IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the "**Offering Circular**"), and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF AS LHV GROUP (THE "**ISSUER**"). THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

In the UK, the Offering Circular is being distributed only to, and are directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and persons falling within Article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The Offering Circular must not be acted on or relied on in the UK by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to relevant persons in the UK and will be engaged in only with such persons.

The Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Offering Circular, you shall be deemed to have confirmed and represented to us that: (a) you have understood and agree to the terms set out herein; (b) you consent to delivery of the Offering Circular by electronic transmission; (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia; (d) if you are in the European Economic Area ("**EEA**"), then you are not a retail investor (as defined below) and (e) if you are a person in the UK, then you are a relevant person and not a retail investor (as defined below).

IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail

investor in the UK. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Sole Bookrunner or the Issuer that would, or is intended to, permit a public offering of the securities, or possession or distribution of the offering circular (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Bookrunner or any affiliate of the Sole Bookrunner is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Sole Bookrunner or such affiliate on behalf of the Issuer in such jurisdiction.

Recipients of the Offering Circular who intend to subscribe for or purchase any Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Offering Circular in final form.

Neither the Sole Bookrunner nor any of its affiliates accepts any responsibility whatsoever for the contents of the Offering Circular or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the offer. The Sole Bookrunner and its affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of the Offering Circular or any such statement. No representation or warranty, express or implied, is made by any of the Sole Bookrunner or its affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in the Offering Circular.

The Sole Bookrunner is acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of the Offering Circular) as their client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer nor the Sole Bookrunner, or any person who controls any of them, or any director, officer, employee or agent of any of them, or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Sole Bookrunner.

(incorporated with limited liability in the Republic of Estonia)
EUR 60,000,000 4.125 per cent. Fixed/Floating Rate Notes due June 2029

The issue price of the EUR 60,000,000 4.125 per cent. Fixed/Floating Rate Notes due June 2029 (the "**Notes**") of AS LHV Group (the "**Issuer**") is 99.737 per cent. of their principal amount.

Unless previously redeemed, purchased or cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date (as defined in "*Terms and Conditions of the Notes—Interest*") falling on, or nearest to, 18 June 2029. The Notes are subject to redemption in whole, but not in part, at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Estonia. The Notes may also be redeemed at the option of the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).), in whole, but not in part, on 18 June 2028 (the "**Reset Date**"), at their principal amount together with accrued interest). Subject to Condition 4(i) (*Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).), the Issuer may, at its option, redeem all (but not some only) of the Notes in the event of an MREL Disqualification Event (as defined in "*Terms and Conditions of the Notes—Redemption and Purchase*"), at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption). See "*Terms and Conditions of the Notes—Redemption and Purchase*".

The Notes will bear interest on their principal amount from and including 18 June 2025 (the "**Issue Date**") to and excluding the Reset Date at a fixed rate of 4.125 per cent. per annum and thereafter at a rate of interest equal to EURIBOR plus the applicable Margin as provided in Condition 3 (*Interest*). Interest will be payable annually in arrear on 18 June in each year from and including 18 June 2026 to and including the Reset Date. Thereafter interest will be payable quarterly in arrear on 18 September 2028, 18 December 2028, 18 March 2029 and 18 June 2029.

Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Republic of Estonia ("**Estonia**") to the extent described under Condition 6 (*Taxation*) under "*Terms and Conditions of the Notes*".

This Offering Circular has been approved by the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and application has been made to Euronext Dublin for the Notes to be admitted to Euronext Dublin's official list ("**Official List**") and trading on its Global Exchange Market ("**GEM**") (the "**Listing**"). This Offering Circular constitutes "Listing Particulars" for the purposes of admission of the Notes to the Official List and to trading on the GEM and, for such purposes, does not constitute a "prospectus" for the purposes of Regulation (EU) No. 2017/1129. The GEM is not a regulated market

for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, "**MiFID II**").

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Sole Bookrunner named under "*Subscription and Sale*" below (the "**Sole Bookrunner**") in accordance with Regulation S under the Securities Act ("**Regulation S")** and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other state securities laws.

The Notes are in bearer form and in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000 each and with interest coupons attached. See "*Summary of Provisions Relating to The Notes in Global Form*".

The Issuer has been rated Baa3 by Moody's Investors Service (Nordics) AB ("**Moody's**") and the Notes are expected to be rated Baa3 by Moody's. Moody's is established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-andcertified-CRAs) in accordance with the CRA Regulation. Moody's is not established in the United Kingdom (the "**UK**") and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). Accordingly, the ratings issued by Moody's have been endorsed by Moody's Investors Service Limited in accordance with the UK CRA and have not been withdrawn. Moody's Investors Service Limited is established in the UK and registered under the UK CRA Regulation.

From and including the Reset Date, amounts payable under the Notes are calculated by reference to the Euro Inter-bank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institute (the "**Administrator**"). As at the date of this Offering Circular, the Administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Notes involved risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations in respect of the Notes are set out under "Risk Factors" below.

Sole Bookrunner

ERSTE GROUP

The date of this Offering Circular is 16 June 2025

IMPORTANT NOTICES

Responsibility for this Offering Circular

The Issuer accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular, to the best of its knowledge, is in accordance with the facts and makes no omission likely to affect its import.

Other relevant information

Any information sourced from third parties contained in this Offering Circular has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Offering Circular or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Sole Bookrunner.

Unauthorised information

Neither the Sole Bookrunner nor any of its affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular or any responsibility for the acts or omissions of the Issuer or any other person (other than the Sole Bookrunner) in connection with the issue and offering of the Notes. Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Offering Circular.

Restrictions on distribution

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuer, the Sole Bookrunner or either of them that any recipient of this Offering Circular should subscribe for or purchase any Notes. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The Sole Bookrunner has not provided any financial or taxation advice in connection with the Notes.

The distribution of this Offering Circular and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Sole Bookrunner to inform themselves about and to observe any such

restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see "*Subscription and Sale*".

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

In the UK, the Offering Circular is being distributed only to, and are directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and persons falling within Article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The Offering Circular must not be acted on or relied on in the UK by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to relevant persons in the UK and will be engaged in only with such persons.

Certain definitions

In this Offering Circular, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area.

References to "**U.S. $**", "**U.S. dollars**" or "**dollars**" are to United States dollars, "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Language

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

Historical financial statements

The financial statements relating to AS LHV Group and its subsidiaries (the "**Group**") and incorporated by reference in this Offering Circular are:

- the audited consolidated financial statements as at and for the year ended 31 December 2023 (the "**2023 Financial Statements**");
- the audited consolidated financial statements as at and for the year ended 31 December 2024 (the "**2024 Financial Statements**" and, together with the 2023 Financial Statements, the "**Annual Financial Statements**"); and
- the unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2025 (the "**Interim Financial Statements**").

The Annual Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Statements**". The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted in the European Union (the "**EU**") ("**IFRS**"). Unless stated otherwise, the financial information presented in this Offering Circular is derived from the 2024 Financial Statements or the 2023 Financial Statements. The Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 "*Interim Financial Reporting*", as adopted in the EU.

The Issuer's financial year ends on 31 December and references in this Offering Circular to "**2024**"and "**2023**" are to the 12-month periods ending on 31 December in both years.

Auditors and unaudited information

The 2023 Financial Statements have been audited by KPMG Baltics OÜ, independent auditors ("**KPMG**"), in accordance with International Standards on Auditing, who have issued an unqualified auditor's report on the 2023 Financial Statements.

The 2024 Financial Statements have been audited by AS PricewaterhouseCoopers, independent auditors ("**PwC**"), in accordance with International Standards on Auditing, who have issued an unqualified auditor's report on the 2024 Financial Statements.

The Interim Financial Statements were not audited or reviewed by an independent auditor.

Certain other financial information in this Offering Circular identified as such is unaudited financial information which has been extracted without material adjustment from the accounting records of the Group which form the underlying basis of the Financial Statements.

Certain non-IFRS financial information

This Offering Circular includes references to capital, leverage and certain other ratios. Although these ratios are not IFRS measures, the Group believes that the capital and leverage ratios in particular are important to understanding its capital and leverage position, particularly in light of current or planned future regulatory requirements to maintain these ratios above prescribed minimum levels. Certain of these ratios also constitute Alternative Performance Measures ("**APM**s"), as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. See "*Selected Financial Information—Selected Consolidated Ratios and APMs*". None of this financial information is subject to any audit or review by independent auditors.

The ratios referred to above should not be used instead of, or considered as alternatives to, the Group's historical financial results based on IFRS. The non-IFRS measures relate to the reporting periods presented in this Offering Circular and are not meant to be predictive of future results. They are not defined under, or presented in accordance with, IFRS. Management uses APMs because the Issuer believes that these measures are commonly used by lenders, investors and analysts. The Issuer's use of the APMs and its method of calculating APMs may vary from other companies' use and calculation of such terms. These measures are presented for purposes of providing investors with a better understanding of the Group's financial performance, cash flows or financial position as they are used by the Issuer when managing its business.

Restatements and changes in presentation affecting comparative financial information

When preparing the 2024 Financial Statements, the content and structure of the consolidated financial statements, including the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and consolidated statement of cash flows, were updated to improve the quality of disclosure and enhance readability.

The management of the Group restated the impact of the incorrect application of IFRS 17 in the 2023 Financial Statements, which was followed by a restatement of the comparative figures in the 2024 Financial Statements for the relevant items in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and consolidated statement of cash flows.

Additionally, within the 2024 Financial Statements consolidated statement of cash flows' comparative figures, the management of the Group reclassified financial investments related cash flows that were previously classified under investing activities to operating activities, as these cash flows pertain to operating activities by nature and are essential for operational efficiency of the Group. These changes include reclassifications of financial investments related to cash flows from/used in loans and advances to customers, investments in debt securities at amortised cost, financial assets at fair value through profit or loss, covered bonds issued, and other liabilities line items.

Moreover, the management of the Group restated cash and cash equivalents line item, with the changes primarily impacting due from banks and investment companies, cash and balances with central banks, and due from investment companies.

The Group's operating segments have also been restated and aligned with the reporting structure for the Group's chief decision makers. The Group divides its business activities into operating segments based on its legal structure. Previously, LHV Pank's segment results were presented as separate operating segments rather than as a single operating segment. Refer to Note 4 (*Operating Segments*) to the 2024 Financial Statements for additional details.

Due to these changes, the comparative figures in the 2024 Financial Statements (i.e. as of and for the year ended 31 December 2023) were restated and disclosed in the 2024 Financial Statements.

In this Offering Circular, the financial data as of and for the year ended 31 December 2023 are disclosed, where applicable (including non-IFRS calculations), on a revised presentation basis, reflecting the changes described above. The details and the effect of these changes on the comparative financial data of the Group are disclosed in Note 1 (*General Information*) to the 2024 Financial Statements.

The same changes were made in the preparation of the Interim Financial Statements. Accordingly, the comparative figures in the Interim Financial Statements (i.e. as of and for the three months ended 31 March 2024) were restated and disclosed in the Interim Financial Statements. The details and the effect of these changes on the comparative financial data of the Group are disclosed in Note 1 (*General Information*) to the Interim Financial Statements.

PRESENTATION OF OTHER INFORMATION

Currencies

Unless otherwise indicated, the financial information contained in this Offering Circular has been expressed in euro. The Group's functional currency is euro and the Group prepares its financial statements in euro.

Third party and market share data

This Offering Circular contains information regarding the Group's business and the financial services industry in which it operates and competes, which the Issuer has obtained from third party sources. Where third party information has been used in this Offering Circular, the source of such information has been identified.

Statistical information relating to Estonia included in this Offering Circular has been derived from official public sources, including the statistical releases of the Bank of Estonia, the Estonian Statistical Office and the Estonian Financial Supervision and Resolution Authority ("**EFSA**"). All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Issuer to investors who have purchased the Notes.

In some cases, independently determined industry data is not available. In these cases, any market share data included in this Offering Circular is referred to as having been estimated. All such estimates have been made by the Issuer using its own information and other market information which is publicly available. The Issuer believes that these estimates of market share are helpful as they give prospective investors a better understanding of the industry in which the Group operates as well as its position within that industry. Although all such estimations have been made in good faith based on the

information available and the Issuer's knowledge of the markets within which it operates, the Issuer cannot guarantee that a third party expert using different methods would reach the same conclusions.

Where information has not been independently sourced, it is the Issuer's own information.

No incorporation of website information

The Issuer's website is https://investor.lhv.ee/en/. Unless specifically incorporated by reference into this Offering Circular, information on this website or any other website mentioned in this Offering Circular or any website directly or indirectly linked to these websites (including, but not limited to, www.lhv.ee, investor.lhv.ee and fp.lhv.ee) has not been verified, is not incorporated by reference into, and does not form part of, this Offering Circular, and investors should not rely on it.

Rounding

Certain data in this Offering Circular has been rounded. As a result of such rounding, the totals of data presented in tables in this Offering Circular may vary slightly from the arithmetic totals of such data. Where used in tables, the figure "0" means that the data for the relevant item has been rounded to zero and the symbol "—" means that there is no data in respect of the relevant item.

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OVERVIEW

This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this overview.

The Issuer:	AS LHV Group
Sole Bookrunner:	Erste Group Bank AG
The Notes:	EUR 60,000,000 4.125 per cent. Fixed/Floating Rate Notes due June 2029.
Issue Price:	99.737 per cent. of the principal amount of the Notes.
Issue Date:	Expected to be on or about 18 June 2025.
Interest:	The Notes will bear interest on their outstanding principal amount from and including the Issue Date to, but excluding, the Reset Date at a fixed rate of 4.125 per cent. per annum and thereafter at a rate of interest equal to EURIBOR plus the applicable Margin as provided in Condition 3 (*Interest*).
Status:	The Notes are senior, unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Interest Payment Dates:	Interest on the Notes will be payable annually in arrear on 18 June in each year from and including 18 June 2026 to and including the Reset Date. Thereafter, interest will be payable quarterly in arrear on 18 September 2028, 18 December 2028, 18 March 2029 and 18 June 2029.
Form and Denomination:	The Notes will initially be in the form of a Temporary Global Note, without interest coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination

	of EUR 100,000 each and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000 and with interest coupons attached. See "*Summary of Provisions Relating to the Notes in Global Form*". The Temporary Global Note and the Permanent Global Note will be issued in new global note form.
Waiver of Set-Off:	No holder of Notes shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of such Notes.
Final Redemption:	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 18 June 2029.
Optional Redemption:	The Issuer may, at its option, redeem the Notes (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).)) in whole, but not in part on the Reset Date, at their outstanding principal amount together with accrued interest, as described under Condition 4(c) (*Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)) in whole, but not in part on the Interest Payment Date falling on the Reset Date, at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption), on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).).
Early Redemption:	Upon the occurrence of a Withholding Tax Event, the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).)) may, at its option, redeem the Notes in whole but not in part at any time at their principal amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption as described in Condition 4(b)

(*Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)) in whole, but not in part, at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued (if any) to the date fixed for redemption, if a Withholding Tax Event occurs provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.).

Upon the occurrence of a MREL Disqualification Event, the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).)) may, at its option, redeem all (but not some only) of the Notes at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption) as described in Condition 4(e) (*Early Redemption as a result of an MREL Disqualification Event*: upon the occurrence of an MREL Disqualification Event (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)), the Issuer may, at its option having given not less than 15 days' nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption, subject to these Conditions).*Early Redemption as a result of an MREL Disqualification Event*).

Clean-up Call: If at any time the outstanding aggregate principal amount of the Notes is 20 per cent. or less of the aggregate principal amount of the Notes originally issued (which shall include, for these purposes, any further Notes issued pursuant to Condition 12 (*Further Issues*)), the Issuer may redeem all (but not some only) of the remaining outstanding Notes at any time at their principal amount together with interest accrued (if any) to (but excluding) the date fixed for redemption.

Substitution and Variation: The Issuer may substitute or vary the terms of all (but not some only) of the Notes as provided in Condition 13 (*Substitution and Variation*) (including changing the governing law of Condition 17 (*Acknowledgement of Bail-*

	in and Loss Absorption Powers)) without any requirement for the consent or approval of Noteholders.
Taxation:	All payments of interest only in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 6 (*Taxation*).
Events of Default:	The Notes provide for events of default in certain circumstances, but do not contain a cross-default or cross-acceleration provision.
Rating:	The Issuer has been rated Baa3 by Moody's and the Notes are expected to be rated Baa3 by Moody's. Moody's is established in the EEA and registered under the EU CRA Regulation. Moody's is not established in the UK and has not applied for registration under the UK CRA Regulation. Accordingly, the ratings issued by Moody's have been endorsed by Moody's Investors Service Limited in accordance with the UK CRA Regulation and have not been withdrawn. Moody's Investors Service Limited is established in the UK and registered under the UK CRA Regulation.
Governing Law:	The Notes, the Agency Agreement, the Deed of Covenant, the Subscription Agreement, and any non-contractual obligations arising out of or in connection with them, will be governed by English law, except for Conditions 2 (*Status*) and 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) which shall be governed by Estonian law.
Acknowledgement of Bail-in Powers:	Pursuant to Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*), notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for these purposes, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and

	Loss Absorption Powers as may be exercised by the Relevant Resolution Authority, as further set out in such Condition. See Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) for further information.
Listing and Trading:	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to Trading on the GEM.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering materials in the United States of America, the European Economic Area, the UK and Italy, see "*Subscription and Sale*".
Risk Factors:	Investing in the Notes involves risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.
Financial Information:	See "*Selected Financial Information—Selected Consolidated Ratios and APMs*" below.
Use of Proceeds:	The net proceeds of the issue will be used by the Issuer for general corporate purposes of the Group.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industries in which it operates together with all other information contained in this Offering Circular, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.

RISKS RELATING TO THE GROUP

The Issuer is a holding company and availability of Group operating cash flow may be limited.

The Issuer is a holding company and conducts its operations principally through, and derives all of its revenue and cash flow from, its subsidiaries and it does not anticipate that this will change in the near future. The subsidiaries are separate and distinct legal entities, and they have no obligations to pay any amounts due to Noteholders from the Issuer or to provide the Issuer with funds to meet any of its payment obligations under the Notes. The Issuer's rights to participate in the assets of any of its subsidiaries if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors, except in the circumstance where the Issuer is also a creditor with claims that are recognised to be ranked ahead of or which rank *pari passu* with the claims of other creditors. Accordingly, if a subsidiary of the Issuer were to be wound up, liquidated or dissolved, (i) Noteholders would have no right to proceed against the assets of such subsidiary, and (ii) the Issuer would only recover any amounts directly in the liquidation of that subsidiary in respect of its direct holding of ordinary shares in such subsidiary, if and to the extent that any surplus assets remain following payment in full of the claims of the creditors and preference shareholders (if any) of such subsidiary or if the Issuer is itself a creditor of such subsidiary (in accordance with the relevant ranking of its claims).

The Issuer itself does not own significant assets other than its investments in subsidiaries. Therefore, in order to be able to make payments in respect of the Notes, pay dividends to its shareholders and meet its other obligations, the Issuer is dependent on the receipt of dividends, principal and interest payments or other payments from its subsidiaries, which in turn, in the case of AS LHV Pank ("**LHV Pank**"), may be influenced by the need to comply with applicable capital adequacy ratios. In 2024 and 2023, the Issuer paid out dividends to its shareholders of €41.6 million and €12.6 million, respectively, and received dividends of €4.9 million and €3.0 million from AS LHV Varahaldus ("**LHV Varahaldus**") and €76.3 million and €2.3 million from LHV Pank. In April 2025, the Issuer paid out dividends to its shareholders of €29.2 million (which amount was deducted from the Issuer's own funds as at 31 March 2025) and, during the three months ended 31 March 2025, the Issuer received dividends of €126.8 million from LHV Pank and €2.0 million from LHV Varahaldus.

The Issuer may have to commit additional investments into its existing subsidiaries or any new businesses that it may launch in the future. For example, in 2021 the Issuer established a new subsidiary LHV Bank Limited ("**LHV Bank**") in the UK which received a banking licence in the UK in 2023. The Issuer may have to commit further additional capital to cover the costs expanding the subsidiary's business as envisaged in its business plan.

