

## I. SUMMARY OF THE PROSPECTUS

### Section 1 - Introduction and Warnings

#### **Introduction**

##### The securities

9.5% to 11.5% senior secured bonds due 6 October 2026 for an aggregate principal amount of up to EUR 50,000,000 of 6 October 2021 with ISIN XS2378483494.

##### The issuer

The Issuer is luteCredit Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B. 234678 and having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 42 22 29 and its fax number is +352 42 64 43. The Issuer's legal identifier (LEI) is 2221005B3DQGM4INWF57.

##### Competent authority approving the Prospectus and date of approval

In order for the Bonds to be offered and admitted to trading on Frankfurt Stock Exchange's regulated market and on Nasdaq Tallinn Stock Exchange's regulated market, this Prospectus has been approved on 30 August 2021 by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier – "CSSF"*), with address at 283, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 26 25 1 - 1 (switchboard), its fax number is +352 26 25 1 – 2601 and its email is [direction@cssf.lu](mailto:direction@cssf.lu).

#### **Warnings**

This summary should be read as an introduction to the Prospectus.

Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor.

The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

### Section 2 - The Issuer

#### ***Who is the issuer of the securities?***

##### Domicile, legal form, LEI, relevant jurisdiction

luteCredit Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and operating under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B.234678 and having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg is the Issuer. Its telephone number is +352 42 22 29 and its fax number is +352 42 64 43. The Issuer's legal identifier (LEI) is 2221005B3DQGM4INWF57. As at the date of this Prospectus, the parent company of the Group (as defined below) is AS luteCredit Europe, a public limited liability company incorporated and existing under the laws of Estonia, registered with the trade and companies register of Estonia under number 11551447 and having its registered office at Maakri 19/1, EST-10145 Tallinn, Estonia ("**Holdco**").

### Principal activities

The Issuer's principal activity is to issue bonds in one or more tranches or series of bonds for the purpose of applying all of the proceeds thereof to grant one or more loans to AS luteCredit Europe, or any company being a direct or indirect shareholder of the Issuer or any company belonging to the same group as the Issuer (the "**Connected Companies**"), including any tap issuance of additional bonds or bonds having a separate ISIN.

The Issuer and the consolidated group companies under Holdco, including the Guarantors (the "**Group**" or "**luteCredit**"), are specialized in the provision of consumer loans to individuals.

### Major shareholders

The following table sets out the relevant shareholding of the Issuer as at the date of this Prospectus:

|   | <b>Details of the holder entity</b> | <b>Number of shares</b> | <b>%</b>    |
|---|-------------------------------------|-------------------------|-------------|
| 1 | <b>AS luteCredit Europe</b>         | 12,000                  | 100%        |
|   | <b>Sum</b>                          | <b>12,000</b>           | <b>100%</b> |

As of the date of this Prospectus, the beneficial owners of the Issuer are: (i) Mr. Allar Niinepuu, holding directly 0.6442 % and indirectly 44.9115 % of the voting share capital of Holdco; (ii) Mr. Tarmo Sild, holding directly 1.9626 % and indirectly, together with Ms. Kristi Sild, 44.9115 % of the voting share capital of Holdco; and (iii) Ms. Kristi Sild holding directly 0.107 % and indirectly, together with Mr. Tarmo Sild, 44.9115 % of the voting share capital of Holdco. The remaining voting share capital of Holdco is diluted.

### Key managing managers

The Issuer is currently managed by a board of managers composed of one class A manager and two class B managers and being: Ms. Kristel Kurvits, class A manager, Ms. Ann Leonie R Lauwers, class B manager and Mr. Pieter Adriaan C.S. van Nugteren, class B manager, all appointed for an unlimited period.

### Statutory auditor

The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the financial year ending 31 December 2020 is KPMG Luxembourg (*société coopérative*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B.149133. KPMG Luxembourg is a member of the Luxembourg Institute of Statutory Auditors (*Institut des réviseurs d'entreprises*).

