BASE PROSPECTUS

Bigbank AS

Up to EUR 25,000,000 Tier 2 Subordinated Bond Issuance Programme

This public offering, listing and admission to trading base prospectus (the **Prospectus**) has been drawn up and published by Bigbank AS (an Estonian public limited company, registered in the Estonian Commercial Register under registry code 10183757, having its registered address at Riia tn 2, 51004 Tartu, Estonia; the **Company**) in connection with the public offering, listing and the admission to trading of the Bonds (as defined below) to be issued by the Company from time to time under the Programme (as defined below).

Under this EUR 25,000,000 Tier 2 subordinated bond issuance programme (the **Programme**), the Company may from time to time publicly offer and issue up to 25,000 bonds with the nominal value of EUR 1,000 each, with the maturity term of 10 years with the option of early redemption after the lapse of 5 years (the **Bonds**) to retail and institutional investors in any or all of Estonia, Latvia, and Lithuania (the **Offering**). The Company may also offer the Bonds non-publicly to investors in any Member State of the European Economic Area (the **EEA**) in circumstances described in Article 1(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as supplemented or amended from time to time (the **Prospectus Regulation**).

The function of this Prospectus is to give information about the Company, the Programme and the Bonds. The Bonds carry the rights and are governed by the provisions of the Terms and Conditions of the Company's Tier 2 Subordinated Bonds, dated 4 June 2025, which have been annexed to this Prospectus (the **Terms of the Bonds**). Each issue and offering of the Bonds will be decided and announced separately.

The Company shall apply for the listing and the admission to trading of all the Bonds that may be from time to time issued under the Programme on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. Each series of Bonds to be issued under the Programme will be listed and admitted to trading on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange upon submission of the relevant Final Terms (as defined below) of the Bonds and other required information to Nasdaq Tallinn Stock Exchange.

This Prospectus is a base prospectus within the meaning of Article 8 of the Prospectus Regulation.

Investing into Bonds involves risks and may not be suitable for all investors. Each prospective investor in the Bonds must determine, based on its own independent review and, if appropriate, professional advice that the investment in the Bonds is suitable in light of its financial circumstances and objectives. While every care has been taken to ensure that this Prospectus presents a fair and complete overview of the material risks related to the Company, the operations of the Company and its subsidiaries (the Group) and to the Bonds, the value of any investment in the Bonds may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Prospectus. Each decision to invest in the Bonds must be based on the Prospectus in its entirety. Therefore, we suggest you familiarise yourselves with the Prospectus thoroughly.

The Prospectus is valid for 12 months after the date of its approval provided that the Prospectus is supplemented in case new factors, material mistakes or material inaccuracies occur, and such an obligation does not apply after the end of the validity period of the Prospectus.

The date of this Prospectus is 4 June 2025

NOTICE TO ALL INVESTORS

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Bonds offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular in or into the Restricted Territories (as defined in Section 11 ”Glossary”) or the Excluded Territories (as defined in Section 11 “Glossary”). The Bonds have not been and will not be registered under the relevant laws of any state, province or territory other than Estonia, Latvia, and Lithuania and may not be offered, sold, transferred or delivered, directly or indirectly, within any other jurisdiction than Estonia, Latvia, and Lithuania, except pursuant to an applicable exemption. Notwithstanding anything to the contrary contained in this Prospectus, the Bonds shall not be offered, sold, transferred or delivered, directly or indirectly, to any Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus, and regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the European Union, the United Nations or the United States).

Distribution of copies of the Prospectus or any related documents are not allowed in those countries where such distribution or participation in the Offering of the Bonds requires any extra measures or is in conflict with the laws and regulations of these countries. Persons who receive this Prospectus or any related document should inform themselves about any restrictions and limitations on distribution of the information contained in this Prospectus and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Such documents should not be distributed, forwarded to or transmitted in or into the Restricted Territories or the Excluded Territories. No action has been taken by the Company in relation to the Bonds or rights thereto or possession or distribution of this Prospectus in any jurisdiction where action is required, other than in Estonia, Latvia, and Lithuania. The Company is not liable in cases where persons or entities take measures that are in contradiction with the restrictions mentioned in this Prospectus and any related documents.

INFORMATION FOR UNITED STATES PERSONS

The Bonds have not been approved or disapproved by any United States’ regulatory authority. The Bonds will not be, and are not required to be, registered with the United States Securities and Exchange Commission under the US Securities Act of 1933, as amended (the **Securities Act**) or on a United States securities exchange. The Company does not intend to take any action to facilitate a market for the Bonds in the United States. The Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

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1. INTRODUCTORY INFORMATION

1.1. Applicable Law

This Prospectus has been drawn up in accordance with the Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004, as supplemented or amended from time to time (the **Delegated Regulation**). The Prospectus has been prepared as a base prospectus according to Article 8 of the Prospectus Regulation and in accordance with Annex 6 (Registration document for retail non-equity securities), Annex 14 (Securities note for retail non-equity securities) and Annex 28 (List of additional information in the final terms) of the Delegated Regulation.

This Prospectus is governed by Estonian law. Any disputes arising in connection with the Prospectus shall be settled by Harju County Court (*Harju Maakohus*) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties. The investor may be required under national law to bear the costs of translating the Prospectus before being able to bring a claim to the court in relation to this Prospectus.

Before reading this Prospectus, please take notice of the following important introductory information.

1.2. Persons Responsible

The person responsible for the information given in this Prospectus is the Company. The Company accepts responsibility for the fullness and correctness of the information contained in this Prospectus as of the date hereof. Having taken all reasonable care to ensure that such is the case, the Company believes that the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts, and contains no omission likely to affect its import.

Bigbank AS

[*signed digitally]*	[*signed digitally*]	[*signed digitally*]
Chairman of the Management Board	Member of the Management Board	Member of the Management Board
Martin Länts	Ken Kanarik	Ingo Põder

[*signed digitally*]	[*signed digitally*]
Member of the Management Board	Member of the Management Board
Argo Kiltsmann	Mart Veskimägi

Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely on the basis of the summary of any series issued under this Prospectus, including any translation thereof, unless such 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 Bonds.

The Company will not accept any responsibility for the information pertaining to the Offering, the Company, or its operations, where such information is disseminated or otherwise made public by third parties either in connection with the Offering or otherwise.

1.3. Presentation of Information

Terms of the Bonds, Final Terms and the Prospectus. The Bonds will be issued in separate series and the Bonds of each series will all be subject to the Terms of the Bonds as annexed to this Prospectus, and as completed by a document specific to such series called final terms (the **Final Terms**). This Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any series of Bonds, should be read and construed together with the Terms of the Bonds and the relevant Final Terms. The Final Terms of each series will be published together with the summary drawn up for such series on the website of the Company at https://investor.bigbank.eu. The Final Terms and summary of the separate series are not approved by the Estonian Financial Supervision and Resolution Authority (*Finantsinspektsioon;* the **EFSA**) or any other supervisory authority but will be filed with the EFSA.

Approximation of Numbers. Numerical and quantitative values in this Prospectus (e.g., monetary values, percentage values, etc.) are presented with such precision which is deemed by the Company to be sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of approximation. Exact numbers may be derived from the Financial Statements (as defined in Section 11 “Glossary”) to the extent that the relevant information is reflected therein.

Currencies. In this Prospectus, financial information is presented in euro (the **EUR**), the official currency of the EU Member States in the Eurozone.

Date of Information. This Prospectus is drawn up based on information which was valid as of the date of the Prospectus. Where not expressly indicated otherwise, all information presented in this Prospectus (including the consolidated financial information of the Company, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Prospectus, this is identified by specifying the relevant date.

Third Party Information and Market Information. For portions of this Prospectus, certain information may have been sourced from third parties. Such information is accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information has been sourced from third parties, a reference to the respective source has been provided together with such information, where presented in this Prospectus.

The Group companies monitor and analyse their competitive position and the developments in the competitive situation on the markets where the Group companies operate based on publicly available data and statistics, such as market analyses and statistics prepared by the EFSA and the local national banks of the geographical markets where the Group companies operate.

All statements made in this Prospectus in respect of the competitive position of the Group companies are based on the above-referred publicly available information. Certain information with respect to the markets in which the Company and its Subsidiaries (as defined in Section 11 “Glossary”) operate is based on the best assessment made by the Management (as defined in Section 11 “Glossary”). With respect to the industry in which the Company and Subsidiaries are active and certain jurisdictions in which they conduct their operations, reliable market information is often not available or is incomplete.

Investors should take into consideration that the Company has not verified the information published by third parties and while every reasonable care was taken to provide best possible assessments of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Therefore, the Company does not guarantee the accuracy of such data, estimates or other information sourced from third parties. Investors are encouraged to conduct their own investigation of the relevant markets or employ a professional consultant.

Updates. The Company will update the information contained in this Prospectus only to such extent and at such intervals and by such means as required by the applicable law or considered necessary and appropriate by the Management. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus (please see Section 1.6 “Forward-Looking Statements” below).

Definitions of Terms. In this Prospectus, capitalised terms have the meaning ascribed to them in Section 11 “Glossary”, with the exception of such cases where the context evidently requires the contrary, whereas the singular shall include plural and *vice versa*. Other terms may be defined elsewhere in the Prospectus. Capitalised terms used in the Terms of the Bonds have the meaning ascribed to them therein (please see the Terms of the Bonds in the Annex).

Hyperlinks to Websites. This Prospectus contains hyperlinks to websites. The information on the websites does not form part of the Prospectus and has not been scrutinised or approved by the EFSA, except for hyperlinks to information that is incorporated by reference as specified in Section 1.5 “Information Incorporated by Reference”.

1.4. Documents Available

In addition to this Prospectus, the up-to-date Articles of Association of the Company may be obtained from the website of the Company at https://investor.bigbank.eu under section “Management”. Any information presented on the Company’s website which has not been incorporated by reference into this Prospectus does not form part of the Prospectus.

1.5. Information Incorporated by Reference

The following information has been incorporated into this Prospectus by reference:

(i) the audited consolidated financial statements of the Group of and for the year ended 31 December 2024 on pages 175 – 180, together with notes to the financial statements on pages 182–295, key performance indicators of the Group on pages 29–31 and the auditor’s report on pages 297-302 (available at https://static.bigbank.eu/investor/assets/2024/04/Bigbank_AS_Annual_Report_2024-EN.pdf);

(ii) the audited consolidated financial statements of the Group of and for the year ended 31 December 2023 on pages 62–67, together with notes to the financial statements on pages 68–182, key performance indicators of the Group on pages 27–28 and the auditor’s report on pages 183–187 (available at https://static.bigbank.eu/investor/assets/2024/03/Bigbank_AnnualReport_2023.pdf);
(the financial statements referred to in items (i) and (ii), except for the key performance indicators on pages 29-31 and 27-28 respectively, together as the **Audited Financial Statements**);

(iii) the unaudited consolidated interim financial statements for 3 months of 2025 ended on 31 March 2025 on pages 11-14, together with notes to the financial statements on pages 15-32 and key performance indicators of the Group on page 7-8 (available at https://static.bigbank.eu/investor/assets/2025/04/Bigbank_interimreport_Q1_2025.pdf)
(the **Unaudited Interim Financial Statements**, together with the Audited Financial Statements, the **Financial Statements**).

The Financial Statements may also be obtained from the website of the Company at https://investor.bigbank.eu/ under section “Reports”. Non-incorporated parts of the documents above are not relevant for the investor.

There has been no significant change in the financial position of the Group since the date of the Unaudited Interim Financial Statements, i.e., since 31 March 2025.

The Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union. The Unaudited Interim Financial Statements have been prepared in accordance with International Accounting Standards (**IAS**) 34, Interim Financial Reporting.

The general meeting of the shareholders of the Company (the **General Meeting**) held on 27 December 2022 appointed KPMG Baltics OÜ (registry code 10096082; having its registered address at Narva mnt 5, 10117 Tallinn, Estonia) to act as the statutory auditor of the Group for the financial year 2023. On 11 October 2023, the shareholders of the Company decided to appoint Ernst & Young Baltic AS (registry code 10877299; having its registered address at Rävala pst 4, 10143, Tallinn, Estonia) to act as the statutory auditor of the Group for the financial years 2024-2026.

The Audited Financial Statement for the year 2023 has been audited by sworn auditor Eero Kaup (sworn auditor number 459) from the audit company KPMG Baltics OÜ. KPMG Baltics OÜ is a member of the Estonian Auditors' Association with licence number 17. The Audited Financial Statement for the year 2024 has been audited by sworn auditor Olesia Abramova (sworn auditor number 561) from the audit company Ernst & Young Baltic AS. Ernst & Young Baltic AS is a member of the Estonian Auditors' Association with licence number 58. No other information presented in this Prospectus has been audited.

The financial year of the Company starts on 1 January and ends on 31 December, the amounts are presented in millions of euros unless otherwise indicated. The official language of the Financial Statements of the Company is Estonian. The Estonian version must be proceeded from in the event of a conflict with English or any other language.

1.6. Forward-Looking Statements

This Prospectus includes forward-looking statements (notably under Sections 3 “Risk Factors”, 5 “Reasons for Offering and Use of Proceeds” and 9 “Business Overview”). Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the beliefs of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties, and assumptions about the future operations of the Group, the macroeconomic environment, and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as “strategy”, “expect”, “plan”, “anticipate”, “believe”, “will”, “continue”, “estimate”, “intend”, “project”, “goals”, “targets” and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Group operates in a highly competitive business. This business is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political and social conditions, consumer response to new and existing products and technological developments and other factors. The Group's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Group (please see Section 3 “Risk Factors” for a discussion of the risks which are identifiable and deemed material at the date hereof).

1.7. Use of Prospectus

This Prospectus is prepared solely for the purposes of the Offering of the Bonds and listing and the admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. The Prospectus is not published in any jurisdiction other than Estonia, Latvia, and Lithuania, and consequently the dissemination of this Prospectus in other countries may be restricted or prohibited by law. This Prospectus may not be used for any other purpose than for making the decision of participating in the offering or investing into the Bonds. You may not copy, reproduce (other than for private and non-commercial use), or disseminate this Prospectus without express written permission from the Company.

1.8. Approval of Prospectus and Passporting

This Prospectus has been approved by the EFSA, as competent authority under the Prospectus Regulation on 9 June 2025 under registration number 4.3-4.9/2032. The EFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and the approval does not concern the accuracy of the information in the Prospectus. The approval by the EFSA should not be considered as an endorsement of the Company and the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

The Company has requested that the EFSA notify the competent authority of Latvia (the Bank of Latvia) and the competent authority of Lithuania (the Bank of Lithuania) of approval of the Prospectus in accordance with Article 25 of Prospectus Regulation, respectively.

1.9. Legal adviser

The legal adviser to the Company is Ellex Raidla Advokaadibüroo OÜ (registry code 10344152; address: Ahtri tn 4, 10151, Tallinn, Estonia; website: https://ellex.legal/), whose main field of activity is the activities of lawyers and law firms. As of the date of this Prospectus the legal adviser does not hold any shares in the Company.

1.10. Availability of the Prospectus

This Prospectus as well as its translations will be published by means of a stock exchange release through the information system of Nasdaq Tallinn Stock Exchange (https://www.nasdaqbaltic.com/). In case of any discrepancies between the Prospectus and its translations, the Prospectus’ English language original shall prevail. The Prospectus as well as its translations are available as of 10 June 2025 in an electronic format on the website of the Company (https://investor.bigbank.eu). The Prospectus is also available on the website of the EFSA (https://www.fi.ee/et/investeerimine/registrid-nimekirjad-ja-vormid/registreeritud-prospektid/finantsinspektsioonis-registreeritud-prospektid#prospektimaarus). Any interested party in Estonia, Latvia or Lithuania may request delivery of an electronic copy of the Prospectus, the Terms of the Bonds and the Financial Statements from the Company without charge.

2. A GENERAL DESCRIPTION OF THE PROGRAMME

2.1. Type and Class of Bonds

The Bonds are issued with the nominal value of EUR 1,000. Each Bond constitutes an unsecured and subordinated debt obligation of the Company.

2.2. Size of the Programme

The size of the Programme is up to EUR 25,000,000, i.e., up to 25,000 Bonds can be issued under the Programme. The Bonds will be issued in series whereas the amount of Bonds issued, their final terms and the timing of the issue will be decided by the Company at its discretion and published separately through the information system of Nasdaq Tallinn Stock Exchange and the website of the Company (https://investor.bigbank.eu). The Programme has been approved by a decision of the Supervisory Board of the Company on 29 May 2025. The Final Terms of the Bonds issued under the Programme will be decided by the Management Board of the Company separately for each series.

2.3. Form and Registration

The Bonds are issued and registered in dematerialised book-entry form and are not numbered. The Bonds will be registered in the Estonian Register of Securities (the **ERS**), operated by Nasdaq CSD SE Estonian branch (**Nasdaq CSD**). The ISIN code of each series of the Bonds will be specified in the Final Terms of each series.

2.4. Ranking and Subordination

The Bonds are intended to qualify as own funds instruments within the meaning of point 119 of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as supplemented or amended from time to time (Capital Requirements Regulation, **CRR**) in the form of Tier 2 instruments as defined in Article 63 of the CRR or any successor provision thereof.

Therefore, in accordance with the Terms of the Bonds, in the event of the (a) voluntary or involuntary liquidation or (b) bankruptcy of the Company, the rights of the bondholders to payments on or in respect of the Bonds shall rank:

(i) junior to any present or future claims of (A) unsecured and unsubordinated creditors of the Company, and (B) holders of senior subordinated notes and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, in priority to the Bonds;

(ii) *pari passu* among themselves and with any other present or future indebtedness of the Company which constitutes Tier 2 capital (as defined in Article 71 of the CRR);

(iii) in priority to claims of holders of any outstanding Additional Tier 1 (“**AT 1**”) instruments (as defined in Article 52 of the CRR), and payments to holders of all classes of share capital of the Company in their capacity as such holders, and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, junior to the Bonds,

subject, in all cases, to mandatory provisions of the Estonian law.

The subordination of the Bonds means that upon the liquidation or bankruptcy of the Company, all the claims arising from the Bonds shall fall due in accordance with the Terms of the Bonds and shall be satisfied only after the full satisfaction of all unsubordinated recognised claims against the Company in accordance with the applicable law.

Furthermore, any liability arising under the Bonds may be subject to the exercise of powers to write-down, conversion, transfer, modification, suspension or similar related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of

Estonia (the **Bail-In and Loss Absorption Powers**) by the European Single Resolution Board, the EFSA, or such other resolution authority or governmental body with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Company (the **Resolution Authority**) in cases where the Company as a resolution entity meets the conditions for resolution (i.e., is failing or is likely to fail and certain other conditions are met). Exercising the Bail-in and Loss Absorption Powers is subject to numerous preconditions and will only be used as a last resort; however, if the powers are exercised, it is possible that: (a) the amount outstanding of the Bonds is reduced, including to zero; (b) the Bonds are converted into shares, other securities or other instruments of the Company or another person; (c) the Bonds or the outstanding amounts of the Bonds are cancelled; and/or (d) the Terms of the Bonds are altered (e.g., the maturity date or interest rate of the Bonds could be changed). Therefore, if the Company as a resolution entity meets the conditions for resolution, the exercising of the Bail-in and Loss Absorption Powers by the Resolution Authority may result in material losses for the bondholders. Financial public support will only be used after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool. Consent of the bondholders is not necessary for affecting bail-in measures by the Resolution Authority.