Under Estonian law, a company may only pay dividends or make other distributions if its current profits and retained earnings are sufficient for such distribution. Therefore, the Group's financial position and the Issuer's ability to make payments in respect of the Notes remains dependent on its subsidiaries' profit and financial position which, in turn, will depend on the future performance of the subsidiary concerned which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that may be beyond its control. In addition, any such subsidiary itself may be subject to restrictions on the making of such distributions contained in applicable laws and regulations or in contractual agreements entered into by it.

There can be no assurance that the Group's subsidiaries will generate sufficient cash flow from operations or that alternative sources of financing will be available at any time in an amount sufficient to enable these subsidiaries to service their indebtedness, fund their other liquidity needs and make payments to the Issuer to enable it to service its indebtedness, including the Notes.

Additionally, the Issuer may suffer losses if any of its loans to, or investments in, LHV Pank (as defined below) are subject to statutory write-down and conversion powers or if LHV Pank is otherwise subject to resolution proceedings. The Issuer is also exposed to the risk of losses in the event of a Group member's insolvency. The Issuer may in the future make loans to, or other investments in, LHV Pank with the proceeds received from the Issuer's issuance of debt instruments (including the issuance of the Notes), and loans or other investments. Where securities issued by the Issuer have been structured so as to qualify as eligible liabilities instruments under the relevant Applicable Banking Regulations (as defined below), the terms of the corresponding on-loan to, or investment in, LHV Pank may be structured to achieve equivalent regulatory treatment for LHV Pank, as the case may be. Accordingly, loans to, or investments in, LHV Pank may contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of LHV Pank or other specified trigger events, would automatically result in a write-down or conversion into equity of such loans or investments, impairing the Issuer's ability to recover amounts that would otherwise have been payable under such loans or investments. Such loans to, or investments in, LHV Pank may also be subject to non-viability loss absorption as described in "*The Group may be subject to statutory resolution*". The Issuer retains absolute discretion to restructure such loans to (or any other investments in) any of its subsidiaries, including LHV Pank, at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary as part of meeting regulatory requirements, including the total loss-absorbing capacity requirements in respect of the Group. A restructuring of a loan or investment made by the Issuer in a Group member could include changes to any or all features of such loan, including its legal or regulatory form and how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group member. Any restructuring of the Issuer's loans to any of the members of the Group may be implemented by the Issuer without prior notification to, or consent of, Noteholders.

The Group's operations and assets are principally located in Estonia and, accordingly, the Group is exposed to general economic conditions in Estonia.

The Issuer and most of its subsidiaries operate principally in Estonia and the vast majority of the Group's assets and business are located in Estonia. Whilst the Group also has a banking subsidiary in the UK, LHV Bank, the business of LHV Bank is at present still a small part of the Group overall. As a result, the Group is predominantly affected by general economic and geopolitical conditions in Estonia, changes in which are outside the Group's control. The Estonian economy is a small open economy that is closely linked to the global economy and especially to macro-economic conditions in Europe.

Global macroeconomic conditions may, for example, be adversely affected by geopolitical tensions, conflicts and/or expansion of sanctions, or the imposition of further international trade tariffs such as those announced by the US in April 2025. The prolongation of such geopolitical tensions, sanctions and political uncertainty, or the imposition of further international trade tariffs could negatively impact economic growth and business operations in Estonia, which in turn, could have a material adverse effect

on the Estonian economy and any material adverse impact on the Estonian economy could negatively impact the financial position and profitability of the Group.

The Estonian economy, which had been in decline for the past two and a half years, entered into a slow growth phase in the fourth quarter of 2024. Over the full year of 2024, gross domestic product ("**GDP**") contracted by 0.2 per cent., but economic activity expanded by 1.1 per cent. in the fourth quarter of 2024, marking an initial recovery phase. The downturn resulted from a combination of factors that reinforced each other. High inflation rates coupled with a restrictive monetary policy significantly constrained economic activity. Weak external and domestic demand further hampered growth, reducing both business activity and household purchasing power. Despite prolonged economic weakness, growth in trade activity and private consumption contributed positively to GDP in the fourth quarter of 2024. On a sectoral level, value-added in energy, manufacturing, and real estate activities supported the positive growth. However, inflation in Estonia remains among the highest in Europe. If elevated inflation persists, it may impact the ability of the Group's customers to service their debts. Overdue loans currently remain at low levels, standing at 1.85 per cent. (gross) of the loan portfolio as at 31 December 2024. However, if high interest rates and tight financing conditions would continue in a prolonged period. Prolonged high interest rates and tight financing conditions could adversely affect the economy and weaken the creditworthiness of the Group's borrowers. Any further deterioration or delayed recovery in the Estonian economy could negatively impact the financial position and profitability of the Group.

The Group may be materially adversely affected by the Russian invasion of Ukraine.

The global and European economic and political environment has been influenced by the Russian war against Ukraine since 24 February 2022. This aggression was followed by comprehensive sanctions against Russian and Belarusian leaders and companies. The war has put additional pressure on the growth of energy and commodity prices. Whilst Estonian companies have been able to rearrange supply chains and adjust consumption, and the Group has been able to manage related risks including credit and anti-money laundering ("**AML**") related risks successfully to date, there is no certainty that this will continue or that there will not be a further deterioration in the geopolitical and economic environment as a result of Russia's war against Ukraine. Should any such risks materialise, this could have a material adverse effect on the financial position and profitability of the Group.

The Group is exposed to the credit risk of borrowers and other counterparties due to its lending activities.

Risks arising from adverse changes in the credit quality and recoverability of lending and other amounts due from counterparties are inherent in the Group's business, principally in its lending activities. In particular, the Group is exposed to the risk that its counterparties may not meet their obligations in respect of loans advanced by the Group and that the collateral (if any) securing the loans advanced may be insufficient. Credit losses could arise from a deterioration in the credit quality of specific counterparties of the Group, from a general deterioration in local or global economic conditions, or from systemic risks within these financial systems, any of which could affect the recoverability and value of the Group's assets and require an increase in its allowances for credit losses of loans and other credit exposures.

As at 31 December 2024, the Group's loans and advances to customers amounted to €4,552.1 million, compared to €3,561.8 million as at 31 December 2023. The Group's non-performing loans (calculated in accordance with the guidelines on management of non-performing and forborne exposures EBA/GL/2018/06 and Annex V to Commission Implementing Regulation (EU) No 680/2014) ("**Stage 3 loans**") were €37.6 million as at 31 December 2024 compared to €23.5 million as at 31 December 2023. Allowance for impairments in respect of the Group's loans and advances to customers amounted to 0.9 per cent. and 0.8 per cent. of the value of its loan portfolio as at 31 December 2024 and 31 December 2023, respectively.

Due to the re-classification of outstanding loans to two client groups as Stage 3 loans, the amount of Stage 3 loans amounted to €119.7 million, and allowances for impairments in respect of the Group's loans and advances to customers amounted to 0.96 per cent, in each case as at 31 March 2025. The Issuer considers such allowances to be sufficient.

Although the Group makes allowances for potential credit losses in accordance with applicable requirements, the allowances are made based on available information, estimates and assumptions, which by definition are subject to uncertainty. Therefore, there can be no assurance that allowances made by the Group are or will be sufficient to cover potential future losses. Further, if the credit quality of the Group's loans or the financial health of any of its borrowers were to deteriorate, the Group may have to make additional allowances for credit losses which could have a material adverse effect on the Group. The recoverability of the credit provided by the Group to its customers may be adversely affected by negative changes in the overall economic, political or regulatory environment affecting the ability of the Group's counterparties to repay their loans, the effectiveness of enforcement proceedings, a decrease in collateral values and other circumstances beyond the Group's control.

The Group's loans and advances to customers and its deposits from customers are concentrated in Estonia.

Geographically, the Group's loans and advances to customers and its deposits from customers are concentrated in Estonia.

The Group's loans and advances to customers accounted for 52.1 per cent. of its total assets as at 31 December 2024, compared to 50.2 per cent. of its total assets as at 31 December 2023. As at 31 December 2024, 91.3 per cent. of the Group's loans and advances to customers was classified as Estonian risk meaning that the borrowers are Estonian entities or individuals. As at 31 December 2023, the comparative percentage was 96.8 per cent.

The only other materially significant class of assets on the Group's statement of financial position is the amounts due from central banks, which represented 43.2 per cent. of the Group's total assets as at 31 December 2024 compared to 43.3 per cent. of its total assets as at 31 December 2023.

The Group's deposits from customers were €6,910.1 million, equal to 85.8 per cent. of its total liabilities, as at 31 December 2024 and €5,731.0 million, or 87.7 per cent. of its total liabilities, as at 31 December 2023. As at 31 December 2024, 66.0 per cent. of the Group's deposits from customers was classified as Estonian risk meaning that the depositors are Estonian entities. As at 31 December 2023, the comparative percentage was 70.8 per cent.

Accordingly, any deterioration in general economic conditions in Estonia or any failure by the Group to effectively manage its geographic risk concentrations could have a more significant adverse effect on its business than on that of a more diversified banking group. See "*—The Group's operations and assets are principally located in Estonia and, accordingly, the Group is exposed to general economic conditions in Estonia*" above.

The Group has significant customer and sector concentrations.

The Group's loans and advances to customers are concentrated in the real estate sector, which is traditionally the sector that receives the greatest financing from commercial banks in Estonia. As at 31 December 2024, the Group's loans and advances before allowances for credit losses to the real estate sector accounted for 29.6 per cent. of its total loans and advances to customers before allowances for credit losses. As at 31 December 2023, the comparative percentage was 24.3 per cent. A large majority of loans granted to the real estate sector are cash-flow based, with a well-diversified spectrum of customers split across office, retail and industrial segments.

In addition, loans and advances to individuals before allowances for credit losses accounted for 36.1 per cent. of the Group's total loans and advances to customers as at 31 December 2024 compared to 38.0 per cent. as at 31 December 2023.

A small number of the Group's loans and advances to customers carry a large risk exposure, meaning that the Group's exposure under each loan exceeded 10 per cent. of its net own funds (broadly equal to its capital). As at 31 December 2024, the Group had large exposure loans outstanding to three customers and these loans constituted 32.4 per cent of the Group's net own funds and as at 31 December 2023, the Group had large exposure loans outstanding to four customers and these loans constituted 47.4 per cent. of the Group's net own funds.

As a result, a material weakening in the credit quality of, or a default by, any one or more of the Group's large exposure counterparties, or any factors which negatively impact the real estate or retail sectors in Estonia to which the Group has significant exposure, could result in the Group having to make significant additional allowances for credit losses and/or experiencing significantly reduced interest income, each of which could have a material adverse effect on the Group.

The sector specific factors referred to above might include:

- a significant decline in real estate values which would weaken the credit quality of the Group's real estate borrowers and could also reduce the value of the real estate collateral which the Group holds;

- low levels of economic growth or a recession in Estonia which could materially adversely impact the ability of the Group's retail customers to repay their financing, particularly if combined with increased levels of unemployment, falling house prices, higher interest rates, increased inflation or other factors constraining consumer income.

The Group also has some very large customers contributing a large proportion of deposits. These customers are predominantly serviced by LHV Pank's financial intermediaries unit and their deposits are backed with liquidity buffers, instead of using the deposits for long-term lending. These financial intermediaries are holding these deposits in LHV Pank due to the regulations imposed on the e-money institutions of having a certain percentage amount of their cash in the European banking system. Nevertheless, the share of the Group's 20 largest depositors was 25.9 per cent. as at 31 December 2024 compared to 16.5 per cent. as at 31 December 2023. As at 31 December 2024, there were seven customers whose deposits exceeded 1 per cent. of the Group's total deposits from customers and their deposits aggregated €1,232.8 million. As at 31 December 2023, there were four customers whose deposits exceeded 1 per cent. of the Group's total deposits from customers, and their deposits aggregated € 390.7 million.

See further "*—The Group is subject to the risk that liquidity may not always be readily available*" below.

The Group is subject to the risk that liquidity may not always be readily available.

Liquidity risk is the risk that the Group will be unable to meet its obligations, including funding commitments, as they become due. This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding and, particularly in the Group's case, demand deposits) and changes in credit ratings or market-wide phenomena such as market dislocation and major disasters.

The Group's assets have, on average, a longer maturity than its funding sources. The Group has historically principally relied on deposits from customers, which are mainly repayable on demand or

short-term and generally low cost in nature, to meet most of its funding needs. For example, as at 31 December in each of 2024 and 2023, demand and term deposits from customers amounted to 88.2 per cent. and 91.0 per cent., respectively, of the Group's total deposits from customers and loans received and debt securities in issue.

The availability of deposits is subject to fluctuation due to factors outside the Group's control, including possible loss of confidence and competitive pressures, and this could result in a significant outflow of deposits within a short period of time or may cause the Group to increase the return paid on its deposits to ensure that it retains sufficient deposits. As part of its liquidity risk management strategy, the Group makes assumptions in relation to the potential deposit outflows which could occur at times of stress. For example, demand deposits raised from retail customers are assumed to be a relatively stable source of funding based on historical behaviour analysis. Nevertheless, they are contractually repayable on demand. If any of these assumptions prove to be incorrect, the Group could face unplanned liquidity outflows which have not been considered in its liquidity contingency plans and funding plans.

On a future undiscounted cash flow basis, as at 31 December 2024, 55.8 per cent. of the Group's deposits from customers and loans received and debt securities in issue did not have a fixed maturity. As at the same date and on the same basis, only 10.2 per cent. of the Group's total funding (which comprises deposits from customers and loans received and debt securities in issue and subordinated debt) had a remaining contractual maturity in excess of one year. These percentages were 60.2 per cent. and 8.9 per cent., respectively, as at 31 December 2023.

The Group may experience outflows of deposits at times when liquidity in Estonia is constrained generally or when its major depositors experience short- or long-term liquidity requirements.

In addition to deposits from its core customers in Estonia and the UK, the Group has also raised term deposits from the Raisin deposit intermediation platform. The Raisin platform enables the Group to raise term deposit funding from outside its geographic home markets (from outside of Estonia for LHV Pank and from non-core customers in the UK for LHV Bank). As at the date of this Offering Circular, the main geographic markets from which the Group has raised term deposit funding through the Raisin platform have been the UK and the Netherlands. However, the availability of these platform deposits could be more volatile than the Group's core customer deposits in the event of any market or idiosyncratic stress. Furthermore, as these term deposits mature, it is not certain that they can be rolled over and the Group may be required to raise other types of funding to replace any of these deposits which are not rolled over.

In addition, the Group's deposits are geographically concentrated and the Group is reliant on certain large deposits from a limited group of customers. See "*—The Group's loans and advances to customers and its deposits from customers are concentrated in Estonia*" above and "*—The Group has significant customer and sector concentrations*" above.

In addition to deposits, the Group has raised funding from capital markets through the issuance of covered bonds, unsecured bonds and other financial instruments. The Group may not be able to raise funds from money and/or capital markets on terms comparable with those previously available, which may have an adverse effect on its business operations, performance or financial position. Access to, and the cost of, financing raised by the Group through money and capital markets are affected, among other things, by general interest rate levels, the situation on the financial markets, downturns in the performance of market participants and the Group's own capital adequacy and credit ratings.

If a substantial portion of the Group's depositors, or any of its largest depositors, withdraw their demand deposits or do not roll over their time deposits at maturity, the Group may need to seek other sources of funding or may have to sell, or enter into sale and repurchase or securitisation transactions over, certain of its assets to meet its funding requirements. There can be no assurance that the Group will be able to obtain additional funding as and when required or at prices that will not affect its ability to compete

effectively and, if the Group is forced to sell assets to meet its funding requirements, it may suffer material losses as a result.

In extreme cases, if the Group is unable to refinance or replace such deposits with alternative sources of funding to meet its liquidity needs, such as the interbank markets, the international capital markets or through asset sales, this would have a material adverse effect on its business generally and could, potentially, result in insolvency.

The Group could be adversely affected by the soundness or the perceived soundness of other financial institutions and counterparties.

Given the high level of inter-dependence between financial institutions, the Group is subject to the risk of deterioration in the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, the default of any one institution could lead to significant losses, and potentially defaults, by other institutions. This was experienced in 2008, 2009 and again in late 2022 and early 2023, demonstrating that concerns about, or a default by, one institution can lead to significant liquidity problems, losses or defaults by other institutions. This is because the commercial and financial soundness of many financial institutions is closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide or institution specific liquidity problems and losses or defaults by the Group or other institutions. This risk, often referred to as "systemic risk", may also adversely affect other financial intermediaries, such as clearing agencies, clearing houses, securities firms and exchanges, with whom the Group interacts on a daily basis. There is also a risk that problems initially affecting only one or a few financial institutions could spill over to the LHV due to perceived interconnectedness or supposed similarities in risk profile, no matter if actually true or not. Such risks, should they materialise, could have a material adverse effect on the Group's ability to raise new funding and on its business generally.

The Group is exposed to reputational risks related to its operations and industry.

The Group, through the activities of its member companies, is exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not valid, will harm its reputation. The Group's reputation may also be adversely affected by the conduct of third parties over whom it has no control, including entities to which it has advanced financing. For example, if one of the Group's borrowers becomes associated with financial scandals or widely publicised improper behaviour, the Group's own reputation may be affected. The Group is also exposed to adverse publicity relating to the financial services industry as a whole or individual institutions which are perceived to be similar to the Group. Financial scandals unrelated to the Group or questionable ethical conduct by a competitor may taint the reputation of the industry and affect the perception of investors, public opinion and the attitude of regulators. Any damage to the Group's reputation could lead to existing customers withdrawing their business and potential customers hesitating to do business with the Group, which could have a material adverse effect on the Group.

The Group could be adversely affected by market risks.

The Group could be adversely affected by market risks that are outside its control, including, without limitation, material adverse changes in interest rates, prices of securities and currency exchange rates. In relation to interest rates, the Group is vulnerable to fluctuations in interests rates as there is a pricing gap between the Group's interest-rate sensitive assets and liabilities. For example, an increase in interest rates generally may decrease the value of the Group's fixed-rate loans and securities and may increase the Group's funding costs. Further, a decrease in the level of interest rates may decrease the revenue that the Group earns from its floating rate loans, securities and other assets. At the same time, the Group's ability to pass on declining interest rates to its customers on the funding side by lowering the rates on its deposits is limited. See subsection 3.3 to the risk management section of the 2024 Financial

Statements (which is incorporated by reference herein) which references stress tests conducted in relation to the Group's sensitivity to change in interest rates as at 31 December 2024 and 31 December 2023. Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, such as the European Central Bank (the "**ECB**") and the Bank of England, political factors and domestic and international economic conditions.

The Group faces foreign exchange rate risk as a financial intermediary. This encompasses the potential for changes in exchange rates to alter the value of assets or liabilities denominated in foreign currencies, and the risk of incurring losses when closing open positions in a foreign currency due to unfavourable exchange rate fluctuations. The Group attempts to match the currencies of its assets and liabilities and any open currency position is maintained within the limits set out in the Group's internal risk management documents. However, where the Group is not so hedged, it is exposed to fluctuations in foreign exchange rates and any such hedging activity may not protect the Group against such risks. See subsection 3.1 to the risk management section of the 2024 Financial Statements (which is incorporated by reference herein) which shows the Group's open foreign currency positions as at 31 December 2024 and 31 December 2023.

The Group also has a portfolio of debt and equity financial assets held at fair value which are exposed to the effect of changes in market prices on their fair value. However, in 2022 the majority of the investments classified as debt securities held at fair value were reclassified as investment securities measured as amortised cost. See subsection 3.2 to the risk management section of the 2024 Financial Statements (which is incorporated by reference herein) which illustrates the Group's sensitivity to a 2 per cent. change in interest rates for debt securities, a 5 per cent. change in the value of its mandatory pension fund units and a 26 per cent. change in market prices of shares and fund units on this portfolio as at 31 December 2024 and 31 December 2023.

