, at its own cost and expense. The Issuer shall not be responsible to ensure compliance with such laws by the Noteholder. The Issuer is not obliged to take any action in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required.

## **9. THE ISSUE REGISTRATION DATE AND THE FIRST SETTLEMENT DATE OF THE NOTES**

Nasdaq CSD will register the Notes issue on the Issue Registration Date. The Coupon shall start to accrue and Notes are sold to Investors on the First Settlement Date (Issue Date).

## **10. COUPON**

### **10.1. Coupon rate**

- 10.1.1. The Coupon rate for the Notes is 12% (twelve percent) per annum and is fixed until the Maturity Date.

### **10.2. Coupon payment procedure**

- 10.2.1. Coupon payments are made quarterly every 20 November, 20 February, 20 May, 20 August. The first Coupon payment will be made on 20 February 2025 and the last Coupon payment will be made on 20 November 2026 (or the date of final early redemption). Coupon shall accrue from previous Coupon payment date (included) until the next Coupon payment date (excluded).
- 10.2.2. The Coupon record date is the 5th (fifth) Business Day prior to the Coupon Payment Date. At the end of the Coupon record date the list of the Noteholders, who are eligible for the Coupon payments, will be fixed. The Coupon payment shall be made to the eligible Noteholders in accordance with the relevant

Noteholders' list, on each Coupon Payment Date for the preceding Coupon period.

- 10.2.3. The Issuer shall pay the Coupon through the intermediary of Nasdaq CSD and in accordance with the applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities.
- 10.2.4. If the Coupon Payment Date is not a Business Day, the Issuer will pay the Coupon payment on the first Business Day after the Coupon Payment Date. The postponement of the payment date shall not have an impact on the amount payable.
- 10.2.5. If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in these Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the payment of the Coupon not earlier than after 10 Business Days following the payment date of the relevant Coupon.

### **10.3. Coupon calculation**

- 10.3.1. Quarterly Coupon payments, except for the first Coupon payment, shall be calculated according to the following formula:

$CPN = F * C / 4$  or  $CPN\% = C/4$ , where:

CPN – the amount of the Coupon payment in EUR per Note;

F – Nominal Value of one Note;

C – annual Coupon rate (%).

### **10.4. Accrued Interest Calculation**

- 10.4.1. The first Coupon starts to accrue on the First Settlement Date (Issue Date) of the Notes issue. The accrued Coupon is calculated presuming there are 360 (three hundred and sixty) days in one year (day count convention – “European 30/360”).

Accrued interest between Coupon Payment Dates shall be calculated as follows:

$AI = F * C / 360 * D$ , where:

AI – accrued interest of one Note;

F – Nominal Value of one Note at the beginning of the relevant quarter, i.e., the initial Nominal Value at the time of the issue of a Note, as may be reduced by the redemption or repurchase amounts paid during the previous periods in accordance with these Terms of the Notes Issue;

C – annual Coupon rate (%);

D – the number of days from the beginning of the Coupon accrual period according to the European 30/360-day count method.

## **11. REPAYMENT OF NOTES**

### **11.1. Repayment at maturity**

- 11.1.1. The Nominal Value of one Note is EUR 1,000.00 (one thousand Euro) and the Issuer will repay the Nominal Value of the Notes at the Maturity Date.
- 11.1.2. The Issuer will pay the Nominal Value in accordance with the Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the date of these Terms of the Notes Issue are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Noteholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before the Maturity Date.
- 11.1.3. If the Maturity Date of the Notes is not a Business Day, the Issuer will pay the Nominal Value of the Notes on the next Business Day after the Maturity Date. The postponement of the payment date shall not have an impact on the amount payable.
- 11.1.4. If the Issuer fails to make the Nominal Value payment in accordance with the deadlines specified in these Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the repayment

of the Nominal Value not earlier than after 10 Business Days following the Maturity Date.

- 11.1.5. Once the Notes have been duly redeemed by fully repaying the Nominal Value and paying of all other amounts, which the Issuer must pay to the Investors pursuant to the Terms of the Issue, including the Coupon, any default interest or penalty, the Notes will be deleted from the Register based solely on the application submitted by the Issuer to the Register. Without prejudice to the foregoing, if any confirmation or action by the Investors is nevertheless required by the Register, the Investors undertake to immediately, but not later than within 3 (three) Business Days as of redemption of the Notes, facilitate such deletion (inter alia, to ensure that the owner of the nominee account shall facilitate such deletion). Each Investor hereby irrevocably authorises the Issuer to sign and submit any documents on behalf of and in the name of the Investor to the Register to facilitate such deletion.

### **11.2. Early redemption at the option of the Issuer (call option)**

- 11.2.1. The Issuer may redeem the Notes, in whole or in part:

- (a) from 30 November 2024 (inclusive) until 20 November 2025 by paying 101% (one hundred and one percent) of the Nominal Value amount plus accrued and unpaid Coupon;
- (b) from 20 November 2025 (inclusive) onwards by paying 100% (one hundred percent) of the Nominal Value amount plus accrued and unpaid Coupon.

- 11.2.2. If the redemption made pursuant to Clause 11.2.1 is partial, at least 20% of Nominal Value all the Notes must be redeemed. Any such partial redemption shall be made pro rata to the number of Notes held by each Noteholder. A single Note cannot be redeemed partially; in the event of a partial redemption the number of Notes to be redeemed will be rounded down, unless the Issuer states in the redemption notice that the rounding will be up.

- 11.2.3. If the Issuer takes a decision on early redemption of the Notes, the Issuer shall notify Nasdaq CSD and the Noteholders at least 20 (twenty) Business Days prior to the redemption date of the Notes, by publishing the notice on the Issuer's webpage.

- 11.2.4. If the Issuer redeems the Notes, the Issuer will pay the redemption payment in accordance with the Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Investors eligible to receive the redemption payment will be fixed at the end of the record date (at 11:59 pm Tallinn time), which will be the previous Business Day before the redemption date (unless Nasdaq CSD regulations require otherwise).

- 11.2.5. For the sake of clarity, in case of partial early redemption or of cancellation by the Issuer as described in Clause 7.2 the outstanding aggregate Nominal Values of the Notes shall decrease accordingly, and the Collateral Agent shall therefore release a corresponding part of the pledge over (and/or an acquisition as collateral of) loan receivables (*viz.*, the part by which the principal amounts of the pledged loan receivables (and/or loan receivables acquired as collateral) exceed the minimum requirement set forth in Clauses 12(a) and 20.1.1). The specific loan receivables over which the pledge (and/or the acquisition as collateral) is to be released will be determined by the Issuer.

### **11.3. Early redemption at the option of the Noteholders (put option)**

- 11.3.1. In case a Change of Control has occurred or is anticipated by the Issuer to occur, the Issuer has the obligation (in case of anticipated Change of Control – a right) to inform the Noteholders by publishing a relevant notice with sufficient details on the Issuer's webpage no later than 20 (twenty) Business Days after the Change of Control has occurred or at any time before the anticipated occurrence of a Change of Control:

- (a) stating that the Change of Control has occurred or is anticipated to occur, and that each Noteholder within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Noteholder's Notes at a price equal to 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon;
- (b) stating the redemption date, which shall be no earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to the Noteholders;

however, if the notice is delivered prior to the occurrence of a Change of Control, the Issuer may state that the redemption of the Notes is conditional upon the occurrence of a Change of Control, in which case the Notes will be redeemed not later than 20 (twenty) Business Days following the occurrence of a Change of Control;

- (c) stating the record date;
- (d) stating that any Note redeemed will cease to accrue interest after redemption and any Notes not redeemed will continue to accrue interest;
- (e) describing the circumstances and relevant facts regarding the transaction or transactions that constitute a Change of Control; and
- (f) describing the procedures determined by the Issuer that the Noteholder must follow to have its Notes redeemed.

11.3.2. To exercise the Change of Control put option, the Noteholder must within a period of 10 (ten) Business Days after the date of publication of the Issuer's notice submit to the Issuer a duly signed and completed notice of exercise put option in the form provided by the Issuer. The completed form shall be submitted to the Issuer by the Noteholder directly (physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Noteholder's Custodian. If the Noteholder holds the Notes via a Custodian, then the form must (i) be submitted by or via the Custodian which is the registered holder of the Notes in Nasdaq CSD or (ii) be accompanied by powers of attorney issued by the registered holder and every Custodian between the registered holder and the Noteholder. In the situation described in the previous sentence the Issuer may but does not have to accept the notice of exercise put option submitted by a Noteholder without meeting the conditions set out in the previous sentence; the Issuer may does not have to request proof of ownership of the Notes from the Noteholder to accept the Noteholder's vote in such a case, however, if such proof is requested, the Noteholder must provide proof reasonably satisfactory to the Issuer within the period of time given by the Issuer. If no response from the Noteholder has been received within the designated time period, it shall be considered that the Noteholder will not exercise its put option. No option so exercised may be withdrawn without a prior consent of the Issuer.