As long as there are no liquidation or bankruptcy proceedings initiated against the Company, all claims arising from the Bonds shall be satisfied in accordance with the Terms of the Bonds and the applicable law.

No bondholder may set off their claims arising under the Bonds against any claims of the Company.

2.5. Currency

The Bonds are denominated in euros.

2.6. Interest

The Bonds carry an annual coupon interest at the fixed rate provided in the Final Terms, calculated from the date of issue of the Bonds until the date of redemption. The frequency of the interest payments is provided in the Final Terms. The interest on the Bonds is calculated based on the 30-day calendar month and 360-day calendar year (30/360).

2.7. Maturity of Bonds

The Bonds are issued with a maturity of 10 years.

According to the Terms of the Bonds, the Company is entitled to redeem the Bonds prematurely at any time after the lapse of 5 years as from the date of issue by notifying the bondholders at least 30 days in advance. The Company is further entitled to redeem the Bonds prematurely before the lapse of the 5-year term if there is a change in the regulative classification of the Bonds resulting in the Bonds being, in the opinion of the Company, excluded from the classification as own funds of a credit institution or if there is a significant change in the taxation regime applicable in respect of the Bonds, provided that the Company was not in a position to foresee such changes upon the issue of the Bonds.

The Bonds may be redeemed prematurely by the Company on the above-described grounds only if the EFSA has granted its consent to the early redemption. The EFSA may grant its consent for the early redemption of the Bonds as from the date when 5 years have passed from their issuance only if the conditions of Article 78(1) of the CRR are met. The EFSA may grant its consent for the early redemption of the Bonds before the date when 5 years have passed from their issuance only if the conditions of Article 78(4) of the CRR are met.

The bondholders are not entitled to claim early redemption of the Bonds under any circumstances.

2.8. Rights Attached to Bonds

The rights attached to the Bonds are set in the Terms of the Bonds, which are included in this Prospectus as Annex. The main rights of bondholders arising from the Bonds are the right to the redemption of the Bonds and the right to receive payment of interest. In addition to these rights, upon a delay in making any payments due under the Terms of the Bonds, the bondholders are entitled to a delay interest at the rate as specified in the Final Terms.

Under the Terms of the Bonds, the bondholders have the right to participate, and cast votes, in the bondholders' meeting, or to provide their written consent, when convened or requested by the Company.

2.9. Transferability

The Bonds are freely transferable; however, any bondholder wishing to transfer the Bonds must ensure that any offering related to such a transfer would not qualify as requiring the publication of a prospectus in accordance with the applicable law. According to the Terms of the Bonds, ensuring that any offering of the Bonds does require the publication of a prospectus in accordance with the applicable law is the obligation and liability of the bondholder.

2.10. Listing and Admission to Trading

The Company intends to apply for the listing and admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. The expected date of listing and the admission to trading of the Bonds is specified in the Final Terms. While every effort will be made and due care will be taken in order to ensure the listing and the admission to trading of the Bonds by the Company, the Company cannot ensure that the Bonds are or will remain listed and admitted to trading.

Should the Bonds not be listed and admitted to trading, it is likely that a secondary market for the Bonds will not develop, there will not be a public and independent market price for the Bonds, and an investor may not be able to follow their investment thesis as envisaged, including in particular in respect of sale of the Bonds.

2.11. Terms and Conditions of the Bonds

The Terms of the Bonds are included into this Prospectus in the Annex. These Terms of the Bonds are applicable to each series of the Bonds as completed by the applicable Final Terms. The form of Final Terms which will be completed for each series of Bonds, as the case may be, issued under the Programme is enclosed to the Terms of the Bonds in the Annex.

2.12. Applicable Law

The Bonds will be issued in accordance with and are governed by the laws of the Republic of Estonia. The courts of Estonia shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Bonds.

3. RISK FACTORS

3.1. Introduction

Investing into the Bonds issued by the Company entails various risks. Each prospective investor in the Bonds should thoroughly consider all the information in this Prospectus, including the risk factors described below. Any of the risk factors described below, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds. As a result, investors could lose a part or all of the value of their investments. The Management believes that the factors described below present the principal risks inherent in investing into the Bonds. The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factor in a category is presented first under that category, but subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

This Prospectus is not, and does not purport to be, investment advice or an investment recommendation to acquire the Bonds. Each prospective investor must determine, based on its own independent review and analysis and such professional advice as it deems necessary and appropriate, whether an investment into the Bonds is consistent with its financial needs and investment objectives and whether such investment is consistent with any rules, requirements and restrictions as may be applicable to that investor, such as investment policies and guidelines, laws and regulations of the relevant authorities, etc.

3.2. Risks Related to the Business of the Group

Credit Risk. Credit risk is the risk of potential loss which may arise from counterparty's inability to meet its obligations to the Group companies resulting in a credit loss for the Group. Credit risk arises in connection with Group's cash, debt instruments and other receivables of the Group, however most significantly from the core business line of the Group – lending to retail and corporate customers – which inherently involves credit risk.

The Group distinguishes between credit risk arising from (i) the loan portfolio (including items accounted for off the statement of financial position); (ii) money market operations; and (iii) the bond portfolio. Credit risk of the loan portfolio is the most significant risk for the Group and the most significant driver of risk-weighted assets. As of 31 March 2025, total credit risk-weighted exposure amounted to 89.23% of the Group's total risk-weighted exposure amount, whereas as of 31 December 2024 the same indicator was 90.73%. Credit risk of money market operations arises from the Group's payment services and money market activities through exposures to credit institutions. The credit risk of payment services results from holding liquid assets and supporting the Group's main activities with payment solutions. Credit risk of the bond portfolio arises from debt instruments.

The Group assesses and makes allowances for expected credit losses in accordance with the applicable requirements, including the IFRS requirements; however, such provisions are made based on the available information, estimates and assumptions, which by definition are subject to certain amount of uncertainty. Therefore, there can be no assurance that provisions are sufficient to cover potential losses. The credit quality of the Group's loan portfolio is impacted by various factors beyond the Group's control and may deteriorate for example due to adverse changes in economic conditions in the countries the Group operates or the global macroeconomic conditions. The currently prevailing macroeconomic uncertainty, elevated inflation, and costs of living may negatively affect the ability of the Group's loan customers to fulfil their payment obligations to the Group and thus result in further credit losses and deterioration of the Group's financial situation. The Group's loss allowances are based on current assessments and expectations and may be insufficient to cover actual losses. As of 31 March 2025, the Group's loan portfolio was EUR 2,323.3 million, whereas the total loss allowances constituted EUR 55.8 million (as of 31 December 2024

EUR 2,219 million, and EUR 51.9 million, respectively). The Group has historically focused on providing unsecured loans which by nature have a higher risk profile. Recently the share of secured loans has constantly increased. As of 31 March 2025, unsecured loans accounted for EUR 727.6 million representing 31.32% of the Group's loan portfolio (as of 31 December 2024, EUR 726.6 million and 32.74% respectively). As of 31 March 2025, the Group has issued loans secured by real estate in the amount of EUR 1,416.5 million, representing 60.97% of the Group's loan portfolio (as of 31 December 2024, EUR 1,318.3 million and 59.41% respectively). Thus, the Group's credit risk is also impacted by the collateral provided to the relevant Group member and the market value thereof.

In the first quarter of 2025, the volume of Stage 3 loans (i.e., non-performing loans as defined under IFRS and CRR) increased by EUR 10.1 million, reaching 5.1% of the total loan portfolio as of 31 March 2025. The relatively elevated share of Stage 3 loans is primarily driven by the non-performance of a few larger, well-secured credit exposures, as well as a notable reduction in the Group's sales of non-performing loans in recent quarters. As the proportion of non-performing loans exceeded the 5% threshold, the Group has activated a targeted action plan aimed at reducing the share back below this level.

Within the credit risk, the Group is also exposed to the following sub-risks.

Concentration risk. Concentration risk is the risk resulting from large exposures to one counterparty or connected counterparties or multiple counterparties that are impacted by a common risk factor or risk factors with strong positive correlation. The Group determines concentration risk considering exposures to a single counterparty, related counterparties, credit products, economic sectors and countries of operation. In Estonia, Latvia, and Lithuania, the maximum limit for a single customer and for a group of customers is set at EUR 30 million. In relation to economic sectors, real estate activities forms the biggest sector in terms of share of Group's loan portfolio – as of 31 December 2024, loans of this sector form approximately 64.9% of the Group's corporate loan portfolio. Additionally, concentration risk relates to over-concentration on a single country. As of 31 March 2025, the Group has capped the maximum share of a country at 55% of the total corporate loan portfolio. Large exposure is defined in the CRR as an exposure to a single customer or related customers that equals or exceeds 10% of the Group's Tier 1 capital. As of 31 December 2024, the Group had four customer groups with exposure of single or related customers equalling or exceeding 10% of Group's Tier 1 capital. The total exposure amount to such customer groups was EUR 122.8 million (as of 31 December 2023, ten customer groups with a total exposure of EUR 258.2 million).

Furthermore, under applicable regulatory requirements, the Group is not allowed to incur an exposure to a client or a group of connected clients the value of which exceeds 25% of its Tier 1 capital. The Group has taken measures to avoid exceeding the risk concentration limits. Nevertheless, as exceeding the risk concentration limit may be caused not only by an increase of the loan exposure vis-à-vis Group's subsidiaries but also from circumstances over which the Group may not always have control (such as an increase in equity exposure which may in turn result from an increase in the value of real estate properties of the Group's subsidiaries, or from a decrease of the Group's Tier 1 capital), it is not excluded that the measures taken by the Group will prove to be insufficient to avoid similar breaches in the future. Inability to remedy the breach or repeated breaches may result in regulatory action (including sanctions) from the EFSA, which may have a material adverse effect on the Group's business, financial condition, and results of operations.

Collateral risk. Collateral risk arises mainly from a potential fall in the market value of the collateral but also from changes in legislation or in collateral realisation procedures. In recent years, the Group has expanded its product offering to corporate loans and housing loans which are largely secured by real estate collaterals (as of 31 March 2025, the Group has issued loans secured by real estate in the amount of EUR 1,416.5 million, representing 60.97% of the Group's loan portfolio) and consequently, Group's credit risk is also impacted by the collateral provided to the relevant Group member and the market value thereof. In case the market value of the collateral falls below the loan balance it is securing, the Group could face credit loss when customer defaults with the loan repayments. Further, the Group may be negatively impacted by changes in legislation or in collateral realisation procedures.

Materialisation of the credit risk (including any of the above sub-risks) may have a material adverse effect on the Group's business, financial condition, and results of operations and consequently on the Company's ability to make the payments in accordance with the Terms of the Bonds.

Liquidity Risk and Funding Risk. Liquidity risk is the risk that the Group is unable to fulfil its obligations in a timely manner or to the full extent without incurring significant costs. As part of liquidity risk, the Group is also exposed to funding risk which is the risk that the Group is unable to raise resources without negatively affecting its daily business activities or financial position.

As Group's business operations are specialised to traditional banking activities, the maturity of the assets of the Group (i.e., loans to customers), tends to be longer than the maturity of the liabilities of the Group (i.e., deposits from customers or bonds issued). As of 31 March 2025, the maturity gap of financial assets and liabilities with a term of less than 1 month was EUR -301 million and for financial assets and liabilities with a term of 3-12 months this gap was EUR -502 million. This means that the Group has more liabilities with such term than assets with the same term. The main reason for the negative maturity gap is the mismatch of the maturities of loans issued by the Group and the deposits raised by the Group.

Deposits are the main source of funding for the Group. As of 31 March 2025, deposits from private customers amounted to EUR 2,470.4 million (as of 31 December 2024, EUR 2,334.3 million) of which EUR 1,114.8 million are savings deposits and EUR 1,355.6 million are term deposits. Deposits from corporate customers amounted to EUR 81.8 million (as of 31 December 2024, EUR 59 million) of which EUR 40 million are savings deposits and EUR 41.8 million are term deposits. As of 31 March 2025, the largest portion of the Group's deposits were from the Dutch market with 41.21%, followed by the German market with 37.33% and the Finnish market with 7.21%. For its funding, the Group has issued subordinated bonds (Tier 2 and AT 1) in the total outstanding volume of EUR 98.02 million, with maturities from 2031 to 2034, or perpetual in case of AT 1 bonds (see Section 9.5 "Financing of Activities" for more details).

Group's liquidity and funding management is based on risk policies, resulting in various liquidity risk measures, limits and internal procedures. The Group is fully compliant with the Basel III metrics – the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The aim of the LCR standard is to ensure that the Group has an adequate amount of unencumbered assets of high quality and liquidity that could be monetised without incurring material losses to meet a liquidity requirement in a 30-day stress scenario while NSFR ensures adequate stable funding sources to finance longer-term assets. The Group's LCR and NSFR as of 31 March 2025 were respectively 220.3% and 143.6% (as of 31 December 2024, 195% and 145.8% respectively) while the regulatory minimum requirement for both metrics is set at 100%. In line with the target risk profile approved by the Group's Supervisory Board, the Group applies a conservative strategy to liquidity risk, including having in place liquidity buffers for the purposes of covering a significant outflow of deposits. Nevertheless, such risk policies and liquidity buffers may not be adequate or sufficient in order to ensure the Group's access to funding resources when needed, to the extent needed or on favourable terms in order to ensure sufficient liquidity. Further, the volume of deposits is impacted by factors which are beyond the control of the Group, including changes in saving levels or habits of households, changes in tax regulations applicable to deposits or deterioration of the geopolitical situation. Further, the behavioural analysis and scenarios used by the Group to project the needed liquidity levels may not be adequate in exceptional or critical situations.

In its business operations, in particular in issuing loans and maintaining the required capital adequacy levels, the Group is highly dependent on access to financing and capital and without sufficient capital, the Group will need to limit its lending operations. Furthermore, the Group's access to financing could also be negatively impacted by the deterioration of the general macroeconomic and geopolitical situation, resulting in the increase of interest rates and therefore increasing the financing cost for the Group. As the Group is largely dependent on the cross-border deposits from the German and Dutch retail customers, the increase in geopolitical risks, especially risks related to Russia and the ongoing war in Ukraine, might negatively affect the behaviour of the depositors and make obtaining further financing more challenging. Fast deterioration of the geopolitical situation could also result in fast outflow of cross-border deposits, putting the liquidity of the Group under pressure or even threatening the ability of the Group to meet its financial obligations on time. Difficulties in financing its liquidity and capital needs and/or increased financing costs may hinder or prevent the realisation of the strategic plans of the Group and have a material adverse effect on the Group's competitive position.

Materialisation of liquidity risk, including significant outflow of deposits and failure to obtain sufficient funding for operations or the increased costs or unfavourable terms of financing or refinancing may have material adverse effect on the Group's business, financial condition and results of operations and prospects.

Market Risk. Market risk is the risk of potential loss which may arise from unfavourable changes in interest rates or foreign exchange rates. Within the market risk, the Group is exposed to foreign currency risk, interest rate risk and real estate risk that arise from the Group's activity in the financial markets, from the majority of the Group's products (loans and deposits) as well as Group's investment properties respectively. The Group is naturally exposed to the interest rate risk due to differences in the maturities and interest rates of loans and/or deposits. The Group does not take speculative trading positions nor provide customer-focused trading activities. Further, the war in Ukraine and interest rate changes by central banks is contributing to the volatility in asset prices which may have a negative impact on the bond and real-estate exposures of the Group. The Group manages market risk by setting limits on bond portfolio risk exposures, net open foreign currency exposures, interest rate sensitivity of economic value of equity and net interest income of the Group; however, despite the measures taken by the Group, the market risk may have a material adverse effect on the Group's business, financial condition, and results of operations.

Foreign Currency Risk. Foreign currency risk is the risk of loss due to changes in spot or forward prices and the volatility of foreign exchange rates. The Group issues loans and accepts deposits mainly in EUR (as of 31 March 2025 loan receivables denominated in EUR amounted to EUR 2,324.9 million and deposits denominated in EUR amounted to EUR 2,477.8 million). The Group has suspended issuing new loans in Swedish krona (SEK) from 1 September 2022 but is still managing the existing loan portfolios in SEK as well as accepting deposits. As of 31 March 2025, the Group had assets and liabilities bearing currency risk in SEK in the amounts of EUR 39.6 million in assets and EUR 40.9 million in liabilities. Assets and liabilities bearing currency risk in Bulgarian lev (BGN) amounted to EUR 9.2 million in assets and EUR 33.7 million in liabilities. As of 31 March 2025, foreign exchange risk contributes 1.42% to the Group's total risk-weighted exposure amount, whereas as of 31 December 2024, the same indicator was 1.02%. The Group measures foreign currency risk, *inter alia*, by using a sensitivity analysis, according to which a 10% strengthening/weakening of the exchange rate of either of these currencies against the euro would not have a significant effect. However, material changes in the exchange rates against the euro may have an adverse effect on the Group's business, financial condition, and results of operations.

Interest Rate Risk. The operations of the Group and foremost the operations of the Company are inherently exposed to interest rate risk. Interest rate risk arises due to the fluctuations of market interest rates (including, but not limited to the fluctuations of EURIBOR) over time, while the Group's business involves intermediation activity that produces exposures to both maturity mismatch (e.g., long-maturity assets funded by short-maturity liabilities) and rate mismatch (e.g., variable rate loans funded by fixed rate deposits). The profitability of the Group depends on the difference between the interest it charges from its debtors and the interest it pays to its creditors (net interest). The amount of net interest income earned by the Group companies materially affects the revenues and the profitability of the operations of the Group. Interest rates are affected by numerous factors beyond the control of the Group companies, which may not be estimated adequately. Such factors include the changes in the overall economic environment, level of inflation, monetary policies of the central banks, etc. Considerable increases in interest rates (including EURIBOR) at which funding is available to the Group may negatively impact the profitability of the Group. Further, the ongoing war in Ukraine together with the possible recurrence of energy and supply chain crises, and also uncertainties in the global economy and financial markets due to the tariffs imposed or to be imposed by the government of the United States of America, and any retaliatory measures imposed by other countries, may increase the inflationary pressure and market volatility and therefore also contribute to rising interest rate levels. Therefore, interest rate risk may have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group uses different sensitivity analyses to assess the potential interest rate risk to its operations. As of 31 March 2025, the impact of the supervisory shock scenario (200 basis points parallel decrease) on 12-month net interest income was EUR -1.4 million (as of 31 December 2024, EUR -0.6 million). As of 31 March 2025, the sensitivity of the economic value of equity to the interest rate increase by 200 basis points was EUR -10.9 million (as of 31 December 2024, EUR -9.0 million).