Group companies may enter into derivative transactions, such as interest rate swaps and currency swaps and forward contracts, as part of their ordinary customer business. There is no assurance that these derivative contracts will be successful in mitigating the Group's interest rate and foreign exchange exposures or that the Group will not experience significant losses on these derivatives contracts from time to time.

Adverse movements in interest and foreign exchange rates may also adversely impact the revenue and financial condition of the Group's depositors, borrowers and other counterparties which, in turn, may impact the Group's deposit base and the quality of its credit exposures to certain borrowers and other counterparties. Ultimately, there can be no assurance that the Group will be able to protect itself from any adverse effects of a currency revaluation or future negative changes in interest rate or currency exchange rates or from a significant change in the prices of its securities.

The Group is exposed to a range of operational risks. In particular, the Group is exposed to the risk of loss as a result of employee misrepresentation, misconduct and improper practice.

Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, systems and equipment failures (including, in particular, information technology ("**IT**") failures), natural disasters or the failure of external systems (for example, those of the Group's counterparties or vendors). The Group has implemented risk controls and loss mitigation strategies, and substantial resources are devoted to developing efficient procedures and to staff training, but it is not possible to eliminate entirely each of the potential operational risks that the Group faces. Losses from the failure of the Group's system of internal controls could have a material adverse effect on its business generally and its reputation.

The Group's employees could engage in misrepresentation, misconduct or improper practices that could expose the Group to direct and indirect financial loss and damage to its reputation. Such practices may

include embezzling clients' funds, engaging in corrupt or illegal practices to originate further business, intentionally or inadvertently releasing confidential information about clients or failing to follow internal procedures. It is not always possible to detect or deter these types of misconduct, and the precautions which the Group takes to detect and prevent such misconduct may not be effective in all cases. There can be no assurance that measures undertaken to combat these types of misconduct will be successful. Any such actions by employees could expose the Group to financial losses resulting from the need to reimburse clients, co-investors or other business partners who suffered loss or as a result or to fines or other regulatory sanctions and could damage the Group's reputation.

The Group is dependent on its IT systems and any disruption to these systems, including as a result of cyber-attack, could materially disrupt the Group's business.

The Group depends on its IT systems to process a large number of transactions on an accurate and timely basis and to store and process substantially all of the Group's business and operating data. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks between its branches and main data processing centres, are critical to its business and its ability to compete effectively. The Group's business activities would be materially disrupted if there were a partial or complete failure of any of these IT systems or communications networks. Such failures can be caused by a variety of reasons some of which are outside the Group's control, including natural disasters, extended power outages, and computer viruses and other external electronic attacks. The proper functioning of the Group's IT systems also depends on accurate and reliable data and other system inputs, which are subject to internal human errors. Any failure or delay in recording or processing transaction data could subject the Group to claims for losses and regulatory fines and penalties. There can be no assurance that the Group's IT safeguards will be fully effective in the event of a disaster and or that they will protect the Group from all losses that could occur.

The threat to the security of the Group's information and customer data from security breaches and cyber-attacks presents a real and growing risk to its business. Activists, rogue states and cyber criminals are among those targeting IT systems around the world. Risks to technology and cyber-security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. A failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could have a number of adverse effects on the Group, including disruption to its business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation.

The Group takes proactive measures to adjust its cybersecurity policies and practices in preparation for potential future regulations that could present new compliance challenges. This approach is designed to ensure continued compliance with changing regulatory requirements, safeguarding the Group's operations and its stakeholders' interests. The Digital Operational Resilience Act ("**DORA**") creates a regulatory framework for financial institutions on digital operational resilience to respond to and recover from all types of information communication technologies ("**ICT**") related disruptions and threats. These requirements are homogenous across all EU Member States and are currently expected to enter into force during the course of 2025. Non-compliance by the Group or the relevant entities of the Group with new regulations could lead to administrative penalties or remedial measures, as well as criminal penalties under national law. Such increased regulatory engagement, supervision and enforcement is uncertain in relation to the scope, cost, consequence and the pace of change, which may adversely affect the Group's future results, financial condition and/or prospects.

In accordance with the EU General Data Protection Regulation ("**GDPR**"), the Group is required to ensure it implements timely, appropriate and effective organisational and technological safeguards against unauthorised or unlawful access to the data of the Group, its customers and its employees. In order to meet this requirement, the Group places a high priority on employee training and awareness

programmes to combat phishing and other forms of social engineering attacks. Recognising that a well-informed workforce is a critical defence layer, these programmes aim to equip employees with the knowledge and tools necessary to identify and respond to cybersecurity threats effectively. The Group relies on the effectiveness of its internal policies, controls and procedures to protect the confidentiality, integrity and availability of information held on its IT systems, networks and devices as well as with third parties with whom the Group interacts. A failure to monitor and manage data in accordance with the requirements of the applicable legislation may result in financial losses, regulatory fines and investigations and associated reputational damage.

The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks.

There can be no assurance that the Group's risk management policies and procedures will adequately control, or protect it against, all credit, liquidity, market, operational and other risks. In addition, certain risks may not be accurately quantified by the Group's risk management systems. Some of the Group's methods of managing risk are based upon the use of historical market data which, as evidenced by events caused by the global financial crisis of 2008 to 2010, may not always accurately predict future risk exposures which could be significantly greater than historical measures indicate. In addition, certain risks could be greater than the Group's empirical data would otherwise indicate.

Other risk management methods depend upon evaluation of information regarding the markets in which the Group operates, its clients or other matters that are publicly available or information otherwise accessible to it. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any material deficiency in the Group's risk management or other internal control policies or procedures may expose it to significant losses as a result of unidentified credit, liquidity, market or operational risks, should they occur.

The Group's internal compliance systems might not be fully effective in all circumstances.

The Group's ability to comply with all applicable regulations is largely dependent on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. Although the Group is subject to oversight by regulatory authorities, including regular examination activity and annual supervisory review visits in relation to the Group's banking entities, performs regular internal audits and employs an external auditing firm to review its internal auditing function as required by applicable regulations, the Group cannot be certain that these systems and procedures will be fully effective in all circumstances, particularly in the case of deliberate employee misconduct or other frauds perpetrated against it.

In 2022, the EFSA conducted an on-site inspection to assess the compliance of LHV Pank's financial intermediation business line control systems. The supervisory proceedings identified deficiencies regarding the assessment and management of money laundering and terrorist financing risks, as well as in the solutions for the onboarding and monitoring of clients to faultlessly fulfil the due diligence measures set for LHV Pank. In August 2023, the EFSA issued a precept to LHV Pank as a result of these supervisory proceedings and imposed a fine of €900,000 for the misdemeanour of incorrect application of due diligence measures. LHV Pank has since reported to the EFSA on a monthly basis on the action plan to remediate all of the shortcomings identified by the EFSA. The final report was presented to the EFSA on 26 January 2024 and the matter is now closed. LHV Pank continues to improve the risk control system of the financial intermediation business line.

Further, in 2024, the Estonian Financial Intelligence Unit ("**FIU**") conducted a misdemeanour proceeding against LHV Pank concerning two incidents in 2022 and one incident in January 2023 and on 6 May 2024 the FIU concluded that LHV Pank had violated the International Sanction Act and issued a fine of EUR 300,000. However, in September 2024, the Harju County Court annulled the EUR

300,000 fine imposed by the FIU in May 2024 and terminated the proceedings against LHV Pank, citing the absence of a misdemeanour. The FIU did not appeal the decision.

In the case of actual or alleged non-compliance with applicable regulations, the Group could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages that could have a material adverse effect on the Group.

Failure to maintain an effective system of financial reporting and internal controls may materially and adversely affect the Group's ability to accurately or timely prepare financial information.

Internal controls over financial reporting are intended to ensure the Group maintains accurate records, promote the accurate and timely reporting of the Group's financial information, maintain adequate control over the Group's assets, and detect unauthorized acquisition, use or disposition of the Group's assets. Effective internal and disclosure controls are necessary for the Group to provide reliable financial reports and to operate successfully as a business. The Group's management is responsible for establishing and maintaining adequate internal controls.

While preparing the 2024 Financial Statements, certain restatements resulting from incorrect application of IFRS 17 were identified relating to the year ended 31 December 2023. These resulted in restated comparative figures in the 2024 Financial Statements incorporated by reference in this Offering Circular. For more information on these disclosures and the corrections, see Note 1 (*General Information*) in the 2024 Financial Statements.

If the Group's systems over internal controls and/or financial reporting do not keep pace with the sophistication of its businesses or the applicable financial reporting framework; or its finance and accounting personnel, and other relevant resources in such areas, for any reason cease to be sufficient, and the Group is not able to replace them in a timely manner, if at all, the Group may not be able to maintain adequate internal controls over financial reporting. This in turn could result in the Group's failure to meet its financial reporting obligations as a public company in an accurate or timely manner in accordance with the requirements of the applicable legislation, may result in financial losses, regulatory fines, investigations and associated reputational damage which could have a material adverse effect on the Group.

The Group is subject to extensive regulation and changes in this regulation, or the interpretation or enforcement of this regulation, or any failure by the Group to comply with this regulation could have a material adverse effect on the Group.

The financial services industry in which the Group operates is highly regulated and the Group's operations are subject to numerous European directives and regulations, as well as Estonian laws, policies, guidance and voluntary codes of practice. Since the global financial crisis of 2008 to 2010, financial services regulation has changed materially and will continue to develop in the future. The regulatory requirements that the Group must comply with when conducting its business and operations or which the Group may become subject to include:

- capital adequacy requirements, for example Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions, as amended from time to time (the "**CRD**"), including by Directive (EU) 2024/2994 (as to be transposed into Estonian law), and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended from time to time (the "**CRR**"), including by Regulation (EU) 2024/2987;

- a bank resolution framework, for example Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended from time to time (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), including by Directive

(EU) 2024/1174 and Regulation (EU) No 806/2014 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, as amended from time to time (the "**SRM Regulation**"), including by Directive (EU) 2024/1174, to be further updated to adjust and further strengthen the European Union's existing bank crisis management and deposit insurance (CMDI) framework and increase the efficiency of crisis management as published by the European Commission in April 2023;

- continuously tightening requirements with respect to anti-money laundering and anti-terrorism financing as well as the implementation of international financial sanctions and EU restrictive measures;

- payment services regulations, for example Directive (EU) 2015/2366 on payment services in the internal market and Regulation (EU) 2024/886 as regards instant credit transfers in euro, as amended from time to time;

- regulations on markets in financial instruments, for example Directive 2014/65/EU on markets in financial instruments, as amended from time to time;

- the prudential framework for insurance undertakings, for example Directive 2009/138/EC on the taking-up and pursuit of the business on Insurance and Reinsurance (Solvency II) and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC, as amended from time to time;

- regulation on pension and pension funds, including the Estonian Funded Pensions Act and Investment Funds Act;

- data protection regulations, for example Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as amended from time to time and regulations on IT security and prevention of cybercrime, such as Regulation (EU) 2022/2554 on digital operational resilience for the financial sector;

- DORA containing rules designed to strengthen the operational resilience of financial institutions; and

- new and continuously evolving environmental, social and governance ("**ESG**") related regulations.

From 1 January 2023 onwards, the Issuer and its subsidiary LHV Pank are being directly supervised by the ECB. As such, the Issuer became subject to the SRM Regulation, increasing the regulatory requirements applicable to the Issuer and its activities, such as those further explained under the risk factor "*The Group may be subject to statutory resolution*". If the Group were to fail to maintain its regulatory requirements, this may result in administrative actions or sanctions against it which may impact the Issuer's ability to fulfil its obligations under the Notes.

In addition, the Group's UK subsidiary, LHV Bank, must also comply with UK laws and regulations when conducting its business and operations.

The Group has sought to comply with all of the requirements affecting it, but no assurance can be given that it will at all times and in all material respects either be or remain in compliance with applicable regulations. A number of Estonian and European authorities, including financial supervision, consumer protection, anti-money laundering, tax and other authorities, regularly perform investigations, examinations, inspections and audits of the Group's business, including in relation to capital requirements, standards of consumer lending, anti-money laundering, anti-bribery, payments, reporting

and corporate governance. Any determination by any relevant authority that the Group has not acted in compliance with all 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 requirements to cease carrying on all or part of its business.

The pension funds management sector in Estonia has been subject to frequent regulatory changes and these, and any further changes, may adversely affect the Group's pensions business.

In recent years, the fees related to compulsory pension funds have been the subject of several reforms, each decreasing the fund management or other fees relating to compulsory pension funds. In December 2018, the Estonian Parliament reduced the management fee thresholds of compulsory pension funds.

In 2020, further reforms were passed which, from the start of 2021, enable Estonian citizens to opt out of the mandatory pension system, pay the 22 per cent. income tax on the amount they receive and remain solely reliant on the state pension. It is possible to re-join the mandatory pension system after 10 years. Estonian citizens can also decide to remain in the system but use a personal pension investment account instead of receiving the funds. LHV Varahaldus estimates that approximately one quarter of LHV pension fund clients have exited the system since these reforms were introduced, according to LHV's internal assessment.

Any further regulatory changes relating to the pension funds management sector may affect the Group's ability to effectively manage its pension funds and may have a negative impact on the revenues and profits that the Group earns from its pension fund management business.

The Group may need to raise eligible liabilities and capital and it may not be able to do so as and when needed on commercially attractive terms.

The capital of banks and investment firms in the EU is subject to the legal framework of the CRR, the CRD and the BRRD. The requirements imposed under this framework have been constantly evolving over time and can be expected to undergo further developments in the future. This will likely necessitate further and potentially significant changes to the Group's operations, including the Group's procedures, rules and reporting systems, as well as to the calculation systems of the capital requirements applicable to the Group.

The Group is currently required to hold a minimum amount of regulatory capital equal to 8 per cent. of its risk exposure amounts, which must be covered by a combination of common equity Tier 1 capital, additional Tier 1 capital and Tier 2 capital. In addition to these so called minimum Pillar 1 requirements, the regulation also prescribes the combined buffer requirement. For the Group, the combined buffer requirement is comprised of:

- the other systemically important institution ("**O-SII**") buffer, which as at the date of this Offering Circular stands at 2.0 per cent.;
- the capital conservation buffer which has been set at 2.5 per cent.;
- the countercyclical buffer which as at the date of this Offering Circular stands at 1.5 per cent.; and
- the systemic risk buffer which currently stands at 0.0 per cent. but could be raised by competent authorities in the future.

The combined buffer requirement applies to the total risk exposure amount and must be met by common equity Tier 1 own funds.

In addition to the minimum own funds requirements described above, the competent authorities may require additional so called Pillar 2 capital to be maintained by a credit institution relating to elements of risk which are not fully captured by other own funds requirements. Furthermore, competent authorities expect banks to follow Pillar 2 guidance, which indicates to banks the adequate level of capital to be maintained in order to have sufficient capital as a buffer to withstand stressed situations, in particular as assessed on the basis of the adverse scenario in the supervisory stress tests. The Pillar 2 requirement applicable to the Group as at the date of this Offering Circular equalled 3.00 per cent. of the total own funds. The Pillar 2 capital requirement and the Pillar 2 guidance are subject to an annual review by the competent authorities as part of the supervisory review and evaluation process ("**SREP**").

As part of the crisis resolution plan provided for in the BRRD, the minimum requirement for own funds and eligible liabilities ("**MREL**") obliges banks and banking groups to have sufficient own funds and unsecured long-term liabilities that can be used to cover losses under the crisis resolution plan. The preferred resolution strategy for the Issuer is the "single point of entry" strategy, with the Issuer being the resolution entity of the Group. By its decision of 28 April 2025, the EFSA reduced the MREL target from the previous level of 26.30 per cent. to 25.47 per cent. of the total risk exposure amount ("**MREL-TREA**") and retained the 5.91 per cent. of the leverage ratio exposure measure ("**MREL-LRE**") for the Group. There is no certainty that MREL requirements will not be increased again in the future. To distribute dividends, the Group must satisfy a higher MREL-TREA threshold. At the date of this Offering Circular, the specified MREL-TREA threshold required for the distribution of dividends stands at 31.47 per cent. (reduced from the previous level of 32.29 per cent., as determined by the EFSA). Since the Issuer and its subsidiary AS LHV Pank are being directly supervised by the ECB from 1 January 2023 and are therefore subject to the SRM Regulation, the determination of applicable minimum requirement for own funds and eligible liabilities for the Group now falls within the competence of the Resolution Board (as further explained under the risk factor "*The Group may be subject to statutory resolution*"). On the basis of the target levels set by the EFSA, as of the date of this Offering Circular, the Group has set internal limits for MREL-TREA at 26.50 per cent. for MREL-TREA to distribute dividends at 32.50 per cent. and for MREL-LRE at 6.2 per cent. Based on the new reduced MREL targets determined by the decision of 28 April 2025 of the EFSA, the Group may reduce the said internal limits for MREL-TREA accordingly.

In addition to regulatory requirements, a variety of other factors may affect the Group's need for additional capital and eligible liabilities. For example, a significant increase in lending, reduced profitability or any losses experienced would reduce its capital adequacy and MREL ratios. The Group may also need to increase their capital or eligible liabilities as a result of market perceptions of adequate capitalisation levels and the perceptions of rating agencies.

The Group is likely to need to obtain additional capital and eligible liabilities in the future to support the future growth of its business. Such capital and funding, whether in the form of debt financing or additional equity, may not be available on commercially favourable terms, or at all. Moreover, should the Group's or any of the Group's banking entities' capital and MREL ratios fall close to regulatory minimum levels or the Group's own internal minimum levels, the Group or any of the Group's banking entities may need to adjust their business practices, including reducing the risk and leverage of certain activities or limiting asset growth. If either the Group or any of the Group's banking entities are unable to maintain satisfactory capital adequacy and MREL ratios, the Issuer's credit ratings may be lowered, its cost of funding may increase and it may suffer regulatory sanctions. Any such development may have a material adverse effect on the Group.

The Group is exposed to risks related to money laundering activities and sanctions violations.

In general, the risk that financial institutions will be subjected to or used for money laundering has increased worldwide. The high turnover of employees, the difficulty in consistently implementing related policies and technology systems, and the general business conditions in Estonia and proximate markets such as Russia, mean that the risk of the occurrence of money laundering for the Group is high.

If global and regional financial market conditions deteriorate, there is a risk that incidents involving money laundering may increase and this may affect the Group's ability to monitor, detect and respond to such incidents.

Additionally, one of the core business areas of the Group is offering services to financial intermediaries such as payment service providers and virtual asset service providers. The services being offered include accounts, payments (including real time EUR and GBP payments), acquiring, working capital finance and foreign currency exchange services. Servicing such financial intermediary clients entails a higher risk of fraud and money laundering compared to regular retail and non-financial corporate clients due to the large number of end customers serviced by the financial intermediaries.

In addition, financial institutions are required to comply with a number of international sanctions regimes, including those of the EU, the United Nations, the United States and a number of other individual countries. A wide range of countries, organisations and individuals may be subject to sanctions under these regimes and the complexity of banking operations means that steps taken to screen transactions against sanctions lists may not always be effective.

For the remainder of 2025, the introduction of further sanctions regimes (especially to combat the circumvention of sanctions) and enforcement actions throughout the world are expected (for example, the EU Parliament recently adopted 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). Because of the evolving complexity of sanctions regimes and sanctions evasion schemes there is a risk that the Group may not be able to adapt to changes quickly and detect the new patterns of sanctions evasion/circumvention which could lead to potential fines for sanctions breaches, regulatory criticism and reputational damage.

As a result, the risk of future incidents in relation to money laundering and sanctions violations always exists for the Group. Any violation of anti-money laundering rules or sanctions regimes, or even the suggestion of violations, may have severe legal and reputational consequences for the Group and may, as a result, have a material adverse effect on the Group.

The Group is subject to the risk of changes in tax regulations reducing its profitability.

Estonian tax regulations are subject to changes, 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, these institutions are required to make quarterly advance payments of corporate income tax on the profit earned by them in the previous quarter while the companies operating in other sectors remain subject to the general corporate income tax regime under which profit is subject to taxation only upon distribution.