### ***What is the key financial information regarding the Issuer ?***

The tables below present key selected financial information for luteCredit Finance S.à r.l. for the periods from 1 January 2020 to 31 December 2020, 20 May 2019 to 31 December 2019 and the six-month periods ended 30 June 2021 and 30 June 2020. This financial information has been derived from luteCredit Finance S.à r.l.'s audited financial statements for the period from 1 January 2020 to 31 December 2020 and luteCredit Finance S.à r.l.'s unaudited interim financial statements as of and for the six-month period ended 30 June 2021. Such financial statements of luteCredit Finance S.à r.l. have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

#### *Selected statement of comprehensive income data of the Issuer (in million EUR)*

| EUR  | 01.01.2020-<br>31.12.2020 | 20.05.2019-<br>31.12.2019 | Jan-Jun 2021 | Jan-June 2020 |
|--|---------------------------|---------------------------|--------------|---------------|
| Total comprehensive income for the year/period | 0.3                       | (0.2)                     | 0.0          | 0.1           |

*Selected statement of financial position data of the Issuer (in million EUR)*

| EUR                          | 01.01.2020-<br>31.12.2020 | 20.05.2019-<br>31.12.2019 | Jan-Jun 2021 |
|------------------------------|---------------------------|---------------------------|--------------|
| Total liabilities            | 46.6                      | 38.5                      | 50.4         |
| Total liabilities and equity | 46.7                      | 38.4                      | 50.7         |

*Selected statement of cash flows data of the Issuer (in million EUR)*

| EUR                                       | 01.01.2020-<br>31.12.2020 | 20.05.2019-<br>31.12.2019 | Jan-Jun 2021 | Jan-June 2020 |
|---|---------------------------|---------------------------|--------------|---------------|
| Net cash flows from operating activities  | (4.9)                     | (25.3)                    | 3.2          | 3.0           |
| Net cash flows from financing activities  | 4.9                       | 25.3                      | (3.3)        | (3.0)         |
| Net cash flows from investment activities | 0.1                       | 0.0                       | 0.0          | 0.0           |

***What are the key risks that are specific to the Issuer?***

a. Risk relating to the Group's business activities and industry

Future prospects: We have a limited operating history in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to (i) increase the number and total volume of loans we extend to our customers, while managing our credit risk, (ii) improve the terms on which we provide loans to our customers as our business becomes more efficient, (iii) increase the effectiveness of our direct marketing, (iv) increase partnership and brokerage network, (v) successfully develop and deploy new products, (vi) favorably compete with other companies that are currently in, or may in the future enter, the business of consumer lending, (vii) successfully navigate economic conditions and fluctuations in credit markets, (viii) effectively manage the growth of our business, (ix) respond to regulatory developments, (x) successfully integrate new acquisitions and (xi) successfully expand our business into new markets. We may not be able to successfully address these risks and difficulties, which could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Difficulties in assessing the credit risk of potential customers: Despite the credit scoring of the Group, it may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. The Group's lending decisions are based partly on information provided to it by applicants. Prospective customers may fraudulently provide it with inaccurate information upon which, if not alerted to the fraud, the Group may base its credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in the Group's evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on the Group's business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of our licenses).

Foreign exchange risks: The Group operates in various jurisdictions and provides loan products in local currencies: the Bulgarian Lev, the Moldavian Leu, the Albanian Lek, the Macedonian Denar and the Bosnia and Herzegovinian Convertible Mark. Thus, its results of operations are exposed to foreign exchange rate fluctuations and any failure to manage foreign exchange risk may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

**Covid-19:** In addition to the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of some customer segments, the Covid-19 pandemic could lead to further slowdowns in business activities.

b. Risks related to the Group's financial situation

**Changes in our working capital requirements:** Our working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for the provision of consumer loans. If our available cash flows from operations are not sufficient to fund our on-going cash needs, we would be required to look to our cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

**Level of indebtedness:** We have substantial indebtedness and we may incur additional indebtedness. Our high level of indebtedness could have important consequences for holders of the Bonds. The high level of our indebtedness and the consequences thereof could have a material adverse effect on our business, financial condition and results of operations. We expect to obtain the funds to pay our expenses and to repay our indebtedness primarily from our operations.