Real estate risk. Please see Section 3.5 "Risks related to Group's Real Estate Properties" for market risk regarding real estate.

Operational Risk. Operational risk is a risk of potential loss caused by inadequate or failed internal processes or systems, people or external events. The sub-risks of operational risk are legal risk, compliance risk (including money laundering and terrorist financing and sanctions risk), information security risk and information and communication technology risk. Operational risk is present across all the Group's activities, for example, operational risk and losses can result from fraud, errors by employees or failures by the Group's counterparties. The Group also relies on certain outsourcing partners and third parties in carrying out its business and is therefore dependent on the continuous availability of services by such partners as well as their compliance with all applicable laws, regulations, and standards.

As of 31 March 2025, operational risk exposure amounted to 9.35% of the Group's total risk-weighted exposure amount, whereas as of 31 December 2024 the same indicator was 8.26%. During 2024, the actual losses due to operational risk amounted to EUR 951 thousand. Around 40% of the operational risk losses were related to external fraud cases, most of which consisted in using a stolen identity while applying for consumer loans or hire-purchase agreements. The increase in cyber risks due to Russia's war against Ukraine has not led to significant incidents or an increase in operational risk losses.

Moreover, similarly to other financial institutions, the Group's operations are subject to cyber-threats as the Group's operations are highly dependent on a variety of outsourced information technology solutions as well as custom made solutions the Group is using for its internal processes and for providing its services to customers. Notably, the Group relies on information technology solutions in maintaining customer information, processing loan applications, and conducting its business in general. Failures of or significant disruptions to the Group's information technology solutions could impair its ability to provide services. Although as of the date of this Prospectus, the Group has not suffered material losses due to cyber-attacks, it is not excluded that such losses will be suffered by the Group in the future, as the information and telecommunication technology, including cyber risks, remain key risk drivers for operational risks. Ensuring security and reliability of information technology systems is becoming more challenging in the environment where service providers are facing increasingly sophisticated and highly targeted attacks aimed at obtaining unauthorised access to confidential and sensitive information, disable or degrade service or sabotage information systems for other purposes. The Group may incur significant costs if information security risks, such as illegal access to or distortion of information, are realised. Costs may also be incurred by the Group in protecting itself against breaches of regulations on information technology security, incl. the EU Digital Operational Resilience Act[1] that became applicable in January 2025, and data protection rules, and in solving problems that have been caused as a result of such breaches.

For the Group, the realisation of operational risks could lead to a disruption in provision of services, security breaches, non-compliance with applicable legal requirements and financial losses. Furthermore, any materialisation of operational risk may have a negative impact on the reputation of the Group. The Group manages operational risk based on an established operational risk policy; however, the Group may fail to

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[1] The Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

identify, control, and mitigate all risks and the operational risk may have a material adverse effect on the Group's business, financial condition, and results of business operations.

Reputational Risk. Reputational risk is the risk that the Group's results of business operations, own funds, or liquidity are negatively impacted by damage to the Group's reputation. In the banking sector, where the Group and the Company operates, a good reputation is paramount. Reputational risk may, in particular, realise due to the materialisation of other risks, such as operational, strategic, compliance risks or exposure to civil liability. While the Group seeks to avoid situations that could potentially have a negative impact on its reputation and has put in place measures to manage reputational risks, including regular monitoring and reporting, these measures may prove to be ineffective or insufficient. In addition, Group's reputation is impacted by circumstances beyond the control of the Group, such as the conduct of its business partners or the media. Reputational risk may arise from circumstances beyond control of the Company and their presentation in media and public space (e.g., social media coverage and rumours), which may or may not be grounded or adequately presented. Such circumstances may, among others, include actions taken, legal proceedings initiated in respect of third parties or persons directly or indirectly related with any of the Group companies. Any deterioration of the Group's reputation in the eyes of customers, business partners, owners, employees, investors, or supervisory authorities may have a material adverse effect on the Group's operations, financial condition, and results of operations, including the Company's ability to attract deposits and secure funding on favourable terms.

Strategic Risk. Strategic risk is the risk resulting from an inadequate strategy or inadequate implementation of the strategy. The Group is in the stage of rapid growth and releasing new products, such as making current accounts available to customers in Estonia, Latvia and Lithuania, and developing other everyday banking solutions. Thus, its strategic risk is estimated to exceed the strategic risk of a bank positioned in a stable stage. For example, in 2024, the Group's gross loan portfolio grew by 32% year-on-year with the home loan portfolio growth of 75% year-on-year. With respect to the industry in which the Group is active and certain jurisdictions in which they conduct their operations, reliable public market information is often not available or is incomplete. While every reasonable care is taken to provide best possible assessments of the relevant market situation and the information on the relevant industry, risk of mis-assessment still exists. The Group aims to mitigate the strategic risk through comprehensive planning process and responding to changes adequately in a timely manner. However, despite the measures taken by the Group, the materialisation of strategic risk may have a material adverse effect on the Group's business, financial condition, and results of operations. The Group is using its capitalised net profit to finance further growth of the Group's assets and thus deviations from the projected net profit might negatively affect the ability to achieve the Group's strategic goals. Further growth and achievement of the strategic goals may also be affected by the Group's access to external financing on favourable terms.

Risks associated with the Company's rating. Even though the Bonds shall not be rated, the Company has received ratings for foreign and local currency bank deposits from rating agency Moody's. There is no assurance that the rating is not suspended, lowered, or withdrawn at any time by the rating agency. For example, in June 2024, Moody's determined to downgrade the long-term bank deposit ratings of the Company to Ba1 from the previous Baa3 and the baseline credit assessment (BCA) and adjusted BCA to ba2 from the previous ba1. Suspension, lowering, or withdrawal of an assigned rating may have a negative impact on the market price of the Bonds as well as restrict the availability of external financing to the Group which may have a material adverse effect on the Group's business, financial condition, and results of business operations.

Dependency on Qualified Staff. The results of operations of the Group and the ability of the Group to develop its business and compete effectively are highly dependent on the ability to attract and retain skilled and experienced staff. Regulatory restrictions, such as the limits on certain types of remuneration paid by credit institutions and investment firms set forth in the CRD, could adversely affect the Group's ability to attract new qualified personnel and retain and motivate existing employees. Competition for qualified employees is intense and the Group's inability to attract talent or a loss of a significant number of key personnel may have a material adverse effect on the business of the Company and the Group as a whole.

3.3. Legal and Regulatory Risks

Maintaining Capital Adequacy Ratios. Credit institutions, including the Company, must adhere to strict capital adequacy requirements subject to frequent reforms and changes. Currently, the capital of banks in the EU is subject to the legal framework of CRR/CRD/BRRD[2]. These requirements are largely based on the Basel III framework that was agreed in the Basel Committee on Banking Supervision with the objective to strengthen the resilience of the financial sector to economic shocks and thereby ensure the adequate and sustainable financing of the economy and are still subject to transitional arrangements (phase-in of deductions and capital buffers and phase-out of capital elements). The capital adequacy requirements and relevant legislation is frequently renewed and updated which may impose additional requirements to the Group. All EU credit institutions (including their consolidated holding companies) are required to maintain 4.5% of common equity Tier 1 ("**CET1**") capital, 6.0% of Tier 1 capital and 8.0% of both Tier 1 and Tier 2 capital. In addition, in Estonia an additional capital maintenance buffer of 2.5% (imposed by the EFSA) applies. The table below shows an overview of the capital requirements applicable to the Group on consolidate basis and actual capital ratio levels as of 31 March 2025 calculated as a percentage of total risk exposure amount (TREA).

	CET1	**Tier 1**	**Total**
	(*per cent.*)	(*per cent.*)	(*per cent.*)
Pillar 1 requirement[3]	4.50	6.00	8.00
Pillar 2 requirement	1.80	2.40	3.20
Total SREP capital requirement[4]................	**6.30**	**8.40**	**11.20**
Capital conservation buffer[5]	2.50	2.50	2.50
Systemic risk buffer[6]	0.05	0.05	0.05
Countercyclical buffer[7]	1.11	1.11	1.11
O-SII buffer	0.50	0.50	0.50
Total combined buffer[8]	4.16	4.16	4.16
Total minimum regulatory requirement (OCR)[9]...	**10.46**	**12.56**	**15.36**
Pillar 2 Guidance (P2G)	1.50	1.50	1.50
OCR and P2G combined	**11.96**	**14.06**	**16.86**
Additional internal targets[10]	**0.27**	**0.27**	**0.75**
Total minimum capital requirements and targets[11]	**12.23**	**14.33**	**17.61**
Actual capital ratios as of 31 March 2025	**13.20**	**14.80**	**18.50**

On certain markets, the Group has recently become subject to additional local capital buffers and considering the current macroeconomic uncertainty, such additional buffers may be also introduced in

[2] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as supplemented or amended from time to time (the **BRRD**).
[3] The minimum own funds requirements established by Article 92(1) of the CRR.
[4] The sum of minimum capital requirements and Pillar 2 capital requirement.
[5] According to Credit Institutions Act (in Estonian: *krediidiasutuste seadus*), capital conservation buffer is 2.5% of the TREA.
[6] Eesti Pank can set the systemic risk buffer requirement for all the risk exposures of banks, for sectoral risk exposures, or for subsets of them, based on subsection 86[49] of the Credit Institutions Act. Currently Eesti Pank has established systemic risk buffer requirement on all retail exposures to natural persons resident in Lithuania that are secured by residential property in accordance with ESRB/2022/1.
[7] Amount of TREA multiplied by the weighted average of the countercyclical buffer rates applicable in the country of location of exposures.
[8] Common Equity Tier 1 funds held for the purposes of capital conservation buffer plus counter-cyclical buffer and systemic risk buffer.
[9] Total SREP requirement plus total combined buffer.
[10] Additional own funds target established by the Group internally.
[11] The sum of the OCR, P2G and Group's internal targets.

markets that have not yet done so. For example, as of 1 July 2022, all retail exposures to Lithuanian residents secured by residential property are subject to a systemic risk buffer of 2% and as of 1 December 2023, credit institutions in Estonia are subject to a countercyclical capital buffer of 1.5%. Similarly, Sweden has established a countercyclical buffer of 2%, Lithuania 1%, Latvia 0.5%, and Bulgaria 2%.

To date, the Group has complied with all applicable capital requirements. However, the capital requirements adopted in Estonia and the EU may change, whether as a result of further changes of the EU or Estonian legislation, global standards, or interpretation thereof. Such changes, either individually or in combination, may lead to unexpected increased requirements and have a material adverse effect on the business of the Company and the Group as a whole. Further, maintaining the required minimum capital buffers may be more challenging during adverse market conditions, either on a global level or on the markets where the Group operates. Breaches of capital adequacy requirements may also result in a loss of a reporting period exceeding the amount of additionally available capital. Any material or systemic deviations by the Group from the above regulations are likely to result in supervisory action, including sanctions from the EFSA that may have a material adverse effect on the Group's business, financial condition, and result of operations.

<u>Legal and Compliance Risks</u>. Legal risk is the risk that the Group is not in compliance with or misinterprets the applicable laws, agreements, best practices, or ethical standards. Compliance risk is the risk that the Group fails to fully meet the requirements of laws, regulations and internal rules or obligations to customers, employees, and other stakeholders. The banking sector is a highly regulated field of business and Group's operations are subject to numerous laws, regulations, policies, guidance, and voluntary codes of practice or ethical standards. In particular, the Group provides services in nine markets and its operations are subject to different laws in each market (notably, different consumer protection requirements (such as responsible lending practices and similar) and personal data processing regulations apply). These regulations and supervisory practices are constantly increasing and changing.

Legal risk is the risk that the Group is not in compliance with or misinterprets the applicable laws, agreements, best practices, or ethical standards. Within the legal and compliance risk, the Group is also exposed to the following sub-risks.

*Exposure to Anti-Money Laundering, Terrorist Financing or Breach of Sanctions' (**AML**) risks.* AML risk is the risk that the Group is used for money laundering or terrorist financing due to weaknesses or non-compliances in its internal processes. In addition, this risk includes the possibility of the Group's products and services being used for avoidance of sanctions. The recent discoveries of the vulnerability of banks with regard to AML, the regulatory environment as well as the supervisory approach have become very strict and focused on AML risks. Furthermore, introduction of further sanctions regimes (especially to combat the circumvention of sanctions) and enforcement actions throughout the world are expected (for example, the adoption of the Directive (EU) 2024/1226 of the European Parliament and of the Council to criminalise EU sanctions breaches with much stronger punishments for violations which is due to be transposed by EU Member States by late May 2025). Failure to comply would most likely lead to implementation of strict supervisory measures, reputational damage and could result in business disruption. Although the Group does not offer products or services that are generally considered to entail high money laundering and terrorist financing risks nor has the Group financed private individuals, companies or activities that are subject to sanctions, the ongoing and often fast developments in this area are likely to place additional strain on the operating processes of the Group.

Tax Regime Risks. Tax regimes of the geographical markets where the Group operates are from time to time subject to change, some of which may be dictated by short-term political needs and may therefore be unexpected and unpredictable. For example, as a result of a separate corporate income tax (**CIT**) regime targeted specifically at Estonian resident credit institutions, credit institutions are required to make quarterly advance payments of income tax on the profit earned in the previous quarter while the companies operating in other sectors remain subject to the CIT regime whereunder profit is subject to taxation only upon distribution. Such advance payments are made at a reduced CIT rate of 18%. In addition, from 2025, the CIT on dividend distributions increased from 20 per cent. to 22 per cent., which may adversely impact the

CIT cost for the Company. Furthermore, the Estonian Parliament has passed the Security Tax Act, introducing a temporary 2 *per cent*. profit tax on unconsolidated accounting profits before tax, applicable to companies from 2026 until the end of 2028. Additionally, from 1 July 2025, the value added tax rate will increase by 2 *per cent*., rising from 22 *per cent*. to 24 per cent. This value added tax increase is also temporary and will remain in effect until the end of 2028. Any similar or additional changes in the tax regimes in the jurisdictions where the Group companies operate or in the interpretation of such tax laws, regulations or treaties may have a material adverse effect on the Group's business, financial condition, and results of operations.

*Risks related to regulation on environmental, social and governance (**ESG**)*. In connection with achieving the climate related goals agreed in the 2015 Paris Agreement adopted under the United Nations Framework Convention on Climate Change, the EU and Estonia have adopted and will adopt an array of ESG related legislation affecting the Group's activities and the volume of applicable requirements. These ESG related regulations also relate to capital adequacy and liquidity requirements of credit institutions as well as requirements applicable to the management of operations and risks. Despite the recent political discussions on scaling back the ESG-related requirements on companies, there is no certainty that the compliance risk will decrease for the Group in that area.

Increased and often complex requirements, additional supervisory standards and uncertainty with regard to further changes may result in limitations on operating flexibility and certain lines of business, additional costs and liabilities, a necessity to change legal, capital or funding structures, and decisions to exit or not to engage in certain business activities. Changes in any applicable laws or regulatory expectations as well as any failures or shortcomings to comply with such requirements may have a material effect on the Group's operations, financial condition, and result of business operations.

Exposure to Regulatory Actions and Investigations. The Group offers financial services and products and is therefore subject to extensive and comprehensive regulations imposed both through local and through EU legal acts. Such risk arises mostly due to the sector in which the Company operates. Several local and EU authorities, including financial supervision, consumer protection, data protection, tax, and other authorities regularly perform investigations, examinations, inspections, and audits of companies acting in the same sector as the Group. Such proceedings include, but are not limited to topics like capital requirements, standards of consumer lending, AML, anti-bribery, payments, reporting, corporate governance, data protection, etc. Any determination by the authorities that the Company or any Group entities have not acted in compliance with all the applicable laws and regulations could have serious legal and reputational consequences for the Group, including exposure to fines, criminal, and civil penalties and other damages, increased prudential requirements or even lead to business disruption in the respective fields. Any of these consequences may have a material adverse effect on the Group's business, financial condition, and results of operations.

Contractual Risk. The operations of the Group are materially dependent on the validity and enforceability of the transactions and agreements entered into by it. These transactions and agreements may be subject to the laws of Estonia or foreign laws. While due care is taken to ensure that the terms of these transactions and agreements are fully enforceable under the laws applicable to them, occasional contradictions and variations of interpretation may occur. Consequently, the Group may not be able to always enforce their contractual rights. Moreover, the legal environment where such transactions are affected and agreements are entered into is subject to changes, both through the enactment of new laws and regulations and through changes in interpretation by the competent authorities and courts. Therefore, it cannot be fully excluded that certain terms of the transactions and agreements entered into by the Group may turn out to be unenforceable, which in turn may have a material adverse effect on the Group's operations, financial condition, and results of operations. Risk is magnified by the fact that most of the agreements the Group concludes with its customers are based on standard terms and conditions. Hence, any change in law or interpretation could affect a large number of agreements concluded with the customers.

Exposure to Civil Liability. The Group operates in a legal and regulatory environment that exposes it to significant risk of claims, disputes and legal proceedings. Due to the nature of its business use of the courts for enforcing claims in arrears is a part of the day-to-day activity of the Group. The results of such disputes are inherently difficult to predict and even the disputes themselves, not only unfavourable outcomes, may result in the Group incurring significant expenses and damages, and have negative effects on the Group's reputation, which in turn may have material adverse effect on the Group's business, financial condition, and results of operations.

3.4. Risks related to Macroeconomic and Political Environment

Changes in Macroeconomic Environment. Given that the economies of Estonia and the other Baltic countries, where the Group's main business lies, are small open economies that are closely linked to the global economy and especially to the macroeconomic conditions in the European Union and the geopolitical situation in the world, also the performance of the Group is subject to risks related to the performance of the global, and in particular European, markets and economy.

Severe market disruptions have occurred during the last decade (such as the 2008 financial crisis, the 2011 European sovereign debt crisis, the COVID-19 pandemic, or the war in Ukraine) and may occur again in the future. Out of macroeconomic factors, the Group's performance continues to be strongly affected by an overall increase in interest rates and Group's ability to pass the rise in funding costs to borrowers. At the beginning of 2025, the government of the United States of America has imposed, or has proposed to impose, new or increased tariffs on goods and services from several countries around the world, incl. the European Union. As a retaliation, several countries have, or have proposed to, impose tariffs on goods and services imported from the United States of America. At the date of this Prospectus, it is not known to the Company if and to what extent such tariffs will be imposed, and it is not possible to predict the adverse effects of such tariffs on the economies of the countries where the Group operates.

So far, the inflationary environment with rapid wage growth rates has created a situation where customers' ability to service their loans has remained good despite the uncertainty, but this might change in the future. In particular, a number of factors, including the increases in cost of living as a result of rising energy costs, interest rate rises, inflation as well as other factors like increase of unemployment, decreasing trade volumes, may negatively impact the ability of the customers of the Group to repay their loans in the coming months or years. Similarly, adverse changes in the economic environment, especially of countries where the Group operates, could negatively affect the operations of the Group in several ways, including significantly increasing the default rates stemming from the Group's loan portfolio and decreasing the demand for the Group's services as well as increasing the financing costs of the Group. Although the Group constantly monitors developments on both domestic and international markets, it is not possible to forecast the exact timing or extent of changes in the economic environment. Any deterioration in the economic environment of the countries where the Group operates, or the markets globally, could have a direct negative impact on the operations, financial condition, and results of operations of the Group.