Advance payments of CIT are made at a rate of 18 per cent. from 1 January 2025. The quarterly profit of credit institutions, on the basis of which the advance CIT is calculated, is reduced by the amount of the tax-exempt flow-through dividends received by the credit institution in that quarter, as well as by the amount of any loss recorded during the preceding 19 quarters (loss carry forward for five years). Estonian credit institutions cannot account for losses that have arisen prior to the 19 previous quarters. Estonian credit institutions have the right to set-off the CIT payable from dividend distributions or distributions from their equity capital, against the advance CIT payments that had been previously made to the tax authority under the above described advance payment arrangement. Furthermore, from 1 January 2025, the standard CIT rate for dividend and equity capital distributions has increased from the previous rate of 20 per cent. to 22 per cent. and the reduced CIT rate of 14 per cent. applied to regular dividend payments was abolished. The increase in the applicable CIT tax rate will reduce the own funds of the credit institutions and will tighten the ability to issue loans. The advance CIT has a more

significant impact on credit institutions in an active growth phase, such as LHV Pank, as it reduces the own funds of the institution.

Any other changes in Estonian tax regulations or in the interpretation of such regulations, may also have material adverse effect on the Group. It cannot be ruled out that new or additional taxes that may affect the Group may be implemented in the future. For instance, other Baltic countries have recently taken steps for the imposition of a banking tax. While no official proposals have been made and no legislative initiative has been taken in Estonia for the introduction of a banking tax, no assurance can be given that such similar tax will not be introduced in Estonia any time in the future.

In addition to the above, in late 2024 a new Security Tax Act was passed in Estonia, introducing rises in existing tax rates and introducing new taxes. Among others, a temporary 2 per cent. profit tax on unconsolidated accounting profits before tax was introduced, 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. Both changes could adversely impact the Group's tax costs and overall profitability.

The new Estonian government has decided to abolish the Security Tax Act, resulting in the cancellation of the 2 per cent. profit tax. Additionally, the government has decided to make the new standard VAT rate of 24 per cent. permanent as of 1 July 2025. As of the date of this Offering Circular, no amendments to the law have been officially adopted.

A negative change, or perceived negative change, in the Issuer's credit rating could limit its ability to raise funding and may increase its borrowing costs.

The Issuer currently has a long-term issuer rating of Baa3 with a positive outlook from Moody's and the Notes are expected to be rated Baa3 by Moody's. This credit rating is an important factor in determining the Issuer's cost of borrowings.

There is no assurance that the Issuer's rating will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely if circumstances in the future so warrant. A downgrade, or increased risk of a downgrade, of the Issuer's credit rating, or a negative change in its outlook, may:

- limit the Issuer's ability to raise funding;
- increase the Issuer's cost of borrowing; and
- limit the Issuer's ability to raise capital.

In addition, actual or anticipated changes in the Issuer's credit rating may negatively affect the market value of the Notes.

Moody's notes three factors which, if they materialise, could lead to a future downgrade of the Issuer's rating:

- a deterioration in solvency ratios;
- a material increase in the operational risk relating to its services to financial intermediaries, for example, as a result of weaknesses in anti-money laundering monitoring; and
- lower volumes of liquid resources, leading to reduced liquidity buffers compared to the increasing volume of more volatile funding sources such as senior debt.

In addition, the credit rating assigned to the Issuer may not reflect the potential impact of all risks related to an investment in the Notes, the market, additional factors discussed in this Offering Circular and other factors that may affect the value of the Notes. A security rating is not a recommendation to buy, sell or hold securities. A rating may be subject to revision or withdrawal at any time by an assigning rating organisation.

The Group may not be able to recruit and retain qualified and experienced personnel, which could have an adverse effect on its business and its ability to implement its strategy.

The Group's success and ability to maintain current business levels and sustain growth will depend, in part, on its ability to continue to recruit and retain qualified and experienced operational and management personnel. The market for such personnel in Estonia is intensely competitive and the Group could face challenges in recruiting and retaining such personnel to manage its businesses. Amongst others, regulatory restrictions, such as the limits on certain types of remuneration paid by credit institutions and investment firms could adversely affect the Group's ability to attract new qualified personnel and retain and motivate existing employees. Any loss of the services of key employees, particularly to competitors, or any inability to attract and retain highly skilled personnel may have material adverse effect on the Group.

The Group also depends on the efforts, skill, reputation and experience of its senior management, as well as synergies among their diverse fields of expertise and knowledge. The loss of key personnel could delay or prevent the Group from implementing its strategies and the Group may not be able to efficiently replace any such lost personnel. The Group has crime and professional indemnity insurance cover in relation to its key personnel but is not insured against losses that may be incurred in the event of the loss of any member of its key personnel.

The Group operates in a highly competitive market which may adversely affect its results of operations if it is unable to compete effectively.

The Group operates in a highly competitive market. In relation to its banking activities, in addition to the licensed credit institutions and branches of foreign banks present in Estonia, there are market participants (such as non-bank lenders) who are not subject to regulatory and capital requirements as burdensome as those to which the Group is subject and who may therefore have a competitive advantage in relation to lending. Furthermore, the credit and lending market is characterised by the development of new products and technological solutions which compete with the more conservative and traditional products and services offered by the Group and may result in price pressure on the products and services offered by the Group. In addition, the Group is competing in the market of customer deposits in order to raise the funding that is required for supporting its lending business. In tightening monetary conditions, it is possible that competition in the deposits market will increase.

The majority of LHV Varahaldus' business is related to second and third pillar pension funds. While the number of market participants in the local pension market is limited to five fund managers, the competition between market players is strong. While voluntary third pillar funds are the most tax efficient solution for long-term investing, they are also indirectly competing with all other investment opportunities.

If the Group fails to respond to a more competitive environment by offering attractive and profitable product and service solutions, it may experience a loss of market share and a decrease in profitability.

The Group is subject to legal risks.

The Group's operations are materially dependent on the validity and enforceability of the transactions and agreements it enters into, high volumes of which may be based on standard templates. These transactions and agreements may be subject to the laws of Estonia or to the laws of other countries

where the Group operates. While due care is taken to ensure that the terms of these transactions and agreements are fully enforceable under the laws applicable to them, human error or new laws and regulations and changes in interpretation of existing laws and regulations by the competent authorities and courts may create uncertainty or render part or all of a particular agreement unenforceable by the Group. Consequently, the Group may not be able to always enforce its contractual rights. Particularly in the context of a template agreement which has been replicated extensively, this could have a material adverse effect on the Group.

In the ordinary course of its business, Group companies are exposed to a significant risk of claims, disputes and legal proceedings. In many cases, the Group will be the plaintiff, typically seeking to recover money advanced and it may not always be successful in this endeavour and, even where it is successful, the costs involved in the litigation will reduce its recoveries. In cases where a Group company is a defendant, in addition to the cost of defending the claim the Group may be required to pay significant damages, and the dispute could also negatively affect the Group's reputation.

Environmental, social and governance risks.

The Group is subject to a variety of risks arising from ESG matters including physical climate risks, transition risks and regulatory compliance risks, among others. In addition, ESG risks can also materialise through their impact on traditional risk categories, such as market risk, liquidity and funding risk, credit risk, operational risk or reputational risk.

In recognition of such risks, the Group has taken several actions, including those intended to manage its carbon footprint, and has sought to engage in sustainable lending and investment activities. However, the Group cannot guarantee the success of these actions, nor can it make any assurances that its regulators, investors or other third parties, such as environmental advocacy organisations, will find such initiatives to be sufficient. Climate change, and businesses' response to the emerging threats, are under increasing scrutiny by governments, regulators, activists and the public alike. Further, the Group may be exposed to negative publicity based on the identity and activities of the Group's customers and business partners, and the public's view of their approach and performance with respect to ESG matters. This may have a negative impact on the Group’s reputation, which, in turn, could have an adverse effect on the Group's ability to attract and retain customers and employees and therefore, an adverse effect on the Group's business, results of operations, financial condition or prospects.

Without a coordinated and timely response from governments, the economy and other stakeholders, the physical risks of climate change have the potential to pose a significant threat to the Group's business as well as to the Group's customers. Physical risks include more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Such physical climate risks could impact the Group by increasing the risk of damage to the Group’s customers' properties or operations, which could impair asset values and the creditworthiness of customers leading to increased default rates, delinquencies, write-offs and impairment charges in the Group’s portfolios. In addition, the Group’s premises and resilience may also suffer physical damage due to weather-related events leading to increased costs for the Group.

Transition risks include the potential negative financial impact to the Group that could result, directly or indirectly, from the process of decarbonisation and enacting more environmentally sustainable economic policies. The transition to a low-carbon economy, driven by policy, technological or market changes, and the necessity to mitigate physical risks, may itself have negative impact on the Group’s customers. The possible negative impacts on the Group’s customers from both physical and transition climate risks may lead to decreased collateral values and increased default rates and credit impairments for the Group.

In addition, regulatory authorities have been increasingly focusing on ESG matters and have communicated their expectations of larger financial institutions to measure, monitor and manage climate-related risk as part of their enterprise risk management processes. This increased focus may subject the Group to increased regulatory scrutiny and additional compliance costs, which could have a material adverse effect on the Group's business, results of operations, financial conditions or prospects. Given the complexity of new ESG-related laws and regulations, and as they have been introduced only recently, there is a risk that the Group may fail to comply with all such ESG-related regulatory requirements on time. Failure to comply with such ESG requirements may have an adverse impact on the Group through the imposition of fines and other regulatory sanctions as well as through reputational damage.

RISKS RELATING TO THE NOTES

Fixed/Floating Rate Notes and interest rate risks.

The Notes bear interest at a fixed rate to, but excluding, the Reset Date.

During that time, Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until (but excluding) the Reset Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction. If the market yield increases, the price of the Notes falls. If the market yield falls, the price of the Notes increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk–free investment of equal tenor as a compensation for the risks inherent in the Notes. The credit spread changes over time and can decrease as well as increase for a large number of different reasons.

The market yield of the Notes can change due to changes in the credit spread, the risk-free rate, or both.

If the Notes are not called by the Reset Date, the Notes will bear interest at a floating rate from, and including, the Reset Date to, but excluding, the Maturity Date. The floating rate applicable to the Notes from (and including) the Reset Date is based on two components, namely 3-month EURIBOR and the Margin. The floating rate (i.e. the coupon) is payable quarterly, and will be set immediately prior to any floating Interest Period to the then prevailing 3-month EURIBOR rate plus the Margin.

Noteholders should be aware that the floating rate interest income is subject to changes to 3-month EURIBOR and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at the Issue Date, Noteholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to 3-month EURIBOR as a compensation for the risks inherent in the Notes (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Notes changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Notes; an increase in the market spread has a negative impact on the price of the Notes. However, the price of the Notes is subject to changes in the market spread, changes in 3-month EURIBOR or both. Noteholders should be aware that movements in the market spread can adversely affect the price of the Notes and can lead to losses for the Noteholders.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

The Notes may be redeemed prior to maturity.

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions, and subject to compliance with certain regulatory conditions and approval by the Relevant Resolution Authority.

The Issuer may also be entitled to redeem in whole (but not in part) the Notes if an MREL Disqualification Event occurs.

In addition, on the date falling one year prior to maturity, or at any time if the outstanding aggregate principal amount of the Notes is 20 per cent. or less of the aggregate principal amount of the Notes originally issued (which shall include, for these purposes, any further Notes issued pursuant to Condition 12 (*Further Issues*)), the Issuer may elect (pursuant to Condition 4(d)) to redeem the Notes. The Issuer may choose to redeem the Notes (subject to certain regulatory conditions and approvals) at times when prevailing interest rates may be relatively low. In such circumstances a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. The exercise of any optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may, or is perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or date.

No rights of set-off, netting or counterclaim.

Holders of Notes shall not be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of such Notes. Therefore, such Noteholders will not be entitled (subject to applicable law) to set off the Issuer's obligations under such Notes against obligations owed by them to the Issuer.

Regulation and reform of "benchmarks" could adversely affect the Notes.

EURIBOR and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The EU Benchmarks Regulation applies, subject to certain transitional provisions to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU.

The EU Benchmarks Regulation could have a material impact on the Notes which are linked to EURIBOR, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

On 21 September 2017, the ECB announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR (or any successor benchmark), or changes in the manner of administration of EURIBOR (or any successor benchmark), could require or result in an adjustment to the Floating Rate of Interest calculation provisions of the Conditions (as further described in Condition 3(c) (*Interest – Interest Rate*)) or result in adverse consequences to holders of the Notes. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to EURIBOR (or any successor benchmark) may adversely affect such benchmark during the term of the Notes, the return on the Notes and the trading market for securities (including the Notes) based on EURIBOR (or any successor benchmark).

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark such as EURIBOR (including any page on which such benchmark may be published (or any successor service)) becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs in respect of an Original Reference Rate (as defined in the Conditions). Such fallback arrangements include the possibility that the Floating Rate of Interest could be set by reference to a Successor Rate or an Alternative Reference Rate (each as defined in the Conditions of the Notes), with the application of an Adjustment Spread (as defined in the Conditions of the Notes) (which could be positive, negative or zero), and may include amendments to the Conditions of the Notes to ensure the proper operation of the new benchmark, all as determined by the Issuer (in consultation with the Independent Advisor) and as more fully described in Condition 3(g) (*Benchmark Replacement*: Notwithstanding the provisions above in this Condition 3 (*Interest*), if the Issuer (in consultation, to the extent practicable, with the Agent Bank) determines that a Benchmark Event has occurred when any Floating Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the Original Reference Rate (as applicable), then the following provisions shall apply:). It is possible that the adoption of a Successor Rate, Alternative Reference Rate, including any Adjustment Spread, may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

In certain circumstances, the ultimate fallback rate of interest for the purposes of calculation of the Floating Rate of Interest for a particular Interest Period may result in the Floating Rate of Interest for

the immediately preceding Interest Period being used (unless such immediately preceding Interest Period ended prior to the Reset Date, in which case the Floating Rate of Interest shall be the last observable Screen Rate as determined by the Agent Bank plus the Margin). This may result in the effective application of a fixed rate for the Notes based on the last Floating Rate of Interest or the last observable Screen Rate.

No Successor Rate or Alternative Reference Rate will be adopted to the extent that it (1) could reasonably be expected to prejudice the qualification of the Notes being MREL Eligible Liabilities (for the purposes of, and in accordance with, the Applicable Banking Regulations) or (2) could reasonably be expected to result in the Relevant Resolution Authority treating a future Interest Payment Date as the effective maturity of such Notes, rather than the Maturity Date for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of the Issuer.

Any such consequences could have a material adverse effect on the value of and return on the Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of the relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters and consult their own independent advisers when making their investment decision with respect to the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

The Group may be subject to statutory resolution.

The Issuer as a financial holding company falls under the scope of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended by Directive (EU) 2019/879 of the European Parliament and of the Council ("**BRRD II**") and Directive (EU) 2024/1174 of the European Parliament and of the Council) (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD sets

out the necessary steps and powers to ensure that bank and banking group failures across the EU are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

For this purpose, the BRRD grants competent and resolution authorities various rights including (but not limited to) a statutory "**write-down and conversion power**" (exercisable in relation to Tier 1 Capital instruments and Tier 2 Capital instruments) and a 'bail-in and loss absorption' power (exercisable in relation to other securities that are not Tier 1 Capital instruments or Tier 2 Capital instruments), which gives the resolution authority under the BRRD and the SRM Regulation (the "**Relevant Resolution Authority**"), the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could include the Notes) into another security, including equity instruments of the surviving issuer entity, if any. The BRRD is implemented into Estonian law by the Estonian Financial Crisis Prevention and Resolution Act (the "**FCPRA**"). For more information on the implementation of the BRRD in Estonia, see "*The Estonian resolution legislation implementing the BRRD Directive*" below.

As well as a "write-down and conversion power" and a "bail-in and loss absorption" power described above, the powers granted to the Relevant Resolution Authority under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply (known as the 'sale of business tool'), (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" which is wholly or partially owned by a publicly controlled entity (known as the 'bridge institution tool') and (iii) transfer assets of the relevant financial institution to an asset management vehicle which is wholly or partially owned by public authorities to allow them to be managed over time (known as the 'asset separation tool'). In addition, among the broader powers granted to the Relevant Resolution Authority under the BRRD, the BRRD provides powers to the Relevant Resolution Authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The write-down and conversion power can be used to ensure that Tier 1 Capital instruments and Tier 2 Capital instruments fully absorb losses at the point of non-viability of an institution (or, if applicable, its group) and before any other resolution action is taken. The BRRD specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD and otherwise respecting the hierarchy of claims in an ordinary insolvency (see "*The Notes may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full*" below).

While the BRRD (and the FCPRA implementing the BRRD) lists certain general principles applicable to resolution, including the principle that no creditor of the institution subject to resolution shall incur greater losses than would have been incurred thereby if the institution had been wound up under hypothetical insolvency proceedings (so-called "**NCWO safeguard**"), the operation of this principle in various circumstances is not clear on the basis of the manner of transposition of this principle into the FCPRA. While EBA has explained that the NCWO safeguard serves as a fundamental right of creditors, and several amendments were introduced by the BRRD II to clarify the application of the said principle, it is not entirely clear from the FCPRA whether this principle will be strictly applied in all circumstances, particularly, in case write-down and conversion powers are used independently without the application of any other resolution tools and outside of resolution proceedings. Further, it is not

entirely clear if this principle is equally applied in case of financial holding companies. Provided the provisions of the FCPRA are applied and interpreted in conformity with the objectives of the BRRD, the NCWO safeguard should also apply equally in the aforesaid scenario, but no assurances can be given to this respect.

Pursuant to Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority. The exercise of any such power or any suggestion of such exercise could materially adversely affect the value of any Notes subject to the BRRD and could lead to the Noteholders losing some or all of their investment in the Notes. Prospective investors in the Notes should consult their own advisers as to the consequences of the implementation of the BRRD.

In addition to the BRRD, the EU has adopted the SRM Regulation, a directly applicable regulation governing the resolution of the most significant financial institutions in the Eurozone, *i.e.* a regulation establishing a Single Resolution Mechanism. The SRM Regulation establishes a single resolution board (including representatives from the relevant national resolution authorities and working in cooperation with the representatives from the ECB, the European Commission) (the "**Resolution Board**") having resolution powers over the entities that are subject to the SRM Regulation, thus replacing or exceeding the powers of the national resolution authorities. The Issuer and LHV Pank as its subsidiary are classified as other systemically important institutions and are being directly supervised by the ECB as of 1 January 2023. As such, the Issuer and LHV Pank became subject to the SRM Regulation.

Under the SRM Regulation, the Resolution Board has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banking groups and banks subject to direct supervision by the ECB. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the Resolution Board is able to apply the same powers (including the bail-in and loss absorption tool and the mandatory write-down and conversion power described above) that would otherwise be available to the relevant national resolution authority. The use of one or more of these tools will be included in a resolution scheme to be adopted by the Resolution Board. National resolution authorities will remain responsible for the execution of the resolution scheme according to the instructions of the Resolution Board.

The Resolution Board is responsible for preparing and adopting a resolution plan for the entities subject to its powers, including the Issuer and the Issuer's subsidiary, AS LHV Pank. It also determines, after consulting competent authorities, including the ECB, the MREL requirement which the Issuer is expected to meet at all times. The ECB has the powers of early intervention as set forth in the SRM Regulation, and the Resolution Board, having been informed of the relevant measures, has the power to require the Issuer to contact potential purchasers in order to prepare for resolution of the Issuer. The Resolution Board has the authority to exercise the specific resolution powers under the SRM Regulation. These will be launched if the Resolution Board assesses that the following conditions are met: (i) the Issuer is failing or is likely to fail; (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action or the write-down or conversion of relevant capital instruments, taken in respect of the Issuer, would prevent its failure within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest.