11.3.3. Without prejudice to any entitlement of the Issuer under Clause 11.2.1, if 75 (seventy-five) per-cent or more in Nominal Values of the Notes then outstanding have been redeemed pursuant to this Clause 11.3 (*Early redemption at the option of the Noteholders (put option)*), the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders given within 30 (thirty) days after the redemption of the Notes pursuant to Clauses 11.3.1. and 11.3.2 above, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon.

## **12. FINANCIAL COVENANTS**

The Issuer undertakes to comply with the following financial covenants from the Issue Date and for as long as any Notes are outstanding:

- (a) To ensure that the aggregate of the principal amounts of the pledged loan receivables (and/or the receivables acquires as collateral) shall at all times, from 26 November 2024 onwards, exceed 120% of the outstanding aggregate Nominal Values of the unredeemed (or not otherwise cancelled) Notes;
- (b) To ensure that of the principal amounts of the loan receivables pledged as Collateral (Clause 20.1.1) at least 50% are made up of the principal amounts of loan receivables of ESTO AS;
- (c) To maintain the Capitalization Ratio of at least 20% (twenty per cent);
- (d) To maintain consolidated Interest Coverage Ratio of at least 1.25x (one point twenty-five times).

The financial covenants set forth in Clause 12 (a), (b) and (c) shall be tested as at the end of each quarter and covenants calculations and proof of compliance with covenants to be published in the quarterly Financial Reports.

### 13. UNDERTAKINGS

The Issuer undertakes to comply with the following undertakings from the Issue Date and for as long as any Notes are outstanding:

- (a) to ensure that the funds that are raised as a result of the Notes issue are used only in accordance with Clause 1 (Use of the Proceeds);
- (b) to procure that the Issuer is always the direct majority shareholder of the Material Subsidiaries and controls it in the meaning of the Securities Market Act § 10;
- (c) to procure that none of the shares in the Material Subsidiary are pledged or otherwise encumbered to any person;
- (d) to procure that the Collateral set out in Clauses 20.1.2 and 20.1.3 is maintained in effect;
- (e) not to pay dividends exceeding 30% (thirty per cent) of the Group's net profit for the year in which (rather than for which) the dividends are paid out. This limitation shall apply as of the beginning of the initial offering of the Notes for subscription. Dividends may be paid out in one or more payments;
- (f) not make substantial change to the general nature of the business of the Issuer from that carried on at the Issue Date (including, but not limited to, the commencement of any new business not being ancillary or incidental to the original business);
- (g) not to initiate or allow initiation of the Issuer's liquidation or similar proceedings and not to reduce the share capital of the Issuer;
- (h) not to commence reorganization or liquidation of Material Subsidiaries, except if reorganization or liquidation of the Material Subsidiary is necessary for the purpose of consolidating operations under the Issuer or any other Group entity;
- (i) not to issue any new shares in any Subsidiary to any person other than the Issuer or a Subsidiary, except in connection with (employee) stock options or similar participation plans offered to the employees, management board members and/or supervisory board members of said Subsidiaries and on the condition that the Issuer would remain the majority shareholder and in control of all Subsidiaries also after the options have been exercised in full;
- (j) not to lend and ensure that no Subsidiary will lend (in the form of loans or otherwise) to the shareholders or Related Parties of the Issuer, otherwise than in the ordinary course of business;
- (k) not to sell, present, change, rent, invest, or otherwise transfer into utilization the right to use the trademarks of the Issuer and/or its Subsidiaries;
- (l) not to obtain participation in other companies by investing funds, except if over 51% (fifty-one per cent) participation in this company shall be acquired by making an investment and the Issuer retains, directly or indirectly through the Subsidiaries, full control of a company;
- (m) any transactions with Related Parties should be at Fair Market Value or increasing the potential value for the Issuer;
- (n) not to create and issue any additional Notes that can be consolidated and become fungible with the existing Notes;
- (o) to publish unaudited quarterly reports for the Issuer with management comments in English, prepared according to the Accounting Principles, by the end of the second month following the end of each respective quarter. The reports should also include information whether the Issuer is compliant with the financial covenants set out in Clause 12 (*Financial Covenants*) of these Terms of the Notes Issue;
- (p) to publish annual reports for the Issuer in English, prepared according to the Accounting Principles within 5 (five) months after the end of each consecutive financial year. The annual reports should be audited by the Auditor;

- (q) certain Related Parties shall subordinate their claims arising from the loan agreements referred to in a Subordination Agreement to the Investors' claims under the Terms of the Issue in the total principal amount of at least EUR 3,000,000 as prescribed in the Subordination Agreement.

#### 14. EVENTS OF DEFAULT

14.1. Each of the following events or circumstances shall constitute an Event of Default:

- (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 Coupon in respect of the Notes on the due date for payment thereof, unless the payment is made within 10 Business Days following the original due date. The Noteholders shall have the right to submit claims regarding failure to make payment not earlier than 10 Business Days after the due date of the relevant payment;
- (b) **Breach of Financial Covenants:** The Issuer does not comply with any financial covenant set out in Clause 12 (*Financial Covenants*), unless prior to or within 90 (ninety) calendar days of the earlier of: (i) the date on which the relevant Financial Report is to be published pursuant to these Terms of the Notes Issue; and (ii) the date that such a Financial Report was in fact published pursuant to these Terms of the Notes Issue for any Relevant Period in which such failure to comply was (or would have been) first evidenced ("**Breach Period**"), the Issuer has received cash proceeds of new injections from the shareholders of the Issuer in a form of equity and/or Subordinated Debt (the "**Equity Cure**"), in an amount at least sufficient to ensure the financial covenants set out in Clause 12 (*Financial Covenants*) would be complied with if tested again as at the last date of the Breach Period.

Any Equity Cure provided to the Issuer in respect of such Breach Period shall be deemed to have been provided during the Breach Period and shall be included (without double counting) in all relevant calculations of the financial covenants set out in Clause 12 (*Financial Covenants*) until the date it was deemed provided falls outside any subsequent Relevant Period.

If after the Equity Cure the relevant financial covenant set out in Clause 12 (*Financial Covenants*) is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of the Event of Default occasioned thereby, and said Event of Default shall be deemed to have been remedied for the purposes of these Terms of the Notes Issue.

- (c) **Breach of Undertakings:** The Issuer does not comply with any undertakings set out in Clause 13 (*Undertakings*), unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 10 Business Days after the Issuer becoming aware of the non-compliance.
- (d) **Cross Default:**
  - (i) any Financial Indebtedness of the Issuer is neither paid when due nor within any applicable grace period;
  - (ii) any Financial Indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);
  - (iii) any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by a creditor, as a result of an event of default (however described); or
  - (iv) any security securing Financial Indebtedness of the Issuer over any asset is enforced by a secured creditor;

provided, however, that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds in total EUR 500,000 (five hundred thousand Euro) (or the equivalent thereof in any other currency) and that the above does not apply to any Financial Indebtedness owed to the Related Parties or Subordinated Debt.

- (e) **Insolvency:**
  - (i) the Issuer is declared insolvent or bankrupt by a court of competent jurisdiction or admits inability to pay its debts in case of lawful claims, save for the claims of the Related Parties;

- (ii) the Issuer enters into any arrangement with majority of its creditors by value in relation to the restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or
- (iii) an application to initiate insolvency (including procedures such as legal protection process and out of court legal protection process) or administration of the Issuer or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by the Issuer.

#### **14.2. Establishment of an Event of Default:**

- 14.2.1. Noteholders representing at least 20% (twenty percent) of the Nominal Value of the outstanding Notes may by written notice to the Issuer declare the occurrence of Event of Default.
- 14.2.2. If the Issuer confirms that Event of Default in accordance with Clause 14.2.1 above has occurred, fails to obtain a waiver (Clause 19) of the Event of Default within 20 (twenty) Business Days or does not provide any information within 20 (twenty) Business Days, then the Event of Default will be deemed established, and the Issuer shall pay all Noteholders the Nominal Value of the Notes along with the accrued Coupon and default interest in accordance with Clause 15 (*Default Interest*) within 20 (twenty) Business Days from the occurrence of any of the aforementioned events, i.e., confirmation, non-confirmation or definitive failure to obtain a waiver. If the Issuer is unable to pay, the Noteholders representing at least 20% (twenty percent) of the Nominal Value of the outstanding Notes may act in accordance with Clause 22.4 (*Enforcement of the Collateral*).
- 14.2.3. The Issuer shall publish information regarding Noteholders representing at least 20% (twenty percent) of the Nominal Value of the outstanding Notes declaring the occurrence of Event of Default and either confirmation of the Event of Default or an application for a waiver on the Issuer's webpage. An application for a waiver will under no circumstances constitute a confirmation of the Event of Default.
- 14.2.4. For the avoidance of doubt, an Event of Default shall not be deemed established pursuant to this Clause 14.2, if the Issuer notifies the Investors, within 20 (twenty) Business Days as set forth in Clause 14.2.2, that a circumstance, matter or event causing the relevant Event of Default to occur has ceased to exist or been remedied, or substantiates that the Event of Default did not occur.
- 14.2.5. For the avoidance of doubt, the Issuer is entitled not to make any payments to an Investor or perform any of its obligations towards an Investor, if (a) such payment or performance would not comply with Applicable Laws (e.g., would breach any applicable Sanctions) or (b) the Issuer (acting reasonably and in good faith) has requested an Investor to provide information or reasonable evidence regarding the inexistence of circumstances, events and matters that would cause a payment or performance to that Investor to be incompliant with Applicable Laws and the Investor has not delivered such information or evidence. The right of the Issuer relating to an Investor set forth in this Clause shall not affect its obligations towards any other Investor.