Political and Country Risks. The Group is subject to political (including geopolitical) risks. The Group operates in nine countries by offering loans in Estonia, Latvia, Lithuania, Finland, Bulgaria, and accepting deposits from Estonia, Latvia, Lithuania, Finland, Sweden, Bulgaria, the Netherlands, Germany, and Austria. Therefore, the Group is subject to the risk that economic, financial, political, or social conditions in the countries it operates negatively affect its operations, financial condition, and results of operations. The risk is increased by the ongoing Russian war in Ukraine and proximity of Russia and Belarus to the Baltic states. As of 31 March 2025, the largest share of the Group's loan receivables was from the Estonian market with 41.8%, followed by the Lithuanian market with 35.2%, the Latvian market with 16.0%, the Finnish market with 5.9% and the Swedish and Bulgarian market with 0.9% and 0.2% respectively.

The recoverability of the loans provided to customers may be adversely affected by negative changes in the overall macroeconomic, political, social, or regulatory environment in the country where the counterparty is located and other circumstances beyond the control of the Group, including collective debtor risk, i.e., the probability of an event that may cause a large group of debtors become insolvent at the same time. In particular, since a large proportion of the Group's loan portfolio consists of unsecured consumer loans, the Group is subject to changes in the solvency of the private persons in the markets it operates (such as unemployment rate, level of wages and similar). The Group is managing country risk through limits to single country exposures, new sales per country and credit requirements of single country portfolios, however such measures may not be sufficient to prevent a materialisation of country risk. Adverse events or developments in the countries where the Group operates may have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group's business operations may also be negatively impacted by adverse political changes or geopolitical events such as geopolitical tensions, societal unrest, military conflicts, and threats as well as natural disasters in the countries where the Group operates.

Geopolitical Risks from the War in Ukraine. On 24 February 2022, Russia began a military invasion of Ukraine, in a major escalation of the conflict that had begun in 2014. It is the largest military conflict in Europe since Yugoslav Wars and the invasion has also caused a large refugee crisis. To stop the Russian Invasion of Ukraine, the western countries have imposed sanctions on Russia which are designed to hurt Russian economy, however, undoubtedly, the sanctions imposed on Russia are having a negative effect on European and Estonian economy as well.

So far, the direct effect of the war in Ukraine has remained remote for the Group. Russia's war against Ukraine has had no direct impact on the quality of the Group's loan portfolio, as the Group has not financed private individuals or companies that are residents of Russia, Belarus, or Ukraine. Similarly, the Group's corporate customers do not include companies that are heavily dependent on the export or import of their products or services to and from those countries. There has been also no major negative impact on funding and volume of deposits have continued to grow as planned throughout 2023 and 2024.

However, as the Group is largely dependent on the cross-border deposits from the German and Dutch retail customers, an increase in geopolitical risks, especially risks related to Russia and the ongoing war in Ukraine, may negatively affect the behaviour of the depositors and make it difficult for the Group to obtain further financing. Fast deterioration of the geopolitical situation could also result in fast outflow of cross-border deposits, putting the liquidity of the Group under pressure or even make it difficult for the Group to meet its financial obligations on time.

As of the date of this Prospectus, the degree to which the ongoing war in Ukraine and other geopolitical factors, including the possibility that the war will spill over to new territories, may affect the Group remains uncertain and difficult to predict. Nevertheless, such events may have a material adverse effect on the Group's access to financing and funding costs and consequently also to its business, financial conditions, and results of operations.

3.5. Risks related to Group's Real Estate Properties

The Group has invested in certain real estate properties, including commercial property and agricultural land through its Subsidiaries OÜ Rüütli Majad (through OÜ Papiniidu Property, OÜ Pärnu mnt 153 Property, and OÜ Rüütli Property) and Baltijas Izaugsmes Grupa AS. As a result, the Group is also exposed to risks arising from real estate.

Fluctuations in Value of Real Estate Properties. The Group has invested in certain real estate properties that are recognised at fair value on the balance sheet of the Group while changes in this value are recorded on the income statement of the Group. For example, during the financial year ended 31 December 2024, the Group made loss in the amount of EUR 1.6 million due to depreciation of the value of the owned real estate properties, whereas during the financial year ended 31 December 2023, the Group earned profit in the amount of EUR 3.4 million due to appreciation of the value of the owned real estate properties. As of 31 March 2025, the fair value of the investment properties was EUR 72.6 million. Therefore, the results of operations of the Group may be impacted by factors taken into consideration in the fair value assessment of properties (such as rent, costs of operations and vacancies). Further, there may be certain time periods during which there is no active market (for example, in case of rapid changes in the economic environment and decline in the volume of real estate transactions) and it may be difficult to determine the fair value of each property.

The Revenue from Real Estate Properties. The Group earns revenue from its real estate investments by renting out the properties to tenants and as such, the Group's revenues are dependent on the solvency of the tenants which is not guaranteed. Rental income from agricultural land may also be impacted by factors such as prices of agricultural products, weather, and support measures from the state. Further, in certain cases (such as termination of the rent agreement), the amount of Group's rental income may depend on the Group's ability to substitute the tenant as any prolonged vacancy period would result in decreased revenues to the Group. Also, it may require the Group to make further investments into the real estate property. Any of the above may in turn have a material adverse effect on the Group's business, financial condition, and results of operations.

Real Estate Investments are Relatively Illiquid. Investments in real estate property can be relatively illiquid which may affect the Group's ability to dispose of properties when needed or with a satisfactory price. This may in turn have a material adverse effect on the Group's business, financial condition, and results of operations.

Property Owner's Liability Risk. As the owner of the real estate properties, the Group is subject to statutory obligations, including paying the expenses, taxes, maintaining and improving the property and compensating for any environmental damages caused by operations carried out in such property in violation of applicable requirements. Although the Group has contractually placed such risks on the tenants, it is not excluded that in certain cases, the Group could be still held liable for the obligations (such as in case of insolvency of the tenants) which may have a material adverse effect on the Group's business, financial condition, and results of operations.

3.6. Risks Related to Bonds

Credit Risk. An investment into the Bonds is subject to credit risk, which means that the Company may fail to meet its obligations arising from the Bonds in a duly and timely manner. The Company's ability to meet its obligations arising from the Bonds and the ability of the bondholders to receive payments arising from the Bonds depend on the financial position and the results of operations of the Company and the Group, which are subject to other risks described in this Prospectus. The Bonds are not bank deposits in the Company and are not guaranteed by the Guarantee Fund (in Estonian: *Tagatisfond*).

Subordination Risk. The Bonds are unsecured and subordinated to all unsubordinated claims against the Company; however, not to the claims, which are subordinated to the Bonds, or which rank *pari passu* with the Bonds (e.g., other Tier 2 or AT1 instruments issued by the Company). The subordination of the Bonds means that upon the liquidation or bankruptcy of the Company, all the claims arising from the Bonds shall fall due in accordance with the Terms of the Bonds and shall be satisfied only after the full satisfaction of all recognised claims against the Company that rank senior in accordance with the applicable law. Therefore, upon the liquidation or bankruptcy of the Company, the holders of the Bonds are not entitled to any payments due under the Terms of the Bonds until the full and due satisfaction of all the unsubordinated claims against the Company. The Company may not have enough assets remaining after these payments to pay amounts due under the Bonds. The subordination may have adverse effect on the Company's ability to meet all its obligations arising from the Bonds and therefore, in the event of insolvency of the Company, a bondholder may lose all or some of its investment.

Risk of Statutory Resolution. The Estonian Financial Crisis Prevention and Resolution Act (in Estonian: *finantskriisi ennetamise ja lahendamise seadus*), implementing the BRRD and Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as supplemented and amended from time to time, grant the Resolution Authority the power to commence resolution proceedings with respect of a credit institution, such as the Company, with the view of ensuring the continuity of critical functions, avoiding risk contagion and restoring the viability of the credit institution. Any liability arising under the Bonds may be subject to the exercise of Bail-In and Loss Absorption Powers by the Resolution Authority in cases where the Company meets the conditions for the initiation of resolution proceedings (i.e., fails or is likely to fail and certain other conditions are met). Exercising the Bail-In and Loss Absorption Powers is subject to numerous preconditions and will only be used as a last resort; however, if the powers are exercised, it is possible that: (a) the amount outstanding of the Bonds is reduced, including to zero; (b) the Bonds are converted into shares, other securities or other instruments of the Company or another person; (c) the Bonds are cancelled; and/or (d) the Terms of the Bonds are altered (e.g., the maturity date or interest rate of the Bonds could be changed). Furthermore, the use of the powers under the Estonian Financial Crisis Prevention and Resolution Act with respect to the Company may result in significant structural changes to the Company (e.g., due to asset sales or creation of bridge institutions). Consent of the bondholders is not necessary for affecting any resolution measures by the Resolution Authority. The exercise of any resolution powers or applying early intervention measures pursuant to BRRD by the Resolution Authority with respect to the Company, or any suggestion of such exercise, will likely materially adversely affect the price or value of an investment in the Bonds and/or the ability of the Company to satisfy its obligations under the Bonds and could lead to the bondholders losing some or all of their investment in the Bonds. Financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool.

Early Redemption Risk. According to the Terms of the Bonds, the Bonds may be redeemed prematurely on the initiative of the Company, at any time after the lapse of 5 years as from the date of issue of the Bonds. Further, according to the Terms of the Bonds, the Bonds may be redeemed by the Company even earlier than after the lapse of 5 years as from the date of issue of the Bonds if amendments are made to the tax regulation that cause the Company to bear increased tax liability in regards of the Bonds, or if the Bonds cease or are likely to cease to be included in the Company’s Tier 2 capital. If any of these early redemption rights is exercised by the Company, the rate of return from an investment into the Bonds may be lower than initially anticipated. Also, the investors might not have an option to invest in financial instruments offering similar risk/return characteristics at the time of the early redemption or could face additional costs in selecting a new investment. The Bonds may, however, be redeemed prematurely by the Company only if the EFSA has granted its consent to the early redemption. The decision on granting the consent involves a certain amount of discretion by the competent authority and the early redemption is therefore beyond the control of the Company.

Remedies in case of default on the Bonds are severely limited. The Terms of the Bonds contain limited enforcement events relating to non-payment by the Company of any amounts due and to the insolvency or liquidation of the Company, whether in Estonia or elsewhere. Moreover, the bondholder’s rights for accelerating the payments in such circumstances are very limited and they can claim an anticipated payment only in the bankruptcy or liquidation proceedings of the Company.

The Terms of the Bonds contain very limited covenants. There is no negative pledge in respect of the Bonds and the Terms of the Bonds place no restrictions on the amount or type of instruments it may issue that rank *pari passu* with the Bonds. In addition, the Bonds do not require the Company or the Group to comply with financial ratios or otherwise limit its ability or that of its Subsidiaries to incur additional debt, nor do they limit the Company's ability to use cash to make investments or acquisitions, or the ability of the Company or its Subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Company's ability to service its debt obligations, including those under the Bonds.

No restriction on the amount of further debt instruments or indebtedness that the Company may issue or incur. Subject to complying with applicable regulatory requirements, the Terms of the Bonds do not establish restrictions on the amount of debt instruments or other indebtedness that the Company or any Group company may issue or incur after the issuance of the Bonds. Such further debt instruments or indebtedness may rank *pari passu* or senior to the Bonds and may consequently reduce the amount recoverable by the bondholders in case of insolvency of the Company.

There are no rights of set-off or counterclaim. According to the Terms of the Bonds, no bondholder may at any time exercise any right of set-off or counterclaim against any right, claim or liability of the Company in respect of the Bonds. Therefore, bondholders will not at any time be entitled (subject to applicable law) to set off the Company's obligations under Bonds against obligations owed by them to the Company.

There is no gross-up obligation in relation to the Bonds. According to the Terms of the Bonds, the Company shall withhold and deduct taxes on payments made under the Bonds in accordance with the applicable Estonian tax laws. In situations where the tax should not be withheld by the Company under the applicable tax law, but the respective circumstances are not known or available to the Company, the bondholders are expected to provide any relevant information and certificates for lowering or avoiding the withholding rates in advance of any payments by the Company. The Company shall not compensate any amounts it has withheld or deducted under the applicable tax law. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any Bonds, bondholders may receive less than the full amount of principal due under such Bonds upon redemption.

Tax Regime Risks. Adverse changes in the tax regime applicable in respect of transacting with the Bonds or receiving interest or principal payments based on the Bonds may result in an increased tax burden of the bondholders and may therefore have adverse effect on the rate of return from the investment into the Bonds.

3.7. Risks Related to Trading in the Bonds

Bond Price and Limited Liquidity of Bonds. The Company will apply for the listing of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange; however, although every effort will be made by the Company to ensure the listing of the Bonds, no assurance can be provided that the Bonds will be listed and admitted to trading. If the Bonds remain unlisted, it is likely that a secondary market for the Bonds will not develop, and there will not be a public and independent market price for the Bonds.

Further, the Nasdaq Tallinn Stock Exchange is substantially less liquid and more volatile than established markets in other countries. During the 12 months of 2024, the turnover of bonds admitted to trading on the Baltic Bonds List of Nasdaq Tallinn Stock Exchange was EUR 26.76 million with 8,380 trades in total. Also, the Bonds of each series will bear a different ISIN code and the respective Bonds will also be traded separately. Therefore, the relatively small number of investors holding the Bonds and low liquidity of the Nasdaq Tallinn Stock Exchange may impair the ability of the bondholders to sell their Bonds on the open market, sell them at the expected price or amount, use them as a collateral for other obligations, or engage in other transactions requiring the existence of an active market.

The value of the Bonds can fluctuate (including the Bonds may trade at a discount to the Offer Price) on the securities market due to events and the materialisation of risks related to the Group, but also because of events beyond the Group’s control, such as economic, financial, or political events, changes of interest rate levels or currency exchange rates, level of inflation, policy of central banks, changes in the demand or supply of securities of the same type in general or of the Bonds.

Negative or Insufficient Analyst Coverage. There is no guarantee of continued (or any) analyst research coverage for the Company. At the date of the Prospectus, the Company is not aware of any analyst coverage made available regarding the Company. Over time, the amount of third-party research available in respect of the Company may increase or decrease with little or no correlation with the actual results of its operations, as the Company has no influence on the analysts who prepare such reports. Negative or insufficient third-party reports would be likely to have an adverse effect on the market price and the trading volume of the Bonds.

4. TERMS AND CONDITIONS OF OFFERING

4.1. Offering

As part of the Programme up to 25,000 Bonds may be publicly offered to retail and institutional investors in any or all of Estonia, Latvia, and Lithuania (the Offering). The Company may also choose to offer the Bonds privately to investors in any Member State of the EEA in reliance of certain exemptions available under Article 1(4) of the Prospectus Regulation.

The Bonds may be offered in different series through several Offerings.

4.2. Right to Participate in the Offering

The Offering will be directed to all retail and institutional investors in any or all of Estonia, Latvia, and Lithuania, as determined in the Final Terms of the respective series of the Bonds.

For the purposes of the Offering, a person is considered to be in Estonia, Latvia, or Lithuania and has the right to participate in the Offering if such person has an operational securities account with Nasdaq CSD or a securities account with a financial institution who is a member of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange, and such person submits a Subscription Undertaking in relation to the Bonds via that securities account.

4.3. Nominal Amount and Offer Price

The nominal value of each Bond is EUR 1,000.

The Offer Price for each series of the Bonds will be determined in the Final Terms.

4.4. Offering Period

The Offering Period is the period during which persons who have the right to participate in the Offering may submit Subscription Undertakings (please see Section 4.5 "Subscription Undertakings" for further details) for the Bonds.

The Offering Period for each series of the Bonds will be specified in the Final Terms of the respective series of the Bonds, and also separately published through the information system of Nasdaq Tallinn Stock Exchange and the website of the Company (https://investor.bigbank.eu).

4.5. Subscription Undertakings

Submitting Subscription Undertakings

The undertakings for subscription of the Bonds ("**Subscription Undertakings**") may be submitted only during the Offering Period. An investor participating in the Offering may apply to subscribe for the Bonds only for the Offer Price. All investors participating in the Offering can submit Subscription Undertakings denominated only in euros. An investor shall bear all costs and fees charged by the respective account operator accepting the Subscription Undertaking in connection with the submission, cancellation or amendment of a Subscription Undertaking.

In order to subscribe for the Bonds, an investor must have (or open for that purpose) a securities account with a Nasdaq CSD account operator or a financial institution who is a member of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange which is also a participant of the Latvian or Lithuanian central securities depository, i.e., the Nasdaq CSD SE (registered in Latvia, registry code 40003242879) or the Nasdaq CSD SE Lithuanian branch (registered in Lithuania, registry code 304602060), respectively.

The list of banks and investment firms operating as Nasdaq CSD participants is available on the website of Nasdaq CSD at https://nasdaqcsd.com/list-of-participants/. The list of financial institutions which are members of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange is available on the website of Nasdaq Baltic Stock Exchange at https://nasdaqbaltic.com/statistics/en/members (in order to review the list of members of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange, selection "Riga market" or "Vilnius market" should be made respectively).

Submission of Subscription Undertakings by Estonian Investors

If and to the extent that the Offering takes place in Estonia, an investor wishing to subscribe for the Bonds should contact an account operator that operates such investor's ERS securities account and submit a Subscription Undertaking in the form accepted by the account operator and in conformity with the terms and conditions of the Prospectus. The Subscription Undertaking must be submitted to the account operator by the end of the Offering Period. The investor may use any method that such investor's account operator offers to submit the Subscription Undertaking (e.g., physically at the client service office of the account operator, over the internet or by other means). The Subscription Undertaking must include the following information:

Owner of the securities account:	name of the investor
Securities account:	number of the investor's securities account
Account operator:	name of the investor's account operator
Security:	[*as specified in the Final Terms*]
ISIN code:	[*as specified in the Final Terms*]
Amount of securities:	the number of Bonds which the investor wishes to subscribe for
Price (per Bond):	the Offer Price in euros as specified in the Final Terms
Transaction amount:	the number of Bonds which the investor wishes to subscribe for, multiplied by the Offer Price per Bond
Counterparty:	Bigbank AS
Securities account of the counterparty:	99112336495
Account operator of the counterparty:	AS LHV Pank
Value date of the transaction:	[*as specified in the Final Terms*]
Type of transaction:	„subscription“
Type of settlement:	"delivery versus payment"

Submission of Subscription Undertakings by Latvian and Lithuanian Investors

If and to the extent that the Offering takes place in Latvia or Lithuania, an investor wishing to subscribe for the Bonds must contact the financial institution, who is a member of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange that operates such investor's securities account.