In 2023, the European Commission made a legislative proposal to adjust and further strengthen the existing European Union bank crisis management and deposit insurance framework ("**CMDI**") which is envisaged to encompass amendments to, inter alia, the BRRD as well as the SRM Regulation. The purpose of the developments is to give resolution authorities even more effective tools to ensure the depositors of the relevant financial institution (e.g. depositors) can continue access to their accounts and, more broadly, to facilitate the use of industry-funded safeguards to enable authorities to shield the depositors in bank crisis.

The exercise of any resolution powers, early intervention measures or any powers pursuant to the BRRD and the SRM Regulation with respect to the Issuer or LHV Pank, or any suggestion of such exercise will likely materially adversely affect the price or value of an investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to the holders of the Notes losing some or all of their investment in the Notes.

The Estonian resolution legislation implementing the BRRD.

The BRRD is implemented in Estonia by the FCPRA. Under the FCPRA, the Relevant Resolution Authority is the EFSA. The FCPRA provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the EFSA, result in the partial or complete suspension of the performance of agreements entered into by the Issuer or AS LHV Pank. The FCPRA also grants the power to the EFSA to take a number of resolution measures which may apply to the Issuer or AS LHV Pank, including, without limitation, the application of the general bail-in and loss absorption tool (and other tools as described under the risk factor "*The Group may be subject to statutory resolution*"). The powers set out in the resolution legislation will impact how credit institutions are managed as well as, in certain circumstances, the rights of creditors.

If the debt bail-in and loss absorption tool and the statutory write-down and conversion power become applicable to the Issuer or the Group, the Notes may be subject to write-down or conversion into equity on any application of the bail-in and loss absorption tool, which may result in Noteholders losing some or all of their investment. Subject to certain conditions, the terms of the obligations owed by the Issuer may also be varied by the Relevant Resolution Authority (*e.g.* as to maturity, interest and interest payment dates). The exercise of any power under the resolution legislation or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The Notes may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full.

Under the FCPRA, powers have been granted to the Relevant Resolution Authority which include the bail-in and loss absorption tool through which a credit institution or banking group subjected to resolution may be recapitalised either by way of write-down or conversion of liabilities into ordinary shares. The bail-in and loss absorption tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in case of the resolution of a failing credit institution or group.

The Notes may be subjected to the said bail-in and loss absorption tool. So, if the Issuer, AS LHV Pank or the Group is subjected to resolution measures in the future, then the value of the Notes may be written down (up to zero) as a result of the imposition of the bail-in and loss absorption tool. Furthermore, the Notes may be subject to modifications or the disapplication of provisions in the Conditions, including alteration of the principal amount or any interest payable on the Notes, the dates on which payments may be due, as well as the suspension of payments for a certain period.

The BRRD and, accordingly, the FCPRA, contemplates a statutory sequence for the application of the bail-in tool towards the liabilities of the failing credit institution or group. According to this sequence, first, the CET1 Capital items are reduced in the proportion and in accordance with the terms outlined under the BRRD. If the reduction pursuant to these rules is less than the aggregate necessary amount of write-down, next the amounts of Additional Tier 1 Capital instruments and Tier 2 Capital instruments are reduced to the extent required. If the total reduction of the own funds items is not sufficient to cover the aggregate necessary amount of write-down, the principal amount of other subordinated liabilities that do not constitute Additional Tier 1 Capital instruments or Tier 2 Capital instruments of the

institution are reduced to the extent required in accordance with the ranking of claims in bankruptcy proceedings. Further, if (and only if) the total reduction of the foregoing liabilities of the institution is less than the aggregate necessary amount of write-down, the Relevant Resolution Authority will apply the bail-in tool (to the extent required) to the rest of the liabilities of the institution, reducing the principal amount of or outstanding amount of the respective liabilities in the order of ranking of claims in bankruptcy proceedings.

The BRRD further contemplates the statutory preference in the insolvency proceedings of credit institutions (such as the Issuer's subsidiary AS LHV Pank), ascribing deposits that are covered under deposit guarantee schemes set-up and implemented in accordance with Directive 2014/49/EU on deposit guarantee schemes ("**covered deposits**") and certain other deposits of individuals, micro, small and medium sized enterprises priority ranking over other unsecured senior creditors of the institution in insolvency proceedings, including the Issuer as the holder of the intra-group liabilities that will be issued in order to downstream the proceeds of the Notes to AS LHV Pank. Furthermore, unlike the liabilities arising from the Notes, covered deposits are excluded from the scope of application of the bail-in tool. As a result, the Notes issued by the Issuer will be more likely to be bailed in than certain other unsubordinated liabilities of the Issuer or AS LHV Pank (such as covered deposits and other deposits of individuals and micro, small and medium sized enterprises). In addition, in April 2023, the European Commission published a proposal to update the CMDI, including changes which would, if implemented, amend the hierarchy of claims towards credit institutions in a manner so that even a broader scope of claims of various depositors rank senior to other unsecured and unsubordinated claims towards the relevant credit institution.

Pursuant to Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

In any case, a Noteholder may claim payment in respect of the Notes only in the event of the liquidation or bankruptcy of the Issuer. Further, the Issuer will not be obliged to pay any sum or sums sooner than the same would otherwise have been due and payable by it, except with the prior approval of the Competent Authority (if such approval is then required under the Applicable Banking Regulations).

Certain rights of the Noteholders under the Conditions would not be enforceable upon commencement of resolution proceedings.

The Conditions allowing the Notes to be declared due and payable on the grounds of an order by a competent court or resolution passed for the voluntary or involuntary liquidation, bankruptcy or otherwise winding up or dissolution of the Issuer (save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution) would not be effective and enforceable pursuant to Estonian law to the extent they relate to the imposition of resolution proceedings. Pursuant to the FCPRA, the fact of taking a crisis prevention measure or a crisis management measure, suspending certain obligations or making a decision on the commencement of resolution proceedings shall not be deemed to be an enforcement event or initiation of insolvency proceedings. Furthermore, the FCPRA provides that where the obligations under the contract, including payment and delivery obligations, and provision of collateral, continue to be performed by the institution under resolution proceedings, a decision on the application of a crisis prevention measure, the suspension of certain obligations or the commencement of the resolution proceedings or the occurrence of any event directly linked to such application shall not serve as basis for exercising any termination, suspension, modification or set off or close out netting rights.

Therefore, in order to be effective pursuant to Estonian law, a declaration of a default and demand for payment under the Conditions would have to (i) be made before commencement of resolution proceedings, or (ii) otherwise be a default that is not triggered, as of itself, by commencement of

resolution proceedings (such as non-payment, voluntary or involuntary liquidation, bankruptcy or otherwise winding up or dissolution of the Issuer, as set out Condition 10 (*Enforcement*)).

The exercise of any power under the resolution legislation in respect of the Issuer or the Group could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Further, BRRD II (as transposed by the FCPRA), includes the power of the resolution authorities to suspend, for a limited time period, certain contractual obligations of a credit institution or its holding company in the circumstances where the credit institution or holding company is failing or likely to fail, if applicable private sector measures that would prevent the failure of the credit institution are not immediately available, the suspension is necessary to avoid further deterioration of the credit institution or an entity belonging to the consolidation group of the credit institution and the suspension measure is necessary due to public interest or for the purposes of determination of appropriate resolution measures or the effective application of resolution measures by the relevant resolution authority. The scope and time limit for the suspension (which may not, however, exceed two business days pursuant to the FCPRA) shall be determined by the Relevant Resolution Authority (please see the risk factor "*The Group may be subject to statutory resolution*") on a case-by-case basis, and the right of suspension may be exercised prior to the adoption of a resolution decision by the Relevant Resolution Authority. Therefore, the exercise of the right to suspend contractual obligations of the Issuer could affect the rights of Noteholders prior to the official initiation of resolution proceedings with respect to the Issuer.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Notes.

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes or on the amount of securities that it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Noteholders in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer.

Interest rate risks.

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Particularly long-term fixed-rate reset Notes involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate reset Notes. On the other hand, if the Notes are subject to redemption at the option of the Issuer, Noteholders should not expect, in case of falling market rates, that the price would substantially exceed the optional redemption price.

Changes in laws or administrative practices could entail risks

In accordance with Condition 16(a) (*Governing Law and Jurisdiction – Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except for Conditions 2 (*Status*), and 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) which shall be governed by Estonian law.), the Notes are expressed to be governed by English law, with the exception of Conditions Conditions 2 (*Status*), and 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) which are governed by Estonian Law, in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Offering Circular. Furthermore, the Group operates in a heavily regulated environment and has to comply with extensive regulations in the jurisdictions in which it operates. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices or certain regulatory developments in such jurisdictions after the date of this Offering Circular.

Recognition of choice of court agreements and enforcement of foreign judgements in Estonia.

In accordance with Condition 16(b) (*Governing Law and Jurisdiction – English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).), the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes). In accordance with Condition 16(d) (*Governing Law and Jurisdiction – Rights of the Noteholders to take proceedings outside England:* Notwithstanding Condition 16(b) (*Governing Law and Jurisdiction – English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in addition to the courts of England, in any other court of Member States in accordance with the Brussels Ia Regulation or of States that are parties to the Lugano II Convention. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions identified in this Condition 16 that are competent to hear those Proceedings.), notwithstanding Condition 16(b) (*Governing Law and Jurisdiction – English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).), any Noteholder may take proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent proceedings in any number of jurisdictions.

The recognition of the choice of jurisdiction of English courts and the recognition and enforcement of judgements of English courts would be assessed and carried out in Estonia in accordance with Hague Convention of 30 June 2005 on Choice of Court Agreements ("**Hague 2005**") and the Estonian Code of Civil Procedure, if and as applicable. Further, on 12 January 2024, the UK signed the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgements in Civil or Commercial Matters ("**Hague 2019**"), which will come into force in the UK in July 2025. Hague 2019 provides for the mutual enforcement of judgements between the UK and the other contracting states, including EU Member States, in proceedings started after Hague 2019 comes into force in the UK. Asymmetric and non-exclusive jurisdiction clauses will be covered by Hague 2019, and will apply to judgements given in proceedings initiated after Hague 2019 comes into effect, regardless of when the agreement was made.

The validity of the parties' agreement on jurisdiction, including as stipulated by Condition 16(b) (*Governing Law and Jurisdiction – English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).) would be assessed by Estonian courts in accordance with, firstly, the Hague 2005, and, secondly, the Estonian Code of Civil Procedure. The Estonian Code of Civil Procedure would also apply to recognition of choice of court and enforcement of judgements of courts of other countries which are not subject to Regulation (EU) No. 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters (recast) (the Brussels Ia Regulation), Hague 2019, or other applicable international agreements or conventions that regulate the recognition of choice of court and/or enforcement of judgements of courts.

As a general principle, conflict-of-law issues are regulated by international agreements that apply to Estonia and by domestic laws only when the issue is not regulated by any international agreement (or the international agreement refers to domestic law). As both the United Kingdom and Estonia are parties to Hague 2005, as per the principles, Hague 2005 is applied to the extent of its scope (and to the extent neither party has made any reservations on the issue).

The Estonian Code of Civil Procedure stipulates that parties are generally free to contractually agree on a jurisdiction of their choice, **provided that**, among others, the contract is concluded in the course of their business activities, in writing or in a format which can be reproduced in writing and does not relate to a matter in respect of which the exclusive jurisdiction of Estonian courts is stipulated by the Estonian Code of Civil Procedure. In order to be valid, the relevant agreement concerning applicable jurisdiction should not in bad faith exclude a party's right to use Estonian jurisdiction. The validity of asymmetric jurisdiction clauses is not expressly regulated in the Estonian Code of Civil Procedure and is untested in the practice of the Estonian Supreme Court. Furthermore, the Estonian Code of Civil Procedure provides with respect to the recognition of judgements of foreign courts that, a court may refuse, on the application of an interested party, to recognise the judgement based on the grounds stipulated in the Estonian Code of Civil Procedure. Such grounds include, above all, conflict with public policy, failure to deliver the action and procedural documents to the defendant, existence of the conflicting court decisions and inappropriate jurisdiction, amongst others.

Thus, subject to the entry into force of Hague 2019, the ability of Noteholders to bring proceedings against the Issuer in English courts or other foreign courts and the recognition and enforcement of the judgements of English courts and other foreign courts in Estonia may be subject to limitations and conditions arising from, as applicable in each particular situation, the international agreements or conventions or the Estonian Code of Civil Procedure.

Recognition and enforcement of choice of English law to govern the Notes and procedural rules applied in court proceedings in Estonia.

Recognition of choice of law to govern any contractual obligations would, in a situation where a relevant dispute is brought before an Estonian court (and **provided that** such Estonian court has jurisdiction over the dispute instead of the English courts due to the limitations and conditions applicable under any of the legislative acts, as applicable, described under "*Recognition of choice of court agreements and enforcement of foreign judgements in Estonia"* above) be decided by the Estonian court in accordance with the Estonian conflicts of laws rules (including Regulation (EC) 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations and the Estonian Private International Law Act, if and as applicable). In accordance with such rules, as a general principle, an agreement shall be governed by the law chosen by the parties and, by their choice, parties may select the law applicable to the whole or part of the agreement. However, a foreign law chosen by the parties shall not be applied by Estonian courts in certain circumstances, above all, if: (i) application of a provision of foreign law is manifestly incompatible with the public policy ("**order public**") of Estonia; (ii) provisions of foreign law allow the parties to deviate from the provisions of Estonian law that have extraterritorial application or overriding mandatory provisions; or (iii) the substance of the applicable foreign law cannot be established by the Estonian court, regardless of all reasonable efforts, within a reasonable time. In such circumstances Estonian courts may apply Estonian law instead.

Further to the above, in any proceedings taken in Estonian courts or other authorities for the enforcement of the Notes, the courts and the authorities would apply procedural rules of Estonian law, and the enforcement would thus be subject to the limitations arising from Estonian law. Such limitations include, *inter alia*, that the enforcement of the Notes in Estonian courts may be subject to restrictions based upon principles of reasonableness and fairness, statutory limitations for filing of claims and the general discretionary authority of the courts to mitigate damages. In addition, restrictions on the enforcement of the Notes could (depending on the circumstances) arise from applicable bankruptcy, insolvency and other laws of general application relating to or affecting generally the enforcement of creditors' rights and remedies from time to time in effect.

Any of the above may adversely affect the enforcement by Noteholders of their claims against the Issuer arising from the Notes.

Under certain circumstances, the Issuer's ability to redeem the Notes may be limited.

The rules under the CRD prescribe certain conditions for the granting of permission by the Relevant Resolution Authority to a request by the Issuer to redeem or repurchase the Notes. The Issuer may redeem or repurchase the Notes only if such redemption or repurchase is in accordance with applicable provisions of the Applicable Banking Regulations, and, where necessary, has been granted the approval of or permission from the Relevant Resolution Authority (to the extent such approval is then required under the Applicable Banking Regulations).

The Notes will be structurally subordinated to the claims of creditors of the Issuer's principal subsidiary.

Some of the Issuer's subsidiaries have incurred indebtedness, and in the future will continue to incur indebtedness, in order to finance their respective operations. A significant proportion of the Group's indebtedness has been incurred by LHV Pank. In the event of the insolvency of LHV Pank, or one or more of the Issuer's other subsidiaries, the claims of their respective secured and unsecured creditors, including trade creditors, banks and other lenders, will have priority with respect to LHV Pank's (or such other subsidiary's) assets over any claims that the Issuer or the creditors of the Issuer, as applicable, may have with respect to such assets. Accordingly, if the Issuer became insolvent at the same time, claims of the Noteholders against the Issuer in respect of the Notes would be structurally subordinated to the claims of all such creditors of LHV Pank or such other subsidiary. The Conditions of the Notes do not restrict the amount of indebtedness that the Group may incur, including indebtedness of LHV Pank or the Issuer's other subsidiaries.

The Issuer's gross-up obligation under the Notes is limited.

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and payable under the Notes and not to payments of principal (which term, for these purposes, includes any premium, final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable in respect of the Notes).

As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, such Noteholders would, upon repayment or redemption of the Notes, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected as a result.

Remedies in case of default on the Notes are severely limited.

The Notes contain limited enforcement events relating to (a) non-payment by the Issuer of any amounts due and (b) the winding-up, insolvency or bankruptcy of the Issuer, whether in Estonia or elsewhere.

In such circumstances, as described in more detail in Condition 7 (*Events of Default*), a Noteholder may institute proceedings for the winding-up or dissolution of the Issuer, in each case, in Estonia and not elsewhere, and prove or claim in the winding-up, insolvency or bankruptcy of the Issuer.

In each case, however, the holder of the Notes may claim payment in respect of the Notes only in the winding-up, insolvency or bankruptcy of the Issuer.

The Issuer could, in certain circumstances, substitute or vary the terms of the Notes.

In certain circumstances (such as if a Withholding Tax Event or an MREL Disqualification Event has occurred and is continuing, or in order to ensure the effectiveness of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*)), the Issuer may, in accordance with Applicable Banking Regulations and without the consent or approval of the Noteholders, substitute or vary the terms of the Notes (including changing the governing law of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*)) to ensure that, if applicable, they continue to qualify as eligible liabilities, in accordance with the Conditions, or in order to ensure the effectiveness or enforceability of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

While the Issuer cannot make changes to the terms of the Notes that, in its reasonable opinion, are materially less favourable to a holder of the Notes, the governing law of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) may be changed in order to ensure the effectiveness and enforceability of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

There can be no assurance as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation. See also the risk factor entitled "*Modification and waivers*" below.

Modification and waivers.

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, or as the case may be, did not sign the written resolution including those Noteholders who voted in a manner contrary to the majority.

Furthermore, the Conditions of the Notes provide that the Notes, the Conditions of the Notes and the Deed of Covenant may be amended without the consent of the Noteholders to correct a manifest error or any other applicable legislation passed after the date hereof by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes. Additionally, the Issuer may, subject to Condition 3(g) (*Benchmark Replacement*: Notwithstanding the provisions above in this Condition 3 (*Interest*), if the Issuer (in consultation, to the extent practicable, with the Agent Bank) determines that a Benchmark Event has occurred when any Floating Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the Original Reference Rate (as applicable), then the following provisions shall apply:), vary or amend the Conditions and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders, see "*Regulation and reform of "benchmarks" could adversely affect the Notes*". The Issuer cannot foresee, as at the date of this Offering Circular, what such changes may entail, however, any changes made will be binding on Noteholders.

Conflicts may arise between the interests of the Agent Bank and the interests of the Noteholders.

Potential conflicts of interest may exist between the Agent Bank and Noteholders, including with respect to certain determinations and judgements that such Calculation Agent makes pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The Issuer has appointed Citibank, N.A., London Branch as Agent Bank in respect of the Notes. Citibank, N.A., London Branch is a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst the Agent Bank will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Credit risk.

An investment in the Notes is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Notes duly and in a timely manner. The Issuer's ability to meet its obligations arising from the Notes and the ability of the holders of the Notes to receive payments arising from the Notes depends on the financial position and the results of operations of the Issuer and its subsidiaries, which are subject to other risks described in this Offering Circular. The Notes are not bank deposits in the Issuer and are not guaranteed by the Deposit Guarantee Fund (in Estonian: *Tagatisfond*).

No ownership rights.

An investment in the Notes is an investment into debt instruments, which does not confer any legal or beneficial interest in the equity of the Issuer or any of the subsidiaries thereof or any voting rights or rights to receive dividends or other rights which may arise from equity instruments. The Notes represent an unsecured debt obligation of the Issuer, granting the Noteholders only such rights as set forth in the Conditions. The value of the Notes might be affected by the actions of the shareholder of the Issuer over which the investors do not have control.

There may be no active trading market for the Notes.

There can be no assurance that a liquid market for the Notes will be maintained. The investors may find it difficult to sell their Notes or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

If a market does develop for the Notes, it may not be very liquid. Therefore, no liquidity of any market in the Notes can be assured; nor the ability of the holders of the Notes to sell their Notes or the prices at which they would be able to sell their Notes. Additionally, given the relatively small size of the issuance, large holdings by one or more investors could also impact secondary market liquidity.

If the Notes are traded after their initial issuance, they may be traded at a discount or at a premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on holders of the Notes, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been made for the Notes to be admitted to listing on Euronext Dublin and trading on its GEM, there can be no assurance that such application will be accepted, that the Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Exchange rates and exchange controls.