#### **15. DEFAULT INTEREST**

Subject to the mandatory provisions of Applicable Laws, if the Issuer fails to pay to the Noteholders any amount (except Coupon) payable by it under these Terms of the Notes Issue, then the Issuer shall pay to the Noteholders default interest (in Estonian – *viivis*) accruing on the overdue amount from the due date up to the date of actual payment at a rate which is 0.05% (zero point zero five per cent) per day.

#### **16. DISCLOSURE OF INFORMATION**

- 16.1. Up until the Maturity Date, the Issuer shall publish all information required by covenants and regulatory enactments.
- 16.2. Unless it is provided otherwise in these Terms of the Notes Issue, all notices and reports to the Noteholders shall be published on the Issuer's webpage.
- 16.3. Any notice or report published in a manner prescribed in Clauses 16.1 and Clause 16.2 (*Disclosure of information*) of these Terms of the Notes Issue shall be deemed to have been received on the same Business Day when it is published.

#### **17. FORCE MAJEURE**

- 17.1. The Issuer shall be entitled to postpone the fulfilment of its obligations under these Terms of the Notes Issue in case the performance is not possible due to continuous existence of any of the following circumstances (a “**Force Majeure Event**”):
- (a) action of any authorities, war or threat of war, armed hostility or a serious threat of it, including but not limited to enemy attacks, blockades, military embargoes, actions by a foreign enemy, general military mobilisation, military actions, declared and undeclared war, actions by a public enemy, commotions, acts of terrorism, diversions, piracy, disorders, invasion, revolution, coup, insurrection, mass unrest, expropriation, enforced withdrawal, takeover of enterprises, requisition;
  - (b) disturbances in postal, telephone, or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect the operations of the Issuer;
  - (c) any interruption of or delay in any functions of measures of the Issuer as a result of fire, frost or other similar disaster;
  - (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or
  - (e) any other similar force majeure hindrance or any other event, matter or circumstance, which constitutes force majeure (in Estonian – *väramatu jõud*) under the Applicable Laws.
- 17.2. In case of occurrence of a Force Majeure Event, the Issuer’s fulfilment of the obligations may be postponed for the period of the existence of such respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer shall put all best efforts to limit the effect of the Force Majeure Event and to resume the fulfilment of its obligations as soon as possible.
- 17.3. For the avoidance of doubt, an Event of Default shall not occur if a relevant event, matter or circumstance that would otherwise cause an Event of Default to occur is a Force Majeure Event.

## **18. REPRESENTATION OF THE NOTEHOLDERS**

- 18.1. The Collateral Agent is authorized to act with the Collateral in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement.
- 18.2. The Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for the Noteholders’ right to create and/or authorize an organization/person that represents the legal interests of all Noteholders or part thereof.
- 18.3. In case of the insolvency of the Issuer each Noteholder has the right to represent their own interests in creditors’ meetings. The Noteholders will have equal rights for satisfaction of their claims with other unsecured creditors of the Issuer.

## **19. PROCEDURE FOR APPLYING FOR NOTEHOLDERS’ CONSENT**

- 19.1. The Issuer has the right to request a consent (waiver) of Noteholders to amend the conditions provided in these Terms of the Notes Issue and the Collateral Agreements and/or to waive any right of the Noteholders these Terms of the Notes Issue (apply for a waiver). However, the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders.
- 19.2. The Collateral Agent may ask for instructions from the Noteholders in respect to the Collateral in the same manner as the Issuer may apply for the consent (waiver) of the Noteholders hereunder.
- 19.3. The amendment of these Terms of the Notes Issue and the Collateral Agreements may include the amendment of any conditions, unless they contradict the Applicable Laws.
- 19.4. The Issuer or Collateral Agent (if applicable) may apply for a consent (waiver) itself or through the intermediary of an authorised person (the “**Agent**”). In order to request a consent (waiver), the Issuer or Collateral Agent (if applicable) or Agent shall notify the Noteholders by publishing a relevant announcement on the Issuer’s webpage, specifying at the least the following information:

- (a) a description of the requested amendment;
  - (b) a justification of the necessity of such amendment;
  - (c) the date when the list of the Noteholders eligible to grant a consent (waiver) (vote) will be fixed;
  - (d) the term within which a Noteholder can support or reject the offered consent (waiver);
  - (e) instructions concerning notification about the support or rejection of the consent (waiver) and the procedure for filling in the voting form;
  - (f) notification that a Noteholder willing to grant the consent (waiver) shall notify the Issuer or Collateral Agent (if applicable) and the Agent within the term specified in the application. If the Noteholder does not notify the Issuer or Collateral Agent (if applicable) or the Agent about the approval to grant the waiver within the term specified in the application, a Noteholder shall be deemed as not having granted the waiver;
  - (g) contact details of the Issuer or Collateral Agent (if applicable) and the Agent (telephone number for inquiries, email or address for sending filled in and signed voting forms, list of representative offices and/ or branches of the Issuer and/or Issuer's Agent where the Noteholders can submit the voting forms in person);
  - (h) other information (if any).
- 19.5. The list of Noteholders shall be inquired from the Nasdaq CSD as of the date falling to the 5th (fifth) Business Day after a request for consent (waiver) was published in a manner stipulated in Clause 19.4 (*Procedure for applying for Noteholders' consent*) of these Terms of the Notes Issue. In case the Collateral Agent asks for any instructions from the Noteholders, the list of Noteholders shall be determined as at the Business Day immediately preceding the date the notice is sent to the Noteholders by the Collateral Agent directly or through Nasdaq CSD.
- 19.6. The term allowed to the Noteholders for deciding upon refusal to grant a consent (waiver) the waiver to the Issuer may not be shorter than 14 (fourteen) calendar days after a request for consent (waiver) was (a) published in a manner stipulated in Clause 19.4 or (b) in case the Collateral Agent asks for any instructions from the Noteholders, was sent to the Noteholders by the Collateral Agent directly or through Nasdaq CSD ("**Minimum consent period**"). In case the Collateral Agent asks for any instructions from the Noteholders in connection with any matter relating to the enforcement of the Notes, including any matter relating to the enforcement of Collateral, the Minimum consent period may be reduced at the discretion of the Collateral Agent to 2 (two) Business Days.
- 19.7. The Noteholders shall submit signed voting forms to the Issuer or the Agent by a deadline set in the application of the consent (waiver) directly (physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Noteholder's Custodian. If the Noteholder holds the Notes via a Custodian, then the form must (i) be submitted by or via the Custodian which is the registered holder of the Notes in Nasdaq CSD or (ii) be accompanied by powers of attorney issued by the registered holder and every Custodian between the registered holder and the Noteholder. In the situation described in the previous sentence the Issuer may but does not have to accept votes submitted by a Noteholder without meeting the conditions set out in the previous sentence; the Issuer may does not have to request proof of ownership of the Notes from the Noteholder to accept the Noteholder's vote in such a case, however, if such proof is requested, the Noteholder must provide proof reasonably satisfactory to the Issuer within the period of time given by the Issuer.
- 19.8. The consent (waiver) is deemed to be granted, if the Majority Noteholders (excluding the Notes owned by the Issuer, direct and indirect shareholders of the Issuer and Related Parties) have voted for granting the consent (waiver). In case the consent (waiver) concerns the amendment of the Terms of the Notes Issue, the Collateral Agent approval of is required for the amendment to become valid (such approval shall not be unreasonably withheld).
- 19.9. The Issuer or the Agent or Collateral Agent (if applicable) shall count the received votes and notify the Noteholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the

voting forms by publishing a relevant announcement on the Issuer's webpage. In case the Collateral Agent asks for any instructions from the Noteholders, the results shall be sent to the Noteholders by the Collateral Agent directly or through Nasdaq CSD.

- 19.10. If the votes of the Majority Noteholders required for the approval of Noteholders' consent are collected before the end of the Minimum consent period, the consent will be deemed given at that time, and the Issuer can announce the results of the consent before the end of the Minimum consent period.
- 19.11. If the granted consent (waiver) refers to specifications of the Notes and/or Coupon calculation method, as well as the procedure of Coupon payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulation determined in the Nasdaq CSD rules.
- 19.12. If the Issuer offers Noteholders a fee for granting the consent (waiver), the Issuer shall transfer the fee through the intermediary of Nasdaq CSD and in accordance with applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities.