**Liquidity risks:** The Group is exposed to liquidity risks arising out of the mismatches between the maturities of its assets and liabilities, which may prevent it from meeting its obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between its assets and liabilities occur, this may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

c. Legal and regulatory risk

Certain countries where the Group operates pose risks of corruption violations. Failure to comply with anti-corruption laws, including anti-bribery laws, may result in penalties and sanctions, which may have a material adverse effect on our reputation and business.

d. Internal control risk

**The interests of our beneficial owners may conflict with those of the Holders:** The Group is ultimately controlled by several individuals. The interests of the ultimate beneficial owners may, in some circumstances, conflict with the interests of the Holders, particularly if the Group encounters financial difficulties or if we are unable to pay our debts as they become due. The ultimate beneficial owners could also have an interest in pursuing financings or other transactions which, in their judgment, could enhance their equity investment, although such transactions might increase the Group's indebtedness, require the Group to sell assets or otherwise impair our ability to make payments under the Bonds. Any potential conflict between the interests of the indirect controlling shareholder or the ultimate beneficial owners, on the one hand, and Holders, on the other hand, may have a material adverse effect on the value of the Bonds.

### Section 3 - The securities

#### ***What are the main features of the securities ?***

Type, class and ISIN

9.5% to 11.5% senior secured bonds due 6 October 2026 for an aggregate principal amount of up to EUR 50,000,000 (the "**Bonds**"), payable to the bearer, with ISIN XS2378483494.

Number of Bonds, denomination, currency and term

Up to 500,000 Bonds in the denomination of EUR 100.00 each with a term from 6 October 2021 until 6 October 2026.

Rights attached to the Bonds

The Bonds will bear interest from (and including) 6 October 2021 to (but excluding) 6 October 2026 at a rate of 9.5 to 11.5 per cent. per annum (the "**Coupon Range**"). The interest is payable semi-annually in arrears on 6 April and 6 October of each year, commencing on 6 April 2022. The interest rate is expected to be fixed within the Coupon Range on 27 September 2021 and will be communicated to the Holders in a pricing notice ("**Pricing Notice**"). The Pricing Notice will be published on the website

of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), the Nasdaq Tallinn Stock Exchange ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)), the Frankfurt Stock Exchange ([www.boerse-frankfurt.de](http://www.boerse-frankfurt.de)) and the Issuer's website (<https://iutecredit.com/prospectus/>).

The Bonds are unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors (as defined and listed below) and are further secured by local law transaction securities granted by the following Group companies (the "**Pledgors**"): the Issuer, Holdco, O.C.N. "IUTE CREDIT" S.R.L. (*Moldova*), IuteCredit Albania SH.A (*Albania*) and IuteCredit Macedonia DOOEL Skopje (*North Macedonia*).

Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany, or subsequently any other bondholders' agent appointed from time to time pursuant to the terms and conditions of the Bonds (the "**Terms and Conditions**"), is the Holders' agent and security agent. No Holder may take individual action against the Issuer relating to the Bonds in accordance with the Terms and Conditions.

#### Status and ranking of the Bonds

The Bonds are governed by Luxembourg law and constitute bonds in bearer form in accordance with Luxembourg applicable laws. The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and will at all times rank *pari passu* in right of payment with all other present and future secured obligations of the Issuer and senior to all its existing and future subordinated debt.

#### Transferability of the Bonds

The Bonds are freely transferable but the Holders may be subject to purchase or transfer restrictions with regards to the Bonds, as applicable from time to time under local laws to which a Holder may be subject.

#### **Where will the securities be traded ?**

Application will be made for admission to trading of the Bonds on the Frankfurt regulated market and on the Nasdaq Tallinn Stock Exchange's regulated market in the aggregate principal amount of up to EUR 50,000,000 in a denomination of EUR 100.00 each.

#### **Is there a guarantee attached to the securities ?**

##### Nature and scope of the Guarantees

The Guarantors have given unconditional and irrevocable guarantees for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds (each a "**Guarantee**" and together the "**Guarantees**").

##### Description of the Guarantors

The companies listed below are the guarantors (each a "**Guarantor**" and together the "**Guarantors**"), which are direct subsidiaries of Holdco and part of the Group.

|    | <b>Name and Country</b>                                      | <b>LEI</b>           | <b>Address</b>   | <b>Activity</b>                               |
|----|--|----------------------|--|---|
| 1. | AS IuteCredit Europe<br>( <i>Estonia</i> ) as Guarantor      | 52990040ZC8FL1781027 | Maakri 19/1, EST-<br>10145 Tallinn, Estonia  | Holding company of<br>the Group               |
| 2. | IuteCredit Albania<br>SH.A ( <i>Albania</i> ) as<br>Gurantor | 894500DEJR8AOXOS4Y44 | Njesia Administrative<br>Nr.5, Rruga Andon<br>Zako Cajupi, Ndertesa<br>Nr.3, Hyrja 2, Zona<br>Kadastrale 8270, Nr.<br>Pasurie 2/462-N3,<br>Albania | Provision of consumer<br>loans to individuals |

|    |  |                      |  |   |
|----|--|----------------------|--|---|
| 3. | MKD luteCredit BH<br>d.o.o. Sarajevo<br>(Bosnia Herzegovina)<br>as Guarantor<br>(separate guarantee) | 894500DBGW8XXB371U69 | Hamdije<br>Kreševljakovića no. 8,<br>71000 Sarajevo, Bosnia<br>Herzegovina | Provision of consumer<br>loans to individuals |
|----|--|----------------------|--|---|