The Issuer will predominantly pay principal and interest on the Notes in Euro (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a holder of the Notes financial activities is denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

Minimum Denomination.

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 (or its equivalent) that are not integral multiples of EUR 100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

Credit Rating.

The Issuer has been rated Baa3 by Moody's and the Notes are expected to be rated Baa3 by Moody's. The rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. In general, European regulated investors are restricted under the EU CRA Regulation from using a rating for regulatory purposes in the EEA, unless such ratings are not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies unless (1) the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is

certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

INFORMATION INCORPORATED BY REFERENCE

The documents set out below shall be deemed to be incorporated in, and to form part of, this Offering Circular **provided however that** any statement contained in any document incorporated by reference in, and forming part of, this Offering Circular shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such statement.

1. the audited consolidated financial statements (including the independent auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2023 prepared in accordance with IFRS (set out on pages 83 to 169 and pages 174 to 178 of the 2023 consolidated annual report of the Issuer) (available at: https://www.lhv.ee/assets/files/investor/LHV_Group_Annual_Report_2023-EN.pdf);

2. the audited consolidated financial statements (including the independent auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2024 prepared in accordance with IFRS (set out on pages 139 to 240 and page 242[1] to 251[2] of the 2024 consolidated annual report of the Issuer (the "**Annual Report 2024**")) (available at: https://www.lhv.ee/assets/files/investor/LHV_Group_Annual_Report_2024-EN.pdf); and

3. the following sections of the Annual Report 2024:

Section	**Page no.**
LHV at a Glance	6
Financial Results	11-17
Overview of the Group's Subsidiaries	21-27
Strategy and financial plan – 1. Strategy and the future	28 - 29
Governance of the Group - Supervisory board	116-117
Governance of the Group – Management board	117
Corporate governance report – General Meeting	121-122
Corporate governance report - Management Board	122-125
Corporate governance report - Supervisory Board	125-132

4. the condensed consolidated interim financial statements of the Issuer and related notes as of and for the three months ended 31 March 2025 (set out on pages 20 to 41 of the interim report January – March 2025 of the Issuer (the "**Q1 Report**")) and the sections "The Group's Liquidity, Capitalisation and Asset Quality" (set out on pages 10 to 12 of the Q1 Report), "Overview of AS LHV Pank Consolidation Group" (set out on pages 13 to 15 of the Q1 Report), "Overview of LHV Bank Limited" (set out on page 16 of the Q1 Report), "Overview of AS LHV Varahaldus" (set out on pages 17 to 18 of the Q1 Report) and "Overview of AS LHV

[1] This refers to the number of the page in the PDF document.
[2] This refers to the number of the page in the PDF document.

Kindlustus" (set out on page 19 of the Q1 Report) (available at: www.lhv.ee/assets/files/investor/LHV_Group_Interim_Report_2025_Q1-EN.pdf).

The Annual Financial Statements along with the accompanying independent auditors' reports, the Interim Financial Statements and the sections of the Annual Report 2024 identified above and incorporated by reference into this Offering Circular, all of which are in English, were prepared as convenience translations of the original issued Estonian language documents.

The Financial Statements will be made available, free of charge, during usual business hours at the specified offices of the Fiscal Agent and on the website of the Issuer at https://investor.lhv.ee/en.

This Offering Circular will be available, in electronic format, on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin).

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Offering Circular is either not relevant to investors or is covered elsewhere in this Offering Circular and, for the avoidance of doubt, unless specifically incorporated by reference into this Offering Circular, information contained on the website of the Issuer does not form part of this Offering Circular.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The EUR 60,000,000 4.125 per cent. Fixed/Floating Rate Notes due June 2029 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series therewith) of AS LHV Group (the "**Issuer**") will be issued on 18 June 2025 (the "**Issue Date**"). The Notes are the subject of a fiscal agency agreement dated 18 June 2025 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and Citibank, N.A., London Branch as agent bank (the "**Agent Bank**", which expression includes any successor agent bank appointed from time to time in connection with the Notes) and a deed of covenant dated 18 June 2025 (as amended or supplemented from time to time, the "**Deed of Covenant**") made by the Issuer in favour of the Accountholders (as defined therein). Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection or collection by Noteholders upon provision of proof of holding and identification satisfactory to the relevant Paying Agent during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

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

2. Status

(a) The Notes and obligations in relation to any related Coupons resulting therefrom constitute senior, unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) No Noteholder shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of such Notes. If any amounts owed by the Issuer to any Noteholder in connection with the Notes is discharged by set-off, netting or counterclaim such Noteholder shall, where permitted by applicable law,

immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its voluntary or involuntary liquidation and/or bankruptcy, the liquidator, bankruptcy trustee or other relevant insolvency official (as the case may be and to the extent applicable) of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator of the Issuer, bankruptcy trustee or other relevant insolvency official) and accordingly not deem any such discharge to have taken place.

(c) The rights of Noteholders shall be subject to any present or future Estonian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Estonia which are or will be applicable to the Notes only as a result of the operation of such laws or regulations.

3. **Interest**

(a) *Interest Payment Dates*: The Notes bear interest on their outstanding principal amount from and including the Issue Date, payable annually in arrear on 18 June in each year from and including 18 June 2026 to and including 18 June 2028 (the "**Reset Date**") (each, a "**Fixed Interest Payment Date**"). Thereafter interest will be payable quarterly in arrear on 18 September 2028, 18 December 2028, 18 March 2029 and 18 June 2029 in each year (together with each Fixed Interest Payment Date, each an "**Interest Payment Date**"). If any Interest Payment Date (other than a Fixed Interest Payment Date) would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

The amount of interest payable on each Fixed Interest Payment Date shall be EUR 41.25 in respect of each Note of EUR 1,000 (the "**Calculation Amount**"). If interest is required to be paid in respect of a Note for a period other than an Interest Period and such period ends prior to or on the Reset Date, such interest shall be calculated by applying the Fixed Rate of Interest to the Calculation Amount, multiplying such sum by the Fixed Day Count Fraction and rounding the resultant figure to the nearest cent, (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

"**Business Day**" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and a TARGET Settlement Day.

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

"**Interest Period**" means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date; and

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

Whenever it is necessary to calculate an amount of interest in respect of the Notes for a period beginning on or after the Reset Date, such interest shall be calculated in accordance with Condition 3(d) (*Determination of Floating Rate of Interest and Interest Amount*) below.

(b) *Interest Accrual*: Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day have been paid and (b) the day which is five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth day (except to the extent that there is any subsequent default in payment).

(c) *Interest Rate*: The rate of interest payable in respect of each Interest Period ending prior to the Reset Date shall be 4.125 per cent. per annum (the "**Fixed Rate of Interest**"). Thereafter, the rate of interest payable from time to time in respect of the Notes (the "**Floating Rate of Interest**") will be determined by the Agent Bank on the following basis:

(i) on each Interest Determination Date, the Agent Bank will determine the Screen Rate at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Issuer will request the principal Euro-zone office of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in euro are offered by it to prime banks in the Euro-zone interbank market for three months at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question and for a Representative Amount;

(ii) the Floating Rate of Interest for the Interest Period shall be the Screen Rate plus the Margin or, if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the Margin; and

(iii) if fewer than two rates are provided as requested, the Floating Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Issuer and communicated to the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in euro to leading European banks for a period of three months commencing on the first day of such Interest Period and for a Representative Amount, plus the Margin. If the Floating Rate of Interest cannot be determined in accordance with the above provisions, the Floating Rate of Interest shall be determined as at the last preceding Interest Determination Date (unless such Interest Determination Date was in respect of an Interest Period ending prior to the Reset Date, in which case the Floating Rate of Interest shall be the last observable Screen Rate as determined by the Agent Bank plus the Margin).

Where:

"**Interest Determination Date**" means the second TARGET Settlement Day before the commencement of the Interest Period for which the rate will apply.

"**Margin**" means 2.150 per cent. per annum.

"**Reference Banks**" means the principal Euro-zone office of each of four major banks engaged in the Euro-zone interbank market selected by the Issuer on the advice of an investment bank of international repute.

"**Representative Amount**" means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Screen Rate**" means the offered rate for three month deposits in euro which appears on the Reuters page EURIBOR01 (or such replacement page or pages on that service which displays the information).

(d) *Determination of Floating Rate of Interest and Interest Amount*: In respect of each Interest Period starting on or after the Reset Date, the Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the euro amount (the "**Interest Amount**") payable in respect of interest on each Note for the relevant Interest Period. The Interest Amount shall be determined by applying the Floating Rate of Interest to the Calculation Amount, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.

(e) *Publication of Floating Rate of Interest and Interest Amount:* The Agent Bank shall cause the Floating Rate of Interest and the Interest Amount for each Interest Period starting on or after the Reset Date and the relative Interest Payment Date to be notified to the Issuer and the Paying Agents (by no later than the first day of each Interest Period) and to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Issuer will in turn deliver or procure to be delivered any such notices to any stock exchange or other relevant authority on which the Notes are at the relevant time listed if and to the extent required by applicable law and or listing rules. The Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The Agent Bank shall not be obliged to publish each Interest Amount but instead may publish only the Interest Amount per Calculation Amount.

(f) *Notifications, etc. to be final*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 (*Interest*), whether by the Reference Banks (or any of them) or the Agent Bank, will (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, or the Noteholders or the Couponholders shall attach to the Reference Banks (or any of them) or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 3 (*Interest*).

(g) *Benchmark Replacement*: Notwithstanding the provisions above in this Condition 3 (*Interest*), if the Issuer (in consultation, to the extent practicable, with the Agent Bank) determines that a Benchmark Event has occurred when any Floating Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the Original Reference Rate (as applicable), then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser and shall, to the extent practicable, consult with such Independent Adviser to determine a Successor Rate or, alternatively, if the Issuer, (in consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner) determines that there is no Successor Rate, an Alternative Reference Rate, and, in each case, an Adjustment Spread no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period starting on or after the Reset Date (the "**IA Determination Cut-off Date**") for purposes of determining the Floating Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(g) (*Benchmark Replacement*));

(ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-off Date in accordance with sub-paragraph (i) above, then the Issuer (acting in good faith and in a commercially reasonable manner, and, to the extent practicable, in consultation, with the Agent Bank) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Floating Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(g) (*Benchmark Replacement*)); provided, however, that if this subparagraph (ii) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date relating to the next succeeding Interest Period starting on or after the Reset Date in accordance with this sub-paragraph (ii), the Floating Rate of Interest applicable to such Interest Period shall be equal to the Floating Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period (unless such Interest Period ended prior to the Reset Date, in which case the Floating Rate of Interest shall be the last observable Screen Rate as determined by the Agent Bank plus the Margin);

(iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate shall be used in place of the Original Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 3(g) (*Benchmark Replacement*));

(iv) If a Successor Rate or Alternative Reference Rate is determined in accordance with Condition 3(g)(i) above, the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread and which Adjustment Spread may be positive, negative or zero and shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) for each subsequent determination of the Floating Rate of Interest (or the relevant component(s) thereof) by reference to such Successor Rate or Alternative Reference Rate, as applicable;

(v) if the Issuer determines a Successor Rate or an Alternative Reference Rate and, in each case, any Adjustment Spread in accordance with the above provisions, the Issuer (in consultation with the Independent Adviser) may also, following consultation, to the extent practicable, with the Agent Bank, specify changes to the Business Day, business day convention, day count fraction, Interest Determination Date, Interest Payment Date, screen page, and/or the definition of Screen Rate or the Adjustment Spread applicable to the Notes (and, in each case, related provisions and definitions), and the method for determining the

fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Interest Periods starting on or after the Reset Date (as applicable) (subject to the subsequent operation of this Condition 3(g) (*Benchmark Replacement*)). An Independent Adviser appointed pursuant to this Condition 3(g) (*Benchmark Replacement*) shall (in the absence of bad faith, gross negligence and wilful misconduct) have no liability whatsoever to the Issuer, the Fiscal Agent, the Agent Bank or Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(g) (*Benchmark Replacement*). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable) and, in each case, the Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or Fiscal Agent (if required); and

(vi) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to sub-paragraph (v) above to the Agent Bank, the Fiscal Agent and the Noteholders.

(vii) Notwithstanding any other provision of this Condition 3(g) (*Benchmark Replacement*), no Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 3(g) (*Benchmark Replacement*), if and to the extent that, in the determination of the Issuer (i) the same could reasonably be expected to prejudice the qualification of the Notes being MREL Eligible Liabilities (for the purposes of, and in accordance with, the Applicable Banking Regulations) or (ii) the same could reasonably be expected to result in the Relevant Resolution Authority treating a future Interest Payment Date as the effective maturity of such Notes, rather than the Maturity Date for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of the Issuer.

For the purposes of this Condition 3(g) (*Benchmark Replacement*):

"**Adjustment Spread**" means a spread (which may be positive, negative or zero) or formula or methodology for calculating a spread, in each case, to be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such formal recommendation has been made as described in clause (i) above, or in the case of an Alternative Reference Rate, the Issuer (in consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Rate or Alternative Reference Rate (as applicable); or

(iii) if no such determination has been made, the Issuer (acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iv) (if no such industry standard is recognised or acknowledged) Issuer (acting in good faith and in a commercially reasonable manner) determines to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable);

"**Alternative Reference Rate**" means the reference rate (and related alternative screen page or source, if available) that the Issuer determines has replaced the Original Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in euro or, if the Issuer determines that there is no such rate, such other rate as the Issuer in its discretion (in consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner) in its discretion determines is most comparable to the Original Reference Rate;

"**Benchmark Event**" means:

(i) the Original Reference Rate has ceased to be published for a period of at least 5 Business Days or ceasing permanently to be calculated, administered or published; or

(ii) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i) above; or

(iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(iv) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that such Original Reference Rate has been or will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i) above; or

(v) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means that such Original Reference Rate will, on or before a specified date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences and (ii) the date falling six months prior to the date specified in (i) above; or

(vi) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original

Reference Rate is no longer representative of an underlying market or may no longer be used, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (i) above; or

(vii) it has or will become unlawful for the Agent Bank or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011, if applicable);

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Original Reference Rate**" means the Screen Rate (provided that if, following one or more Benchmark Events, the Screen Rate (or any Successor Rate or Alternative Reference Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Reference Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Reference Rate);

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Issuer (in consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner) determines is a successor to, or replacement of, the Original Reference Rate (for the avoidance of doubt, whether or not such Original Reference Rate has ceased to be available) which is recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

(h) *Agent Bank*: The Issuer shall procure that, so long as any of the Notes remains outstanding (as defined in the Agency Agreement), there is at all times an Agent Bank for the purposes of the Notes and the Issuer may not terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Floating Rate of Interest and the Interest Amount for any Interest Period, the Issuer shall appoint the Euro-zone office of another major bank engaged in the Euro-zone interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed. Notwithstanding any other provision of this

Condition 3 (*Interest*), if in the Agent Bank's opinion there is any uncertainty in making any determination or calculation under this Condition 3 (*Interest*), the Agent Bank shall promptly notify the Issuer and the Issuer shall direct the Agent Bank in writing what action to adopt. If the Agent Bank is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

4. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on or nearest to 18 June 2029 (the "**Maturity Date**"), subject as provided in Condition 5 (*Payments*).

(b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)) in whole, but not in part, at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued (if any) to the date fixed for redemption, if a Withholding Tax Event occurs provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (solely for the purposes of making such documents available to Noteholders either at the Fiscal Agent's specified office for inspection, or by providing electronic copies by email):

(A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 4(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 4(b) (*Redemption for tax reasons*).

Where:

"**Change in Tax Law**" means any:

(i) amendment to, clarification of, or change in, the laws or regulations of any Taxing Jurisdiction; or

(ii) governmental action in the Taxing Jurisdiction;

(iii) amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or

governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known;

"**Relevant Jurisdiction**" means the jurisdiction in which the Issuer is incorporated at the relevant time;

"**Taxing Jurisdiction**" means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction; and

"**Withholding Tax Event**" shall occur if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any Change in Tax Law, which change or amendment becomes effective on or after the Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

(c) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)) in whole, but not in part on the Interest Payment Date falling on the Reset Date, at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption), on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

(d) *Clean-up Call*: If, at any time, the outstanding aggregate principal amount of the Notes is 20 per cent. or less of the aggregate principal amount of the Notes originally issued (which shall include, for these purposes, any further Notes issued pursuant to Condition 12 (*Further Issues*) and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued), the Issuer may (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)) redeem all (but not some only) of the remaining outstanding Notes at any time upon giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall specify the date for redemption and shall be irrevocable), at their principal amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

(e) *Early Redemption as a result of an MREL Disqualification Event*: upon the occurrence of an MREL Disqualification Event (subject to Condition 4(i) (*Conditions to Redemption or Repurchase*)), the Issuer may, at its option having given not less than 15 days' nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption, subject to these Conditions).

Where:

"**Applicable Banking Regulations**" means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then

in effect in Estonia including, without limitation to the generality of the foregoing, CRD, the SRM Regulation, BRRD, the Creditor Hierarchy Directive and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liability and/or loss absorbing capacity and/or the implementation of the Creditor Hierarchy Directive adopted by the Competent Authority, the Relevant Resolution Authority or any other national or European authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer);

"**Bail-in and Loss Absorption Powers**" means any loss absorption, write-down, conversion, transfer, modification, moratorium, suspension or similar resolution related power existing from time to time under, and exercised in compliance with, the SRM Regulation, or any laws, regulations, rules or requirements in effect in the Republic of Estonia, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"**BRRD**" means Directive 2014/59/EU as the same may be amended or replaced from time to time, including without limitation, by the Creditor Hierarchy Directive and Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, in each case as implemented in Estonia, unless the context otherwise requires;

"**Competent Authority**" means any authority having primary responsibility for the prudential supervision of the Issuer at the relevant time;

"**CRD**" means the legislative package consisting of the CRD Directive, the CRR and any CRD Implementing Measures;

"**CRD Directive**" means Directive 2013/36/EU, as the same may be amended or replaced from time to time, including without limitation as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019, in each case as implemented in Estonia;

"**CRD Implementing Measures**" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis, as the case may be) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

"**Creditor Hierarchy Directive**" means Directive 2017/2399/EU or any equivalent legislation that supersedes or replaces it, in each case as implemented in Estonia;

"**CRR**" means Regulation 575/2013, as the same may be amended or replaced from time to time, including without limitation as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 and Regulation (EU)

2024/1623 of the European Parliament and of the Council of 31 May 2024) or similar laws in Estonia, in each case as implemented and/or applicable in Estonia;

"**Group**" means the Issuer and its consolidated Subsidiaries, taken as a whole;

"**MREL Disqualification Event**" means the whole or any part of the outstanding aggregate principal amount of the Notes at any time is not included in, ceases or (in the opinion of the Issuer) will cease to count towards the Issuer's or the Group's eligible liabilities and/or loss absorbing capacity (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations); *provided that* an MREL Disqualification Event shall not occur if such whole or part of the outstanding aggregate principal amount of the Notes is not included in, ceases or (in the opinion of the Issuer) will cease to count towards such eligible liabilities and/or loss absorbing capacity due to the remaining maturity of such Notes being less than the minimum period prescribed by the relevant Applicable Banking Regulations;

"**MREL Eligible Liabilities**" means "eligible liabilities" (or any equivalent or successor term) which are available to count towards the Issuer's and/or the Group's eligible liabilities and/or loss absorbing capacity;

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Group;

"**SRM Regulation**" means Regulation No. 806/2014, as the same may be amended or replaced from time to time and as implemented and/or applicable in Estonia; and

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

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

(f) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 4(a) (*Scheduled redemption*) to 4(e) (*Early Redemption as a result of an MREL Disqualification Event*) above.

(g) *Purchase*: The Issuer or any of its Subsidiaries may purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith, and *provided that* any such purchases will be made in accordance with the Applicable Banking Regulations and subject to the prior approval of or permission from the Competent Authority and/or the Relevant Resolution Authority (in each case to the extent such approval is then required under the Applicable Banking Regulations). Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority (if required) to grant its approval or permission as described above will not constitute an event of default under the Notes.