## **20. COLLATERAL**

- 20.1. The notes are secured with a Collateral established in form of
  - 20.1.1. a rights pledge over (and/or an acquisition as collateral of) the pool of loan receivables of the Material Subsidiaries (or, subject to the prior written consent of the Majority Investors, any other Subsidiary) which arise from loans issued by the respective Subsidiary to its customers in its ordinary course of business, which are not in payment default for longer than 90 calendar days and the principal amount of which does not exceed EUR 10,000. The Collateral Agreements establishing the rights pledge (and/or an acquisition as collateral) shall be in the form of such legal instruments as most appropriate according to the Applicable Law of the individual jurisdictions of the Collateral providers, *e.g.*, In Latvia in the form of a registered commercial pledge with ancillary promissory notes *etc.* as determined by the Collateral Agent within its mandate. The Issuer undertakes to ensure that the aggregate of the principal amounts of the loan receivables pledged to the Collateral Agent (and/or acquired as collateral) to secure the Notes shall at all times, from 26 November 2024 onwards, during the validity of the Notes exceed 120% of the outstanding aggregate Nominal Values of the unredeemed (or not otherwise cancelled) Notes and that the Subsidiary complies with the Collateral Agreement;
  - 20.1.2. a corporate guarantee by each Material Subsidiary which has provided Collateral referred to in Clause 20.1.1, in total to the tune of the Nominal Value of the outstanding Notes plus three months' Coupon thereon. The amount of the corporate guarantee provided by each such Material Subsidiary must be *pro rata* the amount of the Collateral provided by that Material Subsidiary under Clause 20.1.1 to the amount of the Collateral provided all Material Subsidiaries under Clause 20.1.1;
  - 20.1.3. a pledge over all the receivables of the Issuer from each Material Subsidiary under any intra-group loan agreement pursuant to which the Issuer has provided a loan to the Material Subsidiary;
- 20.2. For the purpose of constituting security for the due and timely payment, discharge, and performance of the Secured Obligations, the Collateral shall be established in the interests of the Noteholders and under the name of the Collateral Agent (as the holder of the Collateral) in accordance with the Collateral Agreements which in legal terms, serves as security for the Notes.
- 20.3. In case of registrable Collateral, the Issuer shall provide a written confirmation on the registration and due establishment of the Collateral in the relevant registries to the Collateral Agent within 10 (ten) Business Days after the relevant registration has taken place.
- 20.4. The Collateral shall be established in accordance with the terms and conditions of the relevant Collateral Agreements to be concluded between the Collateral Agent as the holder of Collateral and the relevant Collateral provider as a provider of Collateral. The guarantees will be issued in favour of the Collateral Agent.
- 20.5. The Collateral Agent shall hold the Collateral for the benefit of the Noteholders and is authorised to act with the Collateral in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement and its amendments (enclosed as Annex 1).

- 20.6. The Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for the Noteholders' right to use any right that the Applicable Law or these Terms of the Notes Issue provide and create and/or authorise an organisation/person that represents and acts on behalf of all Noteholders or part thereof. In case of the insolvency of the Issuer, each Noteholder has the right to represent their own interests in creditors' meetings.
- 20.7. The Issuer shall be responsible for all the costs related to the registration of the Collateral and changes to the Collateral as specified herein.
- 20.8. Noteholders are entitled to get acquainted with the Collateral Agreements upon written request to the Issuer.
- 20.9. The Collateral Agent must, at the request of the Issuer, conclude and terminate (and accept and release) in full or in part
- 20.9.1. a Subordination Agreement, provided always that Clause 13(q) is complied with immediately after the conclusion or termination, viz., if after the termination of a Subordination Agreement, Subordinated Debt stands at least at EUR 3,000,000;
- 20.9.2. a Collateral Agreement referred to in Clause 20.1.1, provided always that Clauses 12(a) and 12(b) are complied with immediately after the conclusion or termination;
- 20.9.3. a guarantee referred to in Clause 20.1.2, provided that the overall requirements in respect of the guarantees set out Clause 20.1.2 are complied with immediately after the release or acceptance and no consent of any Noteholder (or of the Majority Noteholders) will be required to that end. No consent of any Noteholder (or of the Majority Noteholders) will be required for the Issuer to make such a request.

## **21. PARALLEL DEBT**

- 21.1. Notwithstanding any other provision of these Terms of the Notes Issue, for the purpose of ensuring and preserving the enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as a creditor in its own right and not as representative of the Noteholders and as a joint and several creditor (in Estonian – *solidaarvõlausaldaja*) together with the Noteholders for the purposes of the Applicable Laws, sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) in accordance with these Terms of the Notes Issue as and in case the amount falls due for payment under these Terms of the Notes Issue.
- 21.2. The Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Collateral Agent separate and independent from the obligations (whether present or future and whether actual or contingent) of the Issuer to the Investors or any of them. The Parallel Debt represents the Collateral Agent's own separate and independent claim to receive payment of the Parallel Debt from the Borrower.
- 21.3. For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be immediately and automatically decreased to the extent the Issuer has paid any amounts to the Investors under the other provisions of the Terms of the Issue, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 21.4. For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Collateral Agent under the Parallel Debt, the aggregate amount due by the Issuer to the Investors under the other provisions of the Terms of the Issue will be immediately and automatically decreased accordingly, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 21.5. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt, the Collateral Agent shall distribute such amount among the Investors in accordance with Clause 22.5 hereof.
- 21.6. The Parallel Debt is the acknowledgement of obligation (*võlatunnistus*) within the meaning of § 30 of the Law of Obligations Act (in Estonian – *võlaõigusseadus*). For the purpose of clarification, the Parallel Debt

is a constitutive acknowledgement of obligation (in Estonian – *konstitutiivne võlatunnistus*).

## **22. COLLATERAL AGENT**

### **22.1. Noteholders and the Collateral Agent**

22.1.1. By submitting a subscription order or acquiring the Notes on the secondary market, each Noteholder:

- (a) appoints the Collateral Agent to act as its agent, representative, or counsel and to perform the obligations and exercise the rights in connection with the Collateral as set forth in these Terms of the Notes Issue, the Collateral Agreements, and the Collateral Agent Agreement and authorises the Collateral Agent to exercise the rights, powers, authorities, and discretions specifically given to the Collateral Agent under or in connection with these Terms of the Notes Issue, the Collateral Agreements, and the Collateral Agent Agreement;
- (b) acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;
- (c) confirms the fact that the Collateral Agent's acts under the Collateral Agent Agreement, the Collateral Agreements, or other agreements in connection with the Notes concluded with the Issuer do not constitute any conflict of interests with respect to the Noteholder;
- (d) confirms the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent do not constitute any conflict of interests with the Noteholder (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages, and claims of the Collateral Agent in accordance with these Terms of the Notes Issue). Each Noteholder acknowledges the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent and shall not prevent the Collateral Agent from fulfilling its obligations and acting in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement;

22.1.1.1. agrees that upon the performance of its obligations and exercising of its rights in connection with the Collateral Agreements, the Collateral Agent shall be entitled to act at its own discretion, considering the interests of the Noteholders collectively and generally (and not of any particular Noteholder), unless specifically instructed otherwise by the Majority Noteholders in accordance with these Terms of the Notes Issue and without prejudice to Clause 22.6.1. (*Liability of the Collateral Agent*) of these Terms of the Notes Issue.

22.2. By submitting a subscription order or acquiring the Notes on the secondary market each private individual or legal entity, as well as their authorized representatives upon the request of the Issuer are obliged to disclose to the Issuer all information and documents on these private individuals or the legal entities, as well as their authorized representatives, and the Issuer is entitled to receive this information and documents for the purposes of performance of duties of the Issuer. This information and documents also include those documents and information that are necessary to the Issuer in order to fulfil the Issuer's obligations under AML and Sanctions regulations (e.g., information and documents on the ultimate beneficial owner).

### **22.3. Scope of Rights and Obligations of the Collateral Agent**

22.3.1. The rights and obligations of the Collateral Agent are limited to those expressly specified in the Collateral Agent Agreement and these Terms of the Notes Issue and, notwithstanding any other provisions of these Terms of the Notes Issue, such rights are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral. The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Issuer establishes the Collateral in the interests of the Noteholders and in favour of the Collateral Agent (as the holder of the Collateral) in accordance with these Terms of the Notes Issue to secure the Notes.

22.3.2. The Collateral Agent does not have any obligation:

- (a) to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to

satisfy any claims arising under these Terms of the Notes Issue in connection with any assets of the Issuer, except for enforcing the Collateral in accordance with these Terms of the Notes Issue, the Collateral Agreements, upon the Collateral becoming enforceable and receiving the relevant instruction from the Majority Noteholders;

- (b) to follow any instructions by the Issuer (i.e. § 621 of the Estonian Law of Obligations Act shall not be applied);
- (c) to ensure the existence, enforceability, or validity of the Collateral or to preserve the Collateral, or their value or to assess any rights arising from or relating to the Collateral (except for the validity of the Collateral after their establishment to the extent within the control or sphere of influence of the Collateral Agent and to the extent within the scope of its obligations under these Terms of the Notes Issue);
- (d) to inform the Noteholders and the Issuer about any circumstances relating to the Collateral except to the extent such obligation to provide information is explicitly set forth in these Terms of the Notes Issue; and
- (e) to provide any advice to the Noteholders in legal, accounting, tax, or other matters.