#### Key financial information regarding the Guarantors

The tables below present key selected consolidated financial information for AS luteCredit Europe as at and for the financial years ended 31 December 2019, 31 December 2020 and the six-month periods ended 30 June 2021 and 30 June 2020. This information has been derived from AS luteCredit Europe's unaudited consolidated financial information as at and for the six-month period ended 30 June 2021 and audited consolidated financial statements as at and for the financial year ended 31 December 2020 (including restated comparative financial information as of and for the financial year ended 31 December 2019). Such audited consolidated financial statements of AS luteCredit Europe have been prepared in accordance with IFRS.

The independent auditor's report issued by Audiitorühing KPMG Baltics OÜ on the consolidated financial statements of Holdco and its subsidiaries as of and for the financial year ended 31 December 2020 incorporated by reference in this Prospectus is qualified as described in the basis for qualified opinion with respect to the fair value of luteCredit Kosovo J.S.C due to no access to reliable evidence to support management's assumptions in the estimation of the fair value and future cash flows of the equity investment as well as uncertainty associated with liquidation process of luteCredit Kosovo J.S.C following the revocation of its microfinance license by the Central Bank of Kosovo in December 2019. Please see "Documents incorporated by reference".

#### *Selected statement of comprehensive income data of AS luteCredit Europe (in Million EUR)*

| EUR  | Jan-Dec 2020 | Jan-Dec 2019 | Jan-June 2021 | Jan-June 2020 |
|--|--------------|--------------|---------------|---------------|
| Total comprehensive income for the year/period | 3.5          | 8.1          | 3.0           | 1.1           |

#### *Selected statement of financial position data of AS luteCredit Europe (in Million EUR)*

| EUR                          | 31 Dec 2020 | 31 Dec 2019 | 30 June 2021 |
|------------------------------|-------------|-------------|--------------|
| Total liabilities            | 95.1        | 87.7        | 100.8        |
| Total liabilities and equity | 116.6       | 106.3       | 123.7        |

#### *Selected statement of cash flows data of AS luteCredit Europe (in Million EUR)*

| EUR                                      | Jan-Dec 2020 | Jan-Dec 2019 | Jan-June 2021 | Jan-June 2020 |
|--|--------------|--------------|---------------|---------------|
| Net cash flows from operating activities | 18.9         | (25.7)       | (0.8)         | 20.2          |
| Net cash flows from financing activities | (5.4)        | 32.5         | (9.5)         | (14.8)        |
| Net cash flows from investing activities | (0.3)        | (2.7)        | 5.8           | (1.2)         |

The tables below present key selected financial information for luteCredit Albania SH.A as at and for the financial years ended 31 December 2019 and 31 December 2020. This information has been derived from luteCredit Albania SH.A's audited financial statements as at and for the financial year

ended 31 December 2020. Such audited financial statements of luteCredit Albania SH.A have been prepared in accordance with IFRS.

*Selected statement of comprehensive income data of luteCredit Albania SH.A (in Million ALL)*

| ALL  | Jan-Dec 2020 | Jan-Dec 2019 |
|--|--------------|--------------|
| Total comprehensive income for the year/period | 436.5        | 461.1        |

*Selected statement of financial position data of luteCredit Albania SH.A (in Million ALL)*

| ALL                          | 31 Dec 2020 | 31 Dec 2019 |
|------------------------------|-------------|-------------|
| Total liabilities            | 2,711.7     | 3,415.6     |
| Total liabilities and equity | 3,765.8     | 4,033.2     |

*Selected statement of cash flows data of luteCredit Albania SH.A (in Million ALL)*

| ALL                                      | Jan-Dec 2020 | Jan-Dec 2019 |
|--|--------------|--------------|
| Net cash flows from operating activities | 375.6        | (634.2)      |
| Net cash flows from financing activities | (723.1)      | 1,254.1      |
| Net cash flows from investing activities | (28.7)       | (175.3)      |

The tables below present key selected financial information for MKD luteCredit BH d.o.o. Sarajevo as at and for the financial years ended 31 December 2019, 31 December 2020. This information has been derived from MKD luteCredit BH d.o.o. Sarajevo's audited financial statements as at and for the financial year ended 31 December 2020. Such audited financial statements of MKD luteCredit BH d.o.o. Sarajevo have been prepared in accordance with IFRS.