The investor can submit a Subscription Undertaking for the purchase or subscription of the Bonds in the form accepted by the respective financial institution and in conformity with the terms and conditions of the Prospectus. The Subscription Undertaking must be submitted to the account operator by the end of the Offering Period. The investor may use any method that such investor's account operator offers to submit the Subscription Undertaking (e.g., physically at the client service venue of the account operator, via the Internet Bank or by other means).

Terms and Conditions for Submission of Subscription Undertakings

A Subscription Undertaking is deemed submitted from the moment Nasdaq CSD in case of Estonia and Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange in case of Latvia and Lithuania, respectively, receives a duly completed transaction instruction from the account operator of the respective Estonian investor or the financial institution managing the securities account of the respective Latvian or Lithuanian investor.

An investor must ensure that all information contained in the Subscription Undertaking is correct, complete and legible. The Company reserves the right to reject any Subscription Undertakings, which are incomplete, incorrect, unclear or illegible, or which have not been completed and submitted during the Offering Period in accordance with all requirements set out in these terms and conditions.

An investor may submit a Subscription Undertaking through a nominee account only if such an investor authorises the owner of the nominee account to disclose the investor's identity, personal ID number or registration number, and address to the Company and Nasdaq CSD. Subscription Undertakings submitted through nominee accounts without the disclosure of the above information will be disregarded.

An investor must authorise the account operator that operates such investor's securities account to disclose to the Company and Nasdaq CSD among other information the investor's name, personal ID code or registration code and address of the investor, the number of the investor's securities account, the name of the investor's account operator and the number of Bonds for which the investor wishes to subscribe for. Subscription Undertakings without the disclosure of the above information will be disregarded.

By submitting a Subscription Undertaking, every investor:

(i) accepts the terms and conditions of the Offering set out in this Section and elsewhere in this Prospectus and agrees with the Company that such terms will be applicable to the investor's acquisition of any Bonds;

(ii) confirms that they have read, and that they fully understand, the Terms of the Bonds, and that by submitting the Subscription Undertaking they accept the Terms of the Bonds;

(iii) accepts that the number of the Bonds indicated by the investor in the Subscription Undertaking will be regarded as the maximum number of the Bonds which the investor wishes to acquire (the **Maximum Amount**) and that the investor may receive less (but not more) Bonds than the Maximum Amount subscribed for (please see Section 4.7 "Distribution and Allocation");

(iv) undertakes to acquire and pay for any number of Bonds allocated to them in accordance with these terms and conditions, up to the Maximum Amount;

(v) authorises and instructs the account operator through which the Subscription Undertaking is submitted to arrange the settlement of the transaction on their behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the transaction;

(vi) authorises the account operator through which the Subscription Undertaking is submitted, and Nasdaq CSD, to amend the information contained in the Subscription Undertaking to (a) specify the value date of the transaction, (b) specify the number of Bonds to be purchased by the investor and the total amount of the transaction, up to the Maximum Amount times the Offer Price; (c) correct or clarify obvious mistakes or irregularities in the Subscription Undertakings, if any;

(vii) authorises the Nasdaq CSD and the Company together with any service provider(s) engaged by the Company for such purpose to process, forward and exchange its personal data and information in the Subscription Undertaking during the Subscription Period and/or after the Subscription Period where necessary to participate in the Offering, to accept or reject the

Subscription Undertaking and to fulfil the Terms of the Bonds and the Company's obligations under the Terms of the Bonds;

(viii) acknowledges that the Offering does not constitute an offer (in Estonian: *pakkumus*) of the Bonds by the Company in legal terms or otherwise, and that the submission of a Subscription Undertaking does not constitute the acceptance of an offer, and therefore does not in itself entitle the investor to acquire the Bonds, nor result in a contract for the sale of the Bonds between the Company and the investor;

(ix) confirms, that they are not subject to any laws (incl. laws of any other jurisdiction) which would prohibit the placing of the Subscription Undertaking or allocation and delivery of the Bonds to them and represents that they are authorised to place a Subscription Undertaking in accordance with the Prospectus.

Investors have the right to amend or cancel their Subscription Undertakings at any time until the end of the Offering Period. To do so, the investor must contact their account operator through whom the Subscription Undertaking in question has been made and carry out the procedures required by the respective account operator for amending or cancelling a Subscription Undertaking (such procedures may vary from operator to operator). This may result in costs and fees charged by the account operator through which the Subscription Undertaking is submitted.

4.6. Payment

By submitting a Subscription Undertaking, an investor authorises and instructs the institution operating the investor's cash account connected to their securities account to immediately block the whole transaction amount on the investor's cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the Offer Price multiplied by the Maximum Amount. An investor may submit a Subscription Undertaking only when there are sufficient funds on the cash account connected to their Nasdaq CSD securities account or the securities account opened with a financial institution which is a member of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange to cover the whole transaction amount for that particular Subscription Undertaking.

4.7. Distribution and Allocation

The Company will decide on the allocation of the Bonds after the expiry of the Offering Period of the respective series of Bonds. The Bonds will be allocated to the investors participating in the Offering in accordance with the following principles:

(i) under the same circumstances, all investors shall be treated equally, whereas dependent on the number of investors and interest towards the Offering, the Company may set minimum and maximum number of the Bonds allocated to one investor;
(ii) the Company shall be entitled to use different allocation principles between the groups of retail investors and institutional investors. No separate tranche is reserved for investors based on countries where the Offering is carried out and the same distribution and allocation principles are applied for investors in all countries where the Offering takes place;
(iii) the Company shall be entitled to use different allocation principles for groups of investors tiered based on the size of the Subscription Undertaking;
(iv) the allocation shall be aimed to create a solid and reliable investor base for the Company;
(v) the Company shall be entitled to give preference to the employees, management and supervisory board members of companies belonging to the Group whereas such persons may use their investment vehicles in subscribing for the Bonds and shall in such case inform the Company of the usage of an investment vehicle and its name;
(vi) possible multiple Subscription Undertakings submitted by an investor shall be merged for the purpose of allocation;

(vii) Subscription Undertakings via a nominee accounts (incl. if made on the account of pension investment accounts) are treated as Subscription Undertakings from separate independent investors. Although each investor subscribing via a nominee account is considered as an independent investor during the allocation process, the nominee account holder is responsible for the allocation of the Bonds to the investor; and

(viii) 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 results of the allocation process of the Offering will be announced through the information system of the Nasdaq Tallinn Stock Exchange and through the Company's website https://investor.bigbank.eu. The Company plans to announce the results of allocation of each series of the Bonds within three business days after the end of the Offering Period, but in any case, before the Bonds are transferred to the investors' securities accounts. Therefore, dealing with the Bonds on Nasdaq Tallinn Stock Exchange shall not begin before the results of the allocation have been announced.

4.8. Settlement

The Bonds allocated to investors will be transferred to their securities accounts on or about the settlement date provided in the Final Terms through the "delivery versus payment" method simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant investors when the Bonds are transferred to their securities accounts. If an investor has submitted several Subscription Undertakings through several securities accounts, the Bonds allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary.

The Offering is not underwritten, and the Company does not intend to enter into any agreements for having the Offering underwritten in full or in part.

4.9. Return of Funds

If the Offering or a part thereof is cancelled in accordance with the terms and conditions described in this Prospectus, or if the investor's Subscription Undertaking is rejected, or if the allocation is less than the amount of Bonds applied for, the funds blocked on the investor's cash account, or the excess part thereof (the amount in excess of payment for the allocated Bonds), will be released by the respective financial institution. Regardless of the reason for which funds are released, the Company shall never be liable for the release of the respective funds and for the payment of interest on the released funds for the time they were blocked (if any).

4.10. Cancellation of Offering

The Company has the right to cancel the Offering in full or in part in its sole discretion, at any time until the end of the Offering Period. In particular, the Company may decide to cancel the Offering in the part not subscribed for. Any cancellation of the Offering will be announced through the information system of the Nasdaq Tallinn Stock Exchange and through the Company's website https://investor.bigbank.eu. All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated as of the moment when such announcement is made public.

4.11. Conflicts of Interests

According to the knowledge of the Management, there are no personal interests of the persons involved in the Offering material to the Offering. The Management is unaware of any conflicts of interests related to the Offering.

4.12. Notice to Investors in the European Economic Area

In relation to each Member State (other than Estonia, Latvia, and Lithuania) no offer to the public of the Bonds which are the subject of the Offering contemplated by this Prospectus has been, or will be, made in that Member State other than:

(i) to any person which is a qualified investor as defined in the Prospectus Regulation;
(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Bonds shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Bonds to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered to enable an investor to decide whether to purchase or subscribe for any Bonds.

5. REASONS FOR OFFERING AND USE OF PROCEEDS

The overall purpose of the Programme and the Offering is to strengthen and optimise the regulatory own funds structure of the Group. In addition, the Company seeks to ensure stable access to additional capital to finance the Group's business and growth. More detailed reasons for the Offering may be specified in the relevant Final Terms for a specific series of the Bonds.

Assuming that all the Bonds under the Programme are subscribed for and issued by the Company, the expected amount of gross proceeds would be up to EUR 25 million. The expected gross proceeds from the issue of the first series of the Bonds are expected to amount up to EUR 3 million (up to EUR 8 million in case of oversubscription and increase of the Offering amount). Expenses directly related to setting up the Programme and to the Offering of the first series of the Bonds are estimated to be EUR 0.1 million. The net proceeds from the issue of the first series of the Bonds, after deducting estimated costs and expenses would therefore be approximately EUR 2.9 million (up to EUR 7.9 million in case of oversubscription and increase of the Offering amount). The net proceeds from the issue of further series of the Bonds shall be specified in the Final Terms of each series.

The net proceeds of the issue of the Bonds will be used for the general banking and other corporate purposes of the Group. The proceeds may be used for redeeming outstanding subordinated bonds of the Company, for covering the additional credit risk arising from the growth of the Group's corporate and housing loans portfolio in Estonia, Latvia, and Lithuania, as well as for the purposes of satisfying the own funds requirements under applicable regulations, or otherwise in line with the general purpose of the Programme.

The exact use of proceeds may be further specified in the Final Terms of a specific series of the Bonds.

6. GENERAL CORPORATE INFORMATION AND ARTICLES OF ASSOCIATION

6.1. General Corporate Information

The business name of the Company is Bigbank AS. The Company was established on 22 September 1992 and registered in the Estonian Commercial Register on 30 January 1997 under the register code 10183757 and its legal entity identifier (LEI) code is 5493007SWCCN9S3J2748. The Company has been established and is currently operating under the laws of the Republic of Estonia in the form of a public limited company (in Estonian: *aktsiaselts* or AS) and is established for an indefinite term.

The contact details of the Company are the following:

Address: Riia tn 2, 51004 Tartu, Estonia

Phone: +372 737 7570

E-mail: info@bigbank.ee

Website: https://www.bigbank.ee

The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

According to the latest available annual report of the Company, i.e., the annual report for the financial year ended on 31 December 2024, the field of activity of the Company was "credit institutions" (EMTAK[12] 64191).

The Group has the following fully owned Subsidiaries – OÜ Rüütli Majad (registry code 10321320) together with its subsidiaries OÜ Rüütli Property (registry code 10340174), OÜ Pärnu mnt 153 Property (registry code 16452827) and OÜ Papiniidu Property (registry code 16247926); Balti Võlgade Sissenõudmise Keskus OÜ (registry code 11652332); and AS Baltijas Izaugsmes Grupa (Latvian registry code 40003291179). Additionally, the Company has established branches in Latvia, Lithuania, Finland, Sweden, and Bulgaria.

[12] EMTAK (the Estonian Classification of Economic Activities) is the basis for determining the fields of activity of Estonian companies. EMTAK is the national version of the international harmonised NACE classification. As of 1 January 2007, the Estonian companies are, instead of providing their fields of activity in the Articles of Association, required to report them in their annual reports using EMTAK classification.

7. SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE

7.1. Share Capital and Shares

The current registered and fully paid-in share capital of the Company is EUR 8,000,000, which is divided into 80,000 ordinary shares of the Company (the **Shares**) with the nominal value of EUR 100. The Shares are registered in the ERS under ISIN code EE3100016015 and are kept in book-entry form. No share certificate has or may be issued. The Shares are not admitted to trading on any regulated market. The Company does not have any Shares that have not been fully paid up.

The Shares are ordinary bearer shares with no restrictions on transferability. The Shares are governed by the laws of Estonia. All the Shares are of one class and rank *pari passu* with each other. All the Shares carry equal voting rights.

Under the Estonian Commercial Code, the main rights afforded to holders of ordinary shares are the right to participate in the general meeting of shareholders and in the distribution of profits and, upon dissolution, of the remaining assets of the public limited company, as well as other rights provided by law or prescribed by the articles of association.

7.2. Shareholders of Company

As at the date of this Prospectus, the Shareholders holding directly over 5% of all Shares in the Company are the following:

Name of Shareholder	Number of Shares	Proportion
Parvel Pruunsild	40,000	50%
Vahur Voll	40,000	50%

There are no persons who have an indirect qualifying holding in the Company. The Company is jointly controlled by the above shareholders (i.e., Parvel Pruunsild and Vahur Voll). The Company is as at the date of this Prospectus not aware of any arrangements or circumstances, which may at a subsequent date result in a change in control over the Company.

There are no shareholders’ agreements between the shareholders of the Company.

8. MANAGEMENT

8.1. Management Structure

The Company has a three-layer management. The Management Board is responsible for the day-to-day management of the Company and each of its members is eligible to represent the Company in keeping with the law and the Articles of Association. The Supervisory Board of the Company is responsible for the strategic planning of the activities of the Company and for supervising the activities of the Management Board. The highest governing body of the Company is the General Meeting.

The address of operations of the Management Board and the Supervisory Board is Riia tn 2, 51004 Tartu, Estonia (the registered address of the Company).

8.2. Management Board

Role. The Management Board of the Company is responsible for the day-to-day management of the Company's operations, representing the Company and for organising its accounting. Further, according to the Estonian Commercial Code, it is the obligation of the Management Board to draft the annual reports and submit the reports to the Supervisory Board for review and to the General Meeting for approval. The Management Board is accountable to the Supervisory Board and must adhere to its lawful instructions.

Duties. The Management Board must present an overview of the economic activities and economic situation of the Company to the Supervisory Board at least once every three months and is under the obligation to give immediate notice of any material deterioration of the economic condition of the Company or of any other material circumstances related to its operations. If the Company is insolvent and the insolvency, due to the Company's financial situation, is not temporary, the Management Board must immediately submit a voluntary bankruptcy petition in respect of the Company.

The Management Board may only enter into transactions that lie outside the Company's ordinary scope of business with the consent of the Supervisory Board.

Further, according to the Commercial Code, it is the obligation of the Management Board to coordinate preparation of the annual reports and submit the reports to the Supervisory Board for review and to the General Meeting for approval. The Management Board is accountable to the Supervisory Board and must adhere to its lawful instructions and to the strategy of the Company approved by the Supervisory Board.

Members of the Management Board. According to the Articles of Association, the Management Board consists of three to five members who are appointed by the Supervisory Board for a period of three years. The Supervisory Board has appointed five members to the Management Board – Mr Martin Länts (Chairman of the Management Board, the authorities remain valid until 14 March 2028), Mr Argo Kiltsmann (the authorities remain valid until 30 June 2025), Mr Ingo Põder (the authorities remain valid until 14 March 2028), Mr Ken Kanarik (the authorities remain valid until 14 March 2028) and Mr Mart Veskimägi (the authorities remain valid until 5 February 2026).

Mr Martin Länts. Mr Länts is the Chairman of the Management Board of the Company. He is responsible for the management of the Company's branches and cross-border services, Customer Relationship Management and Marketing and WOW Support Services Area. His main functions within the Company include also external and internal governance, and strategic planning. Mr Länts is additionally a member of the council of Eesti Pangaliit.

Mr Mart Veskimägi. Mr Veskimägi is the Head of Risk Management of the Company and is, as a Management Board Member, responsible for Compliance, Credit Risk and Risk Management. His main functions within the Company include risk governance, risk reporting and capital planning. Mr Veskimägi is additionally a member of the management board of MTÜ Männivälja.

Mr Ingo Põder. Mr Põder is the Head of Corporate Banking of the Company, responsible for Corporate Banking and Legal. His main functions within the Company include development of areas under his responsibility and long-term strategic planning. Mr Põder is additionally a member of the management board of Eesti Liisinguühingute Liit, and Naginataklubi Shirei.

Mr Ken Kanarik. Mr Kanarik is the Head of Technology and Product Management of the Company, responsible for Product Management and Technology. His main functions within the Company include development of areas under his responsibility and long-term strategic planning. He does not hold any other managerial positions in other entities.

Mr Argo Kiltsmann. Mr Kiltsmann is the Head of Finance, responsible for Finance, Data and Analytics and Daily Banking. His main functions within the Company include budgeting and planning, ensuring funding of the Group's activities and correct accounting. He does not hold any other managerial positions in other entities.

8.3. Supervisory Board

Role. In accordance with the Commercial Code, the Supervisory Board is responsible for the strategic planning of the business activities of the Company and supervising the activities of the Management Board. The Supervisory Board is elected by and accountable to the shareholders of the Company (acting in the form of the General Meeting).

Duties. In accordance with the Commercial Code, before the ordinary General Meeting is held, the Supervisory Board must review the annual report and provide the General Meeting with a written report on the annual report, indicating whether the Supervisory Board approves the report and also provide information on how the Supervisory Board has organised the supervision of the activities of the Company during the year. The tasks and responsibilities of the Supervisory Board are further regulated in the Articles of Association of the Company.

Members of the Supervisory Board. According to the Articles of Association, the Supervisory Board consists of five to seven members who are appointed by the General Meeting for a period of two years. The members of the Supervisory Board elect among themselves a Chairman of the Supervisory Board who is responsible for organising the activities of the Supervisory Board. The roles of each member of the Supervisory Board are not specified within the Company and the Supervisory Board members perform their duties as Supervisory Board members in accordance with the Articles of Association and applicable legislation. According to the Articles of Association, meetings of the Supervisory Board are held according to the actual necessity, but at least once per three months. A meeting of the Supervisory Board has a quorum if more than one half of the members of the Supervisory Board participate, and a resolution of the Supervisory Board is adopted if more than one half of the members of the Supervisory Board who participate in the meeting vote in favour. A member of the Supervisory Board may participate via electronic means. As at the date of this Prospectus there are six members in the Supervisory Board – Mr Sven Raba (chairman of the Supervisory Board), Mr Andres Koern, Mr Juhani Jaeger, Mr Jaan Liitmäe, Mr Alari Aho and Mr Vahur Voll. The authorities of all the above-mentioned persons as members of the Supervisory Board will remain valid until 25 February 2027 except for Mr Sven Raba, whose authorities remain valid until 30 July 2025, Mr Alari Aho, whose authorities remain valid until 9 June 2026 and Mr Jaan Liitmäe, whose authorities remain valid until 22 October 2025.