22.3.3. The Noteholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreements. Noteholders may exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms of the Notes Issue.

22.3.4. Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Noteholders collectively, and generally (and not any particular Noteholder) without having any independent interests of its own (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 22.3.10 (*Scope of Obligations of the Collateral Agent*) below. In particular, in accordance with these Terms of the Notes Issue, the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Noteholders upon failure to obtain instructions from the Majority Noteholders. However, the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Noteholders as described in these Terms of the Notes Issue.

22.3.5. The Collateral Agent is under no circumstances liable for the performance of the obligations of the Issuer or impossibility to enforce the Collateral in accordance with these Terms of the Notes Issue and the Collateral Agreements or any restrictions or delays thereof.

22.3.6. Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right at its own cost to use the services of third parties and to appoint third-party representatives (including, during the performance of its tasks and acts as stipulated in these Terms of the Notes Issue, the Collateral Agreements). In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall evaluate and appoint only reputable third parties having professional expertise for the fulfilment of the tasks and acts as stipulated in these Terms of the Notes Issue. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall also ensure that: (i) no conflict of interest exists in respect to the Issuer and the Majority Noteholders; (ii) the fees, costs, and expenses of such third-party services are at a reasonable market price; (iii) the fees, costs, and expenses for using the services of third parties and/or appointment of third-party representatives would not exceed costs, fees, and expenses of the Collateral Agent if the latter would perform its obligations under these Terms of the Notes Issue, the Collateral Agreements, and the Collateral Agent Agreement on its own; and (iv) it remains a duty and obligation of the Collateral Agent to perform its obligations under these Terms of the Notes Issue and the Collateral Agent Agreement and not of the appointed third-party. In case the use of services of third parties or appointment of third-party representatives is required for the fulfilment of obligations arising from these Terms of the Notes Issue, including the Collateral Agreement, Clause 22.3.10 (*Scope of Obligations of the Collateral Agent*) of these Terms of the Notes Issue is applicable. The Collateral Agent shall not be responsible for any losses and damage caused by the acts and omissions by third parties.

- 22.3.7. At the request of the Collateral Agent, the Noteholders shall provide the Collateral Agent with any information required for the purposes of identification of the Noteholders and/or for the performance of other obligations arising from the Applicable Laws.
- 22.3.8. At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Noteholders specifying the outstanding Nominal Value of the Notes each of them is holding and their latest known email addresses, if such information is available in the respective list of Noteholders provided by Nasdaq CSD. If the Issuer does not cooperate, the Collateral Agent has the right to directly request the list of Noteholders from the Nasdaq CSD for the purpose of receiving instructions from the Noteholders with respect to the Collateral.
- 22.3.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral Agreements that are outside the control or sphere of influence of the Collateral Agent.
- 22.3.10. The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for those reasonable costs relating to the performance of its obligations under these Terms of the Notes Issue, the Collateral Agreements in accordance with the Collateral Agent Agreement and shall have the right to withhold the performance of its duties and obligations in case of any delay of payment of the relevant fees and costs. As regards the costs, the Issuer shall also compensate to the Collateral Agent all reasonable payments made by the Collateral Agent to third parties for the purposes of enforcement of the Collateral in accordance with these Terms of the Notes Issue, the Collateral Agreements, (including, without limitation, state fees and taxes, other fees and payments established by Applicable Laws, reasonable costs and expenses incurred by the Collateral Agent), as well as all damages incurred by the Collateral Agent in relation to the same.
- 22.3.11. Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in these Terms of the Notes Issue or in the Estonian companies' register. All notices of the Noteholders to the Collateral Agent shall be sent in writing (letter and email) to the Collateral Agent and copied to the Issuer and the Arranger. If the Collateral Agent has doubts that a notice from a Noteholder has not been sent to the Issuer or the Arranger, then the Collateral Agent shall immediately forward such notice to the Issuer or the Arranger (as applicable).
- 22.3.12. The Collateral Agent has the right to terminate the Collateral Agent Agreement by providing a 1 (one) month prior written notice and in case: (a) the Collateral has not been granted within the term stipulated in Clause 20.4 (*Establishment of Collateral*) of these Terms of the Notes Issue; and/or (b) the Collateral Agent withdraws from performance of the tasks set out in these Terms of the Notes Issue on the grounds set out in Clause 22.7.1. or Clause 22.7.3 (*Termination of Collateral Agent Agreement*) of these Terms of the Notes Issue. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of the Collateral Agent Agreement. In any case the existing Collateral Agent shall continue the performance of its duties until the appointment of a new Collateral Agent, if such situation occurs.
- 22.3.13. The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Notes issue and/or if the Issuer considers that the Collateral Agent actions or inactions amount to wilful misconduct or gross negligence in exercising its rights. A new collateral agent must be designated by the Issuer who must take over the obligations of the Collateral Agent.
- 22.4. **Enforcement of the Collateral**
- 22.4.1. If the Event of Default has been established pursuant to Clause 14.2 (*Establishment of an Event of Default*), the Issuer within 20 (twenty) Business days shall have the right to submit the proposed action plan in respect to the claim settlement to the Noteholders ("**Action Plan**"). The Issuer shall act in accordance with Clause 19 (*Procedure for applying for Noteholders' consent*) and the Majority Noteholders shall approve of the Action Plan.
- 22.4.2. If the Majority Noteholders have not approved the Action Plan, the Issuer shall act in accordance with Clause 19 (*Procedure for applying for Noteholders' consent*) and the Majority Noteholders shall vote on whether to instruct the Collateral Agent to enforce the Collateral ("**Instruction**").
- 22.4.3. The Noteholders agree that the Collateral Agent after receiving the Instruction will enforce the Collateral.

- 22.4.4. The Collateral Agent may rely that the Issuer has performed its obligations under the Notes in accordance with these Terms of the Notes Issue until the Majority Noteholders have adopted the Action Plan or it has received the Instruction.
- 22.4.5. If the Majority Noteholders in accordance with Clause 22.4 (*Enforcement of the Collateral*) of these Terms of the Notes Issue have instructed the Collateral Agent to enforce the Collateral, the Collateral Agent shall immediately inform (by publishing on Issuer's webpage or on its own webpage) all Noteholders thereof.
- 22.4.6. The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction regarding Instruction, from the Majority Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral. Upon such request, the Majority Noteholders shall give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications, such a time period is to be at least 2 (two) Business Days. The Collateral Agent may refrain from acting unless and until Majority Noteholders have provided the Collateral Agent with requested instructions or clarifications.
- 22.5. **Application of the proceeds from enforcement of the Collateral**
- 22.5.1. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- (a) as the first priority: to the satisfaction and payment of all fees, costs, expenses, and damages (including, without limitation, state duties, notary fees, valuation costs, and fees, costs, and expenses of third parties engaged in by the Collateral Agent pursuant to conditions set out, *inter alia*, in Clauses 22.3.6. and 22.3.10. (*Scope of Obligations of the Collateral Agent*) of these Terms of the Notes Issue) related to the performance of its duties by, or otherwise payable to, the Collateral Agent under these Terms of the Notes Issue, the Collateral Agent Agreement, the Collateral Agreements, including, but not limited to, the establishment, amendment, termination, and enforcement of the Collateral, representation of Noteholders (convocation of Noteholders' meetings, negotiation with the Issuer in the name of Noteholders and execution of decisions adopted by Noteholders' meetings, reporting to Noteholders regarding protection of Noteholders' interests) incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have occurred on a reasonable market price and the fees of the Collateral Agent are within the limits set out in the Collateral Agent Agreement;
  - (b) as the second priority (after full satisfaction, payment, and deduction of all claims and amounts set forth in Clause 22.5.1. (a) above): in payment of the claims of the Noteholders arising under these Terms of the Notes Issue, including, but not limited to, the claims arising from the Notes.
- 22.5.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages, and claims of the Collateral Agent specified in Clause 22.5.1. (a) above and immediately transfer the remaining proceeds to the Noteholders for satisfying the claims under Clause 22.5.1. (b) above. The Collateral Agent shall immediately return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 22.5.1. (*Application of the proceeds from enforcement of the Collateral*) of these Terms of the Notes Issue to the Issuer.
- 22.5.3. In case the proceeds remaining after covering the fees, costs, expenses, damages, and claims under Clause 22.5.1. (a) above do not cover the claims of the Noteholders under Clause 22.5.1. (b) above in full, these claims of the Noteholders shall be satisfied *pro rata* to the Nominal Value of the Notes held by the Noteholders.
- 22.5.4. The Collateral Agent is not obliged to pay to the Noteholders or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 22.5.5. In case the Collateral Agent is required, under Applicable Law, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.
- 22.6. **Liability of the Collateral Agent**