*Selected statement of comprehensive income data of MKD luteCredit BH d.o.o. Sarajevo (in Million BAM)*

| BAM  | Jan-Dec 2020 | Jan-Dec 2019 |
|--|--------------|--------------|
| Total comprehensive income for the year/period | (2.7)        | (0.4)        |

*Selected statement of financial position data of MKD luteCredit BH d.o.o. Sarajevo (in Million BAM)*

| BAM                          | 31 Dec 2020 | 31 Dec 2019 |
|------------------------------|-------------|-------------|
| Total liabilities            | 6.0         | 4.7         |
| Total liabilities and equity | 6.6         | 5.2         |

*Selected statement of cash flows data of MKD luteCredit BH d.o.o. Sarajevo (in Million BAM)*

| BAM | Jan-Dec 2020 | Jan-Dec 2019 |
|-----|--------------|--------------|
|-----|--------------|--------------|

|  |       |       |
|--|-------|-------|
| Net cash flows from operating activities | (6.1) | (4.4) |
| Net cash flows from financing activities | 5.6   | 6.0   |
| Net cash flows from investing activities | (0.1) | (0.1) |

Most material risk factors specific to the Guarantors

The Issuer and the Guarantors are affected, substantially, by the same risks as those that affect the business and operations of the entire Group. For the most material risk factors specific to the Group see section 2 above “*What are the risks specific to the Issuer ?*”.

***What are the key risks that are specific to the securities ?***

a. Risk related to the nature of the Bonds

Inability of the Group to generate sufficient cash: The Group may not be able to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest and additional amounts, if any, on its indebtedness, including the borrowings under the Bonds offered.

Inability to repay or repurchase the Bonds at maturity: At maturity, the entire principal amount of the Bonds, together with accrued and unpaid interest, will become due and payable. The Group may not have the ability to repay or refinance these obligations.

**Section 4 - Offering and admission to trading**

**Under which conditions and timetable can I invest in this security ?**

Offering of the Bonds

The Issuer is offering up to 500,000 Bonds with the maximum aggregate nominal value of EUR 50,000,000. The Bond shall be offered by way of a public offering to retail investors in Estonia, Latvia, Lithuania and Germany (the “**Retail Offering**”) and by way of an exempt offer exclusively to qualified investors within the meaning within the meaning of Article 2(e) of the Prospectus Regulation and other investors in compliance with Article 1(4) (a) and (b) of the Prospectus Regulation in member states of the European Economic Area (“**EEA**”) (the “**Institutional Offering**”) and together with the Retail Offering, the “**Offering**”).

Pricing details

The Bonds will be issued at a price of 100.00 per cent. of their principal amount.

Conditions of the Offering

The Offering is subject to the Minimum Offer Condition. “Minimum Offer Condition” shall occur if, at the expiration of the Offer Period, Subscription Undertakings have not been placed sufficient for the sale of at least the Minimum Offer Amount, the Offering will be withdrawn.

Disclosure of the interest rate

The interest rate rate and the aggregate principal amount of the Bonds are expected to be determined on 27 September 2021 based on the subscription orders received in the course of the Institutional Offering and will be communicated to investors on 27 September 2021 in a pricing notice, which will also contain an indication of the net proceeds of the Offering and the total aggregate principal amount of the Bonds (the “**Pricing Notice**”).



The Pricing Notice will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), the Nasdaq Tallinn Stock Exchange ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)), the Frankfurt Stock Exchange ([www.boerse-frankfurt.de](http://www.boerse-frankfurt.de)) and the Issuer's website (<https://iutecredit.com/prospectus/>).

#### Offer period

The Bonds may be subscribed for during the period commencing on 6 September 2021 at 10:00 EEST and ends on 24 September 2021 at 16:00 EEST (the "Offer Period"). The Issuer reserves the right to cancel the Offering or change the terms and conditions thereof as described in this Prospectus.