Mr Sven Raba. Mr Raba has previously worked in Bigbank from 2014 until 2022, including as the Group's Chief Financial Officer, Chairman of the Management Board and, most recently, Chief Technology Officer. Since October 2022 Sven Raba has been the management board member and CFO of fintech company Monemon AS and is member of the Estonian Chamber of Mentors.

Mr Andres Koern. Mr Koern is additionally a member of the supervisory board of AS Birdeye Capital and TK-Team Baltic AS (Chairman).

Mr Juhani Jaeger. Mr Jaeger is additionally a member of the management board of Autorfest OÜ and Tower Music MTÜ.

Mr Jaan Liitmäe. Mr Liitmäe is additionally a member of the management board of Citylife OÜ and SAA & Kompanjonid OÜ.

Mr Vahur Voll. Mr Voll owns 50% of the shares of the Company. Mr Voll is additionally a member of the management board of Pähklimäe Talu OÜ and Nissi Maarja Kiriku sihtasutus.

Mr Alari Aho. Mr Aho is additionally a member of the management board of Kõnnu metsamajanduse OÜ, Samblapõllu Arenduse OÜ, Toggl OÜ and Vana-Lamba OÜ.

8.4. Audit Committee

Role and Duties. The Audit Committee is an advisory body to the Supervisory Board. The Audit Committee has been established to supervise the activities of the Management Board. The functions of the Audit Committee are as follows: (i) oversees the establishment of accounting policies by the Company; (ii) monitors the processing of financial information and submits recommendations aimed at ensuring its integrity, (iii) monitors and reviews the independence of an audit firm and statutory auditor; (iv) monitors the process of statutory audit, in particular, its performance, taking into account any findings and conclusions from quality assurance by the competent authority, (v) reviews the scope and frequency of the statutory audit for annual or consolidated accounts, (vi) is responsible for the procedure for the selection of statutory auditor(s) or audit firm(s) and recommends the statutory auditor(s) or audit firm(s) to be appointed and recalled; (vii) monitors the effectiveness and efficiency of the Company's internal control and risk management systems by receiving and taking into account internal audit reports; (viii) confirms the procurement of audit services ordered by the internal audit function, (ix) reviews the observations and proposals received from the auditors, among others, proposals concerning risk management and control systems. The Audit Committee is formed by and reports to the Supervisory Board of the Company.

Members of the Audit Committee. The Audit Committee of the Company currently has three members. The Audit Committee consists of Mr Jaan Liitmäe (Chairman), Mr Sven Raba and Mr Vahur Voll.

8.5. Remuneration Committee

Role and Duties. The Company has established a Remuneration Committee. The functions of the committee include: (i) supporting the designing and supervision of the remuneration policy, related practices and processes, (ii) regularly evaluating the implementation of the principles of remuneration, (iii) preparing resolutions on remunerations to be taken by the Supervisory Board, (iv) supervision over identification and remuneration of the material risk takers, (v) ensure adequate disclosure to shareholders regarding remuneration policies and practices, (vii) assess the procedures adopted to ensure that the policies are aligned with legal requirements regarding risk management and capital adequacy, and (viii) assessment of how remuneration policies respond to different events. The Remuneration Committee is formed by and reports to the Supervisory Board of the Company.

Members of the Remuneration Committee. The Remuneration Committee of the Company currently has three members. The Remuneration Committee consists of Mr Juhani Jaeger (Chairman), Mr Sven Raba and Mr Alari Aho.

8.6. Nomination Committee

Role and Duties. The Company has established a Nomination Committee. The functions of the committee include (i) performing individual assessments of candidates for key positions and their collective suitability according to procedure for assessment of suitability of members of the management body and key function holders, (ii) regular assessments of persons in key positions in accordance with internal procedures, which results are reported to the Supervisory Board, (iii) regular evaluation of the Management Board composition, (iv) ensuring a balance between the candidate's knowledge, skills and experience while also promoting the principles of diversity, (v) monitoring the decision-making process of the Management Board, (vi) assess the implementation of the Company's diversity policy for management bodies, and (vii) setting strategic targets to increase the implementation of diversity policies and representation of the underrepresented gender in the Management Board. The Nomination Committee is formed by and reports to the Supervisory Board of the Company.

Members of the Remuneration Committee. The Nomination Committee of the Company currently has three members. The Remuneration Committee consists of Mr Alari Aho (Chairman), Mr Juhani Jaeger and Mr Jaan Liitmäe.

8.7. Group Credit Committee

Role and Duties. The Group Credit Committee is the highest level decision-making body in the Group's system of credit committees (consisting of Group Credit Committee, country credit committees and their sub-committees), which is responsible for supervising country credit committees, ensuring that all credit decisions are in line with the Group's credit risk policy, Group-level credit risk limits and key risk indicators, risk appetite and credit strategy, and adopting lending decisions exceeding EUR 10 million. The Group Credit Committee is formed by and reports to the Management Board.

Members of the Group Credit Committee. The Group Credit Committee consists of at least five members, which must include the Chairman of the Management Board of the Company and at least one representative from the area responsible for risk management. Currently the members of the Group Credit Committee are Mr Raul Seppa (Chairman), Mr Ingo Põder (Vice-Chairman), Mr Parvel Pruunsild, Mr Martin Länts, Mr Mart Veskimägi and Mr Argo Kiltsmann.

Mr Raul Seppa. Mr Seppa is the Head of Credit Risk of the Group. Mr Seppa is additionally a member of the management board of Creditum Consultum OÜ and Balti Võlgade Sissenõudmise Keskus OÜ.

Mr Parvel Pruunsild. Mr Pruunsild owns 50% of the shares of the Company. Mr Pruunsild is additionally a member of the supervisory board of Sihtasutus Korp! Sakala Stipendiumifond, Tartu Ülikooli Kliinikumi Lastefond and Foundation "Pere Sihtkapital". He is also the founder of Foundation "Lasterikkad Isad" and member of management board of Jodler Invest OÜ.

8.8. Risk Committee

Role and Duties. The Risk Committee supports the Supervisory Board and the Management Board in fulfilling its risk management responsibilities. In particular, the Risk Committee (i) facilitates the development and implementation of internal governance frameworks, (ii) advises the Supervisory Board and the Management Board on risk management policies and the Company's risk tolerance, (iii) supervises the implementation of risk management principles, (iv) ensures the Company's business model and risk strategy are reflected in the pricing of customers, if necessary, makes corrective recommendations to the Supervisory Board, (v) supports the Supervisory Board to monitor the Company's targeted and actual risk profile and if necessary makes recommendations to the Supervisory Board for adjustments of the risk strategy, (vi) establishes key performance indicators for Head of Risk Management and monitor the implementation on quarterly basis, (vii) advises the Supervisory Board in overseeing the implementation of the Company's capital and liquidity management processes, (viii) advise the Supervisory Board on stress testing, (ix) monitors the recovery planning process, (x) helps the Supervisory Board on the use of the internal risk-based (IRB) method for determining capital requirements for credit risks, and (xi) examines whether remuneration policies and practices take into account the Company's risk, capital and liquidity. The Risk Committee is formed by and reports to the Supervisory Board of the Company.

Members of the Risk Committee. The Risk Committee currently has three members. The Risk Committee consist of Mr Vahur Voll (Chairman), Mr Jaan Liitmäe and Sven Raba.

8.9. Conflicts of Interests

According to the knowledge of the Management, there are no known actual or potential conflicts of interest between the duties of any of the members of the Management Board, the Supervisory Board and any Committee to the Company or to any Group company, and their private interests or other duties.

8.10. Statement of Compliance with Corporate Governance

The Company complies with the corporate governance regime of the Republic of Estonia. The Company adheres to the Good Corporate Governance Code as approved by the EFSA. The Good Corporate Governance Code is intended mostly for publicly listed companies and is designed for companies with a wide ownership. The Company has thus adapted the Good Corporate Governance Code to its own specifics.

The Good Corporate Governance Code is binding on the basis of "comply or explain principle". The requirements, which are currently not fully followed by the Company have been described in the latest Corporate Governance Report made available in the audited consolidated financial statements of the Group for the year ended on 31 December 2024, accessible here: https://static.bigbank.eu/investor/assets/2024/04/Bigbank_AS_Annual_Report_2024-EN.pdf.

9. BUSINESS OVERVIEW

9.1. History and Development of Group

The Group's history dates back to 1992, when Mr Parvel Pruunsild and Mr Vahur Voll together with another founder established aktsiaselts LIIVIMAA LOMBARD (now Bigbank AS). Both Mr Pruunsild and Mr Voll continue contributing to the management of the Company. Mr Voll as member of the Audit Committee, Risk Committee, and Group Credit Committee and member of the Supervisory Board and Mr Pruunsild as member of Group Credit Committee.

- 1992 – The Company launches operations, opening its first office in Tartu, Estonia.
- 1993 – Tallinn office is opened.
- 1996 – The Company founds a subsidiary in Latvia.
- 1997 – The Group adopts the trademark BIG, which is an acronym from its then business name AS Balti Investeeringute Grupp.
- 2004 – The Company submits an application for a credit institution's activity license. The Company lists its bonds on the Tallinn Stock Exchange for the first time.
- 2005 – The Company receives the licence to operate as a credit institution and starts carrying out its activities under the new licence with a new business name Balti Investeeringute Grupi Pank AS.
- 2006 – The Company begins offering term deposits on the Estonian market.
- 2007 – The Company opens a Lithuanian branch, the first to operate under the BIGBANK trademark. The international rating agency Moody's Investor Services issued the Company with a credit rating for the first time. The Company conducts its first international issue of debt instruments and lists the bonds on Stockholm Stock Exchange. The number of active credit contracts reaches 100,000.
- 2008 – The Group, which had been operating under the trademark BIG in Estonia and Latvia, also starts using the unified international trademark BIGBANK in Estonia and Latvia. In addition to a subsidiary, the Company opens a branch in Latvia. The Company begins offering term deposits on a cross-border basis in Finland.
- 2009 – The business name of the Company is changed to Bigbank AS. The Company begins offering term deposits on a cross-border basis in Germany. The Company opens a branch in Finland. The Company redeems bonds listed on Tallinn Stock Exchange.
- 2010 – The Company begins offering deposits on a cross-border basis in Austria and starts issuing loans in Finland.
- 2011 – The Company opens a branch (now liquidated) and starts issuing loans in Spain. The Company redeems bonds listed on Stockholm Stock Exchange.
- 2012 – The Company opens a branch and starts issuing loans in Sweden. The Company begins offering deposits as a cross-border services in the Netherlands.
- 2015 – The Group's international trademark is changed together with launch of new branding from BIGBANK (with capital letters) to Bigbank (with only first capital letter).
- 2017 – Banking platform Nest launched in Finland.

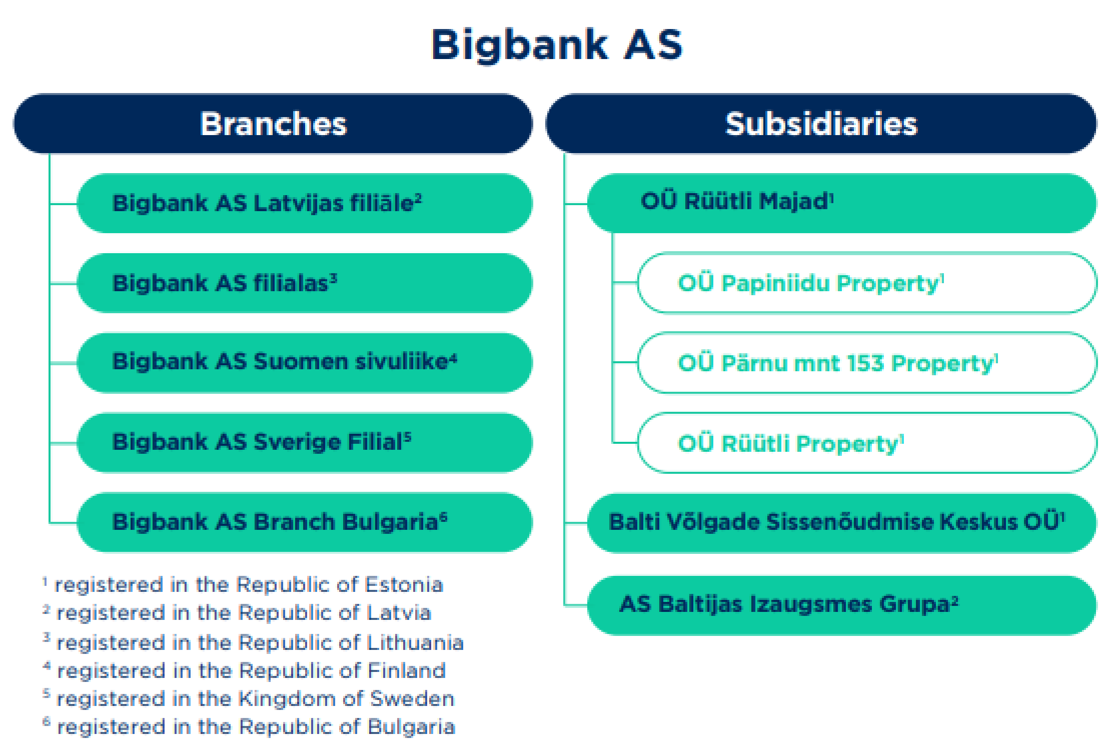
- 2018 – Banking platform Nest launched in Sweden.
- 2019 – Banking platform Nest launched in Lithuania, Latvia and Estonia.
- 2020 – The Company obtains the permits for establishing and operating a branch in Bulgaria. The Company launches digital customer identification and contract signature in Latvia and Lithuania, corporate car and equipment lease in Estonia and Lithuania, savings deposits in Germany, Austria and the Netherlands, digital revolving loans in Sweden, refinancing loans and collateralised car loans in Finland and housing loans in Estonia.
- 2021 – The Company commences issuing housing loans in Latvia and Lithuania. Also, services offered to private customers are expanded with car leasing in Lithuania and consumer loans in Bulgaria. In corporate customer segment, the Company starts providing agricultural and forest land loans in Estonia and Latvia. The volume of the Company's assets exceeds first time of its history over EUR 1 billion.
- 2022 – The Company launces deposit services in Bulgaria and starts providing customer video identification in Estonia. The Company's deposit portfolio exceeds EUR 1 billion. The Company receives an investment-grade rating from rating agency Moody's. The Group decides to stop issuing new loans in Sweden from 1 September 2022 and in Bulgaria from 1 November 2022. Under a EUR 35 million bond programme the Company carries out a public offer of bonds in the amount of EUR 20 million, with 10-year maturity. The bonds were admitted to trading at Nasdaq Tallinn, Baltic Bonds List. The Company enters the everyday banking market and starts offering credit cards.

(i) 2023 – the Company launches saving deposits for private individuals in Estonia and Finland and term deposits in Latvia. Additionally, saving deposits are launched in Estonia, Latvia for corporate customers. The Company carries out an additional issue of bonds under the programme established in 2022, during which additional bonds in the amount of EUR 15 million were issued. Additionally, the Company conducts three private placements of notes qualifying as AT 1 own funds of the bank in the total amount of EUR 16.17 million. The Company finalises the sale of Abja Põld OÜ. After reevaluating the profitability of loan sales from August-October 2022, the Group decided to re-launch consumer loan product in Bulgaria as of 1 January 2024.

(ii) 2024 – the Group enters everyday banking by launching current accounts and payment services for private customers in Estonia and becomes a direct member of the SEPA Instant Payments scheme. In November 2024, Eesti Pank (Central Bank of Estonia) adds the Company to the list of systematically important credit institutions. The Company expands its existing deposit products to new countries. Term deposits are launched to private customers in Lithuania and savings deposit in Latvia and Bulgaria. In addition, savings deposits are introduced to business customers in Latvia and Lithuania. The Company conducts two Tier 2 subordinated bond issues and two targeted AT1 bond issues, which in total raise capital of EUR 20.4 million. Subordinated bonds issued in 2017 are redeemed at their issue price EUR 5 million. Two Group's subsidiaries, Palupera Põllud OÜ (the acquiree) and OÜ Rüütli Property (the acquirer), are merged.

9.2. Group Structure, Group Companies and Affiliated Companies of the Company

As at the date of this Prospectus, the Group structure is the following:



Group Companies and branches:

Bigbank AS. Bigbank AS (the Company) is the holding company of the Group. The Company holds a credit institution's license, and the main products of the Company are corporate loans, consumer loans, residential loans, credit cards, and deposits, with a focus on development of daily banking services. On a cross-border basis, the Company also accepts deposits in Germany, the Netherlands and Austria. The Company is not dependent upon other entities in the Group.

Bigbank AS Latvian branch. Bigbank AS Latvian branch was established in 2008. The main products of Bigbank AS Latvian branch are consumer loans, residential loans, corporate loans, credit cards and deposits.

Bigbank AS Lithuanian branch. Bigbank AS Lithuanian branch was established in 2007. The main products of Bigbank AS Lithuanian branch are consumer loans, residential loans, corporate loans, credit cards, and deposits.

Bigbank AS Finnish branch. Bigbank AS Finnish branch was established in 2009. The main products of Bigbank AS Finnish branch are consumer loans and deposits.

Bigbank AS Swedish branch. Bigbank AS Swedish branch was established in 2012. The main products of Bigbank AS Swedish branch are deposits.

Bigbank AS Bulgarian branch. Bigbank AS Bulgarian branch was established in 2020. The main products of Bigbank AS Bulgarian branch are consumer loans and deposits.

OÜ Rüütli Majad. OÜ Rüütli Majad became part of the Group in 2000. The core business of OÜ Rüütli Majad is property management.

OÜ Papiniidu Property. OÜ Papiniidu Property was established in 2021. The core business of OÜ Papiniidu Property is property management.

OÜ Pärnu mnt 153 Property. OÜ Pärnu mnt 153 Property is involved in property management.

OÜ Rüütli Property. OÜ Rüütli Property became part of the Group in 2020. The core business of OÜ Rüütli Property is agricultural land management.

Balti Võlgade Sissenõudmise Keskus OÜ. Balti Võlgade Sissenõudmise Keskus OÜ was established in 2009. The core business of Balti Võlgade Sissenõudmise Keskus OÜ was management of debt portfolio but is currently not engaged in active business operations.

AS Baltijas Izaugsmes Grupa. AS Baltijas Izaugsmes Grupa was established in 1996. The core business of AS Baltijas Izaugsmes Grupa is agricultural land management.

9.3. Business Segments

The Group's banking operations are divided into two operating segments, identified by reference to customer categories: retail banking and corporate banking. Both segments offer loan products to customers and raise deposits. As of December 2024, the Group also offers current account and payments services to its Estonian private customers. As of 31 March 2025, the Group's client portfolio comprised of approximately 65.2% of retail clients and 34.8% of corporate clients. Group entities that are involved in investment property and agriculture and units that support banking operations (incl. the treasury) form the segment of other operations.