- 22.6.1. If Majority Noteholders have submitted Instruction to the Collateral Agent, the Collateral Agent is obligated to comply with the Instruction and enforce the Collateral in accordance with Clause 22.4.3 (*Enforcement of the Collateral*). Any such instructions from the Majority Noteholders will be binding on all Noteholders. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions.
- 22.6.2. Notwithstanding Clause 22.6.1. above, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to the Terms of the Notes Issue, the Collateral Agreements, the Collateral Agent Agreement or Applicable Laws or otherwise render it liable to any person. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Noteholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including, but not limited to, legal fees), and liabilities which it will or may expend or incur in complying with such instructions.
- 22.6.3. Without prejudice to Clause 22.4.6. (*Enforcement of the Collateral*), Clause 22.6.1. and Clause 22.6.2. (*Liability of the Collateral Agent*) of these Terms of the Notes Issue, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its own discretion reasonably believes is in the best interests of the Noteholders. The Collateral Agent shall not be liable to the Noteholders for acting (or refraining from acting) as described in these Terms of the Notes Issue or in accordance with the instructions of the Noteholders and/or Applicable Law, except for losses, damages, costs and expenses incurred by the Noteholders due to wilful misconduct or gross negligence by the Collateral Agent. The liability of the Collateral Agent towards the Noteholders is limited to an amount equal to 2x of the payments received by the Collateral Agent for the performance of its obligation under the Collateral Agent Agreement or the Collateral Agreements, save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.
- 22.6.4. The Collateral Agent shall not be liable to the Noteholders for the outcome of the enforcement of the Collateral, provided the Collateral Agent has acted in accordance with these Terms of the Notes Issue and the Collateral Agreement, except for losses, damages, costs and expenses incurred by the Noteholders due to wilful misconduct or gross negligence by the Collateral Agent. The liability of the Collateral Agent is limited to an amount equal to 2x of the payments received by the Collateral Agent for the performance of its obligation under the Collateral Agent Agreement or the Collateral Agreements, save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.
- 22.7. **Termination of Collateral Agent Agreement**
- 22.7.1. The Collateral Agent shall have the right to unilaterally terminate the performance of its duties described in these Terms of the Notes Issue in accordance with the Collateral Agent Agreement (including, without limitation, terminate the enforcement of the Collateral) in case:
- (a) in the reasonable opinion of the Collateral Agent (further) enforcement of the Collateral on reasonable terms is not possible or feasible; and/or
  - (b) in the opinion of the Collateral Agent the Collateral ceases to exist for any reason.
- 22.7.2. In order to exercise its right of termination under Clause 22.7.1. above, the Collateral Agent shall submit a respective written notice (by letter or email) stating the basis of exercising the right of termination to the Issuer. The Issuer shall immediately inform the Noteholders of receipt of the notice by publishing a relevant notice on the Issuer's webpage.
- 22.7.3. The Collateral Agent shall have the right to resign due to justifiable reasons other than those stated in Clause 22.7.1. above by submitting a respective written notice (by letter or email) to the Issuer. The justifiable reasons shall include the following:
- (a) Any facts or circumstances occurring until the Maturity Date that would render any further action by the Collateral Agent illegal, unethical, or cause reputational risks to the Collateral Agent;
  - (b) The Issuer provides false information regarding its ultimate beneficial owner or is non-compliant with applicable anti-money laundering laws;

- (c) The Issuer or related person of the Issuer is subject to local or international sanctions (i.e., the restrictive measures imposed by the United Nations Security Council, the European Union, the Republic of Latvia, Republic of Estonia or Office of Foreign Assets Control (OFAC) of the United States).
- 22.7.4. The Issuer shall immediately inform the Noteholders of receipt of the notice by publishing a relevant notice on the Issuer's webpage. The duties and obligations of the Collateral Agent shall be deemed to have terminated upon the appointment of a successor Collateral Agent and acceptance by such appointment of the successor Collateral Agent and the execution of all necessary documentation to effectively substitute the retiring Collateral Agent. In any case, the successor Collateral Agent shall be a reputable legal entity authorized to act with the Collateral in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement, who has a professional experience in capital markets transactions and expertise for the fulfilment of the tasks as a collateral agent. The Service Providers' professional liability shall be insured in the course of the performance of its functions.
- 22.7.5. No later than 3 (three) months after the receipt of the relevant notice under Clause 22.7.1. or Clause 22.7.4. above by the Issuer a successor collateral agent must be designated by the Issuer, who must take over the obligations of the retiring Collateral Agent. If a successor Collateral Agent has not been appointed within the term set out in this Clause, the duties and obligations of the retiring Collateral Agent shall be deemed to have terminated.
- 22.7.6. The Collateral Agent shall evaluate that no conflict of interest exists with regard to the Noteholders, however, the existence of a conflict of interest shall not prevent the Collateral Agent from fulfilling its obligations to the extent and scope as described in these Terms of the Notes Issue and as provided in the Collateral Agreements and in the Collateral Agent Agreement.

### **23. ANNEXES**

The following Annexes are enclosed to these Terms of the Notes:

- 23.1. Annex 1 - Collateral Agent Agreement;
- 23.2. Annex 2 – Subordination Agreement;
- 23.3. Annex 3 – Estonian Claims' Pledge Agreement;
- 23.4. Annex 4 – Latvian Claims' Pledge Agreement;
- 23.5. Annex 5 – Promissory Note;
- 23.6. Annex 6 – Intra-Group Claims' Pledge Agreement;
- 23.7. Annex 7 – Estonian Guarantee Agreement;
- 23.8. Annex 8 – Latvian Guarantee Agreement.

## TAXES

### NOTICE

This summary is of a general nature, provided as at the date of the Terms of the Notes Issue and should not be considered legal or tax advice. This summary does not contain full and complete information on all the taxes that relate to investment in the Notes. Tax rates and conditions for paying taxes may change during the life of the Notes (*inter alia*, some of the changes have already been adopted). The Issuer will not be updating this summary. Potential Investors should consult with their own tax advisors with respect to their particular circumstances and the effects of the tax laws to which they may be subject.

### WITHHOLDING TAX

#### Non-resident Noteholders

According to the Estonian Income Tax Act ("EITA"), interest payments made by the Issuer to Estonian non-resident Noteholders (both corporate entities and natural persons) will not be subject to withholding tax in Estonia. The permanent establishments of non-residents in Estonia share the same tax treatment as resident corporate entities (see "Resident Noteholders" below).

#### Resident Noteholders

Pursuant to the EITA, interest payments made by the Issuer to Estonian resident corporate taxpayer or private entrepreneur (in Estonian – *füüsilisest isikust ettevõtja*) Noteholders will not be subject to withholding tax in Estonia.

Withholding tax at the rate of 20% (twenty per cent) will be levied on the taxable interest payments made by the Issuer to Estonian resident natural person Noteholders.

### INCOME TAXATION

#### Non-resident Noteholders

According to the EITA, interest payments made by the Issuer to Estonian non-resident Noteholders (corporate entities and natural persons) is not subject to income tax in Estonia. The interest income and capital gains received by non-resident Noteholders may be subject to taxation in their country of residence.

With regard to interest income received by a permanent establishment located in Estonia, see "Resident Noteholders" below.

#### Resident Noteholders

##### - Corporate Residents

Interest income and capital gains received by resident legal entities and permanent establishments of non-residents is not subject to corporate income tax ("CIT") in Estonia upon receiving the income. Such income is included in the income of the resident or a permanent establishment but is not immediately taxed. CIT is levied upon profit distribution. Permanent establishments of non-residents of Estonia are taxed similarly resident corporate entities, with some special rules. Profit attributed to a permanent establishment is subject to CIT when it has been taken out of the permanent establishment in monetary or non-monetary form.

##### - Resident Individuals

The interest income received by Estonian tax resident individual is subject to 20% (twenty per cent) personal income tax ("PIT") in Estonia, which is withheld by the Issuer. Interest income means all interest accrued from loans, leases and other debt obligations, as well as securities and deposits, including such amount calculated on the debt obligations by which the initial debt obligations are increased.

Capital gains earned by Estonian tax resident individuals from the sale or exchange of Notes is taxed as profit from the transfer of property, which is subject to PIT at the rate of 20% (twenty per cent). Pursuant to Section 37 (1) of the EITA, gains or loss derived from the sale of Notes is the difference between the acquisition cost and the selling price of the Notes. The gains or loss derived from the exchange of property is the difference

between the acquisition cost of the property subject to exchange and the market price of the property received as a result of the exchange. Additionally, a Noteholder has the right to deduct proved expenses directly related to the sale or exchange of property from the Noteholder's gain or to add such expenses to the Noteholder's loss.

Taxation of an Estonian tax resident private entrepreneur (in Estonian – *füüsilisest isikust ettevõtja*) is different.

## TERMS OF THE PRIVATE OFFERING

These Terms of the Private Offering set forth the terms and conditions for the initial offering of the Notes to potential Investors before the issuance thereof. The Terms of the Private Offering shall not apply after the issuance of the Notes.