(h) *Cancellation*: All Notes that are redeemed and surrendered for cancellation by the Issuer or any of its Subsidiaries (along with any unmatured Coupons attached to or surrendered with them) shall be cancelled and may not be reissued or resold.

(i) *Conditions to Redemption or Repurchase*: other than in the case of a redemption at maturity in accordance with Condition 4(a) (*Scheduled redemption*), the Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Relevant Resolution Authority (if required based on the Applicable Banking Regulations).

Any refusal by the Relevant Resolution Authority (if required) to grant its approval or permission as described above will not constitute an event of default under the Notes.

5. **Payments**

(a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to T2.

(b) *Interest*: Payments of interest shall, subject to Condition 5(g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 5(a) (*Principal*) above.

(c) *Interpretation*: In these Conditions:

"**T2**" means the Trans-European Automated Real Time Gross Settlement Express Transfer System operated by the Eurosystem, or any successor or replacement for that system; and

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro.

(d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment or any other laws and regulations to which the Issuer or Paying Agents are subject, but without prejudice to the provisions of Condition 6 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (I)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Unmatured Coupons void:* On the due date for redemption of any Note pursuant to Condition 4(a) (*Scheduled redemption*), Condition 4(b) (*Redemption for tax reasons*), Condition 4(c) (*Redemption at the option of the Issuer*), Condition 4(d) (*Clean-up Call*) Condition 4(e) (*Early Redemption as a result of an MREL Disqualification Event*), or Condition 7 (*Events of Default*), all unmatured Coupons (if any) relating thereto

(whether or not still attached) shall become void and no payment will be made in respect thereof.

(f) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the Noteholder or Couponholder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not, except as provided in Condition 3 (*Interest*), be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, a day on which the T2 is open for the settlement of payments in Euro.

(g) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

(h) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

6. **Taxation**

All payments of interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, in respect of interest but not principal, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of such Noteholder having some connection with the Republic of Estonia other than the mere holding of the Note or Coupon; or

(b) more than 30 days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

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

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest which may be payable under this Condition 6 (*Taxation*).

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

7. **Events of Default**

(a) If any of the following events occurs:

(i) *Non-payment*: the Issuer fails to pay any amount of principal due in respect of the Notes for more than seven business days or fails to pay any amount of interest due in respect of the Notes for more than ten business days; or

(ii) *Winding-up, etc.:* if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution,

any Noteholder may,

(x) (in the case of (i) above) institute proceedings for the winding-up or dissolution of the Issuer, in each case, in Estonia and not elsewhere, and prove or claim in the winding-up or dissolution of the Issuer; and/or

(y) (in the case of (ii) above) prove or claim in the winding up or dissolution of the Issuer, whether in Estonia or elsewhere and instituted by the Issuer itself or by a third party,

but (in either case) such Noteholder may claim payment in respect of the Note only in the winding up or dissolution of the Issuer.

(b) In any of the events or circumstances described in Condition 7(a)(ii) (*Winding-up, etc.*) above, any Noteholder may, by notice to the Issuer, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its outstanding principal amount together with accrued interest to the date of payment but subject to such Noteholder only being able to claim payment in respect of the Note in the winding up or dissolution of the Issuer.

(c) Any Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Conditions 7(a) and 7(b) any obligation for the payment of any principal or interest in respect of the Notes) ***provided that*** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if such approval is then required under the Applicable Banking Regulations).

(d) No remedy against the Issuer, other than as provided in Conditions 7(a), 7(b) and 7(c) above, shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes. For the avoidance of doubt, any exercise of the Bail-in and Loss Absorption Powers by the Relevant Resolution Authority shall not constitute an event of default and shall not give rise to any remedy against the Issuer.

8. **Prescription**

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

9. **Replacement of Notes and Coupons**

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

10. **Paying Agents**

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

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint a successor fiscal agent or agent bank and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a paying agent and an agent bank.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

11. **Meetings of Noteholders; Modification**

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

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than three-quarters in aggregate principal amount of the Notes for the time being outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification*: The Issuer may, without the consent of any of the Noteholders or Couponholders, at any time: (i) agree with the Fiscal Agent: (A) any modification (except for any modification that relates to a Reserved Matter) of the Notes, the Coupons, the Agency Agreement or the Deed of Covenant which is, in the opinion of the Issuer, not prejudicial to the interests of the Noteholders; or (B) any modification of the Notes, the Coupons, the Agency Agreement or the Deed of Covenant which is, in the opinion of the Issuer, of a formal, minor or technical nature or is made to correct a manifest error. Any modification or waiver of these Conditions will be effected in accordance with Applicable Banking Regulations.

In addition, pursuant to Condition 3(g) (*Benchmark Replacement*), certain changes may be made to the interest calculation provisions of the Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

12. **Further Issues**

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

13. **Substitution and Variation**

If at any time an MREL Disqualification Event or Withholding Tax Event occurs, or to ensure the effectiveness or enforceability of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Holders) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Noteholders (which notice shall be irrevocable), at any time either:

(a) substitute all (but not some only) of the Notes for new Notes, which are Qualifying Securities; or

(b) vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities,

provided that, in each case:

(i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities; and

(ii) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Notes as assigned by any rating agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*)); and

(iii) such variation or substitution is not materially less favourable to holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*)).

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 11 (*Meetings of Noteholders; Modification*).

Any substitution or variation in accordance with this Condition 13 is subject to the Issuer obtaining prior written consent of the Relevant Resolution Authority and complying with the rules of any competent authority, stock exchange and/or quotation system by or on which the Notes are, for the time being, listed, traded and/or quoted.

For the purpose of this Condition 13 a variation or substitution shall be "**materially less favourable to holders**" if such varied or substituted securities do not:

(i) include a ranking at least equal to that of the Notes pursuant to Condition 2 (*Status*);

(ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Notes;

(iii) have equivalent redemption rights as the Notes;

(iv) have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the Notes prior to such variation or substitution;

(v) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or

(vi) have a listing on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution; and

Where:

"**Qualifying Securities**" means securities issued directly or indirectly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer's eligible liabilities and/or loss absorbing capacity for the purposes of, and in accordance with, the relevant Applicable Banking Regulations to at least the same extent as the Notes prior to the relevant MREL Disqualification Event or Withholding Tax Event.

14. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. In addition, so long as Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. **Governing Law and Jurisdiction**

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except for Conditions 2 (*Status*), and 17 (*Acknowledgement of Bail-in and Loss Absorption Powers*) which shall be governed by Estonian law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).

(c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England:* Notwithstanding Condition 16(b) (*Governing Law and Jurisdiction – English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in addition to the courts of England, in any other court of Member States in accordance with the Brussels Ia Regulation or of States that are parties to the Lugano II Convention. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions identified in this Condition 16 that are competent to hear those Proceedings.

(e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to LHV Bank Limited, at its office at 1 Angel Court, London, United Kingdom, EC2R 7HJ, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

In this Condition 16:

"**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and

"**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007.

17. **Acknowledgement of Bail-in and Loss Absorption Powers**

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 17, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in some or any of the following, or a combination thereof:

(i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

For the purposes of this Condition 17:

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"**Relevant Resolution Authority**" has the meaning given to it in Condition 4(e) (*Redemption and Purchase*).

For the avoidance of doubt, any exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority described above will not constitute an event of default under the Notes.

No repayment or payment of Relevant Amounts in respect of the Notes will become due and payable or be paid after the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Upon the exercise of the Bail-in and Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable regarding such exercise of the Bail-in and Loss Absorption Powers but any delay or failure to provide such notice shall not affect the validity or enforceability of such exercise of the Bail-in and Loss Absorption Powers.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

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

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

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

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

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denominations of EUR 100,000 and higher integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 each at the request of the bearer of the Permanent Global Note if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 7 (*Events of Default*) occurs.

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum denomination of EUR 100,000 and higher integral multiples of EUR 1,000 in excess thereof, notwithstanding that no Definitive Notes will be issued with a denomination above EUR 199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not

been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 18 June 2025 (the "**Deed of Covenant**")). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

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

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

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**business day**" means any day on which T2 is open.

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

Calculation of interest: The calculation of any interest amount in respect of any Note which is represented by the Temporary Global Note or the Permanent Global Note will be calculated on the aggregate outstanding nominal amount of the Notes represented by Temporary Global Note or the Permanent Global Note and not by reference to the Calculation Amount.

Electronic Consent and Written Resolution: While any Global Note is held on behalf of a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting

of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of 0 above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of 0 above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Xact WebPortal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes of the Group.

SELECTED CONSOLIDATED RATIOS AND APMS

The table below shows selected consolidated ratios for the Group as at and for the three months ended 31 March 2025 and the years ended 31 December in 2024 and 2023, which are derived from the Interim Financial Statements and the 2024 Financial Statements respectively.

	As at/for the three months ended 31 March	As at/for the years ended 31 December	
	2025 (*unaudited*)	**2024** (*unaudited*)	**2023** (*unaudited, restated*)
	(*per cent.*)		
Performance measures			
Return on average assets[(1)]	1.4	1.9	2.1
Return on average equity[(2)]	17.0	24.5	29.0
Cost to income ratio[(3)]	47.3	43.4	42.3
Financial ratios			
Net interest margin[(4)]	2.89	3.48	3.88
Interest spread[(5)]	2.67	3.26	3.76
Asset quality			
Non-performing loans ratio[(6)]	2.5	0.8	0.7
Non-performing loans coverage ratio[(7)]	38.1	105.8	126.3
Loans to deposits ratio[(8)]	71.6	65.9	62.1
Other ratios			
LCR[(9)]	186.2	187.5	194.2
LCR, adjusted for deposits of financial intermediaries[(10)]	392.4	469.5	449.9
NSFR[(9)]	141.6	154.4	160.2
Leverage ratio[(9)]	7.13	6.71	6.78
Core equity tier 1 capital adequacy ratio[(9)(14)]	17.15	16.89	17.01
Tier 1 capital adequacy ratio[(9)(14)]	18.19	17.96	19.17
Total capital adequacy ratio[(9)(14)]	20.85	20.68	23.45
MREL-TREA[(9)(14)(15)]	33.10	33.24	34.16
MREL-LRE[(9)(14)(15)]	12.98	12.41	12.08
Key ratios for LHV Pank			
Cost to income ratio[(3)]	39.4	34.5	32.8
Pre-tax return on average equity[(11)]	22.7	29.3	35.8
Return on average equity[(2)]	18.4	25.0	30.9
Tier 1 capital adequacy ratio[(9)(14)]	16.90	17.21	19.17
Total capital adequacy ratio[(9)(14)]	19.63	19.89	22.19
Key ratios for LHV Varahaldus			
Cost to income ratio[(3)]	72.2	74.6	76.6
Pre-tax return on average equity[(11)]	14.0	11.4	9.4
Return on average equity[(2)]	2.2	7.6	7.2
Assets under management, € million[(16)]	1,559	1,558	1,519
Active customers of Pillar 2 funds, thousands[(17)]	113	114	123

	As at/for the three months ended 31 March	As at/for the years ended 31 December	
	2025	2024	2023
	(*unaudited*)	(*unaudited*)	(*unaudited, restated*)
	(*per cent.*)		
Key ratios for LHV Kindlustus			
Return on average equity[(2)]	39.0	20.4	6.0
Gross written premiums, € million	12.9	38.0	31.4
Net loss ratio[(12)]	69.1	66.5	66.8
Net expense ratio[(13)]	24.6	31.1	32.2

Notes:

(1) Net profit for the year divided by average assets for the year, with average assets calculated as the sum of assets at the beginning and at the end of the year divided by two.

(2) Net profit for the year attributable to owners of the parent divided by average shareholders' equity for the year, with average shareholders' equity calculated as the sum of total equity attributable to owners of the parent at the beginning and at the end of the year divided by two.

(3) The sum of staff costs and administrative and other operating expenses divided by the sum of net interest income, net fee and commission income, net gain/loss from financial assets, net insurance income and net other income.

(4) Net interest income divided by average interest earning assets for the year, with average interest earning assets for the purposes of the net interest margin definition calculated as the sum of interest earning assets at the beginning and at the end of the year divided by two. Interest earning assets comprise cash and balances with central bank, due from banks and investment companies, due from credit institutions, loans and advances to customers, financial assets at fair value through profit or loss and investments in debt securities at amortised cost.

(5) Yield on interest earning assets (calculated as interest income divided by average interest earning assets) less the cost of interest bearing liabilities (calculated as interest expense divided by average interest bearing liabilities, with average interest bearing liabilities calculated as the sum of interest bearing liabilities at the beginning and at the end of the year divided by two). Interest earning assets for the purposes of the interest spread definition comprise cash and balances due from banks, financial assets measured at amortized cost, financial assets measured at fair value, available-for-sale financial assets, financial investments with fixed maturity, and loans granted. Interest bearing liabilities comprise customer current accounts, customer overnight deposits, customer trading accounts, customer term deposits, loans received, covered bonds (including those held by the issuer itself), repos received, overdrafts received, obligation to European Investment Fund, senior non-preferred bonds, senior preferred bonds, finance lease liabilities, and subordinated liabilities.

(6) Non-performing loans (equal to gross amount of Stage 3 loans, which amounted to €119.7 million as at 31 March 2025, €37.6 million as at 31 December 2024 and €23.5 million as at 31 December 2023) as a percentage of total of the gross loans (being loans and advances to customers before allowances for credit losses).

(7) Total allowances for credit losses as a percentage of non-performing loans (equal to gross amount of Stage 3 loans). Allowances include allowances for loans and advances to customers.

(8) Loans and advances to customers divided by deposits from customers.

(9) Calculated in accordance with applicable requirements in Estonia.

(10) LCR, adjusted for financial intermediaries: the amount of deposits of financial intermediaries is deducted both from the numerator (high quality liquid assets) as well as the denominator (outflows) when calculating LCR. Full liquidity is kept by LHV to back the deposits of financial intermediary clients. The number of financial intermediaries payments amounted to 20.1 million for the three months ended 31 March 2025, 74.8 million for the year ended 31 December 2024 and 49.5 million for the year ended 31 December 2023.

(11) Net profit for the year attributable to owners of the parent less income tax expense for the year, divided by average shareholders' equity for the year, with average shareholders' equity calculated as the sum of total equity attributable to owners of the parent at the beginning and at the end of the year divided by two.

(12) The ratio of net claims incurred, including claims handling expenses, to net earned premiums.

(13) The ratio of total insurance-related operating expenses, including administrative expenses, commission expenses, depreciation and amortisation, net of reinsurance commissions, to net earned premiums.

(14) The net own funds are retrospectively increased by the net profit allowed to be included in the capital base after receiving the necessary permission from the supervisory authority. The profit inclusion permission affects the net own funds of the final month the period the profit was earned in. The ratios presented in the table take into account the net profit and other necessary adjustments included retrospectively to net own funds:

1. for the Group: €41.1 million and €38.8 million as at 31 December 2024 and 31 December 2023, respectively.
2. for LHV Pank: €13.7 million and €3.0 million as at 31 December 2024 and 31 December 2023, respectively.

(15) As at 31 March 2025, 31 December 2024 and 31 December 2023, the outstanding amount of the senior unsecured bonds (excluding accrued interest) issued for MREL requirement purposes was €415.4 million, €415.4 million and €311.1 million, respectively.

(16) Total volume of funds managed by LHV Varahaldus.

(17) Total volume of active customers in Pillar 2 funds. A client is considered active if at least one contribution has been made to their pension account within a defined period. This differs from a passive client, who holds fund units but does not make ongoing contributions.

DESCRIPTION OF THE GROUP

INTRODUCTION

The Issuer (registration code 11098261) is a holding company for four main wholly-owned subsidiaries: LHV Pank, LHV Varahaldus, LHV Bank, and LHV Paytech ("**LHV Paytech**"). The Issuer also owns 65 per cent. of AS LHV Kindlustus ("**LHV Kindlustus**"), a non-life insurance joint venture that started operations in 2021. Additionally, through LHV Pank, the Issuer indirectly holds a 65 per cent. shareholding in AS LHV Finance ("**LHV Finance**"), an Estonian financial institution specialising in hire-purchase and small-loan services.

LHV Pank is the third largest bank in Estonia with a 18 per cent. market share in deposits, a 21 per cent. market share in corporate loans and a 11 per cent. share in household loans, in each case according to information provided by the EFSA as at 31 December 2024. In January 2025, an independent survey company, Dive, announced that LHV Pank offered the best service in Estonian banking with a score of 99.6 per cent.

LHV Pank is an Estonian licensed credit institution offering banking services to corporate and retail clients in Estonia. In addition to customer offices in Tallinn, Tartu and Pärnu, LHV Pank operated a UK branch, established in 2018, whose business was transferred to LHV Bank in August 2023. The formal winding down of the UK branch as a legal entity was completed by the end of 2023.

LHV Varahaldus is the second biggest pension fund manager in Estonia, with a market share of 24.2 per cent. among second pillar pension funds, according to data provided by the Estonian Pension Register (*Pensionikeskus*) as at 31 December 2024. LHV Varahaldus acts as the fund manager for Pillar 2 and Pillar 3 pension funds, and UCITS funds. As at 31 December 2024, LHV Varahaldus employed 29 people (on a full-time equivalent ("**FTE**") basis) and the volume of assets managed by it was over €1.5 billion. LHV Varahaldus has 153 thousand pension fund clients.

LHV Bank is a bank licensed in the UK. It has been lending to small and medium sized companies since 2023. In August 2023, it started operating part of the banking services business of the Group by acquiring the business of the UK branch of LHV Pank. Since September 2023, it has been raising retail deposits via deposit platforms.

As at 31 December 2024, the Group's consolidated net profit for the year was €150.3 million, compared to €140.9 million in 2023.

As at 31 December 2024, the Group's total loans and advances to customers amounted to €4.6 billion and its deposits from customers amounted to €6.9 billion. As at the same date, the Group's total assets were €8.7 billion. As at 31 December 2024, the Group employed 1,158 people (active employees only; FTE; consolidated).

HISTORY

The Group's history dates back to 1999 when LHV Pank was established pursuant to the Estonian Commercial Code by nine individuals and four legal entities, including Mr Rain Lõhmus and Mr Andres Viisemann. On 21 January 2025, the Issuer, in which Mr Rain Lõhmus and Mr Andres Viisemann remain significant shareholders, was incorporated as a holding company for both LHV Pank and LHV Varahaldus.

SHAREHOLDERS

Shareholders

The Issuer's principal shareholders are two of its founders who, between them own (directly and indirectly) 32.22 per cent. of the shares in the Issuer as at 31 December 2024. Both shareholders are also members of the Issuer's Supervisory Board.

For further information on the shareholders of the Issuer, please refer to Note 21 "Shareholders' equity" to the 2024 Financial Statements.

STRATEGY

The Group's vision is helping people and businesses dare to think big and act big. The Group's mission is to provide for better access to financial services and capital.

The Group's home markets are Estonia and increasingly also the UK. The Group has the capability to grow its business in both markets by leveraging its technological solutions. It has been demonstrated by the fact that the Group's deposits and loans have grown approximately two and a half times over the period from 31 December 2019 to 31 December 2024. The Group strives to grow within the bounds of predetermined risk appetite and profitability targets. The Group envisions itself as an international financial group that offers the best service to all customer groups and through all channels, from the mobile bank to the bricks-and mortar office.

For further information on the strategy of the Group, please refer to "Strategy and financial plan – 1. Strategy and the future" on pages 28-29 of the Annual Report 2024.

BUSINESS

The Group divides its business activities into operating segments based on the Group's legal structure. An operating segment is a part of the Group for which separate financial data is available and which is subject to regular monitoring of operating results by the Group's chief decision makers.

The Group's operating segment results are presented only at the legal entity level, as this is the level at which the Group's chief decision-makers monitor the results.

The LHV Pank segment includes banking activities and hire-purchase and consumer finance offering in Estonia. The main products are different kinds of credit and payments. For information on LHV Pank, please refer to "AS LHV Pank group" on pages 21-22 of the Annual Report 2024 which is incorporated by reference herein.