9.4. Geographical Markets

As at the date of this Prospectus, the Group operates in nine geographical markets. The Group defines its active markets as those where it provides financing and/or accepts deposits. In Estonia, the Company offers financing to both private and business customers, current accounts and payment services to private customers, and accepts deposits. The branches in Latvia and Lithuania offer lending services that are largely similar to those of the Company, while the branches in Finland and Bulgaria primarily focus on providing consumer credit. The branches in Latvia and Lithuania also offer deposit services to both private and business customers, whereas in Finland, Sweden and Bulgaria, deposits are offered exclusively to private customers. Additionally, the Company offers deposit services on a cross-border basis in Germany, the Netherlands and Austria, but does not carry out any financing activities in these markets.

As of 31 March 2025, the largest share of the Group's loan receivables originated from the Estonian market, accounting for 41.8%, followed by the Lithuanian market with 35.2%, the Latvian market with 16.0%, the Finnish market with 5.9%, the Swedish market with 0.9%, and the Bulgarian market with 0.2%. The share of loan receivables from the Swedish market is expected to decline further, as no new loans are issued in Sweden. As of the same date, the largest portion of the Group's deposits came from the Dutch market, representing 42.6%, followed by the German market with 37.33%, and the Finnish market with 7.21%.

9.5. Financing of Activities

The Group's funding structure is primarily based on customer deposits and financing raised through the issuance of subordinated debt instruments. As of 31 March 2025, the Group held customer deposits totalling EUR 2,552.2 million, approximately 97% of which were from retail customers and denominated in euros.

As of the date of this Prospectus, the Group had outstanding subordinated debt financing in the total amount of EUR 98.02 million. The outstanding debt consists of the following instruments:

Issue date	Interest rate (% *per annum*)	Volume (in EUR)	Maturity	ISIN	Type
30.12.2021	6.5	10 million	30.12.2031	EE3300002526	Tier 2
16.05.2022	7.5	5 million	16.05.2032	EE3300002583	Tier 2
21.09.2022	8	20 million	21.09.2032	EE3300002690	Tier 2
16.02.2023	8	15 million	16.02.2033	EE3300003052	Tier 2
30.11.2023	8	5 million	30.11.2033	EE3300003706	Tier 2
29.05.2024	7	7 million	29.05.2034	EE3300004340	Tier 2
23.10.2024	6.5	5 million	23.10.2034	EE3300004977	Tier 2
15.03.2023	10.5	7.7 million	perpetual	EE3300003151	AT 1
31.05.2023	12	3.39 million	perpetual	EE3300003284	AT 1
31.08.2023	12	5.08 million	perpetual	EE3300003581	AT 1
21.06.2024	10.5	4.96 million	perpetual	EE3300004696	AT 1
29.11.2024	9	4.45 million	perpetual	EE3300005081	AT 1
31.03.2025	9	3 million	perpetual	EE0000000560	AT 1
29.05.2025	9	2.44 million	perpetual	EE0000001329	AT 1

Both the volume of customer deposits and the Group's funding through debt instruments have gradually increased during 2023 and 2024, in line with the Group's overall asset growth. The main objective of the Group's funding strategy is to ensure sufficient and stable funding of the core activities through the Group's own and debt capital. The second key objective of funding management is to optimise the cost, amount, and composition of raised debt capital. However, cost efficiency must not come at the expense of ensuring a sufficient, stable, and prudently conservative funding structure. Strategic management and limiting the structure of assets and liabilities form an integral part of Group's strategic planning.

The Group's strategic plans are consistent with the actual funding structure and economic forecasts. The Company expects to continue financing its activities through customer deposits and funding provided by creditors of subordinated debt instruments, including the Bonds issued under the Programme.

Credit rating. In May 2025, rating agency Moody's completed the assessment of the Company, and assigned the following ratings towards the following categories:

(i) long-term and short-term counterparty risk assessment – Baa2(cr) and P-2(cr);

(ii) long-term and short-term counterparty risk ratings – Baa2 and P-2;

(iii) long-term foreign and local currency bank deposit ratings – Ba1;

(iv) short-term foreign and local currency bank deposit ratings - NP;

(v) adjusted baseline credit assessment – ba2;

(vi) baseline credit assessment – ba2.

The ratings on the Company's capacity to repay its long-term obligations (rating Baa2) indicate a moderate credit risk. The assigned long-term deposit ratings carry a negative outlook (revised from a stable outlook in the prior assessment). The rating P-2 regarding the Company's short-term obligations indicates a strong ability to repay its short-term obligations. The long-term foreign and local currency bank deposit rating Ba1 indicates that deposits are subject to a substantial risk. The short-term foreign and local currency bank deposit rating NP indicates that the deposits do not fall in the prime rating categories, which suggests to higher risk. The baseline credit assessment rating at the level of Ba2 indicate a substantial credit risk. The ratings represent the Moody's assessment of the Company's financial condition and ability to pay its obligations, and do not reflect the potential impact of all risks relating to the Bonds. Any rating assigned to the long-term obligations of the Company does not affect or address the likely performance of the Bonds other than Company's ability to meet its obligations. No rating will be assigned to the Bonds.

9.6. Competitive Position and Competitive Strengths

The Company positions itself as an international bank with local expertise, serving customers across nine geographical markets. It offers loans in Estonia, Latvia, Lithuania, Finland, and Bulgaria, and accepts deposits from Estonia, Latvia, Lithuania, Finland, Sweden, Bulgaria, the Netherlands, Germany, and Austria.

In line with the Group's strategy for 2022–2026, the Company is expanding its product portfolio to include everyday banking services. An important milestone in this journey was the launch of current accounts and payment services for private customers in Estonia in December 2024. The Group continues to enhance its everyday banking offering in Estonia, with plans to extend these services to other countries where it operates. A key objective for each year within the Company's strategy period of 2022–2026 is to achieve a 20% return on equity for the Company's shareholders.

The Group regards 2024 as the year of strong growth, with the gross loan portfolio increasing by EUR 535 million (32% increase when compared to 2023) to a total of EUR 2.2 billion. The business loan portfolio grew by EUR 186 million (32% increase), the home loan portfolio increased by EUR 262 million (75% increase), and the consumer loan portfolio rose by EUR 92 million (13% increase) when compared to same numbers as of the end of 2023.

In the Management's view, the Group's success lies in its attractive and market-defining product offering. Providing competitive terms to customers across all markets is expected to support the continued healthy growth of the loan portfolio. The Management considers the Group's main strengths compared to key competitors to be:

- (i) A customer-centric organisational culture;
- (ii) A focused product portfolio, including loans, leasing, deposits, current accounts, and payment services;
- (iii) A competitive product offering, supported by regular monitoring of market conditions and customer needs to ensure attractive products with competitive terms;
- (iv) A low-cost base and efficient operations, enabled by the absence of physical branches and ATM networks — the Group operates as a fully digital bank;
- (v) A comprehensive in-house IT system (Nest), with its earliest components dating back to 2016 — free from complex legacy systems;
- (vi) A well-diversified loan portfolio;
- (vii) Responsible lending practices; and
- (viii) A well-diversified deposit portfolio, including cross-border operations in Germany, Austria, and the Netherlands, where customers are served through the Group's own channels rather than third-party platforms (e.g., Raisin), resulting in a lower cost of funding.

The Company's main priority is the wellbeing of its customers, with the aim of consistently delivering a little extra — whether through a more attractive product offering or a service experience that exceeds expectations. This commitment reflects the Company's vision to become the most recommended digital financial service provider in the countries where it operates. For example, in the area of home loans, in addition to the standard annuity-based loan structure, customers can apply for a unique home loan product that allows principal repayments to be deferred for up to 20 years.

Furthermore, the Company's strategic decision to enter the everyday banking segment is motivated not only by the goal of reducing funding costs but also by a strong commitment to meeting customer expectations — particularly the desire to access all essential financial services from a single bank.

Estonia. The financial sector is highly competitive in Estonia — in addition to banks, there are several other credit providers and credit intermediaries offering their services. As of 28 May 2025, there were 42 licensed creditors[13] (acting under an authorisation or in reliance of an exemption), 7 credit intermediaries[14], 8 credit institutions[15], and 5 branches of foreign credit institutions[16] active in Estonia.

As of 31 March 2025, Company held a 19.1% market share in the consumer loan portfolio.[17] Having entered the home loan market in August 2020, the Company has steadily increased its presence, reaching a 3.1% market share in this segment by that date.[18] The Company's market share in the business loan portfolio stood at 3.6%.[19]

The deposit market has become highly competitive in recent years, driven by the European Central Bank's increases in base rates, which have led to higher deposit interest rates. The Company has performed well in this environment, offering some of the most attractive interest rates on the market and significantly growing its term and savings deposit portfolio. As of 31 March 2025, the Company's market share by portfolio in term and savings deposits stood at 0.99%[20] for private customers and 2.1% for non-financial corporations.[21]

Latvia. The Company has a long-standing presence and significant market share in the consumer lending sector in Latvia. Its expertise in this segment resulted in 24.1% market share in consumer loan portfolio within the banking sector as at the end of March 2025.[22]

In 2021, the Company introduced a new product for private customers in Latvia — a home loan. Despite intense competition from universal banks, which primarily compete through price-based discounts, the Company's share of housing loan turnover has increased steadily year-on-year. As of 31 March 2025, the Company held a 1.6% market share in home loan portfolio.[23]

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[13] Finantsinstpektsioon, [https://fi.ee/en/banking-and-credit/creditors] (28.05.2025)
[14] Finantsinspektsioon, [https://fi.ee/en/banking-and-credit/credit-intermediaries] (28.05.2025)
[15] Finantsinspektsioon, [https://fi.ee/en/banking-and-credit/credit-institutions], (28.05.2025)
[16] Finantsinspektsioon, [https://fi.ee/en/banking-and-credit/credit-institutions], (28.05.2025)
[17] The market share has been calculated based on the public information published by Bank of Estonia (in Estonian: *Eesti Pank*), [https://statistika.eestipank.ee/#/en/p/650/r/1172/1021], (28.05.2025)
[18] The market share has been calculated based on the public information published by Bank of Estonia (in Estonian: *Eesti Pank*), [https://statistika.eestipank.ee/#/en/p/650/r/1172/1021], 28.05.2025)
[19] The market share has been calculated based on the public information published by Bank of Estonia (in Estonian: *Eesti Pank*), [https://statistika.eestipank.ee/#/en/p/650/r/907/778], (28.05.2025)
[20] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households] (28.05.2025) – to see general data about Estonia add „Estonia" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.
[21] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Corporations] (28.05.2025) – to see general data about Estonia add „Estonia" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.
[22] The market share has been calculated based on the public information published by Bank of Latvia (in Latvian: *Latvijas Banka*), [https://statdb.bank.lv/lb/Data/225/6b174c4a73d2d440565fcc67b9c5048b-html] (28.05.2025).
[23] The market share has been calculated based on the information provided by Bank of Latvia (*Latvijas Banka*), [https://statdb.bank.lv/lb/Data/225/6b174c4a73d2d440565fcc67b9c5048b-html] (28.05.2025).

Similar to Estonia, the deposit market in Latvia has become increasingly competitive in recent years. In 2024, the Company expanded its offering by launching savings deposits for both private and business customers, in addition to its existing term deposits. Following a consistent strategy across all its markets, the Company has offered some of the most attractive deposit interest rates in Latvia, leading to growth in its deposit portfolio. As of 31 March 2025, the Company's market share by portfolio in term and savings deposits stood at 1.2%[24] for private customers and 0.5%[25] for non-financial corporations.

Lithuania. The Lithuanian consumer loan market is highly competitive, with financial institutions actively promoting their offerings. In the consumer loan segment, the Company primarily competes with specialised banks and branches of foreign banks, such as Inbank and Citadele. Credit unions are mainly active in smaller towns, while universal banks are generally less flexible when assessing client creditworthiness.

According to the latest available data (as of 31 March 2025), the Company's market share in the consumer loan portfolio was approximately 13.1%, making it one of the best-performing consumer lenders in Lithuania.[26] While the Company's presence in the business lending segment is more recent, the past couple of years have shown impressive growth, with its market share by business loan portfolio reaching 2.3% in March 2025.[27]

The Company introduced its home loan product in mid-2021. Since then, it has consistently increased its market share, both in terms of new sales and portfolio size. According to data from the Bank of Lithuania, as of 31 March 2025, the Company accounted for approximately 3.7% of all new housing loan sales in the market, with a portfolio market share of 1.7%.[28]

In 2023, the Company introduced savings deposits for private customers in Lithuania, followed by the launch of term deposits for private customers and savings deposits for business customers in 2024. Since then, the Company's term and savings deposit portfolio has grown rapidly, reaching a market share of 0.61%[29] for private customers and 0.49%[30] for non-financial corporations by the end of March 2025.

Finland. At the end of 2023, the Company made a strategic decision to discontinue issuing new consumer loans in Finland. Since then, it has shifted its focus to financing used cars through the 'car hire purchase' product, originally introduced in 2020.

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[24] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households] (28.05.2025) – to see general data about Latvia add „Latvia" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[25] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Corporations] (28.05.2025) – to see general data about Latvia add „Latvia" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[26] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/loans?tab=Households&indicator=Loans+for+consumption+-+stocks], (28.05.2025) – to see general data about Lithuania add „Lithuania" with „*add time series*".

[27] The market share has been calculated based on the public information published by Lithuanian National Bank (in Lithuanian: *Lietuvos bankas*), [https://www.lb.lt/en/volumes-of-and-interest-rates-on-pure-new-loans?ff=1&PNS_DUOM_TIPAS=B], (28.05.2025)

[28] The market share has been calculated based on the public information published by Lithuanian National Bank (*Lietuvos bankas*), [https://www.lb.lt/en/volumes-of-and-interest-rates-on-pure-new-loans?ff=1&PNS_DUOM_TIPAS=B], (28.05.2025)

[29] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households], (28.05.2025) – to see general data about Lithuania add „Lithuania" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[30] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Corporations], (28.05.2025) – to see general data about Lithuania add „Lithuania" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

The competitive landscape in the Finnish used car financing market is challenging, driven largely by pricing pressure. As the used car market continues to grow - unlike new car sales - banks are increasingly competing for market share in this segment. The Company's key competitors include Svea, LähiTapiola Rahoitus, and Santander.

The Company's 'car hire purchase' portfolio has shown steady, year-on-year growth, reaching over EUR 130 million by 30 April 2025. In early 2025, the Company expanded its offering by introducing the 'car hire purchase' product to business customers in the used car segment.

In 2023, the Company introduced a new deposit product for its customers: the savings deposit. Combined with some of the most attractive interest rates on both term and savings deposits, the Company has significantly increased its deposit portfolio. As of 31 March 2025, the Company held a 0.39% market share in term and savings deposits from private customers — an encouraging result given the overall size of the Finnish deposit market.[31]

Sweden. The Company ceased issuing new loans in Sweden as of 1 September 2022. Existing customers in the consumer loan portfolio continue to be served, and deposit services for private customers remain available.

Bulgaria. In Bulgaria, the consumer credit market is experiencing relatively slow growth. The Company's main competitors include other specialised banks such as the Personal Finance division of Eurobank Bulgaria AD (Postbank, formerly BNP Paribas Personal Finance), TBI Bank EAD (TBI Bank), and UniCredit Consumer Financing EAD. ProCredit Bank (Bulgaria) EAD has closed all of its physical service locations, while Bulgarian-American Credit Bank AD (BACB) was the first traditional bank to launch a fully digital loan. Postbank and DSK Bank AD (DSK Bank, a subsidiary of OTP Bank Group) are currently the most active players in the retail segment from a sales perspective. United Bulgarian Bank AD (UBB, part of KBC Group) has become the largest bank in the market following its acquisition of Raiffeisenbank (Bulgaria) EAD, but is facing challenges related to customer experience post-merger.

The Company offered consumer loans in Bulgaria from May 2021 until November 2022. Although issuing new loans ceased on 1 November 2022, following a reassessment of loan sales profitability between August and October 2022, the Company decided to relaunch its consumer loan product in Bulgaria as of 1 January 2024. Despite the market's relatively modest growth, the decision to re-enter was driven by the potential to serve profitable, lower-risk segments while maintaining high credit quality. As at the end of December 2024, the Company's market share in the consumer loan segment stood at approximately 0.05%.[32]

The Company launched its first deposit product — term deposits for private customers — in Bulgaria in spring 2022. In 2023, savings deposits were added to the product portfolio. As Bulgaria's currency, the lev, is fixed to the euro under a currency board arrangement, and the Bulgarian National Bank does not conduct independent monetary policy, interest rates in the local market have not followed the EURIBOR-driven increases observed in the Company's other markets. As a result, deposit rates in Bulgaria have remained comparatively lower. Nevertheless, following the Company's strategy to consistently offer some of the most attractive rates in each market, the deposit portfolio has grown steadily, reaching a market share of 0.27%

[31] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households], (28.05.2025) – to see general data about Finland add „Finland" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[32] The market share has been calculated based on the public information published by Bulgarian National Bank (in Bulgarian: *Българска народна банка*), [https://www.bnb.bg/Statistics/StMonetaryInterestRate/StDepositsAndCredits/StDCCredits/StDCQuarterlyData/index.htm?toLang=_EN], (28.05.2025)

in term and savings deposits from private customers as at the end of December 2024.[33]

Germany. The Company operates within the segment of foreign banks offering deposits to German clients at more attractive interest rates than those typically available from domestic banks. This segment is largely dominated by savings platforms such as Weltsparen (Raisin) and Check24 which are primarily used by banks from Eastern and Southern Europe, as well as from Scandinavian countries. The Company's main customer acquisition channels in Germany are affiliate comparison websites that guide customers to the most competitive interest rate offers. The Company's market share in the term and savings deposit segment stood at 0.08% as of 31 March 2025.[34]

The Netherlands. In the Netherlands, Raisin.nl is the dominant savings platform following its merger with Savedo. While Raisin remains the main player in the market, a few other banks — such as Lloyds Bank and Openbank — offer deposit products directly to customers. The Company primarily acquires customers through comparison websites that are part of its affiliate marketing programme. As of 31 March 2025, the Company's market share in term and savings deposits from private customers in the Netherlands stood at 0.2%.[35] As in Germany, the Company competes in the segment of foreign banks offering higher interest rates than those typically available from domestic institutions.

Austria. Although the Company typically offers highly competitive interest rates on both savings and term deposits across various maturities, it is unable to provide the automatic income tax deduction mechanism due to legal constraints, which require a physical presence in Austria to qualify. This limitation affects the Company's visibility on affiliate comparison websites, as platforms generally prioritise banks that offer automatic tax deduction. As a result, the Company's attractive interest rate offers may appear lower in comparison rankings, reducing visibility to potential customers. In Austria, the Company's market share by portfolio in term and savings deposits from private customers stood at 0.08% as of 31 March 2025.[36]

9.7. Material Agreements

The Group companies are not parties to any material agreements outside of their ordinary course of business, which may result in the Group companies being under an obligation or entitlement that is material to the Group company's ability to meet its obligations to bondholders in respect of the Bonds.