### 1. Placement period

The placement for the Notes is divided in two stages:

- 1.1. Initial offering (New Subscription) for the Notes commences on 4 November 2024 at 10:00 Tallinn time and shall end on when all Notes are sold, whichever is earlier but not later than 3 (three) months from the Issue Date as per Clause 6.
- 1.2. The offer to exchange existing notes with ISIN EE3300002294 to Notes. During this period the existing notes with the ISIN EE3300002294 ("Existing Notes") can be exchanged for the Notes with a settlement date on the First Settlement Date, which is 20 November 2024.

### 2. Subscription and exchange terms

- 2.1. The subscription orders to the Notes can be submitted to the Arranger every Business Day during normal working hours until the end of the placement period. More detailed information on the submission of the subscription orders is available by phone (+371 67 081 069).
- 2.2. The subscription orders can also be submitted to other Custodians, which in turn shall submit orders to the Arranger until the end of the placement period. The form of such subscription orders is regulated by contracts between Noteholders and Custodians and by the Applicable Laws.
- 2.3. If the subscriber owns notes of the Issuer with ISIN EE3300002294 either on its own securities' account or directly via a nominee account of the Arranger, the subscription order will (a) contain a provision providing for the roll-over of said notes into the Notes to the extent said notes are rolled-over and (b) in case of a nominee account an instruction to the Arranger to issue the requisite free-of-payment securities' transfer orders to effect said roll-over.
- 2.4. The exchange ratio is one-to-one and any number of the Existing Notes can be used for the exchange to the extent the Notes are unsold. The minimal initial subscription size (the "**Minimum Investment Amount**") is EUR 100,000.00 (one hundred thousand Euro), as per Article 1 of Regulation (EU) 2017/1129. The subscription size should be equal to a multiple of the Settlement Unit Multiple. Only those Existing Notes investors who hold the Existing Notes of at least EUR 100,000 (one hundred thousand euro) are eligible to participate in the exchange offer.
- 2.5. Total Nominal Value of the Notes to be purchased and provided in each subscription order shall be for at least Minimum Investment Amount. Potential Investors have the right to submit several orders during the offering.
- 2.6. All subscription orders to the Notes shall be considered as binding and irrevocable commitment to acquire the allotted Notes.
- 2.7. By submitting the subscription order the Potential Investor confirms that it: (a) has read and understands these Terms of the Notes Issue; and (b) agrees and commits to adhere to these Terms of the Notes Issue.
- 2.8. Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.
- 2.9. The First Settlement Date of the Notes is 20 November 2024.
- 2.10. All the expenses related to the acquisition and custody of the Notes shall be borne by a Potential Investor in compliance with the pricelist of a credit institution or investment service provider, through which the Potential Investor purchases and keeps Notes. The Issuer is not obliged to compensate any such expenses

incurred by the Potential Investor.

### **3. Price of the Notes**

- 3.1. The purchase price of the Notes can be equal to 100% (one hundred percent) of the Nominal Value or it can be lower or higher than the Nominal Value, meaning that the Notes can be sold with a discount or premium, plus accrued interest.
- 3.2. All subscription orders that have been submitted after the First Settlement Date shall be executed with accrued interest, unless the subscription orders are submitted within 5 (five) Business Days before the end of each respective quarter – from the Coupon record date and until the Coupon Payment Date, in which case the subscription orders shall be executed without accrued interest.

### **4. Allocation of the Notes to Noteholders**

- 4.1. The Notes are allocated to the Noteholders in the amount not larger than the amount specified in the subscription order and not less than the Minimum Investment Amount.
- 4.2. In case the total number of Notes subscribed for during the placement period is less than the number of Notes available, the Notes will be allotted based on the subscription orders placed.
- 4.3. In case the total number of Notes subscribed for is higher than the number of Notes available, the Issuer will try to maintain the proportional reduction principle to the extent possible in the final allocation of the Notes, however, the Issuer has a right to refuse all or part of the subscribed Notes to any Potential Investor at its sole discretion, thus, the proportionality principle might not be observed. The Notes allocated to the Noteholders shall not be fewer than the Minimum Investment Amount.
- 4.4. The Issuer or Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any Potential Investor due to AML, Sanctions regulations compliance risk, or other risks.

### **5. Reduction of the Notes issue size**

- 5.1. The Issuer may decide to discontinue placement of the Notes at any time during the placement period.
- 5.2. The Issuer may also decide on the reduction of the Notes issue size.

### **6. Subscription by the Issuer**

Issuer will subscribe for the full amount of the Notes and receive the Notes on the Issuer's securities account on the Issue Registration Date for the purpose of selling the Notes to Investors on the Issue Date based on subscription results. The Issuer shall not be required to make a payment for the Notes received on the Issue Registration Date. The Notes shall be registered in Nasdaq CSD on the securities account of the Issuer on the Issue Registration Date. For the avoidance of doubt, the Notes so subscribed by the Issuer shall not provide the Issuer with any Investor's rights deriving from the Notes other than the right to sell the Notes to the Investors based on the subscription results. The Notes will be sold for a price as per Section 3 "Price of the Notes" and after being transferred to the Investors other than the Issuer, shall give the acquiring Investors all Investors' rights from the moment of transferring the Notes to the securities account of the respective Investor. The Notes so held by the Issuer which have not been sold to Investors within 3 (three) months as of the Issue Date, shall be cancelled and deleted from Nasdaq CSD.

### **7. Settlement and delivery of the Notes**

- 7.1. The settlement date for the Notes can be any Business Day which is not earlier than the 2<sup>nd</sup> (second) Business Day and not later than the 20<sup>th</sup> (twentieth) Business Day after the subscription order is duly submitted to the Arranger.
- 7.2. Settlement of the Notes will be executed through Nasdaq CSD in accordance with the DVP (delivery versus payment) principle pursuant to the applicable rules of Nasdaq CSD.
- 7.3. The Custodians execute payments for the Notes based on the results of the subscription provided by the Arranger. The Notes will be transferred to the Noteholders' financial instrument accounts on the settlement date.
- 7.4. Settlement for the Notes can be executed according to other procedure, which is agreed to by the Arranger and a Potential Investor, but in any case, through Nasdaq CSD in accordance with the DVP (delivery versus

payment) principle pursuant to the applicable rules of Nasdaq CSD.

**8. Pre-emptive rights**

None of the Potential Investors has the rights of pre-emption in respect to purchase of the Notes.

**9. Admission**

9.1. The Issuer does not undertake to register the Terms of the Notes Issue with the EFSA. Additionally, the Issuer does not plan to list the Notes on the Multilateral Trading Facility (MTF) First North, operated by Nasdaq Riga or on any regulated market.

9.2. The Issuer has not signed any agreement with any person for liquidity maintenance of the Notes on the secondary market.

## **GENERAL INFORMATION**

The below information is provided for information purposes only as at the date of these Terms of the Notes Issue.

### **GENERAL INFORMATION ON THE ISSUER**

The Issuer is ESTO Holdings OÜ, a limited liability company registered in the Enterprise Register of the Republic of Estonia under registration no. 14996345 and registration date of 26.06.2020. The legal entity identifier is 894500UN7EH159A54J90.

The Issuer carries out its activities in accordance with the Applicable Laws.

The legal address of the Issuer is: Harju maakond, Tallinn, Kesklinna linnaosa, Laeva 2, 10111, Estonia.

### **DECISIONS OF THE ISSUER ON THE NOTES ISSUE**

On 1 November 2024 the Issuer's shareholder passed the decision to issue the Notes and to authorize the management board to approve and sign all the documents (including the Terms of the Notes Issue and the Collateral Agent Agreement) related to the issuance of the Notes.

### **AUDITOR**

The Issuer's annual reports for the financial years preceding the year 2024 (except for the year 2020) have been audited. The financial auditor of the annual report of 2023 was KPMG Baltics OÜ and will remain the same for financial year 2024 annual report.

### **ADVISORS INVOLVED IN THE ISSUE**

The Issuer has concluded an agreement with the Arranger to organise the Notes issue, to communicate with Nasdaq CSD, market Notes to investors and conduct settlement of the Notes during the placement period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Notes.

The Issuer has signed the Collateral Agent Agreement with the Service Providers and the Collateral Agent. The Collateral Agent holds the Collateral on behalf of the Noteholders and is authorized to act with the Collateral in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement. The Collateral Agent may provide other services to the Issuer in the future and receive remuneration for it.

### **EXTERNAL AUDIT OF THE INFORMATION INCLUDED IN THESE TERMS OF THE NOTES ISSUE**

The information included in these Terms of the Notes Issue has not been verified by auditors.

### **STATEMENTS OR REPORTS INCLUDED IN THESE TERMS OF THE NOTES ISSUE**

These Terms of the Notes Issue do not contain any expert statements or reports.

### **CREDIT RATINGS**

No credit rating has been assigned to the Issuer or to the Notes.

## BUSINESS DESCRIPTION

The below information is provided for information purposes only as at the date of these Terms of the Notes Issue.