The LHV Varahaldus segment covers the activities of LHV Varahaldus that offers pillar II and III pension fund and other funds management services. For information on LHV Varahaldus, please refer to "AS LHV Varahaldus group" on page 23 of the Annual Report 2024 which is incorporated by reference herein.

The LHV Kindlustus segment covers the activities of LHV Kindlustus that offers non-life insurance. LHV Kindlustus has a 7 per cent. market share in insurance premiums according to information provided by the EFSA as at 30 June 2024. For information on LHV Kindlustus, please refer to "AS LHV Kindlustus" on pages 24 of the Annual Report 2024 which is incorporated by reference herein.

LHV Bank operates in three business lines – banking services for financial intermediaries, SME lending and retail banking. In banking services, LHV Bank offers a single platform to international financial

institutions enabling instant payment services in pounds and euros. LHV Bank is one of the largest banking services providers enabling its clients to reach 500 million end-customers in the UK and Europe. LHV Bank's banking services are used by more than 200 international clients with more than 10 million end-customers. In SME lending, LHV Bank offers commercial real estate investment loans and trading loans from £0.5 million to SMEs in the UK secured by commercial real estate and other guarantees. As at 31 December 2024, such SMEs contribute 8 per cent. of the Group's total credit portfolio. LHV Bank's strengths are a faster lending process and loan managers with long-term experience who understand the needs of local entrepreneurs and provide agile and tailored loans using purpose built technology. In retail banking, LHV Bank offers deposits to savers in the UK in partnership with deposit aggregators. LHV Bank launched its own retail banking app for private customers for their everyday banking transactions and savings in the first quarter of 2025. For further information on LHV Bank, please refer to "LHV Bank Ltd" on pages 25-26 of the Annual Report 2024 which is incorporated by reference herein.

Other activities include the parent company's activities, which are mostly capital and funding related, and Paytech which offers services to LHV Pank and LHV Bank, but also to external customers.

For further information on the operating segments of the Group, please refer to Note 4 of the 2024 Financial Statement and also refer to "Overview of the Group's subsidiaries 2024" on pages 21-27 of the Annual Report 2024 which is incorporated by reference herein for more information on subsidiaries and their business activities.

Lending and loan portfolio

For information on the Group's lending and loan portfolio, please refer to Note 12 "Loans and advances to customers" to the 2024 Financial Statements on page 223 of the Annual Report 2024 which is incorporated by reference herein.

Deposit portfolio

For information on the Group's deposit portfolio, please refer to Note 17 "Deposits from customers and loans received" to the 2024 Financial Statements on page 226 of the Annual Report 2024 which is incorporated by reference herein.

RISK MANAGEMENT AND INTERNAL CONTROL

For information on the Group's general risk management policies, please refer to "Risk management" in the 2024 Financial Statements on pages 139-143 of the Annual Report 2024 which is incorporated by reference herein.

Credit risk

For information on the Group's credit risk management, please refer to "Credit risk" in the 2024 Financial Statements on pages 147-173 of the Annual Report 2024 which is incorporated by reference herein.

Market risk

For information on the Group's market risk management, please refer to "Market risk" in the 2024 Financial Statements on pages 174-179 of the Annual Report 2024 which is incorporated by reference herein.

Liquidity risk

For information on the Group’s liquidity risk management, please refer to "Liquidity risk" in the 2024 Financial Statements on pages 179-183 of the Annual Report 2024 which is incorporated by reference herein.

INFORMATION TECHNOLOGY

The Group is offering digital banking and financial services, with technology at its heart since inception, with market-leading (based on publicly available data) digital channels including a mobile app, internet bank and API channels. Most systems are built in-house, utilising strong internal expertise.

The short to medium-term strategic focus of the Group in respect of information technology will be on cloud, mobile, and artificial intelligence based solutions.

INSURANCE

The Group maintains the following insurance policies:

- comprehensive crime and professional indemnity; and
- directors' and officers' liability.

The Group's insurance policies are subject to commercially negotiated deductibles, exclusions and limitations. Therefore, insurance may not cover all losses incurred by the Group and no assurance is given that the Group will not suffer losses beyond the limits of, or outside the cover provided by, its insurance policies.

COMPLIANCE

The Group's compliance function plays a vital role in identifying, assessing and providing advice relating to compliance with applicable laws and regulatory requirements. In addition to monitoring and reporting on compliance-related risks (which may give rise to legal and administrative penalties, financial loss or reputational damage), the compliance function is also responsible for conducting compliance audits.

ANTI-MONEY LAUNDERING

For information on the Group’s anti-money laundering policies, please refer to "Anti-financial crime (AFC)" on pages 185-187 of the Annual Report 2024 which is incorporated by reference herein.

LITIGATION

Entities of the Group are party to legal and administrative proceedings in the course of their everyday business operations. In the case of LHV Pank, it typically acts as plaintiff in these proceedings, seeking to recover debts by defaulting borrowers and other customers. As at the date of this Offering Circular, all on-going legal proceedings except those listed here below, concern debt recovery with members of the Group acting as plaintiffs.

Furthermore, since LHV Pank, LHV Bank, LHV Kindlustus and LHV Varahaldus operate in the fields subject to extensive legal regulation, they are subject to a number of administrative proceedings initiated primarily by the EFSA in the course of its ordinary financial supervision.

On 10 February 2022, the Central Bank of Lithuania passed a decision finding that LHV Pank had not met the requirements set out in the Regulation on Market Abuse (Regulation (EU) No 596/2014 of the

European Parliament and of the Council of 16 April 2014) when executing orders related to its client's securities. As a result, LHV Pank was fined EUR 200,000. The Central Bank of Lithuania conducted an investigation into LHV Pank's activities regarding the sale of AS Novaturas shares from 19 to 21 November 2019. The decision to impose the fine was adopted on 10 February 2022, and the amount determined was EUR 200,000. LHV Pank challenged this decision in the Administrative Court of Vilnius. On 10 October 2022, the Administrative Court of Vilnius passed a verdict rejecting LHV Pank's claim in its entirety. LHV Pank challenged the verdict in the Vilnius Court of Appeal on the basis of what LHV Pank considers to be significant flaws in the decision's substance and form. Additionally, LHV Pank requested a preliminary ruling from the Court of Justice of the European Union (the "**ECJ**"). As of the date of this Offering Circular, the ECJ has commenced preliminary ruling procedures, and the parties have submitted their arguments. A preliminary ruling from the ECJ is expected by the end of the second quarter of 2025.

On 13 June 2022, Wallter UAB, with registry code 304740691 (Lithuania), filed a lawsuit with the Harju County Court (Civil action No. 2-22-8816) against LHV Pank in the amount of EUR 3.3 million. The claim, which LHV Pank considers to be without merit, concerns legal relationships between third parties. On 18 December 2024, the Harju County Court dismissed the claim and ordered Wallter to bear the procedural costs. On 20 January 2025, Wallter filed an appeal against the decision, seeking its annulment in full. The Tallinn Court of Appeal accepted the appeal for proceedings on 24 January 2025, and granted LHV Pank 20 days from the delivery of the order to submit a response. LHV Pank received the order on 27 January 2025, and submitted a response on 17 February 2025. LHV Pank continues to assess the claim as without prospects but will contest it in all instances of court proceedings.

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

MANAGEMENT

In accordance with Estonian law, the Issuer has a two-tier board system, consisting of the management board (the "**Management Board**") and the supervisory board (the "**Supervisory Board**"). The Management Board is responsible for the day-to-day management of the Issuer's operations and is authorised to represent the Issuer based on the law and the articles of association of the Issuer (the "**Articles of Association**"). The Supervisory Board is responsible for strategic planning and for supervising the activities of the Management Board.

The highest governing body of the Issuer is the general meeting of the shareholders (the "**General Meeting**").

The address of operations of the Management Board and the Supervisory Board is the Issuer's registered address: Tartu mnt 2, 10145 Tallinn, Estonia.

Management Board

For information on the Issuer's Management Board, please refer to "Governance of the Group - Management board" on page 117 of the Annual Report 2024 and "Corporate governance report -

Management Board" on pages 122-125 of the Annual Report 2024 which are incorporated by reference herein.

On 26 March 2025, Madis Toomsalu, the Chairman of the Management Board and Chief Executive Officer ("**CEO**") of the Issuer since 2016, announced his intention to resign by the autumn of 2025.

On 9 June 2025, the Issuer announced, that the Supervisory Board of the Issuer has elected Mihkel Torim as Chairman of the Management Board and CEO of LHV Group. Mihkel Torim currently serves as Head of Investment Banking at LHV Bank, and he will assume the new role on 22 July 2025.

Supervisory Board

For information on the Issuer's Supervisory Board, please refer to "Governance of the Group - Supervisory board" on pages 116 –117 of the Annual Report 2024 and "Corporate governance report - Supervisory Board" on pages 125-126 of the Annual Report 2024 which are incorporated by reference herein.

General Meeting

For information on the Issuer's General Meeting, please refer to "Corporate governance report – General Meeting" on pages 121-122 of the Annual Report 2024 which is incorporated by reference herein.

Committees

The Issuer has four principal Supervisory Board level committees (Audit Committee, Remuneration Committee, Nomination Committee and Risk and Capital Committee). For information on such committees, please refer to "Corporate governance report – Supervisory Board" on pages 127-132 of the Annual Report 2024 which is incorporated by reference herein.

Conflicts of interest

Apart from their shareholdings in the Issuer, there are no known actual or potential conflicts of interest between the duties of any of the members of the Management Board and the Supervisory Board named above to the Issuer and their private interests or other duties.

Corporate governance

The Issuer complies with the corporate governance regime of Estonia. The Issuer is also committed to adhering the highest standards of corporate governance within its Group companies for ensuring transparent management of the Group companies and avoiding conflicts of interests. The Issuer follows the principles of good corporate governance arising from the Corporate Governance Recommendation of the EFSA and Nasdaq Tallinn Stock Exchange and the relevant reports are published as part of the annual reports of the Issuer. The Corporate Governance Recommendation is binding on the basis of "comply or explain principle", and any requirements which are currently not fully followed by the Issuer have been described in its latest Corporate Governance Report.

EMPLOYEES

For information on the Issuer's employees and recruitment strategy, please refer to "Remuneration policy" on pages 128-130 of the Annual Report 2024 which is incorporated by reference herein.

RELATED PARTY TRANSACTIONS

The Group's principal related party transactions are with its shareholders that have a significant impact on the Group and the entities related to them, members of its Management Board and legal entities controlled by them, members of its Supervisory Board and close relatives of the persons mentioned above and entities related to them. These transactions include transactions with related parties that generate interest income and expense and fee and commission income for the Group. Further information on the Group's related party transactions is set out in Note 24 to the 2024 Financial Statements.

RECENT DEVELOPMENTS

The Interim Financial Statements were re-published on 23 April 2025 to reflect the accounting treatment for the dividend to shareholders declared by the Issuer in March 2025 (which was paid in April 2025) as a liability rather than equity as at 31 March 2025.

While the results for the three-months ended 31 March 2025 are broadly in line with the Group's financial plan for 2025, due to the re-classification of outstanding loans to two client groups as Stage 3 loans, the amount of Stage 3 loans increased to €119.7 million and allowances for impairments in respect of the Group's loans and advances to customers amounted to 0.96 per cent., in each case as at 31 March 2025. As a result, the non-performing loans ratio was 2.5 per cent. and the non-performing loans coverage ratio was 38.1 per cent., in each case as at 31 March 2025.

The Issuer considers such allowances to be sufficient given the collateralisation status of the two client group loans, and expects that these will no longer be classified as Stage 3 loans by the end of 2025 as they are expected to recover through viable restructuring.

On 9 June 2025, the Issuer announced, that the Supervisory Board of the Issuer has elected Mihkel Torim as Chairman of the Management Board and CEO of LHV Group. Mihkel Torim currently serves as Head of Investment Banking at LHV Bank, and he will assume the new role on 22 July 2025.

TAXATION

The tax laws of the investor's jurisdiction and of the Issuer's jurisdiction might have an impact on the income received from the Notes. The following is a general description of certain Estonian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Estonia of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Estonia

Estonian Resident Noteholders

Pursuant to Article 17(1) of the Estonian Income Tax Act of 1999 (*tulumaksuseadus*), as amended (the "**EITA**"), income tax at the rate of 22 per cent. is charged on all interest received by natural persons who are resident in Estonia. Income tax payable in respect of interest payments to be made to Estonian residents is to be withheld by the Issuer.

Under the approved Security Tax Act of Estonia, an additional 2 per cent. tax applies on natural persons' taxable income from 2026 until the end of 2028.

The Issuer will not withhold income tax and the additional 2 per cent. tax if the Estonian resident Noteholder, who is a natural person, has notified the Issuer that the interest was received on financial assets acquired for money held in an investment account as specified in Article 17^2 of the EITA.

Interest income earned by resident legal entities is not subject to annual corporate income tax. Under Estonia's unique corporate income tax regime, such income is included in profits and taxed only when the profits are distributed, in accordance with the applicable procedures.

Resident legal entities should also be aware of the 2 per cent. profit tax on unconsolidated accounting profits before tax, applicable from 2026 to 2028.

The new Estonian government has decided to abolish the Security Tax Act, which results in the cancellation of the 2 per cent. profit tax applicable to businesses and the additional 2 per cent. tax on the taxable income of natural persons. Instead, the government plans to increase both the corporate income tax rate and the personal income tax rate from 22 per cent. to 24 per cent., effective from 2026. As of the date of this Offering Circular, no amendments to the law have been officially adopted.

Non-resident Noteholders

The Issuer does not withhold any income tax on interest payments to non-residents (i.e. non-resident legal or natural persons).

The income earned by non-resident Noteholders is not subject to taxation in Estonia but may be subject to taxation in their country of residence. Due to the specific semi-equity character of the Notes, each

Noteholder is encouraged to obtain personal tax advice on the treatment of payments under the Notes in their tax jurisdiction.

Definitive Notes

Noteholders should be aware that, if Definitive Notes are issued, holders of any Definitive Notes that are not held through Euroclear or Clearstream, Luxembourg, who are natural persons, will be required to present evidence of non-Estonian residency or other evidence as required by the Issuer, to the relevant Paying Agent, in order to receive payments of interest free of Estonian withholding tax (which, as at the date of this Offering Circular, is charged at a rate of 22 per cent.).

If any change in law, treaty, regulation, or interpretation by the tax authorities in the Taxing Jurisdiction causes payments under the Notes to be classified as dividends instead of interest, requiring the Issuer to pay corporate income tax in its own name, the Issuer will bear this tax burden without deducting it from payments to Noteholders. However, if such payments are also subject to withholding or other taxes in Estonia, the Issuer may deduct these taxes from the amounts payable to Noteholders (subject to gross-up under Condition 9 (*Taxation*)).

Taxation of capital gains in Estonia

Estonian Resident Noteholders

The income earned by resident individuals from the sale or exchange of Notes is taxed as capital gain from the transfer of property which is subject to income tax at the rate of 22 per cent. A Noteholder has to declare the gain and pay the income tax.

Under the approved Security Tax Act of Estonia, an additional 2 per cent. tax applies on natural persons' taxable income from 2026 until the end of 2028.

Pursuant to Article 37(1) of the EITA, a resident individual has the right to deduct certified expenses directly related to the sale or exchange of Notes from the resident's gain or to add such expenses to the resident's loss. The gain or loss derived from the transfer of Notes is the difference between the acquisition cost and the sale price of the Notes. The gains or loss derived from the exchange of Notes is the difference between the acquisition cost of the Notes and the market price of the property received as a result of the exchange.

Individual Noteholders may postpone the taxation of their income derived from the sale or exchange of the Notes, by using an investment account specified in Article 17 of the EITA for the purposes of making transactions with the Notes and depositing the proceeds from the transfer of Notes in the investment account. 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 previously paid into the account).

Gains received by resident legal entities from the sale of Notes is not subject to annual corporate income tax. Under Estonia's unique corporate income tax regime, such capital gain is included in profits and taxed only when the profits are distributed, in accordance with the applicable procedures. Resident legal entities should also be aware of the 2 per cent. profit tax on unconsolidated accounting profits before tax, applicable from 2026 to 2028.

Non-resident Noteholders

Gains received from the sale or exchange of Notes is not subject to income tax in Estonia by non-resident Noteholders (i.e. non-resident legal persons who do not have a permanent establishment in Estonia, and/or natural persons).

Any gains received by non-resident Noteholders may be subject to taxation in their country of residence.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

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

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

The Sole Bookrunner has, pursuant to a subscription agreement dated 16 June 2025 (the "**Subscription Agreement**"), agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at 100 per cent. of their principal amount. In addition, the Issuer has agreed to pay the Sole Bookrunner a combined management and underwriting commission, to reimburse the Sole Bookrunner for certain of its expenses and to indemnify the Sole Bookrunner against certain liabilities in connection with the issue of the Notes. The Subscription Agreement entitles the Sole Bookrunner to terminate it in certain circumstances prior to payment being made to the Issuer including in the event that certain conditions precedent are not delivered or met to its satisfaction on or before the issue date of the Notes. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Sole Bookrunner in respect of any expense incurred or loss suffered in these circumstances.

United States of America

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

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

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

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

Prohibition of Sales to EEA Retail Investors

The Sole Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97/ (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Sole Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Other UK regulatory restrictions

The Sole Bookrunner has further represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person apply to the Issuer; and

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

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Offering Circular Regulation and any applicable provision of Italian laws and regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Offering Circular Regulation, Article 34-ter of CONSOB regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time; and

(ii) comply with any other applicable laws or requirements imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

General

The Sole Bookrunner has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any other offering material, in all cases at its own expense, relating to the Notes. Persons into whose hands this Offering Circular comes are required by the Issuer and the Sole Bookrunner to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by the Supervisory Board of the Issuer given on 28 May 2025.

Legal and Arbitration Proceedings

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

Significant/Material Change

3. Since 31 December 2024 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries. Since 31 March 2025, there has been no significant change in the financial position or performance of the Issuer or the Issuer and its Subsidiaries.

Auditors

4. KPMG Baltics OÜ has audited the 2023 Financial Statements and issued an unqualified auditor's report from the audit thereof. KPMG Baltics OÜ is a member of the Estonian Auditors' Association.

   AS PricewaterhouseCoopers has audited the 2024 Financial Statements and issued an unqualified auditor's report from the audit thereof. AS PricewaterhouseCoopers is a member of the Estonian Auditors' Association.

Documents on Display

5. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuer or at (i) https://investor.lhv.ee/en/senior-bonds/ (in the case of the documents listed at (a) and (b) below) or (ii) https://investor.lhv.ee/en/reports/ (in the case of the documents listed at (c) below) for as long as the Notes are admitted to trading on the GEM:

   (a) the articles of association and trade register extract of the Issuer (as the same may be updated from time to time);

   (b) the Agency Agreement and the Deed of Covenant; and

   (c) the Financial Statements.

   For the avoidance of doubt, unless specifically incorporated by reference into this Offering Circular, information contained on the website of the Issuer does not form part of this Offering Circular.

   In addition, this Offering Circular will be available, in electronic format, on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin).

Yield

6. If the Issuer were to pay interest on each Interest Payment Date up to and including the Reset Date and were to redeem the Notes on the Reset Date, the yield on the Notes would be 4.220 per cent. per annum on an annual basis. The yield is calculated as of the date of this Offering Circular and may fluctuate in the future. It is not an indication of future yield.

ISIN and Common Code

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS3090105829 and the common code is 309010582. The Classification of Financial Instrument (CFI) code and the Financial Instrument Short Name (FISN) code are each as set out on the website of the Association of National Numbering Agencies (ANNA).

Listing Agent

8. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the GEM.

The Legal Entity Identifier

9. The Legal Entity Identifier (LEI) code of the Issuer is 529900JG015JC10LED24.

Conflicts of Interest

10. The Sole Bookrunner has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. The Sole Bookrunner and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

INDEX OF DEFINED TERMS

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