9.8. Trend Information

There has been no material adverse change in the prospects of the Group since 31 December 2024.

There has been no significant change in the financial performance of the Group since 31 March 2025 to the date of the Prospectus. There have been no material changes to the Group's borrowing and funding structure since 31 December 2024.

[33] The market share has been calculated based on the public information published by Bulgarian National Bank (in Bulgarian: *Българска народна банка*), [https://www.bnb.bg/Statistics/StMonetaryInterestRate/StDepositsAndCredits/StDCDeposits/StDCDepositsQuarterlyData/index.htm], (28.05.2025)

[34] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households], (28.05.2025) – to see general data about Germany add „Germany" with „*add time series*" and to compare overnight deposits, term and savings deposits data, choose the correct indicator: overnight deposits, *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[35] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households], (28.05.2025) – to see general data about Netherlands add „Netherlands" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

[36] The market share has been calculated based on the public information published by European Central Bank, [https://data.ecb.europa.eu/main-figures/banks-balance-sheet/deposits?tab=Households], (28.05.2025) - to see general data about Austria add „Austria" with „*add time series*" and to compare term and savings deposits data, choose the correct indicator: *deposits with agreed maturity up to 2 years, deposits with agreed maturity over 2 years and deposits redeemable at notice up to 3 months* – from the list with keyword „*stocks*" for total amounts.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least during the current financial year, save for the ongoing uncertainty related to the war in Ukraine as well as to the inflation and interest rates trends.

9.9. Legal Proceedings

In the course of its everyday business operations, the Group companies are customarily parties to legal and administrative proceedings either as part of debt recovery or ordinary financial supervision.

As of the date of this Prospectus, none of the legal or administrative proceedings to which a Group company is a party to (including any such proceedings which are pending or threatened of which the Management is aware) are considered likely to have any significant effects on the Group's financial position and there are no governmental, legal or administrative proceedings to which a Group company has been party to (including any such proceedings which are pending or threatened of which the Management is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, significant effects on the Group's financial position or profitability.

10. TAXATION

Introductory Remarks. The purpose of this Section is to give an overview of the tax regime applicable to the bondholders and the Company. The below summary is in no way exhaustive and is not meant to constitute professional advice to any person. Tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the Bonds. In order to establish particular tax consequences of the Offering or the ownership of the Bonds, each individual investor is advised and strongly encouraged to seek specialist assistance.

10.1. Estonian Tax Considerations

The following is a general overview of the Estonian tax regime applicable to interest received and capital gains realised in Estonia as well as to acquisition and transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. Gains realised by an Estonian resident individual upon the sale or exchange of securities (including the Bonds) are subject to income tax at the rate of 22%. Since earnings of resident legal persons, including capital gains, are taxed upon distribution (in Estonia CIT is charged on the distributed profit with the reinvested profits remaining untaxed until distribution), capital gains accruing to resident legal persons are not subject to immediate taxation[37]. As a rule, capital gains received by non-residents from the sale or exchange of securities are not taxed in Estonia (except for certain securities related to the Estonian real estate). Non-resident bondholders receiving capital gains from the sale or exchange of the Bonds may be subject to declaring and paying income tax in their respective countries of residence. For the purposes of capital gains taxation, the gain derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. The gain derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as a result of the exchange. The expenses directly related to the sale or exchange of Bonds may be deducted from the gains but are generally rather limited.

Taxation of Interest. Estonian resident individuals are subject to paying income tax (22%) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Bonds is subject to income tax in Estonia. Such income tax is subject to withholding by the Company unless the resident individual notifies the Company that Bonds were acquired from funds held in the Investment Account or in the Pension Investment Account. Since earnings of resident legal persons are taxed upon distribution (as described above), interest received by Estonian resident legal persons is not subject to immediate taxation[38]. As a rule, interest payments received by non-residents are exempt in Estonia (i.e., no withholdings are made). Note, however, that non-resident bondholders receiving interest from the Bonds may be subject to declaring and paying income tax in their respective countries of residence.

Investment Account. Estonian resident individuals may postpone the taxation of their investment income by using an investment account (in Estonian: *investeerimiskonto*) for the purposes of making transactions with certain financial assets (including the Bonds). An investment account is a monetary account opened with a European Economic Area or the Organisation for Economic Co-operation and Development (**OECD**) member state credit institution, through which the transactions with the financial assets, taxation of income from which (e.g., capital gains, etc.) a person wants to postpone, shall be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been

[37] However, according to the Estonian Security Tax Act adopted in December 2024, Estonian resident legal entities will be subject to a profit tax of 2% on unconsolidated accounting profits before tax between 1 January 2026 and 31 December 2028. Please be informed that the new Estonian government coalition, formed in March 2025, has announced its intention to abolish the said 2% tax, i.e. return to the deferred corporate income tax system, but increase the corporate income tax rate from 22% to 24% in 2026. The relevant draft law is currently being processed in the Estonian Parliament.

[38] Except for taxation with the 2% profit tax under the Security Tax Act starting 1.01.2026 (unless abolished by the new Government).

previously paid in to the account). Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

Pension Investment Account. Estonian resident individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA, in Estonian: *pensioni investeerimiskonto*), can also acquire the Bonds through PIA. Pension investment account is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. Like the ordinary investment account, PIA allows making of transactions with financial assets, whereas taxation of income from such assets (e.g., capital gain or interest from the Bonds) is deferred until income is withdrawn from PIA. Monetary means withdrawn from PIA are, generally, taxed at a 22% income tax rate, unless withdrawn after reaching the retirement age, in which case a 10% income tax rate or a tax exemption (depending on the method of payment) applies.

10.2. Latvian Tax Considerations

The following is a general overview of the Latvian tax regime applicable to interest received and capital gains realised in Latvia as well as to acquisition and transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. According to the Latvian Law on Personal Income Tax (PIT), capital gains (i.e., the difference between Bonds' sale price and acquisition costs) on alienation of the Bonds received by Latvian resident individuals will be subject to Latvian PIT at a rate of 25.50%. The expenses in relation to acquisition and holding of the Bonds are also included in the acquisition value of the Bonds. The respective resident individuals are liable for paying the applicable Latvian PIT. Income tax paid from the capital gains in a foreign state may be deducted from income tax payable in the Republic of Latvia only if the taxpayer submits a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax. In case of exchange of bonds taxation will be postponed till received financial instruments in exchange are sold considering that no other type of remuneration (cash) is received.

According to the Latvian Law on CIT, capital gains (i.e., the difference between Bonds' sale price and acquisition costs) earned in the Republic of Latvia and foreign states (i.e., sourced inside and outside of the Republic of Latvia) on alienation of the Bonds received by resident entities will not be included in resident entity's taxable profit, yet profit distributions will be subject to Latvian CIT at a rate of 20% (tax base is divided by 0.8 and then the tax is applied at the rate of 20% resulting in the effective rate of 25%).

From 2025 the annual income (including but not limited to capital gains and interest payments) above EUR 200,000 is subject to additional tax of 3% (only part exceeding EUR 200,000 will be subject to 3% tax).

Taxation of Interest. According to the Latvian Law on PIT, payments of Bond interest received by a resident individual will be subject to Latvian PIT at the rate of 25.50%. PIT paid on interest in a foreign state may be deducted from income tax payable in the Republic of Latvia only if the taxpayer submits a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax. Bond interest income of a non-resident individual earned in the Republic of Latvia is not subject to Latvian PIT where the Bonds are publicly traded on a regulated market.

From 2025 the annual income (including but not limited to capital gains and interest payments) above EUR 200,000 is subject to additional tax of 3% (only part exceeding EUR 200,000 will be subject to 3% tax). According to the Latvian Law on CIT, payments of Bond interest received by:

- a resident entity is not subject to the Latvian CIT, yet profit distributions are subject to Latvian CIT at a rate of 20% (effective CIT rate – 25%);

- a non-resident entity is not subject to Latvian CIT provided that recipient is not resident in a statutory low or no tax country;
- a non-resident entity operating in Latvia through a PE is not subject to Latvian CIT, yet in general profit distributions of PE are subject to Latvian CIT at a rate of 20% (effective CIT rate – 25%).

Corporate profits are not taxed until they are distributed. Latvian CIT is imposed at the level of the company making the distributions at the time when such profit distributions are made. Profit distributions are taxed at the rate of 20% of the gross amount of the distribution (the effective rate of 25%). The Republic of Latvia further does not levy any withholding tax on dividends, interest or royalties, except where payable to persons resident in a statutory low or no tax country.

Investment Account. According to the Latvian Law on PIT an individual may use an investment account (in Latvian: *Ieguldījumu konts*). An individual may carry out the transactions with the funds (including the Bonds) of the investment account and accounts associated with it within the framework of the investment account and accounts associated with it. The investment account has to be opened in a credit institution, its branch or a branch of a foreign credit institution, or a merchant which is in conformity with the Financial Instrument Market Law or regulation of the country of residence of the service provider equal thereto has obtained a licence for the provision of the investment services, of Latvia or another Member State of the European Union, European Economic Area state or Member State of the OECD, or the resident of such country with which Latvia has entered into a convention regarding the prevention of double taxation and fiscal evasion. According to the Latvian Law on PIT, payments of income, which is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account) will be subject to Latvian PIT at the rate of 25.50%, to be withheld by the credit institution. Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

10.3. Lithuanian Tax Considerations

The following is a general overview of the Lithuanian tax regime applicable to interest received and capital gains realised in Lithuania as well as to acquisition and transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. Gains realised by a Lithuanian resident individual are taxable on a cash-basis. Upon the sale or exchange of securities (including the Bonds) capital gains are subject to the following progressive personal income tax rates of:

- 15%, if the total amount of income (except for employment, self-employment income, remuneration of board members and dividends) received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, used to calculate the base of state social insurance contributions for insured persons (this figure in 2025 is EUR 253,065.60), and
- 20%, which applies to income of an individual received during a calendar year exceeding the above-mentioned threshold.

Capital gains up to EUR 500 received by resident individuals from the sale or exchange of Bonds (including other securities) during a calendar year are tax exempt. However, such tax relief is not applicable if the capital gains are received from entities established or individuals permanently residing in a tax haven included in the List of Target Territories approved by the Minister of Finance of the Republic of Lithuania.

Capital gains realised by a Lithuanian resident legal entity are included in its taxable profit and are subject to 16% CIT rate or in certain cases a reduced tax rate may apply (banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million). In tax year 2025, so called “Temporary solidarity contribution” would also apply to the credit institutions (at a 60% rate calculated on the part of net interest income that exceeds by more than 50% the average net interest income of four financial years).

For the purposes of capital gains taxation, the gain derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. The gain derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as the result of the exchange. The expenses directly related to the sale or exchange of securities may be deducted from the gains but are generally rather limited.

Taxation of Interest. Lithuanian resident individuals are subject to paying the progressive personal income tax (at rate of 15%/20%, as in case of taxation of capital gains) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Lithuanian resident individuals from the Bonds is subject to personal income tax in Lithuania. Tax is paid by a resident individual himself/herself, however the total amount of interest received by resident individuals during a calendar year not exceeding EUR 500 will be tax exempt. Such tax relief is not applicable if the interest is received from entities established or individuals permanently residing in a tax haven included in the List of Target Territories approved by the Minister of Finance of the Republic of Lithuania.

The Bond interest received by a Lithuanian resident legal entity are included in its taxable profit and are subject to 16% CIT rate or in certain cases a reduced tax rate may apply (banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million). In tax year 2025, so called “Temporary solidarity contribution” would also apply to the credit institutions (at a 60% rate calculated on the part of net interest income that exceeds by more than 50% the average net interest income of four financial years).

Investment Account. Effective January 1, 2025, Lithuania has implemented an investment account regime applicable only to individuals - Lithuanian tax residents. Under this regime, investment income (incl. interest from bonds and capital gains from bond sales) within the investment account are taxed only upon withdrawal of funds. Bondholders (Lithuanian tax residents) must notify the State Tax Inspectorate of their investment account by the end of the reporting period (which is May 1, 2026, for the 2025 tax year). If the bondholder opts for this investment account regime, the standard tax regime described above in respect of taxation of interest and capital gain will not apply. Income from investments through the investment account is taxed only when withdrawals exceed the deposited funds (no tax reliefs apply).

11. GLOSSARY

Term	Definition
AML	prevention of money laundering and terrorist financing.
Articles of Association	Articles of Association of the Company effective as at the date of this Prospectus.
AS Baltijas Izaugsmes Grupa	AS Baltijas Izaugsmes Grupa, a Latvian public limited company, registered in the Latvian Commercial Register under registration number 40003291179, having its registered address at Gustava Zemgala gatve 78-1, Riga LV1039, Latvia.
AT 1	items and instruments that are classified as Additional Tier 1 capital within the meaning of Article 61 of the CRR.
Audited Financial Statements	audited consolidated financial statements of and for the year ended 31 December 2023, and the audited consolidated financial statements of and for the year ended 31 December 2024 of the Company.
Bail-in and Loss Absorption Powers	any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Estonia, relating to (i) the transposition of the BRRD (including but not limited to the Financial Crisis Prevention and Resolution Act (in Estonian: *finantskriisi ennetamise ja lahendamise seadus*) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Company (or any affiliate of the Company) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Company or any other person (or suspended for a temporary period).
Balti Võlgade Sissenõudmise Keskus OÜ	Balti Võlgade Sissenõudmise Keskus OÜ, an Estonian private limited company, registered in the Estonian Commercial Register under register code 11652332, having its registered address at Tartu mnt 18, Tallinn 10145, Estonia.
Bonds	any and all the Company's subordinated bonds issued as part of the Programme and offered in accordance with this Prospectus.
BRRD	the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended, inter alia, by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 and, as the context permits, any provision of Estonian law, including the Estonian Financial Crisis Prevention and Resolution Act (in Estonian: *finantskriisi ennetamise ja lahendamise seadus*) transposing or implementing such directive, as amended or replaced from time to time.
CET1	Items and instruments that are classified as Common Equity Tier 1 capital within the meaning of Article 50 of the CRR.
CIT	corporate income tax.

Company	Bigbank AS, an Estonian public limited company, registered in the Estonian Commercial Register under registry code 10183757, having its registered address at Riia tn 2, 51004 Tartu, Estonia.
COVID-19	infectious disease caused by the SARS-CoV-2 virus.
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended, inter alia, by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, and as may be amended or replaced from time to time.
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004, as supplemented or amended from time to time.
EBA	European Banking Authority.
EEA	the European Economic Area.
EFSA	the Estonian Financial Supervision and Resolution Authority (in Estonian: *Finantsinspektsioon*), a financial supervision and crisis resolution authority with autonomous responsibilities under the respective financial sector laws and regulations applicable in Estonia.
ERS	the Estonian Register of Securities, operated by Nasdaq CSD.
ESG	environmental, social and governance.
EU	the European Union.
EUR	the official currency of Eurozone countries, including Estonia, Latvia, and Lithuania, the euro.
EURIBOR	euro interbank offered rate.
Eurozone	the economic and monetary union (EMU) of the EU member states, which have adopted euro as their single official currency.
Excluded Territories	Australia, Canada, Hong Kong, Japan, South Africa, United States of America, and any other jurisdiction where the distribution of this Prospectus and/or the transfer of the Bonds would breach applicable law.
Final Terms	final terms and conditions specific to each series of the Bonds.
Financial Statements	the Audited Financial Statements and the Unaudited Interim Financial Statements.
General Meeting	the General Meeting of shareholders of the Company, the highest governing body of the Company.

Group	the Company and all its Subsidiaries.
IAS	International Accounting Standards.
IFRS	the International Financial Reporting Standards as adopted by the EU.
Management	the Management Board and the Supervisory Board of the Company.
Management Board	the Management Board of the Company.
Maximum Amount	maximum number of the Bonds which the investor wishes to acquire under a Subscription Undertaking.
Nasdaq CSD	Nasdaq CSD SE Estonian branch, registered in the Estonian Commercial register under registry code 14306553, having its registered address at Maakri 19/1, 10145 Tallinn, Estonia, acting as the operator of the ERS.
Nasdaq Tallinn Stock Exchange	the regulated market operated by Nasdaq Tallinn AS (registry code 10359206).
OECD	the Organisation for Economic Co-operation and Development.
Offer Price	the issue price payable for each Bond as specified in the Final Terms.
Offering	the offering of the Bonds to institutional and retail investors in any or all of Estonia, Latvia, and Lithuania (as applicable), which is a public offering of securities within the meaning of the Prospectus Regulation.
Offering Period	the period of time set out in the Final Terms for each series of the Bonds during which investors will have the opportunity to submit Subscription Undertakings.
OÜ Papiniidu Property	OÜ Papiniidu Property, an Estonian private limited company, registered in the Estonian Commercial Register under register code 16247926, having its registered address at Riia tn 2, Tartu 51004, Estonia.
OÜ Pärnu mnt 153 Property	OÜ Pärnu mnt 153 Property, an Estonian private limited company, registered in the Estonian Commercial Register under register code 16452827, having its registered address at Riia tn 2, Tartu 51004, Estonia.
OÜ Rüütli Majad	OÜ Rüütli Majad, an Estonian private limited company, registered in the Estonian Commercial Register under register code 10321320, having its registered address at Rüütli tn 23, Tartu 51006, Estonia.
OÜ Rüütli Property	OÜ Rüütli Property, an Estonian private limited company, registered in the Estonian Commercial Register under register code 10340174, having its registered address at Riia tn 2, Tartu 51004, Estonia.
Programme	all series of Bond issues in the aggregate principal amount of EUR 25,000,000 as established by the Company in accordance with the Terms of the Bonds.
Prospectus	this document, including the registration document of the Company and the securities notes of the Bonds.

Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as supplemented or amended from time to time.
Restricted Territories	member states of the European Economic Area (excluding Estonia, Latvia, and Lithuania).
Resolution Authority	the EFSA or such other regulatory authority or governmental body with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Company and/or the Group.
Section	a section of this Prospectus.
Shares	ordinary shares of the Company.
Subscription Undertaking	the order submitted by an investor for the purchase of the Bonds in accordance with the terms and conditions of the Offering.
Subsidiaries	OÜ Rüütli Majad, OÜ Papiniidu Property, OÜ Pärnu mnt 153 Property, OÜ Rüütli Property, Balti Võlgade Sissenõudmise Keskus OÜ, and AS Baltijas Izaugsmes Grupa.
Supervisory Board	the Supervisory Board of the Company.
Terms of the Bonds	the Terms and Conditions of the Bonds as set out in Annex to the Prospectus.
Tier 2	items and instruments that are classified as Tier 2 capital within the meaning of Article 71 of the CRR.
Unaudited Interim Financial Statements	the unaudited consolidated interim financial statements as of and for the three months ended 31 March 2025, including the comparative financial information as of and for the three months ended on 31 March 2024 of the Company.

COMPANY

Bigbank AS

(Riia tn 2, Tartu linn, Tartu county, 51004, Estonia)

LEGAL COUNSEL TO COMPANY

Ellex Raidla Advokaadibüroo OÜ

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