### 1. OVERVIEW

The Issuer is ESTO Holdings OÜ.

The Issuer's registration number is 14996345

Legal address and location of management and operations is Harju maakond, Tallinn, Kesklinna linnaosa, Laeva 2, 10111, Estonia.

Legal form: limited liability company, legal status — legal person.

Country of location: Republic of Estonia.

The Issuer carries out its activities in accordance with the legal acts of the Republic of Estonia.

### 2. ISSUER STRUCTURE

As of the date of the Terms of the Notes Issue, the group of the Issuer consists of the Issuer, ESTO Holdings OÜ, and three subsidiaries.

Esto AS, registered in Estonia, provides consumer credit services in the Republic of Estonia.

Esto UAB, registered in Lithuania, provides consumer credit services in the Republic of Lithuania.

Esto LV AS, registered in Latvia, provides consumer credit services in the Republic of Latvia.

Company name	Registration number	Country	ESTO Holding OÜ's shareholding, %
Esto AS	14180709	Estonia	100%
Esto UAB	305219905	Lithuania	100%
Esto LV AS	40103050993	Estonia	100%

Since the Issuer is a holding company, the solvency of the Issuer is directly dependent on the operational subsidiaries and their financial results.

#### 2.1. Corporate governance

The Issuer's corporate governance structure consists of the management board and the general meeting of shareholders as the highest governing body of the Issuer. The management board is executive institution of the Issuer, which carries out general and strategic management, as well as representation of the Issuer. Management board is elected by the general meeting (sole shareholder) of the Issuer. The Issuer has no supervisory board or audit committee.

#### 2.2. Management board of the Issuer

The management board of the Issuer serves as the executive body entrusted with the pivotal responsibilities of overseeing and directing the entirety of its business operations. This includes not only the efficient management and representation of the organization but also the diligent fulfilment of various obligations.

At the date of the Terms of the Notes Issue the management board of the Issuer consists of Mikk Metsa, who is the only member of the board with the rights of sole representation. Senior management of the group comprises the following persons.

Name	Position	Company
Mikk Metsa	Management board member, CEO	ESTO Holdings OÜ

## ESTO Holdings OÜ Terms of the Notes Issue

Gustav Juurikas	CFO	ESTO Holdings OÜ
Mikk Mikhel Nurges	CPO	ESTO Holdings OÜ
Dmitrij Mochov	CRO	ESTO Holdings OÜ
Alina Mazzotti	CMO	ESTO Holdings OÜ
Konstantin Raimla	CDO	ESTO Holdings OÜ

### 2.3. Conflicts of interest and other declarations

As at the date of these Terms of the Notes Issue, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the duties of its member of the management board and his private interests and/or other duties.

### 2.4. Issuer's shareholder structure

At the moment of signing the Terms of the Issue, the current structure of the Issuer's shareholders is as follows:

Table \_\_ – Issuer's Existing Shareholders structure as of 30.09.2024

Name, surname/ Legal name	Shareholder distribution, %
EESTI EKSPORT OSAÜHING (beneficiary - Vahur Rajaver)	15.00%
ENTOURAGE OÜ (beneficiary – Kristjan Tiik)	15.00%
WELLMAN OÜ (beneficiary – Ivo Tahk)	19.92%
METCAP HOLDCO OÜ (beneficiary – Mikk Metsa)	19.60%
OÜ MRTIN INVEST (beneficiary – Martin Ustaal)	19.20%
Electric Sun 20 Capital Investments OÜ (beneficiary – Mikk Mihkel Nurges)	7.30%
Mikk Mihkel Nurges	2.42%
Marge Muug-Tahk	1.08%
Siim Nurges	0.48%
<b>Total:</b>	<b>100.00%</b>

### 2.5. Share option agreements

At the time of signing the Terms of the Notes Issue, the Issuer has not concluded any share option agreements.

### 2.6. Legal proceedings and arbitration

At the date of the Terms of the Notes Issue, the Issuer or its management board members are not involved in any lawsuits or arbitration proceedings, which may significantly affect or have significantly affected the financial situation or profitability of the Issuer.

### 2.7. Anti-money laundering (AML)

The Group is committed to conducting thorough and comprehensive process identifying potential AML risks and sanctions risks.

### 2.8. Substantial changes in the financial situation of the Issuer

Compared to the date of the publication of its last statutory financial statements, the financial situation or performance of the Issuer has not worsened. Other than general changes in Estonian tax laws, the Issuer is unaware of any factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in future.

### 2.9. Important agreements

The Issuer is not aware of any other important agreements or internal decisions that could have been concluded/made within the Issuer or between the Issuer and any related company and that could affect the Issuer's ability to fulfil its obligations to the Noteholders under the Notes.

**2.10. Significant recent and known trends**

At the time of signing the Terms of the Notes Issue, the Issuer has no information at its disposal regarding any other known trends that have negatively affected the Issuer or the activity.

## SELECTED FINANCIAL INFORMATION OF THE ISSUER

The below information is provided for information purposes only as at the date of these Terms of the Notes Issue.

### 1. GENERAL

The profit / loss forecast has not been carried out.

The Issuer's financial reports will be available on the Issuer's webpage.

### 2. ISSUER'S FINANCIAL STATEMENTS

The tables below present key selected financial information for the Issuer and have been derived from the Issuer's operational financial statements.

#### ISSUER'S CONSOLIDATED STATEMENT OF INCOME ('000 EUR)

EUR	FY 2022	FY 2023	9M 2023	9M 2024
Interest income from loans	8,178	17,190	12,428	16,462
Interest expense	(2,970)	(5,715)	(4,056)	(5,256)
Net interest income from loans	5,208	11,474	8,372	11,206
Total other interest income	-	20	-	-
Fee and commission income	1,284	2,749	1,954	2,809
Fee and commission expense	(722)	(1,323)	(252)	(465)
Net fee and commission income	862	1,426	1,418	2,344
Other income	19	-	-	92
Net loss arising from derecognition of financial assets measured at amortized cost	(1,424)	(3,510)	(2,638)	(3,656)
Impairment losses on financial instruments	(186)	(446)	(333)	565
Other operating expenses	(1,590)	(3,101)	(3,082)	(3,241)
Personnel expenses	(1,433)	(2,553)	(1,604)	(1,899)
Depreciation and amortization	(159)	(216)	(160)	(180)
Other expenses	(287)	(347)	(137)	(187)
<b>Profit (loss) before tax</b>	<b>710</b>	<b>2,748</b>	<b>2,120</b>	<b>5,042</b>
<b>Income tax</b>	<b>94</b>	<b>106</b>	<b>64</b>	<b>43</b>
Unrealized gain from financial instruments	-	-	-	56
<b>Net profit (loss) for financial year</b>	<b>804</b>	<b>2,854</b>	<b>2,183</b>	<b>5,140</b>

ISSUER'S CONSOLIDATED STATEMENT OF FINANCIAL POSITION ('000 EUR)

EUR	FY 2022	FY 2023	9M 2023	9M 2024
Cash and cash equivalents	900	2,398	2,616	3,480
Loans and prepayments	44,386	58,470	52,791	61,359
Prepayments and other assets	1,206	1,441	1,440	1,935
<b>Total current assets</b>	<b>46,492</b>	<b>62,309</b>	<b>56,847</b>	<b>66,775</b>
Loans and advances to customers	4,574	5,888	5,037	9,684
Property and equipment	92	73	80	84
Intangible assets	1,480	1,971	1,842	2,426
Other assets	489	274	272	333
<b>Total non-current assets</b>	<b>6,635</b>	<b>8,206</b>	<b>7,231</b>	<b>12,528</b>
<b>Total assets</b>	<b>53,126</b>	<b>70,515</b>	<b>64,077</b>	<b>79,303</b>
Loans and borrowings	10,328	39,482	14,072	38,460
Trade payables and other payables	1,101	1,756	1,129	2,119
Tax liabilities	98	120	120	151
<b>Total current liabilities</b>	<b>11,528</b>	<b>41,359</b>	<b>15,321</b>	<b>40,730</b>
Loans and borrowings	35,748	20,450	40,564	25,767
Other	-	-	-	-
<b>Total non-current liabilities</b>	<b>35,748</b>	<b>20,450</b>	<b>40,564</b>	<b>25,767</b>
<b>Total liabilities</b>	<b>47,275</b>	<b>61,809</b>	<b>55,885</b>	<b>66,496</b>
Share capital	5	5	5	5
Share premium	29,698	435	435	435
Voluntary capital	-	29,263	29,263	28,263
Merger reserve	(23,952)	(23,952)	(29,479)	(23,952)
Retained earnings	(745)	100	5,660	2,916
Total comprehensive income	845	2,854	2,309	5,140
<b>Total equity</b>	<b>5,851</b>	<b>8,705</b>	<b>8,129</b>	<b>12,807</b>
<b>Total liabilities and equity</b>	<b>53,126</b>	<b>70,515</b>	<b>64,077</b>	<b>79,303</b>