#### Indicative timetable of the Offering

|                             |                   |
|-----------------------------|-------------------|
| Start of the Offer Period   | 6 September 2021  |
| End of the Offer Period     | 24 September 2021 |
| Announcement of the results | 27 September 2021 |
| Settlement of the Offering  | 6 October 2021    |
| Commencement of trading     | 6 October 2021    |

#### Distribution and Allocation

The Issuer expects to decide on the allocation of the Bonds after the expiry of Offer Period and on or about 27 September 2021. The Bonds will be allocated to the investors participating in the Offering in accordance with the following principles:

- (i) the division of Bonds between the retail and institutional investors has not been predetermined. The Issuer will determine the exact allocation in its sole discretion;
- (ii) under the same circumstances, all investors shall be treated equally, whereas dependant on the number of investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Bonds allocated to one investor; which will apply equally to both – the retail investors and the institutional investors;
- (iii) the allocation shall be aimed to create a solid and reliable investor base for the Issuer;
- (iv) the Issuer shall be entitled to prefer Estonian, Latvian, Lithuanian and German investors to foreign investors who may participate in the non-public offering;
- (v) the Issuer shall be entitled to prefer its existing Shareholders and bondholders of the Issuer to other investors;
- (vi) possible multiple Subscription Undertakings submitted by an investor shall be merged for the purpose of allocation; and
- (vii) each investor entitled to receive the Bonds shall be allocated a whole number of Bonds and, if necessary, the number of Bonds to be allocated shall be rounded down to the closest whole number. Any remaining Bonds which cannot be allocated using the above-described process will be allocated to investors on a random basis.

The Issuer expects to announce the results of the Offering and the allocation on or about 27 September 2021 through the information systems of the Nasdaq Tallinn Stock Exchange and the Frankfurt Stock Exchange and through the Issuer's website ([bonds.iute.ee](http://bonds.iute.ee)). The results of the Offering will be notified vis-à-vis the CSSF.

#### Settlement

The Bonds allocated to investors are expected to be transferred to their securities accounts on or about 6 October 2021 (i) through the "delivery versus payment" method if subscribed via financial institutions, simultaneously with the transfer of payment for such Bonds on terms announced for the Offering or (ii) through the "free of payment" method if subscribed via the Issuer's website ([bonds.iute.ee](http://bonds.iute.ee)) and prepayed by investors until the end of the Offer Period. The title to the Bonds will pass to the relevant investors when the Bonds are transferred to their securities accounts.

#### Listing and Admission to Trading

The Issuer will, simultaneously with the Offering, apply for the listing and for the admission to trading of the Bonds on the Baltic regulated market of Nasdaq Tallinn Stock Exchange and on the Frankfurt Stock Exchange's regulated market (General Standard), segment for bonds of Deutsche Börse AG. The expected date of listing and the admission to trading of the Bonds is on or about 6 October 2021.

While every effort will be made and due care will be taken by the Issuer in order to ensure the listing and the admission to trading of the Bonds, the Issuer cannot ensure that the Bonds are listed and admitted to trading on the Nasdaq Tallinn Stock Exchange's or on the Frankfurt Stock Exchange's regulated markets.

#### Expenses

Total expenses of the issue are expected to amount to EUR 1.5 million assuming full placement of the Bonds in the principal amount of EUR 50,000,000. The investors will not be charged by the Issuer any costs, expenses or taxes.

#### **Why is this Prospectus being produced ?**

The Bonds form part of the Issuer's debt financing on the capital markets and this Prospectus has been prepared for the purposes of generating proceeds from the issuance of the Bonds.

The net proceeds of the Bonds, approximately EUR 48.5 million assuming full placement of the Bonds in the principal amount of EUR 50,000,000, will be used by the Group to refinance existing indebtedness and for general business purposes, including financing of growth in current and future markets as well as potential acquisitions. The Issuer will lend the proceeds to Holdco and/or the Group companies as required. The final amount of net proceeds will be communicated to investors in the Pricing Notice.

The issue of the Bonds is not subject to an underwriting agreement.

There are no material conflicts of interest pertaining to the admission of the Bonds to trading on the Frankfurt Stock Exchange's regulated market and on the Nasdaq Tallinn Stock Exchange's regulated market.